



Taishin Bank

2023 Annual Report

Published date: February 29, 2024

Company website: <https://www.taishinbank.com.tw>

Market Observation Post System website: <https://mops.twse.com.tw>



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Names of Exchanges Where Overseas Securities Are Listed and Methods of Inquiry: None.



Taishin Bank

2023 Annual Report

Contents

I.	Letter to Shareholders	002
II.	Company Profile	008
III.	Corporate Governance Report	013
IV.	Capital Overview	110
V.	Operating Status	120
VI.	Financial Information	165
VII.	Review and Analysis of Financial Conditions, Financial Performance, and Risk Management	175
VIII.	Special Disclosure	197
IX.	Directory of Head Office & Branches	207
Appendix I.	Financial Statements and Independent Auditors' Report	212
Appendix II.	Consolidated Financial Statements and Independent Auditors' Report	326

I. Letter to Shareholders

A. Macroeconomic and Financial Analysis

In 2023, the global economy continued to be affected by high inflation and high interest rates. The U.S. Federal Reserve raised interest rates by another 4 notches to reach a 20-year high of 5.25%-5.50%; likewise, the European Central Bank raised interest rates by another 8 notches to 4.5%, a high not seen in over 20 years. The high interest rate environment not only suppressed debt-financed consumption in households and investments in businesses, but also increased the cost of refinancing existing debts, leading to a gradual slowdown of economic activities. As a result, core inflation rates fell at a faster rate in the second half of 2023 in Europe and USA.

Looking forward to 2024, inflation slowdown may lead to cautious interest rate reductions from major central banks, such as the U.S. Federal Reserve, the European Central Bank, and the Bank of Japan, and may also increase the demand of consumption and investment, which will in turn bring global economic recovery. Nevertheless, geopolitical risk, such as the Ukraine-Russia war, the Israel-Palestine conflict, and the China-United States conflict, along with Japan's interest policy, will continue to exert an effect on global financial markets.

Taiwan's economic performance in 2023 was affected by high global inflation, which suppressed demand for consumer goods, leading to a sharp decline in foreign demand. Only domestic consumption remained relatively stable. However, following the rise of AI applications in the second half of 2023, demand for AI-related computer hardware surged, and, as the inventory of consumer goods returned to a healthy level, demand for Taiwan's exports recovered. The decline of exports and foreign orders narrowed month after month, until the Monitoring Indicator finally turned away from blue. Looking forward to 2024, global demand for consumer goods will again increase, and, although rising electricity fees will force higher inflation and the Taiwan Central Bank may increase interest rates, Taishin nevertheless foresees a continued recovery in Taiwan's economy.

In 2023, the pre-tax profit of Taiwan's financial industry was NT\$703.6 billion, representing a year-on-year increase of 46.7%. In particular, the banking industry benefited from widened interest spread and foreign exchange swap transactions. When combined with fee income and capital market gains, the banking industry reported 17.0% higher pre-tax profits, reaching NT\$505.7 billion. However, banking industries had a higher baseline in 2023, which may result in moderate earning growth in 2024.

B. Overall Business Performance

The Bank's total pre-tax net profit in 2023 was NT\$17.9 billion, a 19.25% YOY growth, better performance than bank industry pre-tax net profit 17.0% growth. Net profit after tax in 2023 was NT\$14.8 billion, with EPS 1.61, common-shares-ROE 8.25%, and book value per share NT\$19.89, these three representing 20%, 12, and 7% YOY growth. Total deposit NT\$2,133.7 billion and total lending balance NT\$1538.4 billion, with 9.53% and 7.70%

YOY growth. Credit asset quality remain satisfactory level, the nonperforming loan(NPL) ratio 0.14% and NPL coverage ratio 1159.78%. The capital-adequacy-ratio was 15.07%, Tier1 capital ratio was 13.02%, core tier1 capital ratio was 11.32%, all remained capital adequate.

In January 2024, the Bank received international long- and short-term credit ratings of BBB+ and F2, respectively, from international credit rating agency Fitch Ratings. Our domestic long- and short-term credit ratings were AA-(tw) and F1+(tw), respectively. According to the December 2023 S&P Global Ratings report, the Company's international long-term and short-term credit ratings were BBB+ and A-2, respectively. According to the Taiwan Ratings December 2023 report, the Company's domestic long-term and short-term credit ratings were twAA- and twA-1, respectively. The rating outlooks from the above three agencies were all "stable."

Regarding overseas business expansion, the Bank continues to forge an active presence in the China and Asia-Pacific markets and has to date established branches in Hong Kong, Singapore, Japan (Tokyo), Australia (Brisbane), and Malaysia (a Labuan Branch and a Kuala Lumpur marketing Office). To capture opportunities presented by Japan's economic recovery and TSMC's investments in Japan, the Bank opened a Fukuoka Office in April 2024. Additionally, Taishin has established representative offices in Vietnam (Ho Chi Minh City), Myanmar (Yangon), China (Shanghai), and Thailand (Bangkok) and is working toward the establishment of a branch in Long An, Vietnam. Looking forward, Taishin will continue to expand its overseas business and to grow overseas profit.

the Bank continues to develop AI applications and employ big data analysis, integrating generative AI to internal knowledge management platforms, experimenting with AI virtual customer services, and securing new patents, like those for Richart's pre-login preview, cardless withdrawal, easy fund transfer, multi-payee transfer, time deposit for the KKBOX service, and innovative phishing warnings. By number, Taishin's fintech patents rank 2nd of all local private banks, and the Bank will retain its leading position by continuously increasing internal operation efficiency and providing an ever more convenient customer experience.

In terms of cybersecurity, the Bank uses Breach and Attack Simulation to validate the robustness of its multi-layered cybersecurity framework as well as the effectiveness of monitoring and defense functions. The Bank was awarded certification for ISO 22301 - Business Continuity Management Systems in 2023.

The overall operating performance of our retail banking, wholesale banking and financial markets in the previous year is summarized as follows:

a. Bank subsidiary

1. Retail Banking Services

For more than 30 years, Taishin Bank has been developing the retail market in Taiwan. The Bank has delivered extraordinary performance everywhere from retail banking and payment solutions to wealth management and digital finance.

As of the end of 2023, the size of Taishin bank's secured lending balance stood at NT\$767.2 billion, representing 8.3% in YOY growth; the market-leading auto loan balance amounted to NT\$59.4 billion, representing a 8.5% YOY growth; and the unsecured lending balance stood at NT\$104.8 billion, representing a 17% YOY growth. Overall, the total consumer lending balance represents a 9% YOY growth.

Valid credit card numbers exceeded 6.5 million, representing a 3.2% YOY growth, with an 11.2% market share ranking 5th in the market. The number of credit card merchants exceeded 168,000, representing a 1.8% YOY growth, with a 20.1% market share that again ranks 1st in the market.

Ever since being the first domestic financial institution to open a wealth management flagship branch in 2003, Taishin has implemented a sophisticated customer segmentation process, by which it is able to provide a wide range of exclusive financial services, meeting the demand for "professional financial planning advice," "exclusive benefits and experiences," "one-stop shopping," and other key services. Furthermore, Taishin Bank follows a sustainability- and customer-oriented philosophy and strives to meet the need for integrated services for both personal and household accounts. The family-based wealth management service extends the scope of personal wealth management to an entire household, meaning all members of a household may receive quality financial advice and enjoy the same benefits. Meanwhile, in response to digital banking trends, Taishin Bank combines counter services, mobile banking, Internet banking, and other online and offline services to provide a full range of user-friendly and professional services as part of its complete banking ecosystem. The wealth management team at Taishin Bank safeguards and grows customers' assets with "sincerity, professionalism, and empathy," for which it has been recognized with several major awards, both at home and abroad.

In terms of digital finance, Taishin Bank is the leading digital banking solutions brand in Taiwan. The Bank is committed to integrating banking into daily life and providing customers with a user-friendly digital platform comprising a diverse range of products and services. For example, it has cooperated with Gogoro to introduce the "Richart & Gogoro Motorcycle Fixed Deposit," a service that gives people who lack access to credit cards or loans the ability to save for and then purchase a vehicle. Taishin Bank has cooperated with JKOpay to introduce "J-Deposit," an advanced financial product that serves electronic payment users by automatically linking to a customer's electronic payment account to offer high interest rates on NTD demand deposits and even higher rates with purchases. Additionally, Taishin has launched a new scheduled regular fixed-sum investment function for the Taiwan equity market, offering minimum subscription requirements and access to a broad range of stocks so that young customers can begin accumulating wealth.

The Bank is committed to pursuing stable business growth and financial innovation while meeting customer needs and implementing proper risk control. In the future, it will continue striving, through the provision of high-quality services, digital innovation, and risk control, to become a smarter partner to customers and a leading brand of full-aspects retail banking solutions in Taiwan.

b. Wholesale Banking Services

As at the end of December 2023, the corporate lending balance was NT\$666.4 billion, representing 5.5% in YOY growth. In 2023, Automated Clearing House (ACH), developed in collaboration with Taiwan Clearing House to fulfil corporate customers' needs, continued to rank first in payments-receiving transaction numbers. For factoring, where the Company considers customer relationships, market price, and risk management, the portfolio balance was NT\$129.1 billion, securing a top-3 market position.

System platforms: Optimizations were made to the Global Digital Corporate Banking Network (GB2B), Taishin Wholesale Banking Mobile App, and iHub. Furthermore, new functions, such as automated transmission (API), cash collection/payment, trade financing, and corporate investment products and services have been integrated into iHub to improve financial service efficiency.

In support of the government's initiative to help SMEs acquire funds, Taishin Bank's SME lending portfolio was NT\$281.4 billion, representing 9% in YOY growth. The Bank's "Green Customer Loan" targets green-technologies and the circular-economy-industry by offering privileged and tailor-made lending terms. The Bank also introduced the "Taishin Green Financial Service Platform," which allows customers to submit loan applications online, helping reduce carbon emissions throughout the lending process. In support of policies introduced by the Ministry of Economic Affairs, the Bank made use of the credit guarantee offered by the Small and Medium Enterprises Credit Guarantee Fund on "Low-Carbon, Smart Transformation, and Managed Factory Project Loan for Small and Medium Enterprises" and helped SMEs acquire the funding they needed to undergo green and digital transformations. Taishin Bank will continue its cooperation with the SME Credit Guarantee Fund of Taiwan, enabling SMEs to make upgrades to their businesses by providing funding in-line with government policies, such as the Program for Promoting Six Core Strategic Industries, the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan, and the Action Plan for Accelerated Investment by SMEs.

c. Financial Market Business

In financial product transactions, to meet different hedging or investment needs and offer up-to-date market information and professional advice, Taishin Bank continues to provide a wide range of financial products, including exchange rate, interest rate, equity, credit, gold account, derivatives, and structured products linked to commodity types. Through the transaction platform and with a complete line of financial products, the Bank helps customers monitor market changes and assess risks, meeting the financial needs of onshore/offshore institutional and retail clients.

Throughout 2023, Taishin was one of the five leading banks in the country, both in terms of the volume of derivative trading (NT\$15,496.1 billion, +31% in YOY growth) and bond underwriting volume (NT\$40.7 billion). In addition to being an active participant in bond issuance, planning for the financing of onshore and offshore companies, it brings in a wide range of bonds by overseas issuers to give Taiwanese investors more investment choices. In the future, Taishin will continue to explore underwriting opportunities around the world.

For the purpose of providing better financial services for overseas customers, Taishin is dedicated to the integration and coordination of domestic and foreign trading platform resources, which helps in the cultivation of overseas financial business opportunities. Meanwhile, in response to developments in digital banking platforms, the Bank has been working to put financial products on online platforms, thereby providing customers with easy-to-use transaction services and allowing them to trade domestic structured notes as well as open gold accounts online, using digital platforms designed to meet the demand for easy and real-time financial investing and other transactions.

To sum up, in 2023, Taishin Bank's performance in various professional fields was outstanding, and as such the Bank was recognized with more than 70 awards from domestic and international professional institutions alike.

Taishin bank's digital banking solution, with its virtual finance and innovative business model, was awarded "Most Innovative Use of Technology" by FinanceAsia, and the Bank won several awards from Global Finance, including "Best Open Banking APIs in Asia/Pacific" and "Best Innovation and Transformation in Taiwan." For combining wealth management and digital banking innovation, Taishin Bank's professional service was named "Best Private Bank for Big Data Analytics and Artificial Intelligence (AI)" by The Banker and PWM (Professional Wealth Management), a magazine of the internationally renowned Financial Times, and was awarded "Best for HNW in Taiwan" by Asiamoney. Due to the Bank's persistent support of government policies, the wholesale banking segment has been awarded the "SMEG Gold Award" by the Ministry of Economic Affairs for 12 consecutive years. Furthermore, in 2023 the "Taishin Green Financial Service Platform," launched in 2022 and the recipient of new patent, won "Best in Future of Industry Ecosystems (Taishin SME eco ECO)" from International Data Corporation (IDC); "Taiwan Domestic Technology & Operations Bank of the Year" from Asian Banking & Finance; and various other domestic awards.

C. Future Prospects

In view of the changing financial environment, the Bank will continue to uphold the perseverance and sustainability principle of prudent operation, together with "corporate sustainability, information security, financial inclusion, and fair treatment to customers." Additionally, all government policies will be implemented with effectiveness. With the aim of finding stable growth opportunities, the government is attempting to elevate Taiwan into a hub for fund transfer and high net worth wealth management services for Asian businesses, helping businesses in key industries obtain funding and promoting the adoption of international standards in the banking system.

Looking forward, the Bank will commit to achieving the goals of its existing business activities while pursuing environmental sustainability (E), social inclusion (S), and outstanding corporate governance (G), and it will do so in accordance with the principle of "rigorous risk management, integrous law abidance, and aggressive expansion" while supporting government policies and complying with applicable regulations. The Bank's business strategies and plans in 2023 include: (1) Integrating holding resources to expand the banking business while balancing risk and business growth and law abidance with fair customer treatment; (2) Building up suitable IT infrastructures to support business expansion and to adopt digital, data and AI applications; (3) Enlarging digital bank Richart's market share; (4) Supporting green-energy through sustainability lending and investment and assisting in the development of low-carbon transportation, circular-economy, and renewable energy industries; and (5) Following major industry expansion trends to deepen overseas business growth.

Taishin delivers the best services with "integrity, commitment, innovation, and cooperation" in the pursuit of continuous profitability and growth. It has demonstrated a leading position as regards innovation momentum and social responsibility. Looking forward, the Bank will hold its existing business management philosophy and will endeavor to generate more profit on top of the current baseline, thereby delivering on its promises to shareholders.

Chairman



April 2024

II. Company Profile

A. Date of establishment

February 25, 1992

B. Company history

In 1990, the current chairman, Thomas Wu, invited some of his closest friends and respected businessmen to join the effort of bringing the bank into reality. The bank was established in August 1991 with approval of the Ministry of Finance, and opened its door officially on March 23, 1992. A special shareholders meeting on December 7, 2001 passed a resolution to create "Taishin Financial Holding Co., Ltd." by share swap with "Dah An Commercial Bank Co., Ltd.". Meanwhile, new shares were issued as a result of the merger with "Dah An Commercial Bank Co., Ltd.". "Taishin Financial Holding Co., Ltd." was established officially on February 18, 2002.

The shareholders meeting on July 26, 2004 passed a resolution to assume all assets and liabilities of the "Tenth Credit Cooperative of Hsinchu". The legal proceedings were completed on October 18, 2004. In the interest of higher efficiency by integration of fund and resources among the subsidiaries of Taishin FHC, The merger of Taishin Bank into Taishin Bills Finance Corporation was completed on January 22, 2011. Both being subsidiaries of Taishin FHC, Taishin Bank and Taishin Bills Finance Corporation shared a very similar business philosophy and corporate culture. After the merger is completed, the two parties will be able to quickly integrate resources and systems for reduced cost and improved operating efficiency.

In terms of its business network, Taishin Bank is actively establishing branch offices in all major cities across the country. Meanwhile, to achieve financial globalization, Taishin Bank has created offshore banking units, as well as obtained the license for the Hong Kong Branch in February 2003. The Hong Kong Branch opened on June 25 of the same year. Taishin Bank received approval of the Ministry of Finance on September 21, 2004. Received approval from the State Bank of Vietnam to establish the representative office in Ho Chi Minh City on January 2005. The Singapore Branch was established on June 24, 2014. The Yangon Representative Office in Myanmar officially opened for business on January 21, 2016. The Tokyo Branch in Japan was established on October 27, 2016. Working with branches in two other financial hubs, Hong Kong and Singapore, this branch is able to provide Taiwanese businesses and customers from Greater China an operation and investment platform in Japan. The Brisbane Branch opened in Australia on July 31, 2017. It is Taishin Bank's fourth overseas branch after Hong Kong, Singapore, and Tokyo, Japan. The Shanghai representative office in China has opened in August 18, 2020, the Bangkok representative office in Thailand has opened in June 28, 2021, and the Malaysia Labuan Branch and Kuala Lumpur Marketing Office celebrated its grand opening in November 26, 2021. Taishin Bank obtained approval from the competent authorities in Taiwan and Japan to set up Fukuoka Office in 2023, scheduled to open in April 2024. Taishin Bank will make other preparations in the future to expand the overseas network and give customers better and more comprehensive global banking services.

C. Honors of the company

Date	Issuing Organization	Awards / Rankings
◆ 2023.01	Taiwan Taipei District Prosecutors Office	Certificate of Appreciation for Anti - bribery Activities - Taishin Bank
◆ 2023.03	Wealth Magazine	Wealth Management Award - Best Wealth Management - Taishin Bank
◆ 2023.03	Wealth Magazine	Wealth Management Award - Best Systematic Application of Technology - Taishin Bank
◆ 2023.03	Wealth Magazine	Wealth Management Award - Best Trust Service Innovation - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Winner - Best Retail Bank - Taiwan - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Winner - Best In - Person (or virtual) Customer Event - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Winner - Best Use of Big Data in Customer Strategy - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Winner - Excellence in Omnichannel Integration - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Highly Commended - Best Advance in Payments - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Highly Commended - Best Use of Technology in Advertising / Marketing Strategy - Taishin Bank
◆ 2023.03	RBI (Retail Banker International)	Highly Commended - Most Dynamic Third - Party Collaboration - Taishin Bank
◆ 2023.03	Economic Affairs	Gold Award of Credit Guarantee - Taishin Bank
◆ 2023.03	Economic Affairs	Excellence Award of Portfolio Guarantee - Taishin Bank
◆ 2023.03	Economic Affairs	Excellence Award of Credit Managers - Taishin Bank
◆ 2023.03	Economic Affairs	Excellent Banks in Regional Development - Taishin Bank
◆ 2023.04	Asiamoney	Best for High Net Worth in Taiwan - Taishin Bank
◆ 2023.04	The Digital Banker	Highly Acclaimed: Excellence in Omni - Channel Customer Experience - Taishin Bank
◆ 2023.04	The Digital Banker	Winner-Excellent in Next-Gen Customer Satisfaction - Taishin Bank
◆ 2023.04	The Asset	Best Retail Mobile Banking Experience in Taiwan - Taishin Bank

Date	Issuing Organization	Awards / Rankings
◆ 2023.04	The Asset	Best API Project in Taiwan - Taishin Bank
◆ 2023.06	The Banker and PWM	Best private bank for big data analytics and AI, Asia - Taishin Bank
◆ 2023.06	Finance Asia	Winner: Most Innovative use of Technology in Taiwan - Taishin Bank
◆ 2023.06	Business Next	Taishin SME eco ECO Digital Financial Service Platform - Taishin Bank
◆ 2023.06	China Times	Best Robo - Advisor - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Best Products(SME Eco Loan) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Best Products(Taishin's Cross - Border Remittances Service, Create a New Era of Real - time Remittance) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Best Products(Richart Life) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Best Products(Taishin's Best Personalized Journey 2.0) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Best Products(Instant Card Number) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Most Popular Brands(Ricahrt) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Most Popular Brands(Digital Customer Service Center) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Most Popular Brands(Taishin Wealth Management) - Taishin Bank
◆ 2023.06	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - The Most Popular Brands(Gogoro Rewards) - Taishin Bank
◆ 2023.07	Asian Banking & Finance	Taiwan Domestic Technology & Operations Bank of the Year - Taishin Bank
◆ 2023.07	Asian Banking & Finance	Financial Inclusion Initiative of the Year - Taiwan - Taishin Bank
◆ 2023.07	Asian Banking & Finance	New Consumer Lending Product of the Year - Taiwan - Taishin Bank
◆ 2023.08	Global Finance	Best Open Banking APIs in Asia/Pacific - Taishin Bank
◆ 2023.08	Global Finance	Best Open Banking APIs in Taiwan - Taishin Bank

Date	Issuing Organization	Awards / Rankings
◆ 2023.08	Global Finance	Best Innovation and Transformation in Taiwan - Taishin Bank
◆ 2023.08	BSI(British Standard Institution)	Business Continuity Management, BCM 2019 - Taishin Bank
◆ 2023.08	Global Finance	Financial Services Company Labs (Internal) of World's Best Financial Innovation Labs - Taishin Bank
◆ 2023.08	Forbes	Recognized on the lists of World's Best Banks 2022 - Taishin Bank
◆ 2023.10	PBI (Private Banker International)	Winner - Outstanding Private Bank for UHNW Clients - Taishin Bank
◆ 2023.10	IDC (International Data Corporation)	Best in Future of Industry Ecosystems (Taishin SME eco ECO) - Taishin Bank
◆ 2023.10	Commercial Times	Digital Financial Service Award:Best Digital Inclusive Financing Gold Award - Taishin Bank
◆ 2023.10	Sports Administration, Ministry of Education	Gold Award of Sport Sponsorship - Taishin FHC
◆ 2023.10	Republic of China National Enterprise Competitiveness Development Association	The National Brand Yushan Award - First Prize in The Most Popular Brands(Digital Customer Service Center) - Taishin Bank - Republic of China National Enterprise Competitiveness Development Association
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best social media management Company in Customer Service - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service Team - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service Marketing Supervisor - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service Representative - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service Marketing Representative - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service Marketing Representative - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Customer Service System Representative - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Trainer in Customer Service - Taishin Bank
◆ 2023.11	TCCDA (Taiwan Contact Center Development Association)	Best Trainer in AI Customer Service - Taishin Bank
◆ 2023.11	Taipei City Government	The Zero Carbon Benchmark Award - Industrial and Commercial Industry Group - Incentive Award - Taishin Bank

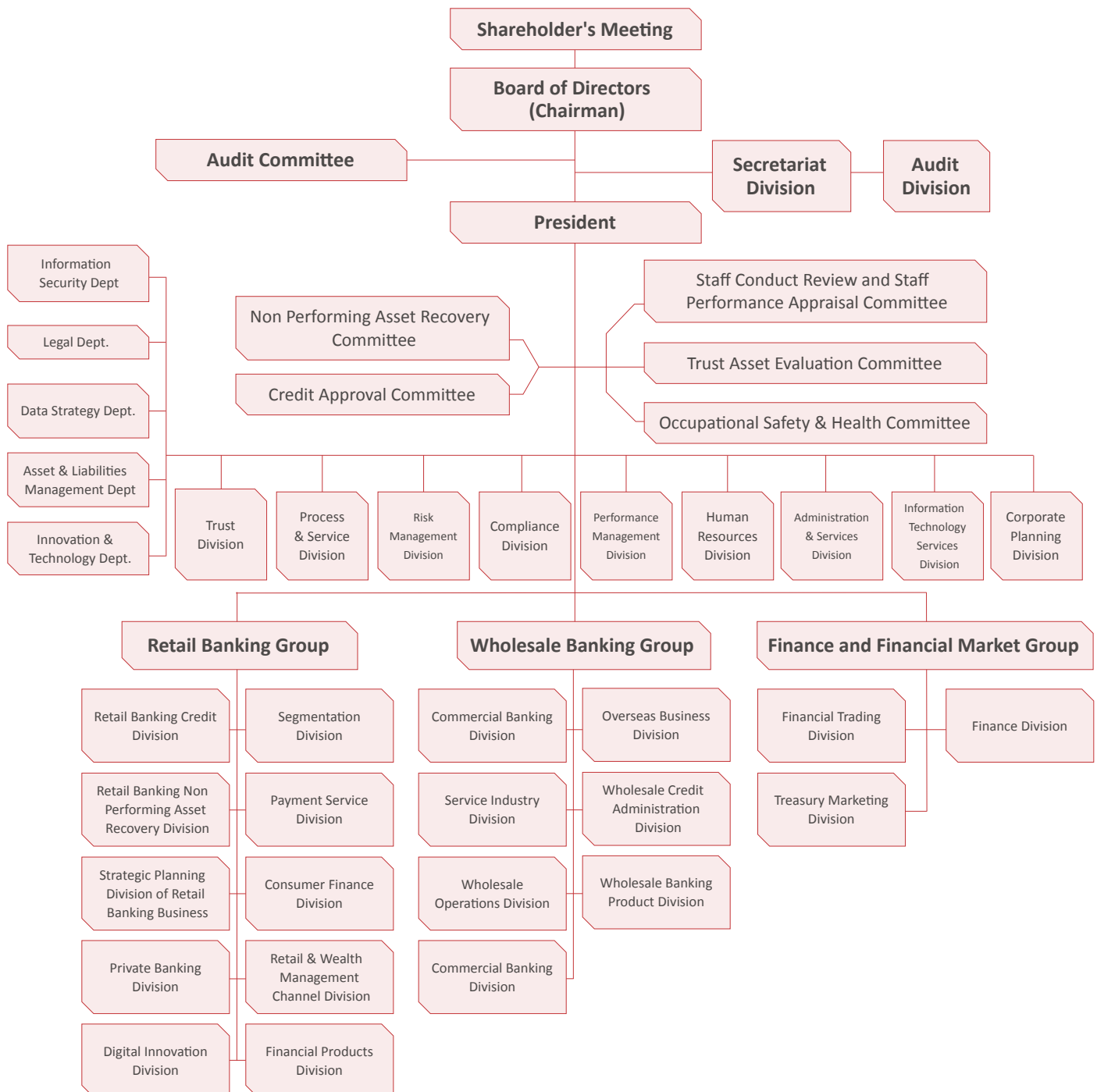
Date	Issuing Organization	Awards / Rankings
◆ 2023.11	LINE Family Club	The Best Brand - Taishin Bank
◆ 2023.11	Brain Magazine	Top 10 Powerful Words in Advertising - Taishin Bank
◆ 2023.12	Commercial Times	Best Service of Securities Trust Gold Prize - Taishin Bank
◆ 2023.12	Commercial Times	Best Securities Trust Innovation - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - Digital Solutions (Market Leader) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - Investment Banking (Highly Regarded) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - SME Banking (Highly Regarded) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - CSR (Notable) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - ESG (Notable) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - Diveristy and Inclusion (Notable) - Taishin Bank
◆ 2023.12	Euromoney	Taiwan - Corporate Banking (Notable) - Taishin Bank
◆ 2023.12	Sports Administration, Ministry of Education	Sports Activist Awards of Sponsorship Award Gold Class - Taishin Bank
◆ 2023.12	Sports Administration, Ministry of Education	Sports Activist Awards of Sponsorship Award Long - Term Sponsorship Award - Taishin Bank

III. Corporate Governance Report

A. Organization system

a. Organizational Chart

Base Date : February 29, 2024



b. Responsibilities of the bank's major units

1. Corporate Planning Division

- (1) In charge of strategic planning, execution and evaluation of major strategic projects.
- (2) Communications and coordination with competent authority.
- (3) Communications and coordination for operation and management related affairs among various managerial units.
- (4) Organizational planning, establishment, execution and management.
- (5) Planning, execution, and management of business relating to corporate image and public affairs.
- (6) Coordination of corporate governance practices and supervision of implementation in the units.
- (7) Performance of credit rating procedures.
- (8) Design, tracking, and evaluation of balanced score cards.

2. Administration & Services Division

- (1) Drafting, formulation, and execution of common administrative and general-affairs regulations and system.
- (2) Acceptance and sending of external official documents.
- (3) Management, assessment and execution of procurement, construction and maintenance, and property.
- (4) Supervision and execution of security, security monitoring system, and occupational safety and health.

3. Information Technology Services Division

- (1) Management and maintenance of the bank's computer systems, central equipment office, and equipments.
- (2) The formulation and execution of information security system.
- (3) The pushing of information programs.
- (4) Evaluation of need, planning and analysis, and evaluation, change, and maintenance of programs for the information systems of retail banking and corporate banking.

4. Performance Management Division

- (1) Management, analysis of, and recommendations for business performance.
- (2) Budget planning and execution and management of business targets.
- (3) Planning and management of performance management information system (MIS, budget (predicted)) and activity based costing/management system (ABC/M).
- (4) Planning and management of accounting and taxation affairs.
- (5) Compilation, analysis and reporting of financial information.

5. Compliance Division

- (1) Supervising the legal compliance and AML/CFT operations of overseas business units.
- (2) Planning, management, and execution of the compliance system.
- (3) Conveyance, consultation, coordination and communication of laws and regulations.
- (4) Establishment and execution of legal compliance, AML/CFT risk management, and the supervision framework.

- (5) Establishment of the whistleblowing system and handling of whistleblowing reports.
- (6) Planning and execution of the AML/CFT policy and procedures.

6. Human Resources Division

- (1) Drafting, formulation, and execution of human resourced related regulations and policy.
- (2) Personal recruitment, appointment, management, ranking and performance evaluation.
- (3) Formulation and execution of employment conditions and welfare, and the establishment, pushing, and management of communications channels with employees.
- (4) Research, development, planning, revision, compilation and execution of employee-training courses and material, the establishment of teacher database, and evaluation and appointment of teachers.
- (5) Formulation, execution and management of human resources contracts involving foreign matters and other documents.

7. Risk Management Division

- (1) Assist and supervise the first line of defense units in identifying and managing credit, market, operational risks.
- (2) Regularly compile and report the overall status of credit, market, and operational risks.
- (3) Research, discussion and planning of applicable calculation methods for risk-based assets, and compilation, reporting, and disclosure of risk management information.
- (4) Planning, development and verification of risk measurement models.
- (5) Planning and management of integrated risk management system.

8. Processing & Service Division

- (1) Drafting, formulation, and execution of operation- and service-related regulations and policy.
- (2) Planning of operational workflow and establishment, execution and management of centralized operation system.
- (3) Execution, promotion, and management of security control and service quality of branch staff.
- (4) Launch workflow reformed project and execution, evaluation and review the result.
- (5) Establishment of policies, monitoring, prevention, and management of operational risks related to anti-money laundering operations of the Retail Banking Group, self-checking of branches, and anti-fraud operations.

9. Finance Division

- (1) Distribution of bank-wide investment positions and management of remaining funds in coordination with bank-wide asset and liability goals.
- (2) Planning and management of the bank's liquidity risk and bankbook interest risk.
- (3) In charge of planning and management of assets/liabilities, fund allocation.

10. Financial Trading Division

- (1) Trading and position management of foreign exchange, interest rate, credit, equity, and commodity products and related derivatives.
- (2) Development, design and implementation of derivative financial products.
- (3) Development and maintenance of derivative financial products and bond-related products, and other operational matters.
- (4) Bills transaction, underwriting and trading.

11. Treasury Marketing Division

Planning, marketing, and execution of transactions involving foreign exchange, interest rate, credit, equity, and commodity products and related derivatives.

12. Wholesale Banking Product Division

Formulation of rules and regulations, management and execution of marketing strategy planning for cash management, trade financing, syndicated loans and structured financing of Wholesale Banking.

13. Corporate Banking Division

- (1) Formulate short-, medium-, and long-term business objects and strategic planning for the financial businesses of medium- and large-sized manufacturing customer groups.
- (2) Coordinate the marketing, promotion, and the maintenance and management of account relations for medium- and large-scale manufacturing customer groups.

14. Service Industry Division

- (1) Formulate short-, medium-, and long-term business objects and strategic planning for the financial businesses of medium- and large-scale service customer groups.
- (2) Coordinate the marketing, promotion, and the maintenance and management of account relations for medium- and large-scale service customer groups.

15. Wholesale Operations Division

- (1) Wholesale banking services and cash management.
- (2) Formulation and management of credit extension flow.
- (3) Execution and management of international banking business.
- (4) Delivery and clearance of financial products.
- (5) Planning and management of corporate banking service systems.

16. Commercial Banking Division

- (1) Formulating short-, medium-, and long-term business goals and strategies for the financial business of small- and medium-sized enterprises.
- (2) Overseeing the marketing, promotion, and account maintenance and management for the financial business of small- and medium-sized enterprises.

17. Overseas Business Division

- (1) Study, planning, execution, and management of the establishment, move, dismantling, and change of overseas branches.
- (2) Strategic planning, pushing, and management of the business of overseas business.
- (3) Oversee the operation, performance, and general affairs management of overseas branches; serve as a channel for supervision/consultation/communication between relevant units of the head office and overseas branches.
- (4) Planning and execution of the regulatory compliance system of the overseas branches.

18. Wholesale Credit Administration Division

- (1) Credit extension policy and risk analysis and disclosure for corporate banking.
- (2) Inspection and review of corporate banking credit extension cases, and management of the asset quality of corporate banking credit extension, overdue loan and collection.

19. Retail and Wealth Management Channel Division

- (1) In charge of planning and management of the business and channel of branches.
- (2) Deployment and management of branches.
- (3) Enforcement, pushing, and management for the operation and service quality of branches.
- (4) Operational management and sales promotion of retail banking.
- (5) Execution, facilitation and management of customer service center operations and service quality.

20. Financial Products Division

- (1) Oversee life insurance brokerage services and P&C insurance brokerage services provided throughout the bank.
- (2) Coordinate product development, policy administration, and business development under insurance brokerage operations.
- (3) Development and management of retail banking wealth management products and maintenance of the competitive edge of the bank's wealth management products.
- (4) Provide product consultation and education training for personal finance.

21. Consumer Finance Division

- (1) Development, design, management, and promotion of retail banking products.
- (2) Development and design of business banking products and management and promotion.
- (3) The development, operating management, sales promotion, credit investigation, auditing, and customer maintenance for auto loans and products with repo condition.
- (4) Product planning, sales promotion, channel development, and performance management for state owned banks and payroll accounts.

22. Payment Service Division

- (1) In charge of planning and development, business management, marketing and sales, and customer maintenance of credit cards, debit cards, cash flows of business clients.
- (2) Management and promotion of consumer banking products.

23. Retail Banking Credit Division

- (1) In charge of the formulation of the credit policy to retail banking products.
- (2) Construction and utilization of retail banking credit risk models.
- (3) Risk management, estimate and management of bad debts and provisions.
- (4) Credit investigation and credit extension management for retail banking products.
- (5) Collateral appraisal management for retail banking real estate.

24. Retail Banking Non-Performing Asset Recovery Division

The management of NPL (nonperforming loan) collection, protection of non-performing assets, write-off of bad debts, and outsourcing of debt collection.

25. Segmentation Division

- (1) Analysis of customer groups, construction of statistical models, and testing of marketing campaigns.
- (2) The development, planning and trial execution of event marketing.
- (3) Integrating the marketing and media resources within the Bank.
- (4) Management of customer relation management and core technology R&D and marketing platform.

26. Strategic Planning Division of Retail Banking Business

- (1) Handling first- and second-level customer complaints throughout the bank, and planning and execution of service quality improvement.
- (2) Strategy planning and execution of personal finance, comprehensive communication and coordination of the staff affairs of the CEO of the Retail Banking Group, personal finance operations and management-related matters.
- (3) Personal finance budget planning, execution of business targets, performance management, and analysis of recommendations.
- (4) Assist in supervising first line of defense of personal finance to manage risks and monitor abnormal transactions between bank staff and customers.
- (5) Promoting digital transformation strategy and innovation services.

27. Digital Innovation Division

- (1) Planning and execution of business strategies, targets, and plans of digital finance.
- (2) Planning, design, and maintenance of digital finance services and platforms.
- (3) Promotion and management of digital financial services.
- (4) Planning, management and execution of marketing campaigns for digital finance.
- (5) Planning, promotion and coordination of integration of real and virtual channels.

28. Private Banking Division

- (1) Providing integrated financial services in investment planning, financing, and inheritance planning for high net worth clients around the world.
- (2) Coordinating private banking services, performance, and business management worldwide.
- (3) Formulating private banking related operational regulations and procedures.

29. Trust Division

- (1) Management and development of all trust services and subsidiary services of the bank.
- (2) Integrating market trends and the characteristics of products, providing investment analysis reports and consultation on the investment of domestic and foreign negotiable securities.

30. Information Security Department

- (1) Information security strategy and policy planning.
- (2) Information security risk management.
- (3) Compliance and conformity of financial information security regulations worldwide.
- (4) Information security monitoring, analysis and anomalies handling.

- (5) Information security event contingency plan and management.
- (6) Information security awareness campaigns and education training.

31. Legal Department

- (1) Formulation, establishment, and implementation of policies and regulations for legal affairs.
- (2) Analysis and consultation on matters involving the law across the bank.
- (3) Review and supervision of various contracts and correspondences.
- (4) Handling and management of litigation.

32. Data Strategy Department

- (1) Data strategy and analysis.
- (2) Data structure platform planning.
- (3) Data governance.

33. Assets and Liabilities Management Department

- (1) Planning and management of bank-wide liquidity risk and banking book interest rate risk.
- (2) Execution and management of each management indicator and resolution set by the Asset & Liability Management Committee.
- (3) Planning and management of interbranch interest rate pricing system.

34. Capital&Investment Management Department

- (1) In charge of capital planning of the bank, analysis and management of BIS ratio and each finance and business data.
- (2) Long term planning, analysis, evaluation, execution and management of long-term investments. Negotiation and communication with regulator.

35. Innovation&Technology Department

- (1) Planning, execution and management of startup cooperation projects.
- (2) Research, planning and promotion of new technologies and innovative applications.

B. Profiles of directors, president, vice presidents, assistant vice presidents, heads of department and branches, and advisors.

a. Board directors

1. Information on board directors

Title	Nationality	Name	Gender / Age	Date of getting elected	Term	Date of first getting elected	Shareholding upon election		Current shareholding		
							Number of shares	Share of stake	Number of shares	Share of stake	
Chairman	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Wu, Tong-Liang	Male Over 71	2021/7/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Kuo, Jui-Sung	Male Over 71	2021/7/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Wu, Tong-Shung	Male Over 71	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	

Base date: Feb. 29, 2024 unit: %; share

	Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Principal experience and Education	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/ supervisors of the bank			Note
	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
	0	0	0	0	<ul style="list-style-type: none"> Chairman of Taishin Holdings and Taishin Bank Chairman of Taishin Charity Foundation, Chairman of CNAIC Chairman and Director of Taishin Venture Capital Investment Chairman and President of Shinkong Synthetic Fibers Vice Chairman of Teco Electric and Machinery Director, Managing Director and Supervisor of First Commercial Bank, Taipei Business Bank and Hua Nan Bank Managing Director of Shinkong Insurance and Shin Kong Life Insurance MBA, University of California, Los Angeles (UCLA), CA, USA	Note 1	Director Director Director	Kuo,Jui-Sung Lin, Long-Su Wu, Shin-Hau	Brother in Law Brother in Law Son	None
	0	0	0	0	<ul style="list-style-type: none"> Director of Taishin Holdings and Taishin Bank Professor of Department of Information Science, Business School, Soochow University Professor of Department of Electrical Engineering, National Taiwan University Chairman of TECO Technology Foundation Director of TECO Image Systems Supervisor of Sercomm Director of International Bank of Taipei Ph.D., Physics, New Hampshire University, NH, USA	Note 2	Chairman Director	Wu,Tong-Liang Lin,Long-Su	Brother in Law Brother in Law	None
	0	0	0	0	<ul style="list-style-type: none"> Director of Taishin Holdings, Taishin Bank and ShinKong Wu Ho-Su Memorial Hospital Certified Public Accountant Chairman of Taishin Asset Management, Taishin Real-Estate Management, Taishin Venture Capital Investment and MiTAC Construction and Development Supervisor of Taishin Securities and Taishin Insurance Brokers Director and Standing Supervisor of Tung-Yu Technology BA, Accounting and Statistics, National Chengchi University, Taipei, TW	Note 3	None	None	None	None

Title	Nationality	Name	Gender / Age	Date of getting elected	Term	Date of first getting elected	Shareholding upon election		Current shareholding		
							Number of shares	Share of stake	Number of shares	Share of stake	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Lin, Long-Su	Male Over 71	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Kao, Chih-Shang	Male Over 71	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Hsu, Teh-Nan	Male Over 71	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	

	Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Principal experience and Education	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/ supervisors of the bank			Note
	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
	0	0	0	0	<ul style="list-style-type: none"> • Director of Taishin Holdings, Director and Supervisor of Taishin Bank • Honorary Consul of the Republic of Nicaragua • Representatives of the National Assembly • Associate Professor of Institute of Biochemical Science, National Taiwan University • CEO of Konig Foods Ph.D., Chemistry, Virginia State University, VA, USA	Note 4	Chairman Director	Wu, Tong-Liang Kuo, Jui-Sung	Brother in Law Brother in Law	None
	0	0	0	0	<ul style="list-style-type: none"> • Supervisor of Taishin Holdings, Director and Supervisor of Formosa International Hotels • Supervisor of Taishin Holdings • Chairman of I-Mei Foods, Dah An Bank and An-Shin Real Estate Management • Standing Supervisor of Chang Hwa Bank MA, Public Administration, University of San Francisco, CA, USA	Note 5	None	None	None	None
	0	0	0	0	<ul style="list-style-type: none"> • Director of Taishin Bank • Chairman of Taiwan Cooperative Bank and Bank of Taiwan • Chairman of The Bankers Association of the Republic of China BA, Banking, National Chengchi University, Taipei, TW	Note 6	None	None	None	None

Title	Nationality	Name	Gender / Age	Date of getting elected	Term	Date of first getting elected	Shareholding upon election		Current shareholding		
							Number of shares	Share of stake	Number of shares	Share of stake	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Wu, Shang-Pin	Male 51~60	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Wu, Shin-Hau	Male 31~40	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Independent Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Lin, Yi-Fu	Male Over 71	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	

	Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Principal experience and Education	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/ supervisors of the bank			Note
	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
	0	0	0	0	<ul style="list-style-type: none"> • Director and Supervisor of Taishin Bank • Chairman of NSEnergy • President of Tuntex Petrochemicals • Director of TASCO Chemical and Grand Cathay Venture Capital III • Supervisor of Petrochemical Industry Association of Taiwan Ph.D., Applied Chemistry, Keio University, Tokyo, Japan	Note 7	None	None	None	None
	0	0	0	0	<ul style="list-style-type: none"> • Director of Taishin Bank, Taishin Securities, Taishin Life Insurance and Taishin Capital • Director of Shin Kong Financial Holding, Shinkong Life Insurance and Shinkong Insurance • Co-founder and CEO of Dynasty Holding International Limited MBA, Waseda University, Tokyo, Japan	Note 8	Chairman	Wu, Tong-Liang	Father	None
	0	0	0	0	<ul style="list-style-type: none"> • Independent Director of Taishin Holdings and Taishin Bank • Independent Director of Nanya Technology • Minister of Economic Affairs • Minister without Portfolio of Executive Yuan • Ambassador, Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization • Consultant, Chinese National Association of Industry and Commerce, Taiwan BA, Accounting and Statistics, National Chengchi University, Taipei, TW	Note 9	None	None	None	None

Title	Nationality	Name	Gender / Age	Date of getting elected	Term	Date of first getting elected	Shareholding upon election		Current shareholding		
							Number of shares	Share of stake	Number of shares	Share of stake	
Independent Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Chang, Min-Yu	Female 51~60	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	
Independent Director	R.O.C	Taishin Financial Holding Co., Ltd. Representative: Lee, Shyan-Yuan	Male 61~70	2021/07/23	Three years	2002/1/28	8,885,711,853	100	9,553,527,309	100	

Note 1 Representative Wu, Tong-Liang is concurrently acting as Chairman of Taishin Holdings, Chairman of Taishin Charity Foundation, Chairman of CNAIC, Director of Taishin Real Estate Management, Director of Taishin Asset Management, Director of Shin Kong Mitsukoshi Department Store, Director of Shin Kong Lohas, Director of Shin Kong Construction and Development, Director of Shin-Yun Enterprise, Director of Rui-Xiang Investment, Director of Kuei-Yuan Investment, Director of Shin Kong Recreation, Supervisor of Shin Kong Agriculture & Animal husbandry, Supervisor of Shin Kong Ocean Enterprise, Supervisor of Chin-Shan Investment.

Note 2 Representative Kuo, Jui-Sung is concurrently acting as Chairman of Jui-Fang, Director of Taishin Holdings, Director of An-Long Enterprise, Director of Shin-Hai Gas, Director of Jhao Fong Solar Power, Supervisor of Hsing An Chin Yeh .

Note 3 Representative Wu, Tong-Shung is concurrently acting as Chairman of Taishin Asset Management, Chairman of MiTAC Construction and Development, Director of Taishin Real Estate Management, Independent Director of Hua Eng Wire & Cable, Supervisor of Taishin Securities, Supervisor of Taishin Venture Capital.

Note 4 Representative Lin, Long-Su is concurrently acting as Chairman of Ennead Leasing, Chairman of Ennead Investment, Chairman of Dian-Yi-Bei Catering , Director of MiTAC Construction and Development, Director of Nica-Orient Development, Director of International Advanced Music, Director of Music Duck, Director of Ennead Inc, Director of Jhao Fong Solar Power.

Note 5 Representative Kao, Chih-Shang is concurrently acting as Chairman of Chinese International Economic Cooperation Association, Chairman of I-Mei Foods, Chairman of I-Mei Store, Chairman of Fu Mei, Chairman of Shine Mei Foods, Chairman of Ming Huang International Logistics, Chairman of Golden Saddle Machinery, Chairman of An-Shin Real Estate Management, Chairman of Ray Ten Asset Management, Chairman of IKW Enterprise, Chairman of National Performing Arts Center, Chairman of I-Mei online shopping, Director of I-Mei Macrobiotics, Director of I-Mei Biomedicine, Director of An-Sin Real Estate Management, Director of Friendly Flash Produce, Director of Formosa International Hotels, Director of Digiforen Technology, Supervisor of Van Den Investment, Supervisor of I-Mei Dairy. .

	Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Principal experience and Education	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/ supervisors of the bank			Note
	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
	0	0	0	0	<ul style="list-style-type: none"> • Independent Director of Taishin Holdings and Taishin Bank • Executive CPA of Zhongxin United CPA Firm • Supervisor of Leo Systems • Director of Chang Hwa Bank • Reorganizer of First International Telecom • Director of Chi-Tun Consulting MBA, National Taiwan University, Taipei, TW	Note 10	None	None	None	None
	0	0	0	0	<ul style="list-style-type: none"> • Independent Director of Taishin Bank, Global Tek Fabrication and First Financial Holding • Director of International Bills Finance Corporation • Professor of Department of Finance, National Taiwan University • Advisor of Securities Investment Trust and Consulting Association of the R.O.C. • Advisor and Member of Public Service Pension Fund Supervisory Board • Commissioner, Financial Supervisory Commission Ph.D., Division of Money and Financial Markets, Columbia Business School, Columbia University, New York City, USA	Note 11	None	None	None	None

Note 6 Representative Hsu, Teh-Nan has no concurrent positons held at other companies.

Note 7 Representative Wu, Shang-Pin is concurrently acting as Chairman of NSEnergy, Chairman of He-Cheng Investment, Dirctor of TASCOC Chemical, Dirctor of EXCEL Chemical, Dirctor of Ming-Xing Chemical, Dirctor of Taiwan Fieldrich, Dirctor of Da-Jhan Investment & Development, Dirctor of TASCOTechnology, Dirctor of Tai-He Investment, Dirctor of Ho-Shin, Dirctor of Tuntex Petrochemical, Dirctor of SAFEWAY Gas, Dirctor of Chang-Feng Logistics, Dirctor of TNS Logistics International, Dirctor of Orient Recreation and Development, Dirctor of Mega Green Energy.

Note8 Representative Wu, Shin-Hau is concurrently acting as Vice Chairman of Jhao Fong Solar Power, Director of Taishin Securities, Director of Taishin Life Insurance, Director of Taishin Sports Entertainment, Director of Taishin Capital, Direcotr of An-Sin Real Estate Management, Direcotr of An-Shin Real Estate Management, Director of Sun Biofund, Director of Jing Ying Investment, Director of Diamond Capital, Director of T-Ham & Dachan Food, Vice president of Taishin Holdings.

Note 9 Representative Lin, Yi-Fu is concurrently acting as Independent Director of Taishin Holdings, Independent Director of Nan Ya Plastics, Independent Director of Pan German Universal Motors, Dirctor of Oneness Biotech.

Note 10 Representative Chang, Min-Yu is concurrently acting as Independent Director of Taishin Holdings, Independent Director of Microloops, Supervisor of Multilite International.

Note 11 Representative Lee, Hsien-Yuan has no concurrent positions held at other companies.

2. Major shareholders of institutional shareholders

April 16, 2024

Names of Institutional shareholders	Major shareholders of institutional shareholders
Taishin Financial Holding Co., Ltd.	TASCO Chemical Co., Ltd. 3.65% Taishin Leasing & Financing Co., Ltd. 3.10% Farglory Life Insurance Co., Ltd. 1.34% Citibank Taiwan in custody for Norges Bank 1.22% JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds 1.20% JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds 1.17% Tong Shan Investment Co., Ltd. 1.16% TransGlobe Life Insurance Inc. 1.11% Shinkong Synthetic Fibers Corporation 1.04% Chaang Her Co., Ltd. 1.03%

3. Major shareholders of major institutional shareholders

April 16, 2024

Names of Institutional shareholders	Major Shareholders of Institutional Shareholders
TASCO Chemical Co., Ltd.	Tai-He Investment 58.20%, He-Cheng Investment Co., Ltd. 19.55%, Taiwan Fieldrich Corp. 9.94%, Da-Jhan Investment & Development Co., Ltd. 1.72%, He-Fong Investment Co., Ltd. 1.16%, Wu, Shang-Pin 1.10%, Fong-He Investment Co., Ltd. 1.01%, Wu, Cheng-Ching 0.99%, Wu, Pei-Rong 0.97%, Wu, Pei-Jyuan 0.95%
Taishin Leasing & Financing Co., Ltd.	Yun Teh Industrial Co., Ltd. 40.60%, Tong Shan Investment Co., Ltd. 26.00%, Pan Asian Plastics Corp 22.20%, Ruixin Investment Co., Ltd 7.06%, Rui-Xiang Investment Co., Ltd. 4.07%, Chao Heng Enterprise Co., Ltd. 0.07%
Farglory Life Insurance Co., Ltd.	Sinyu Investment Co., Ltd. 19.00%, Fareast Land Company 12.48%, Yuanjian Investment Co., Ltd. 8.91%, Teng-Hsiung Chao 8.49%, Harvard International Investment Co., Ltd. 6.71%, Rueici Investment Co., Ltd. 6.43%, Farglory International Investment Co., Ltd. 6.43%, Chun-Yao Yeh 5.96%, Yu-Nu Chao 5.77%, Dongyuan Construction Co., Ltd. 5.63%
Citibank Taiwan in custody for Norges Bank	N/A
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	N/A
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	N/A
Tong Shan Investment Co., Ltd.	Ruixin Investment Co., Ltd. 78.75%, Wu, Guei-Lan (Note) 3.125%, Eugene Wu 3.125%, Anthony Wu 3.125%, Wu, Tong-Liang 3.125%, Hsien-Hsien Hsu 2.50%, Ruo-Nan Sun 2.50%, Eric Wu 1.875%, Hsing-Hua Ho 1.875%
TransGlobe Life Insurance Inc.	Zhongwei Co., Ltd. 100%
Shinkong Synthetic Fibers Corporation	Shinkong Company Ltd. 5.21%, Newrise Investment Co., Ltd. 4.99%, Shin Kong Recreation Co., Ltd. 4.66%, Shinkong Textile Co., Ltd. 3.47%, Shinkong Insurance Co. Ltd. 3.04%, Sourcetec Co., Ltd. 2.46%, Gillian Investment Co., Ltd. 2.36%, Toray Industries, Inc. 2.20%, Yi Kuang Enterprise Co., Ltd. 2.07%, Ruixin Investment Co., Ltd. 1.98%
Chaang Her Co., Ltd.	Overland Ltd. 98.96%, Hsueh-Fen Peng 1.04%

Note: Guei-Lan Wu passed away on March 30, 2016.

4. Disclosure of information on directors' professional qualifications and independence of independent directors:

Qualifications Name	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Wu, Tong-Liang (Chairman)	<p><u>Industry experience/ Professional training:</u> Banking, insurance, securities, asset management and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> Chairman of Taishin Holdings and Taishin Bank Chairman of Taishin Charity Foundation, Chairman of CNAIC Chairman and Director of Taishin Venture Capital Investment Chairman and President of Shinkong Synthetic Fibers Vice Chairman of Teco Electric and Machinery Director, Managing Director and Supervisor of First Commercial Bank, Taipei Business Bank and Hua Nan Bank Managing Director of Shinkong Insurance and Shin Kong Life Insurance Does any of the conditions stated in Article 30 of The Company Act apply: None 	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(3) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p>	0
Kuo, Jui-Sung (Director)	<p><u>Industry experience/ Professional training:</u> Banking, information technology and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> Director of Taishin Holdings and Taishin Bank Professor of Department of Information Science, Business School, Soochow University Professor of Department of Electrical Engineering, National Taiwan University Chairman of TECO Technology Foundation Director of TECO Image Systems Supervisor of Sercomm Director of International Bank of Taipei Does any of the conditions stated in Article 30 of The Company Act apply: None 	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(3) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(4) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p>	0

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Wu, Tong-Shung (Director)	<p>Industry experience/ Professional training: Banking, accounting, asset management and risk management</p> <p>Principal Experience:</p> <ul style="list-style-type: none"> • Director of Taishin Holdings, Taishin Bank and ShinKong Wu Ho-Su Memorial Hospital • Certified Public Accountant • Chairman of Taishin Asset Management, Taishin Real-Estate Management, Taishin Venture Capital Investment and MITAC Construction and Development • Supervisor of Taishin Securities and Taishin Insurance Brokers • Director and Standing Supervisor of Tung-Yu Technology <p>Does any of the conditions stated in Article 30 of The Company Act apply: None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below:</p> <p>a) a managerial officer of the Company or any of its affiliates.</p> <p>b) a director or supervisor of the Company or any of its affiliates.</p> <p>c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(3) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p>	1

Qualifications Name	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Lin, Long-Su (Director)	<p>Industry experience/ Professional training: Banking, industry and risk management</p> <p>Principal Experience:</p> <ul style="list-style-type: none"> • Director of Taishin Holdings, Director and Supervisor of Taishin Bank • Honorary Consul of the Republic of Nicaragua • Representatives of the National Assembly • Associate Professor of Institute of Biochemical Science, National Taiwan University • CEO of Konig Foods <p>Does any of the conditions stated in Article 30 of The Company Act apply: None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliates. (2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (4) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (5) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	0

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Kao, Chih-Shang (Director)	<p>Industry experience/ Professional training: Banking, industry and risk management</p> <p>Principal Experience:</p> <ul style="list-style-type: none"> • Supervisor of Taishin Holdings, Director and Supervisor of Taishin Bank • Supervisor of Formosa International Hotels • Chairman of I-Mei Foods, Dah An Bank and An-Shin Real Estate Management • Standing Supervisor of Chang Hwa Bank <p>Does any of the conditions stated in Article 30 of The Company Act apply: None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliates. (2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (3) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below: <ol style="list-style-type: none"> a) a managerial officer of the Company or any of its affiliates. b) a director or supervisor of the Company or any of its affiliates. c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (5) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (6) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (7) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (8) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	0

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Hsu, Teh-Nan (Director)	<p>Industry experience/ Professional training: Banking, risk management</p> <p>Principal Experience:</p> <ul style="list-style-type: none"> • Director of Taishin Bank • Chairman of Taiwan Cooperative Bank and Bank of Taiwan • Chairman of The Bankers Association of the Republic of China <p>Does any of the conditions stated in Article 30 of The Company Act apply: None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below: <ol style="list-style-type: none"> a) a managerial officer of the Company or any of its affiliates. b) a director or supervisor of the Company or any of its affiliates. c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (4) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (5) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	0

Qualifications Name	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Wu, Shang-Pin (Director)	<p><u>Industry experience/ Professional training:</u> Banking, industry and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> • Director and Supervisor of Taishin Bank • Chairman of NSEnergy • President of Tuntex Petrochemicals • Director of TASC Chemical and Grand Cathay Venture Capital III • Supervisor of Petrochemical Industry Association of Taiwan <p><u>Does any of the conditions stated in Article 30 of The Company Act apply:</u> None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(4) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(5) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p>	0
Wu, Shin-Hau (Director)	<p><u>Industry experience/ Professional training:</u> Banking, securities, insurance and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> • Director of Taishin Bank, Taishin Securities, Taishin Life Insurance and Taishin Capital • Director of Shin Kong Financial Holding, Shin Kong Life Insurance and Shinkong Insurance • Co-founder and CEO of Dynasty Holding International Limited <p><u>Does any of the conditions stated in Article 30 of The Company Act apply:</u> None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(2) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p>	0

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Lin, Yi-Fu (Independent Director)	<p>Industry experience/ Professional training: Banking, accounting and risk management</p> <p>Principal Experience:</p> <ul style="list-style-type: none"> Independent Director of Taishin Holdings and Taishin Bank Independent Director of Nanya Technology Minister of Economic Affairs Minister without Portfolio of Executive Yuan Ambassador, Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization Consultant, Chinese National Association of Industry and Commerce, Taiwan <p>Does any of the conditions stated in Article 30 of The Company Act apply: None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of Taishin Bank or ranking in the top 10 in holdings. (5) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below: <ol style="list-style-type: none"> a) a managerial officer of the Company or any of its affiliates. b) a director or supervisor of the Company or any of its affiliates. c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (6) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (7) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (8) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (9) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (If the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, it does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (10) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	2

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Chang, Min-Yu (Independent Director)	<p><u>Industry experience/ Professional training:</u> Banking , accounting , information technology and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> • Independent Director of Taishin Holdings and Taishin Bank • Executive CPA of Zhongxin United CPA Firm • Supervisor of Leo Systems • Director of Chang Hwa Bank • Reorganizer of First International Telecom • Director of Chi-Tun Consulting <p><u>Does any of the conditions stated in Article 30 of The Company Act apply:</u> None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of Taishin Bank or ranking in the top 10 in holdings. (5) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below: <ol style="list-style-type: none"> a) a managerial officer of the Company or any of its affiliates. b) a director or supervisor of the Company or any of its affiliates. c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (6) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (7) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (8) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (9) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (If the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, it does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (10) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	1

<div>Qualifications</div> <div>Name</div>	Professional Qualification and Experiences	Independence Criteria	Number of positions as an Independent Director in other public companies
Lee, Shyan-Yuan (Independent Director)	<p><u>Industry experience/ Professional training:</u> Banking, finance and risk management</p> <p><u>Principal Experience:</u></p> <ul style="list-style-type: none"> Independent Director of Taishin Bank, Global Tek Fabrication and First Financial Holding Director of International Bills Finance Corporation Professor of Department of Finance, National Taiwan University Advisor of Securities Investment Trust and Consulting Association of the R.O.C. Advisor of Public Service Pension Fund Management Board Commissioner of Financial Supervisory Commission <p><u>Does any of the conditions stated in Article 30 of The Company Act apply:</u> None</p>	<p>During the two years before being elected or during the term of office, the director have been or be any of the following:</p> <ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of Taishin Bank or ranking in the top 10 in holdings. (5) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed below: <ol style="list-style-type: none"> a) a managerial officer of the Company or any of its affiliates. b) a director or supervisor of the Company or any of its affiliates. c) a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (6) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (7) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (8) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (9) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (If the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, it does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.) (10) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 	0

b. Board Diversity and Independence

1. A Diverse Board of Directors:

Taishin Bank recognizes and values the uniqueness of each individual and their contributions derived from different skill sets and perspectives. In view of business model and future development, Taishin Bank makes the diversification policy without discrimination based on race, ethnicity, gender, sexual orientation, nationality, language, religion, cultural background, or other factors unrelated to work requirements. We believe that an appropriate structure of diversity is necessary for providing significant benefits to Taishin Bank and ensuring long-term value for shareholders.

In accordance with Article 24 of the Corporate Governance Principles of the Company, the members of the Company's board of directors shall be selected with an emphasis on diversity, profession knowledge and skills, and taken gender, age, nationality, professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience into consideration; the board of directors of Taishin Bank shall determine the appropriate number of directors based on the scale of business development, the practical operational needs, the law, and the Articles of incorporation.

The 12th board of directors consists of 11 members, including 3 independent directors (1 being female and is a certified accountant). The members were selected with an emphasis on diversity. The membership consists of elite talents from banking, industries and academia, including 4 Ph.D. degree holders and 4 Masters degree holders. The members have an extensive range of expertise from business administration, physics, engineering, accounting, to pharmaceuticals. They possess the general knowledge, skills and competencies required to perform duties. Furthermore, Taishin Bank also emphasizes gender equality in Board composition. Our goal is to have at least one female Director in the Board, and we have achieved this target in the election of the 11th Board of Directors from 2018. To achieve an ideal level of corporate governance, the board of directors is equipped with the following abilities:

- 1 Ability to make sound business judgments.
- 2 Ability to conduct accounting and financial analysis.
- 3 Ability to manage a business.
- 4 Ability to respond to a crisis
- 5 Industry knowledge
- 6 An understanding of international markets
- 7 Leadership ability
- 8 Decisioning abilities
- 9 Risk management knowledge and skills

2. Board of Directors Independence:

The term of the 12th board of directors of Taishin Bank started on July 23, 2021 with a total of 11 members, including 3 independent directors (1 female and is a certified accountant) which accounts for 27.27% of all directors. Matters specified in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act do not apply to the board of directors this term (refer to the director information 1 for details).

c. Information on president, vice presidents, assistant vice presidents, and chiefs of units and branches

Feb 29, 2024 unit: %; share

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
President doubling as Chief Executive Officer, Retail Banking Group	R.O.C	Oliver Shang	Male	2018.02.07	0	0	0	0	0	0	Taishin Financial Holding Co., Ltd. Personal and Commercial Banking Group CEO; CEO of China Trust Global Personal Finance; University of Delaware, Master of Business Administration	Director of Taishin Sports Entertainment	None			
Chief Auditor	R.O.C	Steven Chiu	Male	2022.05.12	0	0	0	0	0	0	Vice President Audit Division; Indiana University of Pennsylvania, Master of Business Administration	-	None			
Chief Executive Officer, Wholesale Banking Group	R.O.C	Sharon Lin	Female	2018.01.12	0	0	0	0	0	0	Senior Vice President of KGI Bank; Director and CEO of Citi Bank; Florida International University Master of Banking and Finance	Director of Taishin Securities Co., Ltd	None			
Chief Executive Officer, Finance and Financial Market Group	R.O.C	Eric Chien	Male	2018.03.09	0	0	0	0	0	0	Director and President of the Global Financial Markets Division, Crédit Agricole CIB; University of Exeter, Master of Finance and Investments	Chief Investment Officer of Taishin Financial Holding Co., Ltd.; Vice Chairman of Taishin Investment Trust Co., Ltd.; Director of Taishin Securities Investment Trust Co., Ltd.; Director of Taishin Life Co., Ltd.;	None			
Senior Executive Vice President	R.O.C	Carol Lai	Female	2018.08.01	0	0	0	0	0	0	Chief Investment Officer of Taishin Financial Holding Co., Ltd.; Senior Vice president of ChangHwa Commercial Bank; Chief Financial Officer of Taishin Financial Holding Co., Ltd.; Department of Accounting National Taiwan University.	Chief Financial Officer of Taishin Financial Holding Co., Ltd.; Director of Cosmos Foreign Exchange Intl. Co., Ltd.; Director of METRO CONSULTING SERVICE LTD	None			
Executive Vice President	R.O.C	Maggie Pao	Female	2015.05.14	0	0	0	0	0	0	Vice Executive Officer Retail Banking Group; San Francisco State University, Master of Business Administration	Director of Taishin Securities Co., Ltd	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Executive Vice President	R.O.C	Perry Huang	Male	2018.07.02	0	0	0	0	0	0	Vice Executive Officer of Taishin Bank; National Taiwan University, Master of Business Administration	-	None			
Senior Vice President	R.O.C	Steve Sun	Male	2014.01.17	0	0	0	0	0	0	Senior Vice president of IBM china; Advanced Management Global Trade Group, EMBA, National ChengChi University	Chief Information Officer of Taishin Financial Holding, Co.,Ltd.	None			
Senior Vice President	R.O.C	David Chang	Male	2009.11.18	0	0	0	0	0	0	Senior Vice President of Taishin Bank; National Chung Hsing University, Master of Business Management	Senior Vice President of Taishin Financial Holding Co.,Ltd.; Supervisor of Hsiang Chao Investment, Weifeng Investment, Chiahao Investment, Yiheng Investment, Ching-wei, Protrade Co.,Ltd.	None			
Senior Vice President	R.O.C	Frank Lin	Male	2015.05.14	0	0	0	0	0	0	Senior Vice President of Taishin Bank; University of Southern California, USA, Master of Public Administration	Senior Vice President of Taishin Financial Holding Co.,Ltd.	None			
Senior Vice President	R.O.C	Shouna Liu	Female	2013.05.01	0	0	0	0	0	0	Senior Vice President of Taishin Bank; Master of Management Program Management and Global Trade Group National Cheng- Chi University	-	None			
Senior Vice President	R.O.C	Helen Liu	Female	2008.07.28	0	0	0	0	0	0	Senior Vice President of ABN AMRO Bank; University of Wisconsin Madison, Master of Business Administration	-	None			
Senior Vice President	R.O.C	Albert Kuo	Male	2018.06.11	0	0	0	0	0	0	Senior Vice President of Taipei Fubon Bank; National Tsing Hua University, Master of Economics	Director of Taishin Securities Investment Advisory Co., Ltd.	None			
Senior Vice President	R.O.C	Joanna Su	Female	2018.06.01	0	0	0	0	0	0	Senior Vice President of KGI Bank; National Taiwan University, College of Management, Executive Master of Business Administration	-	None			
Senior Vice President	R.O.C	Steven Chang	Male	2015.05.14	0	0	0	0	0	0	Senior Vice President of Taishin Bank; University of Texas at Arlington, USA, Master of Business Administration	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Senior Vice President	R.O.C	Vivian Chou	Female	2012.09.28	0	0	0	0	0	0	Vice President of Citybank; Stanford University, Master of Science in Statistics		None			
Senior Vice President	R.O.C	Sylvia Chen	Female	2019.03.27	0	0	0	0	0	0	Head of Division, Commercial Bank Group, Citi Bank; Taiwan Michigan State University Master of Economics Michigan State University Master of Economics	Director of Taishin Securities Investment Trust Co.	None			
Senior Vice President	R.O.C	Benson Hsieh	Male	2019.05.30	0	0	0	0	0	0	Senior Vice President, Taipei Fubon Bank; Metropolitan State University Bachelor of Science in Business Administration	-	None			
Senior Vice President	R.O.C	Nick Chou	Male	2018.10.01	0	0	0	0	0	0	Vice President of Citybank; Executive Vice President of UBS; National Central University, Master of Financial Management	-	None			
Senior Vice President	R.O.C	Janice Liang	Female	2014.03.28	0	0	0	0	0	0	Senior Vice President of Taishin Bank; University of Southern California, USA, Master of Science in Education	-	None			
Senior Vice President	R.O.C	Gordon Wu	Male	2015.05.14	0	0	0	0	0	0	Senior Vice President of Taishin Bank; MBA, National Chung Cheng University	-	None			
Senior Vice President	R.O.C	Cres Huang	Male	2018.01.12	0	0	0	0	0	0	Senior Vice President of Taishin Bank; MBA, Institute of Business and Management, National Chiao Tung University	Director of Taiwan Mobile Payment Co., Ltd.; Director of LianAn Services Co., Ltd.,	None			
Senior Vice President	R.O.C	Vincent Tsai	Male	2018.08.24	0	0	0	0	0	0	Senior Vice President of Taishin Bank; Department of Accounting, Taiwan University	Senior Vice President of Taishin Financial Holding Co., Ltd.; Supervisor of Taishin Securities Investment Trust Co., Ltd. Representative of legal person directors of Credidi Inc; Supervisor of Taishin Sports Entertainment	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Senior Vice President	R.O.C	Gary Liu	Male	2021.08.09	0	0	0	0	0	0	Chief Executive Officer, Retail Banking Group of O-Bank Co., Ltd.; University of Houston Master of Business Administration in Finance	Director of Taishin Securities Investment Trust Co., Ltd.	None			
Senior Vice President	R.O.C	L.C. Kuo	Male	2015.01.01	0	0	0	0	0	0	Senior Vice President of Taishin Bank; National Sun Yat Sen University, Executive Master of Business Administration	Director of Taishin Securities Investment Trust Co., Ltd.; Director of the Taiwan Asset Management Corporation. Taishin Sec Independent Director of Phoenix Tours Int'l Inc.	None			
Senior Vice President	R.O.C	Jesse Han	Male	2014.06.24	0	0	0	0	0	0	Senior Vice President of Taishin Bank; Master of Electronic Engineering and Master of Business Administration, State University of New York at Stony Brook, USA	Director of Dah Chung Bills Finance Corp.	None			
Senior Vice President	R.O.C	Tate Sun	Male	2019.02.22	0	0	0	0	0	0	Senior Vice President of Taishin Bank; Master of Computer Science, National Tsing Hua University	-	None			
Senior Vice President	R.O.C	May Chen	Female	2019.09.01	0	0	0	0	0	0	Senior Vice President of Taishin Bank; Department of Urban Planning and Development, Chinese Culture University	-	None			
Senior Vice President	R.O.C	Louisa Su	Female	2022.04.01	0	0	0	0	0	0	Head of Division, credit card and personal loans Group, Citi Bank Taiwan; University of Illinois Urbana-Champaign Master of Business Administration	-	None			
Senior Vice President	R.O.C	Christy Shyy	Female	2022.04.11	0	0	0	0	0	0	Executive Vice President of Intelligent Transformation Division of KGI Bank; Western Michigan University Master of Accounting	Senior Vice President of Taishin Financial Holdings; Director of Taishin Securities Investment Advisory Co., Ltd.	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Vice President	R.O.C	Allen Day	Male	2017.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; Stevens Institute of Technology, USA, Master of Science in Management	Chairman of the Debt Consultative Committee of the Association of Banks R.O.C	None			
Vice President	R.O.C	John Wang	Male	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA- Advanced Finance, National Chengchi University	-	None			
Vice President	R.O.C	Sonia Chang	Female	2019.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, National Sun Yat-sen University	-	None			
Vice President	R.O.C	Jeff Chen	Male	2022.03.01	0	0	0	0	0	0	Master program in the Department of Information Engineering, National Taiwan University of Science and Technology	Chief Information Security Officer of Taishin Financial Holdings	None			
Vice President	R.O.C	Jerry Lin	Male	2022.12.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master's program at the Institute of Marine Law, Ocean University, Taiwan	-	None			
Vice President	R.O.C	Jocelyn Chiang	Female	2022.10.24	0	0	0	0	0	0	Chief Marketing Officer of Health Life Marketing Department; Master of International Business Studies at National Taiwan University	-	None			
Vice President	R.O.C	Tiffany Ko	Female	2023.05.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master of Business Administration of National Chengchi University		None			
Vice President	R.O.C	Jerry Yang	Male	2008.12.11	0	0	0	0	0	0	Vice President of Taishin Bank; Department of International Trade, Tamkang University	Supervisor of Sunlight Asset Management Co., Ltd	None			
Vice President	R.O.C	Yu-Min Yang	Female	2020.07.03	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA Department of Economics, School of Business, Soochow University	Supervisor of Taishin Securities Investment Advisory Co., Ltd.	None			
Vice President	R.O.C	Jack Yen	Male	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA Senior Management, Feng Chia University	-	None			
Vice President	R.O.C	John Liu	Male	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; Rensselaer Polytechnic Institute Master of Business Administration	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Vice President	R.O.C	Jasmine Liu	Female	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; Department of International Business, Tunghai University	-	None			
Vice President	R.O.C	Jolene Ma	Female	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; Department of International Trade, Chinese Culture University	-	None			
Vice President	R.O.C	Samantha Wei	Female	2015.05.14	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA- International Business Management, National Taiwan University	-	None			
Vice President	R.O.C	Shawn Wang	Male	2018.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, Beking University	-	None			
Vice President	R.O.C	Angela Kuo	Female	2018.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; National Kaohsiung University of Applied Sciences, Graduate School of Finance and Information, Master's Degree	-	None			
Vice President	R.O.C	Vicky Chen	Female	2018.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; National Taiwan University of Science and Technology, College of Management, Executive Master of Business Administration	-	None			
Vice President	R.O.C	Stanley Fan	Male	2018.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; National Central University, College of Management, Master of Finance	-	None			
Vice President	R.O.C	Andy Liu	Male	2018.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; National United University, Industrial Engineering and Management Department	-	None			
Vice President	R.O.C	Sindy Chou	Female	2019.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, Department of Finance, National Kaohsiung University of Science and Technology	-	None			
Vice President	R.O.C	Stella Hsieh	Female	2019.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master, the Department of Financial Operations, National Kaohsiung First University of Science and Technology	-	None			
Vice President	R.O.C	Shine Pan	Female	2019.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Royal Roads University Master of Business Administration	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Vice President	R.O.C	Yen-Chi Chen	Male	2019.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, China Europe International Business School	-	None			
Vice President	R.O.C	Jenyao Lee	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, The Department of International Business, National Dong Hwa University	-	None			
Vice President	R.O.C	Leo Chang	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, the College of Management, National Cheng Kung University	-	None			
Vice President	R.O.C	Mei Chang	Female	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Department of Industrial Engineering & Management, Kaohsiung Institute of Technology	-	None			
Vice President	R.O.C	Amber Wei	Female	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; California State University, Fullerton, USA Master of Business Administration	-	None			
Vice President	R.O.C	Taiyo Chen	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; University at Albany State University of New York Master of Business Administration	-	None			
Vice President	R.O.C	Eric Tsai	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Advanced Management, EMBA, National ChengChi University	-	None			
Vice President	R.O.C	Hank Chang	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master in management sciences, the Graduate Institute of Management Sciences, Tamkang University	-	None			
Vice President	R.O.C	Kuang-Shun Huang	Male	2020.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; MBA, the Department of Business Administration, National Cheng Kung University	-	None			
Vice President	R.O.C	Wesley Lin	Male	2019.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; National Chengchi University, Master of International Trade	-	None			
Vice President	R.O.C	Gavin Wang	Male	2018.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; National Central University, Master of Business Management	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Vice President	R.O.C	Albert Yeh	Male	2020.07.03	0	0	0	0	0	0	Vice President of Taishin Bank; Department of History, National Taiwan University	-	None			
Vice President	R.O.C	Terry Yang	Male	2021.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Department of Management Science National Chiao Tung University	-	None			
Vice President	R.O.C	Cynthia Hsu	Female	2021.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Liverpool John Moores University MBA in E-Commerce	-	None			
Vice President	R.O.C	Girder Chen	Male	2021.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master of Management Program Management and Financial Group National ChengChi University	-	None			
Vice President	R.O.C	Vincent Yang	Male	2018.10.01	0	0	0	0	0	0	Vice President of Taishin Bank; University of Dallas, Master of Business Administration	-	None			
Vice President	R.O.C	Shao-Hung Wu	Male	2021.08.01	0	0	0	0	0	0	Vice President of Taishin Bank; Department of International Business, Fu Jen Catholic University	-	None			
Vice President	R.O.C	Sunny Chen	Female	2022.02.01	0	0	0	0	0	0	Vice President of Taishin Bank; EMBA, School of Management, Ming Chuan University	-	None			
Vice President	R.O.C	Grace Chen	Female	2022.02.01	0	0	0	0	0	0	Vice President of Taishin Bank; Financial Management, National Central University	-	None			
Vice President	R.O.C	Chi-Wen Chang	Male	2022.06.23	0	0	0	0	0	0	Vice President of Taishin Bank; Central Police Academy	-	None			
Vice President	R.O.C	Tim Hsiao	Male	2022.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Institute of Business Innovation and Entrepreneurship Management, Shih Shien University	-	None			
Vice President	R.O.C	Jacky Kang	Male	2022.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master program of School of Management, National Chiao Tung University	-	None			
Vice President	R.O.C	Lance Lee	Male	2022.08.01	0	0	0	0	0	0	Vice President of Division, credit card and personal loans Group, Citi Bank Taiwan; St. John's University MBA in Marketing	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Vice President	R.O.C	Jaclyn Tsai	Female	2023.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Concordia University Canada Bachelor of Commerce	-	None			
Vice President	R.O.C	Pier Tseng	Male	2023.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; Department of Business Administration, Soochow University	-	None			
Vice President	R.O.C	Grace Hung	Female	2023.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Master of Business Administration of National Yunlin University of Science and Technology		None			
Vice President	R.O.C	Allen Huang	Male	2024.01.01	0	0	0	0	0	0	Vice President of Taishin Bank; University of London Master of Business Administration		None			
Senior Assistant Vice President	R.O.C	Claire Chiang	Female	2019.09.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Master, Department of Accountancy, National Taipei University	-	None			
Senior Assistant Vice President	R.O.C	Selina Chen	Female	2018.03.09	0	0	0	0	0	0	Senior Assistant Vice President Taishin Bank; Fu Jen Catholic University, Business Management Department	-	None			
Senior Assistant Vice President	R.O.C	ShinWei Huang	Male	2021.04.01	0	0	0	0	0	0	Senior Assistant Vice President Taishin Bank; The University of Pittsburgh Master of Business Administration	-	None			
Senior Assistant Vice President	R.O.C	Shih-Hsuan Chang	Male	2020.03.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Department of Financial Engineering and Actuarial Mathematics, Soochow University	-	None			
Senior Assistant Vice President	R.O.C	Chun-Ping Hsu	Male	2014.01.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Tatung University, College of Engineering, Business Operations Department	-	None			
Senior Assistant Vice President	R.O.C	Jason Fang	Male	2019.01.14	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Soochow University, Economics Department	-	None			
Assistant Vice President	R.O.C	James Liu	Male	2019.08.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Department of Finance and Cooperative Management, National Chung Hsing University	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Assistant Vice President	R.O.C	Evien Chen	Female	2021.06.28	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; The University of Reading MSc International Business and Finance	-	None			
Assistant Vice President	R.O.C	Vincent Wang	Male	2021.02.17	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; EMBA, Department of International Business, Soochow University	-	None			
Branch Manager	R.O.C	Hank Hsieh	Male	2021.11.26	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Master, Department of Business Administration, Chung Yuan Christian University	-	None			
Branch Manager	R.O.C	Jessica Tsai	Female	2022.05.23	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Master program of School of Management, National Chiao Tung University	-	None			
Branch Manager	JAPAN	Kotaro Takamori	Male	2021.07.01	0	0	0	0	0	0	Vice President of Taishin Bank; Departments of Chinese Literature, Nishogakusha University	-	None			
Branch Manager	R.O.C	Linda Fang	Female	2019.07.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Department of Eastern Languages, National Chengchi University	-	None			
Branch Manager	R.O.C	Li Ting Wang	Female	2019.01.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; National Chengchi University, Risk Management and Insurance Department	-	None			
Branch Manager	R.O.C	Han Chin Chen	Male	2015.09.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Chung Hua University, Master of Business Management	-	None			
Branch Manager	R.O.C	ChenTien Chiang	Male	2019.01.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; National Taichung University of Science and Technology, Applied Business Department	-	None			
Branch Manager	R.O.C	Yung Chieh Chang	Male	2008.04.25	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taipei University, International Executive Master of Business Administration (International Finance)	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Pei Yi Cheng	Female	2019.01.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Yu Da University of Science and Technology, Finance Department	-	None			
Branch Manager	R.O.C	Po Chia Chen	Male	2018.11.23	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taichung University of Science and Technology, International Trade Department	-	None			
Branch Manager	R.O.C	Chiun Lun Lee	Male	2018.11.23	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Department of International Trade, Tamkang University	-	None			
Branch Manager	R.O.C	Tzu Hui Lu	Female	2015.06.19	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Drexel University Master of Business Administration	-	None			
Branch Manager	R.O.C	Bo Ynag Chen	Male	2017.01.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Ming Chuan University, Business Management Department	-	None			
Branch Manager	R.O.C	Shih Chieh Weng	Male	2018.08.24	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Chengchi University, Financial Management Department	-	None			
Branch Manager	R.O.C	Ching Han Wu	Male	2018.08.24	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Lang Yang Institute of Technology, Electric Engineering Department, Electrical Machinery Division	-	None			
Branch Manager	R.O.C	Huei Wen Chiu	Female	2014.12.26	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; China University of Technology, International Trade Department	-	None			
Branch Manager	R.O.C	Yu Hung Lin	Male	2018.08.24	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taipei University of Technology, Master of Business Automation and Management	-	None			
Branch Manager	R.O.C	Chien Pin Su	Male	2016.08.12	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Kaohsiung First University of Science and Technology, Risk Management and Insurance Department	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Shang Jung Tsai	Male	2018.07.02	0	0	0	0	0	0	Senior Manager of Taishin Bank; Yuan Ze University, Department of Industrial Engineering,	-	None			
Branch Manager	R.O.C	Yu Lin Cho	Female	2011.06.10	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taichung University of Science and Technology, Business Management Department	-	None			
Branch Manager	R.O.C	Kang Chang	Male	2013.06.21	0	0	0	0	0	0	Senior Manager of Taishin Bank; National Taiwan University of Science and Technology, Executive Master of Business Administration	-	None			
Branch Manager	R.O.C	Tso Ming Huang	Male	2015.05.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Chaoyang University of Technology, Master of Finance	-	None			
Branch Manager	R.O.C	Nelson Kuo	Male	2018.06.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Providence University, International Trade Department	-	None			
Branch Manager	R.O.C	Yin Chi Chen	Female	2014.05.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Southern Taiwan University of Science and Technology, Finance Department	-	None			
Branch Manager	R.O.C	Hsiu Chuan Lin	Female	2022.08.12	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Yuan Ze University, Master of Management	-	None			
Branch Manager	R.O.C	Man Ling Hsieh	Female	2018.02.02	0	0	0	0	0	0	Senior Manager of Taishin Bank; Marketing and Logistics Management Department	-	None			
Branch Manager	R.O.C	Jen Shun Yu	Male	2018.01.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; National Chengchi University Department of Public Finance	-	None			
Branch Manager	R.O.C	Ying Chien Liang	Female	2018.01.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Ling Tung University, Master of Finance	-	None			
Branch Manager	R.O.C	Cheng Wei Lin	Male	2018.01.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; University of Durham Master of Arts in Financial Management	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Pei Shi Su	Male	2008.02.22	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Tunghai University, Economics Department	-	None			
Branch Manager	R.O.C	Pei Fen Wu	Female	2012.05.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taiwan Ocean University, Shipping and Transportation Management Department, Master of Business Management	-	None			
Branch Manager	R.O.C	Po Yu Huang	Male	2011.08.26	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Tunghai University, Law Department	-	None			
Branch Manager	R.O.C	Ming Chu Hsu	Female	2011.06.28	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Chung Hsing University, Executive Master of Business Administration (Business Operations)	-	None			
Branch Manager	R.O.C	Ming Chi Liao	Male	2015.12.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Southern Taiwan University of Science and Technology, Business Administration Department	-	None			
Branch Manager	R.O.C	Pin Fu Chen	Male	2017.07.28	0	0	0	0	0	0	Senior Manager of Taishin Bank; Executive Master of Business Administration, National Chengchi University	-	None			
Branch Manager	R.O.C	Mei-I Tsai	Female	2017.05.19	0	0	0	0	0	0	Senior Manager of Taishin Bank; Far East University, Business Management Department	-	None			
Branch Manager	R.O.C	Grace Chen	Female	2007.11.02	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Nan Ying Vocational High School of Business and Technology, Comprehensive Advanced Business Studies	-	None			
Branch Manager	R.O.C	Shu Ching Tien	Female	2014.11.14	0	0	0	0	0	0	Senior Manager of Taishin Bank; National Kaohsiung University of Applied Sciences, Graduate School of Finance and Information, Master's Degree	-	None			
Branch Manager	R.O.C	Chung-Hua Huang	Male	2017.01.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; MBA, Management Feng Chia University	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Tsung Han Mu	Male	2013.12.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; University of Illinois at Urbana-Champaign, Master of Finance	-	None			
Branch Manager	R.O.C	Hsin Chan Wu	Male	2007.08.24	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; National Taipei University, Business Management Department, Executive Master of Business Administration	-	None			
Branch Manager	R.O.C	Hsiao Yun Chang	Female	2014.08.22	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Chinese Culture University, Tourism Department	-	None			
Branch Manager	R.O.C	Valerie Wang	Female	2016.05.27	0	0	0	0	0	0	Senior Manager of Taishin Bank; French Studies Department	-	None			
Branch Manager	R.O.C	Che Hsiang Chang	Male	2013.05.24	0	0	0	0	0	0	Senior Manager of Taishin Bank; Chinese Culture University, Business Management Department	-	None			
Branch Manager	R.O.C	Hsin Hung Yeh	Female	2011.07.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Lunghwa University of Science and Technology, International Trade Department	-	None			
Branch Manager	R.O.C	Pai Hui Kao	Female	2015.12.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Tunghai University, Business Management Department	-	None			
Branch Manager	R.O.C	Wei Jye Chang	Male	2009.09.01	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Ta Hwa University of Science and Technology, International Trade Department	-	None			
Branch Manager	R.O.C	Wan Ling Cheng	Female	2015.06.19	0	0	0	0	0	0	Senior Manager of Taishin Bank; National Kaohsiung University of Applied Sciences, Graduate School of Finance and Information, Master's Degree	-	None			
Branch Manager	R.O.C	Shun Cheng Liao	Male	2014.09.12	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Cheng Shiu University, Business Management Department	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Yueh Yun Lee	Female	2013.03.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Ming Chuan University, International Trade Department	-	None			
Branch Manager	R.O.C	Su hung Liu	Female	2007.12.28	0	0	0	0	0	0	Senior Assistant Vice President of Taishin Bank; Meiho University, Taxation and Finance Department	-	None			
Branch Manager	R.O.C	Pei I Chao	Female	2019.05.31	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Financial Taxation, Dahan Institute of Technology	-	None			
Branch Manager	R.O.C	Chiu Hua Kuo	Female	2019.05.31	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Finance, Tainan Woman's College of Arts & Technology	-	None			
Branch Manager	R.O.C	Huei Yuan Chang	Female	2019.03.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Accounting, Chaoyang University Of Technology	-	None			
Branch Manager	R.O.C	Yen Jung Chen	Male	2020.08.14	0	0	0	0	0	0	Manager of Taishin Bank; Department of Business Administration, National Chung Hsing University	-	None			
Branch Manager	R.O.C	Chih Chia Chao	Male	2020.08.14	0	0	0	0	0	0	Manager of Taishin Bank; Department of Banking and Finance, Tamkang University	-	None			
Branch Manager	R.O.C	Tao Chung Liu	Male	2020.08.14	0	0	0	0	0	0	Senior Manager of Taishin Bank; Executive Master of Business Administration, National Chung Hsing University	-	None			
Branch Manager	R.O.C	Chia Lun Chan	Male	2020.07.17	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Executive Master of Business Administration, National Chengchi University	-	None			
Branch Manager	R.O.C	Che Chen Chang	Male	2020.06.01	0	0	0	0	0	0	Manager of Taishin Bank; Ntust Department of Business Administration, National Taiwan University of Science And Technology	-	None			
Branch Manager	R.O.C	Chun Ping Lo	Female	2020.06.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Master of Management Program Management Group National ChengChi University	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Ching yun Wang	Female	2020.06.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Dept. of Business Administration, Soochow University	-	None			
Branch Manager	R.O.C	Chen yu Tsai	Male	2021.09.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Computer Science and Engineering, National Taiwan Ocean University	-	None			
Branch Manager	R.O.C	Ya Che Tsai	Male	2021.08.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Glasgow University Master of Science Management	-	None			
Branch Manager	R.O.C	Shu Juan Hsieh	Female	2021.08.01	0	0	0	0	0	0	Assistant vice president of Taishin Bank; Department of Accounting and Statistics, Tainan Junior College of Home Economics	-	None			
Branch Manager	R.O.C	Yi Ling Tsai	Female	2021.06.18	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Public Management and Policy, Tunghai University	-	None			
Branch Manager	R.O.C	Chiao Chi Han	Male	2021.04.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Department of Business Administration, Shih Chien University	-	None			
Branch Manager	R.O.C	Ya Fang Chang	Female	2021.04.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; EMBA, Providence University	-	None			
Branch Manager	R.O.C	Li Ling Chieh	Female	2021.04.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Public Finance and Taxation, School of Extension Education, China University of Technology	-	None			
Branch Manager	R.O.C	Meng Chiao Chung	Male	2021.04.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Insurance, Chinese Culture University	-	None			
Branch Manager	R.O.C	Hung Ju Kuo	Male	2022.11.18	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration of Tamkang University	-	None			
Branch Manager	R.O.C	Miin Fang Chiou	Female	2022.06.17	0	0	0	0	0	0	Senior Manager of Taishin Bank; International Trading Department of Overseas Chinese University	-	None			
Branch Manager	R.O.C	Chih Ming Tsai	Male	2022.04.08	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Accounting Department of Chinese Culture University	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Chao Hsiang Li	Male	2022.05.20	0	0	0	0	0	0	Senior Manager of Taishin Bank; Accounting Department of Tunghai University	-	None			
Branch Manager	R.O.C	Chia Fang Chen	Female	2023.02.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Chinese, National Cheng Kung University	-	None			
Branch Manager	R.O.C	Ming Te Chang	Male	2022.06.17	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Finance Department of Ming Chuan University	-	None			
Branch Manager	R.O.C	Yu Tung Lin	Female	2022.05.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Applied Foreign Languages, National Taipei University of Business	-	None			
Branch Manager	R.O.C	Hsiang Chih Hsiao	Male	2022.11.18	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration Department of Fu Jen Catholic University	-	None			
Branch Manager	R.O.C	Yu Yu Ho	Female	2022.05.01	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; University of Iowa Tippie Master of Business Administration	-	None			
Branch Manager	R.O.C	Su Jung Lu	Female	2022.05.20	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of International Business, Yuan Ze University	-	None			
Branch Manager	R.O.C	Chieh Wei Shen	Male	2022.05.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Law Department of Chinese Culture University	-	None			
Branch Manager	R.O.C	You Ren Li	Male	2022.05.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of Business Administration CTBC	-	None			
Branch Manager	R.O.C	Ying Yuan Yan	Male	2022.10.14	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Business Administration, National Taiwan University of Science and Technology	-	None			
Branch Manager	R.O.C	Yi Lin Liang	Female	2022.04.08	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of Business Administration, National Taiwan Normal University	-	None			
Branch Manager	R.O.C	Li Ming Wu	Male	2022.05.01	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration Department of Tunghai University	-	None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Chi Mei Sung	Female	2022.03.11	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of International Business, Chung Yuan Christian University	-	None			
Branch Manager	R.O.C	Yen Xiang Chao	Male	2022.11.18	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration Department of Soochow University	-	None			
Branch Manager	R.O.C	Pei Jung Tsai	Female	2022.04.08	0	0	0	0	0	0	Assistant Vice President of Taishin Bank; Economic Department of Chinese Culture University	-	None			
Branch Manager	R.O.C	Yen Long Wang	Male	2022.08.12	0	0	0	0	0	0	Manager of Taishin Bank; Master of Public Administration, National Dong Hwa University	-	None			
Branch Manager	R.O.C	Kao Tzu Han	Male	2023/4/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration Department of Chinese Culture University		None			
Branch Manager	R.O.C	Liu Chun Ru	Female	2023/7/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Finance Department of Jinwen University of Science and Technology		None			
Branch Manager	R.O.C	Chu En Yi	Male	2023/3/1	0	0	0	0	0	0	Manager of Taishin Bank; Business Administration Department of Ming Chuan University		None			
Branch Manager	R.O.C	Lin Fan Ya	Female	2023/4/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Finance Department of Aletheia University		None			
Branch Manager	R.O.C	Chang Ya Yun	Female	2023/3/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Business Administration Department of Chinese Culture University		None			
Branch Manager	R.O.C	Hsu Pei Chi	Female	2023/10/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Department of Secretarial Science, TransWorld University		None			
Branch Manager	R.O.C	Lin Lung Hui	Male	2023/7/28	0	0	0	0	0	0	Assistant vice president of Taishin Bank; International Trade Department of Kun Shan University		None			
Branch Manager	R.O.C	Chen Chia Chi	Female	2023/3/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of Management, National Chiayi University		None			

