

Taiwan Cooperative Financial Holding Co., Ltd.

Proceedings of the 2025 Annual General Shareholders' Meeting

Date and Time: 09:00 A.M., Friday, June 20th, 2025

Location: 1st Floor, No.225, Section 2, Chang'an East Road, Songshan District, Taipei City, Taiwan R.O.C. (Taiwan Cooperative Bank Headquarters)

Method of Convening the Meeting: Physical shareholders' meeting with the assistance of video conference (physical meeting and e-meeting platform)

Video Conference Platform: e-Meeting Platform, run by Taiwan Depository Clearing Corporation (TDCC)
(URL: <https://stockservices.tdcc.com.tw>)

Attendance by shares: The total number of shares issued by the Company is 15,196,753,210(excluding 27,457,386 legally non-voting shares). There were a total of 10,700,906,196 equity shares attending the meeting (of which 8,197,950,986 shares had registered to exert voting rights via electronic means), accounting for 70.41% of the total number of shares issued.

Attending Board Members: 11 directors, exceeding half of the 15 seats in the board.

Chairperson: Lin, Yen-Mao

Director and President: Su, Tso-Cheng

Independent Directors: Lin, Hsuan-Chu (convener of the Audit Committee);

Chang, Min-Chu; Lin, Hann-Chyi; Shay, Arthur; Liu, Beatrice

Directors: Mai, Shen-Gang; Den, Yen-Dar; Yang, Dong-Liarng; Lee, Chung-Yung

Others Present:

Lawyer: Yang, Shiao-Pan, Lexcel Law Offices

CPA: Lin, Wang-Shen, Deloitte & Touche

Chair: Lin, Yen-Mao, Chairperson of the Board of Directors

Minutes Takers: Lin, Yi-Syuan; Lin, Pin-Yu; Hsu Ku, Szu Wei

I. To announce the quorum in present and to call the meeting to order

The total number of shares issued by the Company is 15,196,753,210 (excluding 27,457,386 legally non-voting shares). As at 9 a.m. on June 20, 2025, there were in total 10,700,298,398 equity shares attending the meeting (of which 8,197,950,986 shares had registered to exert voting rights via electronic means), accounting for 70.41% of the total number of shares issued, a ratio that has met the quorum. Therefore, by law, the chair of the meeting called the meeting to order.

II. Chairperson's Remarks(omitted)

III. Matters for Reporting

1. TCFHC 2024 Business Performance
(Noted)
2. TCFHC 2024 Financial Statements and Account Audit Reported by Audit Committee.
(Noted)
3. TCFHC 2024 Remuneration Distribution of Board of Directors and Employees Report.
(Noted)
4. Report on the promulgation of the relevant law and regulations. Regarding a same person or a same affiliate who holds over the designated rate of a TCFHC's voting shares.
(Noted)

Chairperson's Remarks:

Regarding certain proposals submitted by minority shareholders for this Annual General Shareholders' Meeting, the Board of Directors has reviewed them in accordance with related law and determined that they cannot be included in the agenda. For detailed reasons, please refer to Appendix on page 103 of the Shareholders' Meeting Handbook.

IV. Matters for Recognitions

There were six proposals raised for Recognitions and Discussions. In the wake of discussions on proposals one after the other, a joint vote was held with the results announced immediately after. For the vote, the Chair of the meeting appointed Mr. Chen, ***Kuo (Shareholder No.602131), Mr. Lin, ***Lieh (Shareholder No.606621) and Ms. Huang, ***Wen (Shareholder No.696877) as scrutineers, and staffs from Yuanta Securities to be responsible for tallying votes.

Proposal 1: To submit the 2024 Annual Business Report and Financial Statements for approval and adoption. (Proposed by the Board of Directors)

Contents: The TCFHC 2024 Business Report and Financial Statements have been audited by the TCFHC Audit Committee and approved by the 7th Extraordinary Meeting of the 5th Board of Directors. The financial statements have been audited and certified by Deloitte, Taiwan in accordance with Article 35 of the Articles of Incorporation. The 2024 Business Report and Financial Statements are hereby submitted for adoption.

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

The total number of attending voting shares (including votes cast by electronic means):
10,700,899,009

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 10,110,940,548	94.48%
The total number of voting shares that disapprove: 5,921,155	0.05%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 584,037,306	5.47%

The proposal has passed by a majority vote.

Resolution:

The TCFHC's 2024 Annual Business Report and Financial Statements have been approved as what had been submitted.

Proposal 2: TCFHC's 2024 earnings appropriation is proposed for recognition.
(Proposed by the Board of Directors)

Contents:

1. The TCFHC's net income for 2024 is NT\$19,219,939,289. The earnings available for distribution of 2024 is NT\$36,417,238,503 after the adjustment as below(for details, please refer to the table as attached):
 - Plus retained earnings with investment adjustment on equity method of NT\$5,269,922,713.
 - Less legal reserve of NT\$2,448,986,200.
 - Less special reserve for other equity of NT\$771,613,217.
 - Plus the undistributed earnings at the beginning of this period of NT\$15,147,975,918.
2. In compliance with TCFHC's articles of incorporation, TCFHC proposes to distribute NT\$15,224,210,597 out of the 30% - 100% of the available for distribution earnings (approximately consisting of 41.80% of earnings available for distribution) to issue cash dividends of NT\$10,656,947,417 and stock dividends of NT\$4,567,263,180, which equals to NT\$ 0.70 cash dividend per share (7.0% dividend yield) and NT\$0.30 stock dividend per share(3.0% dividend yield) based on a total of 15,224,210,596 common stocks issued as of the earnings appropriation record date. The remaining NT\$21,193,027,906 undistributed earnings will be distributed in the years that ensue.

3. The proposal of distributing NT\$0.70 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. After this proposal is submitted to the shareholders' meeting for approval, the Board of Directors is authorized to set the ex-dividend date.
5. If the total number of outstanding shares is affected by the repurchase of TCFHC shares, or the transfer, conversion, or write-off of shares or other circumstances, and the shareholder dividends and share allotment rates change as a result, TCFHC requests authorization for the Board of Directors to process the adjustments.

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

The total number of attending voting shares (including votes cast by electronic means): 10,700,899,009

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 10,118,555,783	94.55%
The total number of voting shares that disapprove: 3,721,074	0.03%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 578,622,152	5.42%

The proposal has passed by a majority vote.

Resolution:

The earnings appropriation for the year 2024 has been approved as proposed.

V. Matters for Discussions

Proposal 1: The proposal of issuing new shares for capitalization of 2024 earnings is submitted for review and discussions. (Proposed by the Board of Directors)

Contents:

1. By following Article 240 of the Company Act, TCFHC proposes to appropriate NT\$4,567,263,180 from the company's 2024 net income for the capitalization of earnings by issuing 456,726,318 new shares, which will be used to strengthen TCFHC's capital stock structure and increase the capital size.
2. The amount and conditions of new shares issuance:
 - (1) The amount of additional capital and new share are indicated in the previous paragraph, all of which are common stock.
 - (2) For the allotment of shares, every thousand shares as held will receive 30 new shares free-of-charge (dividend rate of 3.0%) based the shareholding proportion recorded on the shareholders' roster on the ex-right record day.
 - (3) 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.
 - (4) Shareholders allotted with fractional shares are able to combine their fractional shares at TCFHC's stock transfer agent, within 5 days after the ex- right record date, or to sell in lieu of cash at the share's par value. For accumulated number of fractional shares, please authorize the chairperson to approach certain parties to purchase at par value.
 - (5) The rights and obligations of the new shares as issued for this capital increase will be the same as those of outstanding shares.
 - (6) 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.
3. With the issuance of new share for the capitalization of earnings, TCFHC's paid-in-capital will increase from NT\$152,242,105,960 to NT\$156,809,369,140, an amount that is still under the authorized ceiling of NT\$200 billion.
4. For those which are not attended in the proposal, TCFHC proposes to authorize the board of directors with sole discretion.

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

The total number of attending voting shares (including votes cast by electronic means):
10,700,899,009

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 10,117,988,690	94.55%
The total number of voting shares that disapprove: 4,323,084	0.04%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 578,587,235	5.41%

The proposal has passed by a majority vote.

Resolution:

The proposal of issuing new shares for capitalization of 2024 earnings has been approved as proposed.

Proposal 2: The proposal of amending TCFHC's Articles of Incorporation is submitted for review and discussion. (Proposed by the Board of Directors)

Contents:

1. The key points of this amendment are listed below:
 - (1). Taking into account the size of TCFHC's organization and staffing, we propose a minimum limit on the ratio of employee remuneration distributed to entry-level employees. (Article 35-1).
 - (2). Specify the date of this amendment of the Articles of Incorporation. (Article 40).
2. Draft amendment to TCFHC's Articles of Incorporation and the comparison table of the amendments are provided in the attachments.

