

Meeting Minutes for 2023 Annual Shareholders' Meeting of Taiwan Business Bank Co., Ltd.

Time: Friday, June 16, 2023, at 9:00 am

Venue: Auditorium, 17F., No. 30, Ta Cheng St., Taipei City

Attendance: The total issued shares of the Bank was 8,029,693,521 shares. The shareholding of the attending shareholders on the date of the meeting was 4,634,360,099 shares (3,773,894,059 shares therein attended and exercised the voting rights by electronic means), representing 57.71% total issued shares.

Attending Directors: (A total of 14 Directors, accounting for more than half of the entire Board of Directors.)

Directors: Chien-Hao Lin, Chih-Chien Chang, Chun-Hsien Yeh, Hsin-Tzu Hu, Tung-Fu Lin, Hung-Sheng Yu, Ho-Chyuan Chen, Tzu-Hao Tsai, Wen-Hsiang Ma, Che-Nan Wang

Independent Directors:

Jin-Long Liu (Convener of the Audit Committee),
Xin-Wu Lin (Convener of the Remuneration Committee),
Yung-Cheng Chuang, Chiou-Mien Lin

Participants: Ya-Wen Chiu, Attorney Yu-Hsin Huang, Attorney
Feng-Hui Lee, CPA

Chairman: Chairman Chien-Hao Lin Record Keeping: Tzu-An Chen

I. Call the Meeting to Order

The total number of shares issued by the Bank was 8,029,693,521 shares. The shareholding of the attending shareholders at the time of 9:00 a.m. was 4,633,497,724 shares (3,773,894,059 shares therein attended and exercised the voting rights by electronic means), representing 57.70% of total issued shares, which has complied with the legal requirement of the number of shares in attendance. In addition, more than half of the Directors of the Bank and members of the functional committees have attended the meeting; thus, the Chairman called the meeting to order according to the law.

II. Opening Remarks by Chairman

III. Matters for Reporting

Report I

Explanation: The Bank's 2022 Operating Report

Description: Please refer to Page 14 ~ 29 of this Handbook for the Bank's
2022 Operating Report.

Resolution: Acknowledged.

Report II

Explanation: The Audit Committee's Review Report on the 2022 financial statements of the Bank

Description: Please refer to Page 3 of this Handbook for the Audit Committee's Review Report.

Resolution: Acknowledged.

Taiwan Business Bank, Ltd.

Audit committee's Review Report

The Board of Directors has compiled and prepared Taiwan Business Bank's Financial Statements, business report and profit distribution table for the fiscal year of 2022. The financial statements have been audited by Ms. Hui - Feng Lee and Ms. Tan-Tan Chung, the certified public accountants of KPMG.

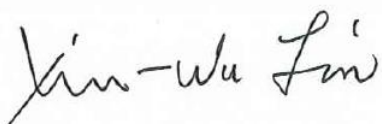
The Audit Committee has also examined the said statements and reports delivered by the Board of Directors and found that its contents were in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. We hereby present the subject report for your review.

Submitted to:

2023 General Shareholders' Meeting of Taiwan Business Bank, Ltd.


Audit Committee of Taiwan Business Bank, Ltd.

Independent Director 

Independent Director 

Independent Director 

Independent Director 

Independent Director 

Republic of China, March 15, 2023

Report III

Explanation: Report on the distribution of remuneration for employees and Directors of the Bank for 2022

Description:

1. Pursuant to Article 235-1 of the Company Act, the distribution was resolved at the 7th meeting of the 5th Remuneration Committee and the 14th meeting of the 16th Board of Directors of the Bank.
2. Remunerations of employees and Directors for 2022 were distributed in cash as follows:
 - (1) Employee remuneration (3.6%): NT\$451,457,445.
 - (2) Director remuneration (0.6%): NT\$75,242,907.

The above proposed distribution of remunerations for employees and Directors were included in the current year's expenses in accordance with the regulations.

Resolution: Acknowledged.

Report IV

Explanation: Report on the amendments to the Rules of Procedures for Board Meeting of the Bank

Description:

1. Amendments have been made to comply with the regulations of the "Securities and Exchange Act" and "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".
2. The amendments to these Rules are summarized as below:
 - (1) In accordance with Article 25 of the Articles of Association of the Bank, the provisions on the meeting frequency of the Board of Directors in these Rules have been amended. In addition, the exclusion provision of "unless there is an emergency or a legitimate reason" has been deleted to comply with Article 3 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", which specifies that the specific matters may not be raised by an extraordinary motion. (Article 3)
 - (2) To comply with Article 14-5 of the "Securities and Exchange Act", amendments have been made to prescribe that "annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairman, managerial officer, and accounting officer" shall be submitted to the board of directors for discussion. (Article 6)
 - (3) In accordance with Article 19 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", provisions regarding the election or discharge of the chairman of the board of directors have been added, requiring that the matter shall be specified in the notice of the reasons for calling a board of directors meeting, and may not

be raised by an extraordinary motion. (Article 20)

(4) With reference to the practice of the financial industry, the board of directors is authorized to resolve on the amendments to these Rules without reporting to the shareholders' meeting. (Article 21)

3. For the "Comparison Table of the Amendments to the Rules of Procedures for Board Meeting" of the Bank, please refer to Page 7 ~ 10 of this Handbook.

Resolution: Acknowledged.

Comparison Table of the Amendments to the Rules of Procedures for Board Meeting of Taiwan Business Bank

Amended Provisions	Current Provisions	Description
<p>Article 1 (Basis) Rules of Procedures for Board Meeting of Taiwan Business Bank Co., Ltd. (the "Bank") was established in accordance with the requirements under the "Securities and Exchange Act", "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" <u>and other relevant regulations.</u></p>	<p>Article 1 (Basis) Rules of Procedures for Board Meeting of Taiwan Business Bank Co., Ltd. (the "Bank") was established in accordance with the requirements under the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."</p>	<p>The content of the Bank's "Rules of Procedures for Board Meeting" shall be stipulated in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", as well as the "Securities Exchange Act" and relevant regulations of the competent authority. Hence, the Basis in this Article has been amended accordingly.</p>
<p>Article 3 (Convening Board meeting) <u>A regular meeting of the Board shall be held every month in principle, and be held every two months at least.</u> The reasons for calling a Board meeting shall be notified to all Directors at least seven days in advance. However, an extraordinary meeting may be called on shorter notice in emergency circumstances, upon the requests from the majority of Directors. The notice set forth in the preceding Paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof. The matters specified in Paragraph 1 of Article 6 shall be listed in the reasons for convening a Board meeting, and may not be raised by an extraordinary motion. The term "all Directors" in the Rules means the actual number of Directors currently holding the positions.</p>	<p>Article 3 (Convening Board meeting) The regular Board meeting of the Bank is held every two-month. The reasons for calling a Board meeting shall be notified to all Directors at least seven days in advance. However, an extraordinary meeting may be called on shorter notice in emergency circumstances, upon the requests from the majority of Directors. The notice set forth in the preceding Paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof. <u>Unless there is an emergency or a legitimate reason,</u> the matters specified in Paragraph 1 of Article 6 shall be listed in the reasons for convening a Board meeting, and may not be raised by an extraordinary motion. The term "all Directors" in the Rules means the actual number of Directors currently holding the positions.</p>	<p>1. Article 25 of the Articles of Association of the Bank has been revised and passed at the shareholders' meeting; therefore, amendments have been made to the meeting frequency of the board of directors in Paragraph 1. 2. Part of the text in Paragraph 4 has been deleted to comply with the provisions in Article 3 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".</p>
<p>Article 6 (Matters to be discussed at the Board meeting) The following matters shall be submitted to the Board for discussion:</p>	<p>Article 6 (Matters to be discussed at the Board meeting) The following matters shall be submitted to the Board for discussion:</p>	<p>Part of the text has been amended to comply with Article 14-5 of the "Securities</p>

Amended Provisions	Current Provisions	Description
<p>1. The Company's business plan.</p> <p>2. <u>Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairman, managerial officer, and accounting officer.</u></p> <p>3. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities Exchange Act and other laws and regulations.</p> <p>4. Assessment of the effectiveness of the internal control system.</p> <p>5. Setting or revising the processing procedures for significant financial business practices such as the acquisition or disposal of assets, engaging in derivatives trading, loaning to others, providing endorsement/guarantees for others according to the requirements under Article 36-1 of the Securities and Exchange Act. However, the authorization hierarchy of credit loans shall be subject to the requirements under the "Directions for the Authorizations of Credit Loan" of the Bank.</p> <p>6. Transaction of material assets or derivatives.</p> <p>7. Offering, issuance or private placement of any equity based securities.</p> <p>8. Appointment and discharge of a financial, accounting, risk management, regulatory compliance, and internal audit officers.</p> <p>9. Hiring, discharge or remuneration of attesting CPAs.</p> <p>10. Matters regarding the personal interest of the respective Directors.</p> <p>11. Performance audit system and remuneration standards for managerial and sales personnel.</p> <p>12. Remuneration structure and system of Directors.</p> <p>13. Donations to related parties or material donations to non-related parties. However, public-interest donations of disaster relief for a</p>	<p>1. The Company's business plan.</p> <p>2. Annual and <u>semi-annual</u> financial reports.</p> <p>3. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities Exchange Act and other laws and regulations.</p> <p>4. Assessment of the effectiveness of the internal control system.</p> <p>5. Setting or revising the processing procedures for significant financial business practices such as the acquisition or disposal of assets, engaging in derivatives trading, loaning to others, providing endorsement/guarantees for others according to the requirements under Article 36-1 of the Securities and Exchange Act. However, the authorization hierarchy of credit loans shall be subject to the requirements under the "Directions for the Authorizations of Credit Loan" of the Bank.</p> <p>6. Transaction of material assets or derivatives.</p> <p>7. Offering, issuance or private placement of any equity based securities.</p> <p>8. Appointment and discharge of a financial, accounting, risk management, regulatory compliance, and internal audit officers.</p> <p>9. Hiring, discharge or remuneration of attesting CPAs.</p> <p>10. Matters regarding the personal interest of the respective Directors.</p> <p>11. Performance audit system and remuneration standards for managerial and sales personnel.</p> <p>12. Remuneration structure and system of Directors.</p> <p>13. Donations to related parties or material donations to non-related parties. However, public-interest donations of disaster relief for a</p>	<p>Exchange Act".</p>