Title	Nationality	Name	Gender	Date of getting elected	Current shareholding		Stake of single, spouse and offspring before age of majority		Shareholding in the name of others		Education and working experience	Current jobs with the other companies	Spouse or relatives within second-degree kinship who serve managerial posts or seats of board directors/supervisors of the bank			Note
					Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake			Title	Name	Relationship	
Branch Manager	R.O.C	Ku Han Ling	Male	2023/7/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of Economics, National Dong Hwa University		None			
Branch Manager	R.O.C	Liu Chia Hsin	Male	2024/1/1	0	0	0	0	0	0	Manager of Taishin Bank; Department of Plant Medicine, National Chiayi University		None			
Branch Manager	R.O.C	Chang Hsin Wen	Female	2023/11/3	0	0	0	0	0	0	Senior Manager of Taishin Bank; Master of International Finance, National Taipei University		None			
Branch Manager	R.O.C	Lin I Cheng	Male	2024/1/1	0	0	0	0	0	0	Manager of Taishin Bank; Finance Department, Master degree of National Chung Cheng University		None			
Branch Manager	R.O.C	Chuang Ming Lun	Male	2024/1/1	0	0	0	0	0	0	Senior Manager of Taishin Bank; Economics Department of National Chung Cheng University		None			
Branch Manager	R.O.C	Lei Ching Chun	Female	2023/5/12	0	0	0	0	0	0	Senior Manager of Taishin Bank; Economics Department of National Chung Cheng University		None			

d. Consultants who are retired chairmen and presidents of the Company or affiliates

Consultants who are retired chairmen and presidents

Title	Nationality	Name	Gender	Previous position		Date of appointment	Purpose	Roles and responsibilities
				Company and title	Date of retirement			
None								

e. Compensation for directors, president, vice president and consultants for last year

1. Compensations for directors (including independent directors)

Dec.31, 2023 Unit: NT\$1,000

Title	Name	Director remuneration								Combination of A,B,C and D and share in after-tax net profit	
		Compensations (A)		Job-leaving and retirement payment (B)		Compensations from distribution of earnings (C)		Expense for business execution (D)			
		The Bank	All companies in the financial statements	The Bank	All companies in the financial statements	The Bank	All companies in the financial statements	The Bank	All companies in the financial statements	The Bank	All companies in the financial statements
Chairman	Wu, Tong-Liang	29,042	29,122	-	-	-	-	6,853	6,903	35,895 (0.24%)	36,025 (0.24%)
Director	Kuo, Jui-Sung										
Director	Wu, Tong-Shung										
Director	Lin, Long-su										
Director	Kao, Chih-Shang										
Director	Hsu, The-Nan										
Director	Wu, Shang-Pin										
Director	Wu, Shin-Hau										
Independent Director	Lin, Yi-Fu	5,040	5,040	-	-	-	-	1,775	1,775	6,815 (0.05%)	6,815 (0.05%)
Independent Director	Chang, Min-Yu										
Independent Director	Lee, Shyan-Yuan										

(Continued)

		Remuneration as an employee								Combination of A,B,C,D,E,F and G and share in after-tax net profit		Compensations from invested companies other than subsidiaries or Parent Company
Title	Name	Salary, bonus, and special allowance (E)		Job-leaving and retirement payment (F)		Employee dividend-sharing (G)						
		The Bank	All companies in the financial statements	The Bank	All companies in the financial statements	The Bank		All companies in the financial statements		The Bank	All companies in the financial statements	
						Cash	Stock	Cash	Stock			
Chairman	Wu, Tong-Liang	25,293	25,293	108	108	-	-	-	-	61,296 (0.41%)	61,426 (0.41%)	45,665
Director	Kuo, Jui-Sung											
Director	Wu, Tong-Shung											
Director	Lin, Long-su											
Director	Kao, Chih-Shang											
Director	Hsu, The-Nan											
Director	Wu, Shang-Pin											
Director	Wu, Shin-Hau											
Independent Director	Lin, Yi-Fu	-	-	-	-	-	-	-	-	6,815 (0.05%)	6,815 (0.05%)	23,544
Independent Director	Chang, Min-Yu											
Independent Director	Lee, Shyan-Yuan											

(Concluded)

Note1: The individuals on this form include those who served as director, newly appointed or resigned notwithstanding, during 2023; numeration for them is disclosed according to their term in office.

Note2: Compensation for chauffeurs is NT\$4,626,000.

Note3: Please specify the policy, system, standard and structure of independent director remuneration, and describe the factors, including responsibilities, risks and time invested, and their links to amounts of remuneration. Taishin Bank has a director remuneration policy in place, which provides the "standards for director remuneration". Payments of individual items will be based on a director's participation in and contribution to the company's business, industry average, and management remuneration. The scope of evaluation of director performance includes the company's overall performance, personal performance and contribution. Director remuneration is paid with board approval. In addition, in the interest of creating links with future business risks, Taishin Bank will make separate plans for reservation and deferral mechanisms for director/supervisor remuneration.

Note4: Other than as disclosed above, remunerations received by directors last year for providing services to all companies listed in the financial statement.(e.g., acting as an independent consultant fo.)

Note 5: Information on remuneration in the form of stock appreciation rights (SARs) in 2023 is the amount expected to be settled after the vesting period.

Compensation brackets for directors

Dec. 31, 2023

Compensation brackets for directors of the Bank	Name of Directors			
	The combined compensation of (A+B+C+D)		The combined compensation of (A+B+C+D+E+F+G)	
	The Bank	All companies in the financial statements	The Bank	The parent company and all invested companies
Lower than NT\$1M.	Wu, Tong-Shung/Wu, Shin-Hau	Wu, Tong-Shung/Wu, Shin-Hau	Wu, Shin-Hau	
NT\$1M. (inclusive)-NT\$2M. (exclusive)	Wu, Shang-Pin/Hsu, The-Nan/Kuo, Jui-Sung/Lin, Yi-Fu/Chang, Min-Yu	Wu, Shang-Pin/Hsu, The-Nan/Kuo, Jui-Sung/Lin, Yi-Fu/Chang, Min-Yu	Wu, Shang-Pin/Kuo, Jui-Sung/Lin, Yi-Fu/Chang, Min-Yu	Wu, Shang-Pin/Kuo, Jui-Sung
NT\$2M. (inclusive)-NT\$3.5M. (exclusive)	Lin, Long-su	Lin, Long-su	Lin, Long-su	Lin, Long-su
NT\$3.5M. (inclusive)-NT\$5M. (exclusive)	Kao, Chih-Shang/Lee, Shyan-Yuan	Kao, Chih-Shang/Lee, Shyan-Yuan	Kao, Chih-Shang/Lee, Shyan-Yuan	Kao, Chih-Shang/Lee, Shyan-Yuan
NT\$5M. (inclusive)-NT\$10M. (exclusive)				Wu, Shin-Hau
NT\$10M. (inclusive)-NT\$15M. (exclusive)			Hsu, The-Nan	Hsu, The-Nan/Lin, Yi-Fu/Chang, Min-Yu
NT\$15M. (inclusive)-NT\$30M. (exclusive)	Wu, Tong-Liang	Wu, Tong-Liang	Wu, Tong-Liang/Wu, Tong-Shung	Wu, Tong-Shung
NT\$30M. (inclusive)-NT\$50M. (exclusive)				
NT\$50M. (inclusive)-NT\$100M. (exclusive)				Wu, Tong-Liang
Over NT\$100M.				
Total	11	11	11	11

Note: Compensation- in the table are different from incomes for income tax law. Therefore, figures in the table are mainly for information disclosure and can not be used as the basis for taxation.

2. Compensations for president and vice president

Title	Name	Salary (A)		Job-leaving and retirement payment (B)	
		The Bank	All companies in the financial statements	The Bank	All companies in the financial statements
President doubling as CEO of Retail Banking Group	Oliver Shang	178,178	178,178	3,721	3,721
Chief Auditor	Steven Chiu				
CEO of Wholesale Banking Group	Sharon Lin				
Ceo of Finance and Financial Market group	Eric Chien				
Vice Executive officer Retail Banking Group	Maggie Pao				
Vice Executive officer Retail Banking Group	Sam Lin (2023.02.01 resign)				
Executive vice president	Perry Huang				
Senior Vice president	May Chen				
Senior Vice president	Janice Liang				
Senior Vice president	Chih-Hsien Tai (2023.02.17 resign)				
Senior Vice president	Gordon Wu				
Senior Vice president	Cres Huang				
Senior Vice president	LC Kuo				
Senior Vice president	Vincent Tsai				
Senior Vice president	Steven Chang				
Senior Vice president	Jesse Han				
Senior Vice president	Shouna Liu				
Senior Vice president	Helen Liu				
Senior Vice president	Vivian Chou				
Senior Vice president	Frank Lin				
Senior Vice president	Andy Chang (2023.05.01 resign)				
Senior Vice president	Joanna Su				
Senior Vice president	Albert Kuo				
Senior Vice president	Nick Chou				
Senior Vice president	Tate Sun				
Senior Vice president	Sylvia Chen				
Senior Vice president	Benson Hsieh				
Senior Vice president	Gary Liu				
Senior Vice president	Louisa Su				
Senior Vice president	Christy Shyy				
Senior Vice president	Kai-Ping Wang (2023.05.01 on board, 2023.11.28 resign)				
Vice president	John Wang				
Vice president	Sonia Chang				
Vice president	Ya-Ling Ko (2023.05.01 on board)				
Vice president	Allen Day				
Vice president	Sabrina Chang (2023.05.01 resign)				
Vice president	Jerry Lin				
Vice president	Jeff Chen				
Vice president	Jocelyn Chiang				

Note1: The individuals on this form include those who served as President or Vice President, newly appointed or resigned notwithstanding, during 2023; nume

Note2: Compensation for chauffeurs is NT\$4,371,000.

Note3: Information on remuneration in the form of stock appreciation rights (SARs) in 2023 is the amount expected to be settled after the vesting period.

Dec.31,2023 Unit: NT\$1,000

	Bonus and special allowance (C)		Employee dividend-sharing(D)				Combination of A,B,C and D and share in after-tax net profit		Compensations from invested companies other than subsidiaries or Parent Company
	The Bank	All companies in the financial statements	The Bank		All companies in the financial statements		The Bank	All companies in the financial statements	
			Cash	Stock	Cash	Stock			
	236,565	236,565	-	-	-	-	418,464 (2.82%)	418,464 (2.82%)	6,852

eration for them is disclosed according to their term in office.

Compensation brackets for president and vice presidents

Dec. 31, 2023

Compensation brackets for president and vice presidents of the Bank	Names of president and vice president	
	The Bank	The parent company and all invested companies
Lower than NT\$1M.	Sam Lin / Chih-Hsien Tai	Chih-Hsien Tai
NT\$1M. (inclusive)-NT\$2M. (exclusive)	Andy Chang / Sabrina Chang	Sam Lin / Sabrina Chang
NT\$2M. (inclusive)-NT\$3.5M. (exclusive)		Andy Chang
NT\$3.5M. (inclusive)-NT\$5M. (exclusive)	Kai-Ping Wang / Ya-Ling Ko	Kai-Ping Wang / Ya-Ling Ko
NT\$5M. (inclusive)-NT\$10M. (exclusive)	Steven Chiu / May Chen / Janice Liang / Gordon Wu / LC Kuo / Vincent Tsai / Jesse Han / Shouna Liu / Helen Liu / Tate Sun / Christy Shyy / John Wang / Sonia Chang / Allen Day / Jerry Lin / Jeff Chen / Jocelyn Chiang	Steven Chiu / May Chen / Janice Liang / Gordon Wu / LC Kuo / Vincent Tsai / Jesse Han / Shouna Liu / Helen Liu / Tate Sun / Christy Shyy / John Wang / Sonia Chang / Allen Day / Jerry Lin / Jeff Chen / Jocelyn Chiang
NT\$10M. (inclusive)-NT\$15 M. (exclusive)	Perry Huang / Cres Huang / Steven Chang / Vivian Chou / Frank Lin / Joanna Su / Albert Kuo / Nick Chou / Sylvia Chen / Benson Hsieh / Gary Liu / Louisa SU	Perry Huang / Cres Huang / Steven Chang / Vivian Chou / Frank Lin / Joanna Su / Albert Kuo / Nick Chou / Sylvia Chen / Benson Hsieh / Gary Liu / Louisa SU
NT\$15M. (inclusive)-NT\$30 M. (exclusive)	Maggie Pao	Maggie Pao
NT\$30M. (inclusive)-NT\$50 M. (exclusive)	Oliver Shang / Sharon Lin / Eric Chien	Oliver Shang / Sharon Lin / Eric Chien
NT\$50M. (inclusive)-NT\$100 M. (exclusive)		
Over NT\$100M.		
Total	39	39

Note: Compensations disclosed in the table different from income for income tax law and therefore cannot be used as the basis for taxation.

3. Compensation for consultants who are retired chairmen and presidents: None.

4. Manager's name and the distribution of employee bonus: None.

f. Analytical comparison of the shares of compensation for directors, president, vice presidents, and consultants in the after-tax net profits in last two years, as listed in the Company's financial statement and the consolidated financial statement, and explanation for the remuneration policy, standards, and makeup, the procedure for setting compensation, and its association with business performance and future risks.

1. In 2023, total compensation for directors, president, and vice presidents accounted for 3.28% of the after-tax net profit and the share listed in the consolidated financial statement was 3.28%. In 2022, total compensation for directors, president, and vice presidents accounted for 3.78% of the after-tax net profit and the share listed in the consolidated financial statement was 3.78%.

2. The company's compensation policy

Position Item	Directors	The Management
Remuneration policy	<p>The level of director remuneration shall be based on the Company's business performance, competition, experience of representative of institutional director, and involvement in management of the Company and contribution to business results as well as the Company's risk appetite and potential risks to be expected in the future in order to have directors and the Company share future business risks.</p>	<p>The Company has established the Performance Evaluation and Bonus Guidelines to ensure a fair performance evaluation process. Managers' performance are evaluated from two aspects: (1) Achievement of targets, including financial indicators, e.g., profit/customer/department growth rate/market share/asset quality, and cost control, and non-financial indicators, For example: process improvement, internal control and promote ESG (such as carbon emission reduction, green procurement and sustainability-related projects); and (2) managerial competency (e.g., decision-making ability, communication and coordination, talent development, and regulatory compliance). for the purpose of creating an all-win situation for the Company, its employees and shareholders. The remuneration of managers is based mainly on responsibilities, business performance of the Company, and personal performance, and takes into account industry averages and links to future risks at the same time in order to offer competitive remuneration to attract and retain talent.</p>
Structure	<p>Remuneration for directors is described as following:</p> <ol style="list-style-type: none"> 1. Remuneration: to be received for performing the duties of a director of the Bank. 2. Business expenses: to be received to compensate for expenses incurred during business activities, including travel expenses for personally attending or be present at board meetings. 	<p>Remuneration for managers is described as following:</p> <ul style="list-style-type: none"> • Salary: to be determined by responsibilities and market rates. • Bonus: to be divided into a Chinese New Year bonus and a yearend bonus. The size of a bonus depends mainly on the Company's results, the corresponding division's results, and the individual's performance evaluation. • Employee benefits: include the pension plan, the employee shareholding trust program, physical examinations, and allowances. • Long term incentive plan: to avoid putting too much emphasis on short term performance and to encourage employees to develop long term relationships with the company and enjoy long term growth together, the company has designed a long term incentive plan that offers "Taishin Stock Appreciation Rights Plan" as a means of employee retention.

C. Status of corporate governance

a. Information on the operation of the board of directors

1. In the recent fiscal year (2023), the board of directors convened 49 times and status of attendance by directors follows:

Title	Name	Actual attendance	Number of attendance by proxy	Actual rate of attendance (%)	Note
Chairman	Wu, Tong-Liang	43	6	87.76	-
Director	Kuo, Jui-Sung	43	6	87.76	-
Director	Wu, Tong-Shung	43	6	87.76	-
Director	Lin, Long-Su	45	4	91.84	-
Director	Kao, Chih-Shang	41	8	83.67	-
Director	Hsu, Teh-Nan	49	0	100.00	-
Director	Wu, Shang-Pin	47	2	95.92	-
Director	Wu, Shin-Hau	44	5	89.80	-
Independent Director	Lin, Yi-Fu	47	2	95.92	-
Independent Director	Chang, Min-Yu	49	0	100.00	-
Independent Director	Lee, Shyan-Yuan	47	2	95.92	-

Note 1: All directors of the Bank are representatives from Taishin Financial Holding Co., Ltd.

Note 2: The attendance rate (%) is calculated by actual number of attendance and the number of board meetings during a term.

Other items which should be recorded

- (1) In the event of any of the circumstances occurring while the Board of Directors conducts its activities, details including the date, session, and agenda of the board meeting, all opinions of the independent directors, and the Company's responses to the independent directors' opinions should be provided.
 - (a) For items listed in Article 14-3 : Not applicable as Taishin Bank has established an audit committee.
 - (b) In addition to matters above, other objections or qualified opinions from the independent directors to resolutions made by the Board of Directors on-record or in writing: None.
- (2) For avoidance by directors for cases involving the interests of them, specify the name of the board director, contents of the case, reason for avoidance, and the status of their participation in voting:

Board of Directors Date	Agenda	Director name	Reason for conflict of interest	Voting result
2023/1/12	2022 performance evaluation of senior consultant	Wu, Tong-Shung	Where there exists a conflict of interest between the agenda and a director, Article 206 of the Company Act shall apply and the director shall recuse him/herself from the meeting in accordance with Article 178 of the same act	Recusal during Discussions and voting
	The 2022 performance evaluation for individual board directors	Wu,Tong-Liang/Kuo,Jui-Sung/Wu, Tong-Shung/Lin, Long-su/Kao, Chih-shang/Hsu, Teh-Nan/Wu, Shang-Pin/Wu, Shin-Hau/Lin, Yi-Fu/Chang, Min-Yu/Lee, Shyan-Yuan		Recusal during Discussions and voting
	Number of months of monthly remuneration in 2022	Wu,Tong-Liang/Kuo,Jui-Sung/Lin, Long-su/Kao, Chih-shang/Wu, Shang-Pin/Wu, Shin-Hau/Lin, Yi-Fu/Chang, Min-Yu/Lee, Shyan-Yuan		Recusal during Discussions and voting
2023/3/16	Application for renewal of contract by Shinkong Synthetic Fibers with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for renewal of contract by Shinkong Textile with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for renewal of contract by Taiwan Shin Kong Security with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for change of contract terms and conditions by Taiwan Security with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for renewal of contract by Shin-Po Leasing with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/3/23	Adjustment of monthly remuneration for the chairman	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/5/11	Application for renewal of contract by An-Long Enterprise with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Kuo, Jui-Sung/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for renewal of contract by Taishin Securities with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Tong-Shung/Wu, Shin-Hau		Recusal during Discussions and voting
	Application for renewal of contract by Taishin Life Insurance with Taishin Bank Jianpei Branch	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/7/20	Donation to Taishin Bank Foundation for Arts and Culture	Wu,Tong-Liang/Kuo, Jui-Sung/Wu, Shin-Hau		Recusal during Discussions and voting
2023/10/19	Donated to Taishin Charity Foundation	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/11/16	Execution of a supplementary agreement with Taishin Life Insurance regarding online insurance enrollment service of the insurance industry and insurance agents	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/11/30	Pruchasing of Shin Kong Mitsukoshi vouchers and reward points from Shin Kong Mitsukoshi Department Store	Wu,Tong-Liang/Wu, Shin-Hau		Recusal during Discussions and voting
2023/12/21	2023 performance evaluation of consultants	Wu, Tong-Shung/Hsu, Teh-Nan		Recusal during Discussions and voting

(3) Targets for strengthening the function of the board of directors in current year and the recent year and the evaluation of their execution:

- (a) Board of Directors Meeting Policy have been established for the purpose of strengthening board governance. For better transparency on the board of directors, important resolutions of the board of directors will be published in the annual reports
- (b) In 2007, Taishin Bank started appointing two independent directors; and in late 2007, the company started purchasing directors and key person liability insurance policies to cover such persons in the process of performing their duties during the terms of their offices. Three independent directors were elected and the Audit Committee established on 2021 to replace the supervisors. Audit Committee Charter was established in the same year.

b. Operation of the auditing committee or the participation of supervisors in the operation of board of directors.

1. The powers of the Audit Committee are as follows

Taishin Bank established the Audit Committee to replace Supervisors on July 23, 2021. The Audit Committee consists of all independent directors of the Bank (so far 3). The mission of the Audit Committee is to assist the board of directors in performing its duty to oversee the accounting, audit, and financial reporting processes in Taishin Bank and the quality and integrity of financial management.

Matters reviewed include:

- A. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- B. Assessment of the effectiveness of the internal control system.
- C. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, and derivatives trading.
- D. Matters in which a director is an interested party.
- E. Asset transactions or derivatives trading of a material nature.
- F. The offering, issuance, or private placement of equity-type securities.
- G. The hiring or dismissal of a certified public accountant, or their compensation.
- H. The appointment or discharge of a financial, accounting, or internal audit officer.
- I. Annual and semi-annual financial reports.
- J. Other material matters as may be required by the Company or by the competent authority.

In the recent fiscal year (2023) the Audit Committee convened 15 times and Status of attend.

Title	Name	Actual number of attendance	Attendances by proxy	Attendance rate (%)	Notes
Independent Director	Chang, Min-Yu	15	0	100	-
Independent Director	Lin, Yi-Fu	15	0	100	-
Independent Director	Lee, Shyan-Yuan	15	0	100	-

Note 1: The Audit Committee of Taishin Bank consists of all of the independent directors of the bank.

Note 2: The actual attendance rate (%) is calculated by the number of Audit Committee meetings and the number of times the independent directors actually attended the meetings during a term.

Other items which should be recorded

- (1) In the event of any of the circumstances occurring while the Audit Committee conducts its activities, details including the date, session, and agenda of the Audit Committee, the contents of objections/considerations/major suggestions of the independent directors, the resolutions of the Audit Committee, and the Company's responses to the Audit Committee's opinions should be provided.

Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date and Session	Audit Committee Agenda	Audit Committee Resolutions	Contents of the objections/considerations/major suggestions of the independent directors	The Company's response to Audit Committee's opinions
2023/1/12 30th meeting of 1st term Audit Committee	2022 Taishin Appreciation Rights Plan	Approved	None	N/A
	The 2022 performance evaluation for individual board directors	Approved	None	N/A
	Number of months of monthly remuneration for directors in 2022	Approved	None	N/A
	2022 performance evaluation of chief consultant	Approved	None	N/A
	Appointment and remuneration of the CPAs attesting the 2023 financial statements	Approved	None	N/A
2023/2/16 31st meeting of 1st term Audit Committee	2022 individual and consolidated financial statements	Approved	None	N/A
	Appointment of Nick Chou as the Chief Financial Officer	Approved	None	N/A
2023/3/16 32nd meeting of 1st term Audit Committee	Investigation Report for Whistleblower Case TSB11201	Approved	None	N/A
	2022 Statement on the Internal Control System	Approved	None	N/A
	2022 Statement on the AML/CTF Internal Control System	Approved	None	N/A
	Adjustment of monthly remuneration for the chairman	Approved	None	N/A
	Application made by Shinkong Synthetic Fibers to Taishin Bank Jianpei Branch for contract renewal	Approved	None	N/A
2023/4/20 33rd meeting of 1st term Audit Committee	Revision of the Risk-Oriented Internal Audit System for Taishin Bank	Approved	None	N/A
	Application for adoption of the Risk-oriented Internal Audit System	Approved	None	N/A
	2022 Business Report	Approved	None	N/A
	2022 earnings distribution proposal	Approved	None	N/A

Audit Committee Date and Session	Audit Committee Agenda	Audit Committee Resolutions	Contents of the objections/considerations/major suggestions of the independent directors	The Company's response to Audit Committee's opinions
2023/5/11 34th meeting of 1st term Audit Committee	Q1 2023 consolidated financial statement	Approved	None	N/A
	An-Long Enterprise Trading Company applied to Taishin International Bank Jianpei Branch for contract renewal	Approved	None	N/A
	Application for renewal of contract by Taishin Securities with Taishin Bank Jianpei Branch/OBU	Approved	None	N/A
	Application for renewal of contract by Taishin Life Insurance with Taishin Bank Jianpei Branch	Approved	None	N/A
2023/5/18 35th meeting of 1st term Audit Committee	Private placement of common shares	Amendment Approved	None	N/A
2023/7/20 37th meeting of 1st term Audit Committee	Donation to Taishin Bank Foundation for Arts and Culture	Approved	None	N/A
2023/8/17 38th meeting of 1st term Audit Committee	Revision of the Internal Audit System	Approved	None	N/A
	Submission of the company's 2023 H1 individual and consolidated financial statement	Approved	None	N/A
2023/9/14 39th meeting of 1st term Audit Committee	Subscription to all new common shares issued by Taishin D.A. Finance, a subsidiary.	Approved	None	N/A
	Revision of the Internal Control System for Brokering Investment in Offshore Funds, Internal Control System for Brokering Investment in Securities Investment Trust Funds, and the Internal Control System for Brokering Investment in Futures Trust Funds, and Renaming them Guidelines for Brokering Investment in Offshore Funds, Guidelines for Brokering Investment in Securities Investment Trust Funds, and the Guidelines for Brokering Investment in Futures Trust Funds.	Approved	None	N/A
2023/9/21 40th meeting of 1st term Audit Committee	Private placement of common shares	Approved	None	N/A
2023/10/19 41st meeting of 1st term Audit Committee	Installment investment in TAIAX LIFE SCIENCE FUND L.P. (Taiwania Capital Biotechnology VII Fund)	Approved	None	N/A
	Donated to Taishin Charity Foundation	Approved	None	N/A
2023/11/16 42nd meeting of 1st term Audit Committee	Execution of a supplementary agreement with Taishin Life Insurance regarding online insurance enrollment service of the insurance industry and insurance agents.	Approved	None	N/A
2023/11/30 43rd meeting of 1st term Audit Committee	Purchasing of Shin Kong Mitsukoshi vouchers and reward points from Shin Kong Mitsukoshi Department Store	Approved	None	N/A

Audit Committee Date and Session	Audit Committee Agenda	Audit Committee Resolutions	Contents of the objections/considerations/major suggestions of the independent directors	The Company's response to Audit Committee's opinions
2023/12/21 44th meeting of 1st term Audit Committee	Internal audit plan for 2024	Amendment Approved	None	N/A
	2024 plan for inspection of trading of securities on the Taipei Exchange, underwriting businesses, and internal auditing of shared items	Approved	None	N/A
	Amendment of the Internal Control System for the Investment Consulting Business on Foreign Securities	Approved	None	N/A
	2023 performance evaluation of consultants	Approved	None	N/A

In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None

- (2) Regarding the recusal of independent directors due to conflict of interests, the name of the independent Directors, agenda, reasons for recusal and the participation in voting should be clearly stated:

Any independent directors who had to excuse themselves in 2022 to prevent conflicts of interest				
Audit Committee Date	Agenda	Independent Director Name	Reason for conflict of interest	Voting result
2023/1/12	The 2022 performance evaluation for individual board directors	Chang, Min-Yu / Lin, Yi-Fu / Lee, Shyan-Yuan	Where there exists a conflict of interest between the agenda and a director, Article 206 of the Company Act shall apply and the director shall recuse him/herself from the meeting in accordance with Article 178 of the same act	Recusal during Discussions and voting
	Number of months of monthly remuneration for directors in 2022	Chang, Min-Yu / Lin, Yi-Fu / Lee, Shyan-Yuan		Recusal during Discussions and voting

- A. Communications between independent directors and internal audit managers and auditors (including communications regarding important matters with respect to the Bank's finance and business activities, means and results).

Communication between Independent Directors and internal audit officers:

- The Bank's Independent Directors regularly convene with the chief auditor for communication and discussion at least once a year, with minutes of these meetings being reported to the Board of Directors.
- The Board of Directors, Independent Directors, and the chief auditor of the Bank will attend the meetings. Independent Directors and the chief auditor will exchange views on the agenda during board meetings or prior to their own meetings.
- The Audit Division will present regular audit reports to the Board of Directors and the Audit Committee every month. The reports will contain information such as a summary of audit implementation and key items in internal and external audits.
- Audit reports on the Bank and its subsidiaries prepared by the Audit Division will be provided to each Independent Director.
- Material events striking the Bank (such as fraud, natural disasters, and major losses) will be contained in an investigation report that will be reported to each Independent Director.
- Independent directors may discuss with the chief auditor the contents above or as needed.

Communication between Independent Directors and CPAs:

The Bank's Independent Directors and CPAs regularly discuss its finances, business conditions, the CPAs' audit checklist, and audit findings.

c. Items disclosed comply with the guidelines for the practical corporate governance of the banking industry. However, for those already disclosed on the bank's website, it was sufficient to indicate the availability of the related information on the website at: <https://www.taishinbank.com.tw>

d. Status of the bank's corporate governance and its deviation from the guidelines for the practical corporate governance of the banking industry and reasons.

Items	Operating status			Deviation from the guidelines of the practical corporate governance of the banking industry and reasons
	Yes	No	Explanation	
1. Shareholding structure and shareholders' rights within the bank.				
(1) Has the bank implemented a set of internal procedures to process shareholders' suggestions, queries, disputes and litigations?	√		(1) The bank has only one shareholder, If there are any suggestions, queries, disputes or litigations, they will be handled immediately.	Although there is no internal procedure available, the Bank does not have any problem in communicating or handling shareholder's queries or suggestions because the Bank has only one shareholder.
(2) Is the bank constantly informed of the identities of its major shareholders and the controlling stakeholder?	√		(2) The bank has only one shareholder, Taishin Holdings, which owns 100% stake in the bank.	No deviation
(3) Has the bank established and implemented risk management and firewalls in companies?	√		(3) The Bank has implemented a risk management policy and mechanism in accordance with the Banking Act to ensure an effective risk management and firewall mechanism.	No deviation
2. Composition and duties of the board of directors.				
(1) Does the board of directors has a diversification policy and specific management goals.	√		(1) In accordance with Article 24 of the Corporate Governance Principles of the Company, the members of the Company's board of directors shall be selected with an emphasis on diversity, profession knowledge and skills, and taken gender, age, nationality, professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience into consideration; the board of directors of Taishin Bank shall determine the appropriate number of directors based on the scale of business development, the practical operational needs, the law, and the Articles of incorporation. The 12th board of directors consists of 11 members, including 3 independent directors (1 being female and qualified accountant). The members were selected with an emphasis on diversity. The membership consists of elite talents from banking, industries and the academia, including 4 Ph.D. degree holders and 3 Masters degree holders. The members have an extensive range of expertise from business administration, physics, chemistry, accounting, to pharmaceuticals. They possess the general knowledge, skills and competencies required to perform incumbent duties. In addition, the Company devotes attention to gender equality in the composition of the board of directors and remains committed to the goal of having at least one female director. This goal was achieved since the 11th board of directors in 2018.	No deviation

Items	Operating status			Deviation from the guidelines of the practical corporate governance of the banking industry and reasons																					
	Yes	No	Explanation																						
(2) Apart from the Remuneration Committee and Audit Committee, has the bank assembled other functional committees at its own discretion?	√		(2) Under the supervision of its board of directors, the Bank has established other functional committees to supervise and review various operational procedures within the company, including the Occupational Health and Safety Strategy Committee, Trust Asset Review Committee, Personnel Review Committee, Credit Assets Committee, and Credit Review Committee.	No deviation																					
(3) Has the TWSE/TPEX listed bank established and implemented the rules and methods for board performance evaluation, and been conducting annual performance evaluation and submitting the results to the board of directors to provide a basis for director remuneration and nomination for another term?	√		(3) N/A	No deviation																					
(4) Does the bank conduct regular assessments on the independence of its financial statement auditors?	√		<p>(4) Annual assessment of independence of Taishin's financial statement auditors was completed pursuant to the Guidelines for Assessing Independence and Suitability of Financial Statement Auditors. Assessment results were submitted to 77th meeting of the 12th board of directors on January 12, 2023.</p> <p>Having completed an assessment and obtained declarations of impartiality and independence from the auditors, Taishin Bank deems that CPA Ching-Cheng Yang and CPA Han-Ni Fang of Deloitte Taiwan meet Taishin Bank's independence requirements (Note) and are sufficiently qualified to be Taishin Bank's financial statement auditors.</p> <p>Note:</p> <table><tr><th>Assessment area</th><th>Result</th><th>Independence</th></tr><tr><td>Not a stakeholder under Article 44 or 45 of the Financial Holding Company Act.</td><td>Yes</td><td>Yes</td></tr><tr><td>No significant financial interest between Taishin Bank and the person and family that may affect independence.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not having served as a director or supervisor of Taishin Bank or held any other key positions at Taishin Bank in the last two years that may affect the audit services.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not performing concurrently routine work for Taishin Bank and receiving a regular salary.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not receiving any business related commissions.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not having served a term of more than seven years as Taishin Bank's financial statement auditors and not having returned to same position in two years after rotation or resignation.</td><td>Yes</td><td>Yes</td></tr></table>	Assessment area	Result	Independence	Not a stakeholder under Article 44 or 45 of the Financial Holding Company Act.	Yes	Yes	No significant financial interest between Taishin Bank and the person and family that may affect independence.	Yes	Yes	Not having served as a director or supervisor of Taishin Bank or held any other key positions at Taishin Bank in the last two years that may affect the audit services.	Yes	Yes	Not performing concurrently routine work for Taishin Bank and receiving a regular salary.	Yes	Yes	Not receiving any business related commissions.	Yes	Yes	Not having served a term of more than seven years as Taishin Bank's financial statement auditors and not having returned to same position in two years after rotation or resignation.	Yes	Yes	No deviation
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Items	Operating status			Deviation from the guidelines of the practical corporate governance of the banking industry and reasons
	Yes	No	Explanation	
3. Does the bank have in place an adequate number of qualified corporate governance officers and appoint a corporate governance supervisor to be responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with the laws, organizing board meetings and annual general meetings as required by law, handling business registration and any change of registration, and compiling minutes of board meetings and annual general meetings)?	√		Taishin Bank has in place an adequate number of qualified corporate governance officers. The board of directors passed a resolution to appoint Frank Lin, VP and the head of the Secretariat Division under the board of directors, to be the corporate governance supervisor and be responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, On June 27, 2019, Taishin Bank's Board of Directors passed the appointment of Senior Vice President Frank Lin, the head of the Secretariat Division under the Board of Directors, as the Chief Corporate Governance Officer to be responsible for corporate governance practices (including but not limited to providing information necessary for Directors and Supervisors to perform their duties, aiding Directors and Supervisors in complying with the laws, organizing board meetings and annual general meetings as required by law, and compiling minutes of board meetings and annual general meetings), so as to safeguard stockholders' rights and interests and strengthen functions of the Board of Directors. Mr. Lin has work experience related to the management of public companies' meeting procedures for more than seven years.	No deviation
4. Has the bank established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholder section on the company website, as well as responded appropriately to important corporate social responsibility issues of concern to stakeholders?	√	√	<p>(1) The bank's parent company complies with laws in the disclosure of financial, business and material information in the Market Observation Post System. This information is made publicly available simultaneously on the company's website. The company also has a designated spokes-person and investor relations mailbox available to serve as communication channels with stakeholders.</p> <p>(2) Taishin Bank's parent company has completed the Stakeholders Section on its website in 2015 as a means to communicate and consolidate queries from stakeholders (e. g. employees, suppliers, consumers, and customers), so that it can gain a better understanding of stakeholders' expectations and needs. Furthermore, the parent company has several teams responsible for communicating with stakeholders of different kinds and tending to issues that are of concern to them. And it has been reporting results of stakeholder engagement to the board of directors every year since 2018.</p>	No deviation

Items	Operating status			Deviation from the guidelines of the practical corporate governance of the banking industry and reasons
	Yes	No	Explanation	
5. Disclosure of information				
(1) Has the bank established a website that discloses financial, business and corporate governance-related information?	√		(1) a. The bank has disclosed finance, business information and corporate governance on its website and disclose major information on Market Observation Post System. b. The bank has established an English website and assigned various departments to gather and disclose information on a regular basis. In addition, a public information reporting system has also been created with personnel assigned to gather and disclose information via the system.	No deviation
(2) Has the bank adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	√		(2) a. The bank has a spokesperson mechanism in place to facilitate external communications. All material information relevant to investors' interests is announced using the Market Observation Post System and press releases. The spokesperson provides further elaboration where deemed necessary. b. The bank's parent company prepares its corporate social responsibility report in both Chinese and English. This report has been made accessible at the company's website and on Market Observation Post System (MOPS). c. The bank's parent company holds quarterly investor conferences; conference proceedings are recorded and uploaded onto the company's website and MOPS on the same day.	
(3) Does the bank disclose and file annual financial statements on time after the end of a fiscal year according to the Banking Act and the Securities and Exchange Act, and disclose and file the financial statements for the first, second, and third quarters and monthly business results by the specified deadlines?	√		(3) a. The bank moved the release date for the 2023 financial statements ahead to within two months after the end of the fiscal year. b. The bank disclosed and filed all of the financial statements for the first, second, and third quarters of 2023 and monthly business results by the specified deadlines.	

Items	Operating status			Deviation from the guidelines of the practical corporate governance of the banking industry and reasons															
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6. Does the bank have other information that enables a better understanding of the company's corporate governance practices including but not limited to employee rights, employee care, (investor relations, stakeholders' rights, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, insuring against liabilities of company directors and supervisors, and donation to political parties, stakeholders and charity organizations)	√		(1) The bank offers competitive remuneration packages and benefits to retain talented employees. The bank also organizes team building activities and works with the Teacher Chang Foundation to provide employees with a joyful and healthy workplace. Taishin Bank respects employees' opinions and uses morning meetings and employee opinion surveys as a means of communication.	No deviation															
	√		(2) In addition to organizing quarterly corporate investors' conference and participating in domestic and overseas investor forums and road shows from time to time, the Bank's parent company also, through its Investor Relations Department, communicate with the investors via various channels including e-mail, telephone or face-to-face meetings. Information disclosure is made through the company's website in the meantime.																
	√		(3) The bank's directors and supervisors have all achieved the required number of training hours and announced the progress of their training on the Market Observation Post System.																
	√		(4) The bank has independent risk management units in place; it has also committed substantial resources to developing risk management systems, and managing credit, market and operational risks using both qualitative and quantitative means.																
	√		(5) The bank has adopted stringent measures to protect customers' information and has implemented personal information management policies, information security policies, firewalls, and customer information confidentiality measures in accordance with the Financial Holding Company Act, Guidelines for Cross Marketing among Subsidiaries of Financial Holding Company, the Personal Information Protection Act and other relevant regulations stipulated by the competent authority.																
	√		(6) The bank has taken out liability insurance for board directors and supervisors.																
	√		(7) Donations made by the Bank to stakeholders and public welfare organizations. <table><tr><th>No.</th><th>Items</th><th>NT\$</th><th>Relationship</th></tr><tr><td>1</td><td>Donation to the Taishin Bank Foundation for Arts and Culture</td><td>30,000,000</td><td>stakeholder</td></tr><tr><td>2</td><td>Donation to the Taishin Charity Foundation</td><td>18,000,000</td><td>stakeholder</td></tr><tr><td>3</td><td>Donation to the Nantou County Youth Karate Promotion Association</td><td>4,486,000</td><td>Non-Profit organization</td></tr></table>		No.	Items	NT\$	Relationship	1	Donation to the Taishin Bank Foundation for Arts and Culture	30,000,000	stakeholder	2	Donation to the Taishin Charity Foundation	18,000,000	stakeholder	3	Donation to the Nantou County Youth Karate Promotion Association	4,486,000
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7. Please describe improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas to be given priority where improvement will be needed (Optional for companies included in the evaluation.)	√		Taishin's parent company has always performed well on the TWSE Corporate Governance Evaluation. In 2023, Taishin's parent company received another excellent score on the 10th Corporate Governance Evaluation. Taishin FHC has been constantly chosen as a component of the "TWSE CG100 Index.	No deviation															

Note 1: Provide details in the comments regardless of the answer.

Note 2: Describe deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons.

e. The information of duty and component on the operation of remuneration committee

1. The parent company of Taishin International Bank, Taishin Financial Holding Co., Ltd. Company, has assembled its own Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" on September 22, 2011.
2. Any matter regarding the remuneration of the directors and management of Taishin Bank that has to be approved by the board of directors of Taishin Holdings according to the rules regarding authority levels must be submitted to the Remuneration Committee of Taishin Holdings for review before being submitted to the board of directors of Taishin Holdings for discussion.

f. Fulfillment of social responsibility:

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
1.Does the company have a unit that specializes (or is involved) in Sustainable Development practices? Is the Sustainable Development unit run by senior management and does it report its progress to the board of directors?	√		Being a financial holding company, the parent company has set up its Corporate Sustainability Committee to boost the development of sustainable governance. The committee meets twice a year in principle, and may convene a provisional meeting when necessary. Meanwhile, the Corporate Sustainability Office, a unit exclusively responsible for promoting sustainable governance, has also been established, the organization of which comprises several task forces separately responsible for sustainable governance, responsible finance, smart services, employee care, green operations, and social inclusiveness. To implement the sustainable development program, the task forces present sustainability plans annually, review the previous year's implementation results, monitor the progress of each plan every six months., and report to the Corporate Sustainability Committee regularly before briefing the Board of Directors. The Corporate Sustainability Committee met twice in 2023, reviewing subjects like ESG project planning for 2024, sustainable finance policy, occupational safety and health policy, low-carbon transformation plan, the progress in implementation of inclusive finance, intellectual property management plan, and stakeholder communication. Annual achievements and major plans pertinent to sustainability have all been reported to and approved by the Board of Directors of Taishin FHC.	No deviation

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and reasons (Note 3)						
	Yes	No	Summary (Note 2)							
2.Does the company follow the materiality principle when conducting the risk assessment of environmental, social and corporate governance topics relevant to its business activities and devise risk management policies and strategies accordingly? (Note4)	√		<p>Pursuant to the latest GRI Standards and the principle of double materiality, Taishin FHC identified sustainability topics through the topics collection and benchmark analysis. Sustainability topics relevant to the company were assessed by the level of stakeholder concern and the impact on the environment, economy, and society. Taishin FHC followed the materiality principle and assessed risks associated with key topics, and devised risk management policies, strategies, and responses accordingly.For more details please refer to "8.the Bank's climate-related information."</p> <table> <tr> <th>Topics</th> <th>Risk assessment items</th> <th>Risk Policy / Strategies / Response methods / Opportunities</th> </tr> <tr> <td>Environment</td> <td>Green Operation Management</td> <td> <ul style="list-style-type: none"> ◆ Formulated the "Internal Carbon Pricing Guidelines" to promote the low-carbon operation transformation plan of the whole financial holding, and apply the internal carbon pricing mechanism to the company's capital expenditure decision-making. ◆ Establishment of the "Environmental Sustainability Policy" and ongoing execution of environmental protection, energy conservation, carbon reduction, and energy efficiency improvement measures for lowering environmental impact. ◆ To ensure that all energy conservation and environment-related activities are compliant with laws, and to mobilize employees into pollution prevention, energy conservation, and carbon reduction activities. ◆ Adopt ISO 14001, ISO 14064-1:2018 and ISO 50001 standards and expand the scope of inventories each year. </td> </tr> </table>	Topics	Risk assessment items	Risk Policy / Strategies / Response methods / Opportunities	Environment	Green Operation Management	<ul style="list-style-type: none"> ◆ Formulated the "Internal Carbon Pricing Guidelines" to promote the low-carbon operation transformation plan of the whole financial holding, and apply the internal carbon pricing mechanism to the company's capital expenditure decision-making. ◆ Establishment of the "Environmental Sustainability Policy" and ongoing execution of environmental protection, energy conservation, carbon reduction, and energy efficiency improvement measures for lowering environmental impact. ◆ To ensure that all energy conservation and environment-related activities are compliant with laws, and to mobilize employees into pollution prevention, energy conservation, and carbon reduction activities. ◆ Adopt ISO 14001, ISO 14064-1:2018 and ISO 50001 standards and expand the scope of inventories each year. 	No deviation
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3. Environmental issues																
(1) Does the company have in place a suitable environmental management system based on the characteristics of the industry?	√		<p>Adhering to "Taishin Financial Holding Company Environmental Sustainability Management Manual" formulated by the parent company, the Bank has been aligning with the parent company's timeline for greenhouse gas inventory verification against ISO 14064-1, certification against ISO 50001 energy management system, and certification against ISO 14001 environmental management system. In addition, abiding by "Energy Review, Baseline and Performance Indicator Management Operation Procedures", in addition to tracking its progress towards environmental targets, the Bank establishes essential performance goals through an analysis of energy consumption over previous periods and considering its operational characteristics.</p> <p>In 2022, the parent company passed the MOE green living and green office certification; it continues internally to follow the MOE green office standards and raises the number of supporting measures in order to create a low carbon environment and implement a comprehensive environmental sustainability management policy that works both inside and outside the company.</p> <p>Taishin Environmental Management Process</p> <table><tr><th>ISO</th><th>Scope of 2023</th><th>Future plans</th></tr><tr><td>ISO 14064-1 GHG inventory standard</td><td>Taishin FHC (including subsidiaries)</td><td>In 2025, expanded to Second-tier subsidiary of the FHC</td></tr><tr><td>ISO 14001 Environmental Management System</td><td>Taishin FHC (including subsidiaries)</td><td>Continuously execution</td></tr><tr><td>ISO 50001 Energy Management System</td><td>Taishin FHC and Taishin Bank</td><td>In 2025, expanded to FHC(including subsidiaries)</td></tr></table>	ISO	Scope of 2023	Future plans	ISO 14064-1 GHG inventory standard	Taishin FHC (including subsidiaries)	In 2025, expanded to Second-tier subsidiary of the FHC	ISO 14001 Environmental Management System	Taishin FHC (including subsidiaries)	Continuously execution	ISO 50001 Energy Management System	Taishin FHC and Taishin Bank	In 2025, expanded to FHC(including subsidiaries)	No deviation
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Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(2) Does the company work to improve resource utilization efficiency and use recycled materials that have a low impact on the environment?	√		<p>1. Resource recycling and waste management The Bank continuously responds to the ban on disposable and melamine tableware by the Taipei City Government and requires employees to bring their own environmental friendly cups, print double-sided, and recycle paper, and sets up stationery recycling boxes, to create a green office environment. The Bank also hires a qualified professional cleaning service to recycle and process waste. In 2023, the parent company was the first among financial peers to introduce smart recycling machines, which were installed in 10 (including 8 from the Bank) of the company's offices in northern, central, and southern Taiwan and made available to employees and the public. These smart recycling machines utilize smart identification technology to recycle waste batteries and PET bottles. The machines also sort, shred, and store PET bottles, significantly reducing volume and cutting the number of necessary trips. Recycled materials are ultimately used in reproduction to create a circular economy of green living. As of the end of 2023, the 10 offices recycled a total of 276.4 kg of PET bottles and 12,621 batteries, which were the equivalent of 0.498 tons in GHG emission reduction. More machines will be added gradually in the future.</p> <p>2. Green procurement In order to reduce carbon footprint of items purchased, the Bank states in the "Supplier Maintenance & Management Guidelines" that priority should be given to purchasing products with environmental protection, water-saving, energy-saving, or green building materials labels or meeting other green procurement requirements. The percentage of green procurement has also been made part of executive performance evaluation. In 2023, the total amount of green procurement reached NT\$97,255,000. Green purchases cover 21 items, including electric cars (official vehicles), renewable energies (renewable energy certificates), computers, monitors, environmentally friendly toner cartridges, paper towels using recycled paper, energy-saving light tubes, and gypsum boards with the green building materials label. Of these items, computer and other IT products account for the highest percentage.</p> <p>3. Products and services With its digital development strategy in mind, Taishin presents inventive reform ideas and BPM projects to minimize paper consumption in operations. By implementing system optimization, digital workflows, and electronic billing, Taishin is actively promoting a paper-free work environment. In the last few years, we have made strides in enhancing our digital services for customers, who now have the convenience of accessing various financial services through both physical and virtual channels. They can, either fill out an electronic form online or proceed to make use of various financial services. This has effectively diminished the need for paper in application, inquiry, transmission, and paper-based advertising, while simultaneously enhancing customer service quality and the Bank's processing efficiency. By the end of 2023, our efforts resulted in the conservation of 4,107,538 sheets of paper, which is equivalent to a reduction of 87 tons of CO₂e. Since our inception, we have reduced a total of 1,613 tons of CO₂e, which is equivalent to preserving 9,129 trees from being cut down.</p>	No deviation

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	Yes	No	Summary (Note 2)																															
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	√		<p>1. Taishin takes into consideration the types of climate risks and opportunities recommended by TCFD, and evaluates its own operations, investment, financing, products, services, suppliers etc. based on business characteristics and relevance before selecting 10 climate risk and opportunity issues for each aspect of concern. The climate matrix following the "materiality" is used to rank these risks and opportunities by "probability of incidence," "degree of impact" and "controllability", which is showed the company's adaptability and resilience to climate change, to determine the lengths of short, medium, and long-term horizons as well as the scope of impact on the value chain.</p> <p>2. From the aforementioned process, Taishin has identified cost of low-carbon transformation, change in energy/resource price, and new climate/environment related regulations as major climate risks. Significant climate opportunities include: the digital finance movement, green energy and sustainability-related financing, and green financial products and services. Taishin further quantified the financial impacts based on the results, and in order to reduce climate-related impacts, it adopts "net-zero carbon emission in financial services" and "sustainability of own operating environment" as the two major strategies and developed action plans accordingly.</p> <p>For more details of the Bank's climate action strategies please refer to 8.the Bank's climate-related information.</p>	No deviation																														
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	√		<p>1. GHG Emissions in last 2 years: The company (and its subsidiaries) have completed ISO 14064-1 Scope 1, 2, and 3 inventories and third party certification.</p> <table><tr><th>Year</th><th>Scope1 (tCO2e)</th><th>Scope2 (tCO2e)(Note 1)</th><th>Intensity (tCO2e/NT\$ million revenue)</th></tr><tr><td>2022</td><td>1,314</td><td>17,046</td><td>0.47</td></tr><tr><td>2023</td><td>1,347</td><td>15,425</td><td>0.37</td></tr></table> <p>Note 1:Scope 2 is disclosed on a market-based approach.</p> <p>2. Water consumption in last 2 years:</p> <table><tr><th>Year</th><th>Total water consumption: (Kiloliter)</th><th>Intensity (Kiloliter/NT\$ million revenue)</th></tr><tr><td>2022</td><td>103,674</td><td>2.63</td></tr><tr><td>2023</td><td>101,773</td><td>2.26</td></tr></table> <p>3. Waste in last 2 years: The Bank calculated the waste per capita based on the total waste volume of the Neihu Building, Taishin Tower, and Jianbei Building before 2022 (the Life Insurance Building was added in 2023), and then estimated the total waste volume based on the waste per capita and the number of employees of the Bank.</p> <table><tr><th>Year</th><th>Total waste (ton)</th><th>Intensity (ton/NT\$ million revenue)</th></tr><tr><td>2022</td><td>583</td><td>0.015</td></tr><tr><td>2023</td><td>579</td><td>0.013</td></tr></table> <p>management targets for the coming years in the Taishin FHC Sustainability Report in accordance with Article 16 and Article 17 of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. The report is made available on the Taishin FHC website (Taishin FHC website/CSR/Green Operations). Please visit: https://www.taishinholdings.com.tw/tsh/responsibility/green/management/.</p>	Year	Scope1 (tCO2e)	Scope2 (tCO2e)(Note 1)	Intensity (tCO2e/NT\$ million revenue)	2022	1,314	17,046	0.47	2023	1,347	15,425	0.37	Year	Total water consumption: (Kiloliter)	Intensity (Kiloliter/NT\$ million revenue)	2022	103,674	2.63	2023	101,773	2.26	Year	Total waste (ton)	Intensity (ton/NT\$ million revenue)	2022	583	0.015	2023	579	0.013	No deviation
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Assessment area	Practices (Note 1)		Summary (Note 2)	Deviations from "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and reasons (Note 3)
	Yes	No		
4. Social issues				
(1) Does the company have adequate management policies and procedures in place pursuant to the applicable regulations and the International Bill of Human Rights?	√		<p>Taishin is committed to protection of human rights and values; compliance with the Universal Declaration of Human Rights, the International Labor Organization, the UN Guiding Principles on Business & Human Rights, and the Equator Principles; and adherence to the laws of the Republic of China as well as local laws and regulations applicable to different offices.</p> <p>In addition to complying with the conventions and recommendations of the International Labor Organization (ILO) on prohibition of forced or compulsory labor, minimum age of admission to employment, regulation of working time, and weekly rest periods, Taishin devises reasonable work rules and employment guidelines in accordance with the Labor Standards Act, Gender Equality in Employment Act, the Employment Service Act, and other labor laws promulgated by the competent authorities, and discloses the above rules after they are filed with the competent authorities in order to protect the rights of its employees. Taishin also takes steps to ensure that all overseas locations (including branches, offices and preparatory offices) are able to comply with local labor regulations and set reasonable work terms to protect the interests of local employees. Furthermore, Taishin not only ensures equality in pay, employment policy, training, and promotion opportunities, but also implements measures to protect female employees and creates a friendly workplace of equality. In addition, Taishin takes action to support international human rights regulations by releasing employment and human right protection statements on its private and public websites, and providing real or virtual training courses. We aim to raise awareness of human rights and gender equality in the workplace. There' no human rights violation by the Company in 2023.</p>	No deviation
(2) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	√		<p>Taishin participates in market-wide salary surveys annually, and designs a fair and incentive compensation system. Each year, Taishin plans year-end bonuses based on company performance and individual performance to reward employees for their effort and contributions. In addition, to avoid putting too much emphasis on shortterm performance, and to encourage employees to develop long-term collaboration and enjoy long-term growth together, Taishin utilizes long-term incentive plans - Employee Share Ownership Trust Program and Taishin Stock Appreciation Rights Program - as a means of employee retention. Meanwhile, Taishin provides benefits above the requirements of the Labor Standards Act. These benefits include an employee stock ownership trust, physical examinations, and rank-based holidays superior to statutory requirements. The Company has rewarded its employees with competitive compensation and welfare packages and has been one of the constituent stocks of of TWSE Taiwan High Compensation 100 index since 2014.</p>	

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(3) Does the company provide a safe and healthy work environment and organize regular health and safety training for employees?	√		<p>To prevent occupational disasters and maintain employee health and safety, the company has implemented the Taishin FHC Occupational Health and Safety Policy and the Health and Safety Guidelines. The company, guided by Diligence and Sustainability, sets out to create a well-constructed zero occupational accident and low risk workplace of health and safety. The company is committed to putting people first and establish an essentially safe and healthy work environment..The company's occupational safety and health work is divided into five major categories as below.</p> <p>1.The structure of workplace safety and health management: The Taishin Bank Neihu Building passed ISO 45001 occupational health and safety management systems in 2020. Taishin Bank follows ISO 45001 hazard identification and assessment of risks, compliance, internal audit, management review, and nonconformity and health and safety corrective action procedures to perform regular risk assessments and hazard identification for the work environment. The company has created the Occupational Health and Safety Committee that meets quarterly to review occupational health and safety policies and management plans, results of health and safety training, results of work environment monitoring, occupational accident surveys and other health and safety proposals. The committee is dedicated to providing a zero harm workplace.</p> <p>2.Providing a healthy and safety work environment: To provide a healthy and safety work environment, the company, in addition to work environment monitoring of carbon dioxide and illuminance, fire exist maintenance reporting, and public safety inspection for buildings as required by law, has AED equipment, and AED Equipped certification in all major buildings. Committed to providing a legally compliant and safety work environment, the company promotes a smoke free workplace on an ongoing basis. All offices in the country prohibit employees and suppliers to smoke in smoke free places.</p> <p>3.Occupational health and safety training courses: The company, as required by law, provides on-the-job health and safety training for new hires and active employees. Road safety campaigns, information sessions on the Tobacco Hazards Prevention Act, and fire drills are organized as needed. The company also take initiative to send employees to receive training for fire safety managers, first aid attendants, and occupational health and safety managers and obtain certification. The goal is to improve general knowledge of occupational health and safety, emergency response (and first aid) management and practical hazard prevention among employees in order to bring all employees to supporting a corporate culture of occupational health and safety.</p> <p>4.Occupational injury prevention: By analyzing the types of hazards causing employees' occupational injuries and incidents, Taishin did not incur any fire hazards or major occupational hazards in 2023. All applications for occupational injury leaves made by Taishin employees involved injuries caused by traffic accidents and not occupational hazards defined by the Occupational Safety and Health Act. From time to time, Taishin Bank arranges for professors of Taiwan Police College and officers of the Taipei City Police Department to give seminars on handling traffic accidents, right of way and road safety. The purpose of these course is to reduce the frequency of traffic accidents for employees through information.</p> <p>5.The healthy service of employee: With regards to regular health checks, the company offers benefits that exceed legal requirement standards, and subsidizes health checkups once every two years for general staff and once per year for managerial staff. With on-site medical services to carry out health management, health education and four major hazard prevention programs, the Company also conducts health promotion courses, such as office stretching, infectious diseases and chronic diseases, etc. In order to lower the impact of infection diseases and provide a healthy and safe work environment, the company encourages employees to get flu vaccines and provides an allowance. Corporate flu vaccination events are organized every year. In addition, the company won the Bronze Award for Epidemic Prevention from the Corporate Epidemic Prevention Alliance in 2023.</p>	No deviation

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(4) Does the company have in place effective tools to help employees with career planning and development?	√		In addition to planning a complete orientation for new recruits, and conducting annual training needs inventory and course arrangement for each division, the Bank also uses the individual development plan (IDP) and the ten-thousand-point training credit system to meet the needs of employees' self-learning and career development.	No deviation
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer protection policies and grievance procedures?	√		<p>The company established a customer complaint processing procedure according to the Fair Customer Treatment Principles for Financial Institutions in order to protect customers' rights and contribute to a corporate culture that upholds fair customer treatment. Taishin Bank, one of the company's subsidiaries, is used as an example as follows:</p> <ol style="list-style-type: none"> 1. Implementing policies and procedures: The Taishin International Bank Fair Customer Treatment Policy and the Taishin International Bank Consumer Dispute Resolution System have been established to provide a basis for handling customer disputes. The aim is to resolve customer disputes as soon as possible, improve the quality of customer grievance resolution, and follow the principle of grievance redress. 2. Appointing units and personnel: To provide adequate response to customer complaints, a representative should telephone the customer within one working day after a complaint is accepted to find out details of the complaint. The representative should also clarify the dispute, reach a consensus with the customer, and resolve the complaint as appropriate. 3. Creating different feedback channels: The company has a comprehensive list of channels, including the customer feedback form in branches, the customer feedback hotline and feedback email at the head office, the 24/7 customer service hotline, and the "Contact me" message board on the corporate website. The company always responds to customer feedback or suggestions in a timely manner. 	No deviation

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	√		The company implemented the Supplier Management Regulations for better ESG supplier management. All suppliers who establish a purchasing relationship with the company are required to sign a "Supplier Commitment Statement". The statement covers requirements in areas including corporate ethics and integrity, risk management, labor and human rights, social welfare, and environmental protection. Monthly satisfaction surveys, supplier self assessment questionnaires, supplier human rights questionnaires, supplier evaluation, and supplier conferences will be conducted afterwards to monitor and assess supplier performance. In 2023, the company set "Internal Carbon Pricing" as the theme of the supplier conference, and invited 50 major suppliers to discuss carbon pricing methods and future trends. The company also took the suppliers on a tour of the Taishin Bank Neihu Building Innovative Finance Laboratory and smart recycling machines. The company also recognized outstanding suppliers of the year to encourage suppliers to come up with new ideas of energy saving products and to promote sustainability along the supply chain.	No deviation
5.Does the company prepare sustainable development reports and other reports that disclose nonfinancial information by following international reporting standards or guidelines? Does the company obtain thirdparty assurance or qualified opinion for the reports above?	√		Information of Taishin FHC Sustainability Report has been disclosed in accordance with Global Reporting Initiative (GRI)'s sustainability reporting standards (GRI Standards), the Commercial Banks (CB) issued by the Sustainability Accounting Standards Board (SASB) and "Sustainability indicators disclosed by listed companies within the financial and insurance industry and "Climate change related information disclosed by TWSE/TPEX companies" required by "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." Taishin FHC regularly publishes Sustainability Report every year in accordance with the regulations of the competent authority, and complies with the framework spirit of the Integrated Reporting (IR) of the International Integrated Reporting Council (IIRC), including corporate governance, environmental sustainability, and social care prospects. Taishin FHC entrusted BSI Taiwan for verification in accordance with the GRI Standards and the AA1000AS v3 Type 2 Medium Level Assurance. The Company has entrusted KPMG Taiwan to conduct limited assurance on specific performance indicators in accordance with ISAE3000.	
6.Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: Taishin started providing education and training for tier-1 and tier-2 suppliers to raise awareness of sustainability and to enable suppliers to understand the Bank's commitment to ethics, environmental conservation, labor rights, charitable involvement, and risk management and its requirements in these areas.				

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons (Note 3)
	Yes	No	Summary (Note 2)	
7. Other key information conducive to the understanding of the operation of corporate social responsibility:				
(1) Charity and Welfare				
a. "Caring Taiwan" series				
<p>Taishin FHC teamed up with the well known shopping website, PayEasy.com by Systems & Technology Corp., and launched the "Caring Taiwan" Project in 2002. The project has reached into Xinyi Township, Zhongliao Township, Yuchi Township, and Guoxing Township and utilized corporate resources to help disaster victims develop local economies. The idea is to teach them to fish instead of giving them fish. Online campaigns advertise local specialties of disadvantaged regions and tourist attractions and call on the general public to purchase local produce and make credit card donations. The project has succeeded in helping to rebuild the disaster areas and establishing a model of corporate citizenship. In 2008, the "Caring Taiwan" Project extended its reach into rice production in Taiwan. To ensure the continuity of Taiwan's agriculture and the population's access to 100% locally grown rice, Taishin Holdings and PayEasy.com created an innovative platform for the production and marketing of Taiwanese rice. The programs "My One Acre of Farm" for corporations and "My Family's One Acre of Farm" for households helped bring Taiwanese rice into households. They not only provided healthy choices for consumers, but generated income for rice farmers, which in turn created more jobs on rice farms in Taiwan. Under the "My One Acre of Farm" project, Taishin FHC purchased more than 200 units and funded close to 100 hectares of paddy field. More than 10,000 clients and employees consumed close to 350,000kg of premium Taiwanese rice. The total investment reached NT\$38.22 million.</p>				
b. Power of love				
<p>The Taishin Charity Foundation was established in 2010. It rolled out the first and biggest public welfare voting activity in Taiwan - "Power of love" campaign. It uses three simple steps: proposal, voting and implementation, to teach non-profit organizations to learn the Internet, Ability to publicize and be accountable. And with the spirit of "give fish to eat, it is better to give fishing rods and teach fishing", set up an innovative model of public welfare assistance. Over the past 14 years, a total of more than NT\$340 million charity funds have been used, benefiting 1,700 non-profit organizations and 6.34 million beneficiaries.</p> <p>In addition to "Power of Love" campaign, the Taishin Charity Foundation uses its platform to combine and connect Taishin FHC's resources and partners interested in offering resources to organize a string of similarly themed events, including Minority Project, Campus Charity, Charity Art, Power of Love Workshop, Group purchase of festive charity gift boxes, purchases of charity gift boxes, were created to invite charity groups, employees, clients and suppliers to join in expectation of expanding its social influence. The campaign was certified by the British "Social Value International" SROI in 2020 and 2022. With continuing impact management in 2023, the campaign received an SROI of NT\$8.11 (i.e. generating \$8.11 in social value for every \$1 invested in the platform). This is the world's first charity platform that has passed both forecast and evaluative SROI and invest in ongoing impact management at the same time.</p>				

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(2) Arts and Culture Development				
a. Contemporary art				
<p>Taishin Bank donated to establish "Taishin Bank Culture and Art Foundation" in 2001, with the theme of "promoting cultural life quality and strengthening artistic-development environment". It supports arts as a nonprofit institution, intensifies exchanges between artistic innovation and private industry, and realizes the corporate social responsibility of payback to the society. The Taishin Arts Award was created by the foundation and rewards modern artistic creativity in various fields in Taiwan that demonstrates growth potential and reflects the society and local cultures. Over the last 21 years, the Arts Award invited 197 judges from the local and international communities, who selected 327 nominees and 70 winners. In 2023, 9 nomination observers selected 17 teams out of 115 nominees and announced the winners of three awards in the ceremony in May. The ceremony was livestreamed and attracted close to 30,000 views. The Arts Awards website drew more than 50,000 visits in the year. In addition, through the ARTalks art review network, it not only collects art reviews from domestic scholars and experts, but also serves as a platform for the public to express their artistic views and dialogues. The website received more than 3.3 million visits over the last 10 years. Through the operation of the award mechanism, combined with the promotion of trained art critique writing, it has become a force that continues to promote the development of Taiwan's overall arts and culture ecology.</p>				
b. Community campaigns				
<p>◆ Exhibitions in 1F lobby of Taishin Tower:</p> <p>The foundation hosts regular art exhibitions in the 1F lobby of Taishin Tower. Since the first exhibition in 2006, there have been 80 exhibits, and the venue has become a perfect gateway into arts for customers, employees, and the community. The exhibits in 2023 included Tsuzuku by Japanese artist Akira Minagawa, Dream About Me by Joyce Ho, and Weed Day, where a team of artists installed a weed ecosystem outside Taishin Tower. The last exhibition and workshop painted a soothing picture of weed mandala in support of sustainability.</p> <p>◆ The Lunchtime Concerts:</p> <p>The foundation hosts Lunch Concerts in the 2F Yuan Room of Taishin Tower every other Friday. The foundation invites well known artists from around the world to perform at these concerts, which are open to the public for free. The foundation has hosted close to 400 concerts over 17 years. A total of 24 concerts took place in 2023. Top musicians who played at these concerts included the MIT Saxophone Ensemble, the Gleam Ensemble, and the KGBL Chamber Choir of Slovenia. The foundation also organized the first family concert, which brought together storytelling and harp and violin music for a good time for families and children.</p>				
c. Employee arts courses				
<p>The foundation organizes and executes the Employee Arts Courses. These courses help employees find physical and mental wellness through arts and culture, building up indirectly a healthy corporate culture and innovation capabilities. The courses cover art appreciation, theater introduction, family activities, and arts and movies. A total of 14 employee arts courses took place in 2023. More than 700 employees participated in these courses. Activities included the 2023 Taipei Children's Arts Festival - The Way Back by the Double Theatre, the guide tour and movie appreciation of Days by Ming-Liang Tsai at MoNTUE, a performance by the Bochumer Symphoniker featuring Tung-Chieh Chuang at National Kaohsiung Center for the Arts, and visits to the Simba Lion Arts Studio. In addition, the foundation publishes an arts e-newsletter every month. The newsletter recommends exhibitions and performance and encourages employees to share their reviews.</p>				
d. Arts and culture sponsorships				
<p>Taishin FHC has invested close to NT\$289 million in arts and culture sponsorships in Taiwan since 2006. The events together attracted 7.555 million participants.</p>				

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
(3) Sports sponsorship			<p>Taishin is a long term supporter of sports. Taishin started supporting the Nantou County Youth Karate Team in 2005 (calling upon its customers through PayEasy to join the campaign and raising more than NT\$108.98million in small donations and receipts). Its sponsorship for female professional golfers reached NT\$100 million in 2011. In addition, Taishin started hosting charity golf tournaments in 2011. The tournaments have welcomed 601 participants and raised more than NT\$21.85 million in total. Furthermore, Taishin started sponsoring a wider range of projects, including basketball, baseball, marathons, and e-sports, in 2017. In 2020, Taishin supported the professional basketball team and title sponsored the "Formosa Taishin Dreamers". In addition, the Taishin Taipei Mars team was formed in August 2023. Taishin adopts the strategy of integrating public welfare and good circulation, and tries its best to combine sports and public welfare to achieve the highest level of high promotion and deep care. Taishin has obtained MOE sports enterprise certification four times (valid for 2 years each time initially but changed to 3 years in 2020; and the four times being in 2016, 2018, 2020, and 2023). Taishin won Sports Sponsorship Award once again in 2023, including award sub-categories - Sponsorship Gold and Long Term Sponsorship.</p>	
(4) Academic exchange			<p>Taishin is always keen to get involved in major academic communities with the hope that through communications and exchanges between industry professionals, government officials, and academics sound development of Taiwan's financial sector and the financial market as a whole can be facilitated.</p> <p>Regarding industry-academia cooperation, since 2011, Taishin has been cooperating with universities, technology institutions and vocational schools to design industry-academia cooperation programs that offer students internships and the opportunity to learn and gain practical experience out-side school. In 2023 over 400 students were recruited into an internship program. Given the up-rise of financial technologies, Taishin has even launched a number of postgraduate internship programs that aimed to explore potential talents in relevant fields such as digital banking, data mining, data analysis and FinTech development.</p> <p>As part of its commitment to the community and talent development, Taishin offers scholarships and summer internships for National Taiwan University students from financially disadvantaged backgrounds. Furthermore, followed by the courses on "Financial Service Innovation" in National Taiwan University and "Financial Innovation Master Program" in National Sun Yat-sen University to nurture talents in school and fulfill talent pool in Taishin via the industry-academia collaboration.</p>	
(5) Environmental Protection			<p>a. First carbon neutral certification</p> <p>In 2023, the company selected the Wholesale Banking Center - Jianbei Building to be the candidate for carbon neutral certification. The building received the company's first green building certification by starting to replace energy intensive air conditioning equipment in 2020. The building later implemented the electricity saving measures with controlled air conditioning hours for energy saving. The campaign, coupled with purchases of renewable energy certificates and carbon credits, enabled the building to complete carbon neutral certification in December. This is the company's only building that has passed both carbon neutral and green building certification.</p> <p>b. Taiwan Carbon Solution Exchange (TCX) - first buyer on an international carbon trading platform</p> <p>The company made early preparations for the government's 2050 net zero path. At TCX's invitation, the company became one of the first financial institutions to participate in carbon trading in December 2023. Carbon credits purchased for landfill gas capture for electricity generation project will be used to offset carbon emissions of the company's businesses, financial products/services, and brand events.</p> <p>c. Continuing "Earth Hour" campaign and the electricity saving measures</p> <p>The company has brought together the 101 branches of its banking subsidiary as well as its securities and life insurance subsidiaries to support the Earth Hour for three years in a row. Lights along with energy-consuming lamps such as neon lights and marquees were turned off during the campaign. In 2023, the Cool Biz - dress for summer event was turned into a year round dressing code. The company used the electricity saving measures and e-newsletters to raise carbon awareness in the workplace.</p> <p>d. Continuing use of renewable energies, replacement of energy intensive equipment, and green building certification</p> <p>3 new electric vehicle charging stations and 1 green building certification (Yongfu Building) were added in 2023. 2 offices switched to energy saving air conditioning units and 8 offices to energy saving LED lighting. The company also followed the SBTs to purchase a total of 7,213,689 units in renewable energies and certificates to increase use of renewable energies.</p>	

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	

8. The Bank's climate-related information

(1) Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

Aligned with the climate governance structure of the financial holding company, TSIB coordinates with the financial holding functional groups and the climate task force, and regularly report TCFD implementation results to risk management monthly meeting and the board of directors to establish an effective governance structure.

(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

- a. Taishin takes into consideration the types of climate risks and opportunities recommended by TCFD, and evaluates its own operations, investment, financing, products, services, suppliers etc. based on business characteristics and relevance before selecting 10 climate risk and opportunity issues for each aspect of concern. The climate matrix following the "materiality" is used to rank these risks and opportunities by "probability of incidence," "degree of impact" and "controllability", which is showed the company's adaptability and resilience to climate change, to determine the lengths of short, medium, and long-term horizons as well as the scope of impact on the value chain.
- b. From the aforementioned process, Taishin has identified cost of low-carbon transition, changes in energy/resource price, and new climate/environment related regulations as material climate risks. Material climate opportunities include: the digital finance movement, green energy and sustainability-related financing, and green financial products and services. Taishin further quantified the financial impacts based on the results, and in order to reduce climate-related impacts, it adopts "Financial services "net-zero carbon emission in financial business" and " environmental sustainability of own operations " as the two major strategies and developed action plans accordingly.

For more details on the identification results, please refer to the Bank's annual TCFD (climate-related financial disclosure) report.

(3) Describe the financial impact of extreme weather events and transitional actions.

To quantify the impact of climate-related risks on Taishin Commercial Bank, we first identified material climate-related risks and then used the climate change scenario analysis method to assess the potential financial impacts of these risks. We measured climate-related loss on our investment and financing positions under different scenarios in 2030 and 2050 based on NGFS and IPCC scenario assumptions and by following the "Climate Change Scenario Analysis Planning for Domestic Banks" promulgated by the Bankers Association of the Republic of China. Furthermore, by breaking down the climate risks affecting our exposures by industry, we identified industry-specific climate risk level and sampled members of high climate risk industries for assessment. Here is a brief overview of our risk assessment:

Risk category	Risk factors	Climate Scenario	Evaluation Scope	Analysis
Transition risks	Low-carbon transition cost expenditures; costs associated with compliance with policy and regulations	<ul style="list-style-type: none"> ◆ 2050 orderly transition scenario (global warming below 1.5°C by the end of the century) ◆ Disorderly transition scenario (RCP 2.6) ◆ No policy scenario (RCP 8.5) 	Corporate credit position of the banking to certain industries, namely, "Electricity and Gas Supply", "Manufacture of Chemical Material and Fertilizers", "Manufacture of Basic Metals", and "Textiles."	Under the orderly transition scenario, the expected loss rate for the high-climate risk industries under analysis will continue to go up in both 2030 and 2050, albeit at a slower pace; Under the disorderly transition scenario, the loss rate will rise at a slower pace before 2030 because policy will remain unchanged then. Businesses that undergo rapid transition beyond 2030 will sustain a greater impact. By 2050, the loss rate will escalate.
	Degrading brand goodwill		Investment of the banking unit and life insurance unit in certain industries, namely, "Electricity and Gas Supply", "Manufacture of Chemical Material and Fertilizers", and "Manufacture of Basic Metals."	Under the orderly transition scenario, the government's swift actions to reduce carbon emissions and implement related policies are expected to lead to a substantial increase in loss rates for high climate risk industries by 2030. Yet, thanks to the consistent and stable transition, the contrast in loss rates between 2050 and 2030 will not differ as drastically as in the disorderly transition scenario. Under the disorderly transition scenario, loss rate will rise at a somewhat limited pace because policy implementation will be delayed until 2030; yet, it will surge in 2050.
Physical risks	Growing frequency and severity of natural disasters		mortgage position	Under the orderly transition scenario, the expected loss rate is unlikely to see a significant shift because relevant policies will be enforced early on. Conversely, under the disorderly transition scenario, because transition measures are not promptly implemented, the expected loss rate will first go up and then down. Under the no policy scenario, because no additional transition measures are in place, global temperatures will rise and physical risks will increase as time goes by, ultimately causing a gradual increase in the expected loss rate.