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

The total number of attending voting shares (including votes cast by electronic means):
10,700,899,009

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 10,118,081,632	94.55%
The total number of voting shares that disapprove: 3,586,267	0.03%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 579,231,110	5.42%

The proposal has passed by a majority vote.

Resolution:

The amendments to TCFHC's Articles of Incorporation have been approved as proposed.

Proposal 3: The proposal of amending TCFHC's Procedures Governing the Acquisition and Disposal of Assets is submitted for review and discussion. (Proposed by the Board of Directors)

Contents:

1. This is processed in accordance with Article 6, Paragraph 1 of the Financial Supervisory Commission's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
2. The amended articles of the TCFHC's "Procedures for Acquisition or Disposal of Assets" are as follows:
 - (1). The provisions on supervisors have been deleted to meet actual conditions and in reference to the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. (Articles 6, 8, 14, 20, 36, and 37).
 - (2). The TCFHC added the approval level for the acquisition or disposal of assets in accordance with Article 7, Paragraph 1 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. (Article 6-1).

(3). In order to address the non-compliance in the corporate governance evaluation indicators of TCFHC, we added that if TCFHC has transactions with related parties as stipulated in Article 14, Paragraph 1, it shall submit the actual transaction details (including the actual transaction amount, transaction conditions, and the information in the preceding paragraph) to the next shareholders' meeting after the end of the fiscal year. (Article 14, Paragraph 2).

3. The comparison table of the amendments to the TCFHC's Procedures for Acquisition or Disposal of Assets is provided in the attachment.

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

The total number of attending voting shares (including votes cast by electronic means): 10,700,899,009

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 10,118,211,555	94.55%
The total number of voting shares that disapprove: 3,739,932	0.03%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 578,947,522	5.42%

The proposal has passed by a majority vote.

Resolution:

The amendments to TCFHC's Procedures for Acquisition or Disposal of Assets have been approved as proposed.

Proposal 4: The proposal of releasing TCFHC directors from non-compete restrictions as detailed in the appendix, is submitted for review and discussions.(Proposed by the Board of Directors)

Contents:

1. As set forth in Paragraph 1, Article 209 of the Company Act, 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.
2. The conducts that TCFHC directors have undertaken for oneself or on behalf of another person that are within the scope of the company's business are detailed in the list as enclosed. It is herein to request the approval of releasing the persons from non-compete restrictions during their tenure of director in TCFHC.

List of the release of Non-Competition restriction

Name of Director	Company	Concurrent Post
Lin, Yen-Mao (Representative of Ministry of Finance, R.O.C.)	Taiwan Futures Exchange Co., Ltd.	Director
	United Taiwan Bank S.A	Chairperson
Su, Tso-Cheng (Representative of Ministry of Finance, R.O.C.)	Taiwan Financial Asset Service Corporation	Supervisor
Yang, Dong-Liang (Representative of National Farmers' Association, R.O.C.)	New Taipei City Farmers' Association	President
Chen, Chun-Hung (Representative of National Farmers' Association, R.O.C.)	Shalu District Farmers' Association	President

Highlights of the Proceedings and Resolution:

Upon emcee's announcement and explanation of the proposal, following which there was no shareholder raising opinion, the Chair of the meeting then announced that voting and tallying would be carried out in the wake of the proceedings of all the matters for adoptions and discussions.

Voting Results:

After deducting the recused voting shares for this proposal, the total number of attending voting shares (including votes cast by electronic means): 6,496,884,248

Voting Results	Ratio of the cast voting shares to the total voting shares
The total number of voting shares that approve: 5,910,149,744	90.96%
The total number of voting shares that disapprove: 7,533,297	0.11%
Invalid voting share: 0	0.00%
The total number of voting shares that casted abstention or did not vote: 579,201,207	8.93%

The proposal has passed by a majority vote.

Resolution:

The proposal of releasing TCFHC directors from non-compete restrictions raised in this meeting has been approved as proposed.

VI. Extemporary Motions

Statement Summary:

1. Shareholder (1010330) raised queries regarding over the past decade, holding TCFHC's shares suggests that they haven't kept pace with the market. While long-term performance has been decent, as other banks continue to make progress and implement reforms, it's clear that TCFHC still needs to step up its efforts. For instance, in-person counter services could benefit from a bit more friendliness, starting with training frontline staff to be friendlier and more enthusiastic would be a good approach. In the face of a highly competitive environment, I would still like to extend my encouragement to the Chairperson of TCFHC.

The queries were responded by the Chair of the meeting and the President of TCFHC, which were summarized as follows:

We sincerely appreciate the shareholder for the long-term support in purchasing TCFHC's shares and appreciate your valuable feedback. Our company will continue to strengthen service etiquette and improve the overall quality of our customer service. As for the stock price, although it has not shown outstanding performance recently, our company has undertaken active structural adjustments over the past two years. In 2023, our bank subsidiary, TCB, reported non-performing loans (NPLs) of NT\$5.1 billion, with a coverage ratio of 638% and an NPL ratio of 0.18%. By the end of May this year, NPLs had improved to NT\$4.8 billion, with the coverage ratio increased to 711.61%, and the NPL ratio lowered to 0.16%, which has been beneficial to the company's overall structure. Our goal remains to ensure steady and sustainable dividend distributions.

Human resources are a key factor in service quality. In recent years, our bank subsidiary has begun consolidating branches. With strong support from the labor union and proactive cooperation from our employees, we strive to deliver more comprehensive services to our customers. As a financial services provider, we will continue to enhance both our professionalism and service attitude. We are also dedicated to actively participating in future developments in digitalization and AI. Thank you again for your kind encouragement.

2. Shareholder (992104) raised queries regarding the recent international situation, the media reported that the prospects for China economy seems bleak and there is a trend of Taiwanese entrepreneurs withdrawing from the region. As for TCB's branches in China, which were set up in response to the footsteps of Taiwanese entrepreneurs, has TCB considered evaluating and adjusting its branch locations based on operational performance to avoid any potential impact on shareholder interests?

The queries were responded by the Chair of the meeting and the President of TCB, which were summarized as follows:

China is currently facing four major economic challenges: a slowdown in economic growth, rising debt and real estate risks, and intensifying U.S.-China trade tensions. In response, TCB has adopted a more conservative approach to credit extension and investment projects in China. At present, TCB operates four branches in China, including Suzhou Branch, Tianjin Branch, Fuzhou Branch and Changsha Branch. In 2024, these four branches collectively achieved a pre-tax profit of NT\$118 million. However, due to significant provisions for non-performing loans and the additional income tax expenses required under local tax regulations, the combined operations in China recorded an after-tax net loss of NT\$65 million.

Moving forward, we will continue to adopt a prudent lending strategy in China, further strengthening internal controls and risk management. Business development will emphasize quality over quantity, maintaining strict exposure limits and prioritizing loans to high-quality Taiwanese enterprises or those with

risk transfer mechanisms. By effectively attracting deposits and reducing funding costs, aspiring for sustained and stable performance from our China branches.

Looking ahead to TCFHC's overseas branches, we remain committed to building a well-rounded international network. In addition to strictly managing risk exposure in China, TCFHC will proactively expand its operations in regions with strong economic growth, such as the United States and Australia, offering localized services that closely align with client needs. This approach aims to capitalize on industry benefits and boost the proportion of its overseas profits.

3. Afterward, given that there was no further provisional motions being raised, the Chair of the meeting announced to have the meeting adjourned.

VII. Meeting adjournment(at 09:48 AM)

This meeting minutes contains the highlights of the proceedings and results of the meeting as prescribed in the paragraph 4 of the article 183 of the Company Act. For the full contents, procedures, and the shareholders' remarks of the meeting, please refer to the video and audio records of the meeting.

Chair of the Meeting: Lin, Yen-Mao, the Chairperson of TCFHC

Minutes takers: Lin, Yi-Syuan; Lin, Pin-Yu; Hsu Ku, Szu Wei

Taiwan Cooperative Financial Holding Co., Ltd.

2024 Business Report

In 2024, global economic performance has exhibited differences in terms of both regions and industries. The US economy performed better than expected due to strong domestic demand. Europe faced weak manufacturing and geopolitical pressure. China adjusted policies to support growth amid a sluggish real estate market and weak domestic demand. The strength of economic growth is uneven in different countries with the divergent trends offsetting each other and slow recovery of global economic growth. According to data released by the International Monetary Fund (IMF) in January 2025, the global economic growth rate is estimated to be 3.3% in 2025, but it is still lower than the annual average growth rate of 3.7% from 2000 to 2019. The global economy will remain stable.