Amended Provisions	Current Provisions	Description
<p>major natural disaster may be submitted to the next Board meeting for ratification.</p> <p>14. Other material matters to be decided by a shareholders' meeting or submitted to the Board of Directors in accordance with the laws and regulations or required by the competent authority.</p> <p>The "transaction of material assets or derivatives" mentioned in Subparagraph 6 of Paragraph 1 refers to transactions of material assets or derivatives the shall be passed by the Board meeting according to the requirements of the law or the "Procedures for Acquisition or Disposal of Assets" or other regulations of the Bank.</p> <p>The term "related parties" mentioned in Subparagraph 13 of Paragraph 1 refers to related parties defined in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The term "material donations to non-related parties" means one-off or the cumulative amount of donations to the same party within one year reaches NT\$100 million, or 1 percent of net operating revenue, or 5 percent of paid-in capital in the Company's audited financial statement for the most recent year.</p> <p>The "within the one year" mentioned in the previous Paragraph refers to the year preceding the date of convening the Board meeting.</p> <p>Except for proposals that may not be proposed as extempore motions according to requirements under the law and the Rules, extempore motions may be proposed during the meeting when permitted by the Chairman.</p> <p>At least one of the independent Directors of the Bank shall attend the Board meetings in person. For matters specified in Paragraph 1 to be resolved at the Board meetings, all independent Directors shall attend in person. For those who are unable to attend in person, they shall appoint other independent Directors to attend on their</p>	<p>major natural disaster may be submitted to the next Board meeting for ratification.</p> <p>14. Other material matters to be decided by a shareholders' meeting or submitted to the Board of Directors in accordance with the laws and regulations or required by the competent authority.</p> <p>The "transaction of material assets or derivatives" mentioned in Subparagraph 6 of Paragraph 1 refers to transactions of material assets or derivatives the shall be passed by the Board meeting according to the requirements of the law or the "Procedures for Acquisition or Disposal of Assets" or other regulations of the Bank.</p> <p>The term "related parties" mentioned in Subparagraph 13 of Paragraph 1 refers to related parties defined in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The term "material donations to non-related parties" means one-off or the cumulative amount of donations to the same party within one year reaches NT\$100 million, or 1 percent of net operating revenue, or 5 percent of paid-in capital in the Company's audited financial statement for the most recent year.</p> <p>The "within the one year" mentioned in the previous Paragraph refers to the year preceding the date of convening the Board meeting.</p> <p>Except for proposals that may not be proposed as extempore motions according to requirements under the law and the Rules, extempore motions may be proposed during the meeting when permitted by the Chairman.</p> <p>At least one of the independent Directors of the Bank shall attend the Board meetings in person. For matters specified in Paragraph 1 to be resolved at the Board meetings, all independent Directors shall attend in person. For those who are unable to attend in person, they shall appoint other independent Directors to attend on their</p>	

Amended Provisions	Current Provisions	Description
<p>behalf. When an independent Director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board meeting. Where the independent Director cannot attend the Board meeting in-person to voice his/her dissenting or qualified opinion, unless there are justifiable reasons for failure to do so, he/she shall provide a written opinion in advance, and the opinion shall be noted in the minutes of the Board meeting.</p>	<p>behalf. When an independent Director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board meeting. Where the independent Director cannot attend the Board meeting in-person to voice his/her dissenting or qualified opinion, unless there are justifiable reasons for failure to do so, he/she shall provide a written opinion in advance, and the opinion shall be noted in the minutes of the Board meeting.</p>	
<p>Article 20 (Applicability to Managing Board) Requirements under Article 2, Paragraph 2 of Article 3, Article 4 to Article 5, Article 7 to Article 9, and Article 11 to Article 19 under the Rules shall apply mutatis mutandis for the proceedings of Managing Board meetings. <u>The provisions of Paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors.</u></p>	<p>Article 20 (Applicability to Managing Board) Requirements under Article 2, Paragraph 2 of Article 3, Article 4 to Article 5, Article 7 to Article 9, and Article 11 to Article 19 under the Rules shall apply mutatis mutandis for the proceedings of Managing Board meetings.</p>	<p>In accordance with "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", provisions regarding the election or discharge of the chairman of the board of directors have been added.</p>
<p>Article 21 (Appendices) The Rules were implemented upon receiving the approval from Board meeting after discussion and reported to the shareholders' meeting, and <u>the board of directors is authorized to resolve on any amendment thereto.</u></p>	<p>Article 21 (Appendices) The Rules were implemented upon receiving the approval from Board meeting after discussion and reported to the shareholders' meeting, and <u>shall do the same upon any amendment thereto.</u></p>	<p>With reference to the practice of the financial industry, the board of directors is authorized to resolve on the amendments to these Rules without reporting to the shareholders' meeting.</p>

Report V

Explanation: Advocate relevant regulations governing the same person or same concerned party holding the issued shares with voting rights over a particular ratio of the Bank

Description:

1. According to the Letter Jin-guan-yin-kong-zi No. 1006005191 issued by the Financial Supervisory Commission on January 31, 2012, to implement the requirements under Article 25 of the Banking Act, the Bank shall include the information regarding the election as a reporting case one year prior to the election to remind shareholders to pay attention to relevant requirements.
2. The contents of the related law to be propagated are stated as follows:
 - (1) According to the requirements under Article 25, paragraph 2 and paragraph 3 of the Banking Act, the same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of the Bank's outstanding voting shares shall report such fact to the Financial Supervisory Commission within ten (10) days from the day of acquisition; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned party by more than one percent (1%) thereafter. The same person or same concerned party who acquires more than ten percent (10%), twenty-five percent (25%) or fifty percent (50%) of the Bank's outstanding voting shares shall apply for prior approval of the Financial Supervisory Commission. The definition of the "same person" and "same concerned party," and the exceptional circumstances are stated in Article 25-1 of the Banking Act.

(2) Where the same person or same concerned party who holds voting shares issued by the Bank without filing a report with or obtaining approval from the Financial Supervisory Commission in accordance with the above provisions, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the Financial Supervisory Commission according to the provision under Article 25, paragraph 7 of the same Act. Furthermore, according to the provision under Article 128, paragraph 3 of the same Act, such shareholders shall be punished by an administrative fine no less than NT\$2 million and no more than NT\$10 million. Where such personnel is elected as a director or other responsible person of the Bank in the future, the Financial Supervisory Commission would consider the reasons unfit for being a responsible person, such as dishonesty or inappropriateness, under Article 3, subparagraph 13 of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks."

Resolution: Acknowledged.

IV. Matters for Recognition

Proposal I (Proposed by the Board of Directors)

Explanation: Adoption of the 2022 operating report and financial statements of the Bank

Description: The 2022 financial statements (individual and consolidated financial statements) of the Bank: balance sheet, consolidated statement of profit or loss, statement of changes in equity, and statement of cash flow have been audited by Feng-Hui Lee and Tan-Tan Chung, CPA of KPMG, and together with the operating report, have been audited by the Bank's Audit Committee and passed by the resolution of the Board meeting (please refer to Page 14 ~ 45 of this Handbook).

Voting method: Vote for each case after case-by-case discussion.
The voting was conducted after finishing all the discussion on matters for recognition and matters for discussion.

Voting results:

Total votes upon voting: 4,634,360,099 voting rights

Voting results	Votes (including electronic votes)	Ratio (%)
For	4,242,493,279	91.54
Against	6,839,299	0.14
Void	0	0
Abstain/unused votes	385,027,521	8.30

Resolution: The case was passed as proposed after voting.

Taiwan Business Bank Co., Ltd.

2022 Operating Report

As the Russia-Ukraine war dragged on in 2022, pandemic lockdowns in China sent shock waves through economic and trade activities as well as supply chains. Moreover, major economies started raising interest rates, leading to tightening financial conditions, and hence the growth of the global economy continued the downward trend. On the whole, central banks of major economies adopted different monetary policies based on respective economic and financial conditions in the first half of 2022. Most economies tightened monetary policies in order to curb high inflation. Moving into the second half of 2022, inflation remained high around the world, which dampened the post-COVID recovery of the travel and consumption sectors. In addition, tightening monetary policies deterred aggregate demand and the global economy continued to slow down while central banks of major economies turned to aggressive rate hikes to curb high inflation. The U.S. raised rates by a total of 4.25% in 2022, while the Bank of Japan (BoJ) passed a resolution to maintain a large scale quantitative easing monetary policy, and the People's Bank of China (PBoC) lowered rates to ease the downward pressure on its economy.

The conflict between Russia and Ukraine pushed prices of raw materials up significantly in the global market and added to the pressure of imported inflation in the country. Moreover, as consumer prices kept rising, domestic demand started to shrug off the effects of the pandemic, the labor market continued to improve and some economies started the rate hike cycle, the central bank thus decided to raise the discount rate, the accommodations with collateral rate, and the accommodations without collateral rate by 0.25% respectively in March 2022. The central bank subsequently raised the aforementioned rates by 0.125% respectively in June, September, and December. In terms of exchange rates, the US dollar kept rising since the Fed started the rate hike cycle, and the New Taiwan dollar remained weak against the US dollar. The depreciation of NTD was most apparent in the third quarter (6.4%), and in the fourth quarter, it depreciated first before rising. The New Taiwan dollar fell from 27.632 at the beginning of 2022 to 30.708 at the end of the same year, with a total depreciation of NT\$3.076, or 11.13%, in 2022.

As per the forecast of the International Monetary Fund (IMF), the growth rate of the world trade volume will fall to 2.5% in 2023. Despite the slowing global demand, Taiwan can expect to maintain export momentum supported by the world leading semiconductor production and increased manufacturing capacity. In addition, international travel is expected to boost consumption. According to the figures released by the Directorate-General of Budget, Accounting and Statistics on

November 29, 2022, Taiwan's economic growth rate in 2022 is expected to be 3.06% and that in 2023 is expected to drop to 2.75%. According to ITRI's IEK-CQM, it is estimated that the output value of the manufacturing industry in Taiwan will reach NT\$26.32 trillion in 2023, with an output value growth of 3.24%.

As countries lift more COVID related border control measures, banks can once again pick up pace in overseas market expansion. Moreover, experiences accumulated in the New Southbound market points to a significant increase in the volume of overseas lending in 2023.

Regarding the domestic lending market, the government still has multiple policies encouraging the banking sector to provide financing to support industrial development. Except for continuing to encourage domestic banks to extend the "6 Core Strategic Industries Promotion Program", the policies maintain the support for Taiwanese businessmen to return to Taiwan to invest. In addition, the construction of new hi-tech factories, such as IC and semiconductors, continues, giving support for growth in the domestic lending market in 2023.

As for wealth management business, the focus is placed on assisting wealth management and investment. Due to the rising global inflation, supply chain issues, energy conflict and other negative impacts that may continue into 2023, as well as the financial market volatility from rate hikes, all of these create more investment risks. How to encourage investors to invest will be the direction for wealth management teams in 2023.

In the future operating plans, the Bank will continue to optimize asset quality, create diversified profit sources, and undertake lower risk-weighted businesses to enhance the efficiency of capital utilization, which include strengthening the DBU replace OBU foreign currency loans, and actively engaging in the entire builder's mortgage loans business. Moreover, the Bank will keep reviewing the value system and improving operating efficiency. We place equal emphasis on the cultivation of talents, digital technologies, and corporate governance, and strive to achieve comprehensive sustainability through the implementation of compliance, refined internal audit and control, and improved IT security resilience. Lastly, the Bank will enhance organizational resilience and pursue mutually beneficial sustainability. By continuing to assist customers in low carbon transformation and net-zero emissions, the Bank can grasp the risks and opportunities closely and develop sustainable products, operations, and loans while pursuing profit growth. The combination of digital technologies and sustainable development will increase the operational resilience and lay a more solid foundation for the Bank.

The Bank adheres to its core value of "SME Specialized Bank", utilizes the four aspects, including learning & growth, internal procedures, customers, and finance,

on its strategy map, and incorporates sustainable thinking to provide customers with optimized services. The Bank also cooperates with government policies to assist SMEs in active transformation and second-generation succession, and provide financial products and services that combine with environmental protection and social welfare to meet social needs. The Bank will work to realize its vision of becoming the bank of choice for SMEs while entering into the second centenary of the Bank.