For more details on the analytical results, please refer to the Bank's annual TCFD (climate-related financial disclosure) report.

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	
<p>(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>a. Integrated risk management system</p> <ul style="list-style-type: none">●Taishin has incorporated climate risk into the existing risk management systems. The "Risk Management Policy" covers climate risk and has outlined the climate risk appetite statement. In addition, to effectively control impacts of climate change, Taishin has followed by the "Climate Risk Management Guidelines" established by FHC that outlines management practices in detail from risk identification, monitoring of high-carbon emission industries, climate scenario analysis, reporting and disclosure mechanisms.●Taishin conducts annual climate risk identification that have potential impacts to its business. Further analyses are then performed to determine the potential financial impacts and association with conventional risks, so that strategies and management practices can be implemented to mitigate the impact of climate change. <p>b. Risk management process</p> <ul style="list-style-type: none">●Using the three lines of internal control, Taishin has divided the scope of responsibility and management on climate risk for each line of defense, and is able to maintain effective and appropriate implementation of the internal control system.●Each responsible unit takes climate risk and impact into their review or decision-making process; for example: Taishin Bank has included high-carbon emission industries as one of its investment considerations, and revised its "Pre-investment Evaluation and Post-investment Management Rules" for equity and bonds.●Investment and credit exposure to high-carbon emission industries are monitored on a regular basis and reported in monthly risk management meetings, Risk Management Committee meetings, and Board of Directors meetings. <p>(5) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>a. Investment and financing positions: Taishin conducts financial impact assessments in line with "Climate Change Scenario Analysis Planning for Domestic Banks," and estimates the impact of physical and transition risks on investment, wholesale banking, and retail banking positions under different scenarios for 2030 and 2050.</p> <p>b. Own operations: Physical risks are assessed using four climate scenarios: RCP 2.6, RCP 4.5, RCP 7.0, and RCP 8.5 to determine disaster potential and sensitivity for domestic business premises. For transition risks, Taishin simulates Scope 1 and Scope 2 reduction for the various actions taken in response to relevant commitments, initiatives, regulatory requirements, and carbon reduction goals, in order to assess potential financial impacts and expected management costs.</p> <p>c. Suppliers: The four climate scenarios mentioned above are used to assess physical risks at suppliers' business location.</p> <p>For more details on the analytical results, please refer to the Bank's annual TCFD (climate-related financial disclosure) report.</p> <p>(6) If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>a. Metrics settings: After identifying material climate-related risks and opportunities, Taishin then sets metrics that correspond to its climate strategy. For the financial business, these metrics include: carbon emission of the investment/financing positions, exposures to high-carbon emission industries, and progress of low-carbon economy. For own operations, the metrics include: energy/carbon reduction action, the type of energy used, and greenhouse gas emission.</p> <p>b. Management of Targets: On a yearly basis, Taishin discloses its progress in meeting SBT reduction targets, actively decreasing scopes 1 and 2 emissions through energy management, renewable energy consumption, internal carbon pricing, and other measures. Scope 3 is committed to achieving carbon reduction goals by actively implementing low-carbon related investment and financing and managing high-carbon emission industries.</p> <p>For more details on metrics and targets, please refer to the Bank's annual TCFD (climate-related financial disclosure) report.</p>				

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons (Note 3)
	Yes	No	Summary (Note 2)	

(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.

The internal carbon pricing mechanism has been established by the Bank's parent company, using the shadow price as a reference. The NT\$2,400/ton carbon price was established after considering internal carbon reduction expenses and both local and global carbon market trends. Initially, the mechanism was used to assess the acquisition of energy-efficient machinery, with considerations for carbon pricing, equipment specifications, and investment expenses, to ensure that energy-saving initiatives incorporate carbon price elements.

(8) If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.

The parent company successfully completed the SBTi review in July 2022, demonstrating its commitment to reducing carbon emissions and limiting temperature increase to within 1.5°C. This entails a pledge to decrease scope 1 and scope 2 emissions by 46% by 2030, based on 2019 levels, which equates to an average annual reduction of 4.2%. The parent company's scope 1 and scope 2 GHG emissions in 2023 were offset with 19,788 tons, has declined 11% comparing to the baseline year. Beside the continuous energy conservation plan, we mainly reduce the scope 2 emission by purchasing 714 kWh solar photovoltaic and 73 renewable energy certificates in 2023.

(9) Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).

a. GHG inventory and assurance in last two years

a-1. GHG inventory

Describe GHG emissions in last 2 years (tons CO₂e), intensity (tons CO₂e/NT\$mn), and scope of data.

Emission sources	2022		2023	
	Total emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/NT\$mn)	Total emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/NT\$mn)
Scope1				
Taishin International Bank	1,314	0.0333	1,347	0.0299
Scope2				
Taishin International Bank	17,046	0.4325	15,425	0.3429

Note: Scope 2 reveals with market-based approach.

a-2. GHG assurance

The completed GHG assurance report please refer to ESG report.

b. GHG reduction targets, strategies, and action plans

Describe the base year for GHG reduction and the data, reduction targets, strategies, reduction plans, and progress.

b-1. In July 2022, the company passed the SBTi audit and Scope 1 and Scope 2 followed the roadmap to limit the temperature rise within 1.5°C. With 2019 as the base year, Scope 1 and Scope 2 emissions must reduce by 46% by 2030. Therefore, the company set the reduction target at 4.2% per year.

b-2. To reach the SBT2030 target, the company continues to utilize green building certification, carbon neutral certification, solar panel installation, implementation of energy management systems, shift to energy saving equipment, purchases of electric/hybrid vehicles, installation of charging stations, and ongoing purchases of renewable energies and certificates. The carbon reduction reached 11% in 2023.

03 Corporate Governance Report

Taishin Bank 2023 Annual Report 091

Assessment area	Practices (Note 1)			Deviations from “Sustainable Development Best Practice Principles For TWSE/TPEx Listed Companies” and reasons (Note 3)
	Yes	No	Summary(Note2)	
2.Implementation of integrity Management (1) Does the bank have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests? (2) Does the Bank have a unit responsible for business integrity on a full-time basis under the Board of Directors, which will report the business integrity policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (3) Does the bank have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests (4) Does the Bank have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	√		(1) Taishin Bank's supplier selection and tender process are governed by the Supplier Maintenance and Management Guidelines to ensure products and quality consistently meet requirements. Suppliers that comply with the requirements can be certified and registered as Taishin Bank's qualified vendors to provide services or products to the bank. (2) Not being a listed/OTC-traded bank, the Bank is not subject to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. Despite so, the Bank observes the "Ethical Corporate Management Best Practice Principles" set forth by its parent company. The Compliance Department of the parent company, a financial holding company, is designated to handle the planning, management, and execution of all issues related to compliance and other matters pertaining to ethical corporate management. The Board of Directors and the Audit Committee are updated on the implementation status of all relevant work by the Compliance Department at least every half year. (3) The bank and the parent company establish the guidelines for avoiding conflict of interest under the Board of Directors Meeting Policy, Ethical Corporate Management Best Practice Principles and Employee Code of Conduct, and has reporting channels in place to accept verbal and written reports of violations. (4) a. Accounting System The company's accounting system is formulated in accordance with Article 14 of the Securities and Exchange Act, the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Business Entity Accounting Act, and the Generally Accepted Accounting Principles (GAAP). These accounting system has been designed to faithfully and thoroughly record the company's business activities, and to present the company's financial and business performance in ways that are consistent with laws and the GAAP, thereby achieving effective internal supervision and reflecting financial status and operational results so as to serve as reference in strategic decision-making.	No deviation

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles For TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary(Note2)	
(5) Does the bank organize internal or external training on a regular basis to maintain business integrity?	√		<p>b. Internal control system</p> <p>The bank's internal control system follows article 45-1 of the "Bank Law" and "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries."</p> <p>The system covers the company's business activities, and include integrity and ethical values in the control environment, related persons should bear the responsibility or be penalized. If there is any violation, serious violations will be submitted for disciplinary procedures to the Staff Conduct Review and Staff Performance Appraisal Committee in accordance with the Employee Discipline Guidelines.</p> <p>c. Adhering to the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, the Bank has formulated an audit plan, according to which an regular audit or target audit is carried out. In principle, an audit covers the regulations of the competent authority, supervisory focuses, Financial Inspection essentials, and increase and decrease in units. Through the implementation of internal audits and self-inspection systems, the Bank prioritizes the core values of integrity and ethics within its control environment, ensuring the prevention of unethical conduct and the successful execution of systems and projects. In addition, certified public accountants are regularly hired to audit the internal control system.</p>	No deviation
			(5) Each year, the Bank arranges regular or adhoc training courses on corporate governance for its directors, supervisors, risk management, accounting/finance staff and auditors. Mandatory courses for new employees include corporate ethics, banking regulations and code of conduct, etc.	No deviation
3. Whistleblowing policy (1) Does the bank provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported malpractices?	√		(1) Taishin has implemented the Taishin International Bank Co., Ltd. Whistleblowing Policy to establish the whistleblowing channels and procedures. All reports are handled and investigated by dedicated units. Any individual in or outside the bank who discovers that the employee of the bank has any potentially criminal, corrupt, or illegal conduct may report the case by following the whistleblowing procedures. A report may be filed by any of the following means: 1. By mail: Whistleblowing Mailbox, No. 118, Section 4, Renai Road, Taipei City 2. By E-mail: whistling@taishinbank.com.tw 3. By telephone: (02)2325-6135	No deviation

Assessment area	Practices (Note 1)			Deviations from "Sustainable Development Best Practice Principles For TWSE/TPEx Listed Companies" and reasons (Note 3)
	Yes	No	Summary(Note2)	
(2) Does the bank have in place standard operating procedures for investigating and processing report as well as followup actions after the investigations? (3) Does the company assure employees who reported on malpractices that they will not be prosecuted for making such reports?	√		(2) All reports that Taishin receives should be investigated by the appropriate units as stated in the investigation procedures. The identity of the whistleblower should be kept strictly confidential. No information sufficient to identify the whistleblower may be released. (3) Taishin's whistleblowing policy states explicitly that the following measures should be taken to protect whistleblowers. 1. The identity of the whistleblower shall be kept confidential. Information sufficient to identify a person shall not be disclosed. 2. Taishin shall not take any report made by a whistleblower and use it against said whistleblower as cause for dismissal, discharge, demotion, pay reduction, damage to the rights to which said whistleblower is entitled by law, contract, or convention, or any other detrimental treatment.	No deviation
4.Strengthen information disclosure Has the bank disclosed the content and implementation progress of its own ethical corporate principles on its website and Market Observation Post System(MOPS)?	√		The "Taishin Financial holding Co., Ltd.-Ethical Corporate Management Best Practice Principles" is accessible through the websites of the bank's parent company and MOPS.	No deviation
5. If the Bank has established its own ethical corporate management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy in the Bank's implementation of the principles and explain why:N/A.				
6. Other key information conducive to the understanding of the implementation of integrity management(e.g.: declaration of the bank's commitment to business integrity to vendors, policies and training programs, reviews over the bank's business integrity principles etc). Taishin started providing CSR education and training for tier-1 and tier-2 suppliers to raise awareness of sustainability and to enable suppliers to understand Taishin's commitment to ethics, environmental conservation, labor rights, charitable involvement, risk management and its requirements in these areas.				

h. Banks with corporate-governance guidelines and related regulations must disclose their methods for inquiry:

Please visit the bank's parent company's website or the Market Observation Post System for more information.

i. Other important information conducive to the understanding of the corporate governance of the bank:

Please refer to the explanation of item d "Status of the bank's governance and its deviation from the guidelines for the practical corporate governance of the banking industry and reasons."

j. Items concerning the implementation of Internal Control System which should be disclosed

1. Statement of Internal Control

Taishin International Bank co., Ltd
Statement of Internal Control System

March 21, 2024

On behalf of Taishin International Bank Co., Ltd., we hereby declare that during the period from January 1, 2023 to December 31, 2023, the Company had established internal control system and exercised risk management in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." The system and practices were also inspected by an independent Audit Division which reported regularly to the Board of Directors and the Audit Committee. The Company also strictly abides by the regulations in Subparagraph 5, Article 38 and Article 38-1 of the aforementioned Rules as well as the self-disciplinary regulations for information security established by the Bankers Association. With respect to the securities operation, the effectiveness of the design and execution of the internal control system were assessed according to the criteria for an effective internal control system as established in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets; With respect to insurance agent business, the Company determines the effectiveness of the design and execution of its internal control system in accordance with the criteria for effective internal control policies as established in the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies. Following our diligent assessment, we concluded that the Company's internal control, legal compliance, and the overall execution of information security across all departments were executed effectively, or are undergoing rectifications, during the current year (as listed in the attachment).

This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

This statement has been passed by the Board of Directors of the Bank on March 21, 2024.

To:


Financial Supervisory Commission

Declarers.

Chairman

吳東亮 


President

高瑞清 

Chief Auditor

邱是右 

Group Compliance Officer

林哲立 

Information Security Officer

陳詒昌 

Areas of Improvement and Rectification for the Internal Control System of Taishin International Bank Co., Ltd.

(As of December 31, 2023)

Improvement Required	Rectification	Expected time of rectification
Irregular cash flows between customers and a former financial advisor of the Haidian Branch.	<ol style="list-style-type: none"> Statements are mailed regularly to customers and the mechanism for managing returned mail has been reinforced. The information flyer, Important Customer Rights, is mailed regularly to customers and warnings are posted in branches to remind customers of their rights. The rotation system for financial advisors has been modified and improved. 	Rectification completed

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Agreed-Upon Procedures Report

March 29, 2024

To Taishin International Bank Co., Ltd.

I performed the procedures agreed with you with respect to the accuracy of information filed by Taishin International Bank Co., Ltd. with the competent authorities, performance of the internal control system and compliance system, appropriateness of the allowance for bad debt, and performance of the personal data protection and administration. The sufficiency of these procedures is solely your responsibility. Consequently, I make no representation regarding the sufficiency of the procedures. This agreed-upon procedures engagement was conducted in accordance with the Standards on Related Services No. 4400: Engagements to Perform Agree-Upon Procedures Regarding Financial Information for the purpose of assisting you in the assessment of compliance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries promulgated by the Financial Supervisory Commission. Compliance of the regulations above is the responsibility of your management team. The procedures I performed and my findings are described as follows.

Given the procedures performed will not constitute an audit in accordance with the Standards on Auditing of the Republic of China, I do not provide any level of assurance with respect to the accuracy of information filed by Taishin International Bank Co., Ltd. with the competent authorities, performance of the internal control system and compliance system, appropriateness of the allowance for bad debt, and performance of the personal data protection and administration. Had I performed additional procedures or an audit in accordance with the Standards on Auditing of the Republic of China, other matters might have come to my attention that would have been reported.

This report is intended solely for the purpose described in the first paragraph and is not to be used for any other purpose or to be distributed to any other parties.

Certified Public Accountant-Han Ni Fang



Deloitte & Touche Taiwan

Notice to Readers

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 original Chinese version shall prevail.

Auditing Report of Certified Public Accountant

March 29, 2024

Attached is a statement regarding effectiveness of the design and execution of its internal control system (including reports filed with the Taiwan Insurance Institute pursuant to the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies) as of December 31, 2023 provided by the Insurance Broker Division (the "Division") of Taishin International Bank Co., Ltd. (the "Insurance Broker Division of Taishin Bank") on March 21, 2024. We have audited part of this company's compliance system (regarding whether to appoint compliance officers and the adequacy of such appointments). It is the management's responsibility to establish and maintain an effective internal control system and evaluate its effectiveness. Our responsibility is to provide an auditor's opinion on effectiveness of a company's internal control system and the aforesaid statement on internal control according to the results of our audit.

We conducted our audit in accordance with the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies. The procedure involved understanding the company's internal control system, evaluating the management's process of evaluating overall effectiveness of the internal control system, testing and assessing effectiveness of the design and execution of the internal control system, and performing other audit procedures that we deemed necessary. We believe that the audit procedures provide a reasonable basis for our opinion.

An internal control system is always subject to inherent limitations. Therefore, the possibility remains that the aforesaid internal control system implemented by the Insurance Broker Division of Taishin Bank are unable to prevent or detect an error or fraud that has already occurred. Furthermore, circumstances may change in the future and render compliance with the internal control system less effective. Therefore, it does not necessarily follow that an internal control system that is effective in the current period will be effective in the future.

In our opinion, according to the criteria for effective design and execution of an internal control system under the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies, the design and execution of the internal control system regarding the Insurance Broker Division of Taishin Bank and its financial reporting (including reports filed with the Taiwan Insurance Institute pursuant to the regulations) and asset protection (to prevent assets from being acquired, used and disposed without authorization) can remain effective in all material respects as of December 31, 2023. The statement that the design and execution of the aforesaid financial reporting and asset protection related internal controls (including reports filed with the Taiwan Insurance Institute pursuant to the Regulations and compliance measures) have been evaluated and deemed effective as of December 31, 2023 provided by the Insurance Broker Division of Taishin Bank on March 21, 2024 is a fair representation in all material respects.

Certified Public Accountant-Han Ni Fang

Deloitte & Touche Taiwan



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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 original Chinese version shall prevail.

INDEPENDENT AUDITOR'S ASSURANCE REPORT

April 11, 2024

The Board of Directors

Taishin International Bank Co., Ltd.

We have performed an assurance engagement on the Internal Control System Statement on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) of Taishin International Bank Co., Ltd. ("the Company") for the year ended December 31, 2023.

Subject Matter Information and Applicable Benchmarking

The subject matter information is the Internal Control System Statement on AML/CFT of the Company for the year ended December 31, 2023 ("the subject matter information") (see Appendix A).

The following laws and regulations are used to measure or evaluate the subject matter information:

- Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, Regulations Governing Anti-Money Laundering of Financial Institutions, Regulations Governing Reporting on the Properties or Property Interests and Locations of Designated Sanctioned Individuals or Entities by Financial Institutions, Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission, Template of Directions Governing Anti-Money Laundering and Countering the Financing of Terrorism of Banks and Guidelines Governing Money Laundering and Terrorist Financing Risks Assessment and Relevant Prevention Program Development by the Banking Sector.

Inherent Limitations

Because of the inherent limitations of any internal control system over AML/CFT, there is an unavoidable risk that even some material misstatements may remain undetected. Besides, historic evaluation of effectiveness is not relevant to future periods due to the risk that internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Responsibilities of Management

The Company's management should establish effective internal control system based on AML/CFT laws and regulations. Independent Internal Audit Department should conduct the audit on the internal control system and routinely report the results to the Board of Directors in order to ensure the effective operation of internal control system over AML/CFT.

Responsibilities of Auditor

We conducted our work on the subject matter information in accordance with Standards on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" to get a reasonable assurance on the preparation, in all material respects, of the subject matter information.

Independence and Quality Management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Standards on Quality Management 1 "Quality Management for Public Accounting Firms" in the Republic of China, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the reasonable assurance. The procedures we performed include understanding and evaluation of the entity's business and industry environment and the design and operation of the entity's Internal Control System on AML/CFT by examining documents and records, observing activities and inquiring from concerned personnel.

Conclusion

In our opinion, the subject matter information present fairly, in all material respects.

Others

Although the subject matter information has been presented fairly in all material respects, we have disclosed the (1) Findings and suggestions of auditor about the subject matter information for the year ended December 31, 2023, which include auditor's findings and suggestions for remedial action on the deficiencies, and management's actual or proposed response and (2) Findings of auditor and the result of implementing remedial action about the subject matter information for the year ended December 31, 2022, which include auditor's findings and suggestions for remedial action on the deficiencies, management's actual response and result of implementing remedial action, and a statement about whether the auditor has undertaken any steps to verify whether management's responses have been implemented. The aforementioned auditor's findings were classified as findings (significant deficiencies) or recommendations in accordance with Rule No. 10902705562 issued by the Financial Supervisory Commission (see Appendix B and Appendix C).

We are not responsible to update our report after we have issued.

Use Limitations

This report is intended solely for filing to the competent authority in compliance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, and should not be used for any other purpose.

The engagement partners on the reasonable assurance engagement resulting in this independent auditors' reasonable assurance report is Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Notice to Readers

For the convenience of readers, the independent auditors' assurance report and the accompanying summary of selected subject matter information 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 auditor's assurance report and summary of selected subject matter information shall prevail.

Statement of Internal Control for Anti Money Laundering
and Counter Financing Terrorism

March 21, 2023

On behalf of Taishin International Bank Co., Ltd., we hereby certify that from January 1, 2023 to December 31, 2023, the Bank has duly complied with relevant regulations governing anti-money laundering and countering the financing of terrorism (hereunder “AML/CFT”) in establishing the internal control system and implementing risk management procedures. The Bank has been audited by an independent and objective internal audit unit who submitted reports periodically to the Bank’s Board of Directors and Audit Committee. After prudent evaluation, it has been confirmed that all units of the Bank have effectively implemented internal controls and compliance with regulations for anti-money laundering and countering the financing of terrorism during the year of 2023 (as listed in the attached “Enhancement Items and Improvement Plan for AML/CFT Internal Control System”).

To:
Financial Supervisory Commission

Undersigned

Chairman

吳東亮 

President

高瑞河 

Chief Auditor

邱長右 

Chief AML/CFT Officer

林哲立 

Enhancement Items and Improvement Plan on AML/CFT Internal Control System

(As of December 31, 2023)

Items for Enhancement	Improvement Measures	Target Completion Date
None	None	None

K. Penalties for violation of law, major defects, and improvement in recent two years and as of the date of the publication of the annual report

Disclosure items	Cases and values	Status of improvement
I. Indictment of executives or staffers by prosecutors for job-related crimes.	<p>1. Former Taishin Bank financial specialist XXX Yang was suspected of committing the offenses of breach of a special trust under The Banking Act of the Republic of China circulate forged private document and violating the Money Laundering Control Act. Yang was prosecuted on May 28, 2019. The Taiwan New Taipei District Court sentenced Yang to four years in prison on September 29, 2021. The prosecutor filed an appeal. The Taiwan High Court delivered a judgment on June 29, 2022: the original judgment was reversed and Yang shall be sentenced to five years in prison. This is the final decision of the court.</p> <p>2. Former Taishin Bank auto loan advisor XXX Feng was suspected of committing fraud with purpose of obtaining illegal proceeds, entering entries he knew to be false in documents prepared in the course of his occupation, forging private documents, and committing a special breach of trust under the Banking Act of the Republic of China. Feng was prosecuted on February 24, 2020. On April 27, 2023, Taiwan Taipei District Court sentenced him to four years and four months in prison. The advisor filed an appeal. The case is currently being heard by the Taiwan High Court.</p> <p>3. Former Taishin Bank advisor Zhou was suspected of committing a special breach of trust and forgery under the Banking Act of the Republic of China, circulate forged private document and violating the Money Laundering Control Act. Zhou was prosecuted on March 9, 2021. The Taiwan Taipei District Court sentenced Zhou to ten years and six months in prison on September 30, 2021. The prosecutor filed an appeal. The Taiwan High Court sentenced Zhou to twelve years and four months in prison on October 21, 2022. Zhou filed an appeal, which was remanded by the Supreme Court. The Taiwan High Court sentenced Zhou 〇〇 to eleven years and six months in prison on October 25, 2023. Zhou 〇〇 appealed afterwards.</p>	
II. When laws or regulations are violated, fines are imposed by the FSC, or sanctions are imposed by the FSC pursuant to Article 61-1 of the Banking Act, or the Bank punishes internal personnel for violating the internal control system rules. In case the punishment results may pose material impacts on shareholders' equity or share price, or violate the regulations prescribed in Article 2 of the Financial Supervisory Commission Regulations Governing Public Announcement and Explanation of Major Sanctions and Disciplinary Actions for Violations of Financial Laws, the punishment contents, major deficiencies, and status of improvements shall be clearly described.	<p>1. Taishin Bank</p> <p>(1) For the handling of the Bank's insurance brokerage services, there were circumstances in which the source of premiums was not correctly ticked in salesperson's report and the policy was canceled three months prior to enrollment. Taishin was fined NT\$3 million by the FSC, through Letter No. Financial-Supervisory-Insurance-Life-11104925734 dated June 23, 2022.</p>	Prompts and alerts have been added to the policy application system and post-enrollment check has been put in place.

Disclosure items	Cases and values	Status of improvement
	<p>(2) For the deficiencies identified in general business audits such as the Bank's improper collection from third parties other than credit card debtors or guarantors and failure to establish an internal control mechanism for interest (fee) rate adjustments by authorized salespersons, Taishin was fined NT\$10 million by the FSC, through Letter No. Financial-Supervisory-Banking-Holding-11102007481 dated September 8, 2022.</p> <p>(3) The case involved a former financial advisor at the Haidian Branch who was found to have had irregular cash flows between customers, for which Taishin was fined NT\$8 million by the FSC, through Letter No. Financial-Supervisory-Banking-Holding-11101508891 dated June 9, 2023.</p>	<p>(1) The "contact person" (third party other than the debtor or guarantor) in the collection system has been redacted.</p> <p>(2) Rules have been put in place to specify that interest/expense rates in agreements with customers shall not be higher than the approved terms.</p> <p>(1) Statements are mailed regularly to customers and the mechanism for managing returned mail has been reinforced.</p> <p>(2) The information flyer, Important Customer Rights, is mailed regularly to customers and warnings are posted in branches to remind customers of their rights.</p> <p>(3) The rotation system for financial advisors has been modified and improved.</p>
III. For employee corruptions, material isolated incidents (fraud, theft, embezzlement, false transactions, certificates and securities forgery, kickbacks, natural disaster losses, losses caused by external factors, hacker attacks, data theft, and leakage of business secrets and customer data, among other material incidents), or security incidents resulting from failure to comply with the Guidelines Governing the Security Maintenance of Financial Institutions, the nature of the incident and amount lost shall be disclosed for losses exceeding NT\$50 million, either individually or in total, in a single year	None	None
IV. Other matters for disclosure required by the FSC.	None	None

I. Major resolutions of the shareholder's meeting and the board of directors in the recent year and as of the date of the publication of the annual report.

- 2023/02/16 Passed the 2022 individual and consolidated financial statements.
- 2023/02/16 Passed the proposal to appoint Nick Chou as head and financial officer of Finance Management Division and head of Overseas Banking Market Division.
- 2023/02/23 Passed the proposal to permit the board of directors to report distribution of employee remuneration for 2022 on behalf of the shareholders' meeting.
- 2023/03/30 It is resolved that the Bank shall make an application to establish the Fukuoka branch office of the Tokyo branch in Japan.
- 2023/03/30 Passed the proposal to relocate the Representative Office in Ho Chi Minh City, Vietnam.
- 2023/04/27 Passed the proposal to appoint Andy Chang as representative of institutional director for the 9th board of Taishin D.A. Finance.
- 2023/04/27 Passed the proposal to hire Kai-Ping Wang as head of the Distribution Channels Division, appoint Vincent Tsai as head of the Corporate Planning Division and Christy Shyy as head of the Performance Management Division, and promoted Tiffany Ko as head of the Personal Banking Planning Division.
- 2023/05/18 Passed the proposal to issue common shares through private placement.
- 2023/05/18 Passed the proposal to appoint Christy Shyy as head of the Corporate Planning Division and Vincent Tsai as head of the Performance Management Division.
- 2023/06/08 Passed the proposal to permit the board of directors to ratify the 2022 financial statements, business reports, and dividend distribution proposal on behalf of the shareholders' meeting.
- 2023/06/29 Passed the proposal to terminate the Overseas Banking Market Division under the Financial Markets Division.
- 2023/09/14 Passed the subscription to all new ordinary shares issued by Taishin D.A. Finance, a subsidiary.
- 2023/09/14 Passed the proposal to allow the subsidiary Taishin D.A. Finance to purchase all equities of Taishin Financial Leasing (China) Co., Ltd. from Taishin Venture Capital Investment.
- 2023/09/21 Passed the amendment of the Articles of Incorporation proposed by the board of directors on behalf of the shareholders' meeting.
- 2023/09/21 Passed the proposal to issue common shares through private placement.
- 2023/11/02 Passed the proposal to appoint Li-Hsiung Chen, Welch Lin, Shih-Chu Chien, Andy Chang, and Hung-Hsiang Tsai as representative of institutional directors and supervisors for the 10th board of Taishin D.A. Finance.
- 2023/12/28 Passed the 2024 operating plan and budgets.
- 2024/01/25 Passed the proposal to appoint Hung-Che Liao to replace Frank Liaw as representative of institutional director for the 10th board of Taishin Real Estate Management.
- 2024/02/15 Passed the 2023 individual and consolidated financial statements.
- 2024/02/15 Passed the proposal to permit the board of directors to report distribution of employee remuneration for 2023 on behalf of the shareholders' meeting.

m. Different opinions of directors on record or in written statement on major resolutions passed by the board of directors in the recent year and as of the date of the publication of the annual report: None.

n. Statement (including chairman, president, financial chief, accounting chief, and internal chief auditing) in the recent year and as of the date of the publication of the annual report :

Title	Name	Employment Start Date	Employment End Date	Reason for Resignation or Dismissal
Financial executive	Chin-Hsien Tai	2019.02.01	2023.02.17	2023.03.01 Retire

D. Information on CPA fee

Nmae of Accounting Firm	Name of Accountant	Auditing Period of the Accountant	Auditor's Fee	Non-Auditing fee	Total	Note
Deloitte, Taiwan	Han-Ni Fang	2023/01/01~2023/12/31	10,390	16,581	26,971	
	Yang Ching-Cheng					

Note : Non-auditing expenses include special audits for anti-money laundering and countering the financing of terrorism, internal control examinations, IT system independence and security assessment projects, personal information assurance reports, special audits for electronic payment, accountability mechanism counseling fees, industrial and commercial registration fees, and other counseling fees.

a. Replacement of accounting firm and the auditing fee for the replacement year decreases from the previous year which requires mandatory disclosure of the auditing fees of the two years and provision of reasons: N/A.

b. Auditing fee decrease 10% from the previous year which requires mandatory disclosure of the reduction amount, percentage, and reason : N/A

E. Replacement of CPA

a. Concerning former CPA

Replacement date	N/A		
Reason for replacement and explanation	N/A		
Explain consignor or termination or refusal of consignment by CPA	Status of related parties	CPA	Consigner
	Active terminate consignment	N/A	N/A
	Active terminate consignment	N/A	N/A
Certification auditing report other than report without reserved opinions in the recent two years and reason	N/A		
Existence of different opinions with the bank	Yes	N/A	Accounting principle or practical affairs
		N/A	Disclosure of financial report
		N/A	Auditing scope or procedure
		N/A	others
		N/A	
	No	N/A	
	N/A		
Other disclosed items(Items which should be disclosed according to item 6-14, article 10 of the criteria	N/A		

b.Concerning succeeding CPA: N/A.

c. Reply of former CPA to item 6-1 and item 6-2-3, article 10 of the criteria: N/A

F. Chairman, presidents, and financial or accountant managers who served at the accounting firm of the CPAs or its affiliates within the recent year: None.

G. Changes in shareholding transfer or shareholding pledge by directors, or managers, and all parties that are subject to reporting under article 11 of regulations governing the ownership of banking institutions by single individuals or stakeholders, in the recent year and as of the date of the publication of the annual report.

a. Changes in shareholdings

unit: share

Title	Name	2023		Feb. 29, 2024	
		Changes in shareholding	Changes in pledged shareholding	Changes in shareholding	Changes in pledged shareholding
Director (Major Shareholder)	Taishin Financial Holding Co., Ltd.	454,545,456	0	0	0

b. Information of shareholding transfer : None.

c. Information of shareholding pledge: None.

H. Information on the relationship of the 10 largest shareholders

Feb. 29, 2024 unit: %, share

Name	Own shareholding		Shareholding of spouse and offspring before the age of majority		Total shareholding in the names of others		Names and relationship of the 10 largest shareholders who are related parties according to Financial		Note
	Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake	
Taishin Financial Holding Co., Ltd. Representative: Wu, Tong-Liang	9,553,527,309	100	0	0	0	0	None	None	

I. The number of shares and total share of stake in the same invested company owned by the company directly or indirectly controlled by the bank and the bank's directors, presidents, vice presidents, assistant vice presidents, and branch chiefs.

Dec.31, 2023 unit: % , share

Equity investment	Investment by the bank		Investment by the company directly or indirectly controlled by the bank and the bank's directors, supervisors, presidents, vice presidents, assistant vice presidents, and branch chiefs		General investment	
	Number of shares	Share of stake	Number of shares	Share of stake	Number of shares	Share of stake
Taishin D.A. Finance Co., Ltd.	313,626,369	100.00%	0	0.00%	313,626,369	100.00%
Taishin Real Estate Management Co., Ltd.	12,000,000	60.00%	8,000,000	40.00%	20,000,000	100.00%
An-Sin Real Estate Management Co., Ltd.	4,500,000	30.00%	0	0.00%	4,500,000	30.00%
Sunlight Asset Management Co., Ltd.	1,092,317	18.21%	0	0.00%	1,092,317	18.21%
Dah Chung Bills Finance Co., Ltd.	84,501,824	18.29%	2,347,799	0.51%	86,849,623	18.80%
Taiwan Future Exchange Company Co., Ltd.	5,251,926	0.96%	2,782,819	0.51%	8,034,745	1.47%
Taipei Foreign Exchange Company Co., Ltd.	160,000	0.81%	0	0.00%	160,000	0.81%
Financial Information Service Co., Ltd.	12,926,542	2.48%	0	0.00%	12,926,542	2.48%
Taiwan Asset Management Co., Ltd.	6,000,000	0.57%	0	0.00%	6,000,000	0.57%
Taiwan Financial Asset Service Co., Ltd.	5,000,000	2.94%	0	0.00%	5,000,000	2.94%
Taiwan Mobile Payment Co., Ltd.	1,800,000	3.00%	0	0.00%	1,800,000	3.00%
Li Yu Venture Capital Co., Ltd.	174,455	1.49%	0	0.00%	174,455	1.49%
EASYCARD Corporation	672,655	0.96%	441,331	0.63%	1,113,986	1.59%
GLN International Inc.	5,681,818	4.67%	0	0.00%	5,681,818	4.67%
Taiwania Capital Buffalo Fund Co.,Ltd.	185,200,000	4.30%	0	0.00%	185,200,000	4.30%
Taiwania Capital Buffalo II Bioventures, LP	(Note)	6.78%	(Note)	-	(Note)	6.78%
Taiwania Capital Buffalo III Bioventures,LP	(Note)	9.14%	(Note)	-	(Note)	9.14%
Taiwania Capital Buffalo Fund VI, L.P.	(Note)	6.67%	(Note)	3.33%	(Note)	10.00%
Easy Card Investment Holding Co., Ltd.	1,599,861	2.40%	0	0.00%	1,599,861	2.40%
Kaohsiung Rapid Transit Co., Ltd.	643,031	0.23%	0	0.00%	643,031	0.23%
Da Chiang International Co.,Ltd	8,620,690	4.31%	0	0.00%	8,620,690	4.31%
Lien An Service Co.,Ltd.	125,000	5.00%	0	0.00%	125,000	5.00%

Note: The institution is a limited partnership that does not issue shares. The shareholding percentage is based on the percentage of capital

IV. Capital Overview

A. Capital and shares

a. Sources of capital

Feb. 29, 2024 Unit: share ; NT\$

Month year	Issuing price	Registered capital		Paid-in capital		Note	
		Number of shares	Value	Number of shares	Value	Source of Capital	Others
July.2023	22	9,500,000,000	95,000,000,000	Common Shares 9,326,254,581	Common Shares 93,262,545,810	Capital increase by issuing common shares	Letter Jing-Shou-Shang No.11230131300 dated July.24, 2023 (Note 1)
Nov.2023	22	10,500,000,000	105,000,000,000	Common Shares 9,553,527,309	Common Shares 95,535,273,090	Capital increase by issuing common shares	Letter Jing-Shou-Shang No.11230212520 dated Nov.10, 2023 (Note 2)

Note 1: The Bank made a private placement of 227,272,728 common shares, each with a face value of NT\$10, against cash at NT\$22 per share. A sum of NT\$5,000,000,016 was raised from the private placement.

Note 2: Taishin Bank's authorized share capital has been increased to NT\$105,000,000,000. The Bank made a private placement of 227,272,728 common shares, each with a face value of NT\$10, against cash at NT\$22 per share. A sum of NT\$5,000,000,016 was raised from the private placement.

Feb. 29 2024 Unit: share

Type of share	Registered capital			Note
	Outstanding shares	Unissued shares	Total	
Common share	9,553,527,309	946,472,691	10,500,000,000	Unlisted shares

b. Shareholders' structure

Feb. 29 2024 Unit: %, share

Makeup of shareholders	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions and foreigners	Total
Amount						
Number	0	1	0	0	0	1
Number of shares	0	9,553,527,309	0	0	0	9,553,527,309
Share of stake	0	100	0	0	0	100

c. Distribution of shareholding**1. Common shares: at a face value of NT\$10**

Feb.29, 2024 Unit: %,share

Grades of shareholding	Number of shareholders	Number of shares owned	Share of stake
1-999	0	0	0
1,000-5,000	0	0	0
5,001-10,000	0	0	0
10,001-15,000	0	0	0
15,001-20,000	0	0	0
20,001-30,000	0	0	0
30,001-40,000	0	0	0
40,001-50,000	0	0	0
50,001-100,000	0	0	0
100,001-200,000	0	0	0
200,001-400,000	0	0	0
400,001-600,000	0	0	0
600,001-800,000	0	0	0
800,001-1,000,000	0	0	0
1,000,001-	1	9,553,527,309	100
Total	1	9,553,527,309	100

2. Preferred shares: None

d. List of major shareholders

Feb.29, 2024 Unit:%,share

Names of major shareholders	Number of shares owned	Share of stake
Taishin Financial Holding Co., Ltd.	9,553,527,309	100

Note: Taishin bank is a subsidiary 100% owned by Taishin Financial Holding Co., Ltd.

e. Information on market price, net worth per share, earnings and dividends in the most recent fiscal two years

Item		Year	2022	2023	Feb.29, 2024(Note3)
Market price per share(note1)	Highest		N/A	N/A	N/A
	Lowest		N/A	N/A	N/A
	Average		N/A	N/A	N/A
Book value per share(note2)	Weighted average shares(1,000 shares)		18.64	19.89	20.06
	Earning per share(NT\$)		18.20	Note 2	N/A
Earnings per share	Weighted average shares(1,000 shares)		9,098,982	9,255,271	9,553,527
	Earning per share(NT\$)		1.34	1.61	0.19
Dividend per share	Cash dividend(NT\$)		0.44	Note 2	N/A
	Allotment by retained earnings(NT\$)		-	Note 2	N/A
	Allotment by legal reserves(NT\$)		-	Note 2	N/A
	Accumulated undistributed dividend(NT\$1,000)		-	-	-
Analysis of investment returns(note1)	Price to earnings ratio		N/A	N/A	N/A
	Price to dividends ratio		N/A	N/A	N/A
	Cash dividend yield		N/A	N/A	N/A

Note 1: Due to unlisted bank, there is no market price.

Note 2: The board of directors has not adopted, on behalf of shareholder's meeting, the proposal for distribution of 2023 profits.

Note 3: Data exposed as of the date for the publication of the 2023 annual report.

f. Information on market price, net worth per share, earnings, and dividends in the most recent fiscal two years.

1. Dividend policy

According to the bank's corporate charter, earnings in the final accounts, should it exist, should be used to pay tax and duties, with the remainder being used to cover loss of previous year first. If there is still surplus, the bank shall either provide a legal reserve and a special earnings reserve from the surplus, or reverse existing special earnings reserves into the opening balance of undistributed earnings. For the balance, pay out stock dividend and bonus to preferred shares. The remaining surplus should be combined with retained earnings at the beginning of the period, for payout of stock dividend and bonus for common shareholders in part or in entirety.

As a subsidiary of Taishin Holdings, the bank should support the need of the operating fund of the parent company. Under the principle of maintaining the bank's capital adequacy ratio at the reasonable level, except the payout of dividend and bonus of preferred shares, the dividend and bonus pay-out for common shareholders should be made in the form of cash dividend in principle. The bank should keep the policy of stock dividend and cash payout in stable.

If the bank fails to achieve a reasonable capital rate, except the payout of stock dividend and bonus for preferred shares, payout of stock dividend and bonus for common shares should be made in the form of 50% cash dividend and 50% stock dividend in principle. The ratio, however, can be adjusted according to the status of profits, corporate funds, capital accumulation, and dilution effect of stock-dividend. The dilution effect of stock-dividend payout should not exceed 20% for estimated after-tax earnings per share after the issuance of new shares.

2. Earning distribution Proposal

The cash dividend of year 2023 proposed to be distributed is NT\$ 12,588,846,633.

g. The effects of stock dividends proposed by shareholders' meeting, on the operational performance and earning per share: Not applicable.

h. Compensations for employees, director and supervisors.

1. Percentages and scope of compensations for employees, directors and supervisors:

0.01% of any profit made by the Bank in a year shall be allocated as employee bonus, and the board of directors shall decide to distribute the bonus as shares or cash, which can also be distributed to employees of affiliated companies that meet the criteria specified in the Company Act. A sum shall be set aside in advance to pay down any outstanding cumulative losses before employee bonus can be allocated according to the above percentage. Employee bonus proposals shall be presented to the shareholders meeting.

2. Basis for estimating the amount of remuneration of employees, directors and supervisors, basis for calculating the number of shares to be distributed as employee bonus and the actual distributed amount for the current period. The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount.

Employee bonuses for the current period have been estimated based on the criteria laid out in the bank's Articles of Incorporation. Should the actual amount differ from the amount estimated, the difference will be treated as changes in accounting estimates. The estimated amount of employee bonus for the current period does not deviate from the actual amount decided by the board of directors.

3. Remuneration distribution passed by the board of directors.

- (1) Employee, director and supervisor remuneration will be distributed in cash or stocks. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses should be disclosed.

Employee bonus is NT\$1.799 million. The estimated amount of employee bonus for the current period does not deviate from the actual amount decided by the board of directors.

- (2) The amount of employee bonus to be paid in stocks out of the current company-level financial statement in terms of the sum of net profit after tax and employee bonus: Not applicable as the board of directors has decided to distribute employee bonus in cash this time.

4. Remuneration report and results at the shareholders meeting: Presented at the shareholders meeting on Feb. 15, 2024.

5. Actual distribution of employee bonus and compensations for board directors and supervisors of previous year (including dividend shares, amount and stock price), discrepancies if any from the amount of employees' bonus and directors'/supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies:

The employee salary in cash for the previous year was NT\$1.473million. No deviation is found between the actual distributed amount and the recognized amount.

i. Repurchase of the bank's shares: None.

B. Issuance of bank debenture

Issuance of bank debenture-1

Feb.29, 2024

Types of bank debentures	3rd subordinated financial bonds in 2014
Date and serial No. approved by authority	FSC No. 10300054050, March 10, 2014
Issuing date	May 16, 2014
Face value	NT\$ 50 M
Issuing and trading	R.O.C.
Currency	New Taiwan dollar
Issuing price	At par value
Total amount	NT\$3 bn
Coupon	Fixed rate at 1.95% per annum
Maturity	10 years from the issue date. Maturity on May 16, 2024
Rank	Subordinated
Guarantor	None
Trustee	None
Underwriter	None
Certified lawyer	None
Certified CPA	Peter Tsai
Certified financial institution	N/A
Repayment	By self-owned capital or refinancing bank debentures
Outstanding balance	NT\$3 bn
Paid-in capital in the previous year	NT\$49,157,526 (thousand)
Net book value on the date of balance sheet in the previous fiscal year	NT\$61,067,093 (thousand)
Default status	Normal
The terms and conditions for redemption or early liquidation	None
Conditions for conversion or exchange	N/A
Restrictive terms	None
Use of proceeds	Strengthen capital structure, enhance the Capital Adequacy Ratio.
The total amount of the issuance and outstanding bonds in the percentage of the book value of previous year (%)	45.85
Eligible capital and type	Yes, Tier II
Name of rating agency, issue date, and the rating	"twA-" issued by TaiwanRatings on May 5, 2014.

Issuance of bank debenture-2

Feb.29, 2024

Types of bank debentures	1st subordinated financial bondsin 2015	2nd subordinated financial bondsin 2015	3rd subordinated financial bondsin 2015
Date and serial No. approved by authority	FSC No. 10400093940,May 07, 2015	FSC No. 10400093940,May 07, 2015	FSC No. 10400093940,May 07, 2015
Issuing date	Jun. 10, 2015	Sep. 18, 2015	Sep. 22, 2015
Face value	NT\$ 50 M	NT\$ 50 M	NT\$ 50 M
Issuing and trading	R.O.C.	R.O.C.	R.O.C.
Currency	New Taiwan dollar	New Taiwan dollar	New Taiwan dollar
Issuing price	At par value	At par value	At par value
Total amount	NT\$9.1 bn(Bond A: NT\$4.25 bn; Bond B: NT\$4.85 bn)	NT\$6 bn	NT\$4.9 bn(Bond A: NT\$0.7 bn; Bond B: NT\$4.2)
Coupon	Bond A: Fixed interest rate at 2.15% per annumBond B: Fixed interest rate at 2.45% per annum	Fixed rate at 2.25% per annum	Bond A: Fixed interest rate at 2.15% per annumBond B: Fixed interest rate at 2.45% per annum
Maturity	Bond A: 10 years from the issue date. Maturity on Jun. 10, 2025 Bond B: 15 years from the issue date. Maturity on Jun. 10, 2030	12 years from the issue date. Maturity on Sep. 18, 2027	Bond A: 10 years from the issue date. Maturity on Sep. 22, 2025 Bond B: 15 years from the issue date. Maturity on Sep. 22, 2030
Rank	Subordinated	Subordinated	Subordinated
Guarantor	None	None	None
Trustee	None	None	None
Underwriter	None	None	None
Certified lawyer	None	None	None
Certified CPA	Peter Tsai	Peter Tsai	Peter Tsai
Certified financialinstitution	N/A	N/A	N/A
Repayment	By self-owned capital or refinancing bank debentures	By self-owned capital or refinancing bank debentures	By self-owned capital or refinancing bank debentures
Outstanding balance	NT\$ 9.1 bn	NT\$ 6 bn	NT\$ 4.9 bn
Paid-in capital in the previous year	NT\$52,025,626 (thousand)	NT\$52,025,626 (thousand)	NT\$52,025,626 (thousand)
Net book value on the date of balance sheet in the previous fiscal year	NT\$82,083,307 (thousand)	NT\$82,083,307 (thousand)	NT\$82,083,307 (thousand)
Default status	Normal	Normal	Normal
The terms and conditions for redemption or early liquidation	None	None	None
Conditions for conversion or exchange	N/A	N/A	N/A
Restrictive terms	None	None	None
Use of proceeds	Strengthen capital structure, enhance the Capital Adequacy Ratio.	Strengthen capital structure, nhance the Capital Adequacy Ratio.	Strengthen capital structure, enhance the Capital Adequacy Ratio.
The total amount of the issuance and outstanding bonds in the percentage of the book value of previous year (%)	51.29	58.60	64.57
Eligible capital and type	Yes, Tier II	Yes, Tier II	Yes, Tier II
Name of rating agency, issue date, and the rating	"AA-(twn)" issued by Fitch Ratings, Taiwan Branch on Nov. 17, 2014.	"AA-(twn)" issued by Fitch Ratings, Taiwan Branch on Nov. 17, 2014.	"AA-(twn)" issued by Fitch Ratings, Taiwan Branch on Nov. 17, 2014.

Issuance of bank debenture-3

Feb.29, 2024

Types of bank debentures	1st issue of unsecured senior financial debenture of Taishin Bank in 2018	2nd issue of unsecured senior financial debenture of Taishin Bank in 2018
Date and serial No. approved by authority	FSC No.10702077250, May 02, 2018	FSC No.10702077250, May 02, 2018
Issuing date	July 05,2018	July 05,2018
Face value	US\$1M	US\$1M
Issuing and trading	R.O.C.	R.O.C.
Currency	US dollar	US dollar
Issuing price	At par value	At par value
Total amount	US\$80M	US\$20M
Coupon	Issued as zero coupon bond with an IRR of 4.75%	Issued as zero coupon bond with an IRR of 4.75%
Maturity	30 years from the issue date. Maturity on July 05, 2048	30 years from the issue date. Maturity on July 05, 2048
Rank	Senior	Senior
Guarantor	None	None
Trustee	None	None
Underwriter	None	None
Certified lawyer	None	None
Certified CPA	Tza-Li Gung	Tza-Li Gung
Certified financial institution	N/A	N/A
Repayment	The Bank may exercise its redemption rights and redeem the bond early. If the Bank has not exercised its redemption rights by maturity, the Bank will make a lump sum repayment of principal plus accrued interest on the maturity date.	The Bank may exercise its redemption rights and redeem the bond early. If the Bank has not exercised its redemption rights by maturity, the Bank will make a lump sum repayment of principal plus accrued interest on the maturity date.
Outstanding balance	US\$80M	US\$20M
Paid-in capital in the previous year	NT\$68,845,983 (thousand)	NT\$68,845,983 (thousand)
Net book value on the date of balance sheet in the previous fiscal year	NT\$130,009,331 (thousand)	NT\$130,009,331 (thousand)
Default status	Normal	Normal
The terms and conditions for redemption or early liquidation	On the 5th anniversary of the bond issue and annually thereafter(or extended to the next business but not the next month if falling on a holiday), the Bank may exercise its redemption rights at 100% of the price plus accrued interest. To exercise the early redemption right, the Bank will make a public announcement 5 business days prior to the intended redemption date, and then make a full redemption at par value plus accrued interest.	On the 5th anniversary of the bond issue and every 2 year thereafter (or extended to the next business but not the next month if falling on a holiday), the Bank may exercise its redemption rights at 100% of the price plus accrued interest. To exercise the early redemption right, the Bank will make a public announcement 5 business days prior to the intended redemption date, and then make a full redemption at par value plus accrued interest.
Conditions for conversion or exchange	N/A	N/A
Restrictive terms	None	None
Use of proceeds	Addition to the working capital	Support for green loans and investments.
The total amount of the issuance and outstanding bonds in the percentage of the book value of previous year (%)	32.89	32.89
Eligible capital and type	N/A	N/A
Name of rating agency, issue date, and the rating	"AA-(twn)" issued by Fitch Ratings, Taiwan Branch on Nov. 16, 2017.	"AA-(twn)" issued by Fitch Ratings, Taiwan Branch on Nov. 16, 2017.

Issuance of bank debenture-4

Feb.29, 2024

Types of bank debentures	1st issue of unsecured senior financial debenture of Taishin Bank in 2019
Date and serial No. approved by authority	FSC No. 10701220530, Jan 24, 2019
Issuing date	March 28, 2019
Face value	NT\$ 50 M
Issuing and trading	R.O.C.
Currency	New Taiwan dollar
Issuing price	AT par value
Total amount	NT\$5 bn
Coupon	Fixed rate at 2.45% per annum
Maturity	Prepetual (issuer with call right)
Rank	Subordinated to holders of Tier- 2 capital, deposit holders and other general creditors
Guarantor	None
Trustee	None
Underwriter	None
Certified lawyer	None
Certified CPA	Tza-Li Gung
Certified financial institution	N/A
Repayment	By self-owned capital or refinancing bank debentures
Outstanding balance	NT\$5 bn
Paid-in capital in the previous year	NT\$75,497,712 (thousand)
Net book value on the date of balance sheet in the previous fiscal year	NT\$140,546,894 (thousand)
Default status	Normal
The terms and conditions for redemption or early liquidation	Taishin Bank may redeem the debts in whole at their aggregate principal amount, together with any interest payment five years and one month after the issuing date subject to regulators' approval, provided that the bank's post-redemption BIS is above legal requirement.
Conditions for conversion or exchange	N/A
Restrictive terms	<p>1. The Bank may not pay interest if it produces no earnings and distributes no common share dividends (including cash and stock dividends) for the first half of the year; however this restriction does not apply in circumstances where the balance of cumulative undistributed earnings less amortized losses on sale of non-performing loans is greater than the amount of payable interest, and provided that the payment results in no changes to the terms of interest. Non-payment of interest due to the above will not be accumulated or deferred in later periods.</p> <p>2. The Bank shall defer interest and principal payments in situations where its capital adequacy ratio fails to meet the minimum level specified in Article 5, Paragraph 1 of the Regulations Governing the Capital Adequacy and Capital Category of Banks; in which case, deferred interest may not accrue any late interest.</p>
Use of proceeds	Strengthen capital structure, enhance the Capital Adequacy Ratio.
The total amount of the issuance and outstanding bonds in the percentage of the book value of previous year (%)	30.42%
Eligible capital and type	Yes, Tier I
Name of rating agency, issue date, and the rating	"AA-(tw)" issued by Fitch Ratings, Taiwan Branch on Oct. 23, 2018

C. Issuance of preferred shares: None.**D. Issuance of global depository receipt: None.****E. Issuance of Employee Stock Warrants and New Restricted Employee Shares**

1. Issuance of Employee Stock Warrants: None.
2. Issuance of New Restricted Employee Shares: None.

F. Merger or transfer other financial institutions

1. Mandatory disclosure of the opinions of certified public accountant on the propriety of share-swap ratio for the acquisition of or sell to other financial institutions in the recent one year: None.
2. Mandatory disclosure of the acquisition of or sell to other financial institutions by a bank listed on the centralized or over-the-counter market in the recent five years and of the opinions of underwriting securities firms for the cases conducted via the issuance of new shares: N/A.
3. Mandatory disclosure of the execution of the acquisition of or sell to other financial institutions via issuance of new shares by a bank not listed on the centralized or over-the-counter market and its effect on the interest of shareholders: None.
4. Mandatory disclosure of the execution of the resolution passed by the board of directors for acquiring or selling to other financial institutions via the issuance of new sharers and the basic information on the financial institutions in the recent year and as of the date of the publication of the annual report: None.
5. For undergoing merger and the acceptance of new shares floated by other financial institutions, disclose their execution and the effect on the interest of shareholders: None.

G. Status of the execution of fund-utilization plan

As of the end of the quarter preceding the date of the publication of the annual report, the bank had completed the execution of the fund utilization plan for the issuance of securities or bond debentures either by public or private placement and there is no fund utilization plan in the recent three years whose execution has been completed but has yet to manifest its benefits or which fails to achieve the goal in execution schedule or benefits.

a. Contents of plan

Analysis of previous offerings or private placements of securities and financial debentures that haven't been completed, and the expected benefits of the fund utilization plan over the past three years that haven't been realized: None.

b. Status of execution

As of the quarter preceding the publish date of the annual report, here are reasons why the fund utilization plan of previous offerings or private placements of securities and financial debentures hasn't been completed, or the fund utilization plan over the past three years has been completed but the expected benefits haven't been realized, or the implementation progress or benefits fall short of expected targets: None.

V. Operating Status

A. Business contents

a. Growth by business area and changes

1. Wealth Management

For the Bank's wealth management business, individual and household customers are clustered into groups for wealth management. A product recommendation model is used to provide them with exclusive financial consultation and planning services, including NTD and foreign currency savings plan, financial investment products, short/mid/long-term insurance plans, and consumption loans. By constantly improving our wealth management service capability in combination with tax and asset allocation as well as the support of digital technology, we have planned a comprehensive range of wealth management services to keep pace with wealth management market trends and meet different customer needs. Thanks to our diverse product portfolio, online and offline distribution channels, and exclusively courteous offer, we were able to attract increasingly more wealth management customers and win a number of awards at home and abroad, including Best Private Bank for Big Data Analytics and AI by PWM and the Banker; Best Wealth Management Award - Best Digital Experience in Taiwan by the Digital Banker; Best Private Bank in North Asia - Highly Commended by Private Banker International (PBI); Best Wealth Management Model, Best Products, Best Wealth Appreciation, and Best Digital Experience by Business Today; Best Wealth Management Award by Wealth Magazine and Excellence Magazine; and The National Brand Yushan Award - The Most Popular Brands.

2. Retail Banking

Taishin Bank's retail banking operations cover consumer loans (mortgage, auto loan, unsecured loan, and 2nd lien mortgage), micro corporate loans, and credit card for individual customers and payment processing services for merchants. Products are developed and marketed according to market differentiation and the needs of customer groups, in order to provide suitable financial products.

The Bank relies on data analysis to grow its customer base, develop new products that cater to diverse customer needs, streamline digital processes for a seamless transition to digital, and enhance operational efficiency. By leveraging cross-industry partnerships, the Bank also facilitates customer applications, leading to consistent and gradual growth in all business operations.

3. Digital Banking

In Taiwan, the Bank is at the forefront of digital banking and its primary operations are outlined below:

(1) Richart Digital Bank

We launched Richart, a digital banking service account, in 2016. By the end of 2023, our digital deposit account count has surpassed 3.6 million, solidifying our position as the market leader in Taiwan.

(2) Mobile banking

When our mobile banking app was upgraded in 2021, we continued to optimize our service process and incorporated more application scenarios in 2022, launching a number of services such as video customer service, MobileID device authentication, and C3 financial software certificates, all of which are aimed at making our services more convenient for customers.

(3) New Payment & Collection Services

Taishin Bank was not only the first bank in Taiwan to support the four major contactless mobile payment services (Apple Pay, Samsung Pay, Google Pay, and Taiwan Pay) but also has built the Taishin Bank exclusive digital wallet “Taishin Pay”, a payment service that can be used in convenient stores, department stores, wholesaling marts, taxis, traditional markets, night markets, and Kenting shopping area, all of which is closely related to people’s life. It has amassed over 110,000 merchants who support tap-to-phone payment. In terms of payment processing services for merchants, Taishin Bank is the first in Taiwan to concurrently support Alipay, WeChat Pay from China and GLN cross-boarder payment services from Korea.

(4) Richart Life

In August 2020, Taishin Bank launched the “Richart Life” and it is key service to link and run the everyday life and finance ecosystem. The bank has collaborated with strategic partners to create a new platform that combined payments, points, everyday offers, and financial services.

With the aim of making customers' lives easier, we are dedicated to expanding the financial ecosystem and working closely with diverse industries to strengthen our capabilities. For instance, we worked together with the New Taipei Metro and were the first bank among peers to provide tap-to-phone payment service on the mass transit rail system. Taishin Pay, our innovative payment service interface, supports pay-with-points service in Taiwan’s three convenient store giants, department stores, and over 70,000 service locations, greatly increasing the scope of application and diversity of pay-with-points services. We are the first to launch a health management service, offering our users information related to health care. We have also improved the Apple Exercise Missions section by combining it with data on walking and exercising to build an ecosystem that drives healthy activities. As of December 2023, over 100,000 users have authorized us to use their data. We are the first to introduce a “Smart Resource Recycling Machine”, which gives customers rewards for completing the recycling tasks of PET bottles or dry batteries. By the end of 2023, more than 40,000 people have participated in the event.

4. Wholesale Banking Services

The Wholesale Banking Division provides a diverse range of banking products and professional services for institutional clients that include transnationals, corporations, small and medium sized enterprises, government agencies and financial institutions. The scope of business includes commercial banking and investment banking services such as deposit, short/long-term loan, guarantee, trade financing, syndicated lending, bond trading, bill financing, factoring, cash management, corporate Internet banking, foreign currency and interest rate derivative trading.

5. Financial Market Services

The integrated banking platform offers a diverse range of professionally delivered banking products that are tailored to suit the needs of individual customers and meet different onshore and offshore demands. Financial market services offer primarily exchange rate, interest rate, equity, commodity derivatives and structured products. For wholesale banking and retail banking customers looking for investment options, Taishin Bank offers a wide range of banking products, including exchange rate, interest rate, stock, bond, commodity, and gold account. The Bank also provides funding, underwriting, and bond management services for onshore/offshore bond issuers. Furthermore, market updates and advisory services are provided as needed to increase variety in the available banking products and help investors achieve optimal portfolio allocation. Regarding position management, Taishin Bank follows the risk management policy for financial markets. It aims for financial security, sound business practices, and steady profit growth that create a win-win situation for customers and the Bank.

6. Trust Services

- (1) Taishin's trust planning service offers Taishin's trust customers a complete range of financial planning products, including funds, collective investment accounts, foreign bonds, offshore structured products, foreign ETFs, foreign stocks, other foreign securities, trust services, and custody services. The service is also constantly working on customer segmentation into high net worth, wealth management, and digital segments in order to provide personalized asset allocation recommendations. Regarding digital transactions, Taishin Bank tries to add more transactions to Internet and mobile banking services.

The aim is to provide a digital banking service and investing experience that is more innovative and friendly and in real-time. In addition, we continue to optimize the customer transaction journey; by making more products available on "Easy Go Service", our financial advisory app, to provide customers with a more convenient transaction process.

(2) Funds and collective accounts

- ◆ Taishin Bank sets itself to utilize a line of funds with both depth and width and helps customers construct core and opportunity assets in order to achieve optimal portfolios and create more flexibility and better protection in asset allocation.
- ◆ The Bank continues to build a comprehensive product line. In response to increasingly volatile financial markets, Taishin Bank continuing increases product diversification to give stability to customers' investment portfolios. The Bank is first to introduce new and innovative funds with specific focuses. Customers will have more options when markets are volatile, also help customers accumulate wealth at a steady pace in a fast-changing market.
- ◆ In terms of digital investments, other than featuring new functions in Internet banking and mobile banking, Taishin Bank has also been constantly updating "Richart" and "Roboking", providing more convenient services and more varieties of fund products on our digital platforms and smart investment platforms, thereby helping our customers with investment planning and personal investment management as well as satisfying the investment needs of various customer groups.

(3) Foreign securities business

- ◆ Ever since the U.S. Federal Reserve initiated its interest rate-hiking cycle, there has been a rise in the investment value of fixed income products, prompting customers to take advantage of the market to earn significant profits. Taishin Bank offers a diverse range of premium-quality, popular overseas bonds, including overseas financial bonds, corporate bonds, and government bonds, all of which are combined with investment portfolio strategies to satisfy customers' asset allocation needs.
- ◆ Investments in offshore structured products by professional investors became an alternative fixed income product for investors, thanks to increase in interest rate and favorable conditions of long-term products.
- ◆ In face of the volatile stock market, equity-linked offshore structured products are made more efficient through streamlined transaction process; Both help customers seize market opportunities. Additionally, we have expanded our range of product structures to cater to the specific requirements of our customers.
- ◆ For foreign ETFs, foreign stocks, and other foreign securities, ordering functions are continuously optimized, providing customers with more timely and convenient ordering platforms. In addition, foreign securities consultancy services are offered to help customers keep abreast of investment trends. We also provide the service by which customers may make subscription using their in-transit proceeds, greatly enhancing their capital utilization efficiency.

(4) Trust planning business

- ◆ With a focus on the needs of customers, Taishin Bank designs standardized contracts that meet customers' mainstream needs while personalizing contracts for specific customer groups such as high-net-worth individuals or customers with special needs, in order to afford a comprehensive range of trust services.

- ◆ To satisfy corporate customers' need for diversified trust planning services, our Foreign Investors Custodian Service offers foreign individuals and foreign companies the opportunity to participate in Taiwanese stock markets. The Bank also provides Foreign/Mainland China Area Employees Collective Investment Account for oversea foreign employees of domestic listed (OTC) companies and primary listed (OTC) foreign issuers in Taiwan to secure employee welfare trusts that help companies reward and incentivize employees to stay with the company.

7. Insurance broker services

Taishin Bank is committed to operating its insurance brokerage business as an open platform dedicated to provide the best insurance brokerage services for its customers. As of the end of 2022/2023, Taishin Bank has agreements with 27 insurance companies, including 17 life insurers and 10 property insurers, to provide service and satisfy different insurance needs of its customers.

Taishin Bank's life insurance partners	Nan Shan Life, Shin Kong Life, Cathay Life, China Life, BNP PARIBAS, Chubb Life, Taiwan Life, Fubon Life, Yuanta Life, American International Assurance, Transglobe Life, MassMutual Mercuries Life, Taishin Life, Far Glory Life, Allianz Taiwan Life, First Life
Taishin Bank's property insurance partners	Shinkong Insurance, Insurance Company of North America Taipei Branch, Union Insurance, Hotai Insurance, Taian Insurance, Tokio Marine Nawa Insurance, Fubon Financial Holding, Chung Kuo Insurance, The First Insurance, MingTai insurance

As the market and insurance laws change, Taishin Bank continues to introduce more protection products, including life insurance, accident insurance, and health insurance, through the insurance brokerage operation. At the same time, Taishin Bank has joined the effort to raise awareness of retirement planning in response to Taiwan's aging population, low birth rates and other social issues. We also strengthened the promotion of our insurance business with the support of our subsidiary Taishin Life Insurance's product strategy. The regulatory authority of Taiwan attaches importance to life insurance and provision of tax planning and asset allocation services for high-end customers. Accordingly, we continued to develop USD protection-oriented insurance products, mortgage life insurance, and participating insurance policies, six-year mortgage life insurance etc. we have added new options for our customers in the management of life insurance. To take advantage of the changing TWD exchange rate, we have rolled out new TWD-linked insurance products. Additionally, it can be tough for elderly individuals to secure insurance coverage due to age-related factors or physical conditions. To cater to the protection needs of this particular customer segment, we have launched a TWD-based insurance plan that prioritizes protection. This plan is accessible to customers aged 80 and below. Meanwhile, following the competent authority's policy, Taishin Bank is devoting more resources to provide professional training in protection and aging population related products for our salespersons. By having employees become better trained in exploring customers' protection and other needs, Taishin Bank expects to achieve better matches between customers and products. In 2023, the global economy remained burdened by soaring inflation rates, leading the United States and other key nations to adopt stricter monetary measures, resulting in significant volatility in the financial sector. To help customers balance financial management and protection needs in such volatile investment environment, Taishin Bank is continuously committed to providing a variety of investment-type insurance products that feature robust plans. In February 2022, we introduced Taishin Life Insurance's investment-oriented insurance and focused on developing discretionary investment accounts, which are managed by professionals at Taishin Securities Investment Trust (SITC) by monitoring market conditions and adjusting asset allocation. In addition, the Bank continued to introduce platform-based investment insurance that is linked to multiple mutual funds, thereby providing diverse target options that can be flexibly adjusted in an ever-changing investment environment. We continued to improve our product diversity, helping customers to make investments and accumulate their wealth under the protection of insurance.

As the trend of Digital Finance gradually progresses, Taishin Bank is also investing heavily in the Digital Finance of our insurance agent business. The Taishin Bank's online insurance platform, e-insurance, has accumulated more than 35,000 members by the end of 2023. The platform offers property insurance (e.g. car insurance, mobile device Insurance, pet insurance) and life insurance (e.g. travel insurance and interest sensitive annuity insurance). And also continue to introduce new forms of online insurance products for providing customers take out insurance anytime, anywhere.

The net profit percentages for key activities of the Bank and the growths and changes are listed as follow:

Net profit percentage(%)	2023	2022
Retail Banking	61%	56%
Wealth Management	36%	29%
Consumer Finance	18%	19%
Credit Card	7%	8%
Wholesale Banking	33%	31%
Financial Market	6%	13%
Total	100%	100%

b. Business plan for the current year

1. Wealth Management

- (1) The Taishin Bank brand is built on "Dedication", "Professionalism", and "Heartfelt". The bank offers a diverse range of localized/personalized customer services. Taishin Bank is constantly in pursuit of innovation and stronger customer relationships, aided by its outstanding digital services that establish the bank as an Intelligent Partner of its customers.
- (2) As part of its commitment to sustainable development and customer-centric values, Taishin Bank offers appropriate asset allocation, regular investment checkups, and after-sales services in risk management and market analysis reports, all of which are designed to help customers achieve consistent returns and asset growth in the markets.
- (3) Furthermore, to meet the need for integrated services for personal accounts and household accounts, we have promoted the family-based wealth management service. The feature offers financial advice for members of the family at different stages and benefits for the entire family. It is an excellent choice for customers with inheritance concerns.
- (4) By implementing the three-pronged approach to wealth management, known as the "All-customer", "All-product", and "All-channel" strategy, we have enhanced the caliber of our wealth management services, broadened our product offerings, met the wealth management demands of our clients, and streamlined user experience across our channels, resulting in stronger business relationships with our customers.

2. Retail Banking

- (1) With respect to customer management, an innovative review mechanism was developed by establishing different evaluation parameters (e.g., in-bank behaviors, interests and preferences, payment capability). Tailored services and products were also provided.
- (2) In product planning, we work with ecosystem partners to develop new channels and new consumption scenes. Online fast review platform has been optimized and integrated with smart review process, to deliver the best customer service experience.
- (3) In channel management, we have a professional sales team in place to provide a total range of products and services. In addition, our sales team can facilitate product cross-selling and increase customers' brand loyalty toward the Bank.
- (4) Regarding micro-enterprise services, we have developed tools that help micro-enterprise clients to reduce operating costs. In addition, we have also expanded the functions of our e-Business Loan service on the micro-enterprise digital financing platform and standardized review procedures, to help enterprises use new technologies or acquire business funds quickly, thereby realizing financial inclusiveness.

- (5) In terms of digital innovation, we have optimized customer application process by linking to the government's data sharing platforms (through C3 certificate, a financial software certificate, MyData, a platform for independent access to personal information, and TW Fido, a citizen digital certificate app), advancing towards a cross-industry, cross-domain, and diverse financial scenes using FinTech.
- (6) We consolidate existing co-branded channels to deepen partnerships, to bring in more new customers for Taishin FHC.
- (7) Putting customers at the center of our service operations, we optimized service procedures for new customers with respect to card application, card approval, card activation, card usage, transaction completion, and penetration of interest-earning products, to further improve credit card effectiveness and customer experience.
- (8) We manage customers by segmentation, and combine product deals, the strengths of partnering merchants, and ecosystem resources to provide more deals for customers, and adopt digital tools to acquire new customers for Taishin FHC.
- (9) To seize the opportunities that come with economic revival, we focus on high unit price card transactions (travel/overseas/department stores/insurance) and recurring card transactions (transportation/dining/mobile payment); we also consolidate product benefits to grow our card transaction business.
- (10) We continue to promote digital payment services and strengthen merchant loyalty.
- (11) Our Taishin Merchant APP service is designed to enhance payment convenience and support merchants in transitioning to digital and sustainable practices.

3. Digital Banking

Digital banking business priorities are as follows:

(1) Richart - the digital banking brand

- ◆ Continue to be 100% customer experience oriented and mobile app oriented, and provide customers with the latest financial service experience by quickly responding to the market.
- ◆ Craft services that are simple, convenient, transparent, and heartfelt, to help young people access digital services with ease.
- ◆ Craft better and smoother services and user experience through user interview and big data analytics.
- ◆ Combine the dynamic features of social media platforms with LINE's personalized service to create a fun and interactive experience for customers.

(2) Internet Banking and Mobile Banking

- ◆ Continuing to reinforce user security: For example, introducing MobileID authentication to greatly improve security when a device is added.
- ◆ Continuing to improve service convenience: For example, introducing C3 financial certificate authentication to improve the convenience of large currency exchange transactions; Speed up the investment process by promoting "Awesome Finance" and "Awesome Foreign Exchange."

(3) New Payment & Collection Services

- ◆ Support government policies to increase the percentage of electronic payment as a payment mode, and implement a multi-payment service model to help traditional markets or merchants adopt digital services.
- ◆ Integrate Taishin Point into Taishin Pay, so that customer can pay with points at the time of making purchase.
- ◆ Expand acquiring services for affiliated merchants to create an all-in-one platform that supports various electronic wallets and makes it easier for merchants to handle different payment modes.
- ◆ Keep actively promoting Taishin's Tap-to-Phone service (enabling sellers to collect payments) in order to simplify the payment collection process for merchants.

- ◆ Continue to work with offshore third-party payment service providers and seeking potential partnerships in Hong Kong, Japan, South Korea, Singapore, and Southeast Asia.
- ◆ Develop electronic voucher and gift certificate modules with trust or performance guarantee to help merchants affiliated with Taishin Bank develop stored value wallets or e-gift certificates. The goal is to use new modules to achieve all-win among the bank, merchants, and members of the merchants.

(4) Richart Life

- ◆ Continue to integrate functions like reward points, payments, offers and discounts, and financial services, to attract customers to shop at the scenes of each strategic partner, eliminating the boundary separating everyday life and finance via a one-stop app.
- ◆ Scale up point innovation services, e.g., exchange of points with cross-industry businesses, the deduction of credit card outstanding payments, deduction of digital payments, and the redemption of various coupons.
- ◆ Continue to review and optimize user experience for various services and improve platform service performance.

(5) ATM

- ◆ Continue to provide diverse and friendly services: For instance, by adopting the FIDO authentication technique ahead of peers, the Bank enables customers to use another bank's ATM card to carry out identity verification and apply for financial services on the Bank's ATMs. The Bank introduces the "Chip ATM Card-Unblocking Service", allowing customers to unblock their cards at any ATM, regardless of business hours. The Bank also provides an operation interface in seven languages, aiming to eliminate language barriers. The Bank was granted the 2023 World's Best Digital Bank Awards-Best Innovation and Transformation for our friendly ATM services, evidencing Taishin's customer-oriented and continuously innovative corporate culture.
- ◆ Keep increasing the number of service locations: Apart from continuing collaboration with three major convenience store chains, Taishin Bank is also expanding collaborations with different industries to develop new types of points of service such as hospitals, traditional markets, pharmacy chains, wholesale store chains, and public transport hubs.

4. Wholesale Banking Services

- (1) Building on strengths in product innovation and service development to provide one-stop financial services and increase customer loyalty.
- (2) Introducing integrated NTD and foreign currency cash management; promoting cash services (collection and payment) as means of sourcing current deposits; anchoring customer relationship and minimizing credit risks.
- (3) Taking advantage of local branches to develop close ties with local customers; trying to expand the customer base in small- and medium-sized enterprises; and targeting high net worth customers in Asia Pacific.
- (4) Focusing more on niche export businesses and high net worth enterprises with an emphasis on asset products and financial planning services in order to build an image of a regional bank.
- (5) Taishin Bank is actively deploying its plans for the China and Asia-Pacific markets. Currently, it owns branches in Hong Kong, Singapore, Tokyo in Japan, Brisbane in Australia, and Labuan in Malaysia (including the Marketing Service Office in Kuala Lumpur, Malaysia). It also has representative offices in Ho Chi Minh City in Vietnam, Yangon in Myanmar, Shanghai in China, and Bangkok in Thailand. The second office in Fukuoka, Japan, is planned to be opened in 2024. The Bank will continue to expand overseas and open new offices as needed in order to grow in foreign markets and increase the percentage of overseas profit.
- (6) Improving the lending process and strengthening risk management in order to maintain sound asset quality.

- (7) Investing more in training and job rotation mechanisms in response to the growing momentum in overseas operations, and building an overseas talent database.

5. Financial Market Services

- (1) The Bond Market Department provides planning and management of underlying onshore and offshore bonds in underwriting cases. The department is an active participant in bond issuance and financing planning for onshore and offshore companies, and brings in diverse cases with overseas issuers and provide Taiwanese investors with diverse options. Furthermore, Taishin Bank actively developing assets securitization business, provide corporates financial structure solutions by asset revitalization with professional financial consultant which is distinct from traditional financing services, so as to achieve a win-win situation for customers and the Bank.
- (2) Develop new products and platforms to increase product range, to provide customers with diverse financial products and increase adhesion of customers.

6. Trust Services

Respond quickly to changes in market conditions by expanding the range of products, and strengthen postinvestment management mechanisms on an ongoing basis to support a complete range of financial planning services. The focus of product development is as follows:

(1) Fund and Collective Investment Trust Funds

- ◆ Extending the line of onshore/offshore funds to better reflect changes in market dynamics. Introducing new type products and promoting different thematic funds to meet asset allocation needs of different customer segments with different attributes.
- ◆ We will continue to incorporate market and product information services into the online and mobile trading platforms to create financial planning services that are more convenient and more instant. We will add more fund features to the digital banking app, and launch funds in time with current affairs and lowering the thresholds in order to offer more intuitive operating interface and more investment choices for digital banking customers.
- ◆ Promoting regular savings plans in conjunction of competitive event offers to help all customers make long term investment.
- ◆ Attracting more customers of custody services and securing assets under management (AUM) for funds while generating more stable income from the AUM base.

(2) Foreign securities

- ◆ For foreign ETF, foreign stocks, and other foreign securities, ordering functions are continuously optimized, providing customers with more timely and convenient ordering platforms. In addition, foreign securities consultancy services are offered to help customers keep abreast of investment trends. We also provide the service by which customers may make subscription using their in-transit proceeds, greatly enhancing their capital utilization efficiency.
- ◆ A diverse range of premium-quality, popular overseas bonds are continuously provided, including overseas financial bonds, corporate bonds, and government bonds, all of which are combined with investment portfolio strategies to provide better asset allocation options for customers who prefer fixed-income products. We have organized a number of seminars to keep clients informed of global bond market changes. In order to enhance our customers' experience with overseas bond trading, we are continuously improving the transaction function for overseas bonds on our automated platforms and optimizing the process for inquiring about specific bond products. In addition, we have established the "Easy Go Service" system, allowing customers to conveniently complete transactions from the comfort of their own homes. This results in more timely and efficient wealth management services.

- ◆ Investments in offshore structured products by professional investors became an alternative fixed income product for investors, because of increase in interest rate and favorable conditions of longterm products. Non-principal-guaranteed equity-linked products are made more efficient through streamlined transaction process, which helps customers seize market opportunities.

(3) Planning trusts and custody services

Taishin Bank actively supports FSC's Trust 2.0 Plan by continuously promoting our retirement trust, family inheritance trust, and employee incentive trust services in which we personalize trust contracts to the needs of customers, thereby achieving the full functions of trust services for customers. We have recently introduced a pre-opened trust service, offering the public the ability to plan trust usage and fund payments beforehand, creating a financial safety net for the future. In view of the excellent operating performance of overseas Taiwanese companies and their business locations around the world, the Bank offers Foreign/Mainland China Area Employees Collective Investment Account for overseas foreign employees to help companies reward and incentivize employees to stay with the company.

7. Insurance Broker Services

- (1) In coordination with the policies of the competent authorities, we have continued to promote the transformation of insurance products and promoted protection-oriented products that match customer needs. We have introduced life insurance products that fulfill customers' needs and developed competitive products for the market through our life insurance subsidiary, and maintain a diversified product portfolio by including death, health, and accident benefits to cover medical, long term care, and disability needs. The bank builds on the channel strengths of the existing branches, and try to increase the percentage of customers holding insurance in their portfolios.
- (2) To meet customers' wealth management and protection needs, we introduced an innovative structure for insurance-based investment products that is in line with international standards, and also continued to promote Taishin Life Insurance products and diversify investment-oriented insurance portfolios, providing customers with more diverse allocation options for asset planning.
- (3) In order to meet the needs of digital natives, Taishin Bank's online insurance platform not only offers car insurance and travel insurance products, but also successfully attracts young group insure interest sensitive annuity insurance by low premium threshold model to strengthen the stickiness between digital customers and Taishin Bank. Due to our long-term managing of digital customer groups, the platform has successively launched mobile device insurance for used mobile devices, and flexible pet insurance for the fur babies. In addition, we also integrated bank resource and the resources of our partnering insurance companies to develop new customer, expand our digital insurance channels, and achieve greater differentiation in our business, fulfill the vision of inclusive financing.

c. Market analysis

1. Wealth Management

(1) Supply and demand and growth potential:

- ◆ Customers at the top of the pyramid are the targeted base for wealth management services. Competition in the wealth management market is fierce.
- ◆ New data related technologies at other banks are showing rapid development. There are a large number of external data sources, and the overall quality of customer service has improved.

(2) Competitive niche:

- ◆ By leveraging resources of the FHC and its subsidiaries, Taishin Bank has become more capable of completely satisfying the comprehensive protection needs of customers with our diversified products, thereby fulfilling the requirements for asset inheritance and financial diversification for individuals and families.

- ◆ A complete line of products is available to customize financial plans and asset allocation advice to suit each customer's needs.
- ◆ Taking advantage of the insight into market changes and strong environmental adaptability and combining big data and AI models to provide personalized services with speed and precision.
- ◆ With professionalism and innovation as our competitive advantages, we have been assessed by PWM magazine as the best Private Bank in Asia for the use of Big Data and AI Applications for four consecutive years.
- ◆ Different open product platforms are employed to satisfy the investment planning and asset allocation needs of customers who have different risk preferences and to safeguard customers' assets and control their investment risks.

(3) Favorable factors for development outlook:

- ◆ The big data platform offers insight into market movements and customer demand in advance.
- ◆ Technological development has accelerated the digitalization process, and the application of technology and the Integration of virtual channels and physical branch offer more business advantages and higher efficiency.

(4) Unfavorable factors for development outlook:

- ◆ Customers at the top of the pyramid have complex and unpredictable needs, making it more challenging to manage the business.
- ◆ A platform system must be developed to accelerate computation and storage of new data and large volumes of data, which in turn causes an increase in resource input and a dramatic increase in demand for skilled talents who possess data application capability. However, recruiting skilled workers is difficult.

(5) The bank's countermeasures:

- ◆ Continuing to optimize the customer experience in the integration of virtual channels and physical channels, accelerating digital transformation. In addition, the Company provides well-designed and easy-to-use digital financial planning services, strengthens customer relationships, increases customer satisfaction, and meets the demand for 24-hour uninterrupted financial services.
- ◆ The digital platform offers a variety of innovative services and analytics technology in order to create more contact points and expand the customer base.
- ◆ Taishin Bank provides personalized consumer banking and wealth management services in response to market changes and customer needs. Meanwhile, data analytics capabilities are being refined to allow the bank to target customer segments with precision and gain a good understanding of customer needs as well as the ability to provide more friendly and personalized financial planning services.
- ◆ Taishin Bank develops talent and strengthens professional training of first line personnel on an ongoing basis. The existing system for passing down knowledge and experience is designed and perfected to ensure the sustainability- and customer-oriented philosophies are upheld and suitable asset allocation and investment advice is provided to customers.
- ◆ The Bank deploys innovative services and digital experiences to enhance its reputation by utilizing the advantages of social media.