In terms of the domestic economy, due to the expansion of artificial intelligence (AI) exports, investment demand has encouraged manufacturers to stockpile and increase the purchase of equipment, and the economy also benefited from wealth pouring in from the stock market. According to data released by the Directorate General of Budget, Accounting and Statistics (DGBAS), Executive Yuan in January 2025, the economic growth rate in 2024 is estimated to be 4.30%, an increase of 3.18 percentage points from 1.12% in 2023. Looking ahead to the economic performance this year (2025), the adoption of artificial intelligence (AI) continues to drive export expansion. In terms of domestic demand, private consumption has slowed down due to the high baseline set in previous years. The domestic economic growth rate is predicted to be 3.29% in 2025.

Over the past year, thanks to the trust and support of shareholders, TCFHC has achieved steady growth in overall operations with a robust customer base and the synergistic group-wide efficiency. The consolidated net profit after tax in 2024 reached NT\$19.809 billion, an increase of 10.80% over 2023. The growth momentum came from the fee income of core bank subsidiary – Taiwan Cooperative Bank (TCB) and the foreign exchange income of financial products. The after-tax earnings per share were NT\$1.26 while the after-tax return on equity and after-tax return on assets were 7.84% and 0.40%, respectively. In the future, the Group will continue to pursue excellence and growth on the solid foundation built with prior efforts to maximize shareholder value.

TCFHC's operating results for 2024 and its operating policies and strategies for 2025 are summarized as follows:

I. 2024 Business Results

(I) Implementation overview and business plan implementation results.

1. Profitability

- (1) The profit-making TCB actively consolidates the income from its core businesses. It dynamically adjusts its strategies and while maintaining a sound asset structure. Its net profit after tax in 2024 reached NT\$18.953 billion, an increase of NT\$2.650 billion from the previous year's net profit after tax of NT\$16.303 billion, and a growth rate of 16.25%. Its prospects for business growth will continue to improve.

- (2) The businesses of the securities, asset management, investment trust and venture capital subsidiaries continued to grow, with net profits after tax reaching NT\$216 million, NT\$359 million, NT\$20 million, and NT\$183 million in 2024, respectively, an increase of 6.93%, 4.66%, 11.11%, and 44.09% over 2023, respectively. The profits of the venture capital subsidiary – Taiwan Cooperative Venture Capital (TCVC) reached a record high since its establishment. The after-tax net profits of the bills finance subsidiaries – Taiwan Cooperative Bills Finance (TCBF) and life insurance subsidiaries BNP Paribas Cardif TCB Life Insurance (BNP TCB Life) in 2024 were NT\$65 million and NT\$1.203 billion, respectively, down approximately 68.45% and 4.07% from 2023. TCBF adjusted its bond positions due to the impact of negative interest rate spreads. However, it was able to reduce the interest rate spread losses and re-position after the disposal of these assets. BNP TCB Life was affected by the higher commission rate of term-payment products, and its profit performance fell below expectations.
2. Capital allocation
- The common equity ratio, tier 1 capital ratio, and capital adequacy ratio of TCB at the end of 2024 were 11.32%, 12.88%, and 14.94% respectively, which were in line with the internal management capital standards for D-SIBs at the end of 2024 stipulated by the Financial Supervisory Commission.
3. Integrated marketing
- (1) TCFHC has continued to integrate the Group's resources to maximize the synergy of its subsidiaries and has achieved remarkable results. As of the end of 2024, the securities subsidiary – Taiwan Cooperative Securities (TCS) has set up 258 securities counters in the business premises of TCB channels, and the securities brokerage business order volume accounted for 65.09% of TCS annual total trading volume.
- (2) The premium income and the sales of funds (excluding money market funds) in the year contributed by BNP TCB Life and investment trust subsidiaries – Taiwan Cooperative Securities Investment Trust (TCSIT) through sales channels of other subsidiaries of the Group accounted for 77.34% and 60.73%, respectively, of the companies' total premium income and sales of fund (excluding money market funds) for the year.
- (3) The number of corporate clients referred by each subsidiary to the asset management – Co-operative Assets Management (CoAMC) and TCVC accounted for 28.24% and 39.45% of the companies' total cases, respectively. In the future, we will continue to enhance the business cooperation between subsidiaries to increase the overall effectiveness of cooperation.

4. Overseas development

- (1) We are actively expanding our financial services footprint, with overseas locations spanning four continents including Europe, the Americas, Asia, and Australia. Together with the overseas units of TCB and our CoAMC in Suzhou, Mainland China, and its Dongguan branch, the Group has 28 overseas locations. TCB continues to set up branches in Tokyo, Japan, and Singapore to integrate financing and cash flow services in the region and improve its presence in the Asian market.
- (2) As of the end of 2024, the pre-tax profit after provisions of TCB overseas units (excluding United Taiwan Bank) was NT\$1.022 billion, accounting for 4.41% of the bank's profit.

5. Innovative financial services

- (1) TCB has been listed among the top 100 domestic companies in terms of the number of patent applications for six consecutive years and has topped the list in the financial industry for two consecutive years. The number of its invention patent applications also ranked first in the financial industry with 35.
- (2) In 2024, TCB completed three major digital projects and 14 key business digitalization projects, including the "Corporate Customer Service Network - Small and Medium Enterprise and Micro Enterprise Loan Application Network", "Cloud Strategy and Governance Planning (Cloud Phase 0 Education and Training)" and "Open Banking API with Identity Verification and Financial Fast-ID".
- (3) TCB launched the "Merchant Acquiring E-Management System" to simplify branch operating procedures and improve review efficiency.
- (4) To complete the digital insurance services, BNP TCB Life has launched the new business of "Medical Records for Insurance Claims & Claims Alliance Chain 2.0" to implement paperless processes for insurance claims. In combination with Claims Alliance Chain 2.0, it can also deliver claims in one place, providing policyholders with high-quality digital insurance services.

6. Business awards and achievements

- (1) TCB won the "Best SME Finance Award" and the "Best Corporate Trust Finance Award" at the Elite Awards for Taiwan Banking Excellence hosted by the Taiwan Academy of Banking and Finance. It was the only state-owned bank to receive the special honor.
- (2) TCB has won multiple awards for its operating performance, including the "Excellent Bank for Lending to Six Core Strategic Industries", "Financial Education Contribution Award - Best Investment Award" awarded by the Financial Supervisory Commission, the "Low-Carbon Intelligence Award" from the Small and Medium Enterprise Credit Guarantee Fund, the "Post-Pandemic Revitalization Award (Financial Institution Group)", the "Assistance to Regional Post-Pandemic

Revitalization and Transformation Award", the "Young Entrepreneurs, Startups, and Microenterprises Supporting Award", the "Assisting Enterprise Award", and the "Outstanding Performance Award in Credit Case Collection".

- (3) TCB won the second place in the "Best Trust Award", the second place in the "Employee Welfare Trust Award", the second place in the "Trust Alliance Award", and the fifth place in the "Retirement Trust Award" in the FSC's third evaluation of the promotion of the Trust 2.0 plan by the trust industry, making the Bank the only financial institution to win four major awards.
- (4) TCB organized won the "Urban Renewal Innovation - Gold", "Senior Care Innovation - Excellence", "Employee Welfare Trust Innovation - Excellence", and "Outstanding Marketing - Excellence" awards in the 2024 Trust Award. TCB won the "Best Diversified Trust Award" in the 2024 Best Bank Rating Survey.
- (5) TCB won the 2024 "Excellence in Cross-Bank Business Expansion Award" presented by Financial Information Service Co., Ltd. The securities subsidiary won the Outstanding Award in the Taiwan Stock Exchange's Fraud Prevention Performance Assessment of Securities Firms in 2024.
- (6) BNP TCB Life was awarded the "National Insurance Coverage Improvement Plan" by the Financial Supervisory Commission and the "Digital Finance Award" in the 2024 Insurance Excellence Evaluation.

(II) Budget implementation and profitability analysis

1. Budget implementation status

TCFHC's revenue for 2024 was NT\$20,418 million, expenses and losses were NT\$780 million. After deducting expenses, the net profit before tax was NT\$19,638 million (individual), and the net profit after tax was NT\$19,220 million (individual), with a budget target achievement rate of 95.69%.

Unit: NT\$ million; %

Item	Actual (A)	Budget (B)	A/B(%)
Return	20,418	20,853	97.91
Costs and losses	(780)	(738)	105.69
Pre-tax profit	19,638	20,115	97.63
Net income for the current period	19,220	20,085	95.69
After-tax earnings per share (NT\$)	1.26	1.32 (Note)	95.45

Note: Impacts from bonus shares issued have been included as part of retroactive adjustments.