The Bank's operation results in 2022 and the business plan for 2023 are summarized as below:

I. Operation Results in 2022

(1) Implementation of Business Plans and Operating Strategies

A. Profitability:

The Bank carried out a capital increase of NT\$2.865 billion via transferred earnings and issued stock and cash dividends of NT\$0.37 per share and NT\$0.10 per share, respectively, for the previous year (2021). Net income after tax for 2022 amounted to NT\$10.122 billion (net income before tax was NT\$12.014 billion).

B. Core Businesses:

a. NTD deposit business

The Bank strove to increase the scale of NTD demand deposit to reduce the capital costs and increase earnings. In 2022, the cumulative average balance of the Bank's NTD demand deposits was NT\$802.478 billion, an increase of NT\$63.208 billion from NT\$739.270 billion in 2021, a growth rate of 8.55%.

b. Corporate Banking

- 1) The Bank was recognized as an "Outstanding Bank" under the 16th "Program to Encourage Loan Projects by Domestic Banks to SMEs (Group A)" organized by the Financial Supervisory Commission (FSC).
- 2) The Bank was recognized as an "Grade-A Bank" under the 5th "Program to Encourage Loan Projects by Domestic Banks to Key Innovative Industries (Group A)" organized by the FSC.
- 3) The Bank won the "Outstanding Performance Award" and "Inclusive Finance Award" under the "Outstanding Financial Institutions for SMEs Project Loans" from the Central Bank.
- 4) The Bank won seven awards from the MOEA for the SMEs Credit Guarantee Financing Business Outstanding Financial Institutions, namely

the Youth Entrepreneurship, Start-up and Micro Businesses Support Award, the Policy Facilitation Award, the Economic Relief and Stimulus Award, the Excellent Award for Collections for Guarantee Cases, the Collaboration with Corporates Award, the Excellent Credit-Granting Bank for the Program of Increasing Start-up Business Relief Financing, and the Managing Bank for the Program of Increasing Start-up Business Relief Financing.

- 5) The Bank received the "Best SME Service Award" from the Excellence Magazine under the category of non-financial holding for the "2022 Excellent Bank."
- 6) In the extension of SME loans, the Bank ranked No. 1 in Taiwan in the total guarantee amount of loans transferred for guarantees to the Small and Medium Enterprise Credit Guarantee Fund.

c. Foreign Exchange Business

In 2022, the Bank focused on the active promotion of expansion measures for different foreign exchange businesses. In 2022, the Bank's accumulated average balance of foreign currency deposits was NT\$338.063 billion, representing an increase of NT\$77.398 billion or a growth of 29.69% as compared with the average balance of NT\$260.665 billion in 2021. In 2022, the Bank's accumulated average balance of foreign currency loans was NT\$153.957 billion, representing an increase of NT\$20.173 billion or a growth of 15.08% as compared with the average balance of NT\$133.784 billion in 2021. In 2022, the Bank's accumulated transaction amount of foreign exchange business was US\$77.459 billion, representing an increase of US\$8.396 billion or a growth of 12.16% as compared with US\$69.063 billion in 2021.

d. Wealth Management

In 2022, the Bank focused on strengthening its wealth management business by vigorously expanding fee income from the insurance, fund, and foreign bond businesses, with boosting revenue and generating profit as the priority goal, and actively promoted the wealth-management focused projects. Fee income from the wealth management business amounted to approximately NT\$1.916 billion in 2022, representing an increase of NT\$0.266 billion or a growth of 16.12% as compared with NT\$1.650 billion in 2021.

C. Innovative Products:

- a. Continue to develop innovative products to provide more convenient services
 - 1) Type 2 digital deposit account service is made available through cardless

application to existing deposit account holders of the Bank.

- 2) Types 1, 2 and 3 foreign currency digital deposit account services are made available through online application.
 - 3) A Wi-Fi security checker is made available through the mobile banking app. Cross border lock and late night lock are added to online banking and mobile banking.
 - 4) Mobile income tax filing and Taiwan Pay enabled payment are made available through mobile banking.
 - 5) Interbank ATM cardless withdrawal function is made available through the mobile banking app.
 - 6) The icash Pay e-Payment Account Linking service was launched.
 - 7) Robotic process automation (RPA) was introduced into the e-Loan platform to facilitate the online application process.
 - 8) The smart helper iMoney was introduced to provide frequently used banking services (such as inquiry, transfer, and voice navigation) to customers.
 - 9) Exchange rates, term/savings deposit rates, and branch information on the CWMoney app and Consumer Info on the TDCC e-Passbook app are made available for viewing to customers.
- b. Develop products according to the social trend and provide diversified services to customers
- 1) Auction, smart stock selection and other services were implemented as an upgrade to the e-Trade app in order to improve the quality of mobile securities trading service provided by the Bank and meet the wealth management needs of different customer groups.
 - 2) The Bank developed the intraday odd lot trading service in alignment with Taiwan Stock Exchange's new system and customers' trading needs. Since July 2022, the minimum handling fee for electronic odd lot trading has been reduced to NT\$1 to increase the willingness of investors on a small budget to invest.
 - 3) In line with the government's pro-natalist policy, the Bank organized consumption loans of "Gold Pregnancy" and "Luck Pregnancy," hoping to increase the fertility rates of nationals. As of the end of December 2022, the cumulative number of loan disbursements was 1,712, which amounted to NT\$669 million.

D. Expansion of the Scope of Channel Services:

- a. Plans were made to adjust the locations of the Bank's branches to enhance

the value of physical channels, and provide better and more comprehensive financial services. The reallocation and re-opening for business of the Pu Chya Branch was completed on July 25, 2022.

- b. To align with the "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" promulgated by the government, the Bank aims to provide a bilingual-friendly environment for financial services. As of the end of 2022, 50 branches of the Bank had been upgraded to bilingual branches and we intend to increase 25 more bilingual branches in 2023. It is estimated that all branches shall become bilingual by 2025.

E. Information Operations and Information Security:

a. Improvement to system and service functions

- 1) Simplified core billing systems: Real-time inquiries of borrowers' accounts and guarantors' information on peripheral systems are provided to shorten data query time and improve branch efficiency.
- 2) Tiered storage equipment management: Storage disks were categorized and organized according to system requirements and transaction natures in order to reduce the cost of business data storage.
- 3) Simplified robot-assisted AML operation: RPA was implemented to quickly identify highly similar alerts and simplify the operating process for branch employees.
- 4) Rebuilding the CRM system: For the purpose of increasing customer loyalty and contribution, customer data was integrated and made available to salespersons for reference.
- 5) Building open API gateway and management platform: Time to market is reduced for new businesses or services for external parties and access and traffic are controlled and monitored.

b. Reinforce the security control mechanism for the information system

- 1) Duly implemented the Bank's cyber security maintenance program, the effectiveness of which has been confirmed by a third-party organization, and reported to the Board of Directors on the achievement of cyber security targets on a quarterly basis.
- 2) Supervised the compliance in the operations of overseas branches, including the cyber defense program in Hong Kong, PART 500 in New York, and CPS 234 in Australia. The Bank has met all the local authorities' requirements in 2022.
- 3) White-hat hackers (red team) exercises were organized to identify hidden IT security risks by simulating real hacker attacks. System management units were also brought in to make improvement and strengthen IT

defense capability and response to network attacks on the Bank.

- 4) Carried out a total of 6 email social engineering drills in 2022 to strengthen employees' awareness of information security, as well as conducted DDoS attack and defense drills for the bank and Securities Dept., which all achieved the expected protection results.
 - 5) 3-hour IT security awareness courses and 1-hour IoT IT security training courses are provided to all branch employees in order to raise awareness of IT security and increase knowledge of IoT IT security. Role specific training is also provided to IT personnel to enhance IT security skills.
- c. Continuous promotion of the digital banking business
- 1) Actively promoted the Taiwan Pay acquiring businesses, endeavored to increase the rate of adopting the QR Code common payment service by established merchants, and organized marketing discount events to facilitate the penetration rate of e-payment.
 - 2) Promoted the rights and benefits of digital deposit accounts, allowing the public to enjoy convenient financial services including online deposits, withdrawals, transfers, and consumption.
 - 3) For digital marketing development and social media operations, the Bank designed a series of marketing activities to boost its share of voice on social media with TBB's digital brand mascot, Hokii Penguin.
 - 4) The Bank is recognized by the following domestic awards:
 - ① The 19th National Brand Yushan Award of 2022
 - (a) Five-Heart Mobile Banking - Most Understanding Bank in Your Pocket: Best Product Category.
 - (b) i-Money - Most Intuitive Voice Technology: Best Product Category.
 - (c) Hokii Digital Account - Enjoy Your e-Life: Best Popular Brand Award/National First Prize.
 - (d) Network Security Sentinel - Safeguarding Your Account: Best Product Category/National First Prize.
 - ② The Customer Service Excellence Award (CSEA) of 2022
 - (a) Best Internet Service Enterprise Award.
 - (b) Best Smart Application System Award.
 - ③ 2021 Awards for Financial Institutions Promoting ACH and Enhanced Financial Collection Service (eFCS):
 - (a) eFCS Payment Processing Promotion Award.
 - (b) eFCS Specific Payment Processing Promotion Award.

F. Implementation of Legal Compliance and Anti-Money Laundering Operations:

- a. Implementation of legal compliance and anti-money laundering in line with the regulations of the competent authority
 - 1) Due to the practical operations and changes in relevant laws and regulations, the Bank continues to amend its procedures for anti-money laundering and combatting the financing of terrorism.
 - 2) The Bank performed its compliance risk assessment (CRA) and comprehensive Institutional Risk Assessment (IRA) for 2021 and reported to the FSC after being approved by the Board.
- b. Holding of regular compliance and anti-money laundering training, and irregular online video conferences for domestic business units
 - 1) The Bank organized the online training program "2022 Seminar for Anti-money Laundering and Combating the Financing of Terrorism" from June to August of 2022, and promoted the trend of preventing money laundering and combating terrorism, as well as shared relevant cases, with video conferencing on December 9, 2022.
 - 2) A "Compliance Officer Seminar" was held in each of the first and second halves of 2022.
- c. Strengthening of the monitoring mechanism for compliance follow-up cases

According to the "Legal Compliance Follow-up Cases Control System," the letters regarding relevant laws and regulations from external parties and changes in laws and regulations that the Bank shall comply are all included in the "Legal Compliance Follow-up Cases" for control. The Bank compiles the subsequent implementation of "Legal Compliance Follow-up Cases" replied by relevant departments on a monthly basis and reports to the Chief Compliance Officer, to ensure that all operations and business activities comply with relevant laws and regulations..
- d. Reinforcing the control mechanism of the second line of defense
 - 1) To reinforce the strength of audits, the Chief Compliance Officer (also the AML/CFT Dedicated Officer) led managers of business management departments and dedicated units to conduct on-site visits and random tests for legal compliance and anti-money laundering on selected domestic branches with a higher number of deficiencies found during the internal and external audit in 2022.
 - 2) Meetings are held for "major deficiencies and outstanding improvement from previous inspections". Any vulnerability identified will be corrected

immediately through the feedback mechanism. Implementation of improvement measures will be verified to effectively reduce deficiencies.

- e. Engaged CPAs to carry out the project audits for anti-money laundering and combatting the financing of terrorism for 2021 in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries."