2. Retail Banking

(1) Supply and demand and growth potential:

【Loans】

- ◆ Since March 2022, the central bank has been raising interest rates. As of March 2023, interest rate had been raised five times by 0.75%, resulting in increased pressure on mortgage repayment, which prompted home buyers to adopt a conservative wait-and-see approach. The housing market, however,

entered a period of correction under the impact of multiple unfavorable news such as the control of mortgage loans by the central bank in accordance with the Central Bank Regulations on Mortgage Loans by Financial Institutions and the enforcement of the Equalization of Land Rights Act in July 2023. Nevertheless, following the introduction of the "Prime Version of Preferential Mortgage for the Youth" initiated by the government in 2023Q3, there has been an influx of first-time homebuyers in the market, resulting in a gradual stabilization of the housing market in the fourth quarter. In 2023, there were over 306,000 housing units across the country that changed ownership through transactions, marking a decrease of about 11,000 units, or 3.5%, compared to 2022. Anticipating 2024, there will be a decrease in global inflation rates. The "Prime Version of Preferential Mortgage for the Youth" is set to play a crucial role in revitalizing Taiwan's housing market, prompting a strong demand for properties for personal use and ensuring stability in both prices and sales. That being said, it is essential to pay attention to the impact of political and economic landscapes and ongoing interest rate cuts.

- ◆ As the effects of the global epidemic began to fade in 2023, the car loan market experienced a gradual recovery due to rebound of automobile production capacity and supply. The accumulated backlog of car orders during the epidemic was finally cleared in 2023, with a whopping 476,000 car license plates being issued for the year (compared to 429,000 car license plates issued in 2022), marking the highest sales in the last 18 years. Nevertheless, taking into account the abundant uncertainties surrounding the global economic and political landscape and central banks' monetary policies, it is predicted that there will only be a slight increase in sales in 2024 compared to 2023.
- ◆ The unsecured loan market is undergoing a rapid transformation with the rise of digitalization and technological advancements, and financial institutions are focused on offering appealing products and user-friendly services. By October 2023, the unsecured loan market saw an increased outstanding balance to NT\$1,136 billion, up 9.3% from its 2022 year-end balance of NT\$1,039.6 billion, according to JCIC's open data. Looking ahead to 2024, we must not only maintain a competitive edge and provide top-notch customer service, but also fortify our risk management and pursue prudent and stable growth to keep up with the rapidly evolving market.

【Credit cards】

- ◆ Major co-branding channels are still dominated by the top 6 credit card issuers, whose outstanding cards accounted for more than 60% of the market share. As of the end of December 2023, there were 32 credit card issuers in Taiwan, approximately 58.12 million cards were in circulation, and about 37.77 million cards are active, and each person holds at least 4 credit cards.
- ◆ The number of card accepting merchants reached 935,172 in 2023, up by 17.6% compared to 2022.

(2) Competitive niche:

- ◆ With the largest acquiring market share, we continue to proactively develop digital finance and payment application, cooperate with different industry to expand business opportunities in the ecosystem.

(3) Favorable factors for development outlook:

- ◆ With the increasing popularity of mobile payments, we are taking steps to further advance digital payment services and incorporate payment features into our merchant app to enhance merchant stickiness.

(4) Unfavorable factors for development outlook:

- ◆ Banks are incurring additional expenses as they invest in mobile payment system infrastructure to keep up with the constantly changing world of FinTech.

(5) The bank's countermeasures:

- ◆ Evaluate regularly the competitiveness of benefits offered by Taishin Bank credit cards and resource distribution.
- ◆ Work with third party payment service providers, and turn competition into cooperation to create a win-win situation.

- ◆ Team up with partners in different sectors to encourage cross-industry cooperation.
- ◆ Keep abreast of business opportunities after the resumption of businesses in various sectors such as tourism, focus on high unit price transactions (travel/overseas/insurance/department stores), integrate product rights, and secure ranking in the market share of our credit card transactions.
- ◆ Cultivate sectors in which consumption activity occurs frequently (wholesale/convenience stores/supermarkets/ online shopping/restaurants/transportation), and become the issuer of credit cards that customers mainly use to make purchases.

3. Digital Banking

(1) Supply and demand and growth potential:

- ◆ The Taiwan Network Information Center (TWNIC) recently released the "Taiwan Internet Report 2023," which touches on the evolving use of cutting-edge technologies, such as the Taiwanese population's perception of artificial intelligence. According to the survey, 43.5% of Taiwanese respondents answered "Yes" when asked if information from artificial intelligence is more reliable and unbiased compared to that from human beings; 41.8% ticked "No" for the question. The majority (61.92%) of respondents who had previous experience with chatbots (such as ChatGPT and voice assistants) agreed that chatbots are capable of offering useful information. 59.54% of the respondents who had not interacted with chatbots responded based on their own perceptions and expectations and agreed that chatbots can provide valuable information.
- ◆ According to the 2022 Taiwan Internet Report published by the Taiwan Network Information Center (TWNIC), 84.30% of surveyed respondents aged ≥ 18 years have surfed the Internet in the past 3 months, and 81.47% of surveyed respondents used mobile device to surf the Internet. These figures show that banking online and via mobile devices has become a significant trend.
- ◆ 2021 Mobile Payment Consumer Survey by Market Intelligence & Consulting Institute (MIC): The usage frequency of mobile payment came close to 70% (69%) for the first time, falling only behind physical cards (74%) and cash (71%); mobile payment has become the only tool to grow for three consecutive years among the four major payment tools.
- ◆ The Market Intelligence & Consulting Institute had also conducted a special survey on consumer behavior during the national level 3 alert period and found that the usage frequency of cash was 38%, a significant drop of 30%, the biggest drop rate among all payment tools. The most frequently used tools are physical cards (56.2%) and mobile payment (55.7%), and mobile payment had almost caught up with physical cards.

(2) Competitive niche:

- ◆ Provide digital customers with the best product portfolio that comprehensively covers demand deposit, time deposit, payment, foreign currency, insurance, and loans, which is different from the traditional banking, where customers have to combine different financial products by themselves.
- ◆ For our customer service chatbot, we used natural language processing (NLP) to upgrade Google's deep learning model technology (Bert, Bidirectional Encoder Representations from Transformers). Currently, our chatbot is able to reply and solve more than 98% of customers' problems 24/7, featuring high accuracy and convenience. Leading the industry, we improved our user interface in response to accessibility regulations, setting up banking-friendly service sections and text-based customer service with actual person. As a result, we were the first in the industry to obtain an accessibility label. In addition, we simplified account inquiry and verification processes by adding an OTP function, making our services friendlier and more considerate in the spirit of financial inclusion.
- ◆ Constantly hold several wealth management lectures on campus and give lectures on digital banking at forums organized by the competent authority or associated with FinTech, which helps raise the awareness and acquire the brand recognition of the young generation, and overturn the young generation's stereotype of investments coming with a high threshold.

- ◆ Build on advantages of merchants affiliated with the bank and strength in the number of card accepting merchants and play an active role in the government's pilot programs for new payment tools in order to identify customers' needs before competitors.
- ◆ Taishin Bank developed different payment and collection models ahead of its competitors, and take innovative approaches to create differentiation.
- ◆ Starting from the perspective of customers, not only have we provided complete digital banking transactions and inquiry services to our customers but we have also built consumption scenarios with our strategic merchants at the same time, assembling various special offers and cross-industry points to build the Taishin Bank Everyday Life and Finance Ecosystem in a cooperative fashion.

(3) Favorable factors for development outlook:

- ◆ Implement effective agile development to enable the bank to launch new financial services ahead of competitors.
- ◆ Taishin Bank has obtained multiple utility patents for the following services or functions: savings credit card, pre-login preview, card-less cash withdrawal, shake-and-transfer, transfer-as-you-like and one-stop transfer, optimized small-sum product loan application procedures, simplified ID authentication mechanism for customer service chatbot, payment platform integration, and personal loan application system without proof of income. These patented services and functions have been integrated into the everyday life of consumers to build scenario-based banking.
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- ◆ Combine AI and biometric identification technologies to develop facial recognition for services such as opening an account, making a payment, withdrawal or transfer, identifying VIP in branch and making payments by facial recognition. Achieve the vision of complete digital banking.

(4) Unfavorable factors for development outlook:

- ◆ The entry barrier to copying financial services is low and the sandbox policy for the banking sector is still in the early stage. There has not been much major development in the area.
- ◆ The product cycles for diverse new types of payment solutions (e.g. NFC, barcode scanning, and biometric identification) are becoming shorter, and it is uncertain which solution(s) will become mainstream. For the time being, this area requires more IT and marketing resources.

(5) The bank's countermeasures:

- ◆ The bank continues to engage the digital customer base via virtual channels and to organize marketing campaigns in response to popular topics on the internet.
- ◆ Nonfinancial big data are introduced in combination with internal behavior analysis to correctly predict- customers' needs and recommend suitable products.
- ◆ We commence cross-industry collaboration through strategic alliance, promoting the application of financial products in different scenarios. Wholesale Banking Services.

4. Wholesale Banking Services

(1) Supply and demand and growth potential:

As the world enters a post-pandemic era, challenges remain everywhere, e.g., ongoing Russia-Ukraine war, conflicts between Israel and Palestine, liquidity risks facing the United States regional banks, breach of contract by real estate companies in China, and global inflation. The year 2024 will bring a host of uncertainties and challenges for the global economy. These uncertainties and problems include the timing and scale of currency policy shifts of each country, the US-China dispute affecting trade and

technology and the supply of energies, semiconductors, and other important commodities, global prices of raw materials, and volatility of the global financial market. Due to the post-pandemic bounce back, the domestic market has seen growth in industries like retail, tourism, and personnel transportation, leading to a gradual recovery in domestic demand and business activities. The government is also actively supporting banking deregulation, innovative measures, and the New Southbound Policy to encourage banks to enter emerging countries in Southeast Asia and expand their overseas network. Such expansion will help banks increase the percentage of overseas profits and diversify their profit sources. In addition, Taishin Bank closely monitors the continuous expansion of domestic semiconductor production capacity and the advancements in high-speed computing and AI technology. The government is promoting a roadmap and strategy to Net Zero 2050 in response to the increasing popularity of net zero. The Bank actively supports sustainability initiatives and trends and continues to promote green and sustainable financial services. In summary, wholesale banking service will be paying close attention to risk management and environmental factors while pursuing growth.

(2) Competitive niche:

- ◆ Ability to integrate a multitude of products offered under the financial holding group; commitment to financial product/service innovation; attention to customers' multidimensional needs; and the ability to deliver one-stop financial shopping experience.
- ◆ With an outstanding corporate Internet banking service and API platform, we provide integrated cash flow collection and payment transfer services to our customers.
- ◆ Excellent risk control mechanisms help ensure sound asset quality.

(3) Favorable factors for development outlook:

- ◆ Given the ongoing liberalization and rapid economic growth of Asian emerging markets, there is going to be substantial growth in demand for overseas banking services.
- ◆ Possess plural product resources and development capability of the financial holding firm to provide one-stop-shopping financial services to customers.
- ◆ The government encourages financial institutions to adopt new technologies and expand overseas, both of which contribute to the scope of business.

(4) Unfavorable factors for development outlook:

- ◆ Over-banking status, homogeneous traditional financial products are difficult to create high profits.
- ◆ The bank still has only a few branches overseas; its global network remains sub-optimal.
- ◆ Financial supervision has become more stringent than ever. The implementation of Basel III accord will put further strains on the bank's capital and liquidity. All of which present added costs and risks.

(5) The bank's countermeasures:

- ◆ Make proper use of group resources. Provide differentiated services and products to different client segments, so as to create service value.
- ◆ The Bank continues to expand its business abroad while developing domestic and international customer bases.
- ◆ Accelerate the application for the establishment of branches in Long An, Vietnam for the purpose of expanding its business territory and boosting overseas income Financial Market Services.

5. Wholesale Banking Services

(1) Supply and demand and growth potential:

- ◆ Looking forward to 2024, while global inflation is eased slightly, uncertainty remains in its direction. Inflation and changes in central bank policies continue to be the keys to market trends. In the basic scenario, the suppression of inflation in the United States has gradually taken effect, and it is expected that the economies of various countries are expected to have a "soft landing". The central bank will withdraw from the pace of raising interest rates, and global economic growth will be relatively moderate.

(2) Competitive niche:

- ◆ A large variety of consumer banking products, comprehensive offerings, and closely integrated investment planning and marketing channels allow quick adjustment of sales and investment strategies in response to market changes in order to achieve synergy.
- ◆ Financial market research, daily market commentary, real-time macroeconomic analysis and interest/exchange rate reports are provided to help customers follow market developments. One-stop financial portfolios are offered to help customers make choices most suitable for their financial goals.

(3) Favorable factors for development outlook:

- ◆ As the revenue of Taiwan-invested enterprises grows, the need for hedging increases.
- ◆ Utilizing the resources of the head office to capture business opportunities overseas, build up a presence in overseas markets and develop closer relationships with local customers.

(4) Unfavorable factors for development outlook:

- ◆ The Federal Reserve is expected to stop raising interest rates, but the timing and extent of interest rate cuts are still uncertain. The interest rate curve remains inverted and funding costs remain high. Investment operations in the stock and bond markets remain challenging.
- ◆ Financial supervision has become more stringent than ever. The amended regulations on derivative products and tightened rules on KYC and product suitability impose restrictions on product sales.

(5) The bank's countermeasures:

- ◆ Increase sources of foreign capital and diversify investment targets, to increase the return on investment and liquidity of the capital. Increase flexibility and expand the sources of regular income.
- ◆ Develop new and more varied products, optimize sale processes and platforms to satisfy customers' needs for wholesale banking, institutional investment and wealth management.
- ◆ Strengthen compliance, self audit, and market and operational risk management; develop better internal control systems; and adhere strictly to the compliance rules and other applicable laws and regulations.

6. Trust Services

(1) Changes in the market:

- ◆ In the first half of 2023, some regional banks in the United States collapsed while Credit Suisse underwent a tumultuous merger. Nevertheless, the negative impact of the Russia-Ukraine conflict on the market diminished, the inventory of electronics sector declined gradually and the U.S. inflation pressures eased. The investor sentiment improved as the Fed was expected to stop hiking. During the third quarter, investors were losing confidence as the Fed Board members left room for future hikes, resulting in declines in both stock and bond markets. As the fourth quarter unfolded, core inflation showed signs of improvement, tech giants posted strong financial performance and the Fed adopted a more dovish stance, even considering future interest rate cuts. This boosted investor confidence and driving both equity and bond returns.

(2) Supply and demand and growth potential:

- ◆ According to SITCA statistics, subscriptions of onshore and offshore funds through special-purpose money trusts continue to increase and have consistently shown positive growth in the last five years. It suggests that more consumers are paying attention to financial planning. In addition, the Internet is making real time market information more readily available, and banks are improving their investment platforms to cater to more investors.
- ◆ The launch of the Trust 2.0 Plan by the FSC has improved customers' understanding of trust products. Thus, providing diversified trust products to satisfy customer needs has become our top priority. Family inheritance trust is provided to meet customers' needs for asset inheritance and clear distribution of family equity. It also realizes the wish of century-old enterprises and solves the problems of intergenerational inheritance. As Taiwan is set to become a super-aged society earlier than expected,

Taishin Bank offers retirement trust that features a special fund for special use and secures the trust holder's assets; We are actively promoting the second stage of FSC's "All-trust" strategy. As an example, we have introduced the pre-opened trust service, aimed at assisting individuals in preparing for their desired retirement lifestyle and covering post-retirement living and care expenses in old age. To ensure a financially secure retirement life for employees, priority must be given to helping employees make a fixed term retirement savings plan and encouraging enterprises to organize employee stock trusts, which will strengthen employees' readiness for retirement planning.

(3) Competitive bedridden and unable to care for themselves. Competitive niche:

- ◆ Personalized financial services are offered to different customer groups based on different characteristics. Products with various themes are introduced in response to market trends.
- ◆ The line of onshore/offshore funds has been extended. The Bank, by careful screening, is the first to introduce new and innovative products with specific focuses.
- ◆ Database analysis helps the Bank get a deep understanding of needs of different customers so that the Bank can provide personalized services and send updates on market development to customers.
- ◆ Optimize Internet banking and mobile banking transactions as well as market and product information to provide better asset allocation advice.
- ◆ Launched overseas bonds available via digital banking, and added e-Class Bonds exclusively for the automated channels. Lower the threshold for investing to make it readily accessible to general investors.
- ◆ With plenty of investing experience, Taishin Bank offers customers personalized trust planning and complete Employee welfare trust services as well as planning advice, assisting customers to reach the objectives of property security, wealth inheritance, and management associate pension for corporate employees.

(4) Favorable factors for development outlook:

- ◆ The competent authority is actively supporting the digital finance policy. The younger generations are having more influence and depending more on social media, leading to the growth of automated channels and a higher frequency of self directed investing.
- ◆ Current trends, such as aging society, increased awareness on the importance of talent retention and keeping employees motivated, and active promotion of the Trust 2.0 plan by FSC, have positively influenced the development of our retirement trust, family inheritance trust, and employee incentive trust businesses.

(5) Unfavorable factors for development outlook:

- ◆ Products are highly similar with little differentiation. Competitors continue to open more overseas branches to gain larger market shares.
- ◆ New forms of competitors (e.g. 100% online banks and fund platform operators) enter the market, leading to more fierce competition.

(6) The bank's countermeasures:

- ◆ Service quality is enhanced for both physical branches and digital channels in order to create an integrated business model and explore innovative cross industry alliances.
- ◆ New type products and private placements are introduced to reflect changes in market dynamics and meet customer needs for asset allocation.
- ◆ The Bank endeavors to build strong relationships with wealth management customers. Honesty, integrity, and sincerity are the Bank's watchwords in understanding customer needs and providing suitable products.
- ◆ Resources under Taishin Holdings are combined to achieve synergy through cross selling. The Bank provides one-stop services so that customers are able to make complete various transactions under one roof.

- ◆ Professional trust services are one of the cornerstones of the wealth management business. These services are aimed to satisfy the demand for trust services and generate investment income.
- ◆ Strengthen relationship with existing wealth management customers, deeply understand customers' needs, and provide appropriate products.

7. Insurance broker services

(1) Supply and demand and growth potential

- ◆ According to statistics published by Life Insurance Association, the first-year premium equivalent of the domestic life insurance industry in 2023 amounted to NT\$516.4 billion and first-year premium equivalent of the entire industry reduced by 6.9% compared with 2022. In addition, the FSC required life insurance companies to adopt IFRS17, prompting life insurance industry to be more cautious about the increase in crediting interest rate and the depreciation of NTD against USD, which made it more difficult to sell USD interest-sensitive life insurance products. Furthermore, the increase in policy reserve interest rate in December 2022 and market forecast that insurance premiums are likely to become cheaper have triggered a wait-and-see attitude among customers. In 2023, international factors like rampant inflation and tightening monetary policies by central banks of various countries were still at play, which led to a rare simultaneous correction of the stock market and the bond market that greatly dampened investment confidence and caused the sales of domestic investment-type insurance products to perform not as well as in previous years. However, in recent years the Bank has focused on promoting protection-oriented insurance and discretionary investment insurance policies. Although our premium income was negatively affected by the overall market, it is still the centerpiece of the Bank's wealth management business. In particular, overall income from traditional insurance commission (excluding mortgage-linked life insurance) increased over 50% compared with 2022, and average monthly commission raised from 240million to 367million. We continue to provide customers with stable investment options or more comprehensive life insurance policies.
- ◆ Looking ahead to 2024, Taishin Bank will respond to social trends such as population aging, not only by focusing on protection-oriented products, health insurance, and annuity products in the future, but also by enhancing net level protection-oriented insurance and the fixed principal payout scheme. By increasing defined payout, such as raising fixed principal payout and basic life insurance coverage/total premiums paid without factoring in interest rate changes or bonuses, it maximizes the benefits of potential interest rate decreases and caters to the varying insurance requirements of customers.

(2) Competitive niche:

- ◆ The bank adopts an "open platform" model with Taishin Life Insurance's strategies, which targets different customer attributes and tries to provide suitable financial planning services for customers with different responsibilities and financial objectives in different life stages.
- ◆ The Insurance Broker Division of Taishin Bank excels at adapting quickly to constantly changing market conditions and aligning different trends and developments to introduce various insurance products as needed.
- ◆ Familiarity with international markets enable the bank to help customers review their policies and taxation, retirement planning, and estate planning needs, and then offer comprehensive policy planning and asset allocation advice.

(3) Favorable conditions for future development:

- ◆ Following the rise of fintech, Taishin Bank is investing in the development of fintech and online insurance enrollment services. Meanwhile, young people's internet and digital device dependence makes it easier for Taishin Bank to develop and manage digital channels.
- ◆ The aging population presents a massive opportunity in the retirement market and creates favorable conditions for protection oriented products and annuities (including traditional and investment-linked insurance products).

(4) Unfavorable conditions for future development:

- ◆ Against the backdrop of our stable insurance business and the imminent adoption of IFRS17, the USD interest rate, if remained at a high level, and strict control over crediting interest rate may affect customers' willingness to engage in financial planning. This trend also increased the difficulty of promoting savings insurance plan. Therefore, Taishin Bank will continue with product transformation and improve the professionalism of its sales staff.
- ◆ For better consumer protection, insurance regulations are becoming increasingly rigorous. In addition to expanding the list of products requiring recording of the sale process and lowering the minimum age requiring recording for unit linked insurance products, a telephone interview on the source of funds is now also required. Such interviews create a complicated policy application process, and make customers less willing to include such products in their portfolios.
- ◆ Digital technologies are advancing by leaps and bounds. To stay ahead in the digital insurance business, one needs a large-scale replacement or upgrade of existing systems.

(5) Response strategies:

- ◆ Take advantage of strong physical channels, step up development of digital channels, and combine resources in the financial holding company to develop O2O marketing.
- ◆ Align with the market, and develop first-of-its-kind or exclusive new-type products to satisfy different needs of customers in different life stages.
- ◆ Follow current affairs and discuss with external experts to create points of contact with customers and stimulate customer needs in order to increase penetration and enhance customer segment management.
- ◆ Analyze credit card holders or customers coming through other digital channels, explore new customer bases, and achieve synergy.
- ◆ Strengthen relationship with existing wealth management customers, deeply understand customers' needs, and provide appropriate products.

d. R&D of financial products and business development status

1. Major financial products and scale in recent two years.

(1) Retail Banking

【Loans】

- ◆ The outstanding balance of mortgage loans reaches NT\$703 billion and is growing at 8.1% per year.
- ◆ The outstanding balance of auto loans reaches NT\$59.4 billion and is growing at 8.5% per year.
- ◆ The outstanding balance of personal loans reaches NT\$97.8 billion and is growing at 6.4% per year.

【Credit cards】

- ◆ 6.5 million credit cards outstanding, ranking fifth with a 11.2% market share.
- ◆ 4.56 million active credit cards, ranking fifth with a 12.1% market share.
- ◆ NT\$457.1 billion in annual card purchases, ranking fifth with a 10.9% market share.
- ◆ 168,000 card accepting merchants in total, ranking first with a market share of 20.1%.

(2) Digital Banking

◆ Richart - the digital banking brand

It provides a comprehensive range of financial solutions, including savings, payment options, financial planning, foreign currency services, insurance, loans, and time deposit, ahead of the market. Over the past few years, we have consistently introduced new and innovative products to improve the overall service experience, including:

In July 2022, we launched a new function, called Securities Jar, for new young investors and collaborated with JKOS and All Win to launch loan services;

By December 2022, we had established ourselves as the first digital bank in Taiwan to offer online account opening services for foreigners, revolutionizing the accessibility of digital financial services for foreigners.

In March 2023, the Richart Time Deposit for Gogoro Purchase initiative was introduced in partnership with Gogoro, integrating EGS principles and deposit services.

In April 2023, we partnered with JKOS to introduce the "JKOS x Richart Account", which integrates payment methods and cutting-edge financial services.

Our teamwork with Mastercard in May 2023 led to the introduction of a revolutionary foreign-currency "full-value outward remittance" service, resulting in a noteworthy decline in remittance charges.

Starting in November 2023, we began offering a consistent savings plan for buying Taiwan stocks on a scheduled basis. The subscription threshold for this plan is only NTD1,000, and it also offers a diverse range of stocks to choose from.

◆ Internet Banking and Mobile Banking

Taishin Bank strives to satisfy customers' need for a one-stop payment service by enabling customers to complete payments via Mobile Banking, including payments for transportation, telecommunication, water and electricity, credit card, cable TV, and insurance (national health insurance and annuity premiums) bills. Through the Pay Tax/Fee option on FISC's API, the Bank also provides convenient, secure, and 24/7 services that allow customers to pay tax online and check their tax/fee payment status in real time.

◆ New Payment & Collection Services

a.Promoting New Payment Tools:

In the year 2022, Taishin's wallet, Taishin Pay, became available at Ikea, Burger King, Beyond Plaza, and Danhai light rail stations in New Taipei City. Transactions made through Taishin Pay in these particular scenes witnessed a notable surge of 200% in 2023 compared with the previous year. In support of the government policy of increasing the domestic market share of electronic payment, the Bank offers AccountLink service to electronic payment service providers, through which the overall transaction volume has increased by 101% compared to the previous year.

b.Developing New Payment Tools Accepting Merchants:

Our top priority is assisting merchants in developing the ideal mobile payment landscape. Our ONE code platform, for example, facilitates mobile payments for more than 100,000 merchants. We have helped merchants to transform into digital payment by using the pay+ payment module. In 2023, we had nearly 50 cooperating brands, with an increase of 20% in transaction volume.

◆ Richart Life

In August 2020, we launched Richart Life, a platform built upon data analysis, digital communication tools, and API system integration for partnership with merchants, thereby transcending physical limitation to a single premises. This in turn facilitates customer acquisition through referrals from cross-site members, point exchange, and data model development. By December 2023, Richart Life had already amassed over 2 million members.

◆ ATM services:

With the opportunity presented by the opening of national borders and the high demand for overseas travel, the Bank has steadily expanded its foreign currency ATM network. By the end of 2023, Taishin's foreign currency ATM count reached over 500, securing its position as the market leader. The ATMs offer a variety of currencies, including USD, JPY, CNY, and Euro, and allow for both withdrawal and deposit of foreign currency notes, providing a one-stop solution for those in need of foreign notes.

(3) Wholesale Banking

- ◆ Outstanding of loans extended by domestic branches to state and private enterprises.

Given a balance between risk management and business growth, as of the end of December 2023, the outstanding wholesale banking loans stood at NT\$666.4 billion, representing 5.66% in YOY growth. Loans to state-owned and private enterprises totaled NT\$406.2 billion at the end of December 2023, representing 11.53% in YOY growth.

- ◆ Outstanding of loans for small and medium enterprises

Owing to its support of the government's credit extension policy for small and medium enterprises and success in developing its own customer base, Taishin Bank reported an outstanding balance of SME loans up to NT\$ 281.4 billion at the end of 2023.

- ◆ Export bills of exchange

Due to the decline in Taiwan's exports, the Bank's bill negotiation amount in 2023 decreased to USD1 billion compared to the previous year. Moving forward, we will proactively seek out high-quality customers and expand our customer base.

- ◆ Factoring business

For factoring, Taishin Bank took a balanced approach in customer relationship management, and market price while considering credit risk. In 2023, Taishin Bank undertook NT\$129.1 billion in factoring, which remained the highest in the market.

(4) Financial Markets

- ◆ In January 2021, Taishin was awarded first place in the team competition of the 2020 "Trading Competition of the New Taiwan Dollar Interest Rate Exchange Trading System".
- ◆ September 2021 - 7th TAIEX Futures Diamond Awards - Trading Volume Diamond Award for Banks, 1st place.
- ◆ August 2022 - 8th TAIEX Futures Diamond Awards - Trading Volume Diamond Award for Banks.
- ◆ In January 2023, Taishin was awarded first place in the team competition of the 2022 "Trading Competition of the New Taiwan Dollar Interest Rate Exchange Trading System".

(5) Trust Financial

unit: \$NTmillion

Project	2023	2022
Special-purpose money trusts investing in domestic/ foreign securities	233,210	206,195
Securities investment trust funds under administration	384,903	326,661
Other money trusts	70,704	50,713
Employee benefits trust	9,228	5,420
Securities trust	30,178	30,047
Collective investment trust funds	301	321
Real estate trust	91,127	74,831
Money and securities	483	582

2. R&D achievements in recent two years

(1) Retail Banking

- ◆ Our top priority remains increasing usage of the "Taishin Merchant APP", the only credit card payment collection app in Taiwan that works seamlessly on both Android and iOS operating systems. The app caters to the payment collection needs of highly mobile merchants, equipping them with convenient tools and limitless operational opportunities, while delivering a swift and efficient payment experience to customers.

- ◆ In 2024, we launched the "Tap to pay on iPhone" payment collection service, through which we joined hands with leading brands in various industries such as GOGORO, Data Express, Mercedes-Benz Select, Chia Te Bakery, New Mala Hot Pot, and Fantasy Tour to embrace technological advancements and digitalization. Our goal is to spark a society-wide trend of cashless payments, continuously improving our services to enhance people's daily lives.
- ◆ 2023/2 Our newly introduced "Taishin Instant Card Number Service" service enabled customers to make card payments within just 1 hour after card application approval. As soon as the card is activated, users can add their credit card information to multiple mobile devices links to Apple Pay, LINE Pay, and JKOPay. In addition, it can be utilized for online purchases, tax payment, and other types of consumption.

(2) Digital Banking

- ◆ Richart - the digital banking brand: Through interviews combined with big data analysis, Richart will continue to create better, smoother service and user experience.

(a) New Products/Features

2023/5 Our teamwork with Mastercard led to the introduction of a foreign-currency "full-value outward remittance" service, meaning that foreign currency remittance can be fully wired to an overseas bank without being deducted for service fees charged by an intermediary bank.

2023/11 We began offering a regular savings plan for buying Taiwan stocks on a scheduled basis. More than one hundred popular Taiwan stocks/ETFs are available and the subscription threshold for this plan is only NT\$1,000. This enables even a novice investor to take part in the stock market.

(b) Cross-industry collaboration

2023/3 Our new Richart Time Deposit for Gogoro Purchase program offered a groundbreaking solution for those interested in purchasing a Gogoro motorcycle.

2023/4 We partnered with JKOS to launch the JKOS x Richart Account applicable to a bunch of scenarios. After account activation, the account is linked automatically to an electronic payment account, allows users to check balance/current month interest/transaction details on JKOS, and provides higher interest rate for NTD demand deposit and special offers for consumption for customers old and new.

(c) Awards

In 2023, we won the Global Finance World's Best Digital Bank Awards (ranked by Asia-Pacific country), "Best Open Banking API", The National Brand Yushan Award 2023 - The Most Popular Brands, and the ABF Retail Banking Awards for 2023" and "Financial Inclusion Initiative of the Year".

- ◆ Internet or mobile banking: We continued to be customer experience-oriented and were dedicated to providing customers with simple and intuitive service experiences.

(a) New Products/Features

2023/01 Taishin Payment Integration Platform received utility patent.

2023/04 We launched the feature "Resetting Internet Banking Username and PIN Online", allowing customers to do so from the comfort of their home.

2023/05 We won a utility model patent for our All-in-one Account.

2023/06 We launched the chip ATM card-unblocking service on our Mobile Banking system; customers whose ATM card is blocked due to excessive incorrect PIN entry attempts may unblock their card online instantly without having to be present at a branch.

2023/06 Our Mobile Banking system activated a service allowing cardholders to pay their Taishin credit card bills using an account of another bank, making online payments more convenient for them.

2023/07 We obtained a utility model patent for our Mobile Phone-based Video Call Customer Service System.

2023/08 Our Mobile Banking system allowed customers to queue online through a video call, enhancing customers' experience in using the video call feature.

2023/09 We won utility model patents for our service features, including "Cross-industry International Remittance Activation Service System - Real-time Transaction", "Internet Service Provision System with Phishing Website Alert Function" of our Internet Banking system, and "Online Identity Verification System" and "Cross-boarder Remittance System" of our Mobile Banking system.

2023/10 We enhanced the anti-fraud monitoring mechanism for NTD/foreign currency transfer option on our Internet Banking system and Mobile Banking system; Taishin Bank now has its own database specifically designed to monitor high-risk accounts. In the case of a high-risk account, customers will be prompted to verify the payee and will also receive an anti-fraud message. This measure has effectively increased customers' vigilance against fraud and safeguarded the security of their Internet/Mobile Banking transactions.

2023/10 Our Mobile Banking system was upgraded with the "Awesome Foreign Exchange" feature, which offers enhanced foreign exchange services and increased convenience for our users.

2023/11 We won utility model patents for our services, including "Internet Banking Membership Application Mechanism", and "Add Payment Details/Apply for Installment Repayment of A Single Credit Card Consumption" on Rose, our smart customer service chatbot".

2023/12 Our Mobile Banking system offered an enhanced Login-free Account Overview service, allowing customers to view their account status quickly and easily, with a more user-friendly and intuitive interface.

(b) Awards

2023/12 Within a single year, we were honored with numerous awards both domestically and internationally, including Triple A Digital Awards 2023, The 14th Annual Asia Trailblazers Awards 2023, Global Finance's The Innovators 2023 & The World's Best Financial Innovation Labs 2023, Asia-Pacific Sustainability Action Awards 2023, FinanceAsia-Most Innovative Use of Technology, the 20th National Brand Yushan Awards - Best Product, the Asset - Best Mobile Banking Experience in Taiwan, and FinanceAsia - Most Innovative Use of Technology in Taiwan.

- ◆ New Payment & Collection Services: On customer end, we continued to innovate and optimize new payment tools for our customers to give them better payment experiences. On the merchant end, we continued to optimize multiple mobile payment & collection integrated platforms and collaborate with different industries and electronic service providers to build the Richart Life Everyday Life and Finance Ecosystem.

(a) New Products/Features

2023/03 The Apply Pay service was integrated into our ONE Code platform, enabling small merchants to easily accept mobile payments through Apple Pay simply by presenting a QR code.

2023/11 We launched the Pay+ service, a one-click card-linking service, making it possible for customers to easily link all of their Taishin cards to Merchant Pay with just one click.

2023/12 We launched the Pay+ mobile phone verification feature; through the feature, customers intending to link their Taishin card to Merchant Pay can have their identity authenticated against the mobile phone number they registered with the Bank, greatly reducing the risk of credit card abuse.

2023/03 We launched ONE Code QR code x Apple Pay service, allowing small merchants to collect mobile payments through Apple Pay by simply posting a QR code.

(b) Awards

2023/02 We won Retail Banker International Asia Trailblazer Awards - Best Advance in Payments for our Pay+ Service.

2023/03 We won the Triple A Digital Awards 2023 - Best API Project for our ONE Code platform.

2023/07 We won Taiwan Sustainability Action Award 2023 - Bronze for Taishin's public transport code on our ONE Code platform.

- ◆ Richart Life: The Richart Life app links the everyday needs of customers with different industries to build the Richart Life Everyday Life and Finance Ecosystem.

(a) New Products/Features

2023/3 Upgrading the point consolidation account: In doing so, we offered customers the experience of redeeming five types of points in one stop. By implementing gamification design and personalized point discount features, we enhanced user satisfaction and expanded the options for point usage.

2023/5 We launched the "Smart Resource Recycling Machine": Users can receive Taishin Points as a reward if they claim designated coupons on Richart Life and complete the task of recycling PET bottles and dry batteries. The PET bottles so recycled will be transformed into other plastic goods, serving as a means of promoting a sustainable economy.

2023/6 We established a credit card hub: It allows cardholders to check their card number and consumption history, link their card for payment purposes, and request credit card benefits. It combines the typical features of credit cards to offer a convenient, all-in-one experience for users. It also allows users to sort their cards, thereby tailoring the content to match their preferences.

(b) Cross-industry collaboration

2023/11 We crafted a hub of electronic coupons: Electronic coupons for over 70 popular brands, including McDonald's, Mos Burger, and Wowprime, are made available, making paperless transactions effortless for the general public.

2023/12 We launched the public transport code for Ankeng LRT: Users can use their Richart Life APP to scan a QR code to pay their light rail transit fare. In this sense, we were the first bank among peers to introduce QR Code mobile payment options for commuters taking the public transportation rail system

(c) Awards

We won the World's Best Digital Bank Awards 2023 and the 20th National Brand E.SUN Awards - Best Products.

- ◆ ATM and other digital financial services: Aside from devoting great efforts to digital platforms and provide innovative services to customers, we also continued to introduce new physical channel ATMs.

(a) New Products/Features

2023/04 Collaborated in the government's "Cash Handout for Everyone" program

2023/06 By introducing our ATM card unblocking and financial FIDO registration services, we strove to improve the digital lifestyle of our customers, streamlining application procedures and offering enhanced convenience.

(b) Awards

2023/12 The Bank was granted the 2023 World's Best Digital Bank Awards-Best Innovation and Transformation for our friendly ATM services, namely, Southeast Asia Migrant Workers Financial Ecosystem.

(3) Wholesale Banking

- ◆ Service Platform for small and Medium Enterprises Taishin SME eco ECO' Digital Financial (SMEs)

The Taishin Green Banking Platform brings green banking to life. It reduces resource consumption and help SMEs increase ESG capabilities.

Category	Date	R&D Project and Results
Awards	2023	<ul style="list-style-type: none"> Our honors in the past year include Future Enterprise Awards - Best in Future of Industry Ecosystem from IDC, Taiwan Domestic Technology & Operations Bank of the Year from Asian Banking & Finance, Innovative Business Award - Bronze from Business Next, The National Brand Yushan Award. - Best Products, and Taiwan SME Banking (Highly Regarded) from Euromoney.

(4) Financial Markets

- ◆ The bank received FSC approval for filing in Jin-Guan-Yin-Kong-Zi No. 1100213717 for processing transactions of negotiable securities lending by means of negotiated transactions
- ◆ January 31,2023, a new service added as "Domestic Structured Commodities" transaction terminated on Internet Banking.
- ◆ October 27,2023, a new service added as " Fixed Coupon Investment (FCI) " trading platform on Internet Banking

3. Future R&D plan

(1) Wealth Management

- ◆ Combine resources in the financial holding company and a variety of product platforms to meet the financial services needs of customers in different stages of their lives. Increase customer satisfaction with the wealth management service in the process.
- ◆ Keep improving big data and AI technology while optimizing digital banking services; build a customer digital contact journey by using the information on big data archives and virtual channels, to understand customers' needs; and continue to make available a complete range of services to boost business performance.

(2) Retail Banking

- ◆ Optimize different online channels to continue managing young users of Richart and Taishin credit cards.
- ◆ Improve customer clustering analysis and digital footprint labeling to cultivate the Bank's potential in customer marketing.
- ◆ Work with open banking and create ecosystem business models to reach consumers via merchant platforms and enable instant activation of personalized products.
- ◆ Collect cross-industry data for use in innovative approval mechanism.
- ◆ Promote ESG and sustainability by implementing green financing through the continuous launching of online loan application services in combination with special deals and offers.
- ◆ Offer innovative financial payment tools and cooperate with third-party payment service providers to deepen our engagement in credit card payment acquiring business and expand payment application scenarios.

(3) Digital Banking

- ◆ Invest in expanding the line of digital banking services and continue to optimize platforms and implement innovations to facilitate more effective O2O integration.
- ◆ Work with various industry/government/academia partners and apply AI technologies, new payment tools, and big data to revolutionize banking and payment services and start a brand new digital age.

(4) Wholesale Banking

- ◆ Expand pluralized treasury product lineup via combination of interest rate, exchange rate, bond, bulk commodities, and equity.
- ◆ Establish new financial trading system to accommodate the rollout of new diversified products in the future, and improve trading flow and enhance trading capability.
- ◆ Proactively plan for and develop operations related to foreign currency deposits and assets, while paying attention to the balance of risk exposure and profitability.
- ◆ Expand offshore financing and the number of overseas branches, strengthen the function of e-network trading platform, so as to satisfy customers' need for cross-border fund maneuvering.

(5) Financial Market Services

- ◆ Assemble interest rate, exchange rate, bond, commodity, and equity products to increase product variety.
- ◆ Implement well-organized or electronic trading systems that respond to market trends and improve trading processes and capabilities.

(6) Trust Services

- ◆ Continue to introduce or develop new types of products to expand the product lines.
- ◆ Refine customer segmentation to provide investment products that meet customer needs.
- ◆ Follow the trends in digital and smart technologies and enhance trading platforms and processes to create a better user experience

(7) Insurance Broker Services

- ◆ We continued to introduce first-of-its-kind or exclusive insurance products while coordinating with the Taishin Life Insurance strategies to expand product lines to satisfy different needs of customers in different life stages.
- ◆ Strengthen relationships with existing wealth management customers, identify and provide insurance products that meet customer needs, and increase the percentage of customers holding insurance products and raise awareness of sufficient coverage among customers.
- ◆ Following the rise of fintech, Taishin invests in development and management of digital channels, and provides a wide range of insurance products and enrollment channels for customers.
- ◆ Offer different insurance products to different customer groups, and generate income through asset allocation in order to meet the demand for steady cash flows after retirement.

e. Short and long-Term business development plans

1. Wealth Management

(1) Short-term business development plan

- ◆ We applied precision data analysis and integrated the resources of Taishin FHC to enable customized marketing and maximize cost effectiveness. We also provided customers with tailor-made finance and debt solutions which in turn result in greater satisfaction and higher AUM.

- ◆ We constructed an O2O financial network consistent with customers' individual and household needs for a complete range of wealth management services.
- ◆ Build customer relationships as a local business and assign customers to nearby branches by work address. Observe customers' transactions on a regular basis and change home branches accordingly.
- ◆ The rise of a new generation makes it necessary to follow changes in younger customers' behavior, revamp financial services and create a new customer service experience in order to effectively attract younger generations.
- ◆ We combined big data analytics, digital footprint, and personalized experience to compute customers' needs for wealth management service and provide integrated financial planning services.
- ◆ Prepare for population aging and declining birth rate trends and support regulatory policies by actively developing innovative trust businesses that help customers achieve both asset management and asset inheritance.

(2) Long-term business development plan

- ◆ Build a customer operation system based on data and supported by digital/technology, improve customer modeling technology, and support the integration function of virtual and physical channels for more accurate cluster management.
- ◆ Complete O2O integration, including Internet Banking, Mobile Banking, Richart Life app, the corporate website, customer service center, automated service facilities, and branches, in order to deliver top-notch financial service experience to our customers.
- ◆ Continue to build a stronger team and a wider range of products and instant services; and incorporate premium wealth management membership benefits to create one-stop wealth management services for customers.

2. Retail Banking

(1) Short-term business development plan

- ◆ Continue to optimize online loan application and credit card application process by adopting a customer-oriented approach.
- ◆ Expand the use of digital tools, such as using "C3 software certificate" authorization for loan application, introducing an automatic valuation system for the mortgage system, initiating intelligent automatic review/automatic appropriation projects for the unsecured loan system, and using information sharing platforms between financial institutions and government platforms (such as: MyData, TW Fido, a citizen digital certificate app), to enhance business efficiency.
- ◆ Constantly enhance external partnerships, including building stronger relationships with real estate agents, deepening ties with car dealers, and collaborating with co-branded card partners, to secure our business basis.
- ◆ Make the most of the synergy from integrating loan options; utilize Taishin FHC's life insurance and securities resources to expand customer services; and scale up successful business teams.
- ◆ In terms of credit card operations, we will continue to grow the market share of bank cards/cards in force. Widen mid- to high-end card product lines to boost the proportion of affluent customers; Improve the cross-selling penetration rate and the success rate of retaining high-contributing customers.
- ◆ Regularly evaluate the competitiveness of Taishin Bank credit cards and resource distribution to strengthen product profitability structure to increase revenue.
- ◆ Use new data analysis models to identify potential customers and their preferences, to accurately acquire new customers and boost their product holdings.

(2) Long-term business development plan

- ◆ Maintain the use of AI model technology for customer segmentation management, while streamlining digital loan application processes and implementing intelligent review and identity verification, to craft a digital-only platform for lending.
- ◆ Broaden the range of identity verification choices to boost the scale and efficiency of online loan/credit card applications.
- ◆ Gain insight into the trends and needs of the industry and tap into new markets, to drive growth in credit card acquiring business and boost profits.
- ◆ Show concern for the rights and interests of customers, strengthen the bond between both parties, and implement the principle of Treat Clients Fairly, to minimize the number of customer complaints.

3. Digital Banking

(1) Short-term business development plan

- ◆ In addition to continuously developing Richart comprehensive digital financial products such as utility model insurance, utility model investments, and utility model loans, we also develop financial scenario applications such as electronic payment and e-commerce.
- ◆ We launched new payment modules and services, including optimized Pay + payment module, the One Code Platform and apps for merchant collection, and we also developed e-gift card platforms to provide faster and easier-to-use integrated payment plans.
- ◆ We will continue to roll out new features for Richart Life, including a reverse-linking API for members (i.e., building an universal log-in interface for Richart Life members on the channels of collaborative merchants in the ecosystem, to provide financial services that will refine the experience of users of both sides), a point integration account and real-time point redemption feature, and public transport code, to offer incentives that motivate customers to utilize our services.
- ◆ We are pioneers in our industry, being the first to introduce an ATM that allows for both deposit and withdrawal of four major foreign currencies. Additionally, we are the first to serve as a receiving bank for international remittances. In addition, we also offer QR code-based international cardless cash withdrawal service, service of withdrawal from foreign currency account of another bank, Visa Direct service (inward remittance account), and SWIFT remittance from a non-designated account. In this way, we offer more convenient foreign currency services.
- ◆ Our Internet banking platform features web pages with responsive web design (RWD), ensuring compatibility across all devices and enhancing the ease of accessing account and transaction information.
- ◆ Our Mobile Banking platform enables users to easily open a Taishin Securities account on one page without any redirects.

(2) Long-term business development plan

- ◆ Through cross industry collaboration, we applied our products to multiple financial scenarios.
- ◆ We incorporate cutting-edge technologies to create innovative digital tools and models. For example, we have integrated generative AI technology into our smart customer service, resulting in intelligent financial services that are more heartfelt.
- ◆ Build an open ATM platform to encourage businesses to transform themselves and explore cross industry partnership opportunities.
- ◆ We built the points integrated service platform to provide various plans of payment and points integration to merchants.
- ◆ Build a all-round securities investment platform on our Mobile Banking System to provide customers with more diverse investment products.

4. Wholesale Banking

(1) Short-term business development plan

- ◆ Implement customer relationship management by segmentation, improve product dimensions, and strengthen relationships with customers.
- ◆ Enforce group-wide limit control to ensure optimal allocation of credit risk among subsidiaries.
- ◆ Expand relationships with securities customers through cash flow services and demand deposit privileges; increase the percentage of customers' demand deposits for lower funding costs.
- ◆ Combine channel resources within the bank; cater to local customers and expand the SME customer base; and focus equally on profitability and quality.
- ◆ Increase the number of branches in China and Asia and build an integrated cross border platform that embodies the policy to serve Taiwanese businesses worldwide and position the bank as a global business.
- ◆ Build the bank's overseas talent pool through regular job rotation, in order to accommodate growing businesses.
- ◆ Provide financial intermediation in a timely manner to assist the development of potential industries, while paying attention to risk control in response to the government's promotion of SMEs and six core strategic industries, including information and digital, cyber security, biotech and medical technology, national defense and strategic, green power and renewable energy, and strategic stockpile industries.
- ◆ While the Southeast Asian economies continue to grow, the need for financing infrastructure in the region grows. The government's New Southbound Policy offers benefits for investment and therefore benefits for the bank's operations in Southeast Asia.
- ◆ Offer "Loan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" in line with the government's policy to assist returning businesses to obtain funds for construction of plants and relevant facilities, purchase of equipment and provide working capital via loans.
- ◆ Work with relief programs from government departments (MOEA, MOTC, MOC, MOHW, and CBC) and provide relief plans for customers, including extension of existing accounts, operating funds, and revival funding.
- ◆ We promoted green finance, financial sustainability, and responded to international advocacies of implementing corporate sustainability and all facets of ESG.

(2) Long-term business development plan

- ◆ Enhance service capabilities and product innovation; anchor customer relationship and aim to raise customers' satisfaction and contribution.
- ◆ Allocate group resources with greater efficiency; deliver all-round financial services through synergistic use of existing product lines.
- ◆ Actively explore overseas markets; increase profit contributions from overseas and broaden the bank's presence in China and the Asia Pacific region.
- ◆ Continue recruitment and cultivation of overseas talents to support the medium and long-term development of overseas business.

5. Financial Market Services

(1) Short-term business development plan

- ◆ Continue to improve the financial structure, reduce the cost of funds, increase investment returns and transaction margin, and create more sources of regular income.
- ◆ Continue to explore new customer bases while strengthening existing customer relationships; and seek opportunities for wholesale banking, institutional investment, wealth management, and private banking services in domestic and international markets in order to generate more domestic and foreign income.

- ◆ Enforce self audit, develop better internal control systems, and adhere strictly to the compliance rules and other applicable laws and regulations.
- ◆ Recruit and retain talent, build up human capital, provide training, and create a stronger talent database.

(2) Long-term business development plan

- ◆ Continue to develop innovative financial products and services in order to optimize sale process and platforms and satisfy customers' needs for investment and wealth management to create mutual benefit for the bank and the customer.
- ◆ Implement and promote the use of electronic platforms, and improve the quality and efficiency of products and services.
- ◆ Strengthen market and operational risk management to monitor risks with more precision.

6. Trust Services

(1) Short-term business development plan

- ◆ We provided a 24-hour bilingual "Employee Incentive Trust Service Network" platform, enabling employees to review the terms and conditions of a trust online at any time and access transparent information. We continuously improved Internet functions such as signing a trust agreement online and subscribing to shares of Cash Capital Increase online.
- ◆ Develop a smart digital banking environment with more convenient services such as electronic account opening, smart trading, and financial planning services.
- ◆ Introduce an adequate understanding of asset allocation, and provide regularly investment performance reviews and post-investment services such as risk management and market trend analysis in order to help customers achieve stable returns and in turn increase product sales and total assets under management.
- ◆ The real-time trading system for foreign ETFs, foreign stocks, and other foreign securities gives customers an easier-to-use trading platform that is more instant and responsive. The foreign securities investment advisory service also helps customers stay updated on their investments.
- ◆ Our investment targets will continue to focus on a variety of overseas bonds with high credit rating, providing customers with fixed income options after interest rate hikes. We will help customers keep abreast of investment trends by providing overseas bond consulting services, and actively develop mobile banking and information inquiry services to provide customers with more convenient online investment channels.
- ◆ Potential customer bases are explored and offered financial publication and information. Investment seminars and promotional events are organized to increase AUM.
- ◆ The Bank, by careful screening, is the first to introduce new products with specific focuses to suit different financial planning and asset allocation needs.
- ◆ A rich variety of online financial information is available for one-stop online financial planning services.
- ◆ The idea of regular fixed-amount investment is matched to investment objectives of customers at various stages of their lives to encourage customers to accumulate wealth, thereby increasing AUM for the Bank.

(2) Long-term business development plan

- ◆ Continue to develop diverse trust products and optimize digital trust platforms while integrating the resources and professional knowledge of various division to provide a comprehensive range of trust planning services.
- ◆ In promoting financial product, it is necessary to periodically review new or revised announced by the government.

- ◆ Continue introducing a diverse range of new products and services intended to deliver consistent returns for investors in bearish markets.
- ◆ Promote asset allocation and regular fixed investment, and aim to increase product sales and total AUM.
- ◆ Track product performance regularly and continue to improve risk indicators to monitor product performance and risks for customers.
- ◆ Continue introducing a variety of new funds or flagship products offered in other countries for high net worth customers; and innovative means of investment to meet the demand for financial planning and investment efficiency.

7. Insurance Broker Services

(1) Short-term business development plan

- ◆ Continue to provide protection-oriented products that meet customer needs, and actively introduce a variety of life insurance products such as participating insurance policies; and increase the penetration rate of insurance products by introducing more NTD insurance products for customers who shy away from foreign currency exchange when NTD tends to depreciate due to market changes.
- ◆ We continued to introduce innovative structures in addition to adding Taishin Life Insurance investment-linked insurance products to meet different needs for financial planning and protection.
- ◆ Enhance the diversity of online insurance products. Considering the characteristics of digital natives, we keep introducing topical, fragmented and scenario-based online insurance products, for enhancing differentiated marketing, fulfilling the vision of inclusive financing.

(2) Long-term business development plan

- ◆ Check regularly changes in the competent authority's policies and regulations, and respond promptly to the latest guidelines while promoting new type insurance products and services.
- ◆ We continued to introduce different insurance products and combined the Taishin Life Insurance strategies to enable a one-stop insurance shopping for customers.
- ◆ In response to increased awareness of consumer rights and the need to ensure suitability of financial products and services, the insurance brokerage service at Taishin Bank treats customers equally, and works constantly to optimize the process before, during, and after a sale and review the services. Meanwhile, Taishin Bank continues to provide professional and compliance training for salespersons on a regular/ad hoc basis. Furthermore, as part of its commitment to corporate social responsibility, sustainability, and ESG compliant services, Taishin Bank reviews the service and financial data of its affiliated insurers against strict standards in order to provide suitable and secure insurance planning and after-sales services.

B. Employee

a. Employee information in the recent two years and as of the date of the publication of the annual report

Feb. 29, 2024 Units: years ; people

Year		2022	2023	Current year as of February 29, 2024
Numbers of employee	Male	3,113	3,181	3,199
	Female	4,728	4,918	4,925
	Total	7,841	8,099	8,124
Average age		39.04	39.20	39.28
Average service years		9.25	9.28	9.35
Shares of education degrees	Doctor	0.08%	0.09%	0.07%
	Master	20.95%	20.56%	20.77%
	College	74.58%	75.18%	75.00%
	Senior high	4.30%	4.14%	4.12%
	Under Senior high	0.05%	0.04%	0.04%
Kinds of professional certificates owned by employees and their numbers	Test for trust business	4,033	4,114	4,084
	Basic test for internal control	4,268	4,358	4,336
	Qualification test for property insurance staffers	3,468	3,512	3,485
	Investment-type insurance policy staffers.	1,152	1,682	1,675
	Life insurance staffers	3,476	3,458	3,409
	Future business staffers	378	373	369
	Securities investment analysis	34	36	36
	Senior securities staffers	410	419	414
	Investment trust and consulting staffers	415	421	418
	B-type laws and regulations for investment trust and consulting (including professional ethical code)	2,134	2,212	2,198

b. Employee training and development

To support continuous business growth, personal training and development has been the consistent insistence of Taishin Group. In 2023, the company's training efforts received the highest level of subsidy from the Ministry of Labor under its "Corporate Talent Improvement Program." The total number of trainees reached more than 463,141 people/attendances and the average annual training hours per person reached more than 92.5 hours. The following talent training measures have been adopted to maintain the organization's competitiveness:

1. Taishin University

Utilize the integration of Taishin University and CTMS training management system, each of the courses offered had been associated to various managerial roles and general roles within the organization, so that every staffer can take advantage of systematic and structured course design and system function to carry out plural learning. The platform features "transparent learning information", "diversified learning channel", "and integrated learning resources". Furthermore, a number of digital banking and language courses were provided in 2023 in support of the trends in fintech and the company's overseas expansion strategies.

2. Talent Inventory Program

Choosing and recruiting different levels of colleagues by the 360 evaluation mechanism and the talent committee, and thereby identify prospective managers for various levels such as MA, AMA and TSP. The identified candidates are then assigned with job duties and goals that help build up skills to their intended positions.

3. Individual Development Program

By analyzing MBO and career goals, the company is able to identify skills that employees' lack. These gaps are then addressed through training, job rotation, mentoring, meeting participation, and project involvement with close guidance from managers. The company has implemented a training account system where each employee is given 10,000 training points to spend each year; furthermore, employees are subsidized for their efforts in gaining professional qualifications, secondary skills, language and computer skills etc, so that their personal goals are congruent with those of the company."

C. Corporate responsibility and code of ethics

Taishin Bank, as a financial institution, is devoted to fulfilling its corporate social responsibility. It coordinates and combines resources from its subsidiaries, and has for years been offering support in areas including charities, arts and culture, sport sponsorship, and financial education. As a responsible corporate citizen, Taishin Bank tries to give back to the community and to support the disadvantaged.

a. Other key information conducive to the understanding of the operation of corporate social responsibility:

1. Charity and Welfare

"Caring Taiwan" series Taishin FHC teamed up with the well known shopping website, PayEasy.com by Systems & Technology Corp., and launched the "Caring Taiwan" Project in 2002. The project has reached into Xinyi Township, Zhongliao Township, Yuchi Township, and Guoxing Township and utilized corporate resources to help disaster victims develop local economies. The idea is to teach them to fish instead of giving them fish. Online campaigns advertise local specialties of disadvantaged regions and tourist attractions and call on the general public to purchase local produce and make credit card donations. The project has succeeded in helping to rebuild the disaster areas and establishing a model of corporate citizenship. In 2008, the "Caring Taiwan" Project extended its reach into rice production in Taiwan. To ensure the continuity of Taiwan's agriculture and the population's access to 100% locally grown rice, Taishin Holdings and PayEasy.com created an innovative platform for the production and marketing of Taiwanese rice. The programs "My One Acre of Farm" for corporations and "My Family's One Acre of Farm" for households helped bring Taiwanese rice into households. They not only provided healthy choices for consumers, but generated income for rice farmers, which in turn created more jobs on rice farms in Taiwan. Under the "My One Acre of Farm" project, Taishin FHC purchased more than 200 units and funded close to 100 hectares of paddy field. More than 10,000 clients and employees consumed close to 350,000kg of premium Taiwanese rice. The total investment reached NT\$38.22 million.

2. Power of love

The Taishin Charity Foundation was established in 2010. It rolled out the first and biggest public welfare voting activity in Taiwan - "Power of love" campaign. It uses three simple steps: proposal, voting and implementation, to teach non-profit organizations to learn the Internet, Ability to publicize and be accountable. And with the spirit of "give fish to eat, it is better to give fishing rods and teach fishing", set up an innovative model of public welfare assistance. Over the past 14 years, a total of more than NT\$340 million charity funds have been used, benefiting 1,700 non-profit organizations and 6.34 million beneficiaries.

In addition to "Power of Love" campaign, the Taishin Charity Foundation uses its platform to combine and connect Taishin FHC's resources and partners interested in offering resources to organize a string of similarly themed events, including Minority Project, Campus Charity, Charity Art, Power of Love Workshop, Group purchase of festive charity gift boxes, purchases of charity gift boxes, were created to invite charity groups,

employees, clients and suppliers to join in expectation of expanding its social influence. The campaign was certified by the British "Social Value International" SROI in 2020 and 2022. With continuing impact management in 2023, the campaign received an SROI of NT\$8.11 (i.e. generating \$8.11 in social value for every \$1 invested in the platform). This is the world's first charity platform that has passed both forecast and evaluative SROI and invest in ongoing impact management at the same time.

b. Arts and Culture Development

1. Contemporary art

Taishin Bank donated to establish "Taishin Bank Culture and Art Foundation" in 2001, with the theme of "promoting cultural life quality and strengthening artistic-development environment". It supports arts as a nonprofit institution, intensifies exchanges between artistic innovation and private industry, and realizes the corporate social responsibility of payback to the society. The Taishin Arts Award was created by the foundation and rewards modern artistic creativity in various fields in Taiwan that demonstrates growth potential and reflects the society and local cultures. Over the last 21 years, the Arts Award invited 197 judges from the local and international communities, who selected 327 nominees and 70 winners. In 2023, 9 nomination observers selected 17 teams out of 115 nominees and announced the winners of three awards in the ceremony in May. The ceremony was livestreamed and attracted close to 30,000 views. The Arts Awards website drew more than 50,000 visits in the year. In addition, through the ARTalks art review network, it not only collects art reviews from domestic scholars and experts, but also serves as a platform for the public to express their artistic views and dialogues. The website received more than 3.3 million visits over the last 10 years. Through the operation of the award mechanism, combined with the promotion of trained art critique writing, it has become a force that continues to promote the development of Taiwan's overall arts and culture ecology.

2. Community campaigns

(1) Exhibitions in 1F lobby of Taishin Tower:

The foundation hosts regular art exhibitions in the 1F lobby of Taishin Tower. Since the first exhibition in 2006, there have been 80 exhibits, and the venue has become a perfect gateway into arts for customers, employees, and the community. The exhibits in 2023 included Tsuzuku by Japanese artist Akira Minagawa, Dream About Me by Joyce Ho, and Weed Day, where a team of artists installed a weed ecosystem outside Taishin Tower. The last exhibition and workshop painted a soothing picture of weed mandala in support of sustainability.

(2) The Lunchtime Concerts:

The foundation hosts Lunch Concerts in the 2F Yuan Room of Taishin Tower every other Friday. The foundation invites well known artists from around the world to perform at these concerts, which are open to the public for free. The foundation has hosted close to 400 concerts over 17 years. A total of 24 concerts took place in 2023. Top musicians who played at these concerts included the MIT Saxophone Ensemble, the Gleam Ensemble, and the KGBL Chamber Choir of Slovenia. The foundation also organized the first family concert, which brought together storytelling and harp and violin music for a good time for families and children.

3. Employee arts courses

The foundation organizes and executes the Employee Arts Courses. These courses help employees find physical and mental wellness through arts and culture, building up indirectly a healthy corporate culture and innovation capabilities. The courses cover art appreciation, theater introduction, family activities, and arts and movies. A total of 14 employee arts courses took place in 2023. More than 700 employees participated in these courses. Activities included the 2023 Taipei Children's Arts Festival - The Way Back by the Double Theatre, the guide tour and movie appreciation of Days by Ming-Liang Tsai at MoNTUE, a performance by the Bochumer Symphoniker featuring Tung-Chieh Chuang at National Kaohsiung Center for the Arts, and visits to the Simba Lion Arts Studio. In addition, the foundation publishes an arts e-newsletter every month. The newsletter recommends exhibitions and performance and encourages employees to share their reviews.

4. Arts and culture sponsorships

Taishin FHC has invested close to NT\$289 million in arts and culture sponsorships in Taiwan since 2006. The events together attracted 7.555 million participants.

c. Sports Sponsorship

Taishin is a long term supporter of sports. Taishin started supporting the Nantou County Youth Karate Team in 2005 (calling upon its customers through PayEasy to join the campaign and raising more than NT\$108.98million in small donations and receipts). Its sponsorship for female professional golfers reached NT\$100 million in 2011. In addition, Taishin started hosting charity golf tournaments in 2011. The tournaments have welcomed 601 participants and raised more than NT\$21.85 million in total. Furthermore, Taishin started sponsoring a wider range of projects, including basketball, baseball, marathons, and e-sports, in 2017. In 2020, Taishin supported the professional basketball team and title sponsored the "Formosa Taishin Dreamers". In addition, the Taishin Taipei Mars team was formed in August 2023. Taishin adopts the strategy of integrating public welfare and good circulation, and tries its best to combine sports and public welfare to achieve the highest level of high promotion and deep care. Taishin has obtained MOE sports enterprise certification four times (valid for 2 years each time initially but changed to 3 years in 2020; and the four times being in 2016, 2018, 2020, and 2023). Taishin received another Sports Sponsorship Award again in 2023 and won Sponsorship Gold and Long Term Sponsorship.

d. Academic Exchange

Taishin is always keen to get involved in major academic communities with the hope that through communications and exchanges between industry professionals, government officials, and academics sound development of Taiwan's financial sector and the financial market as a whole can be facilitated.

Regarding industry-academia cooperation, since 2011, Taishin has been cooperating with universities, technology institutions and vocational schools to design industry-academia cooperation programs that offer students internships and the opportunity to learn and gain practical experience out-side school. In 2023 over 400 students were recruited into an internship program. Given the up-rise of financial technologies, Taishin has even launched a number of postgraduate internship programs that aimed to explore potential talents in relevant fields such as digital banking, data mining, data analysis and FinTech development.

As part of its commitment to the community and talent development, Taishin offers scholarships and summer internships for National Taiwan University students from financially disadvantaged backgrounds. Furthermore, followed by the courses on "Financial Service Innovation" in National Taiwan University and "Financial Innovation Master Program" in National Sun Yat-sen University to nurture talents in school and fulfill talent pool in Taishin via the industry-academia collaboration.

e. Environmental Protection

1. First carbon neutral certification

In 2023, the company selected the Wholesale Banking Center - Jianbei Building to be the candidate for carbon neutral certification. The building received the company's first green building certification by starting to replace energy intensive air conditioning equipment in 2020. The building later implemented the electricity saving measures with controlled air conditioning hours for energy saving. The campaign, coupled with purchases of renewable energy certificates and carbon credits, enabled the building to complete carbon neutral certification in December. This is the company's only building that has passed both carbon neutral and green building certification.

2. Taiwan Carbon Solution Exchange (TCX) - first buyer on an international carbon trading platform

The company made early preparations for the government's 2050 net zero path. At TCX's invitation, the company became one of the first financial institutions to participate in carbon trading in December 2023. Carbon credits purchased for landfill gas capture for electricity generation project will be used to offset carbon emissions of the company's businesses, financial products/services, and brand events.

3. Continuing "Earth Hour" campaign and the electricity saving measures

The company has brought together the 101 branches of its banking subsidiary as well as its securities and life insurance subsidiaries to support the Earth Hour for three years in a row. Lights along with energy-consuming lamps such as neon lights and marquees were turned off during the campaign. In 2023, the Cool Biz - dress for summer event was turned into a year round dressing code. The company used the electricity saving measures and e-newsletters to raise carbon awareness in the workplace.

4. Continuing use of renewable energies, replacement of energy intensive equipment, and green building certification

3 new electric vehicle charging stations and 1 green building certification (Yongfu Building) were added in 2023. 2 offices switched to energy saving air conditioning units and 8 offices to energy saving LED lighting. The company also followed the SBTs to purchase a total of 7,213,689 units in renewable energies and certificates to increase use of renewable energies.

D. The number of full-time, non-managerial staff, the average and median of salaries for full-time, non-managerial staff, and differences of the aforementioned figures from the previous year

Unit:NT\$1,000; people

Number of People/Amount \ Year	2023	2022
Number of Employees	6,953	6,725
Average salary	1,389	1,286
Median salary	1,121	1,044

E. Information system

a. Major information systems

Item number	System name	Name of service
1	NT\$ core system (B@NCS)	<ul style="list-style-type: none"> ◆ B@NCS NT\$ application system ◆ B@NCS NT\$ reports system ◆ General ledger
2	ATM front end processor (FEP)	<ul style="list-style-type: none"> ◆ ATM front end processor system ◆ Clearing system
3	Integrated database system (ODS)	<ul style="list-style-type: none"> ◆ Operational database system(ODS) ◆ Data warehouse(DW/DM)
4	Sales force automation system (SFA)	<ul style="list-style-type: none"> ◆ Sales force automation system(SFA) ◆ Financial planning system
5	Personal finance (Internet/mobile banking)	<ul style="list-style-type: none"> ◆ Internet Banking/Action Bank ◆ NT\$/foreign currency transaction inquiries, funds, trust services, credit cards, insurance, shares
6	Digital banking system	<ul style="list-style-type: none"> ◆ Richart digital banking ◆ NTD/FCY transaction inquiry, funds, trust services, and credit cards
7	Trust Investment Platform system (TIPS)	<ul style="list-style-type: none"> ◆ A trading system for funds, ETF, offshore structured instruments, offshore bonds, ADR, and preferred shares
8	Credit card merchant acquiring system (NCPS)	<ul style="list-style-type: none"> ◆ Merchant acquisition of credit card transactions
9	Foreign currency system (WBS)	<ul style="list-style-type: none"> ◆ Limit control, guarantor and collateral management ◆ Import/export/loans/Deposits/ Remittance ◆ Foreign Exchange/Regulatory Media Reporting/Accounting/ Deposit /Nostro
10	Image Operation System(IOPS)	<ul style="list-style-type: none"> ◆ TWD(Accounting/Remittance/Application/Account Opening/ Receipts/KYC/Transcript CIF update for personal data / branch official document delivery / account opening OCR CIF file · Acquiring franchise store application, overdue debt collection (Court orders/ Property/income documents/Transcript of household registration/ Overdue debt collection documents)
	Credit Mortgage Loan System (CMLS)	<ul style="list-style-type: none"> ◆ Credit mortgage loan(includes APP)
	Credit Personal Loan System (CPLS)	<ul style="list-style-type: none"> ◆ Credit personal loan(includes APP)
	Credit Car Loan System(CCLS)	<ul style="list-style-type: none"> ◆ Credit car loan(includes APP)
	Credit Car Loan System(CCLS)	<ul style="list-style-type: none"> ◆ CME loan (Obligation documents/Score card review)
11	Factoring management system (OAEFB)	<ul style="list-style-type: none"> ◆ Accounts receivable system
12	Financial market trading system	<ul style="list-style-type: none"> ◆ Financial markets (FX & MM) trading system ◆ Trading risk control system ◆ Post-trade operations for financial markets
13	Structured product sales system (SDS)	<ul style="list-style-type: none"> ◆ DCI/ELI/GLI/FCI transactions ◆ SI transactions ◆ Spot orders ◆ Gold trading
14	Singapore wholesale banking system (SGWBS)	<ul style="list-style-type: none"> ◆ CIF, limit control, guarantor and collateral management ◆ Funding/Spot/Forward/Swap ◆ Import/Export/Loan/Deposit/Remittance/Accounting/Nostro
15	Mobile office	<ul style="list-style-type: none"> ◆ A mobile office based on cloud technology ◆ Software development tools based on cloud technology

Item number	System name	Name of service
16	Japan wholesale banking system (JPWBS)	<ul style="list-style-type: none"> ◆ CIF, Limit control, guarantor and collateral management ◆ Import/Export/Loan/Deposit/Remittance/Accounting/Nostro ◆ Funding/Spot/Forward/Swap
17	Bankwide anti-money laundering control system (AML)	<ul style="list-style-type: none"> ◆ Anti-money laundering control systems for head office and overseas branches
18	Brisbane wholesale banking system (AUWBS)	<ul style="list-style-type: none"> ◆ CIF, Limit control, guarantor and collateral management ◆ Import/Export/Loan/Deposit/Remittance/Accounting/Nostro ◆ Funding/Spot/Forward/Swap
19	Hong Kong wholesale banking system (HKWBS)	<ul style="list-style-type: none"> ◆ CIF, limit control, guarantor and collateral management ◆ Import/Export/Loan/Deposit/Remittance/Accounting/Nostro
20	Global Digital Banking Network (gB2B)	<ul style="list-style-type: none"> ◆ NTD/FCY deposit and remittance, collection and payment transfer, wholesale financing, corporate financial planning, broker service, Hong Kong deposit and remittance, and Hong Kong wholesale financing
21	Labuan Branch system (MYWBS)	<ul style="list-style-type: none"> ◆ CIF, limit control, guarantor, and collateral management ◆ Loan/Deposit/Remittance/Accounting/Nostro
22	Credit Card Issuance Authorization System (CCIAS)	<ul style="list-style-type: none"> ◆ The core system for processing of credit card businesses, including credit card issuance, transaction authorization, account settlement, bill payment, bad debt processing, cardholder management, card management, and other functions and services
23	Payment Processing and Settlement System (APSS)	<ul style="list-style-type: none"> ◆ Application and management of merchants for whom we act as acquirer bank, rates, installments, payment, settlement, and other tasks
24	e-Merchant and Online Authorization Service System (TSPG)	<ul style="list-style-type: none"> ◆ Cash services for e-Stores support the 3DS2.0 authentication and payment page for PC, mobile phone, and app ◆ V/M/J Credit Card/Smart Pay/Union Pay/AE/FISC Bill & Tax Payment/DCC Transaction & Cancellation/Return Transaction & Payment Request/Settlement Service
25	Open Source Mobile Point of Sale P+ (APPOS)	<ul style="list-style-type: none"> ◆ Payment: COF (Card On File) ◆ Payment Barcode: Token Payment, First 2-3 Code Merchant Settings, Exclusive Rules, and Barcode Life Cycle
26	New Service Payment System (TSCB)	<ul style="list-style-type: none"> ◆ Providing domestic/overseas payment instrument interfaces
27	Access Control Server One Time Password System (ACSOTP)	<ul style="list-style-type: none"> ◆ Credit/Debit card 3D online transaction ◆ Credit/Debit card digitization for digital wallet (VISA/MasterCard/JCB/TWMP) ◆ Credit card cash advances for on-us ATM transaction
28	Credit Card Authorization System (CCAATH)	<ul style="list-style-type: none"> ◆ Credit/Debit card routing service for international transaction or digital wallet transaction ◆ Credit/Debit card VIP and Warning Bulletin reporting to Visa & MasterCard
29	Enterprise Application Integration System (EAI)	<ul style="list-style-type: none"> ◆ Provide interconnectivity for telecommunication messages among various systems and applications ◆ Provide integrated applications for telecommunication transactions among various systems

b. Future development or installation plan

1. Apply cloud technology to achieve resource integration; maximum use of IT resources to improve service quality.
2. Assist with construction of IT systems for overseas branches-Vietnam.
3. Continue to expand the range of mobile apps.
4. Install automatic application monitoring mechanisms to supervise system performance effectively.
5. Implement a new generation of custodian banking system for enhanced information security management and higher service quality.
6. Expand TIPS to help branches optimize their sales process.
7. Implement a new generation of mobile insurance system that can flexibly and quickly respond to market regulations and new product updates from insurance companies.
8. Continue to develop the smart form processing system to give customers access to fax transaction services and make the Bank more competitive
9. Expand the scope of Richart Life app development, and develop payment scenarios and points programs in everyday environments.
10. Proceed to strengthen standardization of the EAI platform for financial information and add an API call service for better customer service.
11. Continue with the digital banking (Richart) capacity expansion project in order to support the business and membership growth momentum.
12. Implement the Fundamental Review of the Trading Book (FRTB) Basel to take a standardized approach to the calculation of market risk capital.
13. Proceed to upgrade the counterparty credit risk algorithm (CCR ALGO)
14. Refining and upgrading the asset-liability system
15. Implement the internal ratings-based approach to credit risk for retail/wholesale banking products and develop risk models and related procedures.
16. Implement a new generation of NTD bond management system for enhanced information security management and better system flexibility and processing performance.
17. Implement a data sharing platform to uniformly record and manage the consent status of customer data sharing and joint marketing between the financial holding company and subsidiary.
18. Continue to develop the lead arranger system for increased flexibility in process modification and higher operational efficiency.
19. Continue to optimize the global digital corporate banking network and the corporate banking app in order to provide a wider range of friendly services for wholesale banking customers and make the Bank more competitive.
20. Upgrade the encryption device of the B2Bank security system and use the bank-wide E2EE(End-to-end encryption) system HSM (Hardware security module) hardware.
21. Optimize the mobile office framework to give users a faster and easier-to-use environment.

22. Establish multiple payment gateways, improve credit card acquiring business capacity, and integrate the architecture of payment services provided to merchants.
23. Construct a dual core Bancs system to raise the level of service to active/active.
24. Establish an application middle platform (bank-wide containerized service platform) to phase out existing containerized platforms by 2026, and move important systems, e.g., mobile banking system and digital banking system, to the new platform, where more common features can be developed, transaction processing speed increases, and system stability is enhanced, thereby providing customers with consistent banking service experience across multiple channels. Integrate data information to turn services into data and data into services in order to quickly support marketing and innovation. Develop a bank-wide service platform to make us more competitive and able to provide better service.
25. Scale up the introduction of New Lookup, a monitoring system, into application systems, to effectively grasp system information and enhance system management.
26. Make plans for expansion of the bank's IT servers over the next 10 years to improve stability of the IT equipment and operating environment.
27. Optimize existing electrical system and air conditioning systems in computer rooms, to transition towards a more energy-saving green computer room in addition to maintaining the stability of the information equipment operating environment.
28. Intensify the use of a common proxy platform, continue to integrate intra-bank services to support business growth, boost hardware/software resources, and improve system utilization and usability.
29. Automate continuous integration (CI) and continuous deployment (CD) to improve personnel's output and reduce the manpower requisite for maintenance.
30. BancsLink supports different browsers to allow the system to be more flexible and expandable and more aligned with the branches' digital transition.
31. Create a new cross-border remittance service via Mastercard, raise transparency in wire transfer status and fees.
32. Upgrade the process engine of the auto loan review system for increased flexibility in process modification and accelerated marketing.
33. Make plans for implementing software defined wide area networking (SD-WAN) for more flexible use of the telephone network and enhanced backup connection.
34. Enhance smart operation and maintenance and implement change automation to reduce the manpower demand of operation and maintenance and to systematically manage large complex configuration data for higher operational efficiency.
35. In response to adoption of ISO20022 by SWIFT, the existing message text (MT) format must be converted to the MX format in 5 years. This is one of the key projects monitored by the competent authority.
36. Optimize the automation of regulatory reporting mechanism for overseas branch to comply with the regulatory requirement and enhance the efficiency and accuracy.
37. Import WBS(Wholesale Banking System) to Linux enhances system flexibility and scalability.
38. Develop financials-related carbon emission inventory system modules to enhance accuracy and efficiency in calculating carbon inventory as a foundation for future analysis; ensure compliance with the Regulations for Registration and Verification of Greenhouse Gas Emission Inventory and the requirements set forth in ISO 14064-1:2018, to ensure competitiveness in the face of environmental challenges.

39. To demonstrate the credibility of personal information protection, demonstrate the responsibility of good management, and build upon existing foundation of bank information security management, we are introducing international privacy, or personal information, protection standards for our Internet Banking system in Taiwan, aiming to acquire ISO27701 personal information management certification.
40. In October 2022, ISO revealed the third version of the ISO/IEC 27001:2022 global standard for managing information security systems. The Bank has launched a project to transition to the new standards and passed the certification, in order to bring its information security system up to par with international standards.
41. Revamp the form feature and process engine of the new electric form system to preserve system stability and security.
42. Leverage AI technology to create a system that can compare regulations from archives, minimizing the risks and expenses involved in such comparisons, and streamlining the compliance process.
43. Branch network equipment was replaced to improve hardware performance strengthen the backup mechanism and improve system stability.
44. Assess implementation of migrating data application and e-mail inboxes to the cloud and adopting Office Copilot, with a focus on ensuring compliance, as outlined in the cloud migration project.

c. Emergent backup and security protection system

1. Implement standardized data management practices and systems in accordance with the Personal Information Protection Act for added protection.
2. Comply with ISO/IEC 27001 standards. Ensure proper protection to data operations and information systems. Prevent incidents such as data corruption, theft, leakage, alteration, abuse, and infringement. Enhance the confidentiality, completeness and usability of stored information.
3. Introduce the use of infiltration tools to scan for network weaknesses regularly.
4. Develop an information security action plan, promote each implement plan, achieve information security goals and support the continued operation of the Taishin's business.
5. Introduce external library-based security scanning tools; the Bank's external service systems are scanned for vulnerabilities using external libraries, to enhance protection.
6. Implement Mobile Device Management to strengthen mobile device management and maintenance ,and enhance security in accessing business-related information.
7. Build network access control (NAC) to restrict unauthorized devices from accessing the internal network for better network access security.
8. Create an ATM white list management system to reduce the risk of unauthorized access for better ATM security.
9. Taishin Bank assesses computer system security by following the security guidelines on computer systems for financial Institutions in order to improve security of its computer system and website per year.
10. Improve off-site support to accommodate business requirements.
11. Install distributed denial-of-service (DDoS) attack prevention mechanisms so that all network traffic will be filtered through DDoS protection to ensure proper functioning of Taishin Bank's network.
12. Install double advanced persistent threat (APT) detection mechanisms that are capable of detecting unknown cyber attacks and preventing hacker attacks on internal network and trading systems.

13. Install EDR(Endpoint Detection Response) endpoint protection to enable real time detection of and defense against irregularities as a result of hacker attacks on endpoints.
14. SOC (Security Operation Center) Create an information security management platform and integrate infosec data from across the bank to be analyzed by AI and big data analytics so to detect early potential hacker activities and take countermeasures.
15. Edit the information security disaster handling procedures to provide the Bank with contingency guidelines in the event of an information security disaster, to reduce the impact time and scope of the disaster, and regularly implement information security disaster drills and test the feasibility of the handling procedures.
16. Purchase information security insurance to reduce the losses incurred from information security incidents (Transfer risk control).
17. Establish a digital forensic environment and standards to impart basic knowledge, and understand how to collect and preserve digital evidence to strengthen data completeness and availability and improve the ability to analyze incidents, handle incidents, and provide evidence.
18. Introduce two-factor authentication to connect to the production environment, and use two types of authentication methods at the same time to increase the strength of information security.
19. Regularly conduct inventories of IoT devices in accordance with the Regulations on the Use of Internet of Things Devices by Financial Institutions, and establish appropriate control measures and access controls to strengthen the usage management of IoT devices.
20. Plan and execute multiple information security exercises to help identify vulnerabilities in technologies, processes, and personnel and corresponding threats and to continue with planning, deployment, and improvement of security management measures for better information security defense.
21. Design password policy improvement plan, stronger system passwords length with 12 or more characters to comply with the new PCI DSS 4.0 starting in 2025.
22. Install endpointDLP (data loss prevention) to strengthen control of laptops being used outside the bank in terms of connection security policy and endpoint access in order to reduce potential risks in external use.
23. Implement IP management and asset detection tools for IoT equipment to effectively improve network security management inside the bank, simplify the IP process, and strengthen the integrity of network equipment management and inventory.
24. Implement remote browser isolation (RBI) in addition to the Bank's existing access management mechanisms as web browsing remains a relatively high hacker attack risk among cyber threats and RBI is provided to reduce the risk of incidence.
25. Sign MOUs with business partners to enable exchange of cyber threat intelligence and prevention methods in order to strengthen Taishin's capability of information security incident detection, response, and prevention.
26. Implement the ISO 22301 business continuity management system to ensure fast recovery of core business operations after a major disaster or incident in order to reduce impacts on stakeholders, financial markets, and the community and to fulfill Taishin's commitment to sustainability.
27. Implement Breach and Attack Simulation (BAS) that used scripts of different scenarios to automate simulation of hacker attacks in order to test defense against specific cyber threats and authenticate effectiveness of cybersecurity monitoring and defense deployment. Used test results for refinement and improvement and to enhance cybersecurity monitoring and defense resilience.

28. Implement cyber risk rating that uses non-invasive methods to collect external intelligence, combines honeynets and threat intelligence to detect exposed vulnerabilities, and provides quantitative cybersecurity risk assessment indicators to help businesses examine cybersecurity risk profiles and refine defense on an ongoing basis.
29. Plan and implement the system configuration parameter tools system and apply it to the server of the bank's operations, to comply with the Financial Supervisory Commission's promotion of the "Financial Cybersecurity Action Plan 2.0" and its "Finance Configuration Baseline (FCB)" requirements, thereby enhancing the security of the Server equipment.

F. Cyber security management

1. Cyber security policies and information security organizations

- (1) Taishin Bank has established the Cyber Security Policy, Security Management Guidelines for Network and Communication and other information security rules to provide guidelines for maintaining effective information security protection on an ongoing basis. The Information Security Committee has been created inside the financial holding company to meet every quarter and report information security results, risks, and improvements regularly to the executive management. The committee consists of directors with backgrounds in IT/information security, CEO, and CISO of Taishin FHC as well as president and Level 1 managers of Taishin Bank.
- (2) The chief information security officer (CISO) is the officer ultimately responsible for information security in the company. CISO oversees all information security operations in the company and validity of information security risk management mechanisms. CISO also delivers updates and results of information security operations regularly to the board of directors.
- (3) The information security department is made up by professionals in the sector. The department is responsible for planning and monitoring execution of Taishin Bank's information security policies and plans by gathering and analyzing internal/external trends and issues and stakeholder needs. The department also meets with other departments for evaluation and handling of information security risks. A risk-based approach to information security management is adopted in building a mature information security system aligned with fintech developments.
- (4) Meanwhile, an information security team is set up with the information security contact of each unit for the purpose of planning for a healthy organization on an ongoing basis and managing information security risks while improving overall maintenance of information security. Information security team meetings are held regularly to inform the teams of information security issues and related requirements. Team members are the seed members tasked with raising information security awareness in gatherings.