2. Profitability analysis

The profitability of TCFHC and its subsidiaries for 2024 is provided below:

Unit: NT\$ million; NT\$; %

Company Name	Pre-tax profit	Net profit after tax	After-tax earnings per share (before/after tax) (NT\$)	Net income ratio (%)	Return on assets (%)	Return on equity (%)
TCFHC and subsidiaries (consolidated)	24,979	19,809	1.26	30.09	0.40	7.84
TCFHC (individual)	19,638	19,220	1.26	96.51	6.47	7.78
Taiwan Cooperative Bank (individual)	23,150	18,953	1.54	33.00	0.40	7.04
Taiwan Cooperative Securities (individual)	350	216	0.41	14.43	0.74	3.49
Taiwan Cooperative Bills Finance Corporation, Ltd.	124	65	0.13	25.35	0.09	0.89
Co-Operative Assets Management (individual)	465	359	1.14	44.81	2.42	9.22
BNP Paribas Cardif TCB Life Insurance	1,432	1,203	1.75	52.48	0.95	10.62
Taiwan Cooperative Securities Investment Trust	20	20	0.62	6.67	4.04	4.68
Taiwan Cooperative Venture Capital	185	183	1.36	75.53	11.26	12.32

Note:

1. Net profit before tax and net profit after tax of NT\$1 million or less are rounded off.
2. The consolidated net profit after tax of TCFHC and its subsidiaries includes the individual net profit after tax of TCFHC and the profit or loss attributable to non-controlling interests of BNP TCB Life and United Taiwan Bank.
3. Net profit margin = profit or loss after tax ÷ net income (or operating income).
4. Return on assets = profit and loss after tax ÷ average assets.
5. Return on equity = income after tax ÷ average net worth.

(III) Implementation results of support for government policies

1. Provide policy financing projects

(1) TCB processes the "Preferential Housing Loans for Youths" of the Ministry of Finance to assist the public in raising funds for purchasing and renovating their homes. As of the end of 2024, its market share was 11.76%, ranking third among all banks.

(2) TCB processes the "Subsidized Loans for Independent Purchases and Renovations of the Ministry of the Interior". As of the end of 2024, the loan balance was NT\$4.289 billion and the market share was 8.87%, ranking third among all banks.

2. Supporting the development of six core strategic industries

As of the end of 2024, TCB handled a loan balance of NT\$800.574 billion for the "Six Core Strategic Industries Project Loans", ranking second among all banks.

3. Support for the development of SMEs

(1) TCB handles "small and medium-sized enterprise loans". As of the end of 2024, the loan balance was NT\$837.773 billion, ranking second among all banks.

(2) TCB has achieved excellent results in handling the "SMEs Transfer Credit Guarantee Fund Loans". As of the end of 2024, the guaranteed balance of the SMEs transfer credit guarantee fund amounted to NT\$199.864 billion, ranking second among all participating financial institutions.

4. Supporting the New Southbound Policy

TCB has established 13 locations in the New Southbound target countries, accounting for 50% of all overseas locations. In response to government policies, a "New Southbound Loan Project" has been established to assist companies going to the New Southbound to obtain the necessary funds. When undertaking business, they can also make good use of the financing guarantee mechanisms provided by the Small and Medium Enterprise Credit Guarantee Fund, Agricultural Credit Guarantee Fund, and Overseas Credit Guarantee Fund to reduce credit risks. We have recently been actively promoting the application process for setting up a branch in Singapore with the aim of starting operations as soon as possible. In the future, we will continue to focus on the New Southbound countries, increase our presence in the local market, and evaluate potential locations for development to expand overseas financial businesses.

5. Supporting urban renewal policies

(1) TCB supports the government's urban renewal policies and loans for the reconstruction of dangerous and old buildings. As of the end of 2024, it had undertaken a total of 95 urban renewal financing loans with a credit limit of NT\$152.638 billion, and 196 reconstruction financing loans with a credit limit of NT\$75.079 billion.

- (2) CoAMC has actively invested in urban renewal business. It has accepted the assignment from TCB to promote the urban renewal businesses of the Baotong Building of the former East Taipei Branch and the former Nanjing West Road Branch as an agent implementer. It continues to enhance its support for urban renewal and reconstruction of dangerous and old buildings and other advance payment businesses.
6. Supporting government policies for promoting mobile payments
 - (1) In response to the official launch of TWQR cross-institutional shopping service in October 2023, actively promoted TWQR contracted merchant stores to improve the efficiency of the payment market. As of the end of 2024, a total of 11,726 TWQR contracted merchant stores had been approved, ranking first among the eight major state-owned banks.
 - (2) We actively implement the government's policy of increasing the penetration rate of mobile payments and work hard to promote the "fixed-amount credit card payment for medical institutions." As of the end of 2024, 218 medical institutions including National Taiwan University, Veterans General Hospital, Chang Gung Memorial Hospital, Changhua Christian Hospital, Cathay General Hospitals, and institutions of the Medical Affairs Bureau of the Ministry of National Defense have participated, with approximately 10.73 million transactions totaling NT\$63.8 billion.
7. Supporting the government's Trust 2.0 "Comprehensive Trust"

To support with the government in building a comprehensive long-term care system and promote property trust business for the elderly and people with disabilities, we increased the cumulative number of new accounts to 9,943 in 2024.

(IV) Big data analysis and digital finance

1. TCB used machine learning algorithm technology to identify high-value customer groups that meet marketing goals, assisted business units in accurately targeting potential customers, and completed 13 data marketing projects to enhance business marketing with data.
2. TCB continues to strengthen FinTech education and training, promote business process automation (RPA), and enhance the digital competitiveness of bank employees. In 2024, there were 25,365 RPA executions in branches, and a total of 3,379 people were trained in related training programs. TCB also produced the "Project Requirements Specification" and "System Specification" templates.

(V) Risk Management and Information Security

1. Risk management

- (1) In 2024, TCFHC set up a supervisory unit for climate risk management-related systems and the reporting and disclosure procedures for climate-related financial disclosure reports to improve TCFHC's climate risk management governance framework.
- (2) In order to avoid excessive concentration of risks, TCFHC has set concentration limits by industry and country, and regularly monitors the credit, market, operational, climate and liquidity risks of each subsidiary. In order to reduce the impact and influence of sudden major credit risk events, we have established major credit risk event notification mechanisms for the Group.

2. IT Security

- (1) TCFHC follows domestic and foreign regulations, guidelines and business requirements on information security to implement "Information Security Policies", install management systems and create task forces in order to enforce information security in the Group.
- (2) To achieve the goal of information security management, TCFHC has increased its information security budget each year, and it accounts for at least 3% of the overall information budget each year. TCFHC continues to promote information security education and training, encouraging information security personnel to actively obtain international information security professional certificates and enhance their information security expertise.
- (3) To enhance information security intelligence sharing among financial institutions, TCFHC and subsidiaries (TCB, TCS, BNP TCB Life, TCSIT, and TCBF) have all joined the Financial Information Sharing and Analysis Center (F-ISAC). Through sharing information on information security among members, TCFHC can assist in evaluating and suggesting regulations on information security and continue to improve relevant protection measures.

(VI) Compliance, Anti-Money Laundering and Counter Terrorism Financing

1. Compliance

Every six months, the Chairperson of TCFHC convenes a meeting of the "Compliance Committee" of the entire the Group to supervise and coordinate legal compliance, prevention of money laundering, and combating terrorist financing of TCFHC and its subsidiaries. The meeting helps the Group keep track of changes in major domestic and international laws and regulations to ensure compliance with important regulations.

2. Anti-money laundering and counter terrorism financing

- (1) TCFHC holds regular meetings of the Group's "Task Force on Legal Compliance and AML/CFT" to request each subsidiary to formulate relevant measures, plans and schedules and submit work reports in accordance with the regulations of the competent authorities and their respective industry associations, and to continuously track the implementation progress.

- (2) TCFHC arranges on-site supervision and assessment of each subsidiary every six months to review the effectiveness of implementation based on the size of the subsidiary and the results of regulatory compliance assessment and anti-money laundering and anti-terrorist financing risk assessment report in the previous year.

(VII) Promoting sustainable development

1. Sustainability Aspects

- (1) TCFHC stood out from thousands of companies around the world and was once again selected as a constituent stock of the "World Indices" and "Emerging Markets Indices" of the Dow Jones Sustainability Index (DJSI), ranking first among Taiwan's state-owned banks in the banking group and third in the world. Our outstanding achievements in promoting sustainable development have received international recognition.
- (2) TCFHC has also won many awards in Taiwan, including the Best Bank Rating Survey "Best ESG Sustainability Award", the "Sustainability Resilience Leadership Award" from the British Standards Institution (BSI), Silver Award in the National Enterprise Environmental Protection Award, inclusion in the Taiwan Sustainability Index, the Taiwan High Compensation 100 Index, the Taiwan Employment Creation 99 Index, the Equileap Emerging Market Gender Equality Enterprise, and the Taiwan Corporate Sustainability Award/Taiwan Sustainable Investment Award/Taiwan Sustainable Action Award and other awards, and has made remarkable achievements in promoting sustainable development.
- (3) TCFHC supports the government's target for attaining net zero emissions by 2050. It is devoted to joining the crew and keeping global warming controlled within 1.5°C, and follows Science-Based Carbon Targets (SBT) while setting mid-term and long-term carbon reduction goals. Operationally (Scopes 1 and 2), the absolute emissions dropped by 50.4% by 2032 from the base year (2021). Multiple ISO verification and internal carbon pricing mechanisms are introduced; green procurement and green office are promoted; the green building symbol is obtained; and the governmental diagnostic service is combined, among other measures, in the practice of energy conservation and carbon reduction, strengthen the identification and control of risks and opportunities relevant to carbon emissions, and to stride forward towards low-carbon sustainable operations.