G. Enhance Risk Control and Improve Assets Quality:

- a. The Bank completed the analysis of risks and opportunities for Climate-Related Financial Disclosure (TCFD) in 2022, and has disclosed TCFD information in the Bank's Sustainability Report.
- b. An internal credit rating system, Credit Card Review, was implemented to strengthen the Bank's capability in credit risk management.
- c. Plans are made for Basel III capital requirements.
- d. For the purpose of complying with the competent authority's requirements and simplifying the stress scenario setting process for market risk, the Bank has established a clear process for constructing stress scenarios for market risk and added indicators for measuring interest rate risk in response to retirement of LIBOR.
- e. Performance evaluation criteria such as "return on risk-weighted assets", "eligible collaterals", and "average credit risk weights and credit risk-weighted assets" were used to guide the business units to modify lending structures and reduce risk-weighted assets in order to improve the Bank's financial structure.
- f. As the FSC amended the qualitative and quantitative indicators for IRRBB, the Bank implemented the module related to "IRRBB quantitative indicator calculation" in its ALM system to improve its risk control capabilities.

H. ESG Sustainable Development:

- a. Strengthen corporate governance and pursue sustainable development
 - 1) The Bank has long strived to enhance its corporate governance and ranked in the "Top 6%-20% of the Listed Companies Group" in the 2021 Corporate Governance Evaluation held by the Taiwan Stock Exchange.
 - 2) We actively increased our communication channels for domestic and overseas investors, and an online investor conference was respectively held on March 24, 2022; May 30, 2022; and September 8, 2022. In addition, each investor has immediate access to information on the Market Observation Post System (MOPS), and can also obtain the same information simultaneously on the Bank's official website.

- 3) The 2021 Sustainability Report has been verified by an external third party based on the AA1000 Assurance Standard TYPE1 to comply with the Core Options of the GRI Standards, and obtained the Certification of Moderate Level of Assurance. In addition, the Report has passed two stages of verification by the British Standards Institution (BSI) for 7 consecutive years, and an Independent Assurance Opinion Statement was issued to the Bank by BSI.
 - 4) The "Climate-Related Financial Disclosure (TCFD) Report" was released for the first time in 2022, which was verified by the British Standards Institution (BSI) and awarded the highest level of certification - "Level-5: Excellence".
 - 5) The Bank has officially signed to join the Equator Principles Association and became one of the global Equator Principles member banks.
 - 6) The Bank received the Gold Award in the financial and insurance group of corporate sustainability report division under the 15th TCSA Taiwan Corporate Sustainability Awards of 2022 organized by the Taiwan Institute for Sustainable Energy.
 - 7) The Bank won the Social Empowerment Award of the Asia Responsible Enterprise Awards (AREA). This helped increase the Bank's visibility and our CSR corporate image.
- b. Continual implementation of senior caring policy, donations to vulnerable groups, and active participation in public benefit affairs
- 1) The Bank continued the sponsorship of the Senior Learning Centers to improve the quality of life and care for the disadvantaged elderly in the community. As of the end of 2022, we have set up 20 Senior Learning Centers across Taiwan, and the cumulative sponsorship has amounted to NT\$20.25 million. The cumulative number of beneficiaries is more than 280,000 per year.
 - 2) The Bank continued to promote the elder care trust and won the Outstanding Award of "Trust Industry Promoting Trust 2.0 Project Evaluation Phase 1 - Elder Care Trust Award", as well as received the two Excellence Awards, namely Urban Renewal Trust Innovation Award and Best Innovative Trust Award, from the 2nd 《Trust Award》 of 2022 hosted by the Commercial Times.
- c. Combining environmental sustainability with the core business to promote green financial products
- 1) Preferential financing terms are provided to encourage individual customers to purchase renewable energy powered equipment, green building label properties, and energy saving label appliances, so as to

reduce carbon emissions and energy consumption. A total of NT\$39.76 million of loans were approved in 2022.

- 2) By injecting funds into environmental protection and green energy related industries and SMEs, and providing financing counseling, trust management and other one-stop services, the Bank guides corporate customers to implement ESG sustainability. A total of 899 green energy loans were approved in 2022.
 - 3) As part of its support for urban renewal and sustainable lifestyle, TBB provides the public with one-stop services, including case-by-case advice, guidance, project financing and trust management. A total of NT\$68.699 billion of urban renewal loans were approved in 2022.
 - 4) The Bank launched one ESG concept fund in 2022.
- d. Fulfilling responsibility for environmental protection and continued energy conservation and carbon emission reduction efforts
- 1) The Environmental Protection Administration of the Executive Yuan and the Department of Environment Protection of the Taipei City Government cited the Bank 11 years in a row for outstanding performance in green procurement.
 - 2) The head office building was awarded the certificate for ISO50001 & ISO14001 Energy Management System.
 - 3) The Bank won the "2022 Taipei City Zero Carbon Benchmarking Award" under the Industrial and Commercial Industry Group B Model Award.
 - 4) The Bank had formulated its "Environmental Sustainability Management Handbook" and "Measures for Water and Electricity Conservation" with scheduled follow-up on the status of water and electricity conservation by different units. Various energy conservation improvement programs were vigorously implemented in order to enhance the energy efficiency of equipment and save on electricity costs.

(2) Budget Implementation

- A. The annual average balance of deposits was NT\$1,739.721 billion, for an achievement rate of 100.79%.
- B. The annual average balance of outstanding loans was NT\$1,349.760 billion, for an achievement rate of 101.73%.
- C. The foreign exchange transactions amounted to US\$77.459 billion, for an achievement rate of 110.66%.
- D. The securities brokerage business amounted to NT\$493.215 billion, for an achievement rate of 41.14%.

(3) Revenues, Expenditures, and Profitability

- A. Net income for 2022 amounted to NT\$28.379 billion; bad debt expense, commitment, and provision for guarantee liabilities totaled NT\$2.401 billion; operating expenses were NT\$13.964 billion; before-tax net income from continuing operations was NT\$12.014 billion; net profit after tax was NT\$10.122 billion; return on assets ratio (after-tax) amounted to 0.49%; return on equity ratio (after-tax) amounted to 9.84%; net profit margin (after-tax) was 35.67%, and earnings per share (after-tax) was NT\$1.26.
- B. Net income before taxes (excluding provisions) in 2022 amounted to NT\$14.415 billion, an increase of NT\$3.467 billion over 2021. NT\$2.401 billion was allocated as an allowance for bad debts in order to strengthen risk appetite. Before-tax net profit for 2022 amounted to NT\$12.014 billion, an increase of NT\$6.237 billion over 2021, primarily due to the increase in deposits, the net interest income, the net service fee revenue and the net revenue of financial products.
- C. The non-performing loan (NPL) ratio at the end of 2022 stood at 0.20%, a decrease of 0.08% compared with the end of 2021. The bad-debt coverage ratio was 653.28%, an increase of 230.59% over the end of 2021.

(4) Research and Development

- A. Establishment of an Exclusive Unit for Industry Research
 - a. A total of 120 industry analysis reports were written and published in the Bank's E-Library in 2022 for colleagues to peruse.
 - b. Elite professionals from industry, government, and academia are invited to speak on an occasional basis to help the Bank's employees understand the latest trends in industrial development.

- B. Encouragement of Innovation and Professionalism in Line with Business Development Needs

Business lectures are held on a scheduled basis and a wide variety of digital learning courses are offered to encourage employees to engage in further on-the-job studies and absorb new knowledge that will strengthen their competitiveness and enhance their professional know-how.

II. Business Plan for 2023

(1) Operating Directions

- A. Optimize asset quality and diversify profits
 - a. Strengthen credit quality and loan delay management and improve collection performance to reduce new nonperforming loans.
 - b. Develop insights into global developments, respond quickly through risk

management, and make dynamic asset allocation to enhance capital efficiency.

- c. Increase the percentage of demand deposits and attract cash flows of customers to boost fee income and adjust the revenue structure.
- d. Develop closer relationships with core customers and expand the customer base, increase customer added value through the all-in-one approach, and create diversified revenue sources.

B. Inspect value system and improve operating efficiency

- a. Pay equal attention to development of talent, technology, and governance while improving response ability and securing a strong driver of strategic development.
- b. Follow a customer centric approach, take advantage of digital technologies, and value innovative financial services to enhance operating capabilities.
- c. Raise risk management awareness, ensure compliance and refine internal control, and improve IT security to lay a solid foundation for the Bank.

C. Build up organizational resilience and pursue mutually beneficial sustainability

- a. Understand environmental and social changes, extend influence as a bank, and continue to help customers with low carbon transformation and net-zero emissions.
- b. Grasp the risks and opportunities closely, build up digital trust, enhance operating resilience, and pursue mutually beneficial sustainability for business.

(2) Operating Policies

In the face of uncertain challenges such as supply chain reorganization, geopolitical risks, succession of personnel and ever-changing international financial situation, the Bank always adheres to its core value of "SME Specialized Bank" and utilize the four aspects on its strategy map with a bottom-up approach. In line with the aspects of learning & growth, internal procedures, customers, and finance, the Bank will establish a strategy structure with specified directions and centralized resources, and review the internal and external value chains to incorporate sustainable thinking into daily operations and procedures, continuing to optimize through digital and green transformation to provide customers with premium services. The Bank will work to realize our business vision, become the bank of choice for SMEs by providing complete financial services to SMEs, business owners, major shareholders, and all employees, and become a high-quality bank with all-around financial services, thereby achieving the goal of sustainable development.

A. Learning & Growth

- a. Optimize human capital: Transformation of human capital is key to the transformation of the Bank and sustainable operations. Professional training is provided for all employees on an ongoing basis and recruitment takes place across different fields through various channels. There is an emphasis on career development for employees as well as an effort to develop promising potential. There is also an emphasis on employee benefits and fair and reasonable pay. A safe and comfortable work environment is created to cultivate and retain talent.
- b. Augmented IT performance: Strong IT capabilities are essential to supporting and protecting the rights of the Bank and its customers. Overall performance is augmented through optimization of IT and digital equipment. Cyber security defense and monitoring capabilities are also strengthened. There is a constant effort to find a balance between digital transformation and cyber security and to implement resilient infrastructures.
- c. Building organizational capital: Learning is the cornerstone of sustainable development. A corporate culture of learning and sharing encourages employees to engage in internal innovation and reach their full potential. A comprehensive accountability mechanism is put in place to encourage a culture of accountability and teamwork. All employees work together toward sustainable development.

B. Internal Procedures

- a. Deepened business management: Set goals and follow through with execution in response to significant changes in the internal/external environment. Construct a flexible management framework, develop knowledge management and improve response, and continue to formulate best practice processes for better operating performance and value. Respond to emerging risks and climate change risk, strengthen risk management capabilities, and develop a risk management framework for better sustainable operations.
- b. Precise CRM: Respond to customer needs, take advantage of digital technology to integrate data, expand the customer base with precision, know the right approach to customer communication, continue to observe and act with speed, validate ideas for optimizing products and services, improve service efficiency, and increase customer loyalty and product stickiness.
- c. Develop innovative management: Apply innovative thinking to analyze value chain activities, strengthen core advantages through cross industry alliances, utilize digital capabilities, and refine product and service models.