2. Detailed management strategies

- (1) Taishin Bank received ISO/IEC 27001 certification in 2010. To optimize information security management, the Bank has an independent third party perform a follow up review every six months and a re-certification every three years to ensure that the information security management system works effectively.
- (2) The IT assets of all head office units and branches are equipped with firewalls, intrusion detection, anti-virus and other defense in depth mechanisms. Vulnerability scans and repairs are performed regularly, and Red Team Assessments, social engineering exercises and distributed denial-of-service attack (DDoS) exercise are conducted with a hacker's logic techniques in order to identify hidden risks and reduce attacks and exposures and improve overall information security.

- (3) Multiple information security mechanisms have been implemented for the IT systems, internal and external network, and transaction websites. Security data and incidents on data and information security environments are gathered and analyzed for correlation before being presented on the Security Operation Center (SOC) platform. The goal is to optimize Taishin Bank's information security network and support real-time monitoring of information security incidents.
- (4) The Company has implemented a complete information security chain that gathers cyber threat intelligence, such as hacker techniques and latest threats and trends from around the world. The Company also checks whether internal security measures are able to detect and respond in real time.
- (5) Taishin Bank implements a security assessment of the computer information system each year with regulations in order to understand risks in the overall IT environment and to identify potential information security threats and vulnerabilities and make improvement. The requirement will improve security of the network and IT systems. The evaluation will follow International information Security Framework (FFIEC/CAT) to assess information security maturity and make improvement based on the result on maturity.
- (6) The Company will continue to purchase information security insurance in order to transfer information security risks, prevent above expected losses from information security incidents, and protect assets and stakeholder interest.

3. Losses incurred in major cyber security incidents: No major cyber security incidents occurred in 2023.

G. Labor-management relationship

a. Various employee welfare measures, retirement system and its execution, labor-management agreements, and various employee interest protection measures are listed in the following

1. Employee Insurance

- (1) Labor Insurance: The company bears 70% of the insurance premium; employees bear 20%.
- (2) Health Insurance: The company bears 60% of insurance premium; employees bear 30%.
- (3) Group Insurance: Employees are entitled to the coverage of association life insurance, accident insurance, medical and surgery insurance, cancer insurance, and occupational injury insurance, whose premiums are born by the company.
- (4) Travel safety insurance: Employees traveling abroad for company affairs are covered by travel safety insurance, whose premiums are born by the company.

2. Employee Welfares

- (1) The company has an "Employee Welfare Committee" in place to supervise the execution of welfare-related activities. The company also implements an "Employee Welfare Committee Subsidy Policy" that provides employees with subsidies for various occasions such as wedding, child birth, funeral, hospitalization, festivity, birthday, travel, private associations, and children's education. In addition to various subsidies provided by employee welfare committee, the company also provides employee stock ownership trust, employees physical examination, long-service incentive, subsidy for self development (including subsidy for studying foreign language and computer and subsidy for professional certificates).

(2) For employee assistance, the company cooperates with Teacher Chang Foundation in providing "employee daily-life support program" and establishes "care-for-employee mailbox" and "care-for-employee line" for use by employees.

(3) With regards to employee health management, the company hires occupational health nurses on-site to perform a variety of tasks such as promoting health awareness, hosting seminars, and performing health checkups. In addition, the company has contracted physicians available to provide medical consultation and workplace inspection services.

3. Employee Retirement System

The company has instituted "employee retirement measures" according to which pensions for retirees are paid according to the labor pension system and related laws/regulations.

4. Annual Leaves

The number of leave days are adjusted according to job grades, and exceed stipulated standards under the law.

5. The authority has taken the following disciplinary actions against the Company and its subsidiaries for results of labor inspections in last year up to the publication date of this annual report:

Company	Date	Case No.	Article number	Article content	Description
Taishin International Bank	2023.05.09	Nan-Shi-Lao-An-ZI No.1120572344	Article 24 of the Labor Standards Act	A former employee of Taishin Bank, a subsidiary of Taishin FHC, filed a complaint based on emails with daily work logs to the supervisor. The labor authority determined this employee's working hours according to the time when the emails provided were sent. However, Taishin Bank clarified that this employee understood the overtime application rules and had a record of applying for overtime during employment and the supervisor did not deny the applications and the bank had paid for overtime. In addition, Taishin Bank argued that emails could be set to be sent at certain time and might not be used as the sole evidence for working hours. Taishin Bank showed that this employee had stated during employment that emails were sent at hours that would be affected by computer and network processes and not reflect the actual time. Taishin Bank also provided evidence that this employee left the office before the emails were sent. Nonetheless, the competent authority did not accept the argument and deemed that Taishin Bank failed to pay this employee for extended working hours as required by law.	A fine of NT\$50,000 and release of name.

6. There is no other important agreement.

b. Specify loss resulting from labor-management disputes in the recent year and as of date of the publication of the annual report and disclose the value of current and possible future loss and countermeasures, as well as reasons for inability to estimate loss: The company has maintained harmonious employer-employee relationships; therefore there have been no losses due to employment disputes in the most recent years.

H. Important contract

Contract type	Party	Start date/ Expiration Date	Content	Restrictions
Procurement contract	Lien An Services Co., Ltd.	2023.01.01~2025.12.31	ATM cash security services	None
	Anfeng Enterprise Ltd.			
Procurement contract	Taiwan Security Co., Ltd.	2021.12.04~2026.12.04	Cash delivery service (CPC revenue)	None
Procurement contract	Taiwan Security Co., Ltd.	2023.01.01~2025.12.31	Cash delivery service (Bank branch)	None
Procurement contract	Acer E-Enabling Service Business Inc.	2021.01.01~2023.12.31	Microsoft EA large account procurement	None
Procurement contract	Mercuries Data System Ltd.	2023.01.01~2024.12.31	Automated service equipment (ATM, deposit machine, bankbook entry machine)	None
Procurement contract	M-Power Information Co., Ltd.	2023.01.01~2024.12.31	Software maintenance (Oracle)	None

I. Approval of applications for securitized products according to the statute for the securitization of financial assets or the statute for realty securitization in the recent year and related information:

For details , refer to the description of the bank's assets securitization business in point six, chapter seven.

VI. Financial Information

A. Brief balance sheet and comprehensive income statement in recent five years

Brief Balance Sheet (Single)

Unit: NT\$1,000

Items	Year	Financial analysis for recent five years				
		2019	2020	2021	2022 (Restated)	2023
Cash and cash equivalents, due from central bank, and interbank loans		89,284,951	106,574,248	111,232,755	141,471,215	136,722,695
Financial assets at fair value through profits and loss		118,491,900	104,573,778	93,937,997	106,327,208	140,735,792
Financail assets at fair value through other comprehensive income		273,212,640	190,210,737	138,582,353	117,368,575	130,801,651
Debt instruments at amortized cost		131,876,458	270,627,928	298,239,804	450,869,560	530,952,892
Investment in resale bills and bonds		10,582,727	3,768,198	9,776,840	11,788,760	18,831,853
Receivables-net		121,366,132	115,646,375	130,669,473	111,984,078	111,334,100
Current income tax assets		674,257	2,520	0	124,565	0
Loans and advances-net		1,138,476,030	1,243,698,700	1,319,913,808	1,408,561,211	1,517,143,729
Equity method investments -net		2,967,477	2,337,883	1,889,831	4,539,339	4,537,476
Other financial assets-net		4,744,939	4,920,328	5,876,466	6,159,889	3,567,346
Property, plant, and equipment-net		18,191,920	18,120,798	17,632,881	21,560,612	21,151,363
Right-of -use asset-net		2,671,366	2,731,449	2,368,596	2,026,914	2,119,290
Intangible assets-net		1,954,650	2,701,694	2,628,082	2,701,972	2,623,458
Deffered income tax assets-net		2,430,459	2,873,268	2,740,397	2,207,290	2,496,780
Other assets		7,193,358	6,761,056	11,448,341	14,108,429	15,219,308
Total assets		1,924,119,264	2,075,548,960	2,146,937,624	2,401,799,617	2,638,237,733
Central bank and interbank deposits		53,393,057	49,824,469	57,075,272	18,213,533	17,071,307
Central bank and interbank loans		1,505,300	1,925,590	3,984,460	0	0
Financial liabilities at fair value through profit and loss		24,578,932	30,828,522	23,322,146	47,197,553	54,957,541
Repurchase bills and bonds		105,587,770	78,215,782	72,590,202	70,555,477	74,144,555
Payables		29,086,994	27,721,633	20,098,972	21,724,358	25,057,961
Current income tax liabilities		1,499,397	1,143,977	932,611	1,234,518	2,915,703
Deposits and remittances		1,439,689,958	1,612,907,727	1,694,146,062	1,940,857,131	2,128,059,291
Debentures payable		34,800,000	34,800,000	34,800,000	28,000,000	28,000,000
Other financial liabilities		71,800,865	66,596,514	64,091,289	95,217,153	105,696,681
Liability provisions		1,638,442	1,792,627	1,870,559	1,649,999	1,734,196
Lease liability		2,739,424	2,833,533	2,452,383	2,106,706	2,236,892
Deffered income tax liabilities		82,175	136,848	57,887	58,364	58,362
Other liabilities		4,363,552	4,633,278	4,802,464	5,334,634	8,244,306
Total Liabilities	Before distribution	1,770,765,866	1,913,360,500	1,980,224,307	2,232,149,426	2,448,176,795
	After distribution	1,774,580,551	1,919,838,924	1,987,224,308	2,236,205,887	Note1
Equity attributable to parent company shareholders		153,353,398	162,188,460	166,713,317	167,213,251	190,060,938
Share capital	Before distribution	82,557,118	86,957,118	88,857,118	90,989,818	95,535,273
	After distribution	86,957,118	88,857,118	90,989,818	90,989,818	Note1
Capital reserve		30,249,980	30,249,980	30,319,980	30,319,980	35,930,369
Reatined earnings	Before distribution	39,042,711	42,784,021	47,428,303	50,448,131	60,925,837
	After distribution	30,828,026	34,405,597	38,295,602	46,391,670	Note1
Other equity		1,503,589	2,197,341	107,916	(4,544,678)	(2,330,541)
Equity attributable to former owner of business combination under common control		0	0	0	2,436,940	0
Total equity	Before distribution	153,353,398	162,188,460	166,713,317	169,650,191	190,060,938
	After distribution	149,538,713	155,710,036	159,713,316	165,593,730	Note1
CPA		Tza Li Gung	Ching-Cheng Yang	Han-Ni Fang	Han-Ni Fang	Han-Ni Fang
CPA		Kwan Chuang Lai	Han-Ni Fang	Ching-Cheng Yang	Ching-Cheng Yang	Ching-Cheng Yang
Type of CPA's auditing report		Standard without reservation	Standard without reservation	Standard without reservation	Standard without reservation	Standard without reservation

Note1: At the time this annual report was published, the board of directors had yet to convene a meeting to resolve the 2023 earnings appropriation on behalf of shareholders.

Note2: The above financial statements have been- prepared according to FSC-recognized International Financial Reporting Standards, international accounting standards and any interpretations thereof.

Note3: Taishin Financial Leasing (China) Co., Ltd. was merged into the Bank's subsidiary - Taishin D.A. Finance in December 2023, for which the 2022 financial statements were restated retrospectively.

Note4: At the time this annual report was published, no audited financial data for 2024 were available.

Brief Balance Sheet (Consolidated)

Unit: NT\$1,000

Items	Year	Financial analysis for recent five years				
		2019	2020	2021	2022 (Restated)	2023
Cash and cash equivalents, due from central bank, and interbank loans		89,484,792	106,780,390	111,417,531	143,539,966	137,811,812
Financial assets at fair value through profits and loss		118,491,900	104,589,049	93,937,997	106,327,208	140,735,792
Financial assets at fair value through other comprehensive income		273,224,593	190,223,460	138,594,848	117,381,058	130,813,378
Debt instruments at amortized cost		131,888,616	270,634,022	298,245,867	450,875,592	530,952,892
Investment in resale bills and bonds		10,582,727	3,768,198	9,776,840	11,788,760	18,831,853
Receivables-net		130,453,535	125,906,311	141,510,692	136,152,192	136,549,052
Current income tax assets		674,306	2,520	0	124,565	0
Loans and advances-net		1,138,467,117	1,243,688,768	1,319,902,582	1,408,552,701	1,517,138,497
Equity method investments -net		549,174	564,646	79,580	77,770	76,279
Other financial assets-net		4,744,939	4,920,328	5,876,466	6,166,388	3,567,346
Property, plant, and equipment-net		18,298,721	18,221,796	17,776,530	21,733,567	21,285,179
Right-of-use asset-net		2,674,105	2,774,071	2,400,474	2,145,164	2,199,192
Investment property-net		384,939	363,235	349,792	345,236	340,681
Intangible assets-net		1,956,403	2,702,983	2,633,498	2,728,213	2,647,375
Deferred income tax assets-net		2,493,690	2,928,910	2,796,459	2,492,091	2,820,201
Other assets		7,577,474	7,275,330	11,837,494	14,760,947	15,895,775
Total assets		1,931,947,031	2,085,344,017	2,157,136,650	2,425,191,418	2,661,665,304
Central bank and interbank deposits		53,393,057	49,824,469	57,075,272	18,213,533	17,071,307
Central bank and interbank loans		1,505,300	1,925,590	3,984,460	0	0
Financial liabilities at fair value through profit and loss		24,578,932	30,828,522	23,322,146	47,197,553	54,957,541
Repurchase bills and bonds		105,587,770	78,215,782	72,590,202	70,555,477	74,144,555
Payables		29,167,445	27,835,957	20,217,580	22,191,080	25,721,973
Current income tax liabilities		1,505,934	1,174,580	962,768	1,316,630	2,981,840
Deposits and remittances		1,438,757,647	1,612,660,225	1,693,855,429	1,940,679,925	2,127,785,661
Debentures payable		34,800,000	34,800,000	34,800,000	28,000,000	28,000,000
Other financial liabilities		79,940,321	75,997,088	73,941,070	117,105,979	127,414,840
Liability provisions		1,638,442	1,792,627	1,870,559	1,649,999	1,734,196
Lease liability		2,742,065	2,878,604	2,486,468	2,223,419	2,314,938
Deferred income tax liabilities		82,175	136,848	57,887	58,364	58,362
Other liabilities		4,657,411	4,942,817	5,118,819	6,209,416	9,279,378
Total liabilities	Before distribution	1,778,356,499	1,923,013,109	1,990,282,660	2,255,401,375	2,471,464,591
	After distribution	1,782,171,184	1,929,491,533	1,997,282,661	2,259,457,836	Note1
Equity attributable to parent company shareholders		153,353,398	162,188,460	166,713,317	167,213,251	190,060,938
Share capital	Before distribution	82,557,118	86,957,118	88,857,118	90,989,818	95,535,273
	After distribution	86,957,118	88,857,118	90,989,818	90,989,818	Note1
Capital reserve		30,249,980	30,249,980	30,319,980	30,319,980	35,930,369
Retained earnings	Before distribution	39,042,711	42,784,021	47,428,303	50,448,131	60,925,837
	After distribution	30,828,026	34,405,597	38,295,602	46,391,670	Note1
Other equity		1,503,589	2,197,341	107,916	(4,544,678)	(2,330,541)
Equity attributable to former owner of business combination under common control		0	0	0	2,436,940	0
Non-Controlling Interest		237,134	142,448	140,673	139,852	139,775
Total equity	Before distribution	153,590,532	162,330,908	166,853,990	169,790,043	190,200,713
	After distribution	149,775,847	155,852,484	159,853,989	165,733,582	Note1
CPA		Tza Li Gung	Ching-Cheng Yang	Han-Ni Fang	Han-Ni Fang	Han-Ni Fang
CPA		Kwan Chuang Lai	Han-Ni Fang	Ching-Cheng Yang	Ching-Cheng Yang	Ching-Cheng Yang
Type of CPA's auditing report		Standard without reservation	Standard without reservation	Standard without reservation	Standard without reservation	Standard without reservation

Note1: At the time this annual report was published, the board of directors had yet to convene a meeting to resolve the 2023 earnings appropriation on behalf of shareholders.

Note2: The above financial statements have been- prepared according to FSC-recognized International Financial Reporting Standards, international accounting standards and any interpretations thereof.

Note3: Taishin Financial Leasing (China) Co., Ltd. was merged into the Bank's subsidiary - Taishin D.A. Finance in December 2023, for which the 2022 financial statements were restated retrospectively.

Note4: At the time this annual report was published, no audited financial data for 2024 were available.

Brief Comprehensive Income Statements (Single)

Unit: NT\$1,000

Items \ Year	2019	2020	2021	2022 (Restated)	2023
Interest revenues	34,801,465	31,459,165	28,451,333	40,191,601	66,868,739
Interest expenses	(16,426,849)	(11,125,988)	(7,142,489)	(15,794,004)	(42,264,394)
Net interest income	18,374,616	20,333,177	21,308,844	24,397,597	24,604,345
Net Income other than net interest income	18,955,848	17,563,922	17,128,475	15,016,952	20,373,081
Net revenue and gains	37,330,464	37,897,099	38,437,319	39,414,549	44,977,426
(Provisions for) Reversed of bad debts expense, commitments and guarantee liability	(2,227,183)	(1,661,733)	(360,250)	(1,300,392)	(1,294,891)
Operating expenses	(21,722,373)	(22,179,622)	(22,770,455)	(23,083,041)	(25,756,815)
Income before income tax	13,380,908	14,055,744	15,306,614	15,031,116	17,925,720
Income tax expense	(1,570,766)	(1,881,045)	(2,181,734)	(2,549,427)	(3,080,784)
Net income from continuing operations	11,810,142	12,174,699	13,124,880	12,481,689	14,844,936
Net Income	11,810,142	12,174,699	13,124,880	12,481,689	14,844,936
Other comprehensive income (net of tax)	993,149	475,048	(2,191,599)	(4,637,623)	1,978,385
Total Comprehensive Income	12,803,291	12,649,747	10,933,281	7,844,066	16,823,321
Earnings per share(NT\$)	1.36	1.37	1.44	1.34	1.61

Note1: The above financial statements have been- prepared according to FSC-recognized International Financial Reporting Standards, international accounting standards and any interpretations thereof.

Note2: Taishin Financial Leasing (China) Co., Ltd. was merged into the Bank's subsidiary - Taishin D.A. Finance in December 2023, for which the 2022 financial statements were restated retrospectively.

Note3: At the time this annual report was published, no audited financial data for 2024 were available.

Brief Comprehensive Income Statement (Consolidated)

Unit: NT\$1,000

Items	Year	2019	2020	2021	2022 (Restated)	2023
Interest revenues		35,420,412	32,084,165	29,096,302	42,478,591	68,989,763
Interest expenses		(16,489,432)	(11,194,768)	(7,199,121)	(16,414,495)	(42,907,344)
Net interest income		18,930,980	20,889,397	21,897,181	26,064,096	26,082,419
Net Income other than net interest income		18,880,447	17,477,419	17,012,344	14,740,990	20,399,153
Net revenue and gains		37,811,427	38,366,816	38,909,525	40,805,086	46,481,572
(Provisions for) Reversed of bad debts expense, commitments and guarantee liability		(2,330,111)	(1,705,892)	(391,455)	(1,543,168)	(1,768,388)
Operating expenses		(22,058,080)	(22,545,584)	(23,150,062)	(24,069,731)	(26,758,301)
Income before income tax		13,423,236	14,115,340	15,368,008	15,192,187	17,954,883
Income tax expense		(1,604,733)	(1,925,601)	(2,230,754)	(2,700,843)	(3,101,227)
Net income from continuing operations		11,818,503	12,189,739	13,137,254	12,491,344	14,853,656
Net Income		11,818,503	12,189,739	13,137,254	12,491,344	14,853,656
Other comprehensive income (net of tax)		993,908	475,231	(2,191,605)	(4,637,441)	1,978,443
Total Comprehensive Income		12,812,411	12,664,970	10,945,649	7,853,903	16,832,099
Net income attributable to owners of parent		11,810,142	12,174,699	13,124,880	12,176,095	14,907,933
Net income attributable to former owner of business combination under common control		0	0	0	305,594	(62,997)
Net income attributable to Non-controlling interests		8,361	15,040	12,374	9,655	8,720
Comprehensive Income attributable to owners of parent		12,803,291	12,649,747	10,933,281	7,499,935	16,904,148
Comprehensive income attributable to former owner of business combination under common control		0	0	0	344,131	(80,827)
Comprehensive Income attributable on Non-controlling interests		9,120	15,223	12,368	9,837	8,778
Earnings per share(NT\$)		1.36	1.37	1.44	1.34	1.61

Note1: The above financial statements have been- prepared according to FSC-recognized International Financial Reporting Standards, international accounting standards and any interpretations thereof.

Note2: Taishin Financial Leasing (China) Co., Ltd. was merged into the Bank's subsidiary - Taishin D.A. Finance in December 2023, for which the 2022 financial statements were restated retrospectively.

Note3: At the time this annual report was published, no audited financial data for 2024 were available.

B. Financial analysis for recent five years

Financial analysis (Single)

Items		Year	2019	2020	2021	2022 (Restated)	2023
Management ability	Loan-to-Deposit Ratio (%)		79.03	77.07	78.15	73.32	72.10
	NPL ratio (%)		0.17	0.15	0.12	0.14	0.12
	Interest income/average outstanding deposit ratio (%)		1.19	0.72	0.33	0.68	1.77
	Interest income/average outstanding loans ratio (%)		3.18	2.60	1.73	2.19	2.97
	Turnover rate of total assets (times)		2.06	1.90	1.82	1.73	1.78
	Revenue per employee (NT\$1,000)		4,928	4,945	5,054	5,027	5,553
	Profit per employee (NT\$1,000)		1,559	1,589	1,726	1,592	1,833
Profit-making capability	Returns on tier 1 capital (%)		9.16	8.99	9.35	8.95	9.95
	Returns on assets (%)		0.65	0.61	0.62	0.55	0.59
	Returns on shareholder's equity (%)		8.04	7.72	7.98	7.37	8.25
	Net Profit rate (%)		31.64	32.13	34.15	31.67	33.01
	Earnings per share (NT\$1)		1.36	1.37	1.44	1.34	1.61
Financial structure	Liabilities/assets ratio (%)		92.03	92.19	92.23	92.94	92.80
	Fixed asset/shareholder's equity ratio (%)		11.86	11.17	10.58	12.71	11.13
Growth rate	Asset growth (%)		13.59	7.87	3.44	11.87	9.84
	Profit growth (%)		14.84	5.04	8.90	(1.80)	19.26
Cash flow	Cash flow rate (%)		18.39	4.66	2.48	41.66	(5.50)
	Propriety of cash flow ratio (%)		29.50	100.34	83.81	291.40	362.89
	Cash-flow satisfaction ratio (%)		(3,115.66)	(743.43)	(634.19)	(1,187.94)	277.33
Liquid reserve ratio (%)			25.27	24.84	22.85	21.68	18.13
Secured loans for related parties (NT\$1,000)			8,745,608	9,532,951	9,627,915	9,764,756	10,408,631
Share of outstanding secured loans for related parties in total outstanding loans (%)			0.71	0.72	0.68	0.66	0.70
Business Scale	Market share of asset (%)		3.43%	3.48%	3.30%	3.45%	3.62%
	Market share of book value (%)		3.67%	3.73%	3.72%	3.72%	3.77%
	Market share of deposit (%)		3.41%	3.49%	3.39%	3.55%	3.71%
	Market share of loans (%)		3.64%	3.77%	3.74%	3.68%	3.81%

Reasons for changes in various: financial ratios in recent two years

1. Business operating ability:

- (1) The increase in interest expenses as a percentage of average deposit balances in 2023 compared to 2022 was mainly due to the increase in interest expenses after the central bank raised interest rates.
- (2) The increase in interest income as a percentage of average loan balances in 2023 compared to 2022 was mainly due to the increase in interest incomes after the central bank raised interest rates.

2. Financial Structure:

- (1) The increase in earning per share in 2023 compared to 2022 was mainly due to the increase in net income attributable to owners of parent.

3. Growth Rate:

- (1) The 2022 asset growth rate was higher compared to 2021. It was mainly due to the increase in the growth of investments in debt instruments at amortized cost and loans and advances - net.
- (2) The increase in net profit in 2023 compared to 2022 was mainly due to the increase in net income other than net interest income.

please refer to the liquidity analysis for the last two years.

Financial analysis (Consolidated)

Items		Year	2019	2020	2021	2022 (Restated)	2023
Management ability	Deposit/loan ratio (%)		79.08	77.08	78.16	73.33	72.11
	NPL ratio (%)		0.17	0.15	0.12	0.14	0.12
	Interest income/average outstanding deposit ratio (%)		1.20	0.72	0.33	0.68	1.77
	Interest income/average outstanding loans ratio (%)		3.24	2.66	1.73	2.19	2.97
	Turnover rate of total assets (times)		2.08	1.91	1.83	1.78	1.83
	Revenue per employee (NT\$1,000)		4,872	4,883	4,990	5,071	5,604
	Profit per employee (NT\$1,000)		1,523	1,551	1,685	1,552	1,791
Profit-making capability	Returns on tier 1 capital (%)		9.11	8.97	9.34	9.02	9.96
	Returns on assets (%)		0.65	0.61	0.62	0.54	0.58
	Returns on shareholder's equity (%)		8.03	7.72	7.98	7.37	8.25
	Net Profit rate (%)		31.26	31.77	33.76	30.61	31.96
	Earnings per share (NT\$1)		1.36	1.37	1.44	1.34	1.61
Financial structure	Liabilities/assets ratio (%)		92.05	92.22	92.27	93.00	92.85
	Fixed asset/shareholder's equity ratio (%)		11.91	11.23	10.65	12.80	11.19
Growth rate	Asset growth (%)		13.55	7.94	3.44	12.43	9.75
	Profit growth (%)		14.78	5.16	8.87	(1.14)	18.18
Cash flow	Cash flow rate (%)		17.80	4.21	2.13	39.66	(5.62)
	Propriety of cash flow ratio (%)		8.81	82.30	67.49	299.60	358.08
	Cash-flow satisfaction ratio (%)		(2,593.12)	(447.42)	(537.12)	(1,190.42)	959.46
Liquid reserve ratio (%)			25.27	24.84	22.85	21.68	18.13
Secured loans for related parties (NT\$1,000)			8,745,608	9,532,951	9,627,915	9,764,756	10,408,631
Share of outstanding secured loans for related parties in total outstanding loans (%)			0.71	0.72	0.68	0.66	0.70
Business Scale	Market share of asset (%)		3.43%	3.48%	3.30%	3.45%	3.62%
	Market share of book value (%)		3.67%	3.73%	3.72%	3.72%	3.77%
	Market share of deposit (%)		3.41%	3.49%	3.39%	3.55%	3.71%
	Market share of loans (%)		3.64%	3.77%	3.74%	3.68%	3.81%

Reasons for changes in various financial ratios in recent two years

1. Business operating ability:

- (1) The increase in interest expenses as a percentage of average deposit balances in 2023 compared to 2022 was mainly due to the increase in interest expenses after the central bank raised interest rates.
- (2) The increase in interest income as a percentage of average loan balances in 2023 compared to 2022 was mainly due to the increase in interest incomes after the central bank raised interest rates.

2. Financial Structure:

- (1) The increase in earning per share in 2023 compared to 2022 was mainly due to the increase in net income attributable to owners of parent.

3. Growth Rate:

- (1) Asset growth rate in 2023 was lower compared to 2022. It was mainly due to lower growth of investments in debt instruments carried at amortized cost and loans and advances - net.
- (2) The increase in profit growth in 2023 compared to 2022 was mainly due to the increase in net non-interest revenues.

Please refer to the liquidity analysis for the last two years.

Note: The market share is calculated on the basis of all financial institutions capable of handling deposits in Taiwan, therefore the combined operational scale is not calculated.

a. Calculation formula:

1. Management capability

- (1) Deposit / loan ratio = total deposits / total loans.
- (2) NPL ratio = Total NPL ratio / total loans.
- (3) Ratio of interest outlay in annual average of outstanding deposits = total interest outlay / annual average of outstanding deposits.
- (4) Ratio of interest income in annual average of outstanding loans = Total interest income / annual average of outstanding loans.
- (5) Turnover rate of assets = Net revenue / total assets value.
- (6) Revenue per employee = net revenue / total number of employees.
- (7) Profit per employee = After-tax net profit / total number of employees

2. Profit-making capability

- (1) Returns on Tier1 capital = pre-tax income / average value of Tier1 capital.
- (2) Returns on assets = after-tax income / average value of assets.
- (3) Returns on shareholders' equity = after-tax income / average value of net shareholders' equity.
- (4) Net profit rate = after-tax income / net revenue.
- (5) Earnings per share = (after-tax net profit - dividend for preferred shares) / weighted average of issued shares.

3. Financial structure

- (1) Ratio of liabilities in assets = total liabilities / total assets.
- (2) Ratio of fixed assets in book value = net value of fixed assets / net shareholders' equity

4. Growth rate

- (1) Assets growth rate = (total assets in current year - total assets in previous year) / total assets in previous year.
- (2) Profit growth = (Pre-tax income in current year - pre-tax income in previous year) / pre-tax income in previous year.

5. Cash flow

- (1) Cash flow ratio = net cash flow for business activities / (call loans and overdraft of bank and peers + promissory notes payable + financial liabilities from change in fair value + liabilities of repot bills and bonds + accounts payable due in one year).
- (2) Propriety ratio of net cash flow = net cash flow for business activities in recent five years / (capital outlay + cash dividend) in recent five years.
- (3) Satisfactory rate for cash flow = net cash flow for business activities / net cash flow for investments

6. Liquid reserves ratio = liquid assets required by the Central Bank of China / required liquid reserves for various liabilities

7. Analysis of business scale

- (1) Market share of assets = total assets / total assets of financial institutions capable of undertaking deposit/ loan business.
- (2) Market share of book value = book value / total book value of financial institutions capable of undertaking deposit/ loan business.
- (3) Market share of deposits = total deposits / total deposits of financial institutions capable of undertaking deposit/ loan business.
- (4) Market share of loans = total loans / total loans of financial institutions capable of undertaking deposit/loan business.

BIS Ratio (Single)–Basel III

Unit: NT\$million

Items			Year	2019	2020	2021	2022	2023
Eligible Capital	Common shares equity		128,252	136,398	142,418	144,157	166,275	
	Other Tier I		23,676	24,379	24,369	25,000	25,000	
	Tier II capital		36,712	34,911	32,958	31,526	30,123	
	Eligible Capital		188,640	195,688	199,745	200,682	221,397	
Weighted risk assets	Credit risk	Standard approach	1,192,565	1,094,637	1,162,766	1,184,483	1,269,203	
		Internal evaluation approach	-	-	-	0		
		Securitized assets	122	102	1,795	1,652	4,651	
	Operating risk	Basic indicator approach	-	-	-	0		
		Standard approach/selective standard approach	58,514	61,407	101,842	122,628	136,122	
		Advanced measurement approach	-	-	-	0		
	Market risk	Standard approach	58,647	45,921	60,335	36,872	59,224	
		Internal model approach	-	-	-	0		
	Total weighted risk assets		1,309,848	1,202,067	1,326,739	1,345,635	1,469,200	
	BIS ratio			14.40%	16.28%	15.06%	14.91%	15.07%
Ratio of tier I capital in risk weighted assets			11.60%	13.38%	12.57%	12.57%	13.02%	
Ratio of common shares in total assets			9.79%	11.35%	10.73%	10.71%	11.32%	
Leverage Ratio			7.38%	7.27%	7.18%	6.63%	6.77%	

Note1: Eligible capital = Common shares equity + other tier 1 + tier II capital

Note2: Total weighted risk assets = weighted credit-risk assets + capital provisions for (operating risk + market risk) x 12.5

Note3: BIS ratio = Eligible capital/total weighted risk assets

Note4: Ratio of tier I capital in risk assets = (Common shares equity + Other Tier1) / total weighted risk assets

Note5: Ratio of Common shares equity in risk assets = common-share equity capital / total weighted risk assets

Note6: Leverage Ratio = tier I capital / total risk exposure

BIS Ratio (Consolidated)–Basel III

Unit: NT\$million

Items			Year	2019	2020	2021	2022	2023
Eligible Capital	Common shares equity		128,801	136,784	142,810	144,148	166,251	
	Other Tier I		24,227	24,766	24,766	25,000	25,000	
	Tier II capital		37,814	35,686	33,753	31,526	30,123	
	Eligible Capital		190,842	197,236	201,329	200,674	221,374	
Weighted risk assets	Credit risk	Standard approach	1,200,558	1,103,838	1,172,431	1,190,776	1,282,505	
		Internal evaluation approach	-	-	-			
		Securitized assets	122	102	1,795	1,652	4,651	
	Operating risk	Basic indicator approach	-	-	-			
		Standard approach/selective standard approach	59,594	62,394	103,174	124,081	137,675	
		Advanced measurement approach	-	-	-			
	Market risk	Standard approach	58,647	45,951	60,335	36,872	59,224	
		Internal model approach	-	-	-			
	Total weighted risk assets		1,318,921	1,212,285	1,337,735	1,353,381	1,484,055	
	BIS ratio			14.47%	16.27%	15,05%	14.83%	14.92%
Ratio of tier I capital in risk weighted assets			11.60%	13.33%	12.53%	12.50%	12.89%	
Ratio of common shares in total assets			9.77%	11.28%	10.68%	10.65%	11.20%	
Leverage Ratio			7.40%	7.28%	7.18%	6.60%	6.72%	

Note1: Eligible capital = Common shares equity + other tier 1 + tier II capital

Note2: Total weighted risk assets = weighted credit-risk assets + capital provisions for (operating risk + market risk) x 12.5

Note3: BIS ratio = Eligible capital/total weighted risk assets

Note4: Ratio of tier I capital in risk assets = (Common shares equity + Other Tier 1) ÷ total weighted risk assets

Note5: Ratio of Common shares equity in risk assets = common-share equity capital ÷ total weighted risk assets

Note6: Leverage Ratio = tier I capital / total risk exposure

C. Inspection report on the financial statement of the latest year

Taishin International Bank co., Ltd
Audit Committee Report

April 20, 2023

The board of directors has prepared the 2022 business report, financial statements and earnings distribution proposal for the Company. The financial statements have been audited and certified by CPA Han-Ni Fang and CPA Ching-Cheng Yang of Deloitte Taiwan, who have also expressed an opinion. The above reports and statements compiled by the board of directors have been audited by the Audit Committee and considered in compliance with relevant rules and regulations. Please kindly note that the report hereby presented has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To :
2023 Annual General Shareholder's Meeting of Taishin International Bank:

The Convener of Audit Committee
Chang, Min-Yu

Chang, Min-Yu

D. Financial statement of the latest year: Refer to appendix1

E. Consolidated financial statements of the latest year audited by CPAs: Refer to appendix 2

F. Should ther occru financial insolvency of the bank and its affiliates in the recent year and as of the date of the publication of the annual report, specify its effect on the bank's finance: None

VII. Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

A. Financial status

Main reasons for major changes in assets, liabilities, shareholders' equity in recent two years and their effects.

Unit: NT\$1,000

Items	Year	2022.12.31 (Restated)	2023.12.31	change	
					%
Assets					
Cash and cash equivalents		28,545,325	26,797,824	(1,747,501)	-6.12%
Due from central bank and interbank loans		112,925,890	109,924,871	(3,001,019)	-2.66%
Financial assets at fair value through profit and loss		106,327,208	140,735,792	34,408,584	32.36%
Financial assets at fair value through other comprehensive income		117,368,575	130,801,651	13,433,076	11.45%
Debt instruments at amortized cost		450,869,560	530,952,892	80,083,332	17.76%
Securities purchased under resell agreements		11,788,760	18,831,853	7,043,093	59.74%
Receivables-net		111,984,078	111,334,100	(649,978)	-0.58%
Current tax assets		124,565	0	(124,565)	-100.00%
Loans, net		1,408,561,211	1,517,143,729	108,582,518	7.71%
Investments accounted for using equity method, net		4,539,339	4,537,476	(1,863)	-0.04%
Other financial assets		6,159,889	3,567,346	(2,592,543)	-42.09%
Property, plant, and equipment		21,560,612	21,151,363	(409,249)	-1.90%
Right-of-use asset-net		2,026,914	2,119,290	92,376	4.56%
Intangible assets		2,701,972	2,623,458	(78,514)	-2.91%
Deferred income tax assets		2,207,290	2,496,780	289,490	13.12%
Other assets		14,108,429	15,219,308	1,110,879	7.87%
Total assets		2,401,799,617	2,638,237,733	236,438,116	9.84%
Liabilities					
Deposits from the Central Bank and Banks		18,213,533	17,071,307	(1,142,226)	-6.27%
Financial liabilities at fair value through profit and loss		47,197,553	54,957,541	7,759,988	16.44%
Repurchase bills and bonds		70,555,477	74,144,555	3,589,078	5.09%
Payables		21,724,358	25,057,961	3,333,603	15.35%
Current tax liabilities		1,234,518	2,915,703	1,681,185	136.18%
Deposits and remittances		1,940,857,131	2,128,059,291	187,202,160	9.65%
Bank notes payable		28,000,000	28,000,000	0	0.00%
Other financial liabilities		95,217,153	105,696,681	10,479,528	11.01%
Provision		1,649,999	1,734,196	84,197	5.10%
Lease liabilities		2,106,706	2,236,892	130,186	6.18%
Deferred income tax liabilities		58,364	58,362	(2)	0.00%
Other liabilities		5,334,634	8,244,306	2,909,672	54.54%
Total liabilities		2,232,149,426	2,448,176,795	216,027,369	9.68%
Share capital		90,989,818	95,535,273	4,545,455	5.00%
Capital surplus		30,319,980	35,930,369	5,610,389	18.50%
Retained earnings		50,448,131	60,925,837	10,477,706	20.77%
Other equity		(2,107,738)	(2,330,541)	(222,803)	10.57%
Total equity		169,650,191	190,060,938	20,410,747	12.03%

Gap analysis:

1. The increase in financial assets at fair value through profit and loss was mainly attributed to the allocation of short-term capital, which increased short-term note investments.
2. The increase in repurchase bill and bond investments was mainly attributed to the allocation of short-term capital, which increased resale position.
3. The decrease in current income tax assets is attributed mainly to a decrease in tax refund receivable.
4. Decreases in other financial assets were mainly attributed to decreases in time deposits with maturities of 3 months and above.
5. The increase in current income tax liabilities is attributed mainly to an increase in profit-seeking enterprise income tax payables.
6. The increase in other liabilities was mainly attributed to an increase in guarantee deposits.
7. Increase in retained earnings was mainly due to increase in current net income.

B. Management outcome

Main reasons for major changes in interest income and pre-tax net profit in recent years, business goal and basis, their possible effect on the bank's future finance, and countermeasures:

Unit: NT\$1,000

Items	Year	2022.12.31 (Restated)	2023.12.31	change	
					%
Net interest revenue		24,397,597	24,604,345	206,748	0.85%
Interest income		40,191,601	66,868,739	26,677,138	66.37%
Interest expenses	(	15,794,004)	(42,264,394)	(26,470,390)	167.60%
Non-interest net revenue		15,016,952	20,373,081	5,356,129	35.67%
Net fees and commissions		10,924,228	11,802,783	878,555	8.04%
Gain on financial assets and liabilities at FVTPL		3,058,067	7,360,336	4,302,269	140.69%
Realized gain(loss) on financial assets at FVTOCI	(	665,282)	257,436	922,718	-138.70%
Gain on derecognition of financial assets at amortized cost	(	115,335)	3,568	118,903	-103.09%
Share of profit(loss) of subsidiaries and associates accounted for using equity method		543,938	82,319	(461,619)	-84.87%
Foreign exchange gains(losses)		1,074,729	827,565	(247,164)	-23.00%
Asset impairment losses		3,857	(10,251)	(14,108)	-365.78%
Other non-interest net gains and losses		192,750	49,325	(143,425)	-74.41%
Bad loan expenses, commitments, and guarantee provisions(deposit)	(	1,300,392)	(1,294,891)	5,501	-0.42%
Operating expenses	(	23,083,041)	(25,756,815)	(2,673,774)	11.58%
Net profit before tax		15,031,116	17,925,720	2,894,604	19.26%
Income tax(expense) benefit	(	2,549,427)	(3,080,784)	(531,357)	20.84%
Current net profit(loss)		12,481,689	14,844,936	2,363,247	18.93%

Gap analysis:

1. The increase in interest income was attributed mainly to an increase in discount recognized in the current period and interest income from loans.
2. The increase in interest expenses is attributed mainly to an increase in interest expenses on deposits recognized in the current period.
3. The increase in gains on financial assets and liabilities at fair value through profit and loss is attributed mainly to an increase in gains on disposal of derivatives and gains on valuation of bonds in the current period.
4. The increase in realized gains on financial assets and liabilities at fair value through other comprehensive income is attributed mainly to an increase in gains on disposal of bonds recognized in the current period.
5. The increase in gains on financial assets carried at amortized cost was mainly due to the absence of loss on disposal in the current period.
6. The decrease in share of profits and losses on equity-accounted subsidiaries and associated companies is attributed mainly to lower investment gains recognized on Taishin D.A. Finance.
7. The decrease in gains or losses on exchange was mainly attributed to a decrease in gains or losses on exchange for derivative instruments.
8. The increase in asset impairment losses was mainly attributed to a decrease in gains on reversal of impairment of financial assets measured at fair value through other comprehensive income in the current period.
9. Decreases in other non-interest net gains and losses were mainly attributed to the recognition of telemarketing reward expenses.
10. The increase in interest expenses was attributed mainly to an increase in profits for the current period.

C. Cash flow

Liquidity Analysis for the Recent Two Years

Unit: %

Items \ Year	2022 (Restated)	2023	Change
Cash flow ratio(%)	41.66	(5.50)	(113.21%)
Propriety ratio for cash flow(%)	291.40	362.89	24.54%
Satisfaction ratio for cash flow(%)	(1,187.94)	277.33	(123.35%)

Note1: An increased cash flow ratio was mainly the result of increased cash inflow from operating activities.

Note2: The fluctuation of cash adequacy ratio was mainly due to lower cash outflow arisen from purchase of fixed assets and receipt of cash dividend during the current period.

Note3: A different cash flow coverage ratio was mainly attributed to a different net cash inflow into current operating activities.

Cash Flow Analysis for the Coming One Year

Unit: NT\$1,000

Cash balance at the start of the period A	Forecast net cash flow from business activities for the entire year B	Anticipated cash influx for the entire year C	Value of anticipated cash surplus (shortfall) A+B+C	Remedies for anticipated cash shortfall	
				Investment plan	Funding plan
69,179	(4,666)	5,233	69,746	-	-

The company expects that increased deposits partly resulting from the rollout of new deposit products and cash inflow deriving from steady profit growth in the coming one year will be sufficient to fund new loans and investment for new equipment. Therefore, there will be no cash shortfall.

D. The effect of major capital outlays in the recent year on finance

Major Capital Outlays and Funding Sources

Unit: NT\$1,000

Plan items	Actual or planned funding sources	Actual or planned completion dates	Total funds needed	Actual or anticipated fund utilization				
				2020	2021	2022	2023	2024
Buildings	Own fund	2020	26,795	26,795				
		2021	23,582		23,582			
		2022	356,175			356,175		
		2023	58,953				58,953	
		2024	-					0
Machinery Equipment	Own fund	2020	825,159	825,159				
		2021	485,663		485,663			
		2022	629,817			629,817		
		2023	268,202				268,202	
		2024	214,157					214,157
Transportation Equipment & Miscellaneous Equipment	Own fund	2020	82,114	82,114				
		2021	82,826		82,826			
		2022	42,811			42,811		
		2023	68,774				68,774	
		2024	100					100
Leased Assets	Own fund	2020	70,847	70,847				
		2021	70,453		70,453			
		2022	87,415			87,415		
		2023	57,898				57,898	
			115,109					115,109

Note: Expected potential benefits: In 2024, in response to the business expansion, Taishin Bank installed domestic and foreign systems, upgrade systems and purchased equipment, so as to enhance its information environment, provide diversified products to increase customer retention, and increase service quality.

E. Long-term investment- policy in the recent year, main reasons for their profit or loss, improvement plan, and investment plans for the coming year

Long-term investment policy and plan of Taishin Bank is being managed by the parent company Taishin Holdings, in line with the stipulation of article 36, Financial Holdings Company Law, Taishin Bank is a subsidiary of Taishin Holdings. Article 36 of Financial Holding Company Law stipulates that “Without approval, financial holding companies and affiliates under their direct or indirect control cannot carry out applied investments, except in various financial businesses according to related laws.” Consequently, the bank follows article 74 of the Banking Law in its equity-investment policy and plan. The bank performed well in investments in 2023.

F. Analysis and evaluation of risk management

a. A Series of Qualitative and Quantitative Requirements for Risk Management

1. Credit Risk Management System and Accrued Capital

2023 Credit Risk Management System

Items	Contents
1. Credit Risk Management Strategy, goal, policy, and Process	<p>Credit Risk Management aims at protecting the interests of shareholders by maximizing profits under reasonable risk appetite. As the basis for adjustments in credit policy and collection policy, changes in net cash flow are regularly monitored to catch the trend in asset qualities.</p> <p>Under the prerequisite to comply with laws and regulations, credit risk management, follows pre-determined business goals, should adopt the following strategies:</p> <ul style="list-style-type: none">• To emphases cash flow as the main source of payments while earning appropriate returns on risk for credit extension;• To strengthen credit risk measurement, monitoring and management via various systems, analytical tools and monitoring reports; and• To review and adjust credit monitoring methodology and tolerance limits according to the movements of the macro economic situation, the international financial market and so on.
2. Credit Risk Management Organization and Structure	<p>In addition to the credit management units under Retail and Wholesale Banking Groups, there is an independent credit risk management unit to coordinate and facilitate the credit portfolio management for the whole bank as well as trading credit risk management of Financial Market Group.</p> <p>Retail Banking Credit Division is in charge of the setting and management of credit policy for Retail Banking Group. Retail Banking Credit Division evaluate and review cases based on the credit policy. Retail Banking Non-Performing Asset Recovery Division is responsible for collection and management of delinquent cases. Retail Banking Credit Division and other Retail business units are parallel units within organization.</p> <p>Wholesale Credit Administration Division is the credit risk management unit for Wholesale Banking Group. It consists of Credit Administration Department, Credit Risk Management Departments, Wholesale Post-loan Administration Department and Special Asset Management Department. Credit Administration Department is responsible for the establishment of internal credit rating system, the monitoring of credit risk positions and diversification status, the planning of management measurement, the appraisal of real estate and etc. Credit Risk Management Departments are responsible for loan evaluation and credit extension.</p> <p>Wholesale Post-loan Administration Department is responsible for checking and reviewing credit conditions after lending, planning and implementation of Watch List, Early warnings system, and Major Event process.</p> <p>Special Asset Management Department is responsible for collection and management of delinquent cases and bad loans, provisioning assessment and loan asset measurement.</p> <p>Credit risk management unit shall review the credit risk profile and limit proposal of the trading desks annually based on the annual budget and the expected loss of the overall credit risk. According to the management needs of financial transactions and accounting holding purposes, credit risk management unit shall set up the credit risk appetite. Adopting a top-down management structure, credit risk management unit reports the credit risk appetite to the board annually. The annual trading credit limits are set based on the approved credit risk appetite. Through the daily monitoring mechanism and regular post-investment management procedures, risk team keep closely watching on the appearance of the financial transaction credit risk investment portfolio.</p>

Items	Contents
3. Scope and features of credit risk report and evaluation system	<p>For Retail Banking Group, setting appropriate credit policy based on business goals, by utilizing Application Scoring System, Behavior Scoring System and Credit Bureau Scoring System and applying multi-dimension risk grading on customers. Coupled with product profit models, customers are grouped into test and champion according to various credit criteria as to strike the best balance between risk and profits. Asset qualities and the characteristics of defaults are analyzed regularly to adjust risk management indicators and achieve the business goals.</p> <p>For Wholesale Banking Group, internal rating system is used for measurement and management of credit risk. All cases should be rated during application, and tracked and reviewed afterwards. The internal rating system has two dimensions, Obligor Risk Rating (ORR) and Facility Risk Rating (FRR). ORR applies statistical model and scorecards. FRR analyzes collaterals, claim seniority and product types for limit settings. Internal rating system is re-assessed every year to test its stability and performance. Migration analysis and scenario analysis are also conducted under stress testing framework.</p> <p>For Financial Market Group, Financial trading credit management is based on internal rating as the main axis of management, and external rating as auxiliary. The monitoring unit performs daily monitor and reports, performing pre-investment assessment and post-investment management rely on front desk officers. Through a complete program planning and notification mechanism, credit risk unit evaluates various risk indicators to establish overall portfolio mastery. For treasury marketing counterparty credit risk management (CCR), the internal model method combined with the Current Exposure Method (CEM) is applied to measure credit risk, in order to incorporate multiple risk factors and price fluctuations into the system. Hence the accuracy and completeness of the calculation can be improved.</p>
4. Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.	<p>Taking collaterals is the main credit risk mitigation technique. Collaterals include real estate, chattels, and securities. Each of them has its own appraisal method and period.</p> <p>The continuing effectiveness of hedges/mitigations is monitored by applying the internal credit rating system, credit portfolio management and review, plus credit exposures diversification and credit limit setting. Strategies and processes for hedging and/or mitigating risk are reviewed and adjusted according to changes in factors such as macro economy or financial regime.</p>
5. Regulatory Capital Requirement Methodology	Standardized Approach

Credit Risk Exposure and Capital Requirement after Mitigation on Standardized Method

Dec. 31, 2023 Unit: NT\$1,000

Type of Risk Exposure	Risk Exposure after Mitigation	Capital Requirement
Sovereigns	515,756,317	22,037
Non-central government public sector entities	6,865,902	109,854
Banks (including multilateral development bank)	242,874,349	8,353,592
Corporates	485,707,743	35,111,708
Retails	266,469,129	15,560,104
Real estate	916,111,371	37,904,906
Equities investments	7,703,790	1,277,146
Equities investments in fund and venture Capital	686,149	43,386
Other Assets	52,413,788	2,938,250
Total	2,494,588,538	101,320,982

2. Risk management system for securitized assets, risk exposure, and capital requirement

2023 Risk Management System for Securitized Assets

Items	Contents
1. Strategy and process for securitized assets	<p>1. Strategy for securitized assets The bank's assets securitization business aims to achieve optimal deployment of the bank's assets and liabilities, as well as diversify assets and risks.</p> <p>2. Process for securitized assets The Bank's responsible unit, along with the Debt Capital Market Department, first analyzes the deployment status of the bank's assets and liabilities, before putting forth proposal for the securitization business according to the direction of the bank's management strategy (including execution costs and benefits) for resolution by the board of directors. (note) Securitized assets of non-originating bank are managed according to the relevant market risk management policy. In the enforcement of management flow, various business units should obtain approval and quota before trading, while independent management units evaluate the income of existing positions daily for regularly reporting the income and exposure status of the positions to executives.</p>
2. Management Organization and Structure for Securitized Assets	<pre> graph TD Board[Board of Directors] --> President[President] President --> WBRG[Wholesale Banking Group/ Retail Banking Group] President --> FFMG[Finance and Financial Market Group] President --> CDRMD[Compliance Division & Risk Management Division] WBRG --> CB[Corporate Banking Division, Service Industry Division, Commercial Banking Division, Private Banking Division, banks as distribution channels, and back-end operations.] FFMG --> DCM[Debt Capital Market Department] CDRMD --> LCR[Legal Department, Compliance Division & Risk Management Division and the Bank's responsible unit.] CB --> AS[Assist in the implementation of securitization services by providing securitized asset information and cooperating with asset audits.] DCM --> R[Responsible for the overall planning, management, supervision, and execution of the financial advisory services.] LCR --> AR[Assist in reviewing legal documents internally and analyzing and managing business risks.] </pre>
3. Scope and features of report on risk of securitized assets and evaluation system	<p>Contents of regular risk management report include:</p> <ol style="list-style-type: none"> 1. Detailed information in kind, value, credit rating, and evaluation of investment beneficiary certificates and assets-backed securities 2. Trust report and report of custodian institution (should it exist) 3. Performance of securitized assets
4. Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.	<p>Consider industrial concentration, economic cycle risk, and effective capital utilization of risk assets in undertaking assets securitization business and carry out random review of cost-effectiveness, so as to determine proper timing for continuing the securitization business</p>
5. Regulatory capital requirement methodology	<p>Standardized Approach</p>

Risk exposure and required capital relating to asset securitization - by transaction type

Dec. 31, 2023 Unit: NT\$1,000

Exposure type		Type of assets	Conventional					Synthetic		Total		
			Exposure				Capital requirement (2)	Exposure	Capital requirement (4)	Exposure (5)= (1)+(3)	Capital requirement (6)= (2)+(4)	Capital requirement before securitization
			Retained or acquired	Liquidity facility	Credit enhancement	Subtotal (1)		Retained or acquired (3)				
Bank role	Book type											
Non- Originating bank	Banking book	Mortgage backed securities	23,255,075			23,255,075	372,081			23,255,075	372,081	
	Trading book											
	Sub-total											
Originating bank	Banking book											
	Trading book											
	Sub-total											
Total			23,255,075			23,255,075	372,081			23,255,075	372,081	

Instructions:

- "Asset Table Category" can be the type of securities issued (e.g. credit card, net worth mortgage, and auto loan) or the type of securities investment (e.g. mortgage backed securities, commercial mortgage backed securities, asset backed securities, and secured debt).
- Exposure on the banking book should be included in the exposure after risk mitigation. "Supply of liquidity facilities" should include allocated and unallocated exposures.

Information on Securitized Products

(1) Summarized Information on Investment in Securitized Products

Dec 31, 2023 Unit: NT\$1,000

Items	Listed accounting items	Original cost A	Evaluated accumulated income B	Accumulated reduction C	Value on book D=A-(B+C)
1	No investment in securitization	23,418,930	(245,047)		23,418,930
Total	products	23,418,930	(245,047)		23,418,930

Note 1: This table contains domestic and foreign securitized products, which are registered according to the following categories and listed accounting items:

- (1) Mortgage-backed securities (MBS): including beneficiary certificate for securitized claims on housing-mortgaged loans or asset-backed securities (RMBS) beneficiary certificates for securitized claims on commercial property-mortgaged loans or asset-backed securitized (CMBS), collateralized mortgage obligation (CMO), and other realty-mortgage securities.
- (2) Beneficiary certificates or asset-backed securities (ABS): including beneficiary certificates for corporate-loan claims or asset-backed securitized (collateralized loan, obligation, or CLO) beneficiary certificates for securitized-bond assets or asset-backed securities (collateralized bond obligation, or CBO) beneficiary certificates for securitized claims on creditcard debts or asset-backed securities, beneficiary certificates by securitized claims on auto loans or asset-backed securities, beneficiary certificates for securitized claims on consumption loans/cash-card debts or asset-backed securities, beneficiary certificates for securitized leasing claims or assets-backed securities, and other securitized beneficiary certificates or asset-backed securities.
- (3) (ABCP) Short-term beneficiary certificates or short-term asset-backed securities (asset-backed commercial paper)
- (4) Collateralized debt obligation (CDO).
- (5) Realty securitization: It refers to real estate asset trust (REAT).
- (6) Bills and bonds issued as structured investment vehicles (SIV).
- (7) Other securitized products.

Note 2: The table includes beneficiary certificates of asset-backed securities held by the bank with the bank serving as an originating institution.

(2) Mandatory information disclosure for investment in securitized products with original cost exceeding NT\$300 M
(excluding those held for credit enhancement with the bank serving as an originator) :

Names of securities (note2)	Listed accounting item	Denomination currency	Issuer and its location	Purchase date	Maturity date	Coupon rate	Credit rating (note 3)	Payment method for principal and interest	Original cost	Unrealized Profit & Loss	Accumulated Impairment	Book/Value	attachment point (note 4)	Contents of assets pool (note 5)
GNR 2023-23 BG	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/2/28	2051/8/20	Fixed 4.5%	Moodys: Aaa	Interest payment every month and early return of principal every month	1,414,122	-	-	1,414,122	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD46041594.97, number of transaction: 1pool/14082loans
GNR 2023-136 CP	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/9/29	2053/9/20	Fixed 6%	Moodys: Aaa	Interest payment every month and early return of principal every month	1,372,025	-	-	1,372,025	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD44670986.29, number of transaction: 84pool/1616loans
GNR 2023-140 CT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/9/29	2053/9/1	Fixed 6%	Moodys: Aaa	Interest payment every month and early return of principal every month	1,209,073	-	-	1,209,073	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD39365540.56, number of transaction: 2pool/22137loans
GNR 2023-83 MT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/8/14	2053/6/1	Fixed 5.5%	Moodys: Aaa	Interest payment every month and early return of principal every month	1,196,811	-	-	1,196,811	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD38966307.49, number of transaction: 61pool/968loans
GNR 2023-116 PA	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/8/30	2053/8/1	Fixed 5.75%	Moodys: Aaa	Interest payment every month and early return of principal every month	914,274	-	-	914,274	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD29767339.29, number of transaction: 3pool/97loans
GNR 2023-112 B	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/8/30	2053/8/20	Fixed 6%	Moodys: Aaa	Interest payment every month and early return of principal every month	911,932	-	-	911,932	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD29691071.54, number of transaction: 197pool/3981loans
GNR 2023-19 AT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/2/28	2053/2/20	Fixed 5%	Moodys: Aaa	Interest payment every month and early return of principal every month	865,161	-	-	865,161	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD28168284.43, number of transaction: 2pool/21587loans

Names of securities (note 2)	Listed accounting item	Denomination currency	Issuer and its location	Purchase date	Maturity date	Coupon rate	Credit rating (note 3)	Payment method for principal and interest	Original cost	Unrealized Profit & Loss	Accumulated Impairment	Book Value	attachment point (note 4)	Contents of assets pool (note 5)
GNR 2023-24 PT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/2/28	2053/2/20	Fixed 5%	Moody's: Aaa	Interest payment every month and early return of principal every month	860,576	-	-	860,576	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD28019014.13, number of transaction: 3pool/35419loans
GNR 2023-38 DT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/8/3	2053/3/1	Fixed 5.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	840,757	-	-	840,757	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD27373745.2, number of transaction: 1pool/2773loans
GNR 2023-7 HA	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/1/30	2050/8/20	Fixed 5%	Moody's: Aaa	Interest payment every month and early return of principal every month	816,662	-	-	816,662	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD26589258.45, number of transaction: 1pool/7254loans
GNR 2020-191 PC	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/1/19	2050/12/1	Fixed 1%	Moody's: Aaa	Interest payment every month and early return of principal every month	749,720	-	-	749,720	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD24409720.99, number of transaction: 7pool/390loans
GNR 2023-122 AE	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/8/30	2053/8/20	Fixed 5.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	748,336	-	-	748,336	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD24364661.08, number of transaction: 2pool/17737loans
GNR 2021-155 GH	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/9/30	2051/9/1	Fixed 1%	Moody's: Aaa	Interest payment every month and early return of principal every month	729,338	-	-	729,338	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD23746112.16, number of transaction: 21pool/209loans
G2 MA7135	Financial assets at fair value through other comprehensive income	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/2/1	2051/1/1	Fixed 2%	Moody's: Aaa	Interest payment every month and early return of principal every month	891,041	-184,774	-	706,267	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD22994926.8, number of transaction: 1pool/101967loans

Names of securities (note2)	Listed accounting item	Denomination currency	Issuer and its location	Purchase date	Maturity date	Coupon rate	Credit rating (note 3)	Payment method for principal and interest	Original cost	Unrealized Profit & Loss	Accumulated Impairment	BookValue	attachment point (note 4)	Contents of assets pool (note 5)
GNR 2023-85 H	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/8/3	2053/6/1	Fixed 5.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	695,122	-	-	695,122	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD22632087.36, number of transaction: 1pool/6303loans
GNR 2023-112 TA	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/8/30	2053/8/1	Fixed 5.75%	Moody's: Aaa	Interest payment every month and early return of principal every month	606,576	-	-	606,576	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD19749164.71, number of transaction: 7pool/178loans
GNR 2023-18 LC	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2023/2/28	2051/1/20	Fixed 5%	Moody's: Aaa	Interest payment every month and early return of principal every month	573,647	-	-	573,647	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD18677057.26, number of transaction: 1pool/7505loans
GNR 2021-78 JH	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2021/5/28	2051/5/1	Fixed 1.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	533,680	-	-	533,680	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD17375782.57, number of transaction: 1pool/11798loans
GNR 2021-172 PB	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2021/9/30	2051/9/1	Fixed 1.25%	Moody's: Aaa	Interest payment every month and early return of principal every month	505,042	-	-	505,042	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD16443381.52, number of transaction: 1pool/19882loans
GNR 21-155 EH	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2021/9/30	2051/9/1	Fixed 1%	Moody's: Aaa	Interest payment every month and early return of principal every month	501,155	-	-	501,155	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD16316828.67, number of transaction: 33pool/394loans
GNR 2021-176 GD	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/ US	2021/10/29	2051/10/1	Fixed 1.25%	Moody's: Aaa	Interest payment every month and early return of principal every month	480,417	-	-	480,417	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD15641619.6, number of transaction: 1pool/23217loans

Names of securities (note 2)	Listed accounting item	Denomination currency	Issuer and its location	Purchase date	Maturity date	Coupon rate	Credit rating (note 3)	Payment method for principal and interest	Original cost	Unrealized Profit & Loss	Accumulated Impairment	Book Value	attachment point (note 4)	Contents of assets pool (note 5)
GNR 2023-13 BE	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/1/30	2053/1/1	Fixed 5%	Moody's: Aaa	Interest payment every month and early return of principal every month	473,460	-	-	473,460	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD15415124.18, number of transaction: 16pool/397loans
GNR 2023-146 AT	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/10/30	2053/10/1	Fixed 6%	Moody's: Aaa	Interest payment every month and early return of principal every month	455,212	-	-	455,212	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD14820985.13, number of transaction: 5pool/44330loans
GNR 2023-122 AD	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/8/30	2053/8/20	Fixed 6%	Moody's: Aaa	Interest payment every month and early return of principal every month	453,235	-	-	453,235	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD14756612.76, number of transaction: 2pool/17737loans
GNR 2023-113 CG	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/8/30	2053/8/20	Fixed 6%	Moody's: Aaa	Interest payment every month and early return of principal every month	452,546	-	-	452,546	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD14734201.13, number of transaction: 118pool/1724loans
GNR 2023-150 JC	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/10/30	2053/8/1	Fixed 6%	Moody's: Aaa	Interest payment every month and early return of principal every month	452,279	-	-	452,279	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD14725514.3, number of transaction: 32pool/687loans
GNR 2021-59 UB	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/4/30	2051/4/1	Fixed 1.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	434,054	-	-	434,054	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD14132123.21, number of transaction: 1pool/17985loans
GNR 2023-17 ET	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2023/2/28	2053/2/20	Fixed 5%	Moody's: Aaa	Interest payment every month and early return of principal every month	427,726	-	-	427,726	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD13926095.54, number of transaction: 33pool/465loans

Names of securities (note 2)	Listed accounting item	Denomination currency	Issuer and its location	Purchase date	Maturity date	Coupon rate	Credit rating (note 3)	Payment method for principal and interest	Original cost	Unrealized Profit & Loss	Accumulated Impairment	Book Value	attachment point (note 4)	Contents of assets pool (note 5)
GNR 2021-155 TD	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/9/30	2051/9/1	Fixed 1.25%	Moody's: Aaa	Interest payment every month and early return of principal every month	402,262	-	-	402,262	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD13097025.9, number of transaction: 50pool/735loans
GNR 2021-213 PC	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/12/30	2051/12/1	Fixed 1.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	365,995	-	-	365,995	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD11916212.77, number of transaction: 28pool/346loans
GNR 2021-59 HY	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/4/30	2050/4/1	Fixed 1.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	351,756	-	-	351,756	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD11452638.69, number of transaction: 1pool/17985loans
GNR 2021-93 KD	Debt instruments at amortized cost	USD	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION/US	2021/5/28	2051/5/1	Fixed 1.5%	Moody's: Aaa	Interest payment every month and early return of principal every month	350,114	-	-	350,114	-	Ginnie Mae guaranteed mortgage loans, carrying amount in original currency= USD11399181.9, number of transaction: 1pool/11798loans

Note 1: The table includes domestic and foreign products.

Note 2: Full names should be provided for same securities product in difference issuance.

Note 3: Provide result of the latest credit rating.

Note 4: Attachment point refers to share of sub-issuance value with compensation priority lower than that for securities held by the bank in the total issuance value of the securitized product. Assuming, for example, a bank purchases A security of a certain CDO (collateralized debt obligation), the security has sub-security BBB and sub-equity security with compensation priority lower than A security. The total issuance value of BBB and sub-equity security amounts to 12% of the total value of the CDO. Then the attachment point for A security is 12%.

Note 5: Assets pool refers to assets portfolio handed by originating institution to trustee or other company with a special purpose. Specify kind of assets in the portfolio (denote primary lien or subordinated status), detail, value on book in original currency, and number.

- (3) Mandatory information disclosure for position of securitized products held by the bank for credit enhancement with the bank serving as an originator : None.
- (4) Mandatory information disclosure for the bank serving as buyer or position-squaring buyer of securitized assets with impaired credit: None.
- (5) Mandatory information disclosure for the bank serving as guarantor for securitized products or liquid credit line provided by the bank: None

3. Operational risk management system and capital requirement

2023 Operational Risk Management System

Items	Contents
1. Operational Risk Management Strategy and Process	Taishin Bank got the approval of FSC for the Standardized Approach in 2007. So far, we have developed systems and processes to comprehensively identify, monitor, measure, mitigate, manage and report operational risks.
2. Operational Risk Management Organization and Structure	<p>Taishin Bank has set up an operating-risk management framework including the following tools and mechanisms:</p> <p>1. Loss Event Database (LED) All business and support units are required to report any loss events into the LED system in a timely, accurate manner and to take remedial actions, where necessary, to prevent recurrence of the events.</p> <p>2. Risk Control Self-Assessment (RCSA) Front-line personnel are required to perform RCSA for both current and potential risks and to follow up on the risk control weaknesses monthly for enhancements.</p> <p>3. Key Risk Indicators (KRIs) KRIs have been defined by each business unit as an early warning to alert appropriate management to significant risks faced by the Bank. The scope of operating risk is defined as "risks triggered by improprieties or mistakes of internal flow, staffers, systems, or external incidents, including legal risk but excluding strategic risk and reputation risk." Meanwhile, the ORM system has set up to evaluate and monitor the action plan of operational loss event.</p>
3. Scope and features of operational risk report and evaluation system	The scope of operating risk is defined as "risks triggered by improprieties or mistakes of internal flow, staffers, systems, or external incidents, including legal risk but excluding strategic risk and reputation risk." Meanwhile, the ORM system has set up to evaluate and monitor the action plan of operational loss event.
4. Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.	For high frequency or serious loss events, the bank has relevant departments set up Emergency Response Plan and practice regularly, institutes Business Continuity Management (BCM) and takes out insurance as the hedging tools.
5. Regulatory Capital Requirement Methodology	Standardized Approach

Capital Requirement for Operational Risk

Dec. 31, 2023 Unit: NT\$1,000

Year	Gross Income	Capital Requirement
2021	38,224,030	-
2022	40,937,853	
2023	46,632,362	
Total	125,794,245	10,889,792

4. Market risk management system and capital requirement

2023 Market Risk Management System

Items	Contents
1. Market Risk Management Strategy and Process	Taishin's market risk policy is in the business of managing risk to maximize shareholder value. We have established a risk management framework, including an independent risk management unit to preserve integrity of the risk control processes, clearly defined market risk management policies and procedures, and set of risk limits, which are regularly reviewed to ensure that Taishin's risk taking is consistent with its business strategy, capital structure and current market conditions.
2. Market Risk Management Organization and Structure	Our market risk team is responsible for daily management and control of market risk exposures and to ensure our business activities adhere to our market risk policies. Segregation of duties is separated by function as follows: product control, risk IT and Quants. Risk IT team is responsible for system maintain and Quant Team supports the quantification model building and validation.
3. Scope and features of market risk report and evaluation system	<p>Risk reporting is performed in a timely fashion and measurements are made at different levels, from products to trading desks. We seek to monitor and control our market risk exposures through a variety of separate but complementary financial, trading management, and reporting systems.</p> <p>Qualitative tools: Our major objectives are to promote risk transparency and risk awareness. We accomplish this through an independent risk management function, along with setting up risk policies and processes, including pricing verifications, benchmarking, model validation and a new product review/approval mechanism.</p> <p>Quantitative tools: We manage our market risk exposures using a number of quantitative tools, including risk limits, stress testing & scenario analyses, and Value-at-Risk (VaR). Our future goal is to gain approval from the supervisory authorities to use internal VaR model to calculate regulatory market risk capital for our general and specific market risks.</p>
4. Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.	Identifying hedging truncations and hedging management procedures are important to effective hedging and helpful for daily monitoring hedge effectiveness. We have policies and procedures in place to ensure active and efficient hedges.
5. Regulatory Capital Requirement Methodology	Standardized Approach

Capital Requirement for Market Risk

Dec. 31, 2023 Unit: NT\$1,000

Type of Risk	Capital Requirement
Interest rate risk	3,738,837
Equity price risk	502,883
Currency rate risk	291,855
Commodity price risk	0
Option based on Simple method	204,306
Total	4,737,881

5. Liquidity risk includes analysis of maturity of assets and liabilities, as well as explanation of management method for assets liquidity and fund-shortfall liquidity.

(1) Maturity Analysis of Assets and Liabilities for New Taiwan Dollars

Dec. 31, 2023 Unit: NT\$1,000

	Total	The Amount for the Remaining Period to Maturity					
		0 -10days	11 -30 days	31- 90 days	91-180 days	181 days-one year	Over one year
Main Cash inflow on maturity	2,721,337,901	356,737,407	459,882,115	430,471,586	276,073,845	233,144,406	965,028,542
Main Cash outflow on maturity	3,304,414,286	181,687,646	275,410,786	503,729,497	472,827,177	527,913,503	1,342,845,677
Gap	(583,076,385)	175,049,761	184,471,329	(73,257,911)	(196,753,332)	(294,769,097)	(377,817,135)

(2) Maturity Analysis of Assets and Liabilities for U.S. Dollars

(a) The Bank

Dec. 31, 2023 Unit: US\$1,000

	Total	The Amount for the Remaining Period to Maturity				
		0 -30 days	31-90 days	91-180 days	181 days- one year	Over one year
Main Cash inflow on maturity	61,933,324	18,753,436	18,969,013	11,574,630	6,657,918	5,978,327
Main Cash outflow on maturity	61,810,930	19,125,315	18,881,391	10,784,377	7,843,053	5,176,794
Gap	122,394	(371,879)	87,622	790,253	(1,185,135)	801,533

(b) Overseas branch

Dec. 31, 2023 Unit: US\$1,000

	Total	The Amount for the Remaining Period to Maturity				
		0 -30 days	31-90 days	91-180 days	181 days- one year	Over one year
Main Cash inflow on maturity	9,796,528	4,104,400	1,674,212	834,833	846,808	2,336,275
Main Cash outflow on maturity	9,704,051	5,218,991	2,302,309	544,565	1,028,884	609,302
Gap	92,477	(1,114,591)	(628,097)	290,268	(182,076)	1,726,973

(3) Assets liquidity and the management of fund-shortfall liquidity

1. Management principle

Risk management for fund liquidity is to assure that under any circumstance at present or in the future, the bank's liquid fund can meet the fund need resulting from assets growth or fulfilling mature obligations. The bank should monitor and manage the following items:

- ◆ Under normal market change or emergent situation, possess sufficient fund to meet due obligations and fulfill guarantee and commitment for credit extension.
- ◆ Carry out fund maneuvering at reasonable market prices.
- ◆ Meet liquidity need for business growth.

2. Basic principles for funding liquidity-risk management include:

- ◆ Principle of diversification: Avoid over-concentration in fund maneuvering, in terms of maturity date, maneuvering tools, currency, place, funding source, and trading partners.
- ◆ Principle of stability: Follows the strategy of fund stability to reduce the reliance on unstable funding sources and avoid the effect of market swing on funding sources.

- ◆ Principle of maintaining adequate assets liquidity: As the status of market liquidity will indirectly affect fund- ing liquidity, the bank must assure that total assets are sufficient to cover total liabilities and keep a certain share of assets with good liquidity or good for use as collaterals, capable of meeting need of working capital in emergency and short-term liabilities.
- ◆ Principle of matching of assets and liabilities on maturity.
- ◆ Pay attention to payment commitment resulting from credit-extension business.

b. Effect of changes in major domestic or foreign policies and law regulations on the bank's finance and countermeasures

Law or Regulation / Policy	Impact on this Company	Response measures
"Improvement Matters that Require Attention by Financial Institutions When Implementing the Fair Customer Treatment Principles"	To align with the fair customer treatment principles amended on May 12, 2022, the FSC added the "Friendly Service Principles" and "Effective Ethical Management Principles" and removed existing "Principles of Sales of Complex and Risky Products". Therefore, the "Improvement Matters that Require Attention by Financial Institutions When Implementing the Fair Customer Treatment Principles" was adjusted accordingly.	The Bank carries out self-evaluations of its fair customer treatment service every six months, and has incorporated the improvement matters that require attention.
"Regulations for Managing Risks Associated with A Financial Institution's Information and Communications Systems and Service Supply Chain"	Adhering to the requirements set forth in the FSC's "Financial Information Security Action Plan", the Association of the Republic of China formulated the "Regulations for Managing Risks Associated with A Financial Institution's Information and Communications Systems and Service Supply Chain". The regulations cover issues like network edge protection, external audit, and assessment of risks associated with information and communications system, service providers, and cross-institution partners, to fortify information security measures for the supply chain of financial institutions.	As per the Bank's decision reached through discussion among its relevant departments, the outsourcing of information system work requires the establishment of a checklist and supplier management mechanism.
Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation	As more banks make the switch to digital operations, there has been an increase in demand for cloud services from external sources in recent years. In response, the FSC has made changes to the application process to streamline the outsourcing decision-making process and outsourcing work for financial institutions.	A strong hierarchical system of governance, thorough risk assessments, and a reliable internal control mechanism must be established; the application process and required documents for outsourcing financial institutions' operations have been modified to reflect this.
"Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks"	The chairperson of a bank which is a subsidiary of a financial holding company may serve double duties as the chairperson of other subsidiaries during the prescribed period, subject to approval from the competent authority. The director or supervisor of a bank or a related party thereto who act concurrently as the director or supervisor of other financial institutions will be deemed to have a conflict of interest.	The Bank has revised and updated the relevant provisions of the appendix of the "Qualification Requirements and Concurrent Serving Restrictions for the Responsible Person" according to the revision of regulations, to avoid violation.

c. Effect of technological and industrial changes on the finance of the bank and countermeasures.

1. Impact and response to technological changes

To strengthen overall information security, the Company, in addition to deploying various information security measures, has become a member of the Financial Information Sharing and Analysis Center F-ISAC) in Taiwan. Members have access to early information security alerts and joint defense services in order to facilitate preventive, detective, and corrective planning. the Company signed MOUs with government agencies in the country and became part of the joint information security defense system for key infrastructures. As one of the first financial institutions to join the state-affiliated information security task force, the Company helps enhance security for stakeholders and financial services as a whole.

(1) Cloud-end service technology

Following its growing business needs and latest developments in technology, Taishin Bank has been implementing cloud services and strengthening information security management in order to facilitate business development and expansion and to take cloud services to borderless management. Results from recent years include:

- (a) Launched customer services on the cloud as another means by which customers and the bank might communicate and exchange information.
- (b) Build a software development cloud for developers. The idea is to improve security by gathering resources and reducing costs.
- (c) Implement a mobile office on the cloud to enable employees to establish connections and perform office tasks anytime anywhere.
- (d) The content delivery network (CDN) allows customers to swiftly acquire the latest business news and increases the efficiency of customer service.
- (e) Evaluate, to the extent permitted by law and information security, implementation of cloud applications and promote cloud projects for better customer service.

(2) Consumer finance:

The growing awareness of information security has led people to prioritize the protection of their personal privacy. As banks upgrade their digital application process for unsecured loans, they should prioritize enhancing user experience and instilling a sense of security.

(3) Digital Banking:

With the rise of fintech, Taishin Bank works to support government policies and make financial services an integral part of the everyday life.

- (a) A variety of mobile payment tools: Apart from responding to the development of the Internet and mobile phones, we also focus on the development of various mobile payment platforms, applications for mobile phones, and new types of wearable devices. Furthermore, for the protection of consumers, we actively integrate the field of biometrics (facial scans) with payments, and concurrently design password inspection mechanisms (authentication codes) to ensure the correctness of the transaction and avoid risk. These measures have also opened new possibilities in the field of biometric payment.
- (b) The Bank has taken the following measures to enhance the security of contactless payments made through mobile devices, to prevent fraud:
 - When a device is added, if the last four digits of the mobile phone number is consistent with the phone number the applicant has registered with the Bank, the Bank will send an SMS OTP for verification.

- If "the mobile phone number information cannot be recognized", or if "the last 4 digits of the mobile phone number is inconsistent with the mobile phone number the applicant has registered with the Bank at the time of adding a device, the bank will provide customer service center phone number for verification
 - After successfully activating mobile payment(Apple Pay/Samsung Pay/Google Pay/Garmin pay/Hami Pay/Fitbit Pay/TWMP) , the cardholder will receive an "activation SMS" and "activation e-mail" from the Bank, along with added anti-fraud warning text.
- (c) Corporate Internet banking and wholesale banking API platform: The Cash Management Department focuses on providing everyday financial services for businesses and engages in fintech application and innovation on an ongoing basis.

(4) Plans for big data development

(a) The plans include integration of internal and external data, implementation of the latest analysis techniques, identification of customer behavior and living patterns, and coordination of real and virtual channels to provide instant personalized products and services. Details are given below:

- Integrate customer online and offline behaviors to gain insight into multi-dimensional data about them
- Leverage cloud architectures to shorten the introduction time of new technologies and system structures, to increase the success rate of practical operations.
- Utilize smart analysis techniques like machine learning and modeling, along with natural language processing (NLP) technology, to enhance efficiency and accuracy in predicting customer behavior, thereby improving data analysis efficiency.
- Convert GIS into spatial data for visualization and integrate it with internal and external business data to deepen regional management, to expand the scope of cooperation with different industries and merchants.
- Develop an agile development model, enhance the capabilities of business applications, empower management and marketing staff to analyze and utilize data on their own, and drive business growth by capturing the market at a faster pace.
- Continue to optimize user experiences with digital platforms and introduce new channels of contact, coupled with precise customer behavior analysis, to provide the most appropriate personal banking service.

(b) Establish industry-academia collaboration and actively promote technology advances for the industry and academic institutions:

- The Bank continues to cultivate talent and promote innovative financial education on campuses, creating opportunities for industry and academia to exchange research and development resources, recruit talent in new technical fields for the Bank, and upgrade their soft power.

2. Impact and response to industry changes

In response to a rapidly changing banking industry, the bank has incorporated resources to provide up-to-date industry analysis so as to improve the quality of its credit assessments. Furthermore, the bank has set risk limits on various industries, and on the group as a whole, to monitor the latest industry developments and how they affect the bank's credit risks.

d. Effect of change in the corporate images of the bank and countermeasures.

Apart from its financial businesses, Taishin Financial Holding Co., Ltd. has long dedicated itself to caring for society and has devoted itself to charitable work and environmental protection. Taishin is well-aware of the responsibilities a company owes to the society, and therefore actively supports environmental protection, charitable, cultural and artistic activities, in the hope of bringing about social change and real benefits for the socially disadvantaged, and fulfilling its role as a member of the society.

e. Anticipated benefits and possible risks from acquisition and countermeasures.

According to bank's experience in financial acquisitions, including Tainan First Credit Cooperation and HsinChu Tenth Credit Cooperative and the acquisition of Daan Bank, financial mergers can generate a number of benefits, including expansion of financial scope.

Via deep cultivation of abundant resource, economy of scale, the integration of various business resources, and product and client integration, financial mergers create concrete synergy effect and bring substantial benefits to shareholders.

1. Anticipated benefits:

- (1) Make the bank's service and product portfolio more comprehensive therefore providing customers with greater variety and meeting their needs to drive revenue growth.
- (2) Ability to serve customers through a more tightly integrated platform, thereby giving them more convenience and facilitating expansion of the bank's financial services.
- (3) Potential to integrate information systems, marketing resources and operating platforms, while making more efficient use of the company's resources at lower costs.

2. Possible risks for acquisition

Risks associated with mergers and acquisitions lie in execution and integration. Only when businesses, personnel, resources and corporate culture are integrated as planned can mergers deliver the hoped for synergies.

3. Countermeasure:

The bank will develop effective management practices and open communication channels to ensure the smoothness of merger transitions, and ultimately achieve the expected synergies

f. Anticipated benefits from the expansion of business offices, possible risk, and countermeasures:

1. The Bank's selection of branch location is always preceded by a complete market survey and assessment, which gathers information on local wealth concentration, growth, and business activities. Meanwhile, the Bank starts with a branch network and the idea of balanced development to increase the width of customer services provided by the Bank. The mission is to deliver on the expected benefits including becoming more competitive in the market, increasing the number of wealth management accounts, and providing customers easier, faster, better quality services. The Bank relies on its extended branch network to facilitate the development of the Bank's service network.
2. The Bank has been actively expanding overseas in recent years. Besides developing the same healthy banking culture in other countries, the Bank has the overseas offices adhere to compliance and risk management mechanisms and continue to provide a wide range of products and services to Taiwanese businesses and overseas Chinese customers. In addition, the overseas offices will continue to participate in international syndicated loans while actively expanding locally in order to become more involved in the global market and achieve resource synergy as a global player. The Bank works hard to maintain stability in a fast-changing financial market and brings together operational advantages of the overseas offices to create a cross border banking platform in Asia. The approach enables the Bank to keep its competitive advantages and diversify revenue sources for stable profit growth.
3. Expanding domestic branch coverage may result in a number of risks such as over supply of services in the nearby area, over-competition for the same customers etc. Expanding overseas branch coverage may result in a number of risks such as geopolitical, compliance, and regional economic changes and money laundering and terrorism financing activities.

4. The Bank conducts thorough assessments before committing to any new branch establishments. It also adjusts business strategies and risk management policies where appropriate to respond to the risks it encounters.

g. Risk associated with business concentration

1. Backup mechanism

Due to the sharing of resources and talents resulting from the concentrating of some of the bank's business, the occurrence of incidents will create major impact on the bank. Therefore, in addition to the disaster recovery plan formulated by the information service division, the bank has set up "business continuity planning" (BCP) and labor-hygiene and security-related policy and measures, so as to assure the continuation of the bank's integrated operation, including back-up mechanism for site, system, and personnel, which would undergo regular testing every year. The bank also regularly prepares back-up copies for data which are stored at a different site.