2. Environmental Aspects

- (1) As the first state-owned financial holding company to join the Task Force on Nature-related Financial Disclosures (TNFD) forum, the Group released its first Climate and Nature-related Financial Disclosure Report in 2024 and was once again awarded the highest level of certification, "Level-5: Excellence", by the third-party verification body, the British Standards Institution (BSI).

- (2) 36 locations of TCFHC have received international environmental certification such as "ISO 50001 Energy Management Systems" and "ISO 14001 Environmental Management Systems"
 - (3) TCFHC follows the setting of Science-Based Targets (SBT) and has purchased a total of 24.3 million kWh of renewable energy. TCFHC will continue to increase the use of renewable energy and implement continuous adjustments.
 - (4) TCB actively promotes the net zero green life policy and expands it to offices across the country to implement 35 green office measures under five major indicators. They include energy conservation, resource reduction, green procurement, environmental greening and beautification, and publicity initiatives. A total of 238 locations have responded and participated in creating a green workplace environment, ranking first in the financial industry.
 - (5) TCB incorporated ESG into its core loan businesses. TCB worked with experts to provide comprehensive and practical carbon reduction financing solutions, successfully assisting SME borrowers in lowering emissions. It became Taiwan's first financial institution to complete carbon reduction engagement with 5,000 SMEs.
3. Social Aspects
- (1) In 2024, TCB organized a total of 70 activities under the campaign with a total donation of NT\$5.02 million. The number of activity and amount of donation have both hit historic high.
 - (2) TCB has issued a total of NT\$9 billion in sustainable development bonds (green bonds, social responsibility bonds, and sustainable development bonds), leading all state-owned banks; The total amount of the "Green and Sustainable Time Deposit" project reached NT\$2.86 billion in 2024.
 - (3) TCB participated in the Financial Supervisory Commission's "Communicating Financial Knowledge to Campuses and Communities", with a total of 39 events for a total of 1,710 participants held in 2024. It was awarded the "Financial Education Contribution Award - Best Investment Award" by the Financial Supervisory Commission.
 - (4) BNP TCB Life provides the "Guarding Happiness Donation". By working with distribution channels, for every CI policy sold, TCB Life will donate NT\$300 to the Taiwan Association of Family Caregivers (TAFC). In 2024, TCB Life has donated a total of NT\$3.9 million to the TAFC for the following causes to fulfill corporate social responsibilities.

4. Corporate Governance Aspects

- (1) To facilitate diversified participation of shareholders in the shareholders' meeting, TCFHC held the 2024 shareholders' meeting in person and with the video conferencing options to protect the rights and interests of shareholders.
- (2) TCFHC follows the "Financial Cyber Security Action Plan" announced by the competent authority to establish three major promotion strategies consistent with operational objectives. They include cyber security governance, risk-based cyber security management, and participation in joint cyber security defense in collaboration with peers. These efforts improve the sustainability of financial services, enhance and deepen the ability and level of information security governance, ensure the continuous operation of the system and data security, and provide customers with safe, convenient, and uninterrupted financial services.
- (3) In order to implement the principle of fair treatment of customers, TCB introduced the ISO 10002 international standard for customer complaint quality management in 2023, becoming the first state-owned bank to receive the certification. It also passed the renewal certification on January 5, 2024 to continuously strengthen the bank's customer complaint handling operations.

II. Operating Policies and Strategies for 2025

(I) Important business policies

1. Adhere to the core value of integrity and move towards net zero through sustainable operations.
2. Enhance the capacity of financial innovation and expand the scope of digital applications.
3. Focus on core business advantages and explore diverse profit channels.
4. Create value for business locations and tap into overseas business opportunities.
5. Formulate flexible investment strategies and steadily improve financial performance.
6. Consolidate the three lines of internal control and implement a rigorous culture of compliance with the law.
7. Improve information digital systems and enhance the resilience of information security protection.
8. Recruit multidisciplinary talents in the finance industry to enhance the Group's competitiveness.

(II) Main strategies for subsidiaries to achieve business objectives

1. TCB will promote sustainable financial development and adhere to the principle of fair treatment of customers; Optimize the lending business structure and focus on core business operations; Promote the wealth management business and empower the financial management and operations of consumer finance; Improve the use of business premises and channels to steadily establish overseas presence; Deploy forward-looking

AI technologies to reap the benefits of digital innovation; Gain insight into market trends and create comprehensive financial benefits; Strengthen the resilience of joint cyber security defense, improve risk management, and abide by laws and regulations; Cultivate professional knowledge and talents, and firmly stabilize asset quality to achieve expected business goals.

2. TCS will continue to integrate investment advisory research resources, and build a regular fixed-amount investment system for sub-brokerage of US stocks and a special area for overseas bonds, and strive to promote the digitization of overseas businesses. It actively expands IPO sponsorship cases and provides diversified financing tools to assist clients in issuing sustainable development bonds. It underwrites high-quality corporate bonds and has established a diversified trading platform to increase overall profitability.
3. In terms of credit business, TCBF will streamline its product portfolio by eliminating underperforming offerings and focusing on profitable ones. It will also proactively manage interest rate spreads, closely monitor the international financial landscape to control risks, and maintain stable asset quality. In terms of trading business, it actively expanded the underwriting capacity of various types of bills, strengthened matchmaking transactions, established strategic medium- and long-term bond positions with positive spreads in batches when opportunities arose, used swing trading to earn capital gains, and carefully selected stocks with stable yields and positive industry prospects to increase overall returns.
4. In addition to continuing to intensify its businesses in non-performing loan collection, real estate investment, and leasing and sales, CoAMC also promotes the renewal and reconstruction of the Group's old bank buildings and real estate to enhance the value of the assets of TCFHC. In response to the needs of private urban renewal or reconstruction projects of dangerous and old buildings, it provides funding to serve as the implementer or builder, and takes the lead in reconstruction and investment, or accepts applications for urban renewal and dilapidated reconstruction advance payments to provide preliminary operating funds, debt consolidation, and land purchase consolidation.
5. In order to strengthen the core business capacity, BNP TCB Life continues to develop diversified insurance products with market competitiveness to meet the asset allocation needs of customers for asset accumulation and retirement planning, increase market share in external channels, develop a mobile insurance platform, and improve sales process efficiency and service quality through digitalization to consolidate core competitive advantages and increase market share.
6. TCSIT continues to strengthen fundamental research and active investment strategies, and cooperates with renowned international asset management companies. It also cultivates professional investment talents to improve overall investment performance. It adopted a dual-arrow sales

strategy by issuing diversified products to fully meet different investment needs and implementing market segmentation for different customer groups. It also makes full use of their respective advantages to achieve the effect of increasing the scale of asset management.

7. TCVC plans to invest in industries supported by government policies, including the six strategic industries, 5+2 innovative industries, the New Southbound Policy, ESG, and other innovative R&D industries or more mature manufacturing industries, as well as the Group's high-quality customers for business development. It will also monitor the progress of investment projects in the Emerging Market and the Listed Market, make timely arrangements, actively realize profits, and achieve expected business objectives.

III. The most recent credit rating result

TCFHC and TCB have commissioned S&P Global Ratings and Taiwan Ratings Corporation to evaluate international and domestic credit ratings. The results reflect the Group's good market position and solid corporate foundation in Taiwan's banking industry. The capital level of its core subsidiary, TCB, was rated as robust, and its funding sources and liquidity structure were rated as strong and appropriate, respectively. The Group will continue to focus on risk management and internal capital management to strengthen its operating resilience.