Pursue energy efficiency and green transition, place emphasis on digital trust, create a new financial environment defined by sustainability, extend influence as a financial intermediary, and increase the value of products and services to the environment and society.

- d. Implement ESG governance: Adhere to compliance and build on trust and integrity, follow sustainable governance, and enforce supervisory practices in business and management activities. Pay attention to AML/CFT, whistleblower protection and consumer rights. Follow sound governance practice for more stable and transparent operation. Optimize internal/external value chain in terms of sustainability, and increase the Bank's value and competitiveness in the long run.

C. Customers

- a. Optimize products and services: Monitor customer needs in different areas, develop new business models, focus on customer experience, increase customer satisfaction, and conduct precision marketing on target audience. Combine core products to increase penetration and provide one-stop integrated service solutions. Develop innovative and competitive sustainable products, increase added value for SME customers, and resolve environmental and social issues to increase shared value from products and services.
- b. O2O integrated channels: Extend the reach of virtual channel services, gradually expand and complete the product line, build customer trust in O2O integration, and provide one-stop quality financial services. Combine customer views from all channels, fully present each aspect of customers and various service channels, analyze interactive customer experience and value, and increase value of each channel.
- c. Focus on the role as a specialized bank: Clearly define the Bank as a SME specialized bank, reinforce the core business service for SMEs, utilize product and marketing capabilities, and shape a brand image as a professional bank while expanding the customer base. Work with stakeholders to support sustainability and extend influence as a member of the community to help customers practice environmental conservation and transformation.

D. Finance

- a. Optimize asset quality and diversify profits: Control asset quality, strengthen risk management and improve asset allocation to expand the scale of operations; widen the deposit-loan interest rate spread and improve the efficiency of capital utilization; increase the added value of customers with All-in-one approach to create diverse sources of income; increase the proportion of revenue and profit from overseas branches to

strengthen profitability.

- b. Enhance core capital and develop sustainable values: Comply with the monitoring requirements of the competent authority regarding authorized capital; ensure a healthy capital structure and the goal of optimized resource allocation; strengthen the risk appetite to expand the growth of operating income; bring goodness to society while pursuing profitable growth to maximize shareholders' value.

(3) Business Targets

To give equal weight to the protection of shareholder interests, improve the capital structure, and enhance asset quality, the Bank has set the following targets in consideration of the Directorate General of Budget, Accounting and Statistics for 2023.

A. Annual average deposit balance: NT\$1,810.630 billion.

B. Annual average balance of loans outstanding: NT\$1,420.287 billion.

C. Total foreign exchange transactions: US\$80.864 billion.

III. Results of Latest Credit Rating

Date of Rating	Rating Institution	Ratings		Outlook
		Long-term Credit	Short-term Credit	
2023.1.16	Taiwan Ratings	twAA-	twA-1+	Stable
2023.1.16	Standard & Poor's	BBB+	A-2	Stable

Chairman:



President:



SVP & GM of the Accounting Dept:





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Independent Auditors' Report

To the Board of Directors of Taiwan Business Bank, Ltd.:

Opinion

We have audited the consolidated financial statements of Taiwan Business Bank, Ltd. and subsidiaries ("the Bank and subsidiaries"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Held Banks, and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits of the current period in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Jin-Kuan-Yin-Zi No.1082731571 and the auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. The assessment of loans impairment

Please refer to Note 4(f) "Financial Instruments" for related accounting policy, Note 5 (a) for accounting assumptions and estimates, and Note 6 (f) "Discount and loans,net" and Note 6 (ap) "Financial Risk Information" for details of loans impairment, respectively. The management of the Bank and subsidiaries assess the impairment of loans by determining if there is any observable evidence indicating impairment, and dividing them into collective assessment and individual assessment based on the materiality levels to measure by different impairment method. For the individual assessment with objective evidence of impairment, the measurement is based on expected future cash flow. For the collective assessment with objective evidence of impairment, the Bank and its subsidiaries need to calculate the recovery rate of each

group to measure the impairment amount. For the collectively assessed loans without objective evidence of impairment, the impairment is calculated by establishing an impairment model using the pass loss experience on assets with similar credit risk characteristic to form basic estimation. Besides the methods mentioned above, the management of the Bank and its subsidiaries should inspect whether the amount of impairment is in compliance with the minimum level made by the authority. Both the evaluation of impairment evidences and its methods, as well as the uses of assumptions, such as the expected recovery rates and default rates, which are applied to determine the future cash flow, involved significant judgements and estimations. Therefore, the assessment on the impairment of loans has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the methodology and related control procedure about how the management assesses and measures the impairment amount of loans. For individual assessment, we used sampling test to evaluate the use of the original effective interest rate, the appropriateness of the estimation of future recoverable amounts and value of collateral. For collective assessment, we assessed the impairment model adopted by the management and reviewed the appropriateness of the calculation of the impairment parameters and verified the completeness of the loans portfolio via sampling. The impaired amounts recognized by the management were in compliance with the related regulations issued by authority. Meanwhile, we assessed whether allowance for the loans meets the requirements.

2. The valuation of financial instruments

Please refer to Note 4(f) "Financial Instruments" for the related accounting policy regarding the valuation of financial instruments, Note 5(c) for accounting assumptions and estimation and Note 6(ao) for details on the information about fair value and fair value hierarchy.

Financial instruments that are held by the Bank and subsidiaries, some of them are valued through models. The valuation methods and important parameters require significant professional judgment. Therefore, the valuation of financial instruments has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: tested internal control procedures applied by management for fair value measurement of financial instruments. For financial assets with quoted prices in an active market, selected samples to test the appropriateness of quoted prices. For financial assets without quoted prices in an active market and measured the fair value by valuation techniques, selected samples to test valuation models and check the reasonableness of the valuation methodology and the underlying parameters in order to assess whether the valuation techniques were properly adopted in accordance with IFRS13 "Fair Value Measurement". Assessed the presentation and disclosures of financial instruments were in accordance with IFRSs.

Other Matter

Taiwan Business Bank, Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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 Held Banks, and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank and subsidiaries' 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 Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee), are responsible for overseeing the Bank and subsidiaries' 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Bank and subsidiaries' 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 Bank and subsidiaries' 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 Bank and subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
TAIWAN BUSINESS BANK, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets									
11000 Cash and cash equivalents (Notes 6(p) and 7)	\$ 49,260,262	2	\$ 39,444,052	2					
11500 Due from the Central Bank and call loans to banks (Notes 6(b) and 7)	148,557,744	7	158,110,418	8	21000 Deposits from the Central Bank/banks (Notes 6(p) and 7)	\$ 19,496,177	9	102,490,315	5
12000 Financial assets at fair value through profit or loss (Note 6(c))	33,913,114	2	40,670,401	2	21500 Due to the Central Bank and banks (Note 6(c))	1,131,025	-	50,261,500	3
12100 Financial assets at fair value through other comprehensive income (Notes 6(g) and (q))	160,000,410	8	157,533,052	8	22000 Financial liabilities at fair value through profit or loss (Notes 6(p) and (r))	9,925,525	-	8,436,037	-
12200 Investment in debt instruments at amortized cost (Note 6(b))	256,774,247	11	279,055,905	14	22500 Notes and bills issued under repurchase agreement (Notes 6(q))	2,462,991	-	2,061,693	-
12500 Securities purchased under resale agreements (Note 6(d))	797,893	-	7,831,274	-	23000 Payables (Note 6(r))	21,493,131	1	22,761,436	1
13000 Receivables (Note 6(c))	9,057,109	-	7,616,634	-	23500 Current tax liabilities	1,101,015	-	645,584	-
13200 Current tax assets	390,069	-	349,884	-	24000 Deposits and remittances (Notes 6(s) and 7)	1,673,590,263	81	1,668,656,822	83
13500 Discounts and loans, net (Notes 6(i) and 7)	1,400,112,365	68	1,502,383,363	64	24500 Bank notes payable (Note 6(i))	522,901,000	4	52,250,000	3
14000 Investments accounted for using equity method (Note 6(j))	808	-	-	-	25000 Other financial liabilities (Note 6(i))	2,910,381	-	4,365,294	-
15000 Other financial assets (Note 6(i))	10,315	-	28,942	-	25500 Provisions (Note 6(v))	2,676,102	-	3,402,110	-
16000 Property and equipment, net (Notes 6(k))	14,121,833	1	14,533,721	1	26000 Lease liabilities (Note 6(w))	12,393,919	-	1,149,456	-
16500 Right-of-use assets, net (Notes 6(l))	1,212,593	-	1,149,295	-	26500 Deferred tax liabilities (Note 6(x))	879,056	-	886,290	-
19000 Intangible assets, net	757,216	-	554,337	-	29000 Other liabilities (Note 6(x))	3,763,082	-	2,340,373	-
19500 Deferred tax assets (Note 6(z))	1,777,199	-	1,951,655	-	Equity attributable to owners of parent	1,969,378,867	95	1,919,593,100	95
19900 Other assets, net (Note 6(m))	15,782,948	1	10,055,167	1	31101 Common stock (Note 6(y))	80,286,934	4	77,431,932	4
					31500 Capital Surplus (Note 6(y))	815,900	-	815,900	-
					Retained earnings:				
					Legal reserve (Note 6(y))	172,391,615	1	15,693,140	1
					Special reserve (Note 6(y))	185,128	-	185,128	-
					Unappropriated retained earnings (Note 6(y))	9,399,336	-	5,227,632	-
					Other equity interests (Note 6(y))	(3,769,675)	-	2,306,220	-
					Total equity	104,107,268	5	101,699,972	5
Total assets	\$ 3,072,486,175	100	\$ 3,031,253,072	100	Total liabilities and equity	\$ 3,072,486,175	100	\$ 3,031,253,072	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN BUSINESS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three and years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	For the years ended December 31,				Percent Change	
	2022		2021			
	Amount	%	Amount	%		
41000	Interest income (Notes 6(ad) and 7)	\$ 33,300,102	117	24,170,747	100	38
51000	Less: Interest expenses (Notes 6(ad) and 7)	(13,072,129)	(45)	(6,364,971)	(26)	105
	Net interest revenue	20,227,973	72	17,805,776	74	14
	Net revenue other than interest					
49100	Net service fee revenue (Notes 6(ac) and 13)	3,951,802	14	3,334,199	14	19
49200	Gain on financial assets or liabilities measured at fair value through profit or loss (Note 6(af))	1,540,238	5	667,649	3	131
49310	Realized gain on financial assets at fair value through other comprehensive income (Note 6(ag))	1,462,681	5	1,187,914	5	23
49450	Gain arising from derecognition of financial assets measured at amortized cost (Note 6(h))	1,981	-	103,741	-	(98)
49600	Foreign exchange gain	923,295	3	309,479	1	198
49700	(Impairment loss on assets) reversal of impairment loss on assets (Note 6(ab))	11,689	-	(33,260)	-	135
49750	Share of profit of associates and joint ventures accounted for using equity method (Notes 6(h) and 6(ai))	(1,192)	-	-	-	-
49800	Net other revenue other than interest income (Note 6(aj))	83,689	-	168,887	1	(50)
49831	Net securities brokering revenue	326,877	1	561,639	2	(42)
	Net revenue	28,520,123	100	24,106,034	100	18
58200	Bad debts expense, commitment and guarantee liability provision (Note 6(ak))	(2,386,062)	(8)	(5,187,503)	(22)	(54)
	Operating expenses					
58500	Employee benefits expenses (Note 6(al))	(8,875,602)	(31)	(8,421,635)	(35)	5
59000	Depreciation and amortization expense (Note 6(am))	(1,229,876)	(4)	(1,041,031)	(4)	18
59500	Other general and administrative expense (Note 6(an))	(3,997,701)	(14)	(3,653,809)	(15)	9
	Total operating expense	(14,103,269)	(49)	(13,116,475)	(54)	8
61001	Income from continuing operation before tax	12,039,792	43	5,802,046	24	108
61003	Less: Income tax expenses (Note 6(z))	(1,917,940)	7	701,934	3	173
	Net income	10,121,852	36	5,100,112	21	98
65000	Other comprehensive income:					
65200	Components of other comprehensive income that will not be reclassified to profit or loss					
65201	Remeasurements of defined benefit plans	557,068	2	24,512	-	2,173
65204	Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	(2,347,122)	(8)	992,095	4	(337)
65220	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(z))	111,419	-	4,902	-	2,173
	Components of other comprehensive income that will not be reclassified to profit or loss	(1,901,443)	(6)	1,011,705	4	(288)
65300	Components of other comprehensive income that will be reclassified to profit or loss					
65301	Exchange difference on translation	1,511,789	5	(413,117)	(2)	466
65308	Losses from investments in debt instruments measured at fair value through other comprehensive income	(6,238,235)	(22)	(2,046,533)	(8)	(205)
65320	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(z))	272,357	1	(97,914)	-	(378)
	Components of other comprehensive income that will be reclassified to profit or loss	(4,998,803)	(18)	(2,361,736)	(10)	112
65000	Other comprehensive income	(6,900,246)	(24)	(1,350,031)	(6)	(411)
	Total comprehensive income	\$ 3,221,606	12	\$ 3,750,081	15	(14)
	Earnings per share (in NT dollar) (Note 6(ab))					
	Basic earnings per share (in NT dollar)	\$ 1.26		\$ 0.64		
	Diluted earnings per share (in NT dollar)	\$ 1.26		\$ 0.63		