2. Document transmission

In the wake of operating concentration, internal transmission or delivery of original copies of document may result in information leakage or loss of documents, thereby causing serious consequence on the customers and the bank. To prevent the problems, the bank keeps the track for signed reception and formulates complete delivery rules for the delivery of key documents.

h. The effect of the change of management right on the bank, related risk and Countermeasures: As of the end of 2021, Taishin Bank is a wholly-owned subsidiary of Taishin Financial Holding Co., Ltd. There has been no material change in ownership.

As of the end of 2023, Taishin Bank is a wholly-owned subsidiary of Taishin Financial Holding Co., Ltd. There has been no material change in ownership.

i. Impact on the Bank and risk and response measures as a result of change of directors or any major shareholder with more than 1% ownership interest or of large transfer/exchange of equity:

The Bank is a wholly owned subsidiary of Taishin Financial Holding Co., Ltd.

j. Litigation and non-litigation incident: None.

Unappealable judgment, or under litigation	The facts of the dispute	Value of Claim	The initiation of Litigation	The involved parties	The current status
Claim for damage compensation	The Taiwan Taipei District Court sentenced Zhou in the criminal case regarding unauthorized withdrawals of clients' funds to ten years and six months in prison. Taishin Bank filed an ancillary civil action with the Taiwan Taipei District Court, and the court transferred the case to the civil court.	NT\$266,189,647 +US\$1,730,000	2021.08	Taishin Bank vs Zhou, Huang and Zhou	The case is currently pending in the first instance trial. (2022 Zhong-Lao-Zi No.6)

k. Other major risks and countermeasures:

International organizations and authorities have paid more attention to the AML/CFT supervision. In order to comply with international practices and relevant regulations, , Taishin Bank continue to improve AML/CFT management mechanisms and uses risk-based approach to prevent, detect and monitoring to prevent financial crimes. In addition, an AML/CFT committee is installed to aid the board of directors and executive officers in performing their compliance management duties and ensure related banking procedures and internal controls can be executed effectively. The three lines of defense play a crucial role in Taishin Bank's effort to strengthen AML/CFT control. The first line of defense, which is embodied by the sales units worldwide, has senior managers appointed as the supervisors to oversee AML/CFT programs in their respective units and make AML/CFT practices part of their daily management routines. The second line is responsible for coordinating and overseeing execution of AML/CFT programs, and invests resources to identify and monitor risks on an ongoing basis. Finally, the third line, which is embodied by the internal audit units, conduct audits according to the rules in order to ensure the design and execution of AML/CFT programs remain valid.

G. Crisis response mechanism:

To ensure business continuity and strengthen the Company's emergency response capability to reduce the impact of disasters and resume normal operations as soon as possible, Taishin Bank has defined emergency incidents and risk levels and specified units in charge of and procedures for handling emergencies in accordance with Taishin Financial Holdings' Business Continuity Management (BCM) Policy and the bank's BCM Guideline. The Bank has established a BCM system to collect relevant information for systematic management. With respect to crisis response measures for financial institutions, Taishin Bank has formulated Contingency Funding Plan and guidelines for the management of continuous IT operations and disaster recovery, which detail handling procedures and responsibilities in order to effectively eliminate a crisis event.

H. Other important affairs: None.

VIII. Special Disclosure

A. Information of affiliates

a. Consolidated financial statement with affiliates

In 2023, the affiliated enterprises subject to the preparation of consolidated business reports in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," were identical to the affiliated companies subject to the preparation of consolidated financial statements under the Statement of International Financial Reporting Standards No.10. All mandatory disclosure of the consolidated business reports has already been executed in the consolidated financial statements, therefore no separate consolidated business report was prepared.

b. Consolidated business reports with affiliates

1. Organizational chart of affiliates

Taishin International Bank Organizational chart of affiliates

(Base date: Dec 31, 2023)



2. Business status of affiliates

Dec. 31, 2023 Unit: NT\$1,000

Name of enterprises	Capital	Total Assets	Total Liabilities	Book Value	Operating revenue	Operating profit	Current Profit/loss (after tax)	After-tax Profit/loss Per share
Taishin D.A. Finance	3,136,264	17,520,920	13,269,389	4,251,531	837,898	128,580	124,827	0.64
Taishin Real Estate Management	200,000	586,704	237,267	349,437	49,181	24,725	21,799	1.09
Taishin Financial Leasing (China)	2,437,967	12,442,352	10,107,898	2,334,453	945,016	(96,775)	(56,229)	-

Note 1: All affiliates, regardless of size, are required to make the disclosure.

Note 2: Affiliates that are foreign companies shall show all figures in TWD by converting them at the exchange rates applicable on the report date.

3. Information on affiliates

Dec. 31, 2023 Unit: NT\$1,000

Name of enterprise	Date of establishment	Date of establishment	Paid-in Capital	Major business or product items
Taishin D.A. Finance Co., Ltd.	1997.10.13	7F., No. 44, Sec. 2 Zhongshan N Rd., Zhongshan Dist., Taipei City	3,136,264	<ol style="list-style-type: none"> 1. Rental and Leasing. 2. Wholesale of Medical Devices. 3. Wholesale of Machinery. 4. Retail Sale of Medical Apparatus. 5. Retail Sale of Machinery and Tools. 6. Wholesale of Precision Instruments. 7. Retail Sale of Precision Instruments. 8. Retail Sale of Motor Vehicles. 9. Retail Sale of Motorcycles. 10. Retail Sale of Ship and Component Parts Thereof. 11. Retail Sale of Aircraft and Component Parts Thereof. 12. Car Rental Business. 13. Financial Institution Creditor's Right(Money) Purchase Business. 14. Management Consulting. 15. Information Software Services. 16. Data Processing Services. 17. Energy Technical Services. 18. Other Industrial and Commercial Services. 19. All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
Taishin Real Estate Management Co., Ltd.	1995.08.17	2F-4, No. 9, Dehui Street, Taipei city	200,000	<ol style="list-style-type: none"> 1. Construction Manager. 2. Housing and Building Development and Rental. 3. Industrial Factory Development and Rental. 4. Specific Area Development. 5. Investment, Development and Construction in Public Construction. 6. New Towns, New Community Development. 7. Process Zone Expropriation and Urban Land Readjustment Agency. 8. Urban Renewal Reconstruction. 9. Real Estate Business. 10. Real Estate Leasing. 11. Industrial and Commercial Credit Checking Service. 12. All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
Taishin Financial Leasing (China) Co., Ltd.	2011.07.12	Floor 30, Building 4, Nanjing Financial City, No. 248 Lushan Road, Jianye District, Nanjing City, Jiangsu Province, China	2,437,967	Financial Leasing.

4. Information on directors, supervisors, and presidents

Dec. 31, 2023 Unit: shares

Name of enterprise	Title	Name or representative	Shareholding	
			Shareholding	Stake
Taishin D.A. Finance	(Representative) Chairman Director Director Supervisor President	Taishin International Bank Chen, Li-Hsiung Shin-Chu Chien Welch Lin Andy Chang Peter Tsai Tsai, Chin-Fang	313,626,369	100%
Taishin Real Estate Management	(Representative) Chairman Director Director Director (Representative) Supervisor President	Taishin International Bank Tiao, Chieh-Sheng Wu, Tong-Liang Wu, Tong-Shung Liaw, Shean Yng	12,000,000	60%
		Taishin Asset Management Welch Lin Liaw, Shean Yng	8,000,000	40%
Taishin Financial Leasing (China)	(Representative) Chairman Director Director Supervisor President	Taishin D.A. Finance Chen, Li-Hsiung Andy Chang Tsai, Chin-Fang Peter Tsai Liang, Zheng-Sheng		100%

c. Affiliate report

Statement

Taishin International Bank
Statement on Affiliation Report

Feb. 15, 2024

The company's affiliation report for fiscal 2023 (Jan.1, 2023-Dec. 31, 2023) was compiled according to guidelines for Compilation of Consolidated Business Report, Consolidated Financial Statement, and Affiliation Report of Affiliates, whose disclosed information has no major differences from related information disclosed in the notes of the financial statement for the same period.

Taishin International Bank



Wu, Tong-Liang
Chairman



Date: February 16, 2023

To: Taishin International Bank Co., Ltd.

Subject: No significant deficiencies between the information included in the 2022 affiliation report and the notes to the 2022 financial statements.

Gentlemen:

AUDITOR'S REVIEW REPORT ON AFILIATION REPORT

1. Taishin International Bank Co., Ltd (the "Company") has issued a statement, as shown in the attached, indicating its affiliation report for the year ended December 31, 2022 (the "2022 Affiliation Report") was prepared in accordance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". The statement also indicated that the information included in the 2022 Affiliation Report has no significant differences from the related notes to the Company's 2022 financial statement.
2. We have reviewed and compared the information included in the 2022 Affiliation Report and the notes to the Company's 2022 financial statements. Based on the aforementioned procedures performed, no significant deficiencies were noted.

Deloitte & Touche
Taipei, Taiwan
Republic of China

d. Relationship between subordinated and controlling company

Dec.31, 2023 Unit: %, share

Controlling company name	Controlling Reason	Shareholding and lien obligation of controlling company			Director, supervisor, or manager representating controlling company	
		Shares owned	Share of stake	Shares with lien	Title	Name
Taishin Financial Holding Co., Ltd.	Own 100% of the shares with voting right issued by the bank	9,553,527,309	100.00%	-	Chairman	Wu, Tong-Liang
					Director	Wu, Tong-Shung
					Director	Hsu, Teh-Nan
					Director	Kuo, Jui-Sung
					Director	Wu, Shang-Pin
					Director	Kao, Chih-Shang
					Director	Wu, Shin-Hau
					Director	Lin, Long-Su
					Independent director	Chang, Min-Yu
					Independent director	Lin, Yi-Fu
					Independent director	Lee ,Shyan-Yuan

e. Dealing between subordinated and controlling company

1. Dealing for purchase and sale: None.
2. Property dealing: None.
3. Fund lending: None.

4. Asset leading

Unit: NT\$1,000

Type of dealing (Rental out or On lease)	Target		Lease Period		Nature of Lease	Basis for rental	Method of rental collection (payment)	Comparison with common rental level	Amount of current rental	Collection of current rental	Other agreed conditions
	Name	Address									
On lease		1F., No. 95, Wenchang Rd., Shilin Dist., Taipei City	2022/10/1	2024/9/30	Business lease	Set on reference of market price	Paid Annually	Similar to market price	302.4	Normal	Refundable deposit 0
On lease		ATMs at Shinkong Mitsukoshi Islandwide	2023/1/1	2024/12/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	2,646	Normal	Refundable deposit 0
On lease		4F.-1 and -2, No. 207, Fuxing Rd., Taoyuan Dist., Taoyuan City	2022/9/1	2024/8/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	3,743	Normal	Refundable deposit 468
On lease		1F., No. 50, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City	2021/9/1	2024/8/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	198	Normal	Refundable deposit 17
On lease		1F. and 2F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	2020/9/1	2030/8/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	189,810	Normal	Refundable deposit 4,426
On lease		22F.-1, No. 2, Zhongshan 2nd Rd., Lingya Dist., Kaohsiung City	2022/12/1	2024/11/30	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	599	Normal	Refundable deposit 75
On lease		22-2F and 22-5F No. 2, Zhongshan 2nd Rd., Lingya Dist., Kaohsiung City	2021/8/1	2023/7/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	1,961	Normal	Refundable deposit 163
On lease		22-2F and 22-5F No. 2, Zhongshan 2nd Rd., Lingya Dist., Kaohsiung City	2023/8/1	2025/7/31	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	1,961	Normal	Refundable deposit 163
On lease		15-3F and 15-4F, No. 205, Fuxing Rd., Taoyuan Dist., Taoyuan City	2022/11/16	2027/11/15	Business lease	Set on reference of market price	Paid Monthly	Similar to market price	4,032	Normal	Refundable deposit 201.6

Type of dealing (Rental out or On lease)	Target		Lease Period		Nature of Lease	Basis for rental	Method of rental collection (payment)	Comparison with common rental level	Amount of current rental	Collection of current rental	Other agreed conditions
	Name	Address									
Rental out	Taishin Holdings Building	Fl. 13, No. 118, Renai Road, Sec. 4, Daan District, Taipei	2022/5/1	2027/4/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	166	Normal	Refundable deposit 41
Rental out		Fl. 13, No. 118, Renai Road, Sec. 4, Daan District, Taipei	2022/7/1	2027/6/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	164	Normal	Refundable deposit 41
Rental out		Fl. 16, No. 118, Renai Road, Sec. 4, Daan District, Taipei	2020/11/1	2025/10/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	7,549	Normal	Refundable deposit 1,887
Rental out		Fl. 12, 13, 15, 16, 21, 22, 23, No. 118, Renai Road, Sec. 4, Daan District, Taipei	2021/1/1	2025/12/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	6,050	Normal	Refundable deposit 1,513
Rental out		Fl. 18, No. 118, Renai Road, Sec. 4, Daan District, Taipei	2021/3/17	2026/3/16	Business lease	Set on reference of market price	Monthly collection	Similar to market price	1,818	Normal	Refundable deposit 454
Rental out	Taishin Securities Building	Fl. 11, 12, No. 96, Jianguo N. Road, Sec. 1, Taipei	2019/1/16	2024/1/15	Business lease	Set on reference of market price	Monthly collection	Similar to market price	15,290	Normal	Refundable deposit 3,823
Rental out		Fl. 11, No. 96, Jianguo N. Road, Sec. 1, Taipei	2019/6/16	2024/1/15	Business lease	Set on reference of market price	Monthly collection	Similar to market price	505	Normal	Refundable deposit 42
Rental out		Fl. 11, No. 96, Jianguo N. Road, Sec. 1, Taipei	2019/1/16	2024/1/15	Business lease	Set on reference of market price	Monthly collection	Similar to market price	512	Normal	Refundable deposit 128
Rental out	Jianbei Building	Fl. 3, No. 17, Jianguo N. Road, Sec. 2, Taipei	2019/7/1	2024/6/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	3,344	Normal	Refundable deposit 836
Rental out	Zhun Shan Building	Fl. 2, No. 44, Jhongshan N. Road, Sec. 2, Jhongshan District, Taipei	2022/12/1	2027/11/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	16,738	Normal	Refundable deposit 4,185
Rental out		Fl. 3, No. 44, Jhongshan N. Road, Sec. 2, Jhongshan District, Taipei	2022/6/1	2024/5/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	968	Normal	Refundable deposit 242

Type of dealing (Rental out or On lease)	Target		Lease Period		Nature of Lease	Basis for rental	Method of rental collection (payment)	Comparison with common rental level	Amount of current rental	Collection of current rental	Other agreed conditions
	Name	Address									
Rental out	Bade Building	Fl. 2, No. 111, Bade Road, Sec. 4, Songshan District, Taipei	2023/7/10	2028/10/9	Business lease	Set on reference of market price	Monthly collection	Similar to market price	1,213	Normal	Refundable deposit 303
Rental out	Neihu Building	Fl. 5, No. 207, Jiuzhong Road, Sec. 2, Neihu District, Taipei	2023/1/1	2027/12/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	588	Normal	Refundable deposit 139
Rental out		Fl. 5, No. 207, Jiuzhong Road, Sec. 2, Neihu District, Taipei	2023/8/1	2028/7/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	257	Normal	Refundable deposit 64
Rental out		Fl. 7, No. 207, Jiuzhong Road, Sec. 2, Neihu District, Taipei	2022/10/1	2027/9/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	5,653	Normal	Refundable deposit 1,413
Rental out	Nangang Building	Fl. 5, No. 19-3, Sanchong Rd., Nangang Dist., Taipei City	2020/2/1	2026/1/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	796	Normal	Refundable deposit 2,388
Rental out	Renai Building	Fl. 11, No. 1, Renai Road, Sec. 1, Daan District, Taipei	2023/11/10	2028/11/9	Business lease	Set on reference of market price	Monthly collection	Similar to market price	1,158	Normal	Refundable deposit 290
Rental out	Nantun Building	2F. (partial) and 3F., No. 187, Sec. 2, Dongxing Rd., Nantun Dist., Taichung City	2020/6/1	2025/5/31	Business lease	Set on reference of market price	Monthly collection	Similar to market price	1,607	Normal	Refundable deposit 402
Rental out	Tainan Building	Fl. 3, No. 389, Ximen Rd., Central Dist., Tainan City	2019/5/1	2024/4/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	848	Normal	Refundable deposit 212
Rental out	Yongfu Building	5F., No. 150, Sec. 2, Yongfu Rd., West Central Dist., Tainan City	2023/12/1	2024/11/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	313	Normal	Refundable deposit 78
Rental out	Lingya Building	3F.-1, No. 260, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City	2023/12/1	2027/11/30	Business lease	Set on reference of market price	Monthly collection	Similar to market price	2,048	Normal	Refundable deposit 460

5. Other important dealings: None.

f. Endorsements and guarantees between subsidiary company and controlling company: None.

B. Securities and financial bonds issuance via private placement in 2023 and as of the date of the publication of the annual report.

Private placement of securities -1

Item	1st private placement in 2023 Date of issue: June 30, 2023				
Type of securities	Common shares				
Date of shareholder meeting and amount approved	The board of directors, on behalf of the shareholders' meeting, passed a private placement of no more than 295,454,545 common shares on May 18, 2023.				
Pricing basis and its reasonableness	Considering growing earnings momentum, the soundness of asset quality, and other financial conditions, we based the pricing of the issuance on both P/B and P/E ratios.				
Selection of specific subscribers	The shares were subscribed entirely by one institutional shareholder, who was Taishin FHC and the shareholder with a 100% stake in the bank.				
Reasons for private placement	To maintain the single shareholder structure				
Payment completion date	June 30, 2023				
Subscriber's background	Counterparties for private placement	Eligibility	Amount subscribed	Relationship with the Bank	Participation in The Bank's management
	Taishin FHC	Article 43-6, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act	227,272,728 shares	Parent company with a 100% stake in the bank	The entity to appoint all directors for the bank
Actual subscription (or conversion) price	NT\$ 22 per share				
Difference between actual subscription (or conversion) price and reference price	116.1% of the reference price (NT\$18.95 per share)				
Impacts to shareholders' equity following the private placement (e.g.: increase in accumulated losses etc.)	1. Taishin FHC is the sole shareholder of Taishin Bank and the subscriber in this private placement. Hence, the private placement had no impact on it. 2. A private cash issue would help strengthen Taishin Bank's common shareholder equity and increase the capital adequacy ratio.				
Planned and actual usage of privately raised capital	The payment was received in full on June 30, 2023. The purpose of strengthening the Bank's capital structure and enhance BIS ratio was achieved and the project completed.				
Benefits of private placement	Completion of the private cash issue achieved the effects of strengthening the Bank's capital structure and enhancing BIS ratio.				

Private placement of securities -2

Item	2nd private placement in 2023 Date of issue: Oct 27, 2023				
Type of securities	Common shares				
Date of shareholder meeting and amount approved	The board of directors, on behalf of the shareholders' meeting, passed a private placement of 227,272,728 common shares on Sep 21, 2023.				
Pricing basis and its reasonableness	Considering growing earnings momentum, the soundness of asset quality, and other financial conditions, we based the pricing of the issuance on both P/B and P/E ratios.				
Selection of specific subscribers	The shares were subscribed entirely by one institutional shareholder, who was Taishin FHC and the shareholder with a 100% stake in the bank.				
Reasons for private placement	To maintain the single shareholder structure				
Payment completion date	Oct 27, 2023				
Subscriber's background	Counterparties for private placement	Eligibility	Amount subscribed	Relationship with the Bank	Participation in The Bank's management
	Taishin FHC	Article 43-6, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act	227,272,728 shares	Parent company with a 100% stake in the bank	The entity to appoint all directors for the bank
Actual subscription (or conversion) price	NT\$ 22 per share				
Difference between actual subscription (or conversion) price and reference price	116.0% of the reference price (NT\$18.96 per share)				
Impacts to shareholders' equity following the private placement (e.g.: increase in accumulated losses etc.)	1. Taishin FHC is the sole shareholder of Taishin Bank and the subscriber in this private placement. Hence, the private placement had no impact on it. 2. A private cash issue would help strengthen Taishin Bank's common shareholder equity and increase the capital adequacy ratio.				
Planned and actual usage of privately raised capital	The payment was received in full on June 30, 2023. The purpose of strengthening the Bank's capital structure and enhance BIS ratio was achieved and the project completed.				
Benefits of private placement	Completion of the private cash issue achieved the effects of strengthening the Bank's capital structure and enhancing BIS ratio.				

C. Holding or disposal of the bank's shares by subsidiaries in the recent year and as of the date of the publication of the annual report: None.

D. Other necessary supplementary explanation: None.

E. Stocks: None.

IX. Directory of Head Office & Branches

Name	Address	Phone Number
Head Office & Business Department	No.44, Sec. 2, Zhongshan N. Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2568-3988
Dunnan Branch	No.118, Sec. 4, Ren-ai Rd., Da-an District, Taipei City 106, Taiwan (R.O.C.)	(02) 2326-8899
Sinsheng Branch	No.62, Sec. 1, Sinsheng S. Rd., Zhongzheng District, Taipei City 100, Taiwan (R.O.C.)	(02) 2395-2888
Sinjhuang Branch	No.75, Sec. 2, Jhonghua Rd., Xinzhuang District, New Taipei City 242, Taiwan (R.O.C.)	(02) 2998-0888
Taoyuan Branch	No.205, Fusing Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)	(03) 339-6000
Taichung Branch	No.416, Sec. 2, Taiwan Blvd., West Dist., Taichung City 403, Taiwan (R.O.C.)	(04) 2328-5577
Banciao Branch	No.176, Jhongjheng Rd., Banqiao District, New Taipei City 220, Taiwan (R.O.C.)	(02) 2965-8888
Kaohsiung Branch	No.10, Mingcheng 4th Rd., Gushan Dist., Kaohsiung City 80457, Taiwan (R.O.C.)	(07) 553-6653
Tainan Branch	No.389, Sec. 2, Simen Rd., West Central District, Tainan City 700, Taiwan (R.O.C.)	(06) 223-3383
Nantung Branch	No.289, Sec. 3, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02) 2546-1068
Jhongli Branch	No.366, Yanping Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)	(03) 427-2345
Trust Department	No.118, Sec. 4, Ren-ai Rd., Da-an District, Taipei City 106, Taiwan (R.O.C.)	(02) 2326-8899
International Department	2F, 6F, No.17, Sec. 2, Jianguo N. Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2505-6966
Linya Branch	No.260, Jhongshan 2nd Rd., Qianzhen District, Kaohsiung City 806, Taiwan (R.O.C.)	(07) 537-5537
Lujhou Branch	No.197, Changrong Rd., Luzhou Dist., New Taipei City 247, Taiwan (R.O.C.)	(02) 2848-5858
Tienmou Branch	No.88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City 111, Taiwan (R.O.C.)	(02) 2836-3988
Dali Branch	No.127, Sec. 2, Jhongsing Rd., Dali District, Taichung City 412, Taiwan (R.O.C.)	(04) 2483-4088
Offshore Banking Unit	2F, 6F., No.17, Sec. 2, Jianguo N. Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2505-6966
Jhonghe Branch	No.341, Jhonghe Rd., Yonghe District, New Taipei City 234, Taiwan (R.O.C.)	(02) 2232-7788
Chiayi Branch	No.620, Chueiyang Rd., West District, Chiayi City 600, Taiwan (R.O.C.)	(05) 222-2818
Fongyuan Branch	No. 368, Yuanhuan E. Rd., Fengyuan Dist., Taichung City 420, Taiwan (R.O.C.)	(04) 2525-7999
Hualien Branch	No.408-9, Zhongshan Rd., Hualien City, Hualien County 970, Taiwan (R.O.C.)	(03) 834-5930

Name	Address	Phone Number
Hsinchu Branch	No.83, Sec. 2, Dongda Rd., North District, Hsinchu City 300, Taiwan (R.O.C.)	(03) 535-1546
Cisian Branch	No.386, Cisian 1st Rd., Xinxing District, Kaohsiung City 800, Taiwan (R.O.C.)	(07) 238-8545
Sinyi Branch	No.1, Songgao Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	(02) 2723-0088
North Taichung Branch	No.55, Sec. 2, Chongde Rd., Beitun District, Taichung City 406, Taiwan (R.O.C.)	(04) 2232-6886
Sanchong Branch	No.116, Jhengyi N. Rd., Sanchong District, New Taipei City 241, Taiwan (R.O.C.)	(02) 2983-6100
Yongfu Branch	No.150, Sec. 2, Yongfu Rd., West Central District, Tainan City 700, Taiwan (R.O.C.)	(06) 220-4622
Pingtung Branch	No.103, Guangdong Rd., Pingtung City, Pingtung County 900, Taiwan (R.O.C.)	(08) 721-7777
Da-an Branch	No.118, Sec. 3, Sinyi Rd., Da-an District, Taipei City 106, Taiwan (R.O.C.)	(02) 2700-9388
Longtan Branch	No.176, Jhongjheng Rd., Longtan Dist., Taoyuan City 325, Taiwan (R.O.C.)	(03) 499-3800
Chongde Branch	No.260, Chongde Rd., East District, Tainan City 701, Taiwan (R.O.C.)	(06) 290-6901
Jinhua Branch	No.195, Sec. 2, Jinhua Rd., South District, Tainan City 702, Taiwan (R.O.C.)	(06) 263-9121
Houchia Branch	No.520, Yunong Rd., East District, Tainan City 701, Taiwan (R.O.C.)	(06) 209-2638
Haidian Branch	No.130, Sec. 1, Haidian Rd., Annan District, Tainan City 709, Taiwan (R.O.C.)	(06) 258-5015
Changhua Branch	No.273, Sec. 1, Jhongjheng Rd., Changhua City, Changhua County 500, Taiwan (R.O.C.)	(04) 722-7789
Wujia Branch	No.734, Wujia 2nd Rd., Fengshan Dist., Kaohsiung City 83085, Taiwan (R.O.C.)	(07) 813-1168
Fongshan Branch	No.105, Jhongshan W. Rd., Fengshan District, Kaohsiung City 830, Taiwan (R.O.C.)	(07) 719-9999
Kuting Branch	No.28, Sec. 3, Roosevelt Rd., Zhongzheng District, Taipei City 100, Taiwan (R.O.C.)	(02) 2364-6888
Jiancao Branch	No.150, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	(02) 2508-1899
Minsheng Branch	No.88, Sanmin Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	(02) 8787-2680
Taiping Branch	No.511, Yichang Rd., Taiping District, Taichung City 411, Taiwan (R.O.C.)	(04) 2273-0588
Heping Branch	No.238, Sec. 1, Heping E. Rd., Da-an District, Taipei City 106, Taiwan (R.O.C.)	(02) 2368-5589
North Kaohsiung Branch	No.360, Bo-ai 2nd Rd., Zuoying District, Kaohsiung City 813, Taiwan (R.O.C.)	(07) 550-9900
South Sinjhuang Branch	No.58, Fuguo Rd., Xinzhuang District, New Taipei City 242, Taiwan (R.O.C.)	(02) 2906-8868
Neihu Branch	No.358, Sec. 1, Neihu Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	(02) 2659-9966

Name	Address	Phone Number
Yonghe Branch	No.195, Jhulin Rd., Yonghe District, New Taipei City 234, Taiwan (R.O.C.)	(02) 8928-0588
Fong Jia Branch	No.201, Sec. 2, Henan Rd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.)	(04) 2451-7890
Chuke Branch	No.289, Sec. 2, Guangfu Rd., East District, Hsinchu City 300, Taiwan (R.O.C.)	(03) 516-3123
Nantun Branch	No.187, Sec. 2, Dongsing Rd., Nantun District, Taichung City 408, Taiwan (R.O.C.)	(04) 2472-0788
Dazhi Branch	No.645, Bei-an Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 8509-6858
Nanmen Mini-Branch	No.7, Sec. 1, Nanchang Rd., Zhongzheng District, Taipei City 100, Taiwan (R.O.C.)	(02) 2397-2588
Simen Branch	No.57, Sec. 1, Chongcing S. Rd., Zhongzheng District, Taipei City 100, Taiwan (R.O.C.)	(02) 2371-7878
Dunbei Branch	No.133, Sec. 3, Minsheng E. Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02) 2712-6666
Jhongsiao Branch	No.282, Sec. 4, Jhongsiao E. Rd., Da-an District, Taipei City 106, Taiwan (R.O.C.)	(02) 6636-9999
Fusing Branch	No.150, Fusing N. Rd., Zhongshan District, Taipei City 104, Taiwan (R.O.C.)	(02) 2713-7666
Bannan Branch	No.41, Guancian E. Rd., Banqiao District, New Taipei City 220, Taiwan (R.O.C.)	(02) 2956-6789
Mincyuan Branch	No.559, Mincyuan Rd., North District, Taichung City 404, Taiwan (R.O.C.)	(04) 2205-1888
Sanmin Branch	No.573, Chengqing Rd., Sanmin Dist., Kaohsiung City 807, Taiwan (R.O.C.)	(07) 398-7111
Jianpei Branch	No.17, Sec. 2, Jianguo N. Rd., Zhongsha District, Taipei City 104, Taiwan (R.O.C.)	(02) 2516-5766
Sanhe Branch	No.183, Sec. 4, Sanhe Rd., Sanchong District, New Taipei City 241, Taiwan (R.O.C.)	(02) 2287-7979
North Xindian Branch	No.23, Baoqiang Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	(02) 2912-3988
Fucheng Branch	No.88, Jhongshan Rd., West Central District, Tainan City 700, Taiwan (R.O.C.)	(06) 228-4400
East Kaohsiung Branch	No.309, Jiansing Rd., Sanmin District, Kaohsiung City 807, Taiwan (R.O.C.)	(07) 380-1500
Keelung Rd. Branch	No.55, Sec. 2, Keelung Rd., Xinyi District, Taipei City 110, Taiwan (R.O.C.)	(02) 2735-2567
Sindian Branch	No. 136, Sec. 1, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	(02) 2915-7766
North Taoyuan Branch	No.166, Sec. 1, Daxing W. Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)	(03) 346-4888
Dadun Branch	No.711, Dadun Rd., Nantunn District, Taichung City 407, Taiwan (R.O.C.)	(04) 2327-4567
Yanping Branch	No.202, Sec. 2, Yanping N. Rd., Datong District, Taipei City 103, Taiwan (R.O.C.)	(02) 2557-9155
Nankan Branch	No.68, Zhongzheng Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)	(03) 321-5999

Name	Address	Phone Number
Jingping Branch	No.634-9, Jingping Rd., Zhonghe District, New Taipei City 235, Taiwan (R.O.C.)	(02) 2242-8989
Wunsin Branch	No.218, Sec. 1, Wenxin Rd., Nantun Dist., Taichung City 408, Taiwan (R.O.C.)	(04) 2473-6767
Gangshan Branch	No. 67, Zhongshan N. Rd., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.)	(07) 621-9677
Songjiang Branch	No.236, Songjiang Rd., Zhongshan Dist., Taipei City 10467, Taiwan (R.O.C.)	(02) 2523-7166
Daya Branch	No.242, Zhongqing E. Rd., Daya Dist., Taichung City 428, Taiwan (R.O.C.)	(04) 2565-2299
Sijhih Branch	No.135, Jhongsing Rd., Xizhi District, New Taipei City 221, Taiwan (R.O.C.)	(02) 2694-5133
Chenggong Branch	No.180, Zihciang S. Rd., Jhubei City, Hsinchu County 30264, Taiwan (R.O.C.)	(03) 550-8396
Shihpai Branch	No.49, Sec. 2, Shihpai Rd., Beitou District, Taipei City 112, Taiwan (R.O.C.)	(02) 55815052
Yongkang Branch	No.986, Jhonghua Rd., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	(06) 242-5788
South Songshan Branch	No.108, Sec. 5, Nanjing E. Rd., Songshan District, Taipei City 105, Taiwan (R.O.C.)	(02) 2528-6188
Danshui Branch	No.76, Zhongshan Rd., Tamsui District, New Taipei City 251, Taiwan (R.O.C.)	(02) 2626-8689
East Keelung Branch	No.133-1, Sin 1st Rd., Xinyi District, Keelung City 202, Taiwan (R.O.C.)	(02) 2424-9999
Xinban Branch	No.98,102, Sec. 2, Xianmin Blvd., Banqiao District, New Taipei City 220, Taiwan (R.O.C.)	(02) 2957-1858
Peishih Branch	No.347,Sec.2,HepingE.Rd.,Da-an District,TaipeiCity106,Taiwan(R.O.C.)	(02) 2705-8588
Yonghua Branch	No. 377, Sec. 2, Yonghua Rd., Anping Dist., Tainan City 708, Taiwan (R.O.C.)	(06)299-6973
Chiangtsui Branch	No.79, Alley 3, Lane 182, Sec. 2, Wunhua Rd., Banqiao District, New Taipei City 220, Taiwan (R.O.C.)	(02) 8252-9999
Songde Branch	No.408, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	(02) 8789-5788
Beida Branch	No.457, Beida Rd., North District, Hsinchu City 300, Taiwan (R.O.C.)	(03) 521-8181
Nangang Branch	No.19-12, Sanchong Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	(02) 2655-9988
Guandong Ciao Branch	No.271, Sec. 1, Guangfu Rd., East District, Hsinchu City 300, Taiwan (R.O.C.)	(03) 577-9292
Jhubei Branch	No.331, Jhongjheng E. Rd., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	(03) 551-8383
Nanliao Branch	No.543, Sec. 3, Dongda Rd., North District, Hsinchu City 300, Taiwan (R.O.C.)	(03) 536-2611
Bade Branch	No.991, Sec. 1, Jieshou Rd., Bade Dist., Taoyuan City 334, Taiwan (R.O.C.)	(03) 362-6668
Yuanlin Branch	No.28, Yuying Rd., Yuanlin City, Changhua County 510, Taiwan (R.O.C.)	(04) 839-7899

Name	Address	Phone Number
Shifu Branch	No.91, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.)	(04) 2258-8757
Youchang Branch	No.750, Houchang Rd., Nanzi District, Kaohsiung City 811, Taiwan (R.O.C.)	(07) 365-2200
Shalu Branch	No.201-1, Jhongshan Rd., Shalu District, Taichung City 433, Taiwan (R.O.C.)	(04) 2665-6699
Zhunan Branch	No.61, Minzu St., Jhunan Township, Miaoli County 35041, Taiwan (R.O.C.)	(037) 468777
Luodong Branch	No.153, Gongjheng Rd., Luodong Township, Yilan County 265, Taiwan (R.O.C.)	(03) 953-3366
Donghu Branch	No.452-1, Sec. 5, Chenggong Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	(02) 2630-5678
Wenshan Branch	No.9, Baoyi Rd., Wenshan Dist., Taipei City 116, Taiwan (R.O.C.)	(02) 2938-2323
Fuduxin Branch	No.150, Zhongyuan Rd., Xinzhuang Dist., New Taipei City 242, Taiwan (R.O.C.)	(02) 8521-1388
Jingmei Branch	No.11-1, Cheqian Rd., Wenshan Dist., Taipei City 116, Taiwan (R.O.C.)	(02) 2930-3013
Hsiungko Branch	No.21, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City 80661, Taiwan (R.O.C.)	(07) 331-6765
Overseas offices		
Name	Address	Phone Number
Hong Kong Branch	6/F,Tower 5, The Gateway,15 Canton Road, Tsimshatsui, Kowloon,Hong Kong	(852) 2234-9009
Singapore Branch	18 Robinson Road,#26,Robinson Centre,Singapore 048547	(65) 6224-0888
Tokyo Branch	8F, Meiji Yasuda Life Insurance Bldg.,2-1-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005	(81) 3-3212-6668
Brisbane Branch	Level 24, 111 Eagle Street Brisbane, QLD 4000 Australia	(61) 7-32299869
Malaysia Labuan Branch	Office Unit 4(H), Main Office Tower, Financial Park Complex Labuan, Jalan Merdeka, 87000 W.p. Labuan, Malaysia	(60) 87-413636
Malaysia Labuan Branch Kuala Lumpur Marketing Office	Lot No 11-8, Level 11, Menara Hap Seng 2, Plaza Hap Seng, No. 1, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia	(60) 3-20221636
Vietnam Representative Office	15A(14th) Floor, No. 10, Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam	(84) 28-38228375
Myanmar Representative Office	422, Strand Road (Corner of Botahtaung Pagoda Road), #03-01, Botahtaung Township, Yangon, Myanmar	(95) 18203409
Shanghai Representative Office	Room 05-122, 5 / F, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai, China	(86) 21-50380398
Thailand Representative Office	No.11/1, AIA Sathorn Tower, 6th Floor, Room no.603, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok	(66) 2-8533879

Appendix I. Financial Statements and Independent Auditors' Report

Taishin International Bank Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taishin International Bank Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taishin International Bank Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

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 (ROC). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, 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.

Emphasis of Matter

We draw attention to Notes 14 and 46 of the financial statements, which describe the effects of Taishin Daan Finance Co., Ltd., a subsidiary of the Company, acquiring 100% equity interest in Taishin Financial Leasing (China) Co., Ltd. from Taishin Venture Capital Co., Ltd. on the settlement base date of December 5, 2023. This consolidation is a reorganization under common control. According to the regulations, when a company prepares a comparative financial statement, the financial statements are retroactively restated to reflect the merger assuming both entities have merged. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the key audit matters in the audit of the financial statements of the Company for the year ended December 31, 2023:

Impairment of Loans

Commercial lending is the core business of the Company. Loans represent the Company's significant accounts, which reached around 58% of the Company's total assets as of December 31, 2023. The Company assesses the impairment of loans in accordance with IFRS 9 "Financial Instruments" and "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" issued by the Financial Supervisory Commission (FSC) (collectively referred to as "the Regulations"), and the impairment of loans is recognized at the higher of the amount based on IFRS 9 and the Regulations. See Notes 5 and 13 to the financial statements for relevant and additional information. The Company management's judgments and the assumptions used have a significant impact on the impairment assessments. Therefore, we consider the impairment of loans to be a key audit matter. Refer to Note 6 to the financial statements for relevant and additional information.

Our audit procedures on the impairment of loans included understanding of and testing the design and operating effectiveness of controls and procedures for identifying loans and advances exposed to impairment and ensuring that provisions against those assets were made. We identified loans and checked public information to see whether the borrowers were possibly problematic companies or had already been included in the companies under evaluation for lifetime expected credit losses (ECLs). We evaluated the main assumptions and parameters used in the Company's impairment assessment model of ECLs, confirmed that they are in compliance with IFRS 9 and recalculated the amount of the impairment of loans. In addition, we tested the classification of loan accounts in accordance with the Regulations and evaluated whether the amount of the impairment of loans complied with the Regulations.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 and supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ROC 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements for the year ended December 31, 2023 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 Han-Ni Fang and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 16, 2024



Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. 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 financial statements shall prevail.

TAISHIN INTERNATIONAL BANK CO., LTD.

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
Cash and cash equivalents (Notes 5 and 7)	\$ 26,797,824	1	\$ 28,545,325	1
Due from the Central Bank and call loans to banks (Note 8)	109,924,871	4	112,925,890	5
Financial assets at fair value through profit or loss (FVTPL) (Notes 5, 9 and 41)	140,735,792	5	106,327,208	4
Financial assets at fair value through other comprehensive income (FVTOCI) (Notes 5 and 10)	130,801,651	5	117,368,575	5
Investments in debt instruments at amortized cost (Notes 5 and 11)	530,952,892	20	450,869,560	19
Securities purchased under resell agreements (Notes 5 and 41)	18,831,853	1	11,788,760	-
Receivables, net (Notes 5 and 12)	111,334,100	4	111,984,078	5
Current tax assets (Notes 5 and 35)	-	-	124,565	-
Loans, net (Notes 5, 6, 13, 40 and 41)	1,517,143,729	58	1,408,561,211	59
Investments accounted for using equity method, net (Notes 5 and 14)	4,537,476	-	4,539,339	-
Other financial assets, net (Notes 5, 12, 13 and 15)	3,567,346	-	6,159,889	-
Property and equipment, net (Notes 5 and 16)	21,151,363	1	21,560,612	1
Right-of-use assets, net (Notes 5 and 17)	2,119,290	-	2,026,914	-
Intangible assets, net (Notes 5 and 18)	2,623,458	-	2,701,972	-
Deferred tax assets (Notes 5 and 35)	2,496,780	-	2,207,290	-
Other assets, net (Note 19)	15,219,308	1	14,108,429	1
TOTAL	\$ 2,638,237,733	100	\$ 2,401,799,617	100
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks (Note 20)	\$ 17,071,307	1	\$ 18,213,533	1
Financial liabilities at FVTPL (Notes 5, 9 and 41)	54,957,541	2	47,197,553	2
Securities sold under repurchase agreements (Notes 5 and 41)	74,144,555	3	70,555,477	3
Payables (Note 21)	25,057,961	1	21,724,358	1
Current tax liabilities (Notes 5 and 35)	2,915,703	-	1,234,518	-
Deposits and remittances (Notes 22 and 41)	2,128,059,291	81	1,940,857,131	81
Bank notes payable (Note 23)	28,000,000	1	28,000,000	1
Other financial liabilities (Note 24)	105,696,681	4	95,217,153	4
Provisions (Notes 5 and 25)	1,734,196	-	1,649,999	-
Lease liabilities (Notes 5 and 17)	2,236,892	-	2,106,706	-
Deferred tax liabilities (Notes 5 and 35)	58,362	-	58,364	-
Other liabilities (Note 26)	8,244,306	-	5,334,634	-
Total liabilities	2,448,176,795	93	2,232,149,426	93
EQUITY (Note 28)				
Share capital				
Ordinary shares	95,535,273	4	90,989,818	4
Capital surplus	35,930,369	1	30,319,980	1
Retained earnings				
Legal reserve	41,550,161	2	37,904,403	2
Special reserve	4,841,509	-	391,199	-
Unappropriated earnings	14,534,167	-	12,152,529	-
Total retained earnings	60,925,837	2	50,448,131	2
Other equity	(2,330,541)	-	(4,544,678)	-
Equity attributable to former owner of business combination under common control (Note 46)	-	-	2,436,940	-
Total equity	190,060,938	7	169,650,191	7
TOTAL	\$ 2,638,237,733	100	\$ 2,401,799,617	100

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

TAISHIN INTERNATIONAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME (Notes 5, 29 and 41)					
Interest revenue	\$ 66,868,739	149	\$ 40,191,601	102	66
Interest expense	<u>(42,264,394)</u>	<u>(94)</u>	<u>(15,794,004)</u>	<u>(40)</u>	168
Net interest income	<u>24,604,345</u>	<u>55</u>	<u>24,397,597</u>	<u>62</u>	1
NET INCOME OTHER THAN NET INTEREST INCOME					
Net service fee and commission income (Notes 5, 30 and 41)	11,802,783	26	10,924,228	28	8
Gain (loss) on financial assets and liabilities at FVTPL (Notes 5, 31 and 41)	7,360,336	16	3,058,067	8	141
Realized gain (loss) on financial assets at FVTOCI (Notes 5 and 32)	257,436	1	(665,282)	(2)	139
Gain (loss) on derecognition of financial assets at amortized cost	3,568	-	(115,335)	-	103
Foreign exchange gain (loss)	827,565	2	1,074,729	3	(23)
(Impairment loss on assets) reversal of impairment loss on assets (Notes 5, 10, 11 and 19)	(10,251)	-	3,857	-	(366)
Share of profit (loss) of subsidiaries and associates accounted for using equity method (Notes 5 and 14)	82,319	-	543,938	1	(85)
Net other non-interest income	<u>49,325</u>	<u>-</u>	<u>192,750</u>	<u>-</u>	(74)
Net income other than net interest income	<u>20,373,081</u>	<u>45</u>	<u>15,016,952</u>	<u>38</u>	36
NET REVENUE AND GAINS	<u>44,977,426</u>	<u>100</u>	<u>39,414,549</u>	<u>100</u>	14
BAD DEBTS EXPENSES, COMMITMENTS AND GUARANTEE LIABILITIES PROVISION (Notes 5, 12, 13 and 25)	<u>(1,294,891)</u>	<u>(3)</u>	<u>(1,300,392)</u>	<u>(3)</u>	-

(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses (Notes 5, 27, 33 and 41)	\$ (13,886,884)	(31)	\$ (12,383,097)	(31)	12
Depreciation and amortization expenses (Notes 5 and 34)	(2,250,484)	(5)	(2,250,331)	(6)	-
Other general and administrative expenses (Note 41)	<u>(9,619,447)</u>	<u>(21)</u>	<u>(8,449,613)</u>	<u>(22)</u>	14
Total operating expenses	<u>(25,756,815)</u>	<u>(57)</u>	<u>(23,083,041)</u>	<u>(59)</u>	12
INCOME BEFORE INCOME TAX	17,925,720	40	15,031,116	38	19
INCOME TAX EXPENSE (Notes 5 and 35)	<u>(3,080,784)</u>	<u>(7)</u>	<u>(2,549,427)</u>	<u>(6)</u>	21
NET INCOME	<u>14,844,936</u>	<u>33</u>	<u>12,481,689</u>	<u>32</u>	19
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Gain (loss) on remeasurement of defined benefit plans	(32,245)	-	161,395	-	(120)
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	(45,746)	-	(357,271)	(1)	(87)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL	(120,755)	(1)	300,972	1	(140)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(725)	-	1,065	-	(168)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6,449	-	(32,279)	-	120

(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that will be reclassified subsequently to profit or loss					
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	\$ (46,258)	-	\$ 38,537	-	(220)
Unrealized gain (loss) on investments in debt instruments at FVTOCI	2,356,882	5	(5,144,885)	(13)	146
(Impairment loss) reversal of impairment on investment in debt instruments at FVTOCI	(3,221)	-	(9,542)	-	(66)
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>(135,996)</u>	<u>-</u>	<u>404,385</u>	<u>1</u>	(134)
Other comprehensive income (loss) for the year, net of income tax	<u>1,978,385</u>	<u>4</u>	<u>(4,637,623)</u>	<u>(12)</u>	143
TOTAL COMPREHENSIVE INCOME	<u>\$ 16,823,321</u>	<u>37</u>	<u>\$ 7,844,066</u>	<u>20</u>	114
NET INCOME ATTRIBUTABLE TO:					
Owners of parent	\$ 14,907,933	33	\$ 12,176,095	31	22
Former owner of business combination under common control	<u>(62,997)</u>	<u>-</u>	<u>305,594</u>	<u>1</u>	(121)
	<u>\$ 14,844,936</u>	<u>33</u>	<u>\$ 12,481,689</u>	<u>32</u>	19
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of parent	\$ 16,904,148	37	\$ 7,499,935	19	125
Former owner of business combination under common control	<u>(80,827)</u>	<u>-</u>	<u>344,131</u>	<u>1</u>	(123)
	<u>\$ 16,823,321</u>	<u>37</u>	<u>\$ 7,844,066</u>	<u>20</u>	114
EARNINGS PER SHARE (Note 36)					
Basic	<u>\$1.61</u>		<u>\$1.34</u>		
Diluted	<u>\$1.61</u>		<u>\$1.34</u>		

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

(Concluded)

TAISHIN INTERNATIONAL BANK CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Other Equity							Equity Attributable to Former Owner of Business Combination under Common Control	Total Equity
	Capital Surplus			Retained Earnings		Unrealized Gain (Loss) on Financial Assets at FVTOCI			
	Share Capital - Ordinary Shares	Additional Paid-in Capital in Excess of Par	Share-based Compensation	Other	Legal Reserve		Special Reserve			Unappropriated Earnings
	\$	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE AT JANUARY 1, 2022	88,857,118	30,288,674	28,093	3,213	33,996,364	405,143	13,026,796	(18,823)	166,713,317
Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control	-	-	-	-	-	-	-	-	2,490,440
BALANCE AT JANUARY 1, 2022 AS RESTATED	88,857,118	30,288,674	28,093	3,213	33,996,364	405,143	13,026,796	(18,823)	169,203,757
Appropriation of 2021 earnings	-	-	-	-	3,908,039	-	(3,908,039)	-	-
Legal reserve appropriated	-	-	-	-	-	(13,944)	13,944	-	-
Special reserve appropriated	-	-	-	-	-	-	(7,000,001)	-	-
Cash dividends of ordinary shares	-	-	-	-	-	-	(2,132,700)	-	-
Stock dividends of ordinary shares	2,132,700	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	-	12,176,095	-	12,481,689
Other comprehensive income (loss) for the year ended December 31, 2022, net of tax	-	-	-	-	-	-	130,191	300,972	(4,637,623)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	12,306,286	300,972	7,844,066
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	(153,757)	-	-
Cash dividends of subsidiaries	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	90,989,818	30,288,674	28,093	3,213	37,904,403	391,199	12,152,529	282,149	169,650,191
Appropriation of 2022 earnings	-	-	-	-	3,645,758	-	(3,645,758)	-	-
Legal reserve appropriated	-	-	-	-	-	4,450,310	(4,450,310)	-	-
Special reserve appropriated	-	-	-	-	-	-	(4,056,461)	-	(4,056,461)
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	-
Net income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	14,907,933	-	14,844,936
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	-	-	(25,742)	(120,755)	1,978,385
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	14,882,191	(120,755)	16,823,321
Issuance of ordinary shares for cash	4,545,455	5,454,545	-	-	-	-	-	-	10,000,000
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	(348,024)	-	-
Corporate restructuring	-	155,844	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	95,535,273	35,899,063	28,093	3,213	41,550,161	4,841,509	14,534,167	(2,356,113)	190,060,938

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

TAISHIN INTERNATIONAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 17,925,720	\$ 15,031,116
Adjustments:		
Adjustment for reconciliation of profit or loss		
Depreciation expenses	1,754,185	1,808,293
Amortization expenses	496,299	442,038
Provisions for bad debts expenses, commitments and guarantee liabilities	1,294,891	1,300,392
Net gain on financial assets and liabilities at FVTPL	(7,360,336)	(3,058,067)
Interest expenses	42,264,394	15,794,004
(Gain) loss on derecognition of financial assets in debt instruments at amortized cost	(3,568)	115,335
Interest income	(66,868,739)	(40,191,601)
Dividend income	(270,209)	(296,661)
Share of loss (profit) of subsidiaries and associates accounted for using equity method	(82,319)	(543,938)
Loss (gain) loss on disposal of investments	12,773	961,943
Impairment loss (reversal of impairment loss) on financial assets	10,251	(3,857)
Other adjustments	(15,778)	7,098
Total adjustments	<u>(28,768,156)</u>	<u>(23,665,021)</u>
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(9,472,255)	(17,625,470)
(Increase) decrease in financial assets at FVTPL	37,999,650	(2,459,648)
(Increase) decrease in financial assets at FVTOCI	(11,379,825)	14,424,185
(Increase) decrease in investments in debt instruments at amortized cost	(75,974,644)	(152,623,671)
(Increase) decrease in securities purchased under resell agreements	880,818	(365,363)
(Increase) decrease in receivables	3,166,731	20,832,192
(Increase) decrease in loans	(110,060,082)	(89,751,092)
(Increase) decrease in other financial assets	2,634,375	(122,877)
(Increase) decrease in other assets	(1,110,495)	(2,652,924)
Increase (decrease) in deposits from the Central Bank and banks	(2,390,301)	(11,477,290)
Increase (decrease) in financial liabilities at FVTPL	(58,780,935)	16,895,613
Increase (decrease) in securities sold under repurchase agreements	3,589,078	(2,034,725)
Increase (decrease) in payables	675,311	(961,653)
Increase (decrease) in deposits and remittances	187,202,160	246,711,069
Increase (decrease) in other financial liabilities	10,479,528	31,125,864
Increase (decrease) in other liabilities	<u>2,664,252</u>	<u>324,935</u>
Cash generated from (used in) operations	(30,719,070)	41,605,240
Interest received	61,992,871	38,517,364
Dividends received	778,307	428,206
		(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
Interest paid	\$ (39,788,429)	\$ (13,374,113)
Income taxes paid	<u>(1,686,864)</u>	<u>(1,486,596)</u>
Net cash generated from (used in) operating activities	<u>(9,423,185)</u>	<u>65,690,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment in equity method	(2,340,000)	-
Acquisition of property and equipment	(640,615)	(5,016,363)
Proceeds from disposal of property and equipment	560	2,520
Acquisition of intangible assets	<u>(417,785)</u>	<u>(515,928)</u>
Net cash generated from (used in) investing activities	<u>(3,397,840)</u>	<u>(5,529,771)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	1,248,075	-
Decrease in due to the Central Bank and banks	-	(31,368,909)
Repayment of bank notes payable	-	(6,800,000)
Payments of lease liabilities	(667,453)	(731,873)
Cash dividends distributed	(4,056,461)	(7,000,001)
Issuance of ordinary shares for cash	<u>10,000,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>6,524,161</u>	<u>(45,900,783)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,296,864)	14,259,547
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>75,475,850</u>	<u>61,216,303</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 69,178,986</u>	<u>\$ 75,475,850</u>
Reconciliation of cash and cash equivalents:		
	2023	2022
Cash and cash equivalents in the balance sheets	\$ 26,797,824	\$ 28,545,325
Due from central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	23,549,309	36,022,583
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>18,831,853</u>	<u>10,907,942</u>
Cash and cash equivalents at the end of the year	<u>\$ 69,178,986</u>	<u>\$ 75,475,850</u>

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

(Concluded)

TAISHIN INTERNATIONAL BANK CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Taishin International Bank Co., Ltd. (the “Company”) incorporated in the ROC is a public bank, began preparations for its establishment as a commercial bank on October 4, 1990 and started its business operations on March 23, 1992. The Company provides customers with (a) general commercial banking services - commercial lending, foreign exchange transactions, installments and term loans, wire transfers, marketable security investments, receivable factoring, offshore banking business, etc. as well as (b) various financial instruments - letters of credit, bankers’ acceptances, checking and savings accounts, credit cards, derivative instruments, etc. The Company was established and located at B1 and 1F, No. 44, Zhongshan N. Rd., Sec. 2, Zhongshan Dist., Taipei City 104, Taiwan (ROC). The main operation office of the Company is at No. 118, Ren’Ai Rd., Sec. 4, Da’An Dist., Taipei City 106, Taiwan (ROC).

The Company and Dah An Commercial Bank Co., Ltd. (“Dah An Bank”) decided to establish Taishin Financial Holding Co., Ltd. (“Taishin Financial Holding”) through a share swap, effective on February 18, 2002, with the Company as the survivor company.

Taishin Financial Holding integrates financial resources to expand business development, enhance competitiveness and achieve other expected benefits. Taishin Financial Holding conducted an internal organization restructuring. Therefore, the company divides separation and transfer of the share transfer agency department to Taishin Securities Co., Ltd. (“Taishin Securities”) on the base date, November 8, 2021.

The parent company and the ultimate parent company of the Company is Taishin Financial Holding, which had a 100% equity interest in the Company as of December 31, 2023 and 2022.

2. STATEMENTS OF COMPLIANCE

The financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the Regulations Governing the Preparation of Financial Reports by Securities Firms.

3. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on February 15, 2024.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

The Company assessed that the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports and the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies, and the application of other standards and interpretations would have no impact on the Company’s financial position and financial performance.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by the International Accounting Standard Board (Collectively, IASB) (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Except for the following, the application of the above new, amended and revised Standards and Interpretations did not have any material impact on the Company’s accounting policies:

Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

Except for the following, the application of the above new, amended and revised Standards and Interpretations did not have any material impact on the Company's accounting policies:

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

According to Order No. 11202745811 and No. 1130380001 issued by the FSC, the Company's financial statements have been prepared in accordance with the IFRS Accounting Standards and relevant Regulations Governing the Preparation of Financial Reports, which were approved by the FSC for 2023.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, payable incurred by cash-settled share-based payment, and defined benefit plans which is recognized by present value of the defined benefit obligations subtracted fair value of plan assets (refer to the summary of accounting policies below). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The functional currency of the Company is New Taiwan dollar. Thus, the financial statements are presented in New Taiwan dollars.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries, associates and jointly controlled entities. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

The Company categorized economic activities into operating, investing, and financing activities. The statements of cash flows reported the change of cash and cash equivalents in the current period based on operating, investing, and financing activities. Refer to Note 7 for the components of cash and cash equivalents.

The cash flow of operating activities was reported by using indirect method. Under the indirect method, profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Interest paid and interest and dividends received are classified as operating cash flows. Dividends paid are classified as financing cash flow because they are cost of obtaining financial resources.

When preparing the financial statements in accordance with the FSC-endorsed IFRS Accounting Standards, the Company has to make certain significant accounting assumptions and estimates based on professional judgments to determine its accounting policies. Change in assumptions may result in significant effects on financial report. The Company believes that the financial statements were prepared based on appropriate assumptions. For items that required management's most difficult or complex judgments, or assumptions and estimates that significantly affect the financial statements, please refer to Note 6.

Classification of Current and Noncurrent Assets and Liabilities

Since the banking business characteristics, classification of assets and liabilities according to the nature and the sequence of liquidity can provide more reliable and relevant information. Therefore, those assets and liabilities are not classified as current or noncurrent, but classified according to the nature and sequence of liquidity. In addition, maturity analysis of liabilities was disclosed in Note 39.

Foreign Currencies

In preparing the financial statements of the Company, the currency of the primary economic environment in which the Company operates (i.e., functional currency) is used. Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. When several exchange rates are available, the rate used is that at which the future cash flows, represented by the transaction amount or balance, could have been settled if those cash flows had occurred at the measurement date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from settlement are recognized in profit or loss in the period in which they arise. Exchange differences on monetary items arising from translation are recognized in profit or loss in the period in which they arise except items that qualify as hedging instruments in a cash flow hedge are recognized initially in other comprehensive income to the extent that the hedge is effective. Exchange differences arising on the retranslation of non-monetary assets (such as equity investment) or liabilities measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents are cash in vault, cash in banks, short-term time deposits and short-term financial instruments that must be readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the statements of cash flows, cash and cash equivalents are cash and cash equivalents on the balance sheets, due from the Central Bank and call loans to banks and securities purchased under resell agreements that are in conformity with the definition of cash and cash equivalents in the IAS 7 endorsed by the FSC.

Investment Accounted for Using Equity Method

Investments in subsidiaries and associates are accounted for using equity method.

a. Investment in subsidiaries

Subsidiaries (including structured entities) are the entities controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The requirements of IAS 36 "Impairment of Assets" endorsed by the FSC are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an subsidiary. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with the FSC-endorsed IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

b. Investment in associates

An associate is an entity over which the Company has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

The Company uses the equity method to recognize the investment in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes its share in the changes in the equity of associates.

When the Company subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of IAS 36 "Impairment of Assets" endorsed by the FSC are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with the FSC-endorsed IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

Property and Equipment

Property and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss. Cost is capitalized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Owned land is not depreciated.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis in accordance with the FSC-endorsed IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible Assets (Except Goodwill)

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis which is in accordance with the FSC-endorsed IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life.

b. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss.

c. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Impairment of Non-financial Assets (Except Goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment loss is recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Bonds and Securities Purchased/Sold under Specific Agreements

Bonds and securities purchased under resell agreements are recorded at purchase price, and bonds and securities sold under repurchase agreements are recorded at sale price, are accounted for as financing transaction. Interest revenue and expenses recognized from the transactions mentioned above are recorded on accrual basis.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL and at amortized cost and investments in debt instruments and equity instruments at FVTOCI. The categories are based on the contractual cash flows on the initial recognition of the financial assets and the Company's business model.

For the Company's debt instruments that have contractual cash flows that are solely for repayments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- 1) For debt instruments, if they are held within a business model whose objective is to collect contractual cash flows, the financial assets (including cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, loans, investments in debt instruments at amortized cost, other financial assets, other assets - refundable deposits, other assets - operating guarantee deposits and settlement funds) are measured at amortized cost and are assessed for impairment continuously with any impairment loss recognized in profit or loss. Interest income is recognized in profit or loss by using the effective interest method; and
- 2) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at FVTOCI and are assessed for impairment. Interest income is recognized in profit or loss by using the effective interest method, and other gains or losses shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Fair value is determined in the manner described in Note 39.

Except for the above, all other financial assets are measured at FVTPL. However, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividends income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss. Fair value is determined in the manner described in Note 39.

Except for the above, on initial recognition, the Company may make an irrevocable election to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings. Fair value is determined in the manner described in Note 39.

b. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets other than investments in equity instruments that are measured at FVTOCI and financial assets at FVTPL.

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

The Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

For purchased or originated credit-impaired financial assets, the Company takes into account the ECLs on initial recognition in the credit-adjusted effective interest rate. Subsequently, any changes in ECLs are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss even if lifetime ECLs are lower than the ECLs on initial recognition.

In addition, specific industries are mandatorily assessed such that the loss allowance for loans is measured at the higher of the amount calculated in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans.

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

c. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity, and its carrying amount is calculated based on the weighted average of the stock types, and is calculated separately based on the reason for the withdrawal. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

a. Subsequent measurement

Except the following situations, all the financial liabilities are measured at amortized cost using the effective interest method.

1) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such a financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- a) It has been acquired principally for the purpose of repurchasing it in the near term; or
- b) On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

- a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

In addition, if a contract contains one or more embedded derivatives, the entire combined contract (asset or liability) can be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on the financial liabilities.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income. However, in the case of avoiding an accounting mismatch or the amount of changes in fair value is due to loan commitments and financial guarantee contracts, all changes in fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 39.

2) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the following and should be dealt with based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans:

- a) The amount of the loss allowance reflecting the ECLs; and
- b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

3) Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- a) The amount of the loss allowance reflecting the ECLs; and
- b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

b. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Modification of financial instruments

When a contractual cash flow of financial instrument is renegotiated or modified, the Company assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Company recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Company elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Company first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

Financial assets and financial liabilities offsetting

Financial assets and financial liabilities are only allowed to be offset and expressed in net amount in the balance sheets when amounts to be offset are 1) objects of legally enforceable right to offset, and 2) objects of intended net settlement, i.e., liquidation of assets for discharge of liabilities.

Futures

Margin paid on futures contracts purchased or sold is recorded as refundable deposits, the market value of futures contracts is recognized as financial assets or liabilities measured at FVTPL, and the gain (loss) on open positions and on maturity or early settlement of contracts is recorded as profit (loss) for the current period.

Provisions, Contingent Liabilities and Contingent Assets

A provision shall be recognized when:

- a. An entity has a present obligation (legal or constructive) as a result of a past event;
- b. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. A reliable estimate can be made of the amount of the obligation.

The Company does not recognize provisions for future operating losses. Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognized.

Provisions are subsequently measured by the present value of the expected expenditures to settle the obligations. Discount rate is the pre-tax discount rate and is adjusted in time to reflect current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can't be reliably measured. The Company accounts and discloses it appropriately in accordance with IAS37.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset. A contingent asset is disclosed appropriately in accordance with related guidelines, where an inflow of economic benefits is probable.

Income Recognition

a. Interest income

Except for financial assets at FVTPL, interest income of all financial instruments is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and recognized in the statements of comprehensive income. When the loans become past due and are considered uncollectible, the principal and interest receivable are transferred to delinquent loan accounts and the accrual of interest income is stopped. Interest income will be recognized when the delinquent interest is collected. If the repayment of loan is extended under an agreement, the related interest should be recognized as deferred revenue and recognized as income when collected. Interest income from securities trading margin purchase and short sale is accrued according to the terms stated in the financing and trading contract.

b. Service fee and commission income

Service fee revenue is recognized from providing loans and other services. The Company identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. If the service fee revenue is for further loan service and of significant amount, it is recognized over the period of the service or included in the base of calculation of the effective interest rate of loans and receivables.

The Company's customer loyalty program provides customers with award credits, which gives customers material rights by providing discount to future consumption. The transaction price allocated to award credit is recognized as a liability, and the Company recognizes revenue when award credits are redeemed or forfeited.

Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Company. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. The amount from other remeasurement of the lease liability adjusted to the right-of-use assets. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Employee Benefits

a. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Provisions for employee benefits recognized in the balance sheets represents the present value of the defined benefit obligation and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Net defined benefit liability (asset) remeasurement comprises 1) actuarial gains and losses on the defined benefit obligation; 2) return on plan assets, excluding the net interest on the net defined benefit liability (asset); and 3) any changes in the effect of the limit involving surplus in a defined benefit plan, excluding the net interest on the net defined benefit liability (asset). Moreover, the net defined benefit liability (asset) remeasurements are recognized in other comprehensive income; these remeasurements should be transferred immediately to retained earnings and will not be reclassified to profit or loss. Significant unrecognized past service cost is immediately recognized retrospectively in profit or loss. If the defined benefit retirement plan is curtailed or settled, the gain or loss on curtailment or settlement is recognized.

b. High-yield savings account for employee

The Company provides employees with high-yield savings account. The premium interest rate applies to a fixed amount of principal and the interest is paid to present employees (within employment and retirement) and retired employees. The difference between the premium rate and the market rate is classified as employee benefits.

Share-based Payment Arrangements

Equity-settled share-based payment

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

The grant date of employee share options, which are reserved when the Company's parent company Taishin Financial Holding issues new shares, is the date when the number of employee subscription is confirmed. The Company recognized an expense and capital surplus at the fair value of the share options determined at the grant date.

Cash-settled share-based payment

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Land revaluation increment tax accrued from the Company's land revaluation increment in accordance with related regulations is a taxable temporary difference and shall be recognized as a deferred tax liability. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

A deferred tax asset shall be recognized for the unused loss carryforward and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Company does not offset the deferred tax assets and liabilities resulting from different tax authorities.

c. Current and deferred tax for the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

d. The Company, its parent company Taishin Financial Holding, and other more than 90% owned subsidiaries adopt the linked-tax system for tax filings. Differences between current and deferred income tax expenses on consolidated entity basis and those on nonconsolidated entity basis are adjusted in Taishin Financial Holding's income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables, and eliminated on consolidation.

Business combination under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the financial statements is restated as if the combination had already occurred.

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company's accounting policies, accounting assumptions and estimates have significant impact on the financial statements. Accordingly, the management exercised appropriate professional judgment in the preparation of the financial statements.

The assumptions and estimates involve significant risks that significant adjustments might result in changes in the carrying amounts of assets and liabilities in the next fiscal year. The assumptions and estimates made were the best estimates based on the FSC-endorsed IFRS Accounting Standards. The estimates and assumptions are based on historical experience and other factors, including future expectations and are continuously assessed. The Company considers the economic implications of the market interest rate fluctuations when making its material accounting estimates.

Partial items of the accounting policies and management's judgment could have significant impact on the recorded amount in the financial statements.

Impairment of Loans

The measurement of ECLs is based on the present value of the difference of all contractual cash flows receivable from a contract and all cash flows that are expected to be received, discounted at the original or credit-adjusted effective interest rate, and the calculated weighted average of the probability of default.

In the calculation of required provision of allowance for possible losses, the Company also takes into consideration the classification of loans based on the status of the loan collaterals and the length of time the loans are overdue. The Company evaluates the impairment of loans based on the customer's financial conditions, whether the repayments of principal and interest are overdue and the status of the collateral, etc. If future actual cash flows are lesser than expected, material impairment losses may arise.

Refer to Note 13 for the carrying amounts of loans and allowance for loans as of December 31, 2023 and 2022.

7. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 13,971,156	\$ 15,538,000
Checks for clearing	1,600,323	1,543,420
Due from banks	7,552,041	8,913,078
Others	<u>3,674,304</u>	<u>2,550,827</u>
	<u>\$ 26,797,824</u>	<u>\$ 28,545,325</u>

- a. Due from banks include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.
- b. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on cash and cash equivalents as of December 31, 2023 and 2022.

8. DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS

	December 31	
	2023	2022
Required reserve - Account A	\$ 26,095,851	\$ 22,521,467
Required reserve - Account B	51,632,957	48,536,512
Required reserve - Foreign Currency	576,598	324,473
Required reserve - Others	69,953	520,288
Call loans to banks	23,549,309	36,022,583
Interbank clearing funds	<u>8,000,203</u>	<u>5,000,567</u>
	<u>\$ 109,924,871</u>	<u>\$ 112,925,890</u>

The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on due from the Central Bank and call loans to banks as of December 31, 2023 and 2022.

9. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2023	2022
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative instruments		
Futures	\$ 12,613	\$ 10,325
Forward exchange contracts	623,769	906,355
Currency swaps	29,382,460	25,682,575
Interest rate swaps	14,405,981	17,370,769
Cross-currency swaps	427,174	115,683
Equity-linked swaps	1,750	40,903
Foreign-exchange options	3,825,287	430,503
Non-derivative financial assets		
Investment in bills	54,371,699	43,436,249
Domestic and overseas shares and beneficiary certificates	7,445,904	2,492,839
Government bonds	12,680,301	6,200,979
Corporate bonds, financial bonds and other bonds	<u>17,558,854</u>	<u>9,640,028</u>
Financial assets at FVTPL	<u>\$ 140,735,792</u>	<u>\$ 106,327,208</u>

(Continued)

	December 31	
	2023	2022
<u>Financial liabilities designated as at FVTPL (a) and (b)</u>	\$ 2,548,652	\$ 2,483,480
<u>Financial liabilities held for trading</u>		
Derivative instruments		
Futures	140,569	7,817
Forward exchange contracts	725,172	478,342
Currency swaps	31,938,391	26,404,804
Interest rate swaps	14,065,503	16,718,034
Cross-currency swaps	301,670	125,004
Equity-linked swaps	1,750	40,901
Credit default swaps	13,450	-
Foreign-exchange options	3,819,424	456,645
Equity-linked options	1,168,753	407,166
Non-derivative financial liabilities		
Share borrowing transaction	<u>234,207</u>	<u>75,360</u>
Financial liabilities at FVTPL	<u>\$ 54,957,541</u>	<u>\$ 47,197,553</u> (Concluded)

- a. The Company issued unsecured USD senior bank notes payable were as follows:

First unsecured USD senior bank notes payable of the Company of year 2018, 30 years, US\$80,000 thousand, 100% of the principal amount of the bonds, interest is not paid before redemption, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Second unsecured USD senior bank notes payable of the Company of year 2018, 30 years, US\$20,000 thousand, 100% of the principal amount of the bonds, interest is not paid before redemption, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

- b. The Company considered unsecured USD senior bank notes payable as financial instruments designated at FVTPL to eliminate the recognition inconsistency.

The Company engaged in various derivative instrument transactions in the years ended December 31, 2023 and 2022 to fulfill customers' needs, as well as to manage its positions and risks of assets and liabilities.

The nominal principal amounts of outstanding derivative contracts were as follows:

	December 31	
	2023	2022
Futures	\$ 6,016,592	\$ 2,612,406
Forward exchange contracts	84,183,254	84,038,780
Currency swaps	2,806,790,310	2,034,539,109
Interest rate swaps	716,997,169	828,034,492
Cross-currency swaps	26,564,473	6,664,204

(Continued)

	December 31	
	2023	2022
Equity-linked swaps	\$ 99,882	\$ 342,924
Credit default swaps	169,994	-
Foreign-exchange options	379,491,263	69,830,387
Equity-linked options	7,901,181	8,270,225
		(Concluded)

10. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2023	2022
<u>Debt instrument</u>		
Investment in bills	\$ -	\$ 1,819,411
Government bonds	61,050,665	39,282,349
Corporate bonds	34,386,334	34,138,033
Financial bonds	31,313,526	37,143,357
Beneficiary securities	1,007,163	1,140,195
	<u>127,757,688</u>	<u>113,523,345</u>
<u>Equity instrument</u>		
Domestic and overseas shares	<u>3,043,963</u>	<u>3,845,230</u>
	<u>\$ 130,801,651</u>	<u>\$ 117,368,575</u>

- Because some equity instruments are held by the Company for long-term purposes and not for trading, which is reasonably reflected in the operating performance, equity instruments are classified as at fair value through other comprehensive income.
- The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
December 31, 2023	\$ 23,168	\$ -	\$ -	\$ 23,168
December 31, 2022	26,389	-	-	26,389

As the Company's debt instruments at FVTOCI were measured using the ECLs model, the Company had recognized impairment loss on assets. Reversal of impairment loss recognized in profit amounted to \$3,315 thousand and \$10,983 thousand for the years ended December 31, 2023 and 2022, respectively.

- The Company sold the parts of domestic ordinary shares for strategic purposes. The shares sold had a fair value of \$6,980,482 thousand and \$2,094,926 thousand, and the Company transferred \$348,024 thousand and \$153,757 thousand of losses from other equity to retained earnings for the years ended December 31, 2023 and 2022, respectively.
- Refer to Note 39 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at FVTOCI.
- Refer to Note 42 for information relating to debt instruments at FVTOCI pledged as collateral.

11. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	December 31	
	2023	2022
Investment in bills	\$ 243,443,323	\$ 265,934,806
Financial bonds	89,781,453	66,097,967
Corporate bonds	43,762,793	23,794,905
Government bonds	131,837,718	87,950,290
Beneficiary securities	<u>22,166,720</u>	<u>7,117,185</u>
	530,992,007	450,895,153
Less: Allowance for impairment	<u>(39,115)</u>	<u>(25,593)</u>
	<u>\$ 530,952,892</u>	<u>\$ 450,869,560</u>

- a. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
December 31, 2023	\$ 39,115	\$ -	\$ -	\$ 39,115
December 31, 2022	25,593	-	-	25,593

As the Company's investments in debt instruments at amortized cost were measured using the ECLs model, the Company had recognized impairment loss on financial assets. Impairment loss recognized amounted to \$13,591 thousand and \$7,101 thousand for the years ended December 31, 2023 and 2022, respectively.

- b. Refer to Note 39 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at amortized cost.
- c. Refer to Note 42 for information relating to investments in debt instruments at amortized cost pledged as collateral.

12. RECEIVABLES, NET

- a. The details of receivables, net were as follows:

	December 31	
	2023	2022
Notes and accounts receivable	\$ 33,409,496	\$ 41,987,014
Credit cards receivable	70,540,868	64,937,436
Interest receivable	8,028,580	5,665,198
Other receivables	<u>1,369,920</u>	<u>1,489,325</u>
	113,348,864	114,078,973
Less: Allowance for receivables	<u>(2,014,764)</u>	<u>(2,094,895)</u>
	<u>\$ 111,334,100</u>	<u>\$ 111,984,078</u>

- b. The movements in the allowance for receivables (including non-performing receivables transferred from other than loans) for the years ended December 31, 2023 and 2022 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired (POCI) Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2023	\$ 92,494	\$ 24,126	\$ 445,528	\$ 993,083	\$ 1,555,231	\$ 641,918	\$ 2,197,149
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(86)	18,207	-	(1,179)	16,942		16,942
Transferred to Credit-impaired Financial Assets	(551)	(1,546)	(471)	136,358	133,790		133,790
Transferred to 12-month ECLs	322	(5,983)	-	(57,486)	(63,147)		(63,147)
Financial assets derecognized	(28,406)	(9,841)	(9,102)	(556,913)	(604,262)		(604,262)
New financial assets purchased or originated	50,622	7,516	40,174	21,974	120,286		120,286
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						(58,846)	(58,846)
Write-offs	(10)	(171)	(1,147)	(60,546)	(61,874)		(61,874)
Recovery of written-off loans	-	-	961	468,182	469,143		469,143
Other movements	-	-	(947)	-	(947)		(947)
Loss allowance as of December 31, 2023	\$ 114,385	\$ 32,308	\$ 474,996	\$ 943,473	\$ 1,565,162	\$ 583,072	\$ 2,148,234

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired (POCI) Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2022	\$ 92,309	\$ 24,660	\$ 426,796	\$ 493,470	\$ 1,037,235	\$ 749,024	\$ 1,786,259
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(56)	12,327	471	(161)	12,581		12,581
Transferred to Credit-impaired Financial Assets	(4,011)	(1,132)	-	608,974	603,831		603,831
Transferred to 12-month ECLs	83	(4,413)	-	(13,324)	(17,654)		(17,654)
Financial assets derecognized	(29,094)	(11,124)	(4,655)	(464,614)	(509,487)		(509,487)
New financial assets purchased or originated	33,267	3,932	17,899	30,956	86,054		86,054
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						(107,106)	(107,106)
Write-offs	(4)	(124)	(2,831)	(44,238)	(47,197)		(47,197)
Recovery of written-off loans	-	-	1,617	382,020	383,637		383,637
Other movements	-	-	6,231	-	6,231		6,231
Loss allowance as of December 31, 2022	\$ 92,494	\$ 24,126	\$ 445,528	\$ 993,083	\$ 1,555,231	\$ 641,918	\$ 2,197,149

- c. The movements in the gross carrying amount of the allowance for receivables (including non-performing receivables transferred from other than loans) for the years ended December 31, 2023 and 2022 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2023	\$ 101,658,822	\$ 131,768	\$ 9,896,817	\$ 2,524,790	\$ 114,212,197
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(67,377)	78,876	2,065	(3,470)	10,094
Transferred to Credit-impaired Financial Assets	(378,652)	(6,672)	(781)	422,706	36,601
Transferred to 12-month ECLs	209,970	(33,471)	(68)	(157,154)	19,277
Financial assets derecognized	(26,256,831)	(49,908)	(1,387,696)	(343,439)	(28,037,874)
New financial assets purchased or originated	24,470,599	29,249	2,727,966	72,789	27,300,603
Write-offs	(1,636)	(547)	(1,147)	(144,370)	(147,700)
Carrying amount as of December 31, 2023	\$ 99,634,895	\$ 149,295	\$ 11,237,156	\$ 2,371,852	\$ 113,393,198

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2022	\$ 121,186,740	\$ 130,112	\$ 9,065,752	\$ 2,069,580	\$ 132,452,184
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(55,110)	61,119	932	(537)	6,404
Transferred to Credit-impaired Financial Assets	(848,863)	(5,010)	(169)	845,355	(8,687)
Transferred to 12-month ECLs	58,539	(22,858)	-	(34,048)	1,633
Financial assets derecognized	(42,329,160)	(54,327)	(2,926,580)	(350,475)	(45,660,542)
New financial assets purchased or originated	23,647,479	23,151	3,759,713	97,417	27,527,760
Write-offs	(803)	(419)	(2,831)	(102,502)	(106,555)
Carrying amount as of December 31, 2022	\$ 101,658,822	\$ 131,768	\$ 9,896,817	\$ 2,524,790	\$ 114,212,197

13. LOANS, NET

- a. The details of loans, net were as follows:

	December 31	
	2023	2022
Negotiated	\$ 1,491,136	\$ 3,440,922
Overdrafts	524,941	202,244
Short-term loans	306,526,042	285,317,112
Medium-term loans	516,045,376	482,871,018
Long-term loans	712,454,336	654,653,954
Delinquent loans	1,365,759	1,876,557
	1,538,407,590	1,428,361,807
Less: Adjustment for premium or discount	(690,071)	(642,057)
Less: Allowance for loan losses	(20,573,790)	(19,158,539)
	<u>\$ 1,517,143,729</u>	<u>\$ 1,408,561,211</u>

- b. The movements in the allowance for loans for the years ended December 31, 2023 and 2022 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Carrying amount as of January 1, 2023	\$ 2,104,684	\$ 690,948	\$ 208,511	\$ 4,374,635	\$ 7,378,778	\$ 11,779,761	\$ 19,158,539
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(10,954)	374,667	16,567	(134,195)	246,085		246,085
Transferred to Credit-impaired Financial Assets	(9,176)	(23,718)	(74,174)	1,351,072	1,244,004		1,244,004
Transferred to 12-month ECLs	9,225	(116,749)	(404)	(1,299,009)	(1,406,937)		(1,406,937)
Financial assets derecognized	(648,895)	(158,896)	(68,468)	(1,677,071)	(2,553,330)		(2,553,330)
New financial assets purchased or originated	668,382	361,121	20,717	256,555	1,306,775		1,306,775
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						2,338,655	2,338,655
Write-offs	(593)	(7,203)	-	(648,968)	(656,764)		(656,764)
Recovery of written-off loans	-	-	-	896,763	896,763		896,763
Carrying amount as of December 31, 2023	\$ 2,112,673	\$ 1,120,170	\$ 102,749	\$ 3,119,782	\$ 6,455,374	\$ 14,118,416	\$ 20,573,790

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Carrying amount as of January 1, 2022	\$ 1,899,995	\$ 842,518	\$ 160,282	\$ 4,067,687	\$ 6,970,482	\$ 10,413,404	\$ 17,383,886
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(9,763)	224,598	79,336	(12,841)	281,330		281,330
Transferred to Credit-impaired Financial Assets	(5,726)	(24,187)	(16,216)	1,237,695	1,191,566		1,191,566
Transferred to 12-month ECLs	3,736	(96,549)	-	(259,057)	(351,870)		(351,870)
Financial assets derecognized	(544,095)	(292,211)	(42,764)	(1,936,526)	(2,815,596)		(2,815,596)
New financial assets purchased or originated	760,888	42,655	27,873	356,687	1,188,103		1,188,103
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						1,366,357	1,366,357
Write-offs	(351)	(5,876)	-	(61,700)	(67,927)		(67,927)
Recovery of written-off loans	-	-	-	982,690	982,690		982,690
Carrying amount as of December 31, 2022	\$ 2,104,684	\$ 690,948	\$ 208,511	\$ 4,374,635	\$ 7,378,778	\$ 11,779,761	\$ 19,158,539

- c. The movements in the gross carrying amount of the allowance for loans for the years ended December 31, 2023 and 2022 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2023	\$ 1,387,257,406	\$ 25,955,789	\$ 724,679	\$ 14,423,933	\$ 1,428,361,807
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(7,337,772)	7,154,127	296,363	(458,856)	(346,138)
Transferred to Credit-impaired Financial Assets	(3,326,238)	(136,889)	(324,997)	3,504,785	(283,339)
Transferred to 12-month ECLs	8,780,543	(5,235,364)	(20,183)	(4,271,649)	(746,653)
Financial assets derecognized	(350,657,331)	(6,804,209)	(214,487)	(2,913,412)	(360,589,439)
New financial assets purchased or originated	471,574,148	780,266	91,909	540,956	472,987,279
Write-offs	(103,325)	(25,525)	-	(847,077)	(975,927)
Carrying amount as of December 31, 2023	\$ 1,506,187,431	\$ 21,688,195	\$ 553,284	\$ 9,978,680	\$ 1,538,407,590

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2022	\$ 1,298,260,516	\$ 23,820,955	\$ 889,235	\$ 14,957,568	\$ 1,337,928,274
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(9,040,476)	8,482,724	218,167	(44,780)	(384,365)
Transferred to Credit-impaired Financial Assets	(3,183,542)	(234,060)	(343,182)	3,484,368	(276,416)
Transferred to 12-month ECLs	3,528,137	(3,004,803)	-	(889,991)	(366,657)
Financial assets derecognized	(352,032,496)	(3,700,572)	(120,840)	(3,582,237)	(359,436,145)
New financial assets purchased or originated	449,798,758	612,864	81,299	689,800	451,182,721
Write-offs	(73,491)	(21,319)	-	(190,795)	(285,605)
Carrying amount as of December 31, 2022	\$ 1,387,257,406	\$ 25,955,789	\$ 724,679	\$ 14,423,933	\$ 1,428,361,807

- d. Details of the (provision for) reversal of bad debt expenses, commitments, and guarantee liabilities for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	\$ (1,234,347)	\$ (1,347,946)
(Provision for) reversal of the allowance for losses on guarantee liabilities	(55,712)	45,790
(Provision for) reversal of the allowance for losses on loan commitments	(4,832)	1,556
(Provision for) reversal of the allowance for letters of credit	-	208
	<u>\$ (1,294,891)</u>	<u>\$ (1,300,392)</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2023	2022 (Restated)
Investments in subsidiaries	\$ 4,461,197	\$ 4,461,569
Investments in associates	<u>76,279</u>	<u>77,770</u>
	<u>\$ 4,537,476</u>	<u>\$ 4,539,339</u>

a. Investments in subsidiaries

	December 31			
	2023		2022 (Restated)	
	Carrying Amount	Proportion of Ownership and Voting Rights	Carrying Amount	Proportion of Ownership and Voting Rights
Unlisted (OTC) shares				
Taishin Real-Estate Management Co., Ltd. ("Taishin Real-Estate")	\$ 209,666	60.00%	\$ 209,772	60.00%
Taishin D.A. Finance Co., Ltd. ("Taishin D.A. Finance")	<u>4,251,531</u>	100.00%	<u>4,251,797</u>	100.00%
	<u>\$ 4,461,197</u>		<u>\$ 4,461,569</u>	

Taishin D.A. Finance Co., Ltd. acquired 100% equity interest in Taishin Financial Leasing (China) Co., Ltd. ("Taishin Financial Leasing (China)") from Taishin Venture Capital Co., Ltd. ("Taishin Venture Capital") by \$2,356,113 thousand on December 5, 2023. Refer to Note 46 for information relating to business combinations under common control.