Company Name	Rating agency	Rating result		Rating prospect	Rating date
		Long-term credit rating	Short-term credit rating		
Taiwan Cooperative Financial Holding Co., Ltd.	Standard & Poor's	BBB	A-2	Stable	2025.01.10
	Taiwan Ratings Corporation	twAA-	twA-1+	Stable	2025.01.10
Taiwan Cooperative Bank, Ltd.	Standard & Poor's	A+	A-1	Stable	2025.01.10
	Taiwan Ratings Corporation	twAAA	twA-1+	Stable	2025.01.10
Taiwan Cooperative Securities Co., Ltd.	Taiwan Ratings Corporation	twAA-	twA-1+	Stable	2025.01.22
Taiwan Cooperative Bills Finance Corporation, Ltd.	Fitch Ratings	AA+(twn)	F1+(twn)	Stable	2024.09.13
Co-Operative Assets Management Co., Ltd.	Taiwan Ratings Corporation	twA+	twA-1	Stable	2024.12.23
BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Ratings Corporation	twAA-	--	Stable	2024.12.11

Note: The rating results of TCFHC, TCB, TCS, TCBF, CoAMC, and BCP TCB Life remain consistent with the previous ratings.

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 2024. Wherein, the Consolidated Financial Statements were audited by certified public accountants, Joe Chen and Eric Lin, 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.

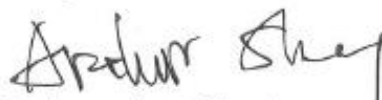
Submitted to the 2025 General Shareholders' Meeting

Audit Committee

Independent Director



Independent Director



Independent Director



Independent Director



Independent Director



March 5, 2025

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 referred to as “the Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries for the year ended December 31, 2024 were as follows:

Impairment Assessment of Loans

The net discounts and loans of the Company as of December 31, 2024, accounted for 59% of the consolidated total assets. Therefore, the assessment of the impairment loss of discounts and loans may have significant impacts on the consolidated financial statements. Besides assessing the expected credit losses of loans in accordance with IFRS 9 “Financial Instruments”, the management of Taiwan Cooperative Bank, Ltd. (TCB) complies with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” related regulations (collectively, the Regulations) when assessing the classification of credit assets and recognizing the allowance for possible losses.

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

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

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

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

Quoting the Correctness of Insurance Information from the Life Policy Reserve

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) 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 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2025

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 79,069,296	1	\$ 89,231,286	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4, 7, 41 and 42)	398,748,466	8	364,419,141	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 41 and 42)	156,824,572	3	126,108,496	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9 and 42)	517,014,504	10	509,252,116	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 42)	752,203,282	15	705,008,604	15
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	1,315,855	-	1,250,689	-
RECEIVABLES, NET (Notes 4, 12 and 41)	51,957,450	1	49,273,343	1
CURRENT TAX ASSETS (Notes 4 and 38)	2,941,790	-	2,293,065	-
DISCOUNTS AND LOANS, NET (Notes 4, 13, 41 and 42)	3,060,868,842	59	2,800,346,569	58
REINSURANCE ASSETS, NET (Note 4)	216,517	-	244,817	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 14)	144,941	-	146,836	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 15, 30 and 42)	88,542,630	2	94,546,321	2
INVESTMENT PROPERTIES, NET (Notes 4 and 16)	11,301,781	-	11,150,124	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	31,999,675	1	32,448,391	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 18)	1,763,850	-	1,585,057	-
INTANGIBLE ASSETS (Notes 4 and 19)	4,816,577	-	4,427,379	-
DEFERRED TAX ASSETS (Notes 4 and 38)	1,483,107	-	2,274,199	-
OTHER ASSETS, NET (Notes 4, 18 and 20)	<u>4,296,553</u>	<u>-</u>	<u>3,199,764</u>	<u>-</u>
TOTAL	<u>\$ 5,165,509,688</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 41)	\$ 438,083,704	8	\$ 301,705,360	6
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 26 and 41)	5,578,934	-	9,261,978	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 22 and 41)	72,137,886	1	71,210,419	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	38,061,951	1	33,651,757	1
PAYABLES (Notes 4, 24 and 41)	47,963,415	1	53,640,402	1
CURRENT TAX LIABILITIES (Notes 4 and 38)	417,586	-	3,158,232	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	4,084,423,043	79	3,862,095,191	81
BONDS PAYABLE (Note 26)	79,140,000	2	77,240,000	2
OTHER BORROWINGS (Notes 23 and 27)	11,033,195	-	11,266,712	-
PROVISIONS (Notes 4, 28 and 29)	37,843,178	1	34,391,765	1
OTHER FINANCIAL LIABILITIES (Notes 4, 16, 30 and 41)	82,358,549	2	87,530,330	2
LEASE LIABILITIES (Notes 4 and 18)	1,720,552	-	1,545,153	-
DEFERRED TAX LIABILITIES (Notes 4, 17 and 38)	5,755,226	-	3,594,884	-
OTHER LIABILITIES (Note 31)	<u>1,235,526</u>	<u>-</u>	<u>1,135,355</u>	<u>-</u>
Total liabilities	<u>4,905,752,745</u>	<u>95</u>	<u>4,551,427,538</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC				
Capital stock				
Common stock	<u>152,242,106</u>	<u>3</u>	<u>147,093,822</u>	<u>3</u>
Capital surplus	<u>45,652,306</u>	<u>1</u>	<u>45,650,280</u>	<u>1</u>
Retained earnings				
Legal reserve	17,288,787	-	15,582,312	-
Special reserve	7,127,657	-	21,509,719	1
Unappropriated earnings	<u>39,637,838</u>	<u>1</u>	<u>17,181,771</u>	-
Total retained earnings	<u>64,054,282</u>	<u>1</u>	<u>54,273,802</u>	<u>1</u>
Other equity	<u>(7,899,270)</u>	<u>-</u>	<u>(7,127,656)</u>	<u>-</u>
Total equity attributable to owners of TCFHC	254,049,424	5	239,890,248	5
NON-CONTROLLING INTERESTS	<u>5,707,519</u>	<u>-</u>	<u>5,888,411</u>	<u>-</u>
Total equity	<u>259,756,943</u>	<u>5</u>	<u>245,778,659</u>	<u>5</u>
TOTAL	<u>\$ 5,165,509,688</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 32 and 41)	\$ 106,304,142	162	\$ 93,411,635	152	14
INTEREST EXPENSE (Notes 32 and 41)	<u>(76,130,605)</u>	<u>(116)</u>	<u>(61,448,542)</u>	<u>(100)</u>	24
NET INTEREST	<u>30,173,537</u>	<u>46</u>	<u>31,963,093</u>	<u>52</u>	(6)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 33 and 41)	11,080,365	17	8,816,239	14	26
Premium income, net (Notes 30 and 34)	5,280,486	8	3,855,678	6	37
Gains on financial assets and liabilities at fair value through profit or loss (Notes 35 and 41)	33,223,268	50	11,938,500	20	178
Gains on disposal of investment properties, net	83,835	-	98,267	-	(15)
Realized gains on financial assets at fair value through other comprehensive income (Note 36)	2,984,316	5	2,993,149	5	-
Loss on derecognition of financial assets at amortized cost	(586)	-	-	-	-
Foreign exchange gains, net	(17,426,805)	(26)	1,245,069	2	(1,500)
Gain on reversal of impairment losses (Notes 9 and 10)	35,453	-	5,485	-	546
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	12,165	-	16,600	-	(27)
Losses on reclassification of overlay approach (Note 8)	80,765	-	218,084	-	(63)
Other noninterest gains, net (Notes 16, 40 and 41)	<u>296,893</u>	<u>-</u>	<u>226,874</u>	<u>1</u>	31
Total net revenues and gains other than interest	<u>35,650,155</u>	<u>54</u>	<u>29,413,945</u>	<u>48</u>	21
TOTAL NET REVENUES	<u>65,823,692</u>	<u>100</u>	<u>61,377,038</u>	<u>100</u>	7

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Notes 4 and 13)	\$ (5,750,254)	(9)	\$ (7,502,226)	(12)	(23)
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Notes 4 and 28)	(3,368,758)	(5)	(2,232,124)	(4)	51
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 37)					
Employee benefits	(18,527,912)	(28)	(17,292,237)	(28)	7
Depreciation and amortization	(2,861,366)	(4)	(2,648,913)	(4)	8
General and administrative	(10,336,141)	(16)	(9,626,875)	(16)	7
Total operating expenses	(31,725,419)	(48)	(29,568,025)	(48)	7
INCOME BEFORE INCOME TAX	24,979,261	38	22,074,663	36	13
INCOME TAX EXPENSE (Notes 4 and 38)	(5,170,000)	(8)	(4,196,448)	(7)	23
NET INCOME	19,809,261	30	17,878,215	29	11
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 9, 29 and 38)					
Remeasurement of defined benefit plans	770,755	1	(172,070)	-	548
Change in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	1,122	-	(13,018)	-	109
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	5,172,400	8	9,524,006	15	(46)
Items that will not be reclassified subsequently to profit or loss, net of income tax	5,944,277	9	9,338,918	15	(36)