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN BUSINESS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Source of capital	Attributable to owners of financial						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on remittance of foreign financial statements	Other equity instrument		
Common stock	815,000	14,554,425	185,128	5,101,112	19,245,962	(1,476,771)	5,187,824	95,658,797
	-	-	-	5,101,112	5,101,112	-	-	5,101,112
	-	-	-	19,610	19,610	(330,694)	(1,059,147)	(1,350,031)
	-	-	-	5,119,722	5,119,722	(330,694)	(1,059,147)	3,750,081
	-	1,560,688	-	(1,560,688)	-	-	-	-
	-	-	-	(748,858)	(748,858)	-	-	(748,858)
2,546,118	-	-	-	(2,546,118)	(2,546,118)	-	-	-
	-	-	-	35,192	35,192	-	(35,192)	-
	815,000	15,695,140	185,128	5,227,632	21,103,900	(1,807,265)	4,115,485	101,659,972
	-	-	-	10,121,852	10,121,852	-	-	10,121,852
	-	-	-	445,679	445,679	1,209,432	(6,555,557)	(5,900,246)
	-	-	-	10,597,531	10,597,531	1,209,432	(6,555,557)	3,251,006
	-	1,546,475	-	(1,546,475)	-	-	-	-
	-	-	-	(774,320)	(774,320)	-	-	(774,320)
2,864,082	-	-	-	(2,864,082)	(2,864,082)	-	-	-
	-	-	-	(1,270,030)	(1,270,030)	-	1,270,030	-
80,396,031	815,000	17,219,615	185,128	9,330,356	36,764,699	(897,833)	(6,171,843)	104,107,358

Balance at January 1, 2021

Net income for the year ended December 31, 2021

Other comprehensive income for the year ended December 31, 2021

Total comprehensive income for the year ended December 31, 2021

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Cash dividends of ordinary share

Stock dividends of ordinary share

Disposal of investment in equity instruments designated at fair value through other comprehensive income

Balance at December 31, 2021

Net income for the year ended December 31, 2022

Other comprehensive income for the year ended December 31, 2022

Total comprehensive income for the year ended December 31, 2022

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Cash dividends of ordinary share

Stock dividends of ordinary share

Disposal of investment in equity instruments designated at fair value through other comprehensive income

Balance at December 31, 2022

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN BUSINESS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from (used in) operating activities:		
Net income before tax	\$ 12,039,792	5,802,046
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	980,783	869,996
Amortization expense	249,093	171,035
Provision for bad debt expense	2,378,872	5,127,339
Net loss on financial assets or liabilities at fair value through profit or loss	86,901	306,370
Interest expenses	13,072,129	6,364,971
Net gain arising from derecognition of financial assets measured at amortised cost	(1,981)	(103,741)
Interest income	(33,300,102)	(24,170,747)
Net change in provisions for guarantee liabilities	(21,496)	39,802
Net change in other provisions	29,220	92,077
Share of loss of associates and joint ventures accounted for using equity method	1,192	-
Loss on disposal of property and equipment	925	1,193
Impairment loss on financial assets (reversal of impairment loss)	(11,689)	33,260
Other items	(3,817)	(1,369)
Total adjustments to reconcile profit (loss)	(16,539,970)	(11,269,814)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in due from the central bank and call loans to banks	9,550,611	(43,911,562)
Decrease (increase) in financial assets at fair value through profit or loss	7,234,305	(25,674,071)
Decrease (increase) in securities purchased under resell agreements	7,033,381	(1,699,112)
(Increase) decrease in receivables	(75,360)	36,085,939
Increase in discounts and loans	(100,231,972)	(99,035,256)
Decrease (Increase) in other financial assets	25,244	(5,770)
Increase in other assets	(1,988,898)	(3,586,664)
Total changes in operating assets	(78,452,689)	(137,826,496)
Changes in operating liabilities:		
Increase (decrease) in deposits from the central bank and banks	92,425,862	(15,660,724)
Increase in financial liabilities at fair value through profit or loss	925,569	91,891
Increase in notes and bonds issued under repurchase agreement	402,298	4,702
Decrease in payable	(3,682,123)	(25,389,001)
Increase in deposits and remittances	4,923,441	250,084,822
Decrease in other financial liabilities	(1,454,713)	(1,127,072)
Decrease in provisions for employee benefits	(196,272)	(80,182)
Total changes in operating liabilities	93,344,062	207,924,436
Total adjustments	14,891,373	70,097,940
Total adjustments	(1,648,597)	58,828,126
Cash inflow generated from operations	10,391,195	64,630,172
Interest received	31,992,358	23,921,904
Interest paid	(11,090,974)	(6,248,636)
Income taxes paid	(648,645)	(449,051)
Net Cash flows from operating activities	30,643,934	81,854,389
Cash flows (used in) from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(11,055,764)	(41,252,988)
Acquisition of financial assets at amortised cost	(188,506,846)	(130,873,423)
Proceeds from repayments of financial assets at amortised cost	230,783,092	79,933,076
Acquisition of investments accounted for using equity method	(2,000)	-
Acquisition of property and equipment	(318,336)	(534,917)
Proceeds from disposal of property and equipment	73	132
Increase in refundable deposits	-	1,359,450
Decrease in refundable deposits	(2,227,141)	-
Acquisition of intangible assets	(288,288)	(309,411)
Net cash flows from (used in) investing activities	28,384,790	(91,678,081)
Cash flows (used in) from financing activities:		
(Decrease) increase in due to the central bank and banks	(49,130,565)	21,221,490
Proceeds from issuing bank notes payable	-	8,000,000
Repayments of bank notes payable	-	(9,000,000)
Increase in guarantee deposits received	2,104,548	-
Decrease in guarantee deposits received	-	(332,463)
Payment of lease liabilities	(420,428)	(418,641)
Decrease in other liabilities	(1,081,839)	(1,505,823)
Cash dividends paid	(774,320)	(748,858)
Net cash flows (used in) from financing activities	(49,302,604)	17,215,705
Effect of exchange rate changes on cash and cash equivalents	90,110	1,234,582
Net increase in cash and cash equivalents	9,816,230	8,626,595
Cash and cash equivalents at beginning of period	39,444,032	30,817,437
Cash and cash equivalents at end of period	\$ 49,260,262	\$ 39,444,032



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Independent Auditors' Report

To the Board of Directors of Taiwan Business Bank Ltd.:

Opinion

We have audited the financial statements of Taiwan Business Bank Ltd. ("the Bank"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Held Banks, and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits of the current period in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Jin-Kuan-Yin-Zi No.1082731571 and the auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

1. The assessment of loans impairment

Please refer to Note (4) (c) "Financial Instruments" for related accounting policy, Note 5 (a) for accounting assumptions and estimates, and Note 6 (f) "Discount and loans, net" and Note 6 (ap) "Financial Risk Information" for details of loans impairment, respectively.

The management of the Bank assess the impairment of loans by determining if there is any observable evidence indicating impairment, and dividing them into collective assessment and individual assessment based on the materiality levels to measure by different impairment method. For the individual assessment with objective evidence of impairment, the measurement is based on expected future cash flow. For the collective assessment with objective evidence of impairment, the Bank needs to calculate the recovery rate of each group to measure the impairment amount. For the collectively assessed loans without objective evidence of impairment, the impairment is calculated by establishing an impairment model using the pass loss experience on assets with similiar credit risk characteristic to form basic estimation. Besides the methods mentioned above, the management of the Bank should inspect weather the amount of impairment is in compliance with the minimum level made by the authority. Both the evaluation of impairment evidences and its methods, as well as the uses of assumptions, such as the expected recovery rates and default rates, which are applied to determine the future cash flow, involved significant judgements and estimations. Therefore, the assessment on the impairment of loans has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the methodology and related control procedure about how the management assesses and measures the impairment amount of loans. For individual assessment, we used sampling test to evaluate the use of the original effective interest rate, the appropriateness of the estimation of future recoverable amounts and value of collateral. For collective assessment, we assessed the impairment model adopted by the management and reviewed the appropriated of the calculation of the impairment parameters and verified the completeness of the loans portfolio via sampling. Meanwhile, we assessed the impaired amounts recognized by the management were in compliance with the related regulations issued by authority.

2. Fair value assessment of financial investments

Please refer to Note 4 (c) "Financial Instruments" for related accounting policy, Note 5 (c) for accounting estimates, and Note 6 (ao) "Financial Instruments" for details of loans impairment, respectively.