	December 31, 2022
Investments accounted for using equity method	<u>\$ 2,436,940</u>
Equity attributable to former owner of business combination under common control	<u>\$ 2,436,940</u>
The impact of the retrospective adjustment on related items of statements of the comprehensive income is set out below:	
	For the Year Ended December 31, 2022
Share of profit (loss) of subsidiaries accounted for using equity method	<u>\$ 305,594</u>
Share of the other comprehensive income of subsidiaries accounted for using equity method	<u>\$ 38,537</u>

b. Investments in associates

	December 31	
	2023	2022
Associates that are not individually material	\$ <u>76,279</u>	\$ <u>77,770</u>
Aggregate information of associates that are not individually material:		
	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net income for the year	\$ 6,312	\$ 8,245
Other comprehensive income (loss)	<u>-</u>	<u>799</u>
Total comprehensive income (loss) for the year	\$ <u>6,312</u>	\$ <u>9,044</u>

- c. The Company's investments accounted for using equity method were not pledged as collateral as of December 31, 2023 and 2022.

15. OTHER FINANCIAL ASSETS, NET

- a. The details of other financial assets, net items were as follows:

	December 31	
	2023	2022
Non-performing receivables transferred from other than loans	\$ 177,660	\$ 146,456
Less: Allowance for bad debt	(133,470)	(102,254)
Gold deposit account	441,756	574,647
Due from banks	<u>3,081,400</u>	<u>5,541,040</u>
	\$ <u>3,567,346</u>	\$ <u>6,159,889</u>

- b. The due from banks recognized under other financial assets held by the Company are time deposits with original maturities of more than 3 months or pledged as collateral. Refer to Note 42 for the information relating to the due from banks and time deposits pledged as collateral.
- c. Refer to Note 12 for the movements of the allowance for non-performing receivables transferred from other than loans for the years ended December 31, 2023 and 2022.
- d. The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no allowance for loss on other financial assets excluding non-performing receivables transferred from other than loans as of December 31, 2023 and 2022.

16. PROPERTY AND EQUIPMENT, NET

	December 31	
	2023	2022
Land	\$ 14,185,392	\$ 14,185,392
Buildings	4,571,086	4,645,790
Machinery equipment	1,855,966	2,242,554
Transportation equipment	109,221	93,320
Miscellaneous equipment	77,564	84,405
Leasehold improvements	289,039	301,992
Prepayments for buildings and equipment	<u>63,095</u>	<u>7,159</u>
	<u>\$ 21,151,363</u>	<u>\$ 21,560,612</u>

	Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Prepayments for Buildings and Equipment	Total
Cost								
Balance, January 1, 2023	\$ 14,185,392	\$ 7,426,223	\$ 4,835,794	\$ 164,017	\$ 181,003	\$ 528,772	\$ 7,159	\$ 27,328,360
Additions	-	58,953	268,202	46,448	22,326	57,898	186,788	640,615
Disposals	-	(36,073)	(785,598)	(8,889)	(27,238)	(23,742)	-	(881,540)
Reclassification	-	70,261	34,541	-	-	25,691	(130,852)	(359)
Balance, December 31, 2023	<u>\$ 14,185,392</u>	<u>\$ 7,519,364</u>	<u>\$ 4,352,939</u>	<u>\$ 201,576</u>	<u>\$ 176,091</u>	<u>\$ 588,619</u>	<u>\$ 63,095</u>	<u>\$ 27,087,076</u>
Balance, January 1, 2022	\$ 10,363,835	\$ 7,086,653	\$ 4,540,174	\$ 151,703	\$ 174,930	\$ 452,334	\$ 42,080	\$ 22,811,709
Additions	3,821,557	356,175	629,817	22,976	19,905	87,415	78,518	5,016,363
Disposals	-	(49,750)	(391,721)	(10,662)	(13,832)	(26,347)	-	(492,312)
Reclassification	-	33,145	57,524	-	-	15,370	(113,439)	(7,400)
Balance, December 31, 2022	<u>\$ 14,185,392</u>	<u>\$ 7,426,223</u>	<u>\$ 4,835,794</u>	<u>\$ 164,017</u>	<u>\$ 181,003</u>	<u>\$ 528,772</u>	<u>\$ 7,159</u>	<u>\$ 27,328,360</u>
Accumulated depreciation								
Balance, January 1, 2023	\$ -	\$ 2,780,433	\$ 2,593,240	\$ 70,697	\$ 96,598	\$ 226,780	\$ -	\$ 5,767,748
Depreciation expenses	-	203,918	688,803	30,547	29,087	96,542	-	1,048,897
Disposals	-	(36,073)	(785,070)	(8,889)	(27,158)	(23,742)	-	(880,932)
Balance, December 31, 2023	<u>\$ -</u>	<u>\$ 2,948,278</u>	<u>\$ 2,496,973</u>	<u>\$ 92,355</u>	<u>\$ 98,527</u>	<u>\$ 299,580</u>	<u>\$ -</u>	<u>\$ 5,935,713</u>
Balance, January 1, 2022	\$ -	\$ 2,635,598	\$ 2,243,157	\$ 54,072	\$ 79,656	\$ 166,345	\$ -	\$ 5,178,828
Depreciation expenses	-	194,585	740,994	27,287	30,738	86,782	-	1,080,386
Disposals	-	(49,750)	(390,911)	(10,662)	(13,796)	(26,347)	-	(491,466)
Balance, December 31, 2022	<u>\$ -</u>	<u>\$ 2,780,433</u>	<u>\$ 2,593,240</u>	<u>\$ 70,697</u>	<u>\$ 96,598</u>	<u>\$ 226,780</u>	<u>\$ -</u>	<u>\$ 5,767,748</u>

The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	6-56 years
Machinery equipment	1-10 years
Transportation equipment	4-6 years
Miscellaneous equipment	2-20 years
Leasehold improvements	5-50 years

No impairment assessment was performed because there was no indication of impairment for the years ended December 31, 2023 and 2022.

17. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	December 31	
	2023	2022
<u>Carrying amount</u>		
Buildings	<u>\$ 2,119,290</u>	<u>\$ 2,026,914</u>
	For the Year Ended December 31	2022
	2023	2022
Additions to right-of-use assets	<u>\$ 798,675</u>	<u>\$ 387,613</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 705,288</u>	<u>\$ 727,907</u>

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amount</u>	<u>\$ 2,236,892</u>	<u>\$ 2,106,706</u>
	For the Year Ended December 31	2022
	2023	2022
Interest expense (other interest expense)	<u>\$ 20,957</u>	<u>\$ 19,256</u>

The Company leases buildings for the use of its bank branches and offices. Lease terms and range of discount rate for lease liabilities as of December 31, 2023 and 2022 were as follows:

	Lease Terms	Range of Discount Rate
<u>December 31, 2023</u>		
Buildings	2-10 years	0.336%-1.512%
<u>December 31, 2022</u>		
Buildings	2-10 years	0.346%-1.318%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	\$ <u>2,812</u>	\$ <u>5,880</u>
Total cash outflow for leases	\$ <u>691,222</u>	\$ <u>757,009</u>

Certain lease contracts of the Company qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet dates were as follows:

	December 31	
	2023	2022
Lease commitments	\$ <u>42,607</u>	\$ <u>217,946</u>

18. INTANGIBLE ASSETS, NET

	December 31	
	2023	2022
Goodwill	\$ 1,152,274	\$ 1,152,274
Computer software	<u>1,471,184</u>	<u>1,549,698</u>
	<u>\$ 2,623,458</u>	<u>\$ 2,701,972</u>

	Goodwill	Computer Software	Total
Balance, January 1, 2023	\$ 1,152,274	\$ 1,549,698	\$ 2,701,972
Additions	-	417,785	417,785
Amortization	<u>-</u>	<u>(496,299)</u>	<u>(496,299)</u>
Balance, December 31, 2023	<u>\$ 1,152,274</u>	<u>\$ 1,471,184</u>	<u>\$ 2,623,458</u>
Balance, January 1, 2022	\$ 1,152,274	\$ 1,475,808	\$ 2,628,082
Additions	-	515,928	515,928
Amortization	<u>-</u>	<u>(442,038)</u>	<u>(442,038)</u>
Balance, December 31, 2022	<u>\$ 1,152,274</u>	<u>\$ 1,549,698</u>	<u>\$ 2,701,972</u>

The goodwill included the Company merged with Dah An Bank through a share swap on February 18, 2002, on which the Company issued new shares to acquire the total assets and liabilities with excess difference. The unamortized excess difference as of December 31, 2023 and 2022 was \$884,937 thousand with no material impairment loss noted. In addition, the Company merged with the 10th Credit Cooperative of Hsin-Chu in October 2004, in which the Company paid in cash to acquire the total assets and liabilities with excess difference. The unamortized excess difference as of December 31, 2023 and 2022 was \$267,337 thousand with no material impairment loss noted.

19. OTHER ASSETS, NET

	December 31	
	2023	2022
Prepayments	\$ 950,854	\$ 829,222
Refundable deposits	14,124,774	13,199,402
Operating guarantee deposits and settlement funds	52,156	32,140
Others	<u>91,524</u>	<u>47,665</u>
	<u>\$ 15,219,308</u>	<u>\$ 14,108,429</u>

- a. Refer to Note 42 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.
- b. The amount of the loss allowance for refundable deposits was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
December 31, 2023	\$ -	\$ -	\$ -	\$ -
December 31, 2022	-	-	25	25

As the Company's refundable deposits were measured using ECLs model, the Company recognized reversal of impairment (losses) amounted to \$25 thousand and \$(25) thousand for the years ended December 31, 2023 and 2022, respectively.

- c. The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no loss allowance on operating guarantee deposits and settlement funds as of December 31, 2023 and 2022, respectively.

20. DEPOSIT FROM THE CENTRAL BANK AND BANKS

	December 31	
	2023	2022
Deposits from other banks	\$ 7,257,455	\$ 9,601,560
Call loans from other banks	7,406,384	5,757,927
Bank overdrafts	2,332,627	2,733,009
Deposits from the Central Bank	<u>74,841</u>	<u>121,037</u>
	<u>\$ 17,071,307</u>	<u>\$ 18,213,533</u>

21. PAYABLES

	December 31	
	2023	2022
Notes and accounts payable	\$ 6,905,790	\$ 7,638,038
Accrued expenses	6,492,531	5,699,992
Interest payable	7,089,459	4,431,167
Checks for clearing payable	1,600,245	1,533,670
Tax payable	502,546	436,810
Collection payable	781,862	678,682
Other payables	<u>1,685,528</u>	<u>1,305,999</u>
	<u>\$ 25,057,961</u>	<u>\$ 21,724,358</u>

22. DEPOSITS AND REMITTANCES

	December 31	
	2023	2022
Checking deposits	\$ 7,071,361	\$ 9,704,444
Demand deposits	462,114,764	448,748,616
Time deposits	639,379,300	547,767,518
Negotiable certificates of deposit	1,573,700	2,735,003
Savings deposits	1,008,447,999	924,025,251
Public treasury deposits	8,364,208	5,865,630
Remittances	<u>1,107,959</u>	<u>2,010,669</u>
	<u>\$ 2,128,059,291</u>	<u>\$ 1,940,857,131</u>

23. BANK NOTES PAYABLE

The Company has issued bank notes payable to enhance its capital ratio and raise medium to long-term operating funds. Details of the bank notes payable were as follows:

	December 31	
	2023	2022
Subordinated Bank Notes Payable - 2014 (III)	\$ 3,000,000	\$ 3,000,000
Subordinated Bank Notes Payable - 2015 (I)	9,100,000	9,100,000
Subordinated Bank Notes Payable - 2015 (II)	6,000,000	6,000,000
Subordinated Bank Notes Payable - 2015 (III)	4,900,000	4,900,000
Subordinated Bank Notes Payable - 2019 (I)	<u>5,000,000</u>	<u>5,000,000</u>
	<u>\$ 28,000,000</u>	<u>\$ 28,000,000</u>

- a. The Company made third issue of \$3,000 million in unsecured subordinated bank notes payable in 2014, as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate	Face Value	The Method of Redemption and Interest Payment
2014, third issue	2014.05.16	2024.05.16	10 years	\$3,000 million	1.95% fixed interest rate	\$50 million	Interest is accrued according to nominal interest rate and actual days and calculated at a simple rate and paid annually from the issue date. Additional interest is not accrued if principal and interest are withdrawn after the interest date. Principal will be repaid on maturity date.

- b. The Company made first issue of \$9,100 million in subordinated bank notes payable in 2015, as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate	Face Value	The Method of Redemption and Interest Payment
A	2015.06.10	2025.06.10	10 years	\$4,250 million	2.15% fixed interest rate	\$50 million	Interest is accrued at a simple rate and paid annually from the issue date. Additional interest is not accrued if principal and interest are withdrawn after the interest date. Bank notes payable are redeemable at par value in cash on the maturity date.
B	2015.06.10	2030.06.10	15 years	\$4,850 million	2.45% fixed interest rate		

- c. The Company made second issue of \$6,000 million in subordinated bank notes payable in 2015, as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate	Face Value	The Method of Redemption and Interest Payment
2015, second issue	2015.09.18	2027.09.18	12 years	\$6,000 million	2.25% fixed interest rate	\$50 million	Interest is accrued at a simple rate and paid annually from the issue date. Additional interest is not accrued if principal and interest are withdrawn after the interest date. Bank notes payable are redeemable at par value in cash on the maturity date.

- d. The Company made third issue of \$4,900 million in subordinated bank notes payable in 2015, as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate	Face Value	The Method of Redemption and Interest Payment
A	2015.09.22	2025.09.22	10 years	\$700 million	2.15% fixed interest rate	\$50 million	Interest is accrued at a simple rate and paid annually from the issue date. Additional interest is not accrued if principal and interest are withdrawn after the interest date. Bank notes payable are redeemable at par value in cash on the maturity date.
B	2015.09.22	2030.09.22	15 years	\$4,200 million	2.45% fixed interest rate		

- e. The Company made first issue of \$5,000 million in unsecured, no maturity, and non-cumulative subordinated bank notes payable in 2019 as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate	Face Value	The Method of Redemption and Interest Payment
2019, initial issue	2019.03.28	No maturity. (Issuer has redemption right.)	No maturity. (Issuer has redemption right.)	\$5,000 million	2.45% fixed interest rate	\$50 million	Interest is accrued according to nominal interest rate and actual days and calculated at a simple rate and paid annually on July 1 from the issue date. Additional interest is not accrued if principal and interest are withdrawn after the interest date.

1) Interest payment

The Company may not pay the interest if it had no earnings during the previous fiscal year and did not declare dividends to its ordinary shareholders. Where the balance of accumulated undistributed earnings after deducting the unamortized loss on the disposal of non-performing loans exceeds the interest payment and such payment does not alter the originally agreed conditions for interest payment, payment is allowed. The unpaid interest should not be accumulated or deferred.

The Company shall defer the payment of principal and interest if the ratio of regulatory capital to risk-weighted assets does not meet the minimum requirements in Regulations Governing the Capital Adequacy and Capital Category of Banks Paragraph 1 of Article 5; the deferred payment of principal or interest shall not be imposed further with interest.

2) Redemption policy

After five years and one month of issuance, if the ratio of regulatory capital to risk-weighted assets after redemption will meet the minimum rate and the redemption has an approval from the competent authority, the debts may be redeemed earlier by the Company at 100% plus interest payable. And the full redemption would be announced on the 30th day prior to the scheduled redemption date.

24. OTHER FINANCIAL LIABILITIES

	December 31	
	2023	2022
Principal of structured products	\$ 105,256,251	\$ 94,647,527
Gold account	<u>440,430</u>	<u>569,626</u>
	<u>\$ 105,696,681</u>	<u>\$ 95,217,153</u>

25. PROVISIONS

	December 31	
	2023	2022
Provisions for employee benefits (Note 27)	\$ 1,142,394	\$ 1,118,502
Provisions for guarantee liabilities	280,152	224,565
Provisions for loan commitments	187,967	183,367
Other provisions	<u>123,683</u>	<u>123,565</u>
	<u>\$ 1,734,196</u>	<u>\$ 1,649,999</u>

	Provisions for Guarantee Liabilities	Provisions for Loan Commitments	Other Provisions
Balance, January 1, 2023	\$ 224,565	\$ 183,367	\$ 123,565
Provision (reverse)	55,712	4,832	128
Effect of foreign currency exchange differences	<u>(125)</u>	<u>(232)</u>	<u>(10)</u>
Balance, December 31, 2023	<u>\$ 280,152</u>	<u>\$ 187,967</u>	<u>\$ 123,683</u>
Balance, January 1, 2022	\$ 268,589	\$ 183,367	\$ 121,294
Provision (reverse)	(45,790)	(1,556)	(54)
Effect of foreign currency exchange differences	<u>1,766</u>	<u>1,556</u>	<u>2,325</u>
Balance, December 31, 2022	<u>\$ 224,565</u>	<u>\$ 183,367</u>	<u>\$ 123,565</u>

Other provisions are loss allowance for letters of credit and the provisions for compensation of dispute cases.

The amount of the loss allowance for financial guarantees (including provisions for guarantee liabilities and letters of credit recognized in other provisions) and loan commitments were as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Loss Allowance under IFRS 9	Recognized Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
December 31, 2023	\$ 190,630	\$ 16,541	\$ 5,013	\$ 212,184	\$ 260,961	\$ 473,145
December 31, 2022	153,836	16,064	22,710	192,610	220,348	412,958

26. OTHER LIABILITIES

	December 31	
	2023	2022
Unearned revenue	\$ 430,581	\$ 393,491
Unearned interest	1,182,482	937,062
Guarantee deposits	5,153,494	2,468,761
Deferred income	615,279	775,455
Temporary credits	<u>862,470</u>	<u>759,865</u>
	<u>\$ 8,244,306</u>	<u>\$ 5,334,634</u>

27. POST-EMPLOYMENT BENEFIT PLANS

Defined Contribution Plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Defined Benefit Plans

The Company also has defined benefit plan under the Labor Standards Act (LSA). Under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of six months before retirement. The Company contributes amounts equal to 2% to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Enforcement Rules of the Labor Pension Act, the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The Company's plan assets and present value of defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rate used in determining present values	1.375%	1.500%
Expected rate of salary increase	3.500%	3.500%

Amounts recognized in profit or loss in respect of these defined benefit plans were as follows:

	For the Year Ended December 31	
	2023	2022
Current service cost	\$ 10,286	\$ 11,703
Interest cost, net	<u>16,514</u>	<u>6,396</u>
	<u>\$ 26,800</u>	<u>\$ 18,099</u>

The amount included in the balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of funded defined benefit obligation	\$ (2,563,884)	\$ (2,597,564)
Fair value of plan assets	<u>1,421,490</u>	<u>1,479,062</u>
Deficit	<u>(1,142,394)</u>	<u>(1,118,502)</u>
Net liability arising from defined benefit obligation	<u>\$ (1,142,394)</u>	<u>\$ (1,118,502)</u>

Movements in the present value of the defined benefit obligation were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 2,597,564	\$ 2,731,407
Current service cost	10,286	11,703
Interest expense	38,340	13,444
Remeasurement		
Actuarial (gain) loss - changes in demographic assumptions	-	7,904
Actuarial (gain) loss - changes in financial assumptions	34,190	(157,834)
Actuarial (gain) loss - experience adjustments	5,112	101,152
Benefits paid	<u>(121,608)</u>	<u>(110,212)</u>
Balance at December 31	<u>\$ 2,563,884</u>	<u>\$ 2,597,564</u>

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 1,479,062	\$ 1,434,098
Interest revenue	21,826	7,048
Remeasurement		
Expected return on plan assets	7,057	112,617
Contributions from the employer	35,153	35,511
Benefits paid	<u>(121,608)</u>	<u>(110,212)</u>
Balance at December 31	<u>\$ 1,421,490</u>	<u>\$ 1,479,062</u>

For information about the categories and percentages, etc. of the composition of the fair value of plan assets as of December 31, 2023 and 2022, please refer to the authorities' public information about Labor Pension Funds.

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the significant actuarial assumptions used in the sensitivity analysis of the present value of the defined benefit obligation will be as follows:

	Change in Actuarial Assumptions %	Increase (Decrease) of the Present Value of the Defined Obligation (%)	
		December 31	
		2023	2022
Discount rate used in determining present value	Increase 0.25%	(2.64)	(2.77)
	Decrease 0.25%	2.74	2.87
Expected rate of salary increase	Increase 0.25%	2.64	2.77
	Decrease 0.25%	(2.56)	(2.68)

The sensitivity analysis presented above assumes that only a single actuarial assumption changes and other actuarial assumptions remain unchanged. Practically, the assumptions may not occur in isolation as the assumptions may be correlated. The calculation of the present value of defined benefit obligation adopted the projected unit credit method.

For the years ended December 31, 2023 and 2022, the Company expects to make a contribution of \$34,901 thousand and \$35,191 thousand to the defined benefit plans within one year, respectively, and the weighted average duration of the defined benefit plans is 10.8 years and 11.3 years, respectively.

28. EQUITY

Share Capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	<u>10,500,000</u>	<u>9,500,000</u>
Shares authorized	<u>\$ 105,000,000</u>	<u>\$ 95,000,000</u>
Number of shares issued and fully paid (in thousands)		
Ordinary shares	<u>9,553,527</u>	<u>9,098,982</u>
Capital shares issued and outstanding	<u>\$ 95,535,273</u>	<u>\$ 90,989,818</u>

On June 9, 2022, the Company's board of directors (on behalf of the shareholders) resolved transfer of \$2,132,700 thousand of earnings to ordinary shares and the ex-dividend date was set on August 3, 2022. The registration of conversion had been completed.

On May 18, 2023, the Company's board of directors (on behalf of the shareholders) resolved to issue 227,273 thousand ordinary shares by private placement at NT\$22 per share, amounting to \$5,000,000 thousand and the record date of the capital increase was set on June 30, 2023, which has been approved by the Ministry of Economic.

On September 21, 2023, the Company's board of directors (on behalf of the shareholders) resolved to amend the Company's Articles of Incorporation to increase the total capital to \$105,000,000 thousand and issue 227,273 thousand ordinary shares by private placement at NT\$22 per share, amounting to \$5,000,000 thousand. The record date of the capital increase was set on October 27, 2023, which has been approved by the Ministry of Economic.

Capital Surplus

The capital surplus from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from investments using equity method, employee share options and conversion options may not be used for any purpose.

Taishin Financial Holding's Board of Directors resolved the fourth share options and warrants issue plan based on IFRS Accounting Standards 2 on September 2, 2010. According to the plan, subsidiaries shall recognize the grant of equity instruments from Taishin Financial Holding to their employees as equity-settled shared-based payments transaction to measure the services provided by subsidiaries' employees, the increase in equity as funding from Taishin Financial Holding, and the same amount of increase in equity as current expenses based on the fair value of the equity instrument and the percentage of service provided by Taishin Financial Holding to its subsidiaries over the vesting period, as well as adjust additional paid-in capital - share warrants. The estimate is revised if subsequent information indicates that the number of share options expected to vest differs from previous estimates.

All the employee share options issued by parent company of the Company had been acquired.

Retain Earnings and Dividends Policy

In accordance with dividends policy of the Articles of Incorporation of the Company, where the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, adjusted in accordance with accounting standards, then offsetting losses of previous years firstly. The remaining profit, if any, would be set aside as legal reserve and set aside or reversed a special reserve in accordance with the laws and regulations. The special reserve after reversal would be added into undistributed earnings at the beginning of the period. The remaining profit, if any, should be preferentially distributed the dividends and bonus in accordance with the Articles of Incorporation of the Company in each year of preferred share outstanding. Then, the remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. Cash distributions in any given year cannot exceed 15% of the Company's paid-in capital including, but not limited to, self-owned capital and risk-weighted assets ratio lower than regulations of the authorities. But if the Company's legal reserve equals to or exceeds paid-in capital, this restriction does not apply.

Appropriation of earnings to legal reserve shall be made until legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no accumulated deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash.

Refer to Special Reserves for the information relating to special reserves.

The appropriations of earnings for 2022 and 2021 were resolved by the board of directors on behalf of the shareholders on June 8, 2023 and June 9, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT\$) For the Year Ended December 31	
	2022	2021	2022	2021
Legal reserve appropriated	\$ 3,645,758	\$ 3,908,039		
Special reserve appropriated	(4,450,310)	(13,944)		
Cash dividends of				
Ordinary shares	4,056,461	7,000,001	\$ 0.44	\$ 0.79
Stock dividends of				
Ordinary shares	-	2,132,700	-	0.24

Special Reserves

The Company reclassified reserve for trading loss and default losses as of December 31, 2010 to a special reserve account, which is part of equity, in accordance with Order No. 11202709871 issued by the FSC.

The Company appropriated special reserves in accordance with Order No. 1090150022 issued by the FSC and the Q&As on "Question and Answer for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards".

The Company appropriated and reversal special reserves in accordance with Order No. 10510001510 and No. 10802714560 issued by the FSC for the development of financial technology and protection of the bank employees' rights.

Other Equity - Unrealized Gain (Loss) on Financial Assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (4,826,827)	\$ 126,739
Recognized during the year		
Unrealized gains or losses		
Debt instruments	2,340,888	(6,116,370)
Equity instruments	(45,746)	(357,271)
Income tax related to profit or loss of debt instruments	(135,996)	404,385
Share of subsidiaries and associates accounted for using equity method	(779)	(10)
Reclassification adjustments		
Disposal of investments in debt instruments	12,773	961,943
Other comprehensive loss recognized during the year	2,171,140	(5,107,323)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	348,024	153,757
Balance at December 31	\$ (2,307,663)	\$ (4,826,827)

29. NET INTEREST INCOME

	For the Year Ended December 31	
	2023	2022
Interest revenues		
Loans	\$ 44,079,222	\$ 30,312,479
Investment in marketable securities	15,481,715	5,532,427
Revolving interest of credit cards	1,311,155	1,230,683
Others	5,996,647	3,116,012
	<u>66,868,739</u>	<u>40,191,601</u>
Interest expenses		
Deposits	(36,162,198)	(12,442,917)
Structured products	(3,518,305)	(1,235,661)
Securities sold under repurchase agreements	(1,263,568)	(842,234)
Others	(1,320,323)	(1,273,192)
	<u>(42,264,394)</u>	<u>(15,794,004)</u>
Net interest income	\$ 24,604,345	\$ 24,397,597

30. NET SERVICE FEE AND COMMISSION INCOME

	For the Year Ended December 31	
	2023	2022
Service fee and commission income		
Interbank	\$ 1,106,572	\$ 1,029,250
Loan	418,541	522,082
Trustee business and trustee affiliated business	2,444,383	2,261,283
Insurance commission	5,332,236	4,638,855
Credit cards	5,557,191	4,398,278
Others	<u>1,834,494</u>	<u>1,791,121</u>
	<u>16,693,417</u>	<u>14,640,869</u>
Service fee and commission expenses		
Credit cards	(2,831,312)	(2,030,082)
Marketing	(753,975)	(485,729)
Interbank	(365,532)	(349,812)
Others	<u>(939,815)</u>	<u>(851,018)</u>
	<u>(4,890,634)</u>	<u>(3,716,641)</u>
Net service fee and commission income	<u>\$ 11,802,783</u>	<u>\$ 10,924,228</u>

The Company provided custody, trust, investment managements and consultancy services to the third party. Therefore, the Company involved in the execution of planning management and trading of financial instruments. In order to the purpose of inner management, the Company recorded in independent accounts and prepared financial statements for management of custody and application of trust and portfolio, but it not included in the financial statements of the Company.

31. GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	For the Year Ended December 31	
	2023	2022
Disposal gains (losses)		
Shares and beneficiary certificates	\$ 112,301	\$ 590,231
Bills	12,696	(14,577)
Bonds	296,052	(40,468)
Derivative financial instruments	<u>5,201,748</u>	<u>1,363,168</u>
	<u>5,622,797</u>	<u>1,898,354</u>
Valuation gains (losses)		
Shares and beneficiary certificates	563,962	(144,972)
Bills	39,364	17,274
Bonds	1,313,034	(840,241)
Derivative financial instruments	<u>(1,551,091)</u>	<u>1,718,381</u>
	<u>365,269</u>	<u>750,442</u>
Interest revenue	1,067,585	471,714
Dividends	487,012	104,705
Interest expense	<u>(182,327)</u>	<u>(167,148)</u>
	<u>\$ 7,360,336</u>	<u>\$ 3,058,067</u>

32. REALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FVTOCI

	For the Year Ended December 31	
	2023	2022
Disposal gains (losses)		
Bonds	\$ (7,696)	\$ (951,488)
Beneficiary certificates	<u>(5,077)</u>	<u>(10,455)</u>
	(12,773)	(961,943)
Dividends income		
Related to investments held at the end of the year	90,096	238,358
Related to investments derecognized at the end of the year	<u>180,113</u>	<u>58,303</u>
	<u>\$ 257,436</u>	<u>\$ (665,282)</u>

33. EMPLOYEE BENEFITS EXPENSES

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 13,195,352	\$ 11,826,298
Post-employment benefits		
Defined contribution plans	440,214	417,983
Defined benefit plans	26,799	18,099
Share-based payments		
Cash-settled share-based payments	95,187	735
Others	<u>129,332</u>	<u>119,982</u>
	<u>\$ 13,886,884</u>	<u>\$ 12,383,097</u>

a. Employees' compensation

In compliance with the Articles, the Company accrued employees' compensation at a rate of 0.01% of net profit before income tax. The employee's compensation for the years ended December 31, 2023, and 2022 were \$1,799 thousand and \$1,473 thousand, respectively.

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will make adjustments next year.

The Company held board of directors' meetings on February 23, 2023 and February 17, 2022 in which it resolved the appropriations of employees' compensation. There is no difference between the actual amounts of compensation of employees and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

b. Cash-settled share-based payments

The Company issued share appreciation rights (SARs) to employees that required the Company's parent company Taishin Financial Holding to pay the intrinsic value of SARs to the qualified people. Provision for the expense recognized by the Company for the years ended December 31, 2023 and 2022 were \$95,187 thousand and \$735 thousand, respectively. The related liabilities, recognized as of December 31, 2023 and 2022 were \$119,277 thousand and \$85,642 thousand, respectively.

34. DEPRECIATION AND AMORTIZATION EXPENSES

	For the Year Ended December 31	
	2023	2022
Property and equipment	\$ 1,048,897	\$ 1,080,386
Right-of-use assets	705,288	727,907
Intangible assets	<u>496,299</u>	<u>442,038</u>
	<u>\$ 2,250,484</u>	<u>\$ 2,250,331</u>

35. INCOME TAX

The governments of Japan, Australia and Vietnam, where the Company is registered, enacted the Pillar Two income tax legislation, effective January 1, 2024. Since the legislation was not effective as of the end of the reporting period, there was no related current income tax impact on the Company. The Company will continuously assess the possible impact of the Pillar Two income tax legislation on its future financial performance.

a. Income tax recognized in profit or loss

The major components of tax expense (profit) were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 3,389,021	\$ 1,701,362
Adjustments for prior years	34,626	(97,003)
Offshore income tax expense	76,176	39,378
Deferred tax		
In respect of the current year	(433,239)	736,330
Adjustments for prior years	<u>14,200</u>	<u>169,360</u>
Income tax expense recognized in profit or loss	<u>\$ 3,080,784</u>	<u>\$ 2,549,427</u>

Reconciliation of profit before income tax and income tax was as follows:

	For the Year Ended December 31	
	2023	2022
Income before income tax attributable to owner of parent	<u>\$ 17,988,717</u>	<u>\$ 14,725,522</u>
Income tax expense calculated at the statutory rate	\$ 3,597,743	\$ 2,945,104
Tax impact of adjustments		
Nondeductible expenses in determining taxable income	4,675	2,591
Tax-exempt income	(627,123)	(699,156)
Temporary differences	(19,513)	189,153
Offshore income tax expense	76,176	39,378
Adjustments to prior years' tax	<u>48,826</u>	<u>72,357</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 3,080,784</u>	<u>\$ 2,549,427</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Fair value changes of financial assets at FVTOCI	\$ 135,996	\$ (404,385)
Remeasurement of the defined benefit plans	<u>(6,449)</u>	<u>32,279</u>
Total income tax recognized in other comprehensive income	<u>\$ 129,547</u>	<u>\$ (372,106)</u>

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	\$ <u>-</u>	\$ <u>124,565</u>
Current tax liabilities		
Income tax payable	\$ <u>2,915,703</u>	\$ <u>1,234,518</u>

d. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities were as follows:

	For the Year Ended December 31, 2023			
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
<u>Deferred tax assets</u>				
Allowance for bad debts in excess of tax limit	\$ 1,203,208	\$ (103,676)	\$ -	\$ 1,099,532
Reserve for guarantee liabilities in excess of tax limit	4,335	2,890	-	7,225
Linked debt settlement compensation	15,594	-	-	15,594
Credit card bonus points liabilities	153,156	(32,035)	-	121,121
Unfunded pension liabilities	223,765	(1,671)	6,449	228,543
Unrealized gains or losses on financial instruments	136,199	527,008	-	663,207
Compensation of dispute	683	-	-	683
Unrealized gains or losses on financial assets at FVTOCI	470,350	-	(135,996)	334,354
Others	<u>-</u>	<u>26,521</u>	<u>-</u>	<u>26,521</u>
	<u>\$ 2,207,290</u>	<u>\$ 419,037</u>	<u>\$ (129,547)</u>	<u>\$ 2,496,780</u>
<u>Deferred tax liabilities</u>				
Land value increment tax	\$ (53,552)	\$ -	\$ -	\$ (53,552)
Property and equipment depreciation	<u>(4,812)</u>	<u>2</u>	<u>-</u>	<u>(4,810)</u>
	<u>\$ (58,364)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (58,362)</u>

For the Year Ended December 31, 2022

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
<u>Deferred tax assets</u>				
Allowance for bad debts in excess of tax limit	\$ 1,883,705	\$ (680,497)	\$ -	\$ 1,203,208
Reserve for guarantee liabilities in excess of tax limit	3,195	1,140	-	4,335
Linked debt settlement compensation	15,594	-	-	15,594
Credit card bonus points liabilities	151,212	1,944	-	153,156
Unfunded pension liabilities	259,527	(3,483)	(32,279)	223,765
Unrealized gains or losses on financial instruments	360,516	(224,317)	-	136,199
Compensation of dispute	683	-	-	683
Unrealized gains or losses on financial assets at FVTOCI	<u>65,965</u>	<u>-</u>	<u>404,385</u>	<u>470,350</u>
	<u>\$ 2,740,397</u>	<u>\$ (905,213)</u>	<u>\$ 372,106</u>	<u>\$ 2,207,290</u>
<u>Deferred tax liabilities</u>				
Land value increment tax	\$ (53,552)	\$ -	\$ -	\$ (53,552)
Property and equipment depreciation	<u>(4,335)</u>	<u>(477)</u>	<u>-</u>	<u>(4,812)</u>
	<u>\$ (57,887)</u>	<u>\$ (477)</u>	<u>\$ -</u>	<u>\$ (58,364)</u>

- e. The estimated payables to Taishin Financial Holding due to the adoption of the linked-tax system were as follows:

	December 31	
	2023	2022
Linked-tax receivables to Taishin Financial Holding (recorded under current tax assets)	\$ -	\$ 124,565
Linked-tax payables to Taishin Financial Holding (recorded under current tax liabilities)	\$ 2,696,815	\$ 926,945

- f. Income tax assessments

The Company's income tax returns through 2017 have been assessed by the tax authorities.

36. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	<u>\$ 1.61</u>	<u>\$ 1.34</u>
Diluted earnings per share	<u>\$ 1.61</u>	<u>\$ 1.34</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Income for the Year

	For the Year Ended December 31	
	2023	2022
Earnings attributable to owner of parent used in computation of basic earnings per share	<u>\$ 14,907,933</u>	<u>\$ 12,176,095</u>
Earnings attributable to owner of parent used in computation of diluted earnings per share	<u>\$ 14,907,933</u>	<u>\$ 12,176,095</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: Number of Shares in Thousands

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in computation of basic earnings per share	9,255,271	9,098,982
Effect of dilutive potential ordinary shares:		
Employees' compensation	<u>102</u>	<u>90</u>
Weighted average number of ordinary shares used in computation of dilutive earnings per share	<u>9,255,373</u>	<u>9,099,072</u>

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonuses would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

37. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2023

	Beginning Balance	Cash Flows	New Leases	Non-cash Changes		Ending Balance
				Termination of Lease Contract	Fair Value Adjustments	
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 8,490,936	\$ 1,248,075	\$ -	\$ -	\$ -	\$ 9,739,011
Bank notes payable	28,000,000	-	-	-	-	28,000,000
Lease liabilities	2,106,706	(667,453)	798,675	(1,036)	-	2,236,892
Financial liabilities designated as at FVTPL	2,483,480	-	-	-	65,172	2,548,652
	<u>\$ 41,081,122</u>	<u>\$ 580,622</u>	<u>\$ 798,675</u>	<u>\$ (1,036)</u>	<u>\$ 65,172</u>	<u>\$ 42,524,555</u>

For the year ended December 31, 2022

	Beginning Balance	Cash Flows	New Leases	Non-cash Changes		Ending Balance
				Termination of Lease Contract	Fair Value Adjustments	
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 39,859,845	\$ (31,368,909)	\$ -	\$ -	\$ -	\$ 8,490,936
Bank notes payable	34,800,000	(6,800,000)	-	-	-	28,000,000
Lease liabilities	2,452,383	(731,873)	387,613	(1,417)	-	2,106,706
Financial liabilities designated as at FVTPL	3,023,578	-	-	-	(540,098)	2,483,480
	<u>\$ 80,135,806</u>	<u>\$ (38,900,782)</u>	<u>\$ 387,613</u>	<u>\$ (1,417)</u>	<u>\$ (540,098)</u>	<u>\$ 41,081,122</u>

38. CAPITAL RISK MANAGEMENT

a. Summary

The Company's goals in capital management are as follows:

- 1) The Company's eligible self-owned capital should meet the requirement of legal capital, and reached the minimum capital adequacy ratio.
- 2) The calculation of eligible self-owned capital and legal capital are according to the regulation of administration.
- 3) To ensure the Company is able to meet the capital needs of taking any kinds of risks, it should be evaluated periodically and observed the variation between eligible self-owned capital and risk assets.

b. Capital management procedures

The Company maintains a sound capital adequacy ratio to meet the requirement of the administration, and reports to the administration quarterly. In addition, the capital management procedures for the overseas branches of the Company are carried out according to the regulation of local administrations.

The Company's capital adequacy performance, which is calculated based on Regulations Governing the Capital Adequacy and Capital Category of Banks, is reported to the Asset and Liability Management Committee monthly. The regulatory capital is classified into Tier I capital and Tier II capital, respectively.

Tier I capital: Include common equity Tier I and other Tier I capital.

- 1) Common equity Tier I: Include ordinary shares, additional paid-in capital in excess of par, capital reserves, legal reserve, special reserve, accumulated earnings, non-controlling interests and other equity and deduct legal adjustment of calculations announced by administration.

- 2) Other Tier I capital: Include noncumulative perpetual preferred shares, additional paid-in capital in excess of par and noncumulative perpetual subordinated debts and deduct legal adjustment of calculations announced by administration.

Tier II capital: Include long-term subordinated bonds, property at fair values or revaluation values as firstly applied by IAS recognized as increases of retained earning, 45% of unrealized gains or losses on financial assets at FVTOCI and operating reserve and allowance and deduct legal adjustment of calculations announced by administration.

c. Capital adequacy ratio

Item			Period	December 31, 2023	December 31, 2022
Self-owned capital	Common equity Tier I			\$ 166,274,738	\$ 144,156,590
	Other Tier I capital			24,999,730	24,999,730
	Tier II capital			30,122,963	31,526,011
	Self-owned capital			221,397,431	200,682,331
Risk-weighted assets	Credit risk	Standardized approach		1,269,203,004	1,184,483,410
		IRB		-	-
		Securitization		4,651,015	1,651,953
	Operation risk	Basic indicator approach		-	-
		Standardized approach/ optional standard		136,122,400	122,627,613
		Advanced internal-rating based approach		-	-
	Market price risk	Standardized approach		59,223,513	36,872,063
		Internal model approach		-	-
	Total			1,469,199,932	1,345,635,039
Capital adequacy ratio				15.07%	14.91%
Common equity Tier I to risk-weighted assets ratio				11.32%	10.71%
Tier I capital to risk-weighted assets ratio				13.02%	12.57%
Leverage ratio				6.77%	6.63%

Note 1: The ratios are calculated in accordance with the Letters issued by the MOF on December 23, 2019 (Ref. No. FSC 10802744341) and on February 18, 2022 (Ref. No. FSC 11102703692).

Note 2: Formula:

- Self-owned capital = Common equity Tier I + Other Tier I capital + Tier II capital.
- Risk-weighted assets = Credit risk-weighted assets + (Operation risk capital + Market price risk capital) × 12.5.
- Capital adequacy = Self-owned capital ÷ Risk-weighted assets.
- Common equity Tier I capital to risk-weighted assets ratio = Common equity Tier I capital ÷ Risk-weighted assets.
- Tier I capital to risk-weighted assets ratio = (Common equity Tier I + Other Tier I capital) ÷ Risk-weighted assets.
- Leverage ratio = Tier I capital ÷ Adjusted average assets.

39. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Summary

Fair value is the exchange price in an orderly transaction between market participants and is the amount to be received on the sale of an assets or the amount to be paid on the transfer of a liability.

Financial instruments are initially measured at fair value. In many cases, the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Company will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

b. The definition of three levels of fair value

- 1) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets must have the following attributes: (A) assets or liabilities traded in the market are identical, (B) the market is principal (or most advantageous), providing ease in finding buyers and sellers that are both able and willing to transact an asset sale or liability transfer; and (C) pricing information is readily available on an ongoing basis to the public.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., value derived from price), in the active markets.
 - a) Quoted prices of similar financial instruments in active market are the Company's fair value of financial instruments if based on recent quoted price for similar financial instruments. Similar financial instruments should be decided in accordance with characteristics and transaction conditions of these instruments. Fair value of financial instruments will vary depending on factors specific to the similar asset or liability. The factors include: Prices are not current, price quotations vary substantially, transaction price between related parties, relevance of quoted price of similar instruments and the quoted price of financial instruments.
 - b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c) Valuation models are used to measure fair value, and the inputs (e.g., interest rate, yield curve, and volatilities) are based on accessible data from the markets (the observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data).
 - d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).
- 3) Level 3 inputs are inputs that are not available in the market. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not represent current market participants' expectations about future volatility.

c. Financial instruments measured at fair value

1) Information on fair value hierarchy

The financial instruments measured at fair value of the Company are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Financial Assets and Liabilities	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 7,445,904	\$ 6,763,256	\$ -	\$ 682,648
Bond investments	30,239,155	6,084,128	24,155,027	-
Investment in bills	54,371,699	-	54,371,699	-
Financial assets at FVTOCI				
Share investments	3,043,963	777,912	-	2,266,051
Bond investments	126,750,525	3,706,659	123,043,866	-
Beneficiary securities	1,007,163	-	1,007,163	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	234,207	234,207	-	-
Financial liabilities designated as at FVTPL	2,548,652	-	2,548,652	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	48,679,034	12,613	39,147,400	9,519,021
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	52,174,682	140,569	42,125,590	9,908,523

Financial Assets and Liabilities	December 31, 2022			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 2,492,839	\$ 1,900,790	\$ -	\$ 592,049
Bond investments	15,841,007	4,414,296	11,426,711	-
Investment in bills	43,436,249	-	43,436,249	-
Financial assets at FVTOCI				
Share investments	3,845,230	1,771,008	-	2,074,222
Bond investments	110,563,739	3,905,138	106,658,601	-
Investment in bills	1,819,411	1,819,411	-	-
Beneficiary securities	1,140,195	-	1,140,195	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	75,360	75,360	-	-
Financial liabilities designated as at FVTPL	2,483,480	-	2,483,480	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	44,557,113	10,325	34,295,144	10,251,644
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	44,638,713	7,817	34,042,302	10,588,594

2) The valuation techniques based on fair value

Financial instruments are initially measured at fair value. In many cases the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Company will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

If there is an active market and a price for a financial instrument quoted in that market, the quoted price will be the fair value of the financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange (formerly the GreTai Securities Market) are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications of an inactive market.

The Company's financial instruments with active markets and the basis of their fair values are described as follows:

a) Foreign currency products

Since the foreign exchange market is very active, the Company adopts the market prices of each respective currency or the last trading prices as fair values.

b) Government bonds and part of interest rate derivatives

i. New Taiwan Dollar Central Government Bonds: If there is a trading price on the measurement date, then the last trading price is the fair value. If there is no trading price for reference and the subordinated bond fair price provided by the Taipei Exchange is not in the market quoted price interval, then the median price of the market quoted prices is the fair value. If the subordinated bond fair price is in the market quoted price interval, then the fair price is the fair value.

ii. Interest rate derivatives: The quoted price from Reuters is the fair value.

c) Share-related products

The Company adopts stock market quoted prices or the last trading prices as fair values.

d) Credit-related products

The quoted price from Bloomberg is the fair value.

Except for the financial instruments with active market, fair values of other financial instruments are acquired based on valuation techniques or the quoted prices from counterparties. Fair values acquired through valuation techniques can be calculated using models based on fair values from financial instruments with similar conditions and characteristics, cash flow discount method and other valuation techniques, including accessible information on the balance sheet date such as the yield curve from the Taipei Exchange or the average quoted price from Reuters commercial papers interest rate.

When measuring financial instruments that are not standardized and with low complexity such as options without active market, the Company will adopt valuation techniques consistent with those generally used by other market participants to price financial instruments. Parameters applied for the valuation models for this type of financial instruments are observable in the market.

With regard to financial instruments with high complexity, the Company will adopt self-developed valuation techniques and methods consistent with those generally used by other market participants and valuation models to measure fair values. These types of valuation models are often applied to derivatives, embedded bond instrument or securitized products, etc. Part of input parameters for the valuation models of this type of financial instruments are not observable in the market. Therefore, the Company makes appropriate estimates based on assumptions.

Valuation of derivatives is based on valuation models consistent with those generally used by other market participants, such as the discount rate method or the option pricing models.

Valuation of investments in equity instruments is based on generally used valuation methods, which are consistent with those described in the Statements of Valuation Standards (SVS) No. 11 "Business Valuation", such as the asset-based approach and the market approach (which is comparable to the market approach).

3) Adjustments of fair values

a) Limits of valuation models and indeterminate input value

Valuation models generate estimated approximate values. That is, valuation techniques may not be able to reflect all the factors relevant to the performance of the Company's financial instruments. Thus, the results generated by valuation models are adjusted appropriately by using additional parameters, such as determinants of fair value (prevailing economic conditions, financial condition of counterparties to financial instruments, etc.) or assumptions and forecasts (future economic conditions, amount and pricing of future cash flows, etc.). Based on the Company's valuation basis manual and model management policies, the price information and parameters used in the valuation process are carefully assessed and appropriately adjusted in accordance with actual market conditions.

b) Credit risk value adjustments

Credit risk value adjustments are mainly classified into credit value adjustments (CVA) and debit value adjustments (DVA) as follows:

The CVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the Over the counter (OTC) market, to reflect within fair value the possibility that the counterparty may default and that the Company may not receive the full market value of the transactions.

The DVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the OTC market, to reflect within fair value the possibility that the Company may default, and that the Company may not pay the full market value of the transactions.

The Company would calculate CVA by assessing probability of default (PD) and loss given default (LGD) of the counterparty before multiplying by exposure at default (EAD) of the counterparty. On the contrary, DVA is computed by applying probability of default of the Company and considering loss given default of the Company before being multiplied by exposure at default of the Company.

The Company manages PD through its regular internal rating review. After examining the experiences of foreign financial institutions, the Company adopted 60% as its LGD and chose the marking to market of OTC derivative instruments to determine EAD. In addition, in calculating the fair values of financial instruments, the Company took credit risk rating adjustments into consideration to reflect competitors' credit risk and the Company's credit quality, respectively.

4) The transfer between Level 1 and Level 2

The source used to measure the fair value of part of bonds held by the Company has been changed from a quoted price in an active market to an evaluation price from yield curve information in the market put into the general practice bond evaluation model. Therefore, it has been reclassified to the Level 2 based on observable price information other than a quoted price in an active market. There were no bonds reclassified from the Level 1 to the Level 2 for the years ended December 31, 2023 and 2022, respectively.

5) Reconciliation of Level 3 financial assets

For the Year Ended December 31, 2023								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 10,843,693	\$ (1,047,017)	\$ -	\$ 676,450	\$ -	\$ (271,457)	\$ -	\$ 10,201,669
Financial assets at FVTOCI	2,074,222	-	191,875	-	-	(46)	-	2,266,051
Total	\$ 12,917,915	\$ (1,047,017)	\$ 191,875	\$ 676,450	\$ -	\$ (271,503)	\$ -	\$ 12,467,720

Note: No transfer from Level 3.

For the Year Ended December 31, 2022								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 5,381,451	\$ 3,954,276	\$ -	\$ 1,677,025	\$ -	\$ (169,059)	\$ -	\$ 10,843,693
Financial assets at FVTOCI	1,952,854	-	(5,036)	133,867	-	(7,463)	-	2,074,222
Total	\$ 7,334,305	\$ 3,954,276	\$ (5,036)	\$ 1,810,892	\$ -	\$ (176,522)	\$ -	\$ 12,917,915

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$(1,029,593) thousand and \$4,172,354 thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2023 and 2022, respectively.

Above-mentioned valuation gains (losses) recognized in other comprehensive income in the amounts of \$191,874 thousand and \$(5,036) thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2023 and 2022, respectively.

Reconciliation of Level 3 financial liabilities:

For the Year Ended December 31, 2023							
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial liabilities at FVTPL	\$ 10,588,594	\$ (1,037,064)	\$ 565,209	\$ -	\$ (208,216)	\$ -	\$ 9,908,523

Note: No transfer from Level 3.

For the Year Ended December 31, 2022							
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial liabilities at FVTPL	\$ 4,555,827	\$ 4,533,298	\$ 1,573,746	\$ -	\$ (74,277)	\$ -	\$ 10,588,594

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$1,033,371 thousand and \$(4,534,320) thousand were attributed to gains (losses) on liabilities owned for the years ended December 31, 2023 and 2022, respectively.

6) Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

Most of the Level 3 fair value attributed to the Company only has single significant unobservable input.

The quantitative information of significant unobservable inputs was as follows:

	Fair Value on December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 682,648	Assets method	Discount for lack of marketability Non-controlling interest discount	10%-30% 10%-30%	The higher the discount for lack of marketability, the lower the fair value. The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI Share investments	2,081,442	Assets method	Discount for lack of marketability Non-controlling interest discount	10%-30% 10%-30%	The higher the discount for lack of marketability, the lower the fair value. The higher the discount for non-controlling interests, the lower the fair value.
	184,609	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL Interest rate swaps	29,344	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL Interest rate swaps	323,575	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.

	Fair Value on December 31, 2022	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 592,049	Assets method	Discount for lack of marketability Non-controlling interest discount	10%-30% 10%-30%	The higher the discount for lack of marketability, the lower the fair value. The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI Share investments	1,945,431	Assets method	Discount for lack of marketability Non-controlling interest discount	10%-30% 10%-30%	The higher the discount for lack of marketability, the lower the fair value. The higher the discount for non-controlling interests, the lower the fair value.
	128,791	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL Interest rate swaps	32,940	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL Interest rate swaps	335,164	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.

7) The assessment of fair value based on Level 3 inputs

The financial instruments assessment group of the Company's department of risk management is responsible for independently verifying fair value, using an impartial, reliable source of information, so that the evaluation results reflect market status closely, same with other resource and representing executable price calibrating the assessment model regularly, and updating input values, information and any other information needed to ensure that the assessment model results are reasonable.

The department of investment management targets in equity instruments which obtain financial information audited or reviewed recently from invested company and collect information acquired from public market or private market for the purpose of valuation in proper method.

The department of finance and the department of risk management set assessment policies and procedures for determining the fair values of financial instruments and ensure that these policies and procedures are in compliance with IFRS Accounting Standards.

d. Not measured at fair value

1) Fair value information

The Company's assets that are not measured at fair value, such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, loans, deposits from the Central Bank and banks, due to the Central Bank and banks, securities sold under repurchase agreements, payables, deposits and remittances, bank notes payable and other financial liabilities have carrying amounts that are equal to, or reasonably approximate, their fair values.

	December 31			
	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 530,952,892	\$ 523,693,802	\$ 450,869,560	\$ 441,027,414

2) Information on fair value hierarchy

Assets and Liabilities	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 523,693,802	\$ 21,605,022	\$ 502,088,780	\$ -

Assets and Liabilities	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 441,027,414	\$ 16,221,776	\$ 424,805,638	\$ -

3) Valuation techniques

- Financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, deposits from the Central Bank and banks, securities sold under repurchase agreements, payables, remittances and other financial liabilities, are disclosed at their carrying amounts as shown in the individual balance sheets since their maturities are very short or their future payments/receipts approximate their carrying amounts.
- Investments in debt instruments at amortized cost: Refer to Note 39. (c) for related information.
- Loans (including delinquent loans)

The Company's loan interest rate is usually determined based on the prime rate plus or minus basis points (i.e., the floating rate), which reflects the market interest rate. The expected recovery of loans is taken into consideration. Therefore, loans are disclosed at their carrying amounts.

Medium and long-term loans, which are determined at fixed rates and account for a minor proportion of loans, are disclosed at their carrying amounts.

d) Deposits

Considering that most of the banking transactions are within one year of maturity, deposits are disclosed at their carrying amounts.

e) Bank notes payable

The bank notes payable issued by the Company are intended to enhance liquidity or for capital management purpose instead of earning short-term profits; therefore, the bank notes payable are disclosed at carrying amounts.

Financial Assets and Financial Liabilities Offsetting

The Company signs net settlement contracts or similar agreements with counterparties. When both transaction parties choose to do netting, the Company can offset financial assets and financial liabilities after the signing of the net settlement agreement. If not, the Company would execute total settlement. However, if one of the transaction parties breaks a contract, the other party can choose to execute net settlement. The table below shows more information on the offset of financial assets and financial liabilities.

December 31, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Financial Assets in the Balance Sheets (c)=(a)-(b)	Amount of Offset Not Shown in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 34,397,091	\$ -	\$ 34,397,091	\$ 28,177,490	\$ 4,818,249	\$ 1,401,352

Note: Including net settlement and non-cash collateral.

December 31, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Financial Liabilities in the Balance Sheets (c)=(a)-(b)	Amount of Offset Not Shown in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 46,187,572	\$ -	\$ 46,187,572	\$ 28,177,490	\$ 12,136,540	\$ 5,873,542

Note: Including net settlement and non-cash collateral.

December 31, 2022						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Financial Assets in the Balance Sheets (c)=(a)-(b)	Amount of Offset Not Shown in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 28,324,642	\$ -	\$ 28,324,642	\$ 21,413,575	\$ 1,563,900	\$ 5,347,167

Note: Including net settlement and non-cash collateral.

December 31, 2022						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Financial Liabilities in the Balance Sheets (c)=(a)-(b)	Amount of Offset Not Shown in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 38,400,126	\$ -	\$ 38,400,126	\$ 21,413,575	\$ 12,402,343	\$ 4,584,208

Note: Including net settlement and non-cash collateral.

Transfer of Financial Assets

The Company treats debt securities under repurchase agreements as transferred financial assets that do not qualify for full derecognition; thus, the Company will recognize debts on the transferred financial assets to be bought back at a confirmed price because of the transfer of cash on the debt security contracts. In addition, the Company should not use, sell or pledge the transferred financial assets during the transaction validity period. However, the Company still bears interest and credit risks although the financial assets will not be fully derecognized. The following table shows the amounts of the financial assets that did not qualify for full derecognition and information on the related financial liabilities:

December 31, 2023		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 46,917,137	\$ 46,957,171
Financial assets at FVTOCI sold under repurchase agreement	26,019,924	27,187,384

December 31, 2022		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 39,982,111	\$ 39,505,585
Financial assets at FVTOCI sold under repurchase agreement	28,075,875	27,899,619
Investments in debt instruments at amortized cost sold under repurchase agreement	3,080,292	3,150,273

Financial Risk Management Objectives and Policies

a. Summary

The Company's goal in risk management is to balance the risks and returns by giving consideration to business operations, overall risk appetite, and external legal restrictions. The major risks the Company sustains include on- and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security prices, credit spread and commodity price risks), liquidity risks and climate-related risks.

The parent company, Taishin Financial Holding, has rules for risk management policies, which, after review by the risk management committee, have been approved by the board of directors. Additionally, the Company has established written risk control procedures, which have been reviewed and approved by the level authorized by the board of the parent company, in order to effectively identify, measure, supervise and control credit risks, market risks, liquidity risks and climate-related risks. Climate-related risk is not an independent risk type that will directly or indirectly aggravate the impact of the above-mentioned existing risks through the economic environment and various businesses. The Company follows climate risk management principles, which have been established by the parent company, Taishin Financial Holding.

b. Organizational structure of risk management function

The board of directors is the highest level in the risk management function in the Company and takes the full responsibility for risk management issues. The board of directors authorizes the monthly risk management meeting to examine policies and standards and establish risk management system. Significant risk management issues need to be reported to the board of parent company. The chairman of Risk Management Committee takes charge of risk management and reports to the board of directors periodically.

Risk management department is independent of business department and identifies, assesses, and controls various risks according to risk management standards. In addition, internal auditing department is responsible for the independent review of risk management and control environment.

c. Market risk

1) The source and definition of market risk

Market risk is the uncertainty of changes in fair value of in and off-balance sheets financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices, credit spreads and commodity prices:

a) Interest rate risks

Interest rate risk is fair value changes in interest rate risk position held by the Company due to interest rate changes. The risks are mainly in debt securities and interest rate derivatives.

b) Exchange rate risks

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. The Company's exchange rate risk mainly comes from derivatives such as spot and forward exchange positions and forward exchange options, as well as assets and liabilities denominated in non-functional currencies.

c) Equity securities price risks

Equity security price risk is the valuation effect on the position held by the Company when the equity security price changes. The Company's equity security price risk mainly comes from public and OTC shares, index futures and options.

d) Credit spread risk

Credit spread risk is the risk of the effect of changes in credit spreads on positions held by the Company. The major risk comes from derivatives such as credit default swaps.

The major market risks of the Company are equity securities price risks, credit spread risks, interest rate risks, and exchange rate risks. The main position of equity securities risk includes domestic public and OTC shares, domestic share index options and share index futures. The main position of credit spread risk includes the credit derivatives, such as credit default swaps and convertible bond asset swap (CBAS), etc. The main position of interest rate risk includes bonds and interest derivative instruments, such as interest rate swap. The main position of exchange rate risk includes the Company's investments denominated in foreign currencies, such as foreign currency spots and foreign currency options.

Effect of interest rate benchmark reforms

As the cessation of all LIBOR currencies and terms was officially completed on July 1, 2023, the cross-department LIBOR transition project team has already finished the transition project. The exposures of the transition are replaced by alternative rates, like the Secured Overnight Financing Rate (SOFR), other market rates, or fallback rates permitted by the rate oversight authorities (including but not limited to Synthetic LIBOR).

The following table contains details of all of the financial instruments held by the Company which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

December 31, 2023

	Effect of Interest Rate Benchmark Reform
Interest Rate Benchmark	Synthetic USD LIBOR
Type	Whole Period Maturity Date after September 30, 2024
Non-derivative financial assets - carrying amount	\$ 499,664
Financial assets at FVTOCI	499,664

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: The due date for all LIBOR currencies and terms has been officially completed. The due date for the Synthetic USD LIBOR for 1 month, 3 months and 6 months is September 30, 2024.

December 31, 2022

Interest Rate Benchmark	Effect of Interest Rate Benchmark Reform	
	USD LIBOR Whole Period	Other IBOR Whole Period
Type	Maturity Date after June 30, 2023	Overdue LIBOR Transition Date
Non-derivative financial assets - carrying amount	\$ 54,697,381	\$ 230,460
Financial assets at FVTOCI	5,680,720	-
Investments in debt instruments at amortized cost	3,326,385	-
Securities purchased under resell agreements	2,107,559	-
Loans	43,582,717	230,460
Non-derivative financial liabilities - carrying amount	2,996,965	-
Securities sold under repurchase agreements	2,996,965	-
Derivative instruments - nominal principal amount	163,811,126	-

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: Other IBOR includes SGD SIBOR and SGD SOR.

Note c: Except that the due date for the USD LIBOR overnight, 1 month, 3 months, 6 months and 12 months was extended to June 30, 2023, the due date for other LIBOR currencies is December 31, 2021.

2) Market risk management policy

The Company's risk management policy clearly defines the risk management procedures for risk identifying, risk measuring, risk controlling and risk reporting, which are executed by risk management department independently of trading and other departments. The risk management department develops management principles for different businesses and for various aspects of market risk management based on the risk management policy. It establishes market risk management system and regulates market risks, risk limits, stop loss limit and stress tests of various financial assets.

3) Market risk management procedures

a) Identifying risks and measuring possible effects

The Company's risk management department identifies the exposures of positions or new financial instruments to market risks and measures the gains and losses on positions held due to changes in market risk factors based on standards.

The risk management department calculates price sensitivity and gains and losses on positions which are recorded in trading books daily; and calculates the maximum potential losses recorded in each trading books monthly. The Company takes measures to avoid tremendous losses that will harm the Company's operations due to overwhelming changes in market risk factors.

b) Controlling of risk and reporting of issues

The Company controls market risk by managing risk limits. The risk management department sets various trading and non-trading limits, such as value at risk, stop-loss limits, and maximum potential loss. The trading limits are implemented only after they are reported to and approved by the board of directors and monthly risk management meeting.

The risk management department calculates exposures and estimated gains and losses on positions daily to make sure that the positions held and losses do not exceed the risk appetite and limits approved by the board of directors and monthly risk management meeting, then prepares reports to the high-level management, monthly risk management meeting, and the board of directors periodically for their sufficient understanding of the implementation of the market risk management work and, if necessary, issuance of additional guidance.

4) Principles of the market risk management

Based on the related risk management standards, the Company classifies financial instruments into trading books and banking books according to the purpose of holding the instruments and manages them with different methods.

Trading portfolios consists of financial instruments held for trading purposes or commodities held to hedge positions in trading books. A position, such as self-run position or position produced by matched principal brokering or market making, is for trading purposes if it is intended to be sold within a short period, to earn or to lock in profit from actual or expected short-term price fluctuations.

Non-trading portfolios are positions other than aforementioned trading portfolios positions, consisting of medium to long-term equity investments and hedging positions to earn from the appreciation of values and dividends, bonds and notes investments and hedging positions to earn interests, positions held for fund dispatching, liquidity risk management, and interest rate risk management in banking books, and positions held for other management purposes.

a) Management strategy

The goal of market risk management is to pursue maximum return on capital, meaning maximizing the capital usage efficiency to improve shareholders' equity.

In order to control market risks, the risk management department sets risk limits for various investment portfolio based on trading strategies, category of trading products and annual profit goals in order to control exposure to risks on positions and losses.

b) Management principles

The parent company stipulated "Principles of Market Risk Limit Management" and "Instructions of Valuation Benchmark" to manage market risk and valuation.

c) Valuation gains and losses

If objective prices of financial instruments exist in open market, such as trading prices, gains and losses on positions are valued in accordance with the market prices by the risk management department. If fair value data is inaccessible, the risk management department will cautiously adopt verified mathematical models to value gains and losses and review the assumptions and parameters of the valuation models periodically.

d) Risk measuring methods

The methods applied by the risk management department in measuring market risks are as follows:

i. Measure the price sensitivity of various risk factors

i) Interest rate risk

It applies DV01 to measure interest risk. DV01 is the change in the value of interest rate risk positions when the yield curve moves upward by one basis point (1bp).

ii) Exchange rate risks

It applies Delta to measure the exchange rate risk of the first order change and applies Gamma to measure the exchange rate risk of the second order change. In addition, Vega is used to measure the first order risk of implied volatility rate.

iii) Equity securities price risks

It applies Delta to measure the independent equity security price risk of the first order change, or market value is applied to indicate the exposure risks on positions of shares.

iv) Credit spread risk

It applies CS 01, which is the impact of the changes in fair value of a position in response to a one basis point (1bp) credit spread change.

ii. Refer to item 7 for the risk assumptions and calculation methods.

iii. Measure potential losses (stress losses) resulting from extreme market volatility in order to assess capital adequacy and essential position adjustments. Refer to item 6 for the stress test.

e) Risk management procedures

The risk management department identifies the products that can be included in the portfolio, evaluates the risk factors on positions, and sets stop-loss limit and limit of VaR to control exposure to position loss. If the stop-loss limit is reached, then the trading department should take immediate remedial steps to reduce the exposure to the risk position.

5) Interest rate risk management in the banking book positions

Banking book interest rate risk involves bonds and bills, transactions under repurchase agreement, transactions under resell agreements and their hedge positions, which are held to manage the Bank's liquidity risk and the interest rate risk of deposits and loans undertaken by business departments. The interest rate risk is transferred to banking book management department for centralized management through internal fund transfer pricing (FTP) system. Banking book interest rate risk is the effect on net interest income of risk exposure positions held due to adverse changes in interest rate and shareholder equity economic value.

a) Management strategy

The goal of banking book interest rate risk management is to control interest rate risk position and pursue stability and growth of banking book net interest income under the circumstances that liquidity is appropriate.

b) Management principles

The Company stipulated “The Principles of Banking Book Interest Rate Risk Management” as the important control regulations for banking book interest rate risk management.

c) Measuring methods

The banking book interest rate risk is the risk of quantitative or repricing term differences due to the differences in amounts or repricing dates of banking book assets, liabilities and off-balance-sheet items. The Company has rules for risk taken and limits management. Risk taken is in accordance with supervision regulation IRRBB (Interest Rate Risk in the Banking Book), monitoring changes in economic value, Tier I capital ratio and net interest income. The Company measures the effect on net interest income when the yield curve moves upward by 1bp.

d) Management procedures

The Company defines the instruments of banking book interest rate management and sets the risk appetite and limit of interest rate risk in order to avoid severe recession of net interest income when the interest rate changes unfavorably. The banking book management unit sets limits and keeps the interest rate risk within the risk appetite and limits.

6) Stress test

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions' tolerance to extreme market volatility.

The risk management unit is required to execute the stress test at least once a month to calculate stress losses for trading portfolios. The risk management unit observes historical information on market prices and sets the biggest possible volatility range for various market risk factors as the stress circumstances. The stress circumstance should be reviewed annually, which should be approved by the high-level risk management and reported to the Chief of Taishin Financial Holding risk management department. Since there are so many market risk factors that affect trading portfolios, there might be plenty of permutations and combinations of stress circumstances when the unit calculates stress loss. For instance, a change in a market risk factor might result in the biggest loss of one investment portfolio but create profits for another investment portfolio. Based on conservative principles, the risk management unit will take into account the correlation between various risk factors to calculate the biggest loss as the stress loss.

The risk management unit should confirm that overall stress loss for trading portfolios does not exceed the stress loss limit and report to the high-level management as references for adjusting positions or resource distributions.

7) Value at risk, “VaR”

The Company uses a variety of methods to control market risk; the VaR is one of them. The Company is using risk model to assess the value of trading portfolios and potential loss amount of holding positions. VaR is the Company's important internal risk control system, and the board of directors and monthly risk management meeting, review and establish trading portfolio's limits annually. Actual exposures of the Company are monitored daily by risk management.

VaR is used to estimate adverse market potential loss of existing positions. The VaR model uses historical simulation method, a one-year historical observation period, the estimate of 99% confidence interval, the maximum possible amount of loss holding positions for one day, and the probability that actual losses may exceed the estimate.

For the Year Ended December 31, 2023

	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 3,477	\$ 15,144	\$ 791	\$ 15,144
Interest rate VaR	50,840	116,874	28,406	53,915
Equity securities VaR	53,227	77,499	26,724	72,735
Credit spread VaR	19,235	29,003	344	20,112
Value at risk	70,747	101,039	50,557	78,841

For the Year Ended December 31, 2022

	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 13,612	\$ 33,301	\$ 754	\$ 2,086
Interest rate VaR	25,876	52,679	9,685	29,870
Equity securities VaR	39,894	82,824	12,055	25,890
Credit spread VaR	9,288	23,408	265	23,408
Value at risk	55,857	95,217	32,471	51,906

8) Information of exchange rate risk concentration

For information regarding the Company's non-functional currency financial assets and liabilities on the balance sheet date, refer to Note 44.

d. Credit risk

1) Source and definition

Credit risk means the possible loss due to failure of debtors or counterparties to fulfill their contractual obligations or their ability of fulfill contractual obligations is impaired. Credit risk arises from the operation, on- and off-balance-sheet items, including credit loans, derivatives transactions and securities investment, etc. Because the business becomes more complex, the credit risk is often generated with other risks that affect one another. For example, exchange rate risk also exists in foreign currency debt investment. Secured loans will be affected by the price volatility on the collateral and market liquidity risk of the collateral.

Credit risk can be divided into the following categories based on the object and nature of business:

a) Credit risk

Credit risk is the risk that a borrower is unable to pay its debt or fulfill its debt commitments in credit loans operation.

b) Issuer (guarantor) risk of the underlying issue

It is the credit risk that share issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.

c) Counterparty risk

It is the credit risk that the counterparty undertaking OTC derivatives or RP/RS transactions are unable to fulfill settlement obligations.

Counterparty risk is also divided into settlement risk and pre-settlement risk.

i. Settlement risk

It is the loss resulting from the counterparty failing to deliver goods or other money on the settlement date when the Company had fulfilled settlement obligations.

ii. Pre-settlement risk

It is the loss resulting from the counterparty failing to fulfill settlement or pay the obligations and from changes in market prices before the settlement date.

d) Other credit risks

Country risk, custodian risk and brokers risk, etc.

2) Credit risk management policies

To ensure its credit risk is under control within the tolerable range, the Company has stipulated in the guidelines for risk management that for all the products provided and businesses conducted, including all on- and off-balance sheets transactions in the banking and trading books, the Company should make detailed analyses to identify existing and potential credit risks and calculate the expected credit loss under different scenarios and time spans to measure climate-related risks through the analysis of climate change scenarios. Before launching new products or businesses, the Company ensures compliance with all applicable rules and regulations and identifies relevant credit risks. For sophisticated credit extensions, such as accounts receivable factoring and credit derivative instruments, the Company also establishes risk management system described in the related rules and guidelines.

Unless the local authorities regulate the assessment of asset qualities and provision for potential losses of the overseas business department, it is in accordance with the Company's risk management policies and guidelines.

The measurement and management procedures of credit risks in the Company's main businesses are as follows:

a) Credit granting business (including loans and guarantees)

i. Credit risk rating

For risk management purposes, the Company rates credit qualities (by using internal rating models for credit risk or credit score tables) in accordance with the nature and scale of a business.

The corporate finance department's internal rating adopts two aspects. One is obligor risk rating (ORR) and the other is Facility Risk Rating (FRR). ORR is used to assess the possibility of the debtor performing financial commitments, which is a quantitative value based on the probability of default (PD) within one year. FRR is used to assess the effect of rating structures and collateral conditions on credit rating, which is a quantitative value based on loss given default (LGD). At the same time, experts also engage in judging and adjusting the rating overrides of statistic models to make up for the limitation of the model.

The consumer finance department's internal rating system adopts product characteristic and debtor condition (such as new case or behavior grading) as the basis of segmentation. It is to ensure that the same pools of debtors and risk exposure are homogeneous. At the same time, review of loans based on experts' override is complemented to make up for the limitation of the model.

ii. Strengthening of management and tracking of credit account after loan

Corporate Finance Department post-loan control unit has built post-loan management system. Online functions include post-loan condition inspections, reviews, early warning indicators, material information notifications, and management of accounts under observation etc. It hopes to make tracking and processing of interim management information of credit accounts faster via system automation and strengthen the management and reduce credit risk.

iii. The measurement of ECLs

At the end of the reporting period, the Company evaluates the risk of default occurring over the expected life of loans, to determine if the credit risk has increased significantly since original recognition. In order to perform this evaluation, the Company considers the information regarding whose credit risk has significantly increased since the respective loan's initial recognition as well as corroborative information (including forward-looking information). The key indicators include quantitative indicators such as changes in internal and external credit ratings, overdue conditions (such as being more than one month overdue), etc., as well as qualitative indicators such as a worsening of debt paying ability, unfavorable changes in operating financial and economic conditions and significant increases in credit risk of borrowers' other financial instruments. At the end of the reporting period, the Company assumes that the credit risk has not increase significantly for those whose credit risk is determined to be low.

The Company has the same definition of default on credit assets and credit impairment. The evidence of credit losses on financial assets includes overdue conditions (e.g., past due for more than three months) and significant financial distress of the borrower. The definitions of default and credit impairment are consistent with the definitions of the financial assets for the purpose of internal credit risk management, which are also used in the relevant impairment assessment model.

In order to assess the ECLs, the loans will be assessed in groups based on the nature of the products, borrowers' credit ratings and collateral, and the Company takes into consideration each borrower's probability of default (PD), loss given default (LGD) and exposure at default (EAD) for the next 12 months and for the lifetime of the loan and considers the impact of the monetary time value in order to calculate the ECLs for 12 months and for the lifetime of the loan, respectively.

The PD and LGD used in the impairment assessment are based on internal historical information (such as credit loss experience) of each combination and are calculated based on current observable data and forward-looking general economic information.

The Company assesses the EAD, PD and LGD using the current exposure method, the group estimating method and the recovery rate adjustment method, respectively. When assessing internal credit ratings, the Company takes factors into account to adjust PD as follows: It considers the respective borrower's future financial and business prospect, guarantors, shareholders and group background, as well as the forward-looking effects of environmental changes in the economy, markets and regulations in corporate finance; and it considers overall economic indicators (e.g., gross domestic product (GDP)) that are adjusted according to the asymptotic single risk factor (ASRF) model.

There was no significant change in valuation techniques and major assumptions used to assess the ECLs of the loans by the Company in 2023 and 2022.

In addition to the aforementioned assessment procedures, which classify loans in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, the loans are classified into five categories for evaluation. Except for normal loans, the remainder are classified into the first category. After the assets are assessed on the basis of the guarantee status of the claims and the length of the time overdue, they are respectively classified within the remaining categories according to the probability of recovery as follows: The second category is for notable assets; the third category is for assets which are expected to be recovered; the fourth category is for assets which will be difficult to recover; and the fifth category is for assets for which recovery is considered hopeless. The highest values of the aforementioned evaluation results are taken to measure the allowance loss.

In order to manage problematic loans, procedures are adopted for the reorganization of loan loss provisions, the allowance for bad debt or guarantee liability provisions, the measurement of overdue loans and the collection of default loans. In the management of loans, the Company is also guided by the Regulations Governing the Procedures for Corporation Credit Businesses to Evaluate Assets and Deal with Non-performing Assets, Measures for Corporation Credit Businesses to Be Taken When Credit Extensions Become Past Due and Regulations Governing Collection Procedures, Regulations Governing the Procedures for Consumer Finance to Evaluate Assets and Deal with Non-performing Assets, Regulations Governing the Procedures for Overdue Loans, Non-accrual Loans and Doubtful Loans.

iv. Write-off policy

Overdue loans and non-accrual loans for which one of the following events have occurred should have the estimated recoverable amount deducted and should then be written off as bad debts.

- The debtor may not recover all or part of the obligatory claim due to dissolution, disappearance, settlement, bankruptcy or other reasons.
- The appraisal of the collateral, the property of the principal debtor and the surety is low, or the amount of the loan's priority is deducted, or the collection implementation costs may approach or exceed the amount that the Company can repay, or the loan is not able to be collected.
- The property of the principal debtor and the surety were auctioned off at multiple auctions, no one was required to buy it and the Company did not bear the benefit.
- Overdue loans and non-accrual loans, which have been overdue for more than two years have been collected but have not been received.

However, for overdue loans and non-accrual loans which have been overdue for more than three months but less than two years, after the collection has not been recovered and after deducting the recoverable portion, the remainder will be written off as bad debts.

Loans are written off in accordance with relevant regulations and procedures; the activities of the principal debtor and the surety from obligatory claims shall still be monitored by the relevant business department. If there is property that is available for execution, the Company shall sue according to the relevant laws.

If an evaluation determines that there is no benefit to be gained from the collection activities described in the preceding paragraph, such shall be reported to and approved by the board of directors, and the debt shall no longer be posted in the accounts and subject to control; however, such debt shall continue to be recorded in registry books for acknowledgement.

b) Due from and call loans to banks

The Company evaluates the credit status of counterparties before deals are closed. The Company grants different limits to the counterparties based on their respective credit ratings as suggested by external qualified credit rating institutes.

c) Security investment and financial derivatives transaction

Regarding the credit risk of security investments and financial derivatives, the Company manages the risk by internal credit rating of issuers, issued underlying assets, counterparties, and by external credit rating of debt instruments and counterparties or status of regions/countries.

The other banks with which the Company conducts derivative transactions are mostly considered investment grade. The credits extended to counterparties that are not rated as investment grade are assessed on a case-by-case basis. The credits extended to counterparties are monitored in accordance with the related contract terms and conditions, and the credit limits for derivatives established in normal credit granting processes. Meanwhile, the Company has set the total position limit on trading and banking book securities and each issuer's limit based on credit ratings.

The Company assesses the change in risk of default over the expected lifetime of investments in debt instruments as of the end of the reporting period, so as to determine whether there has been a significant increase in credit risk since initial recognition. In order to make this assessment, the Company considers reasonable indicators of a significant increase in credit risk since initial recognition and corroborative information (including forward-looking information). The main indicators include quantitative indicators, such as external credit ratings, qualitative indicators, such as weakening solvency from adverse changes in operating, financial and economic conditions, and a significant increase in credit risk of the issuer's other financial instruments. Where the Company determines that the credit risk is low as of the reporting date, it will assume that the credit risk will not have a significant increase.

The Company defines default of investments in debt instruments and credit impairment the same. Evidence of financial asset credit impairment includes external credit ratings and the issuers experiencing severe financial difficulties. The definitions of default and credit impairment apply to the relevant impairment assessment model.

Based on credit assessment charts, the Company manages the internal and external credit assessment of debt instruments according to Moody's long-term credit ratings. Credit risk is significant increase if:

- i. The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date.
- ii. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date.
- iii. The rating is B1-Caa3 on the initial recognition date.

A loan is considered to have been defaulted on if the rating is Ca-D on the measurement date.

The trading department should monitor the credit position of investments in debt instruments. Once it knows that the issuer, guarantor or issued underlying has a credit event (such as a downgrade of credit ratings to non-investment grade, a discharge or a default), it should notify the relevant department immediately and dispose of the investments in debt instruments.

In order to assess the purpose of the ECLs, debt instruments are assessed by grade based on their credit rating. In order to measure the ECLs, the default probability of the issuers is considered, the PD, LGD, EAD for the next 12 months and over the full lifetime of the debt instruments shall be considered, and the impact of the time value of money shall be considered. From this, the 12-month and full-lifetime ECLs shall be calculated separately.

The Company assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information, PD and LGD which are announced periodically by international credit rating agencies (S&P and Moody's), to calculate the ECLs.

Due to international credit rating agencies already considering the prospective information, it is appropriate to assess such information and then include it in the assessment of the related ECLs of the Company.

The Company evaluated that the assessment techniques or material assumptions of the ECLs of investments in debt instruments had no material change in 2023 and 2022.

3) Credit risk hedging or mitigation policies

a) Collateral

The Company has a series of measures for credit granting to reduce credit risks. One of the procedures is asking for collateral from the borrowers. To secure the loans, the Company manages and assesses the collateral following the procedures that suggest the scope of collateralization and valuation of collateral and the process of disposition. In credit contracts, the Company stipulates the security mechanism for loans and the conditions and terms for collateral and offsetting to state clearly that the Company reserves the right to reduce granted limit, to reduce repayment period, to demand immediate settlement or to offset the debt of the borrowers with their deposits in the Company in order to reduce the credit risks.

The requirements for collateral for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collateral.

The following table details the information on the collateral of credit-impaired financial assets:

December 31, 2023

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 4,439,040	\$ 1,318,864	34.10%
Business guaranteed loans	1,355,476	337,263	102.49%
Others	6,556,016	2,407,128	
Total	\$ 12,350,532	\$ 4,063,255	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

December 31, 2022

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 8,292,425	\$ 2,582,904	38.13%
Business guaranteed loans	2,184,899	890,039	102.18%
Others	6,471,399	1,894,775	
Total	\$ 16,948,723	\$ 5,367,718	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

b) Credit risk concentration limits and control

To avoid the concentration of credit risks, the Company has included credit limits for the same person (entity) and for the same related-party corporation (group) based on the credit risk arising from loans, securities investment and derivative transactions.

Meanwhile, for trading and banking book investments, the Company has set a ratio, which is the credit limit of a single issuer in relation to the total security position. The Company has also included credit limits for a single counterparty and a single group.

In addition, to manage the concentration risk on each category of financial assets, the Company has set credit limits based on type of industry, conglomerate, country and transactions collateralized by shares, and integrated within one system to supervise concentration of credit risk in these categories. The Company monitors concentration of each asset and controls various types of credit risk concentration in a single transaction counterparty, group, related-party corporation, industries, nations.

c) Net settlement

The Company settles most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or some circumstances where the transactions with counterparties are terminated due to defaults.

d) Other credit enhancements

To reduce its credit risks, the Company stipulates in its credit contracts the terms for offsetting to state clearly that the Company reserves the right to offset the borrowers' debt against their deposits in the Company.

4) Maximum exposure to credit risk and credit quality analysis

The maximum credit risk exposures of various financial instruments held by the Company are the same as per book amounts. Refer to the notes to the financial statements.