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that may be reclassified subsequently to profit or loss (Notes 4, 8, 9 and 38)					
Exchange differences on the translation of financial statements of foreign operations	\$ 3,598,467	5	\$ (148,505)	-	2,523
Unrealized (losses) income on investments in debt instruments at fair value through other comprehensive income	(4,132,582)	(6)	5,480,845	9	(175)
Other comprehensive losses on reclassification of overlay approach	(80,765)	-	(218,084)	(1)	(63)
Income tax attributable to other comprehensive income	<u>(664,637)</u>	<u>(1)</u>	<u>(137,235)</u>	<u>-</u>	384
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(1,279,517)</u>	<u>(2)</u>	<u>4,977,021</u>	<u>8</u>	(126)
Other comprehensive losses, net of income tax	<u>4,664,760</u>	<u>7</u>	<u>14,315,939</u>	<u>23</u>	(67)
TOTAL COMPREHENSIVE INCOME	<u>\$ 24,474,021</u>	<u>37</u>	<u>\$ 32,194,154</u>	<u>52</u>	(24)
NET INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ 19,219,939	29	\$ 17,263,694	28	11
Non-controlling interests	<u>589,322</u>	<u>1</u>	<u>614,521</u>	<u>1</u>	(4)
	<u>\$ 19,809,261</u>	<u>30</u>	<u>\$ 17,878,215</u>	<u>29</u>	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ 24,182,865	37	\$ 31,446,812	51	(23)
Non-controlling interests	<u>291,156</u>	<u>-</u>	<u>747,342</u>	<u>1</u>	(61)
	<u>\$ 24,474,021</u>	<u>37</u>	<u>\$ 32,194,154</u>	<u>52</u>	(24)
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 39)					
Basic	<u>\$ 1.26</u>		<u>\$ 1.13</u>		
Diluted	<u>\$ 1.26</u>		<u>\$ 1.13</u>		

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of TCFHC						Other Equity					Total Equity
	Capital Stock (Note 40)		Capital Surplus (Note 40)	Retained Earnings (Notes 9 and 40)			Exchange Differences in Translation of Financial Statement of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Other Comprehensive Income on Reclassification of Overlay Approach	Non-controlling Interests (Note 40)	
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 24,472,050	\$ (452,462)	\$ (21,227,000)	\$ -	\$ 169,743	\$ 5,316,401	\$ 220,763,177
Change in equity from investments in associates and joint ventures accounted for using the equity method	-	-	(714)	-	-	-	-	-	-	-	-	(714)
Share dividends distributed from capital surplus	700,447	7,004,468	(7,004,468)	-	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(5,323,396)	-	-	-	-	-	-	-	-	(5,323,396)
Unclaimed dividends	-	-	1,842	-	-	-	-	-	-	-	-	1,842
Appropriation of the 2022 earnings												
Legal reserve	-	-	-	2,149,776	-	(2,149,776)	-	-	-	-	-	-
Special reserve	-	-	-	-	20,524,180	(20,524,180)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,681,072)	-	-	-	-	-	(1,681,072)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(26,871)	-	26,871	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(175,332)	(175,332)
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	(4)	-	-	4	-	-	-
Total comprehensive income												
Net income for the year ended December 31, 2023	-	-	-	-	-	17,263,694	-	-	-	-	614,521	17,878,215
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(172,070)	(126,065)	14,606,695	(13,018)	(112,424)	132,821	14,315,939
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	17,091,624	(126,065)	14,606,695	(13,018)	(112,424)	747,342	32,194,154
BALANCE, DECEMBER 31, 2023	14,709,382	147,093,822	45,650,280	15,582,312	21,509,719	17,181,771	(578,527)	(6,593,434)	(13,014)	57,319	5,888,411	245,778,659
Impact of initial application of IAS 29	-	-	-	-	-	(464,617)	-	-	-	-	-	(464,617)
Unclaimed dividends	-	-	2,026	-	-	-	-	-	-	-	-	2,026
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,561,098)	-	-	-	-	-	(9,561,098)
Stock dividends	514,828	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	4,963,274	-	(4,963,274)	-	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	511	-	-	(511)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(472,048)	(472,048)
Total comprehensive income												
Net income for the year ended December 31, 2024	-	-	-	-	-	19,219,939	-	-	-	-	589,322	19,809,261
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	770,755	2,878,080	1,355,976	1,122	(43,007)	(298,166)	4,664,760
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	19,990,694	2,878,080	1,355,976	1,122	(43,007)	291,156	24,474,021
BALANCE, DECEMBER 31, 2024	15,224,210	\$ 152,242,106	\$ 45,652,306	\$ 17,288,787	\$ 7,127,657	\$ 39,637,838	\$ 2,299,553	\$ (10,200,732)	\$ (12,403)	\$ 14,312	\$ 5,707,519	\$ 259,756,943

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 24,979,261	\$ 22,074,663
Adjustments for:		
Depreciation expense	2,375,205	2,271,524
Amortization expense	486,161	377,389
Expected credit losses/bad-debt expenses	5,829,340	7,341,866
Gains on financial assets and liabilities at fair value through profit or loss	(33,223,268)	(11,938,500)
Interest expense	76,130,605	61,448,542
Loss on derecognition of financial assets at amortized cost	586	-
Interest revenue	(106,304,142)	(93,411,635)
Dividend income	(3,386,414)	(3,019,843)
Net changes in reserves for insurance liabilities	3,368,758	2,232,124
Net changes in provision for losses on guarantees	(79,334)	82,878
Net changes in reserves for other liabilities	248	77,482
Share of gains of associates and joint ventures accounted for using equity method	(12,165)	(16,600)
Gains on reclassification of overlay approach	(80,765)	(218,084)
Losses on disposal of properties and equipment	120	1,874
Gains on disposal of investment properties	(83,835)	(98,267)
Losses on disposal of investments	402,098	26,694
Impairment losses on financial assets	1,299	11,311
Gains on reversal of impairment losses on financial assets	(23,919)	(16,796)
Gains on reversal of impairment losses on non-financial assets	(12,833)	-
Unrealized gains on foreign exchange	(889,041)	(49,790)
Others	151,191	(147)
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(39,282,423)	(33,833,392)
Increase in financial assets at fair value through profit or loss	(2,255,272)	(31,729,949)
Decrease (increase) in financial assets at fair value through other comprehensive income	1,623,924	(20,886,344)
(Increase) decrease in investments in debt instruments at amortized cost	(44,144,330)	13,476,495
Increase in receivables	(1,766,122)	(4,991,002)
Increase in discounts and loans	(265,977,717)	(217,096,928)
Decrease (increase) in reinsurance assets	61,064	(48,639)
Decrease in other financial assets	29,561	341,143
Increase in other assets	(1,348,092)	(37,514)
Increase in deposits from the Central Bank and other banks	136,378,344	13,851,725
Decrease in financial liabilities at fair value through profit or loss	(3,326,679)	(5,279,993)
Increase in securities sold under repurchase agreements	841,322	3,606,009
(Decrease) increase in payables	(6,689,824)	1,345,358
Increase in deposits and remittances	222,327,852	263,672,277
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Increase (decrease) in provision for employee benefits	\$ 669,094	\$ (406,260)
Increase (decrease) in other financial liabilities	34,210	(21,421)
Increase (decrease) in other liabilities	<u>159,015</u>	<u>(101,053)</u>
Cash used in operations	(33,036,917)	(30,962,803)
Interest received	108,478,336	90,818,544
Dividends received	3,538,671	3,318,895
Interest paid	(75,317,789)	(58,074,633)
Income tax paid	<u>(6,266,549)</u>	<u>(2,942,388)</u>
Net cash (used in) generated from operating activities	<u>(2,604,248)</u>	<u>2,157,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investments accounted for using equity method	6,979	4,606
Acquisition of properties and equipment	(1,238,112)	(1,144,371)
Proceeds from disposal of properties and equipment	26	-
Increase in refundable deposits	(1,774,387)	(2,267,503)
Decrease in refundable deposits	2,083,805	1,981,340
Acquisition of intangible assets	(723,211)	(493,026)
Acquisition of investment properties	(1,001,519)	(1,025,165)
Proceeds from disposal of investment properties	722,584	979,230
Increase in other assets	(43,443)	(16,366)
Decrease in other assets	<u>47,353</u>	<u>1,744</u>
Net cash used in investing activities	<u>(1,919,925)</u>	<u>(1,979,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper issued	65,550,000	73,475,000
Decrease in commercial paper issued	(61,150,000)	(64,315,000)
Proceeds from the issuance of bank debentures	11,000,000	2,500,000
Repayments of bank debentures	(9,100,000)	(5,550,000)
Increase in other borrowings	44,232,916	43,611,723
Decrease in other borrowings	(44,510,473)	(42,009,821)
Increase financial liabilities designated as at fair value through profit or loss	2,897,758	2,925,778
Decrease financial liabilities designated as at fair value through profit or loss	(980,817)	(12,858)
Increase in guarantee deposits received	880,387	224,227
Decrease in guarantee deposits received	(368,338)	(595,938)
Repayments of the principal portion of lease liabilities	(692,368)	(677,858)
Increase in other liabilities	-	32,863
Decrease in other liabilities	(51,620)	-

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Cash dividends paid	\$ (9,561,098)	\$ (7,004,468)
Changes in non-controlling interests	<u>(472,048)</u>	<u>(175,332)</u>
Net cash (used in) generated from financing activities	<u>(2,325,701)</u>	<u>2,428,316</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(8,175,088)</u>	<u>1,563,357</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(15,024,962)	4,169,777
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>144,214,094</u>	<u>140,044,317</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 129,189,132</u>	<u>\$ 144,214,094</u>

Cash and cash equivalent reconciliations:

	December 31	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 79,069,296	\$ 89,231,286
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	48,410,561	53,363,659
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	1,315,855	1,250,689
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>393,420</u>	<u>368,460</u>
Cash and cash equivalents, end of the year	<u>\$ 129,189,132</u>	<u>\$ 144,214,094</u>

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, 2024 AND 2023

1. TCFHC's financial statements

Taiwan Cooperative Financial Holding Co., Ltd.