Description of key audit matter:

The evaluation of several financial instruments of the Bank is measured using the valuation models, which involved the exercise of significant professional judgments and estimations. Therefore, the assessment on the financial instruments has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: inspected the internal control procedures for fair value measurement performed by management, selected samples to evaluate whether the quoted prices in active markets for financial assets are appropriate, inspected the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to ensure that the applied valuation techniques are in accordance with IFRS 13 "Fair Value Measurement" and verified whether the presentation and disclosure of financial instruments are in accordance with the International Financial Reporting Standards

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 Held Banks, and the 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Bank'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Bank'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 Bank'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 Bank 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 the investment in other entities accounted for using the equity method to express an opinion on this 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 of the current period 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 audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

Notes to Readers

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

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
TAIWAN BUSINESS BANK LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets									
11000 Cash and cash equivalents (Notes 6(a) and 7)	\$ 48,879,847	2	\$ 39,189,153	2					
11500 Due from the central bank and call loans to banks (Notes 6(b) and 7)	148,557,154	7	158,109,903	8	21000 Deposits from the Central Bank and banks (Notes 6(i) and 7)	\$ 19,496,177	9	102,540,315	5
12000 Financial assets at fair value through profit or loss (Note 6(c))	32,536,757	2	39,658,224	2	21500 Due to the Central Bank and banks (Note 6(c))	-	-	49,713,800	3
12100 Financial assets at fair value through other comprehensive income (Notes 6(g) and (q))	159,970,603	8	157,498,525	8	22000 Financial liabilities at fair value through profit or loss (Notes 6(p) and (r))	9,925,525	-	8,436,037	-
12200 Investment in debt instruments at amortized cost (Note 6(h))	236,774,247	11	279,035,906	14	22500 Notes and bonds issued under repurchase agreement (Note 6(q))	2,462,991	1	2,060,693	-
12900 Securities purchased under resale agreements (Note 6(d))	797,893	-	7,831,274	-	23000 Payables (Note 6(r))	21,441,486	1	22,727,994	1
13000 Receivables (Note 6(e))	6,469,268	-	5,609,809	-	23500 Current tax liabilities	1,086,481	-	597,567	-
13200 Current tax assets	348,724	-	347,649	-	24000 Deposits and remittances (Notes 6(s) and 7)	1,673,936,069	81	1,669,039,899	83
13500 Discounts and loans, net (Notes 6(i) and 7)	1,400,112,365	68	1,302,368,363	65	24500 Bank notes payable (Note 6(i))	5,225,000	3	52,250,000	3
15000 Investments measured by equity method (Note 6(j))	3,497,456	-	3,117,027	-	25000 Other financial liabilities (Note 6(i))	2,910,581	-	4,365,294	-
15500 Other financial assets (Note 6(j))	10,315	-	28,942	-	26000 Provisions (Note 6(v))	2,676,102	-	3,420,210	-
18000 Property and equipment, net (Note 6(k))	14,118,286	1	14,529,762	1	26500 Lease liabilities (Note 6(w))	1,216,510	-	1,145,072	-
18000 Right-of-use assets, net (Note 6(l))	1,189,528	-	1,145,071	-	29000 Deferred tax liabilities (Note 6(x))	879,056	-	886,290	-
19000 Intangible assets, net	756,703	-	553,784	-	29500 Other liabilities (Note 6(x))	36,777,162	-	2,673,229	-
19300 Deferred tax assets (Note 6(a))	1,752,566	-	1,923,597	-	Total Liabilities	<u>1,967,428,150</u>	<u>95</u>	<u>1,919,318,990</u>	<u>95</u>
19900 Other assets, net (Note 6(m))	15,763,696	1	10,011,973	-	Equity:				
					Common stock (Note 6(y))	80,286,034	4	77,431,952	4
					Capital surplus (Note 6(y))	815,000	-	81,500	-
					Retained earnings:				
					Legal reserve (Note 6(y))	172,390,615	1	15,693,140	1
					Special reserve (Note 6(y))	185,128	-	18,5128	-
					Unappropriated retained earnings (Note 6(y))	9,339,336	-	5,227,632	-
					Other equity interest (Note 6(y))	(3,769,675)	-	2,306,220	-
					Total of equity	<u>104,107,258</u>	<u>5</u>	<u>101,699,972</u>	<u>5</u>
Total assets	<u>\$ 3,071,535,408</u>	<u>100</u>	<u>\$ 3,030,978,962</u>	<u>100</u>	Total liabilities and equity	<u>\$ 3,071,535,408</u>	<u>100</u>	<u>\$ 3,030,978,962</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)

TAIWAN BUSINESS BANK LTD.

Statements of Comprehensive Income

For the three and years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	For the years ended December 31,				Percent Change %	
	2022		2021			
	Amount	%	Amount	%		
41000	Interest income (Notes 6(ad) and 7)	\$ 33,136,301	117	24,037,857	100	38
51000	Less: Interest expenses (Notes 6(ad) and 7)	(13,046,962)	(46)	(6,357,367)	(26)	105
	Net interest revenue	20,089,339	71	17,680,490	74	14
	Net revenue other than interest					
49100	Net service fee revenue (losses) (Notes 6(ac) and 13)	3,934,425	14	3,317,550	14	19
49200	Gain on financial assets or liabilities measured at fair value through profit or loss (Note 6(af))	1,244,071	4	562,196	2	121
49310	Realized gain on financial assets at fair value through other comprehensive income (Note 6(ag))	1,462,569	5	1,187,700	5	23
49450	Gain arising from derecognition of financial assets measured at amortized cost (Note 6(h))	1,981	-	103,741	1	(98)
49600	Foreign exchange gain	925,170	3	310,634	1	198
49700	(Impairment loss on assets) reversal of impairment loss on assets (Note 6(ah))	11,689	-	(33,260)	-	135
49750	Share of profit of associates and joint ventures accounted for using equity method (Notes 6(h) and 6(ai))	320,283	1	99,659	-	221
49800	Net other revenue other than interest income (loss) (Note 6(aj))	63,071	-	168,888	1	(63)
49831	Net securities brokering revenue	326,877	2	561,639	2	(42)
	Net revenue	28,379,475	100	23,959,237	100	18
58200	Bad debts expense, commitment and guarantee liability provision (Note 6(ak))	(2,401,068)	(8)	(5,171,832)	(22)	(54)
	Operating expenses					
58500	Employee benefits expenses (Note 6(al))	(8,783,271)	(31)	(8,350,140)	(35)	5
59000	Depreciation and amortization expenses (Note 6(am))	(1,220,945)	(4)	(1,032,950)	(4)	18
59500	Other general and administrative expenses (Note 6(an))	(3,960,406)	(14)	(3,628,017)	(15)	9
	Total operating expense	(13,964,622)	(49)	(13,011,107)	(54)	7
61001	Income from continuing operation before tax	12,013,785	43	5,776,298	24	108
61003	Less: Income tax expenses (Note 6(z))	1,891,933	7	676,186	3	180
	Net income	10,121,852	36	5,100,112	21	98
65000	Other comprehensive income:					
65200	Components of other comprehensive income that will not be reclassified to profit or loss					
65201	Remeasurements of defined benefit plans (Note 6(aa))	557,098	2	24,512	-	2,173
65204	Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	(2,342,393)	(8)	987,549	4	(337)
65207	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(4,729)	-	4,546	-	(204)
65220	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(z))	111,419	-	4,902	-	2,173
	Components of other comprehensive income that will not be reclassified to profit or loss	(1,901,443)	(6)	1,011,705	4	(288)
65300	Components of other comprehensive income that will be reclassified to profit or loss					
65301	Exchange difference on translation	1,497,223	5	(416,460)	(2)	460
65308	Losses from investments in debt instruments measured at fair value through other comprehensive income	(6,238,235)	(22)	(2,046,533)	(9)	(205)
65307	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	11,653	-	2,674	-	336
65320	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(z))	269,444	1	(98,583)	-	(373)
	Components of other comprehensive income that will be reclassified to profit or loss	(4,998,803)	(18)	(2,361,736)	(11)	112
65000	Other comprehensive income	(6,900,246)	(24)	(1,350,031)	(7)	(411)
	Total comprehensive income	\$ 3,221,606	12	3,750,081	14	(14)
	Earnings per share (in NT dollar) (Note 6(ab))					
	Basic earnings per share (in NT dollar)	\$	1.26	\$	0.64	
	Diluted earnings per share (in NT dollar)	\$	1.26	\$	0.63	

(English Translation of Financial Statements Originally Issued in Chinese)
TAIWAN BUSINESS BANK LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings			Other equity interest			Total
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2021	74,885,934	815,000	14,532,452	185,128	4,728,382	19,285,962	(1,476,771)	5,187,824	98,638,749	
Net income for the year ended December 31, 2021	-	-	-	-	5,100,112	5,100,112	-	-	5,100,112	
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	19,610	19,610	(330,494)	(1,089,147)	(1,390,031)	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	5,119,722	5,119,722	(330,494)	(1,089,147)	3,790,081	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	1,360,688	-	(1,360,688)	-	-	-	-	
Call dividends of ordinary share	-	-	-	-	(748,888)	(748,888)	-	-	(748,888)	
Stock dividends of ordinary share	2,546,118	-	-	-	(2,546,118)	(2,546,118)	-	-	-	
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	35,192	35,192	-	(35,192)	-	
Balance at December 31, 2021	77,431,952	815,000	15,693,140	185,128	5,227,632	21,105,900	(1,807,265)	4,113,485	101,630,972	
Net income for the year ended December 31, 2022	-	-	-	-	10,121,852	10,121,852	-	-	10,121,852	
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	445,679	445,679	1,309,432	(8,465,557)	(6,900,246)	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	10,567,531	10,567,531	1,309,432	(8,465,557)	3,371,006	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	1,546,475	-	(1,546,475)	-	-	-	-	
Call dividends of ordinary share	-	-	-	-	(774,300)	(774,300)	-	-	(774,300)	
Stock dividends of ordinary share	2,864,082	-	-	-	(2,864,082)	(2,864,082)	-	-	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,270,039)	(1,270,039)	-	1,270,039	-	
Balance at December 31, 2022	80,296,034	815,000	17,139,615	185,128	9,339,366	36,764,999	(697,833)	(5,171,843)	104,197,358	

(English Translation of Financial Statements Originally Issued in Chinese)