Part of financial assets held by the Company, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at FVTPL, securities purchased under resell agreements, deposit refunds, operating deposits, and settlement deposits are exposed to low credit risks because the counterparties have rather high credit ratings.

Based on risk ratings, the amounts of maximum credit risk exposure (excluding the guarantees or other credit enhancements) at each stage of ECLs on December 31, 2023 and 2022 are as follows:

	December 31, 2023			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 848,545,967	\$ 21,432,843	\$ -	\$ 869,978,810
Good	5,825,283	61,751	-	5,887,034
Acceptable	-	193,601	-	193,601
Default	-	-	7,975,338	7,975,338
Corporate finance				
Excellent	347,251,523	-	-	347,251,523
Good	304,541,658	-	-	304,541,658
Acceptable	23,000	553,284	-	576,284
Default	-	-	2,003,342	2,003,342
Total	\$ 1,506,187,431	\$ 22,241,479	\$ 9,978,680	\$ 1,538,407,590
Receivables (including non-performing receivables transferred, from other than loans)				
Consumer finance				
Excellent	\$ 70,024,425	\$ 75,481	\$ -	\$ 70,099,906
Good	227,178	368	-	227,546
Acceptable	-	73,447	-	73,447
Default	-	-	1,752,680	1,752,680
Corporate finance				
Excellent	23,723,368	-	-	23,723,368
Good	5,659,908	-	-	5,659,908
Acceptable	16	2,496	-	2,512
Default	-	-	619,172	619,172
Others	-	11,234,659	-	11,234,659
Total	\$ 99,634,895	\$ 11,386,451	\$ 2,371,852	\$ 113,393,198
Debt instruments at FVTOCI				
Excellent	\$ 127,757,688	\$ -	\$ -	\$ 127,757,688
Investments in debt instruments at amortized cost				
Excellent	\$ 530,992,007	\$ -	\$ -	\$ 530,992,007
Financial guarantees				
Excellent	\$ 21,111,429	\$ -	\$ -	\$ 21,111,429
Good	8,479,050	-	-	8,479,050
Total	\$ 29,590,479	\$ -	\$ -	\$ 29,590,479
Loan commitments				
Excellent	\$ 1,216,706,453	\$ 264,204	\$ -	\$ 1,216,970,657
Good	240,898,719	-	-	240,898,719
Acceptable	-	105,067	-	105,067
Default	-	-	317,983	317,983
Total	\$ 1,457,605,172	\$ 369,271	\$ 317,983	\$ 1,458,292,426

	December 31, 2022			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 763,071,322	\$ 25,714,345	\$ -	\$ 788,785,667
Good	6,394,069	115,498	-	6,509,567
Acceptable	-	125,946	-	125,946
Default	-	-	12,170,562	12,170,562
Corporate finance				
Excellent	301,306,155	-	-	301,306,155
Good	316,029,080	-	-	316,029,080
Acceptable	456,780	724,679	-	1,181,459
Default	-	-	2,253,371	2,253,371
Total	\$ 1,387,257,406	\$ 26,680,468	\$ 14,423,933	\$ 1,428,361,807
Receivables (including non-performing receivables transferred, from other than loans)				
Consumer finance				
Excellent	\$ 64,031,087	\$ 87,541	\$ -	\$ 64,118,628
Good	179,814	571	-	180,385
Acceptable	-	43,656	-	43,656
Default	-	-	1,900,096	1,900,096
Corporate finance				
Excellent	28,904,510	-	-	28,904,510
Good	8,048,799	-	-	8,048,799
Acceptable	494,612	1,453	-	496,065
Default	-	-	624,694	624,694
Others	-	9,895,364	-	9,895,364
Total	\$ 101,658,822	\$ 10,028,585	\$ 2,524,790	\$ 114,212,197
Debt instruments at FVTOCI				
Excellent	\$ 113,523,345	\$ -	\$ -	\$ 113,523,345
Investments in debt instruments at amortized cost				
Excellent	\$ 450,895,153	\$ -	\$ -	\$ 450,895,153
Financial guarantees				
Excellent	\$ 19,181,055	\$ -	\$ -	\$ 19,181,055
Good	5,086,480	-	-	5,086,480
Acceptable	5,000	-	-	5,000
Total	\$ 24,272,535	\$ -	\$ -	\$ 24,272,535
Loan commitments				
Excellent	\$ 1,220,869,188	\$ 344,706	\$ -	\$ 1,221,213,894
Good	220,552,855	893	-	220,553,748
Acceptable	30,728	86,162	-	116,890
Default	-	-	438,835	438,835
Total	\$ 1,441,452,771	\$ 431,761	\$ 438,835	\$ 1,442,323,367

5) Situation of credit risk concentration

Prominent concentration of credit risks occurs when transaction parties for financial instruments prominently concentrate on one party, or on a few that are in similar business lines or exhibit similar economic characteristics. The characteristics of concentration of credit risks include the nature of business activities engaged by debtors. The Company has not engaged in transactions that involved a prominent concentration to one client or one transaction party, but has engaged in transaction parties of similar industry type or from similar region.

The Company's information on loans with a significant concentration of credit risk were as follows:

Industry Type	December 31			
	2023		2022	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Manufacturing	\$ 183,049,382	12	\$ 189,311,374	13
Wholesale and retail	65,677,703	4	62,001,352	4
Finance and insurance	141,133,562	9	126,526,145	9
Real estate and leasing	160,209,014	10	142,467,017	10
Service	27,577,945	2	23,921,466	2
Individuals	898,966,768	59	826,994,728	58
Others	<u>61,793,216</u>	4	<u>57,139,725</u>	4
	<u>\$ 1,538,407,590</u>		<u>\$ 1,428,361,807</u>	

Geographic Location	December 31			
	2023		2022	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Asia	\$ 1,429,224,017	93	\$ 1,319,496,837	92
Europe	9,548,062	1	11,669,999	1
America	2,577,551	-	1,913,484	-
Others	<u>97,057,960</u>	6	<u>95,281,487</u>	7
	<u>\$ 1,538,407,590</u>		<u>\$ 1,428,361,807</u>	

e. Liquidity risk

1) The source and definition of liquidity risk

Liquidity risk is the potential loss that the Company may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Sources of liquidity risk are as follows:

- Inability to fulfill funding gap due to asymmetric time and amount in cash inflows and outflows.
- Liabilities paid off in advance before maturity, inability to maintain liabilities at maturity or inability to acquire funds from the market.
- Inability to liquidate current assets at reasonable price or raising funds to fulfill funding gap with price higher than the reasonable one.

Except for the liquidity risks arising from normal operation, the Company's liquidity might be affected by events such as credit ratings being downgraded, credibility seriously damaged, financial system's system risk, causing customers to lack confidence and canceling deposits before maturity, call loans from banks being suspended, resell or repurchase transactions being deterred and liquidity of financial assets decreasing.

2) Liquidity risk management policy

The objective of liquidity risk management is to ensure that the Company can acquire funds at a reasonable price to pay off debt, perform obligations and contingent liabilities and satisfy demands required by business growth either in normal operation or under sudden, serious and unusual circumstances.

The Company has established policies on assets and liabilities management that stipulate related liquidity risk management rules, stipulate clear distinction between accountability and responsibility of Asset and Liability Committee and management departments and regulate the setting of liquidity risk appetite and limits, risk measuring, risk monitoring and the scope and procedures of reporting to ensure that overall liquidity risk is within the limits of liquidity risk approved by the board of directors.

Basic principles of liquidity risk management policy are as follows:

- a) Principle of risk diversification: The Company should avoid excessively concentrating funds on the same maturity, instruments, currencies, regions, funding sources or counterparties.
- b) Principle of stability: The Company should follow stable strategies and pay attention to market and internal funding liquidity. For example, the Company should absorb the core deposits at appropriate time in order to prevent market volatility from affecting funding sources and thus lower dependence on unstable fund sources.
- c) Principle of maintaining appropriate asset liquidity: Market liquidity will indirectly affect funding liquidity. Therefore, the Company should make sure total assets could pay off total liabilities and maintain certain proportion of assets with high liquidity or collateral in order to finance funds and pay off current liabilities in critical and urgent time.
- d) Principle of matching asset and liability maturity: The Company should pay attention to the spread of maturity and liquidity of liquid assets and current assets should be sufficient to pay off current liabilities.

For urgent or sudden liquidity events, the Company has stipulated urgent fund dispatching handling plan as the highest principle for urgent events in order to integrate the Company's resources quickly to resolve emergencies efficiently.

3) Financial assets held to manage liquidity risk and maturity analysis of non-derivative financial liabilities

a) Financial assets held to manage liquidity risk:

The Company holds cash and cash equivalents, due from the Central Bank and banks and financial assets at FVTOCI and investments in debt instruments at amortized cost held for the purpose of managing liquidity risk, in order to perform contractual obligations when due and meet the needs of urgent fund dispatching.

b) Maturity analysis of non-derivative financial liabilities

The Company's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date were as follows:

Financial Instruments Item	December 31, 2023									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 10,995,531	\$ 2,502,977	\$ 566,799	\$ 2,983,000	\$ 19,500	\$ 3,500	\$ -	\$ -	\$ -	\$ 17,071,307
Non-derivative financial liabilities at FVTPL	223,085	-	-	-	-	11,122	-	-	12,358,260	12,592,467
Securities sold under repurchase agreements	67,831,635	6,040,020	272,900	-	-	-	-	-	-	74,144,555
Payables	13,737,365	2,081,855	747,784	8,443,532	38,873	8,551	1	-	-	25,057,961
Deposits and remittances	255,290,910	305,464,032	230,397,270	335,868,918	997,496,323	3,540,814	1,024	-	-	2,128,059,291
Bank notes payable	-	-	3,000,000	-	4,950,000	-	6,000,000	-	14,050,000	28,000,000
Lease liabilities	326,183	248,845	170,550	122,880	226,227	489,670	347,235	164,306	264,007	2,359,903
Other financial liabilities	4,396,443	3,701,530	4,441,507	3,308,806	2,526,697	1,503,597	8,985,346	2,132,255	74,700,500	105,696,681
Total	\$ 352,801,152	\$ 320,039,259	\$ 239,596,810	\$ 350,727,136	\$1,005,257,620	\$ 5,557,254	\$ 15,333,606	\$ 2,296,561	\$ 101,372,767	\$2,392,982,165

Financial Instruments Item	December 31, 2022									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 8,146,614	\$ 6,102,355	\$ 956,464	\$ 2,975,600	\$ 13,000	\$ 19,500	\$ -	\$ -	\$ -	\$ 18,213,533
Non-derivative financial liabilities at FVTPL	75,360	-	-	-	-	-	-	-	12,363,893	12,439,253
Securities sold under repurchase agreements	53,338,547	16,425,245	529,691	261,994	-	-	-	-	-	70,555,477
Payables	12,022,760	1,866,956	475,896	7,330,684	21,065	6,997	-	-	-	21,724,358
Deposits and remittances	225,856,103	331,681,237	216,736,922	333,406,263	829,886,697	3,289,329	580	-	-	1,940,857,131
Bank notes payable	-	-	-	-	8,000,000	4,950,000	-	6,000,000	9,050,000	28,000,000
Lease liabilities	114,561	113,069	166,943	321,827	580,239	433,930	262,510	156,222	225,689	2,374,990
Other financial liabilities	2,701,101	3,711,585	1,558,683	2,488,174	5,278,597	2,345,184	743,134	9,029,677	67,361,018	95,217,153
Total	\$ 302,255,046	\$ 359,900,447	\$ 220,424,599	\$ 346,784,542	\$ 843,779,598	\$ 11,044,940	\$ 1,006,224	\$ 15,185,899	\$ 89,000,600	\$2,189,381,895

The maturity analysis of time deposits in "deposits and remittances" is allocated to each time band based on the Company's historical experience. If all the time deposits were required to be paid off in recent period, the funds outflows in less than one-month time band would have been \$1,127,450,545 thousand and \$1,066,729,823 thousand as of December 31, 2023 and 2022, respectively.

4) Maturity analysis of derivative financial liabilities

The Company disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	December 31, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 52,174,682	\$ -	\$ -	\$ -	\$ -	\$ 52,174,682

Financial Instruments Item	December 31, 2022					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 44,638,713	\$ -	\$ -	\$ -	\$ -	\$ 44,638,713

5) Maturity analysis of off-balance-sheet items

Below are the amounts of the Company's off-balance-sheet items presented based on the residual maturities from the balance sheet date to the maturity date of loan commitments, guarantees or letters of credit. As of December 31, 2023 and 2022, assuming that all amounts, including the amounts in the longest time band, were due in less than one-month time band, the amounts would have been \$25,480,787 thousand and \$20,353,805 thousand, respectively, for guarantees; \$4,109,692 thousand and \$3,918,730 thousand, respectively, for letters of credit; \$885,508,522 thousand and \$875,109,906 thousand, respectively, for loans commitments (excluding credit card); and \$10,624,922 thousand and \$10,718,399 thousand, respectively, for credit card commitments.

Item	December 31, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 2,379,148	\$ 5,774,056	\$ 3,830,198	\$ 3,591,371	\$ 9,906,014	\$ 25,480,787
Letters of credit	866,436	3,156,285	68,729	18,242	-	4,109,692
Loan commitments (excluding credit cards)	3,689,125	112,121,615	238,059,342	392,489,973	139,148,467	885,508,522
Credit card commitments	1,002	62,738	144,021	251,918	10,165,243	10,624,922

Item	December 31, 2022					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 4,045,640	\$ 2,515,550	\$ 4,279,724	\$ 2,433,816	\$ 7,079,075	\$ 20,353,805
Letters of credit	1,141,090	2,065,426	627,943	84,271	-	3,918,730
Loan commitments (excluding credit cards)	13,557,205	172,313,037	154,389,964	408,245,596	126,604,104	875,109,906
Credit card commitments	1,463	47,381	88,858	220,779	10,359,918	10,718,399

Structured Entities

The Company holds interests in structured entities which are not in the Company's financial statements and the Company does not provide financial support or other support to these structured entities. The maximum exposure to these structured entities is the carrying amount of the related assets held by the Company. The information of these unconsolidated structured entities is disclosed as follows:

Type of Structured Entity	Nature and Purpose	Interests Owned
Real estate-backed securities	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in real estate-backed securities issued by the entities

As of December 31, 2023 and 2022, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	December 31	
	2023	2022
<u>Real estate-backed securities</u>		
Financial assets at FVTOCI	\$ 1,007,163	\$ 1,140,195
Investments in debt instruments at amortized cost	<u>22,166,720</u>	<u>7,117,185</u>
	<u>\$ 23,173,883</u>	<u>\$ 8,257,380</u>

40. OTHER DISCLOSURES REQUIRED FOR OF FINANCIAL INSTITUTIONS

a. Asset quality

Non-performing loans and receivables

Item	December 31, 2023					December 31, 2022					
	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	
Business Type	Secured	\$ 535,944	\$ 323,411,182	0.17%	\$ 3,703,532	691.03%	\$ 679,575	\$ 311,172,402	0.22%	\$ 3,497,032	514.59%
	Unsecured	583,379	343,007,895	0.17%	5,685,557	974.59%	596,383	319,575,323	0.19%	5,267,194	883.19%
	Mortgage loans (Note d)	119,569	412,148,612	0.03%	6,168,081	5,158.60%	209,341	386,700,407	0.05%	5,807,007	2,773.95%
	Cash cards	4,740	198,078	2.39%	39,574	834.89%	8,852	309,549	2.86%	47,572	537.42%
	Credit loans (Note e)	238,624	98,130,252	0.24%	1,091,654	457.48%	205,507	86,481,922	0.24%	992,864	483.13%
Consumer finance	Secured	289,642	355,067,327	0.08%	3,816,836	1,317.78%	266,595	321,922,495	0.08%	3,521,960	1,321.09%
	Others (Note f)	2,043	6,444,244	0.03%	68,556	3,355.65%	2,309	2,199,709	0.10%	24,910	1,078.82%
Subtotal		1,773,941	1,538,407,590	0.12%	20,573,790	1,159.78%	1,968,562	1,428,361,807	0.14%	19,158,539	973.23%
Credit card		167,377	70,278,804	0.24%	711,666	425.19%	135,063	64,937,068	0.21%	641,310	474.82%
Accounts receivable factoring with no recourse (Note g)		-	27,476,624	-	900,794	-	-	35,824,274	-	1,047,380	-

Note a: Non-performing loans are in accordance with the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past Due/Non-performing Loans and Bad Debts issued by FSC.
 Note b: Non-performing loans of credit cards are defined in the Letter issued by the Banking Bureau on July 6, 2005 (Ref. No. Jin-Guan-Yin (4) 0944000378).

Note c: Non-performing loans ratio = Non-performing loans ÷ Loans.

Note d: Non-performing loans of credit card ratio = Non-performing loans of credit cards ÷ Accounts receivable.

Note e: Coverage ratio of allowances for loan losses = Allowances for loan losses ÷ Non-performing loans.

Note f: Coverage ratio of allowance for loan losses of credit card = Allowance for loan losses of credit card ÷ Non-performing loans of credit cards.

Note g: Mortgage loans are for applicants to build or repair the buildings owned by the applicants, their spouses or their minor children. These applicants provide their buildings as collaterals and assign the right on mortgage to financial institutions.

Note h: Credit loans are defined in the Letter issued by the Banking Bureau on December 19, 2005 (Ref. No. Jin-Guan-Yin (4) 09440010950), excluding credit loans of credit cards and cash cards.

Note i: The others of consumer financial business are defined as secured or unsecured consumer financial business excluding mortgage loans, cash cards, credit loans and credit cards.

Note j: In accordance with the Letter issued by the Banking Bureau on August 24, 2009 (Ref. No. Jin-Guan-Yin 09850003180), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

Exempted from report as non-performing loans and receivables

Business Type \ Item	December 31, 2023		December 31, 2022	
	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables
Amounts negotiated in accordance with the agreement (Note a)	\$ 100,138	\$ 35,921	\$ 146,116	\$ 52,270
Loans executed in accordance with debt clearing and renewal regulations (Note b)	1,675,745	1,024,882	1,750,328	1,117,438
Total	1,775,883	1,060,803	1,896,444	1,169,708

Note a: Disclosed in accordance with the Letter issued by the Banking Bureau on April 25, 2006 (Ref. No. FSC (1) 09510001270).

Note b: Disclosed in accordance with the letter issued by the Banking Bureau on September 15, 2008 (Ref. No. FSC (1) 09700318940) and September 20, 2016 (Ref. No. FSC 10500134790).

b. Concentration of credit risk

Year Rank (Note a)	December 31, 2023			December 31, 2022		
	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity
1	A Group (activities of other holding companies)	\$ 16,047,121	8.44%	A Group (activities of other holding companies)	\$ 16,265,719	9.73%
2	B Group (wireless telecommunications)	13,140,173	6.91%	C Group (other financial service, not elsewhere classified)	11,657,530	6.97%
3	C Group (other financial service, not elsewhere classified)	12,932,206	6.80%	B Group (wireless telecommunications)	10,343,855	6.19%
4	D Group (real estate development)	10,666,000	5.61%	E Group (other financial service, not elsewhere classified)	10,312,786	6.17%
5	E Group (other financial service, not elsewhere classified)	10,148,220	5.34%	D Group (real estate development)	10,280,000	6.15%
6	F Group (activities of other holding companies)	9,858,573	5.19%	F Group (activities of other holding companies)	10,051,141	6.01%
7	G Group (financial leasing industry)	9,595,821	5.05%	G Group (financial leasing industry)	10,022,477	5.99%
8	H Group (real estate development)	9,127,600	4.80%	K Group (manufacture of computers)	9,078,641	5.43%
9	I Group (rolling and extruding of iron and steel)	8,570,014	4.51%	I Group (rolling and extruding of iron and steel)	8,691,126	5.20%
10	J Group (manufacture of computers)	7,754,191	4.08%	J Group (manufacture of computers)	7,652,057	4.58%

Note a: Sorted by the balance of loans, excluding government or state-owned business. If borrowers belong to the same business group, the aggregated credit amount of the business group is disclosed, and code and industry additionally disclosed. If the borrower is a business group, the industry with the largest risk exposures in the business group is disclosed. The industry disclosure should follow the guidelines of Directorate-General of Budget, Accounting and Statistics.

Note b: Transaction party is in accordance with Article 6 of the Supplementary Provisions of the Taiwan Stock Exchange Corporation Criteria for Review of Securities Listings.

Note c: Loans include import and export bill negotiations, bills discounted, overdrafts, short-term loans, short-term secured loans, financing receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, delinquent loans, inward remittances, factoring without recourse, acceptances, and guarantees.

c. Interest rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

Item	December 31, 2023				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,469,465,977	\$ 36,183,628	\$ 98,531,993	\$ 216,167,627	\$ 1,820,349,225
Interest-sensitive liabilities	574,706,758	143,977,104	120,529,469	851,974,673	1,691,188,004
Interest sensitivity gap	894,759,219	(107,793,476)	(21,997,476)	(635,807,046)	129,161,221
Net equity					190,336,299
Ratio of interest-sensitive assets to liabilities					107.64%
Ratio of interest sensitivity gap to net equity					67.86%

Interest Rate Sensitivity (New Taiwan Dollars)

Item	December 31, 2022				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,319,311,500	\$ 43,562,070	\$ 58,851,989	\$ 207,871,928	\$ 1,629,597,487
Interest-sensitive liabilities	577,073,868	121,135,183	146,529,246	669,902,880	1,514,641,177
Interest sensitivity gap	742,237,632	(77,573,113)	(87,677,257)	(462,030,952)	114,956,310
Net equity					167,379,412
Ratio of interest-sensitive assets to liabilities					107.59%
Ratio of interest sensitivity gap to net equity					68.68%

Note a: The amounts listed above include amounts in N.T. dollars only (i.e., excluding foreign currency) for both head office and domestic branches, excluding contingent assets and contingent liabilities.

Note b: Interest-sensitive assets and liabilities are interest-bearing assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

Note c: Interest sensitivity gap = Interest-sensitive assets - Interest-sensitive liabilities.

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (N.T. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

Interest Rate Sensitivity (U.S. Dollars)

(In Thousands of U.S. Dollars)

Item	December 31, 2023				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 12,697,794	\$ 2,037,194	\$ 3,967,801	\$ 3,654,148	\$ 22,356,937
Interest-sensitive liabilities	12,540,786	2,294,126	2,222,157	4,859,559	21,916,628
Interest sensitivity gap	157,008	(256,932)	1,745,644	(1,205,411)	440,309
Net equity					(46,653)
Ratio of interest-sensitive assets to liabilities					102.01%
Ratio of interest sensitivity gap to net equity					(943.80%)

Interest Rate Sensitivity (U.S. Dollars)

(In Thousands of U.S. Dollars)

Item	December 31, 2022				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 11,562,309	\$ 2,061,731	\$ 1,875,469	\$ 4,959,343	\$ 20,458,852
Interest-sensitive liabilities	11,629,997	1,547,047	1,928,070	4,809,746	19,914,860
Interest sensitivity gap	(67,688)	514,684	(52,601)	149,597	543,992
Net equity					(79,336)
Ratio of interest-sensitive assets to liabilities					102.73%
Ratio of interest sensitivity gap to net equity					(685.68%)

Note a: The amounts listed above include amounts in U.S. dollars only for domestic branches, OBU, and overseas branches, excluding contingent assets and contingent liabilities.

Note b: Interest-sensitive assets and liabilities are interest-bearing assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

Note c: Interest sensitivity gap = Interest-sensitive assets - Interest-sensitive liabilities.

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (U.S. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

d. Profitability

(Unit: %)

Item		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022 (Restated)
Return on total assets	Pretax	0.71	0.66
	After tax	0.59	0.55
Return on net equity	Pretax	9.97	8.87
	After tax	8.25	7.37
Profit margin		33.01	31.67

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Net revenue and gains}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2023 and 2022.

e. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

	Total	December 31, 2023				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,721,337,901	\$ 816,619,522	\$ 430,471,586	\$ 276,073,845	\$ 233,144,406	\$ 965,028,542
Major maturity cash outflow	3,304,414,286	457,098,432	503,729,497	472,827,177	527,913,503	1,342,845,677
Gap	(583,076,385)	359,521,090	(73,257,911)	(196,753,332)	(294,769,097)	(377,817,135)

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

	Total	December 31, 2022				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,439,482,635	\$ 632,790,587	\$ 475,390,861	\$ 214,389,191	\$ 202,779,698	\$ 914,132,298
Major maturity cash outflow	3,005,738,328	395,022,339	561,916,504	365,471,569	484,884,839	1,198,443,077
Gap	(566,255,693)	237,768,248	(86,525,643)	(151,082,378)	(282,105,141)	(284,310,779)

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

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

(In Thousands of U.S. Dollars)

	Total	December 31, 2023				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 71,729,852	\$ 22,857,836	\$ 20,643,225	\$ 12,409,463	\$ 7,504,726	\$ 8,314,602
Major maturity cash outflow	71,514,981	24,344,306	21,183,700	11,328,942	8,871,937	5,786,096
Gap	214,871	(1,486,470)	(540,475)	1,080,521	(1,367,211)	2,528,506

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

(In Thousands of U.S. Dollars)

	Total	December 31, 2022				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 54,153,761	\$ 15,253,307	\$ 18,651,215	\$ 7,385,123	\$ 4,407,310	\$ 8,456,806
Major maturity cash outflow	53,999,836	14,569,507	19,017,274	8,117,653	6,218,580	6,076,822
Gap	153,925	683,800	(366,059)	(732,530)	(1,811,270)	2,379,984

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

f. Trust accounts

Under Article 3 of the Trust Law, the Company can offer trust services. The items and amounts of trust accounts were as follows:

	December 31	
	2023	2022
Special purpose trust account - foreign and domestic investments	\$ 233,209,975	\$ 206,195,211
Domestic securities investment trust for custody	384,903,287	326,661,199
Other monetary fund	70,703,799	50,712,965
Employee benefit trust	9,228,024	5,419,995
Securities trust	30,178,307	30,046,989
Collective administration account	300,724	320,859
Real estate trust	91,127,044	74,830,918
Monetary and securities trust	482,927	581,875
	<u>\$ 820,134,087</u>	<u>\$ 694,770,011</u>

41. RELATED-PARTY TRANSACTIONS

a. Names and relationships of related parties were as follows:

Name	Relationship
Taishin Financial Holding	Parent Company
Taishin Venture Capital	Fellow subsidiary
Taishin Asset Management Co., Ltd. ("Taishin AMC")	Fellow subsidiary
Taishin Securities	Fellow subsidiary
Taishin Securities Investment Trust Co., Ltd. ("Taishin Securities Investment Trust")	Fellow subsidiary
Taishin Securities Venture Capital Co., Ltd. ("Taishin Securities Venture Capital")	Fellow subsidiary
Taishin Securities Investment Advisory Co., Ltd. ("Taishin Securities Investment Advisory")	Fellow subsidiary
Taishin Capital Co., Ltd. ("Taishin Capital")	Fellow subsidiary
Taishin Futures Co., Ltd. ("Taishin Futures")	Fellow subsidiary
Credidi Inc. ("Credidi")	Fellow subsidiary (became a non-related party on November 21, 2023)
Taishin Health Investment Co., Ltd. ("Taishin Health Investment")	Fellow subsidiary
Taishin Life Insurance Co., Ltd. ("Taishin Life Insurance")	Fellow subsidiary
Taishin Sports Entertainment Co., Ltd.	Fellow subsidiary
Taishin D.A. Finance	Subsidiary
Taishin Real-Estate	Subsidiary
Taishin Financial Leasing (China)	Second-tier subsidiary
An Hsin Construction Manager Corp. ("An Hsin Construction Manager")	Associate
Shin Kong Life Insurance Co., Ltd. ("Shin Kong Life Insurance")	Other
Shin Kong Synthetic Fibers Co., Ltd. ("Shin Kong Synthetic Fibers")	Other
Dah Chung Bills Finance Corp. ("Dah Chung Bills")	Other
CyberSoft Digital Service Corp. ("CyberSoft Digital Service")	Other
Shin Kong Mitsukoshi Department Store Co., Ltd. ("Shin Kong Mitsukoshi")	Other
Shin Kong Insurance Co., Ltd. ("Shin Kong Insurance")	Other
An Shin Construction Manager Corp. ("An Shin Construction Manager")	Other
Yuanta Commercial Bank Co., Ltd. ("Yuanta Bank")	Other
Tasco Chemical Corp. ("Tasco Chemical")	Other
Taiwan Fieldrich Corp. ("Taiwan Fieldrich")	Other
Chin Wei Corp. ("Chin Wei")	Other
Yi Huan Co., Ltd. ("Yi Huan")	Other
Xiang Zhao Investment Co., Ltd. ("Xiang Zhao")	Other
Excel Chemical Corp. ("Excel Chemical")	Other
MasterLink Securities Corp. ("MasterLink Securities")	Other
Yun Teh Corporation ("Yun Teh")	Other
Chang Her Industrial Corp. ("Chang Her")	Other
Hung Shin Enterprise Co., Ltd. ("Hung Shin")	Other
Mega Green Energy Corporation ("Mega Green Energy")	Other
Jia Hao Corporation ("Jia Hao")	Other
Ezconn Corporation ("Ezconn")	Other
Sercomm Corporation ("Sercomm")	Other
Oneness Biotech Co., Ltd. ("Oneness Biotech")	Other
Taipei Exchange ("TPEX")	Other

(Continued)

Name	Relationship
Bora Biologics Co., Ltd. ("Bora Biologics")	Other
Nan Ya Plastics Corporation ("Nan Ya Plastics")	Other
Bor Sy Industrial Corp. ("Bor Sy")	Other
Taiwan Depository & Clearing Corporation ("TDCC")	Other (became a non-related party on October 3, 2023)
Delin Industrial Corp., Ltd. ("Delin Industrial")	Other
Individual A	Key management personnel's spouse
Individual B	Key management personnel
Individual C	Key management personnel
Others	Including key management personnel and others (Concluded)

b. Material transactions with related parties

Details of material transactions between the Company and other related parties are disclosed as follows:

1) Loans, deposits and guaranteed loans

Loans

	Ending Balance	Percentage of Loans (%)
December 31, 2023	\$ 2,501,120	0.16
December 31, 2022	2,407,121	0.17

For the years ended December 31, 2023 and 2022, the amounts of interest income were \$57,202 thousand and \$36,750 thousand, respectively. Interest rates ranged from 1.08% to 15.00% and from 0.75% to 10.59%, respectively.

December 31, 2023						
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	The Different Terms with Non-related Parties
<u>Consumer loans</u>						
133 accounts	\$ 520,644	\$ 724,032	\$ 520,644	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
154 accounts	1,085,915	1,224,691	1,085,915	-	Land and buildings	None
<u>Other loans</u>						
Ezconn	368,000	2,516,000	368,000	-	Land and buildings	None
Shin Kong Synthetic Fibers	250,000	2,050,000	250,000	-	Securities - shares	None
Others	<u>276,561</u>	4,264,841	<u>276,561</u>	-	Land, buildings and securities - deposits	None
	<u>\$ 2,501,120</u>		<u>\$ 2,501,120</u>	<u>\$ -</u>		

December 31, 2022

	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	The Different Terms with Non-related Parties
<u>Consumer loans</u>						
135 accounts	\$ 570,153	\$ 659,740	\$ 570,153	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
154 accounts	1,096,418	1,269,593	1,096,418	-	Land and buildings	None
<u>Other loans</u>						
Ezconn	380,000	3,278,000	380,000	-	Land and buildings	None
Shin Kong Synthetic Fibers	150,000	600,000	150,000	-	Securities - shares	None
Others	210,550	2,896,836	210,550	-	Land, buildings and securities - deposits	None
	<u>\$ 2,407,121</u>		<u>\$ 2,407,121</u>	<u>\$ -</u>		

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	Ending Balance	Percentage of Deposits (%)
December 31, 2023	\$ 42,026,841	1.97
December 31, 2022	42,770,501	2.20

For the years ended December 31, 2023 and 2022, the amounts of interest expenses were \$633,734 thousand and \$164,066 thousand, respectively. Interest rates ranged from 0.00% to 10.00% and from 0.00% to 6.05%, respectively.

	December 31, 2023		
	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Taishin Financial Holding	\$ 19,767,642	0.00-1.40	\$ (244,973)
Oneness Biotech	4,598,818	0.01-5.19	(230,346)
Taishin Life Insurance	2,822,109	0.00-2.20	(12,511)
TPEX	1,941,485	0.11-1.54	(14,855)
Sercomm	1,616,812	0.15-1.36	(3,564)
Taishin Securities	1,269,861	0.00-1.70	(17,896)
Taishin Futures	944,317	0.00-5.53	(4,501)
Shin Kong Mitsukoshi	812,306	0.00-0.53	(7,419)
Dah Chung Bills	416,861	0.00-1.20	(3,696)
Ezconn	400,909	0.00-5.50	(10,264)
Taishin Securities Investment Advisory	344,853	0.41-5.35	(7,544)
Shin Kong Synthetic Fibers	330,285	0.00-0.85	(2,731)
Tasco Chemical	298,878	0.01-0.85	(633)
Excel Chemical	253,184	0.01-0.53	(22)
			(Continued)

December 31, 2023			
	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Taishin D.A. Finance	\$ 220,954	0.00-1.51	\$ (2,039)
Hung Shin	212,254	0.01-0.01	(8)
Delin Industrial	205,672	0.01-5.35	(840)
Taishin Securities Investment Trust	204,827	0.08-1.70	(881)
An Hsin Construction Manager	198,031	0.25-0.53	(3,461)
Mega Green Energy	195,417	0.41-1.56	(2,274)
Shin Kong Insurance	143,481	0.00-1.51	(1,616)
Taiwan Fieldrich	140,033	0.01-5.37	(6,432)
Individual A	102,746	0.01-0.85	(475)
Shin Kong Life Insurance	100,564	0.08-0.85	(956)
Others	<u>4,484,542</u>		<u>(53,797)</u>
	<u>\$ 42,026,841</u>		<u>\$ (633,734)</u> (Concluded)

December 31, 2022			
	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Taishin Financial Holding	\$ 20,320,940	0.00-1.22	\$ (77,495)
Oneness Biotech	4,361,930	0.01-4.93	(27,861)
Taishin Life Insurance	2,462,888	0.00-0.41	(4,471)
Taishin Securities	2,183,608	0.00-1.44	(5,682)
TPEX	1,903,698	0.01-1.42	(7,864)
Shin Kong Mitsukoshi	1,496,388	0.00-0.41	(2,774)
An Shin Construction Manager	549,257	0.01-0.41	(1,474)
Tasco Chemical	519,691	0.00-0.41	(161)
Shin Kong Insurance	497,120	0.00-1.26	(1,765)
Shin Kong Synthetic Fibers	464,146	0.00-0.41	(1,505)
Dah Chung Bills	427,213	0.00-0.41	(552)
Taishin Futures	398,492	0.16-0.41	(114)
Excel Chemical	381,240	0.01-0.41	(14)
Ezconn	346,049	0.00-4.80	(3,254)
Taishin Securities Investment Advisory	310,996	0.01-2.75	(3,066)
Mega Green Energy	267,570	0.01-1.31	(1,165)
Hung Shin	201,288	0.01-0.01	(10)
Sercomm	144,295	0.00-0.41	(241)
Taishin Securities Investment Trust	139,445	0.01-1.26	(257)
Taiwan Fieldrich	133,601	0.01-5.00	(1,191)
Taishin Venture Capital	133,004	0.01-0.41	(183)
Taishin D.A. Finance	117,800	0.00-1.14	(179)
Bora Biologics	114,979	0.01-0.50	(119)
Individual B	106,886	0.00-4.00	(432)
Others	<u>4,787,977</u>		<u>(22,237)</u>
	<u>\$ 42,770,501</u>		<u>\$ (164,066)</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

2) Call loan to banks and call loan from banks

December 31, 2023				
	Item	Ending Balance	Interest Rate (Per Annum %)	Interest Revenue
Yuanta Bank	Call loan to banks	\$ -	4.58-5.36	\$ 2,406
December 31, 2023				
	Item	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Yuanta Bank	Call loan from banks	\$ -	5.10-5.36	\$ (653)
December 31, 2022				
	Item	Ending Balance	Interest Rate (Per Annum %)	Interest Revenue
Dah Chung Bills	Call loan to banks	\$ -	0.29-0.94	\$ 1,583
Yuanta Bank	Call loan to banks	-	0.07-3.72	1,596
December 31, 2022				
	Item	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Yuanta Bank	Call loan from banks	\$ -	1.56-3.01	\$ (447)

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

3) Trading securities

	December 31, 2023					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate (Per Annum %)	Ending Balance	Interest Rate (Per Annum %)
MasterLink Securities	\$ 4,471,461	\$ 2,073,277	\$ -	-	\$ -	-
Taishin Financial Holding	-	-	250,000	0.80-0.98	-	-
Dah Chung Bills	2,900,540	100,000	-	-	-	-
Yuanta Bank	-	199,776	-	-	-	-
Chin Wei	-	-	61,289	0.87-0.99	-	-
Yi Huan	-	-	15,042	0.79-0.96	-	-
Xiang Zhao	-	-	12,063	0.79-0.96	-	-
Jia Hao	-	-	30,375	0.79-0.99	-	-
Yun Teh	-	-	15,006	0.78-0.97	-	-
Nan Ya Plastics	300,000	-	-	-	-	-
Individual C	-	-	70,223	0.78-0.98	-	-
	<u>\$ 7,672,001</u>	<u>\$ 2,373,053</u>	<u>\$ 453,998</u>		<u>\$ -</u>	

	December 31, 2022					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate (Per Annum %)	Ending Balance	Interest Rate (Per Annum %)
MasterLink Securities	\$ 1,315,821	\$ 1,606,897	\$ -	-	\$ -	-
Taishin Financial Holding	-	-	200,000	0.17-0.81	-	-
Taishin Securities	-	49,139	-	-	-	-
Dah Chung Bills	49,744	-	-	-	-	-
Yuanta Bank	-	2,095,838	-	-	-	-
Yi Huan	-	-	6,008	0.18-0.76	-	-
Xiang Zhao	-	-	49,219	0.18-0.81	-	-
Jia Hao	-	-	35,034	0.18-0.81	-	-
Chang Her	-	-	44,024	0.52-0.81	-	-
Yun Teh	-	-	81,003	0.52-0.79	-	-
Nan Ya Plastics	-	-	3,547,450	0.58-0.90	-	-
Bor Sy	-	-	60,141	0.60-0.80	-	-
TDCC	518,487	870,733	-	-	-	-
	<u>\$ 1,884,052</u>	<u>\$ 4,622,607</u>	<u>\$ 4,022,879</u>		<u>\$ -</u>	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

4) Derivatives

Related Parties	Derivative Contracts	Period	December 31, 2022			
			Nominal Principal Amount	Valuation Gain (Loss)	Account	Balance
Dah Chung Bills	Interest rate swaps	2017/6/15-2022/6/20	\$ 300,000	\$ (639)	Financial assets at FVTPL	\$ -

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

5) Liability contracts with related parties

Item	December 31	
	2023	2022
Taishin Life Insurance Accounts receivables	\$ 176,017	\$ 98,507

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

6) Other material transactions

For the Year Ended December 31				
2023		2022		
	Item	Amount	Item	Amount
CyberSoft Digital Service	Operating expenses	\$ (236,216)	Operating expenses	\$ (348,547)
Shin Kong Mitsukoshi	Service charge and operating expenses	(360,924)	Service charge and operating expenses	(368,336)
Shin Kong Mitsukoshi	Fee income	351,383	Fee income	348,788
Shin Kong Life Insurance	Commission income	26,210	Commission income	57,690
Taishin Life Insurance	Commission income	3,046,241	Commission income	1,500,062
Taishin Securities	Fee income	191,567	Fee income	162,161

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

- 7) The Company leases houses and buildings to subsidiaries and fellow subsidiaries through operating leases. The monthly rentals, which had been paid by the lessees, were based on rentals for buildings near the Bank. The rental income for the years ended December 31, 2023 and 2022 were \$65,670 thousand and \$64,626 thousand, respectively.
- 8) On March 17, 2022, the Company's board of directors resolved to acquire a real estate from Taishin AMC with the acquisition price of \$360,000 thousand. The transaction was completed and recognized on April 2022. The transaction with the related party was made under arm's length terms, which are consistent with normal policies.

c. Remuneration of key management personnel

For the years ended December 31, 2023 and 2022, the remuneration of directors and other members of key management personnel were as follows:

For the Year Ended December 31		
	2023	2022
Short-term employee benefits	\$ 459,746	\$ 448,159
Post-employment benefits	5,951	5,352
Share-based payment	<u>33,655</u>	<u>3,127</u>
	<u>\$ 499,352</u>	<u>\$ 456,638</u>

42. PLEDGED ASSETS

The following assets were provided as collateral for overdrafts from Central Bank and other banks, derivative trading, repurchase agreements and other operating deposits:

Pledged Assets	Description	December 31	
		2023	2022
Investments in debt instruments at FVTOCI	Bonds	\$ 312,563	\$ 390,100
Investments in debt instruments at amortized cost	Securities and bonds	16,526,284	18,161,821
Refundable deposits	Cash and certificates of time deposits	14,124,774	13,199,402
Operating deposits and settlement funds	Cash and certificates of time deposits	52,156	32,140

43. CONTINGENT LIABILITIES AND COMMITMENTS

- a. In addition to those mentioned in other notes, the Company has items as follows:

	December 31	
	2023	2022
Trust liabilities	\$ 820,134,087	\$ 694,770,011
Securities custody payable	97,180,742	85,891,124
Unpaid engineering equipment and software	1,081,543	821,814

As of December 31, 2023, the remaining capital commitments for the contracted private equity fund of the Company was \$304,167 thousand.

- b. Under Article 17 of the implementation rules of the Trust Law, the Company disclosed its balance sheets and income statements of trust accounts and its asset items, as follows:

Trust Accounts Balance Sheets December 31, 2023 and 2022					
Trust Assets	2023	2022	Trust Liabilities	2023	2022
Deposit	\$ 76,490,739	\$ 54,127,398	Payables	\$ 2,695	\$ 1,251
Financial assets			Securities custody payable	384,903,287	326,661,199
Bonds	58,223,725	37,489,826	Trust capital	426,494,500	369,202,230
Shares	44,269,200	41,632,293	Reserves and retained earnings		
Mutual funds	141,850,389	134,371,765	Net income (loss)	11,536,790	(5,979,753)
Other foreign marketable securities	1,769,945	1,930,966	Retained earning	(156,616)	7,743,781
Structured products	29,227,075	28,893,989	Deferred carryover	111,469	(93,965)
Short term bills	150,000	-	Income distribution and others	(2,758,038)	(2,764,732)
Receivables	47,783	27,517			
Real estate					
Land	58,700,331	52,819,181			
Buildings	53,815	47,759			
Construction-in-progress	24,447,798	16,768,118			
Securities custody asset	384,903,287	326,661,199			
	<u>\$ 820,134,087</u>	<u>\$ 694,770,011</u>		<u>\$ 820,134,087</u>	<u>\$ 694,770,011</u>

Trust Income Statements
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Interest	\$ 565,571	\$ 201,151
Rent	1,506	3,754
Dividends	1,358,187	1,707,997
Fund distribution	105,133	93,308
Investment benefits	9,662,546	8,246
Others	<u>17,592</u>	<u>236,462</u>
	<u>11,710,535</u>	<u>2,250,918</u>
Expenses		
Administration fees	(22,640)	(21,272)
Supervisor fees	(238)	(247)
Taxes	(57,279)	(21,804)
Service charge	(1,663)	(10,640)
Professional service fees - CPA	(200)	(200)
Investment loss	(43,900)	(8,127,289)
Others	<u>(19,079)</u>	<u>(34,873)</u>
	<u>(144,999)</u>	<u>(8,216,325)</u>
Net income (loss) before tax	11,565,536	(5,965,407)
Net income (loss) equalization	<u>(28,746)</u>	<u>(14,346)</u>
Net income (loss)	<u>\$ 11,536,790</u>	<u>\$ (5,979,753)</u>

Trust Asset Summary
December 31, 2023 and 2022

Investment Item	2023	2022
Deposits	\$ 76,490,739	\$ 54,127,398
Financial assets		
Bonds	58,223,725	37,489,826
Shares	44,269,200	41,632,293
Mutual funds	141,850,389	134,371,765
Other foreign marketable securities	1,769,945	1,930,966
Structured product investments	29,227,075	28,893,989
Short term bills	150,000	-
Receivables	47,783	27,517
Real estate		
Land	58,700,331	52,819,181
Buildings	53,815	47,759
Construction-in-progress	24,447,798	16,768,118
Securities custody asset	<u>384,903,287</u>	<u>326,661,199</u>
	<u>\$ 820,134,087</u>	<u>\$ 694,770,011</u>

According to the General Agreement, the net assets value denominated in U.S. dollar should be translated into New Taiwan dollar at the settlement rate of New Taiwan dollar against U.S. dollar announced by Taipei Forex Brokerage Co., Ltd. for the day on a net basis. If foreign exchange rates are not available, the last known rate should be used.

44. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Significant financial assets and liabilities denominated in foreign currencies were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

December 31						
2023			2022			
Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	
<u>Financial assets</u>						
Monetary items						
AUD	\$ 2,137,916	20.99	\$ 44,881,303	\$ 1,749,216	20.84	\$ 36,450,505
CAD	47,616	23.20	1,104,833	86,592	22.67	1,963,329
CHF	48,745	36.53	1,780,745	13,804	33.25	459,032
RMB	8,701,751	4.33	37,662,934	7,275,104	4.41	32,099,798
EUR	370,135	34.00	12,584,184	272,079	32.75	8,910,550
GBP	35,981	39.17	1,409,363	49,654	37.06	1,840,390
HKD	4,146,567	3.93	16,301,259	5,648,099	3.94	22,258,463
JPY	109,402,427	0.22	23,766,255	86,545,153	0.23	20,126,075
SGD	190,976	23.30	4,450,058	295,135	22.88	6,751,968
USD	17,164,556	30.71	527,192,179	14,335,904	30.73	440,513,653
ZAR	1,038,948	1.66	1,721,970	1,165,166	1.81	2,113,276
Non-monetary items						
USD	330,463	30.71	10,149,853	264,474	30.73	8,126,760
<u>Financial liabilities</u>						
Monetary items						
AUD	824,083	20.99	17,299,991	717,424	20.84	14,949,818
CAD	62,799	23.20	1,457,125	56,257	22.67	1,275,535
RMB	11,408,705	4.33	49,379,179	8,219,965	4.41	36,268,787
EUR	518,555	34.00	17,630,296	304,271	32.75	9,964,840
GBP	103,716	39.17	4,062,496	36,673	37.06	1,359,264
HKD	3,656,755	3.93	14,375,678	2,994,630	3.94	11,801,467
JPY	150,809,741	0.22	32,761,456	94,171,945	0.23	21,899,686
NZD	51,941	19.49	1,012,221	47,351	19.44	920,589
SGD	35,590	23.30	829,299	47,020	22.88	1,075,713
USD	19,544,053	30.71	600,276,047	18,700,233	30.73	574,620,747
ZAR	3,854,740	1.66	6,388,912	3,777,986	1.81	6,852,179
Non-monetary items						
AUD	94,565	20.99	1,985,215	117,711	20.84	2,452,877
USD	364,775	30.71	11,203,710	389,411	30.73	11,965,836
<u>Derivative instruments</u>						
Financial assets						
AUD	643,552	20.99	13,510,102	414,697	20.84	8,641,533
CAD	1,149,068	23.20	26,661,985	46,023	22.67	1,043,503
CHF	30,211	36.53	1,103,656	1,963	33.25	65,258
RMB	56,560,687	4.33	244,806,077	22,214,533	4.41	98,016,740
EUR	888,860	34.00	30,220,241	439,138	32.75	14,381,735
GBP	75,628	39.17	2,962,315	25,182	37.06	933,363
JPY	60,809,388	0.22	13,210,049	29,166,378	0.23	6,782,641
SGD	223,391	23.30	5,205,399	8,431	22.88	192,873
USD	27,530,764	30.71	845,579,892	5,071,297	30.73	155,830,802
ZAR	3,448,268	1.66	5,715,219	3,803,190	1.81	6,897,892
Financial liabilities						
AUD	1,871,571	20.99	39,289,936	1,335,348	20.84	27,826,230
CAD	1,134,131	23.20	26,315,404	75,438	22.67	1,710,421
CHF	74,467	36.53	2,720,415	8,305	33.25	276,157
RMB	53,954,402	4.33	233,525,550	21,145,960	4.41	93,301,894
EUR	744,064	34.00	25,297,325	419,863	32.75	13,750,456
GBP	6,573	39.17	257,460	44,688	37.06	1,656,321
HKD	801,385	3.93	3,150,459	2,977,948	3.94	11,735,728
JPY	19,140,460	0.22	4,158,016	20,340,850	0.23	4,730,265
SGD	378,491	23.30	8,819,499	255,821	22.88	5,852,560
USD	25,352,498	30.71	778,676,631	990,916	30.73	30,448,870
ZAR	633,530	1.66	1,050,023	1,190,662	1.81	2,159,517

45. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH OTHER SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

- a. Please refer to Note 41 for the major businesses or transactions between the Company and Taishin Financial Holding and other fellow subsidiaries.
- b. Joint business promotion activities

In order to provide customers with diversified and convenient financial services to meet their needs, further improve the performance of the subsidiaries of the parent company Taishin Financial Holdings, and create the best synergy, Taishin Financial Holding and its subsidiaries actively use the resources of each subsidiary to integrate the marketing mechanism through financial holdings, assist each other in the cross-selling business, and fully demonstrate the advantages of complementary channels.

- c. Interactive use of information

In accordance with the "Financial Holding Company Act", "Administrative Measures for Joint Marketing Between Subsidiaries of Financial Holding Companies", "Personal Data Protection Act" and relevant letters and orders issued by the Financial Supervisory Commission, the Company and its subsidiaries that conduct joint marketing, and subsidiaries of mutual use have signed the "Joint Customer Information Confidentiality Agreement", and announced "Joint Marketing Customer Information Confidentiality Measures" on its website and business offices to maintain the confidentiality of customer information or limit its use, and provide a customer exit mechanism in a legal and safe environment.

- d. Sharing of business equipment or premises

In order to provide the most suitable products and one-stop shopping services, and to conduct joint marketing business within the scope approved by laws and regulations, customers can conduct related businesses at the business offices of Taishin Securities and Taishin Life Insurance, subsidiaries of the parent company Taishin Financial Holdings.

- e. The method of apportioning revenue, costs, expenses, and profits and losses

In order to expand the economic scale and utilize the benefits of the Group's resources, the Company and subsidiaries of the parent company Taishin Financial Holdings will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or appropriately apportioned to the respective companies.

46. DISCLOSURES UNDER STATUTORY REQUIREMENTS

On December 5, 2023, Taishin D.A. Finance acquired a 100% equity interest in Taishin Financial Leasing (China) from Taishin Venture Capital, which are both 100% owned subsidiaries of Taishin Financial Holdings. According to IFRS Q&A "Business Combinations under Common Control" issued by the Accounting Research and Development Foundation, the financial statements were prepared in accordance with the interpretations because IFRS3 "Business Combinations" does not explicitly stipulate under common control.

According to the interpretations issued by the Accounting Research and Development Foundation, Taishin D.A. Finance acquires the equity interest in Taishin Financial Leasing (China). The transaction was a reorganization under common control, which recognized the carrying amounts originally held by Taishin Venture Capital with the book-value method. When a company prepares a comparative financial statement, the financial statements are retroactively restated to reflect the merger assuming both entities have merged. Taishin D.A. Finance paid Taishin Venture Capital \$2,356,113 thousand in cash to acquire equity interest in Taishin Financial Leasing (China). The difference in price and the carrying amount of the investment accounted for using equity method held by Taishin Venture Capital of \$155,844 thousand (including the exchange difference of other interests - the conversion of the financial statements of foreign operating institutions) is recognized as a capital surplus.

47. DISCLOSURES UNDER STATUTORY REQUIREMENTS

- a. Information to be disclosed according to Article 18 of the Regulations Governing the Preparation of Financial Reports by the company is as follows:

Material transactions are summarized as follows:

No.	Item	Explanation
1	Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital	Table 1
2	Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital	None
3	Disposal of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital	None
4	Discounts of service charges for related parties amounting to at least \$5 million	None
5	Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital	None
6	Sales of NPL	None
7	Authorities securitized instruments and related assets which are in accordance with the Statute for Financial Assets Securitization and the Statute for Real Estate Securitization	None
8	Other transactions that may have significant impact on the decision made by the financial statement users	None

- b. Information on the Company's subsidiaries:

No.	Item	Explanation
1	Financings provided to others	None (Note)
2	Endorsements/guarantees provided	None (Note)
3	Marketable securities held	Table 2
4	Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital	Table 1
5	Derivative transactions of investees	None

Note: It is not required to disclose if the investee is a bank, insurance or security company.

- c. Names, locations and related information of investees: Refer to Table 3.
- d. Information of investment in Mainland China: Refer to Table 4.f.

TABLE I

TAISHIN INTERNATIONAL BANK CO., LTD.

ACCUMULATED PURCHASES AND SALES OF SPECIFIC MARKETABLE SECURITIES OVER NT\$300 MILLION OR 10% OF OUTSTANDING CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of Units; in Thousands of New Taiwan Dollars)

Buyer or Seller	Type and Name of Marketable Security	Account Recorded	Transaction Party	Issuer's Relationship to the Buyer or Seller	Beginning of the Period		Purchases		Sales			Others		End of the Period	
					Shares (Units)/ Par Value	Amount	Shares (Units)/ Par Value	Amount	Shares (Units)/ Par Value	Selling Price	Carrying Amount	Disposal Gain (Loss)	Shares (Units)/ Par Value	Amount	Shares (Units)/ Par Value
The Company	Shares Chang Hwa Commercial Bank	Financial assets at FVTOCI	Public market	-	28,149	\$ 482,759	-	\$ -	28,149	\$ 524,372	\$ 460,830	\$ 63,542	-	\$ 41,613 (Note 1)	-
Taishin D.A. Finance	Taishin Financial Leasing (China)	Investments accounted for using equity method	Taishin Venture Capital	Fellow subsidiaries	-	-	80,000	2,356,113	-	-	-	-	-	(21,660) (Note 2)	80,000
															2,334,453

Note 1: Valuation gains or losses from change in fair value.

Note 2: Includes income (loss) on investment and the accumulated amount of exchange differences on translation of foreign financial statements.

TABLE 2

TAISHIN INTERNATIONAL BANK CO., LTD.

MARKETABLE SECURITIES HELD BY SUBSIDIARIES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars; in Thousands of Units)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units/Nominal	Carrying Amount	Percentage of Ownership (%)	Market Value	
Taishin D.A. Finance	Share Yuan Tai Forex Brokerage Co., Ltd.	Its corporate director is Taishin D.A. Finance	Investments in equity instruments at FVTOCI	600,000	\$ 8,948	5.00	\$ 8,948	
	Bon-Li International Technology Co., Ltd.	None	Investments in equity instruments at FVTOCI	125,000	-	1.50	-	
	Taishin Financial Leasing (China)	Investee under the equity method	Investments accounted for using equity method	80,000	2,334,453	100.00	2,334,453	Go out of business
Taishin Real Estate	Share Metro Consulting Service Ltd.	Its corporate director is Taishin Real Estate	Investments in equity instruments at FVTOCI	300	2,778	6.00	2,778	

TABLE 3

TAISHIN INTERNATIONAL BANK CO., LTD.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands, Except for Percentages and Shares)

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Sum of Ownership (Note 1)			Note
							Current Shares	Imputed Shares (Note 2)	Total Shares	
Financial business Taishin D.A. Finance	16094812	7F, No. 44, Jungshan N. Rd., Sec. 2, Taipei City 114, Taiwan	Rental and leasing, wholesale of medical equipment, wholesale of machinery, retail sale of medical equipment, and retail sale of machinery and equipment	100.00	\$ 4,251,531	\$ 125,913	313,626,369	-	313,626,369	100.00
Nonfinancial business Taishin Real-Estate	89597170	2F-4, No. 9 Dehui St., Taipei, Taiwan	Construction manager, housing and building development and rental, industrial factory development and rental, specialized field construction and development, investment, development and construction in public construction	60.00	209,666	13,091	20,000,000	-	20,000,000	100.00
An Hsin Construction Manager	89458276	No. 100, Sinyi Rd., Sec. 5, Taipei, Taiwan	Construction manager, housing and building development and rental, industrial factory development and rental, specialized field construction and development, investment, development and construction in public construction	30.00	76,279	6,312	4,500,000	-	4,500,000	30.00
Financial business Sunlight Asset Management Co., Ltd.	28008025	11F, No. 85 and No. 87, Nanjing E. Rd., Sec. 2, Taipei, Taiwan	Financial institution creditor's right (money) purchase business, credit investigation services, investment consulting, software design services, and data processing services	18.21	12,233	-	1,092,317	-	1,092,317	18.21
Dah Chung Bills	89391748	4F-1, -2, -3 No. 88, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan	Bills finance	18.29	1,243,256	-	86,849,623	-	86,849,623	18.80
Taiwan Futures Exchange	16092130	13F, No. 102, and 14F, No. 100, Luossu Fu Rd., Sec. 2, Taipei, Taiwan	Futures exchange and futures clearing houses	0.96	240,535	-	8,034,745	-	8,034,745	1.47
Taipei Foreign Exchange Brokerage Co., Ltd.	84703601	8F, No. 400, Bade Rd., Sec. 2, Taipei, Taiwan	Exchange trading, DEPOS, swap, and other permitted foreign exchange business	0.81	6,766	-	160,000	-	160,000	0.81
Financial Information Service Co., Ltd.	16744111	No. 81, Kang Ning Rd., Sec. 3, Taipei, Taiwan	Software design services, data processing services, electronic information supply services, conference room rental, and enterprise management consultancy	2.48	362,249	-	12,926,542	-	12,926,542	2.48

(Continued)

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Sum of Ownership (Note 1)			Note
							Current Shares	Imputed Shares (Note 2)	Total Shares	
Taiwan Asset Management Co., Ltd.	70808864	11F and 12F, No. 85 and No. 87, Nanjing E. Rd., Sec. 2, Taipei, Taiwan	Financial institution creditor's right (money) purchase business, process financial institution creditor's right (money) appraisal and auction business, financial institution creditor's right (money) management business and services, account receivable purchase business, and Overdue Receivables Management Services	0.57	\$ 71,006	\$ -	6,000,000	-	6,000,000	0.57
Taiwan Financial Asset Service Co., Ltd.	70820924	10F, No. 300, Zhongxiao E. Rd., Sec. 4, Taipei, Taiwan	Fair third-party asset auction business, process financial institution creditor's right (money) appraisal and auction business	2.94	44,269	-	5,000,000	-	5,000,000	2.94
Taiwan Mobile Payment Corporation	54390700	2F, No. 210, Ruiguang Rd., Neihu Dist., Taipei, Taiwan	Computer equipment installation, wholesale of machinery, wholesale of computer software, wholesale of electronic materials, and retail sale of machinery and equipment	3.00	8,832	-	1,800,000	-	1,800,000	3.00
Universal Venture Fund Co., Ltd.	16446106	8F, No. 70, Nanjing E. Rd., Sec. 3, Taipei, Taiwan	Venture investment	1.49	3,501	-	174,455	-	174,455	1.49
Easycard Corporation	70765909	13F., No. 3-1, Yuanqu St., Nangang Dist., Taipei, Taiwan	Electronic payment enterprises	0.96	8,623	-	1,113,986	-	1,113,986	1.59
GLN International Inc.	-	8th floor, 217, Teheran-ro, Gangnam-gu, Seoul, Korea	Electronic finance business, financial insurance related business, foreign exchange business, value charged and communication business, system development and management	4.67	50,391	-	5,681,818	-	5,681,818	4.67
Taishan Investment Management Consultants Co., Ltd.	55665698	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	4.30	142,446	3,556	185,200,000	-	185,200,000	4.30
Taishan II Meditech Partnership, Ltd.	42904438	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	6.78	349,644	5,582	(Note 3)	-	(Note 3)	6.78
Taishan III Meditech Partnership, Ltd.	42905083	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	9.14	88,602	(6,018)	(Note 3)	-	(Note 3)	9.14
Taiwania Capital Buffalo Fund VI Co., Ltd.	42905289	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	6.67	101,957	(16,687)	(Note 3)	-	(Note 3)	10.00
Nonfinancial business EasyCard Investment Holdings Co., Ltd.	28988941	6F-2, No. 3-1 Yuanqu Str., Taipei, Taiwan	Investment, real estate business, real estate leasing, management consulting, and investment consulting	2.40	23,153	-	1,599,861	-	1,599,861	2.40
Kaohsiung Rapid Transit Corp.	70798839	No. 1, Zhong'an Rd., Qianzhen Dist., Kaohsiung, Taiwan	Mass rapid transit system transport, telecommunications business, general advertisement service, rail vehicle and parts manufacturing, and parking area operators	0.23	5,108	-	643,031	-	643,031	0.23

(Continued)

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Sum of Ownership			Note
							Current Shares	Imputed Shares (Note 1)	Total Shares	
Da Chiang International Co., Ltd.	97430717	15F, No. 109, Ren Ai Rd., Sec. 4, Taipei, Taiwan	International trade, unclassified other services, housing and building development and rental, specific area development, and investment consulting	4.31	\$ 184,609	\$ -	8,620,690	-	8,620,690	4.31
Lien An Co., Ltd.	97290477	5F, No. 128, Xing'ai Rd., Neihu Dist., Taipei City 144, Taiwan	Other industrial and commercial services, other repair, rental and leasing, wholesale of precision instruments, and retail sale of precision instruments	5.00	1,522	-	125,000	-	125,000	5.00

Note 1: All existing or proposed shares held by the Company, the directors, the supervisors, the general manager, the deputy general manager and the related companies that are in compliance with the definition of the Company Law shall be included in the shares.

Note 2: a. The proposed shareholding refers to the purchase of equity-type securities or the derivative goods contract (which has not yet been converted into equity holders) and is linked to the investment business according to the agreed trading conditions and the bank's intention to invest. The equity is also transferred to the investment purpose of Article 74 of this Law, and the shares acquired as a result of the conversion under the assumption of conversion.

b. The former disclosure of "equity securities with equity" refers to securities of the first paragraph of Article 11 of the Securities and Exchange Act, such as convertible corporate bonds and warrants.

c. The "derivative commodity contract" mentioned above refers to those who meet the definition of derivative instruments in Bulletin of Financial Accounting Standards No. 34, such as stock options.

Note 3: Because partnership limited company did not issue stocks, the Group held no shares.

(Concluded)

TABLE 4

TAISHIN INTERNATIONAL BANK CO., LTD.

INVESTMENTS IN MAINLAND CHINA
DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars; In Thousands of Specified Foreign Currency)

1. Name of the mainland investee company, main business items, paid-in capital, investment method, outward and inward remittances of funds, shareholding ratio, investment profit and loss, investment book value and repatriation of investment profit and loss:

Investor	Investee	Main Businesses and Products of Investee	Total Amount of Paid-in Capital of Investee (US\$ in Thousand)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023 (US\$ in Thousand)	Investment Flows (US\$ in Thousand)		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (US\$ in Thousand)	Investee's Net Income	Percentage of Ownership (%)	Investment Profit (Loss) Recognized in the Current Period (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
						Outflow	Inflow						
Taishin D.A. Finance (Note 4)	Taishin Financial Leasing (China)	Financial leasing	\$ 2,437,967 (US\$ 80,000)	Note 1. a.	\$ 2,117,767 (US\$ 70,000)	\$ -	\$ -	\$ 2,117,767 (US\$ 70,000)	\$ (56,229)	100	\$ (56,229) (Note 2.b.1)	\$ 2,334,453	\$ 397,631

2. Investment quota in Mainland China:

Investor	Accumulated Investment in Mainland China as of December 31, 2023 (US\$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousand)	Upper Limit on Investment (US\$ in Thousand)
Taishin D.A. Finance	\$ 2,117,767 (US\$ 70,000)	\$ 2,356,113 (US\$ 80,000)	\$ 28,509,141

Note 1: The methods of investment are as follows:

- Direct investment in mainland China.
- Investment in mainland China through reinvestment in an existing enterprise in a third area.
- Others.

Note 2: Recognized in profit (loss) in the current period:

- If the entity is still in the preparation stage and there is no profit (loss) yet, it should be disclosed.
- The basis of recognition of profit (loss), one of the following categories, should be disclosed:

- Financial statements have been audited (reviewed) by an international accounting firm that has a working relationship with an accounting firm in the ROC.
- Financial statements have been audited (reviewed) by the Taiwan parent company's CPA.
- Others.

Note 3: For Taiwanese banks establishing branches, subsidiary banks, or participating in equity investment in mainland China, as well as Taiwanese banks and their subsidiaries that hold more than 50% of the total issued voting shares or total capital and subsidiary banks in a third area, the accumulated operating funds and investment of related-party corporations that are directly or indirectly controlled by companies investing in the mainland shall not exceed 15% of the bank's net worth at the time of application.

Note 4: Taishin D.A. Finance acquired a 100% equity interest in Taishin Financial Leasing (China) from Taishin Venture Capital on the settlement base date of December 5, 2023.

Appendix II. Consolidated Financial Statements and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taishin International Bank Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taishin International Bank Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including 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 Group as of December 31, 2023 and 2022, 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 Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and 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 (ROC).

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 ROC. 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 Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, 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.

Emphasis of Matter

We draw attention to Notes 1 and 47 of the financial statements, which describe the effects of Taishin Daan Finance Co., Ltd., a subsidiary of the Company, acquiring 100% equity interest in Taishin Financial Leasing (China) Co., Ltd. from Taishin Venture Capital Co., Ltd. on the settlement base date of December 5, 2023. This consolidation is a reorganization under common control. According to the regulations, when a company prepares a comparative financial statement, the financial statements are retroactively restated to reflect the merger assuming both entities have merged. Our opinion is not modified in respect of this matter.

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 for the year ended December 31, 2023. 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 following were the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2023:

Impairment of Loans

Commercial lending is the core business of the Company. Loans represent the Group's significant accounts, which reached around 57% of the Group's total assets as of December 31, 2023. The Company assesses the impairment of loans in accordance with IFRS 9 "Financial Instruments" and "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" issued by the Financial Supervisory Commission ("FSC") (collectively referred to as "the Regulations"), and the impairment of loans is recognized at the higher of the amount based on IFRS 9 and the Regulations. See Notes 5 and 13 to the consolidated financial statements for relevant and additional information. The Company management's judgments and the assumptions used have a significant impact on the impairment assessments. Therefore, we consider the impairment of loans to be a key audit matter. Refer to Note 6 to the consolidated financial statements for relevant and additional information.

Our audit procedures on the impairment of loans included understanding of and testing the design and operating effectiveness of controls and procedures for identifying loans and advances exposed to impairment and ensuring that provisions against those assets were made. We identified loans and checked public information to see whether the borrowers were possibly problematic companies or had already been included in the companies under evaluation for lifetime expected credit losses (ECLs). We evaluated the main assumptions and parameters used in the Company's impairment assessment model of ECLs, confirmed that they are in compliance with IFRS 9 and recalculated the amount of the impairment of loans. In addition, we tested the classification of loan accounts in accordance with the Regulations and evaluated whether the amount of the impairment of loans complied with the Regulations.

Others

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion report.

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 Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and 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 ROC, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee and supervisors, are responsible for overseeing the Group's financial reporting process.

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 ROC 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 ROC, 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 Group'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 Group'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 Group 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 entities or business activities within the Group 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 for the year ended December 31, 2023 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 Han-Ni Fang and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 16, 2024



Notice to Readers

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

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 ROC. 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.

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022 (Restated)	
	Amount	%	Amount	%
ASSETS				
Cash and cash equivalents (Notes 5 and 7)	\$ 27,886,941	1	\$ 30,614,076	1
Due from the Central Bank and call loans to banks (Note 8)	109,924,871	4	112,925,890	5
Financial assets at fair value through profit or loss (FVTPL) (Notes 5, 9 and 42)	140,735,792	5	106,327,208	4
Financial assets at fair value through other comprehensive income (FVTOCI) (Notes 5 and 10)	130,813,378	5	117,381,058	5
Investments in debt instruments at amortized cost (Notes 5 and 11)	530,952,892	20	450,875,592	19
Securities purchased under resell agreements (Notes 5 and 42)	18,831,853	1	11,788,760	-
Receivables, net (Notes 5 and 12)	136,549,052	5	136,152,192	6
Current tax assets (Notes 5 and 36)	-	-	124,565	-
Loans, net (Notes 5, 6, 13, 41 and 42)	1,517,138,497	57	1,408,552,701	58
Investments accounted for using equity method, net (Notes 5 and 14)	76,279	-	77,770	-
Other financial assets, net (Notes 5, 12, 13 and 15)	3,567,346	-	6,166,388	-
Property and equipment, net (Notes 5 and 16)	21,285,179	1	21,733,567	1
Right-of-use assets, net (Notes 5 and 17)	2,199,192	-	2,145,164	-
Investment properties, net (Notes 5 and 18)	340,681	-	345,236	-
Intangible assets, net (Notes 5 and 19)	2,647,375	-	2,728,213	-
Deferred tax assets (Notes 5 and 36)	2,820,201	-	2,492,091	-
Other assets, net (Note 20)	15,895,775	1	14,760,947	1
TOTAL	\$ 2,661,665,304	100	\$ 2,425,191,418	100
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks (Note 21)	\$ 17,071,307	1	\$ 18,213,533	1
Financial liabilities at FVTPL (Notes 5, 9 and 42)	54,957,541	2	47,197,553	2
Securities sold under repurchase agreements (Notes 5 and 42)	74,144,555	3	70,555,477	3
Payables (Note 22)	25,721,973	1	22,191,080	1
Current tax liabilities (Notes 5 and 36)	2,981,840	-	1,316,630	-
Deposits and remittances (Notes 23 and 42)	2,127,785,661	80	1,940,679,925	80
Bank notes payable (Note 24)	28,000,000	1	28,000,000	1
Other financial liabilities (Note 25)	127,414,840	5	117,105,979	5
Provisions (Notes 5 and 26)	1,734,196	-	1,649,999	-
Lease liabilities (Notes 5 and 17)	2,314,938	-	2,223,419	-
Deferred tax liabilities (Notes 5 and 36)	58,362	-	58,364	-
Other liabilities (Note 27)	9,279,378	-	6,209,416	-
Total liabilities	2,471,464,591	93	2,255,401,375	93
EQUITY				
Equity attributable to owner of parent (Note 29)				
Share capital				
Ordinary shares	95,535,273	4	90,989,818	4
Capital surplus	35,930,369	1	30,319,980	1
Retained earnings				
Legal reserve	41,550,161	2	37,904,403	2
Special reserve	4,841,509	-	391,199	-
Unappropriated earnings	14,534,167	-	12,152,529	-
Total retained earnings	60,925,837	2	50,448,131	2
Other equity	(2,330,541)	-	(4,544,678)	-
Total equity attributable to owner of parent	190,060,938	7	167,213,251	7
Equity attributable to former owner of business combination under common control (Note 47)	-	-	2,436,940	-
Non-controlling interests (Note 29)	139,775	-	139,852	-
Total equity	190,200,713	7	169,790,043	7
TOTAL	\$ 2,661,665,304	100	\$ 2,425,191,418	100

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

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME (Notes 5, 30 and 42)					
Interest revenue	\$ 68,989,763	148	\$ 42,478,591	104	62
Interest expenses	<u>(42,907,344)</u>	<u>(92)</u>	<u>(16,414,495)</u>	<u>(40)</u>	161
Net interest income	<u>26,082,419</u>	<u>56</u>	<u>26,064,096</u>	<u>64</u>	-
NET INCOME OTHER THAN NET INTEREST INCOME					
Net service fee and commission income (Notes 5, 31 and 42)	11,776,061	25	10,881,710	27	8
Gain (loss) on financial assets and liabilities at FVTPL (Notes 5, 32 and 42)	7,360,336	16	3,144,583	8	134
Realized gain (loss) on financial assets at FVTOCI (Notes 5 and 33)	261,150	1	(660,602)	(2)	140
Gain (loss) on derecognition of financial assets at amortized cost	3,568	-	(115,335)	-	103
Foreign exchange gain (loss)	827,565	2	962,447	2	(14)
(Impairment loss on assets) reversal of impairment loss on assets (Notes 5, 10, 11 and 20)	(10,251)	-	3,857	-	(366)
Share of profit (loss) of associates accounted for using equity method (Notes 5 and 14)	6,312	-	8,245	-	(23)
Net other non-interest income	<u>174,412</u>	<u>-</u>	<u>516,085</u>	<u>1</u>	(66)
Net income other than net interest income	<u>20,399,153</u>	<u>44</u>	<u>14,740,990</u>	<u>36</u>	38
NET REVENUE AND GAINS	<u>46,481,572</u>	<u>100</u>	<u>40,805,086</u>	<u>100</u>	14
BAD DEBTS EXPENSES, COMMITMENTS AND GUARANTEE LIABILITIES PROVISION (Notes 5, 12, 13 and 26)	<u>(1,768,388)</u>	<u>(4)</u>	<u>(1,543,168)</u>	<u>(4)</u>	15

(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses (Notes 5, 28, 34 and 42)	\$ (14,565,688)	(31)	\$ (13,077,166)	(32)	11
Depreciation and amortization expenses (Note 35)	(2,369,852)	(5)	(2,380,778)	(6)	-
Other general and administrative expenses (Note 42)	<u>(9,822,761)</u>	<u>(21)</u>	<u>(8,611,787)</u>	<u>(21)</u>	14
Total operating expenses	<u>(26,758,301)</u>	<u>(57)</u>	<u>(24,069,731)</u>	<u>(59)</u>	11
INCOME BEFORE INCOME TAX	17,954,883	39	15,192,187	37	18
INCOME TAX EXPENSE (Notes 5 and 36)	<u>(3,101,227)</u>	<u>(7)</u>	<u>(2,700,843)</u>	<u>(7)</u>	15
NET INCOME	<u>14,853,656</u>	<u>32</u>	<u>12,491,344</u>	<u>30</u>	19
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	(32,155)	-	161,855	-	(120)
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	(46,503)	-	(357,283)	(1)	(87)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL	(120,755)	(1)	300,972	1	(140)
Share of other comprehensive income of associates accounted for using the equity method	-	-	799	-	(100)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6,449	-	(32,279)	-	120

(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign financial statements	\$ (46,258)	-	\$ 38,537	-	(220)
Unrealized gain (loss) on investments in debt instruments at FVTOCI	2,356,882	5	(5,144,885)	(12)	146
(Impairment loss) reversal of impairment loss on investments in debt instruments at FVTOCI	(3,221)	-	(9,542)	-	(66)
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>(135,996)</u>	<u>-</u>	<u>404,385</u>	<u>1</u>	(134)
Other comprehensive income (loss) for the period, net of tax	<u>1,978,443</u>	<u>4</u>	<u>(4,637,441)</u>	<u>(11)</u>	143
TOTAL COMPREHENSIVE INCOME	<u>\$ 16,832,099</u>	<u>36</u>	<u>\$ 7,853,903</u>	<u>19</u>	114
NET INCOME ATTRIBUTABLE TO:					
Owners of parent	\$ 14,907,933	32	\$ 12,176,095	30	22
Former owner of business combination under common control	(62,997)	-	305,594	-	(121)
Non-controlling interests	<u>8,720</u>	<u>-</u>	<u>9,655</u>	<u>-</u>	(10)
	<u>\$ 14,853,656</u>	<u>32</u>	<u>\$ 12,491,344</u>	<u>30</u>	19
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of parent	\$ 16,904,148	36	\$ 7,499,935	18	125
Former owner of business combination under common control	(80,827)	-	344,131	1	(123)
Non-controlling interests	<u>8,778</u>	<u>-</u>	<u>9,837</u>	<u>-</u>	(11)
	<u>\$ 16,832,099</u>	<u>36</u>	<u>\$ 7,853,903</u>	<u>19</u>	114
EARNINGS PER SHARE (Note 37)					
Basic	<u>\$1.61</u>		<u>\$1.34</u>		
Diluted	<u>\$1.61</u>		<u>\$1.34</u>		

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

(Concluded)

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Parent

	Equity attributable to Owners of the Parent												
	Capital Surplus					Other Equity			Changes in Fair Value		Equity Attributable to Former Owner of Business Combination under Common Control	Non-controlling Interests	Total Equity
	Share Capital Ordinary Shares	Additional Paid-in Capital in Excess of Par	Share-based Compensation	Other		Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL					
BALANCE AT JANUARY 1, 2022	\$ 88,857,118	\$ 30,288,674	\$ 28,093	\$ 3,213	\$ 33,996,364	\$ 405,143	\$ 13,026,796	\$ 126,739	\$ (18,823)	\$ -	\$ -	\$ 140,673	\$ 166,853,990
Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control	-	-	-	-	-	-	-	-	-	-	2,490,440	-	2,490,440
BALANCE AT JANUARY 1, 2022 AS RESTATED	88,857,118	30,288,674	28,093	3,213	33,996,364	405,143	13,026,796	126,739	(18,823)	-	2,490,440	140,673	169,344,430
Appropriation of 2021 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	3,908,039	-	(3,908,039)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	(13,944)	13,944	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	-	(7,000,001)	-	-	-	-	-	(7,000,001)
Stock dividends of ordinary shares	2,132,700	-	-	-	-	-	(2,132,700)	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	-	12,176,095	-	-	-	305,594	9,655	12,491,344
Other comprehensive income (loss) for the year ended December 31, 2022, net of tax	-	-	-	-	-	-	130,191	(5,107,323)	300,972	-	38,537	182	(4,637,441)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	12,306,286	(5,107,323)	300,972	-	344,131	9,837	7,853,903
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	(153,757)	153,757	-	-	-	-	-
Cash dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(397,631)	(10,658)	(408,289)
BALANCE AT DECEMBER 31, 2022	90,989,818	30,288,674	28,093	3,213	37,904,403	391,199	12,152,529	(4,836,827)	282,149	-	2,436,940	139,852	169,790,043
Appropriation of 2022 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	3,645,758	-	(3,645,758)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	4,450,310	(4,450,310)	-	-	-	-	-	(4,056,461)
Cash dividends of ordinary shares	-	-	-	-	-	-	(4,056,461)	-	-	-	-	-	-
Net income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	14,907,933	-	-	-	(62,997)	8,720	14,853,656
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	-	-	(25,742)	2,171,140	(120,755)	-	(17,830)	58	1,978,443
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	14,882,191	(28,428)	(120,755)	-	(80,827)	8,778	16,832,099
Issuance of ordinary shares for cash	4,545,455	5,454,545	-	-	-	-	-	-	-	-	-	-	10,000,000
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	(348,024)	348,024	-	-	-	-	-
Cash dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(8,855)	(8,855)
Corporate restructuring	-	155,844	-	-	-	-	(155,844)	-	-	-	(2,356,113)	-	(2,356,113)
BALANCE AT DECEMBER 31, 2023	\$ 95,535,273	\$ 35,899,063	\$ 28,093	\$ 3,213	\$ 41,550,161	\$ 4,841,509	\$ 14,534,167	\$ (2,307,663)	\$ (161,394)	\$ -	\$ -	\$ 139,775	\$ 190,200,713

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

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 17,954,883	\$ 15,192,187
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	1,864,633	1,931,355
Amortization expenses	505,219	449,423
Provisions for bad debts expenses, commitments and guarantee liabilities	1,768,388	1,543,168
Net gain on financial assets and liabilities at FVTPL	(7,360,336)	(3,144,583)
Interest expenses	42,907,344	16,414,495
(Gain) loss on derecognition of financial assets in debt instruments at amortized cost	(3,568)	115,335
Interest income	(68,989,763)	(42,478,591)
Dividend income	(273,923)	(301,341)
Share of loss (profit) of associates accounted for using equity method	(6,312)	(8,245)
Loss (gain) on disposal of investments	12,773	961,943
Impairment loss (reversal of impairment loss) on financial assets	10,251	(3,857)
Other adjustments	(13,127)	7,618
Total adjustments	(29,578,421)	(24,513,280)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(9,472,255)	(17,625,470)
(Increase) decrease in financial assets at FVTPL	37,999,650	(2,373,132)
(Increase) decrease in financial assets at FVTOCI	(11,379,825)	14,424,185
(Increase) decrease in investments in debt instruments at amortized cost	(75,968,644)	(152,623,671)
(Increase) decrease in securities purchased under resell agreements	880,818	(365,363)
(Increase) decrease in receivables	1,534,369	21,161,996
(Increase) decrease in loans	(110,060,082)	(89,751,092)
(Increase) decrease in other financial assets	2,640,874	(115,835)
(Increase) decrease in other assets	(1,138,663)	(2,494,844)
Increase (decrease) in deposits from the Central Bank and banks	(2,390,301)	(11,477,290)
Increase (decrease) in financial liabilities at FVTPL	(58,780,935)	16,748,161
Increase (decrease) in securities sold under repurchase agreements	3,589,078	(2,034,725)
Increase (decrease) in payables	895,712	(1,072,599)
Increase (decrease) in deposits and remittances	187,105,736	246,824,496
Increase (decrease) in other financial liabilities	10,479,528	31,125,864
Increase (decrease) in other liabilities	2,832,988	193,289
Cash generated from (used in) operations	(32,855,490)	41,222,877
Interest received	63,996,465	40,550,593
Dividends received	768,738	416,899
Interest paid	(40,457,411)	(13,983,914)
Income taxes paid	(1,765,328)	(1,658,328)
Net cash generated from (used in) operating activities	(10,313,026)	66,548,127
		(Continued)

TAISHIN INTERNATIONAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ (652,625)	\$ (5,072,144)
Proceeds from disposal of property and equipment	2,465	6,026
Acquisition of intangible assets	<u>(424,718)</u>	<u>(524,181)</u>
Net cash generated from (used in) investing activities	<u>(1,074,878)</u>	<u>(5,590,299)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	1,248,075	-
Decrease in due to the Central Bank and banks	-	(31,368,909)
Repayment of bank notes payable	-	(6,800,000)
Payments of lease liabilities	(727,911)	(807,545)
Increase in other financial liabilities	38,898	-
Decrease in other financial liabilities	-	(337,227)
Cash dividends distributed	(4,056,461)	(7,000,001)
Issuance of ordinary shares for cash	10,000,000	-
Changes in non-controlling interests	(8,855)	(10,658)
Changes in equity attributable to former owner of business combination under common control	<u>(2,356,113)</u>	<u>(397,631)</u>
Net cash generated from (used in) financing activities	<u>4,137,633</u>	<u>(46,721,971)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(26,227)</u>	<u>20,378</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(7,276,498)</u>	<u>14,256,235</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>77,544,601</u>	<u>63,288,366</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 70,268,103</u>	<u>\$ 77,544,601</u>
Reconciliation of cash and cash equivalents:		
	2023	2022 (Restated)
Cash and cash equivalents in the balance sheets	\$ 27,886,941	\$ 30,614,076
Due from central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	23,549,309	36,022,583
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>18,831,853</u>	<u>10,907,942</u>
Cash and cash equivalents at the end of the year	<u>\$ 70,268,103</u>	<u>\$ 77,544,601</u>

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

(Concluded)

Taishin International Bank Co., Ltd.



Chairman

A handwritten signature in black ink, which appears to read "Thomas Wu".



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