Balance Sheets December 31, 2024 and 2023 (In Thousands of New Taiwan Dollars)

Assets	2024	2023	Liabilities and Equity	2024	2023
Cash and cash equivalents	\$ 75,377	\$ 51,618	<u>Liabilities</u>		
Financial assets at fair value through other comprehensive income	14,950	15,000	Commercial paper issued, net	\$ 23,398,101	\$ 19,493,481
Receivables	352	361	Payables	539,514	493,241
Current tax assets	2,676,390	4,854,541	Current tax liabilities	3,281,791	4,897,880
Investments accounted for using equity method	301,473,841	285,131,988	Bonds payable	20,000,000	20,000,000
Properties and equipment, net	18,575	11,849	Other borrowings	3,000,000	5,300,000
Right-of-use assets, net	80,025	104,148	Other financial liabilities	2,767	3,542
Intangible assets	10,609	13,778	Lease liabilities	83,115	106,587
Deferred tax assets	339	394	Other liabilities	<u>5,063</u>	<u>8,274</u>
Other assets	<u>9,317</u>	<u>9,576</u>	Total liabilities	<u>50,310,351</u>	<u>50,303,005</u>
			<u>Equity</u>		
			Capital stock	152,242,106	147,093,822
			Capital surplus	45,652,306	45,650,280
			Retained earnings	64,054,282	54,273,802
			Other equity	<u>(7,899,270)</u>	<u>(7,127,656)</u>
			Total equity	<u>254,049,424</u>	<u>239,890,248</u>
Total	<u>\$ 304,359,775</u>	<u>\$ 290,193,253</u>	Total	<u>\$ 304,359,775</u>	<u>\$ 290,193,253</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024	2023
Revenues and gains		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 20,410,144	\$ 17,843,763
Other revenues and gains	<u>7,534</u>	<u>4,558</u>
Total revenues and gains	<u>20,417,678</u>	<u>17,848,321</u>
Expenses and losses		
Operating expenses	(276,973)	(283,911)
Other expenses and losses	<u>(502,655)</u>	<u>(407,135)</u>
Total expenses and losses	<u>(779,628)</u>	<u>(691,046)</u>
Income before income tax	19,638,050	17,157,275
Income tax (expense) benefit	<u>(418,111)</u>	<u>106,419</u>
Net income	19,219,939	17,263,694
Other comprehensive income	<u>4,962,926</u>	<u>14,183,118</u>
Total comprehensive income	<u>\$ 24,182,865</u>	<u>\$ 31,446,812</u>
Earnings per share (New Taiwan dollars)		
Basic	<u>\$1.26</u>	<u>\$1.13</u>
Diluted	<u>\$1.26</u>	<u>\$1.13</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Capital Stock		Capital Surplus	Retained Earnings			Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Other Equity		Total Equity
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings			Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Other Comprehensive Income on Reclassification of Overlay Approach	
BALANCE AT JANUARY 1, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 24,472,050	\$ (452,462)	\$ (21,227,000)	\$ -	\$ 169,743	\$ 215,446,776
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(714)	-	-	-	-	-	-	-	(714)
Share dividends distributed from capital surplus	700,447	7,004,468	(7,004,468)	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(5,323,396)	-	-	-	-	-	-	-	(5,323,396)
Unclaimed dividends	-	-	1,842	-	-	-	-	-	-	-	1,842
Appropriation of the 2022 earnings											
Legal reserve	-	-	-	2,149,776	-	(2,149,776)	-	-	-	-	-
Special reserve	-	-	-	-	20,524,180	(20,524,180)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,681,072)	-	-	-	-	(1,681,072)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(26,871)	-	26,871	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	(4)	-	-	4	-	-
Total comprehensive income (loss)											
Net income for the year ended December 31, 2023	-	-	-	-	-	17,263,694	-	-	-	-	17,263,694
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(172,070)	(126,065)	14,606,695	(13,018)	(112,424)	14,183,118
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	17,091,624	(126,065)	14,606,695	(13,018)	(112,424)	31,446,812
BALANCE AT DECEMBER 31, 2023	14,709,382	147,093,822	45,650,280	15,582,312	21,509,719	17,181,771	(578,527)	(6,593,434)	(13,014)	57,319	239,890,248
Impact of initial application of IAS 29	-	-	-	-	-	(464,617)	-	-	-	-	(464,617)
Unclaimed dividends	-	-	2,026	-	-	-	-	-	-	-	2,026
Appropriation of the 2023 earnings											
Legal reserve	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,561,098)	-	-	-	-	(9,561,098)
Stock dividends	514,828	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	4,963,274	-	(4,963,274)	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	511	-	-	(511)	-	-
Total comprehensive income											
Net income for the year ended December 31, 2024	-	-	-	-	-	19,219,939	-	-	-	-	19,219,939
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	770,755	2,878,080	1,355,976	1,122	(43,007)	4,962,926
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	19,990,694	2,878,080	1,355,976	1,122	(43,007)	24,182,865
BALANCE AT DECEMBER 31, 2024	15,224,210	\$ 152,242,106	\$ 45,652,306	\$ 17,288,787	\$ 7,127,657	\$ 39,637,838	\$ 2,299,553	\$ (10,200,732)	\$ (12,403)	\$ 14,312	\$ 254,049,424

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 19,638,050	\$ 17,157,275
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(20,410,144)	(17,843,763)
Depreciation and amortization expenses	40,591	38,738
Interest expense	502,655	407,135
Interest revenue	(1,717)	(657)
Net changes in operating assets and liabilities		
Decrease in receivables	9	2
Decrease in other assets	259	-
Increase in other assets	-	(446)
Increase in payables	49,967	10,278
Decrease in other liabilities	(3,211)	-
Increase in other liabilities	-	57
Cash used in operations	(183,541)	(231,381)
Interest received	1,717	657
Dividends received	8,566,650	2,051,789
Interest paid	(488,313)	(469,609)
Income tax refunded	144,006	41,005
Net cash generated from operating activities	<u>8,040,519</u>	<u>1,392,461</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(12,953)	(4,035)
Acquisition of intangible assets	(977)	(6,009)
Net cash used in investing activities	<u>(13,930)</u>	<u>(10,044)</u>
Cash flows from financing activities		
Increase in commercial paper issued	3,890,000	5,800,000
Decrease in other borrowings	(2,300,000)	(200,000)
Decrease in guarantee deposits received	(775)	(1,432)
Repayments of the principal portion of lease liabilities	(30,957)	(30,231)
Dividends paid	(9,561,098)	(7,004,468)
Net cash used in financing activities	<u>(8,002,830)</u>	<u>(1,436,131)</u>
Net increase (decrease) in cash and cash equivalents	23,759	(53,714)
Cash and cash equivalents, beginning of the year	<u>51,618</u>	<u>105,332</u>
Cash and cash equivalents, end of the year	<u>\$ 75,377</u>	<u>\$ 51,618</u>

Taiwan Cooperation Financial Holding Co., Ltd.
2024 Earnings Appropriation Table

Unit: NT\$

Undistributed earnings at the beginning of this account period	15,147,975,918
Net income of this period	19,219,939,289
Retained earnings with investment adjustment on equity method	5,269,922,713
Net income of this period plus undistributed earnings exclusive of net income of this period	24,489,862,002
10% legal reserve	(2,448,986,200)
special reserve for other equity	(771,613,217)
Current earnings available for distribution	36,417,238,503
Distribution Items	
Cash dividends (NTD0.70 per share)	(10,656,947,417)
Stock dividends (NTD0.30 per share)	(4,567,263,180)
Undistributed earnings at the end of period	21,193,027,906
Note1. Earnings of the 2024 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.	