TAIWAN BUSINESS BANK LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net income before tax	\$ 12,013,785	5,776,298
Adjustments:		
Income and expenses items:		
Depreciation expense	972,173	862,209
Amortization expense	248,772	170,741
Provision for bad debt expense	2,394,782	5,113,134
Net loss on financial assets or liabilities at fair value through profit or loss	370,320	388,853
Interest expenses	13,046,962	6,357,367
Net gain arising from derecognition of financial assets measured at amortised cost	(1,981)	(103,741)
Interest income	(33,136,301)	(24,037,857)
Dividend income	7,161	-
Net change in provisions for guarantee liabilities	(21,496)	39,802
Net change in other provisions	29,220	92,077
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(320,283)	(99,659)
Loss on disposal of property and equipment	944	852
Impairment loss on financial assets (reversal of impairment loss)	(11,689)	33,260
Other items	(3,817)	(1,369)
Total adjustments to reconcile profit (loss)	(16,425,233)	(11,184,331)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in due from the central bank and call loans to banks	9,550,686	(44,028,431)
Decrease (increase) in financial assets at fair value through profit or loss	7,315,066	(25,338,360)
Decrease (increase) in securities purchased under resell agreements	7,033,381	(1,784,087)
Decrease in receivables	479,288	36,367,071
Increase in discounts and loans	(100,231,972)	(97,792,108)
Decrease (income) in other financial assets	25,244	(5,770)
Increase in other assets	(2,091,463)	(3,568,328)
Total changes in operating assets	(77,919,770)	(136,150,013)
Changes in operating liabilities:		
Increase (decrease) in deposits from the central bank and banks	92,425,862	(15,660,724)
Increase in financial liabilities at fair value through profit or loss	925,569	91,891
Increase in notes and bonds issued under repurchase agreement	402,298	4,702
Decrease in payable	(3,679,471)	(25,322,034)
Increase in deposits and remittances	4,896,080	250,336,507
Decrease in other financial liabilities	(1,454,713)	(1,127,072)
Decrease in provisions for employee benefits	(196,272)	(80,182)
Total changes in operating liabilities	93,319,353	208,243,088
Total changes in operating assets and liabilities	15,399,583	72,093,075
Total adjustments	(1,025,650)	60,908,744
Cash inflow generated from operations	10,988,135	66,685,042
Interest received	31,841,928	23,790,232
Interest paid	(11,071,317)	(6,241,095)
Income taxes paid	(649,535)	(506,777)
Net Cash flows from operating activities	31,109,211	83,727,402
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(11,055,765)	(41,225,923)
Acquisition of financial assets at amortised cost	(188,506,846)	(130,873,423)
Proceeds from repayments of financial assets at amortised cost	230,783,092	79,933,076
Acquisition of property and equipment	(317,194)	(532,051)
Proceeds from disposal of property and equipment	54	132
Increase in refundable deposits	(2,223,467)	-
Decrease in refundable deposits	-	1,358,420
Acquisition of intangible assets	(288,032)	(309,304)
Net cash flows (used in) from investing activities	28,391,842	(91,649,073)
Cash flows from financing activities:		
Increase in due to the central bank and banks	-	21,263,800
Decrease in due to the central bank and banks	(49,713,800)	-
Proceeds from issuing bank notes payable	-	8,000,000
Repayments of bank notes payable	-	(9,000,000)
Increase in guarantee deposits received	2,081,139	-
Decrease in guarantee deposits received	-	(347,219)
Payment of lease liabilities	(413,133)	(411,827)
Increase in other liabilities	(1,077,706)	(1,506,959)
Cash dividends paid	(774,320)	(748,858)
Acquisition of ownership interests in subsidiaries	-	(450,000)
Net cash flows (used in) from financing activities	(49,897,820)	16,798,937
Effect of exchange rate changes on cash and cash equivalents	87,461	(8,065)
Net increase in cash and cash equivalents	9,690,694	8,869,201
Cash and cash equivalents at beginning of period	39,189,153	30,319,952
Cash and cash equivalents at end of period	\$ 48,879,847	\$ 39,189,153

Proposal II

(Proposed by the Board of Directors)

Explanation: Adoption of the earnings distribution from final accounts of the Bank for 2022.

Description:

1. After an audit, the Bank's 2022 earnings available for distribution amounted to NT\$2,780,430,520.11, as described below:
 - (1) The opening undistributed earnings for 2022 amounted to NT\$41,855,566.96.
 - (2) Items added:
 - A. After reviewed and approved by Accountant Feng-Hui Lee and Tan-Tan Chung from KPMG, the after-tax net income for 2022 was NT\$10,121,851,549.28.
 - B. Reversal of the "Recognized Actuarial Gains and Losses for Defined Benefit Plans" amounted to NT\$445,678,400.
 - (3) Items deducted:
 - A. "Gains (losses) from Investments in Equity Instruments Measured at Fair Value through other Comprehensive Income" amounted to NT\$1,270,030,170.
 - B. Legal reserve appropriated: NT\$2,789,249,933.78.
 - C. Special reserve appropriated: NT\$3,769,674,892.35.
 - (4) Distribution of shareholders' bonus - cash dividends (NT\$0.10 per share): NT\$802,969,352; the minimum distribution of cash dividend made to shareholders shall be round up to NT\$1, and fraction cash dividend less than NT\$1 shall be accounted as other income.
 - (5) Distribution of shareholders' bonus - stock dividends (NT\$0.24 per share): NT\$1,927,126,450.
 - (6) Closing undistributed earnings: NT\$50,334,718.11.
2. Please refer to Page 48 of this Handbook for the "Disposition of Earnings for 2022."

Voting results:

Total votes upon voting: 4,634,360,099 voting rights

Voting results	Votes (including electronic votes)	Ratio (%)
For	4,243,155,855	91.55
Against	12,157,659	0.26
Void	0	0
Abstain/unused votes	379,046,585	8.17

Resolution: The case was passed as proposed after voting.

Taiwan Business Bank Co., Ltd.

Disposition of Earnings

Year 2022

Unit: NT\$

Item	Amount
Opening undistributed earnings	41,855,566.96
Add: After-tax net income for 2022	10,121,851,549.28
Add: Reversal of Recognized actuarial gains and losses for defined benefit plans	445,678,400.00
Less: Gains (losses) from Investments in equity instruments measured at fair value through other comprehensive income	(1,270,030,170.00)
Less: Legal reserve appropriated	(2,789,249,933.78)
Less: Special reserve appropriated	(3,769,674,892.35)
Earnings available for distribution	2,780,430,520.11
Items of distribution:	
Shareholders' bonus - cash dividends (NT\$0.10 per share)	802,969,352.00
Shareholders' bonus - stock dividends (NT\$0.24 per share)	1,927,126,450.00
Closing undistributed earnings	50,334,718.11

Note:

1. The calculation of shareholders' bonus per share was based on 8,029,693,521 shares.
2. The distribution shall initially be appropriated from the undistributed earnings in the latest year.

Chairman:



President:



SVP & GM of the Accounting Dept:



V. Matters for Discussion

Proposal I (Proposed by the Board of Directors)

Explanation: Resolution to carry out a capital increase via transferred earnings in accordance with the earnings distribution of stock dividends for 2022, hereby submitted for approval.

Description:

1. In response to the requirements on the inclusion of common equity capital under the new Basel III to improve its capital structure and increase the profitability, the Bank intends to carry out a capital increase via transferred earnings for the issuance of 192,712,645 new shares according to the requirements under Article 240 of the Company Act.
2. Total amount of the new shares for capital increase and the conditions for issuance:
 - (1) A capital increase of NT\$1,927,126,450 is proposed, with the par value of NT\$10 per share, for the issuance of 192,712,645 new registered common shares.
 - (2) The capital increase via transferred earnings shall be submitted to the competent authority for approval after being approved by the shareholders' meeting. The Board may otherwise determine the date of ex-rights for the issuance of new shares, and based on the shareholding ratio stated in the Shareholders' registrar on the date of ex-rights, issue 24 bonus shares for every thousand shares. Regarding the issuance of fraction shares less than one share, shareholders may present at the stock affairs agency of the Bank within 5 days from the date of ex-rights for aggregation. A cash distribution may be paid for fraction shares less than one share upon aggregation (round up to NT\$1). The Chairman is authorized to subscribe the overdue unaggregated number of

fraction shares at the par value from specific persons.

(3) Subsequently, if the repurchase of the Bank's shares, the transfer, conversion, and cancellation of treasury shares, or other situations affect the number of total issued shares, resulting in changes in the share issuance rate of shareholders, the Bank hereby proposes to the shareholders' meeting to authorize the Board for handling the changes.

(4) The new shares issued under the capital increase via transferred earnings shall rank pari passu in all respects with the originally issued shares.

3. Impact of the issuance of bonus shares on the business performance and earnings per share of the Bank:

Pursuant to the provisions in the "Regulations Governing the Publication of Financial Forecasts of Public Companies" and "Taiwan Stock Exchange Corporation Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts", the Bank has not made public the financial forecast of 2023, and therefore can not disclose the forecast information on the Bank's operating income, profit or loss and earnings per share as a result of the issuance of bonus shares. This item thus does not apply to the Bank.

4. After this capital increase, the total paid-in capital will be NT\$82,224,061,660, falling within the total capital of NT\$100 billion of the Bank.

5. The Bank proposes to authorize the Board to exercise its full powers in respect of the matters not covered in this proposal.

Voting results:

Total votes upon voting: 4,634,360,099 voting rights

Voting results	Votes (including electronic votes)	Ratio (%)
For	4,148,055,632	89.50
Against	9,299,582	0.20
Void	0	0
Abstain/unused votes	477,004,885	10.29

Resolution: The case was passed as proposed after voting.

Proposal II (Proposed by the Board of Directors)

Explanation: Amendments to the Articles of Association of the Bank, hereby submitted for approval.

Description:

1. In response to the competent authority's policy that promotes virtual shareholders' meetings for providing shareholders with convenient channels to attend the meeting, the provision of "the shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. The Bank shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters" has been added in Article 13, paragraph 2 of the Bank' Articles of Association in accordance with Article 172-2 of the Company Act.
2. For the "Comparison Table of the Drafted Amendments to Articles of Association" of the Bank, please refer to Page 53 of this Handbook.

Voting results:

Total votes upon voting: 4,634,360,099 voting rights

Voting results	Votes (including electronic votes)	Ratio (%)
For	4,062,084,665	87.65
Against	88,794,358	1.91
Void	0	0
Abstain/unused votes	483,481,076	10.43

Resolution: The case was passed as proposed after voting.

Comparison Table of the Drafted Amendments to Articles of Association of
Taiwan Business Bank Co., Ltd.

Amended Provisions	Current Provisions	Explanation
<p>Article 13: A notice to convene an annual meeting of shareholders shall be given to each Shareholder no later than 30 days prior to the scheduled meeting date and notice to convene an extraordinary meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date to notify shareholders regarding the date, venue, and reason for the meeting. The Bank may notify shareholders holding less than 1,000 shares for the convening notice of the shareholders' meeting by way of an announcement.</p> <p><u>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. The Bank shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u></p>	<p>Article 13: A notice to convene an annual meeting of shareholders shall be given to each Shareholder no later than 30 days prior to the scheduled meeting date and notice to convene an extraordinary meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date to notify shareholders regarding the date, venue, and reason for the meeting. The Bank may notify shareholders holding less than 1,000 shares for the convening notice of the shareholders' meeting by way of an announcement.</p>	<p>In response to the advancement of digital technologies and the competent authority's policy for promoting visual shareholders' meetings and providing shareholders with convenient channels to attend shareholders' meetings, the Bank plans to add Paragraph 2 of this Articles in accordance with Article 172-2 of the Company Act.</p>

Proposal III (Proposed by the Board of Directors)

Explanation: Amendments to the Rules of Procedures for Shareholders' Meeting of the Bank, hereby proposed for approval.

Description:

1. Amendments have been made to comply with the Financial Supervisory Commission's "Regulations Governing the Administration of Shareholder Services of Public Companies" and the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' meetings" announced by the Taiwan Stock Exchange.
2. The drafted amendments to these Rules are summarized as below:
 - (1) In accordance with the additional method of convening a virtual shareholders' meeting online, relevant rules have been added or revised accordingly. (Article 2 to Article 4, Article 4-1, Article 5, Article 7, Article 9, Article 10, Article 12 to Article 14, Article 17 to Article 19)
 - (2) The procedures for changing the convening method of a shareholders' meeting and the time for sending out meeting notices, as well as provisions for announcing or distributing relevant meeting information have been added. (Article 2)
 - (3) The provisions specifying that votes shall be cast on each separate proposal in the agenda and sufficient time shall be scheduled when calling for a vote have been added. (Article 6)
 - (4) The provisions specifying that the meeting minutes may be produced and distributed in electronic form, the number of voting rights won by each candidate shall be disclosed in the event of an election of directors, and the voting results shall be announced on-site immediately, including the names of directors not elected and number of votes they

received, have been added. (Article 14, Article 15).

3. For the "Comparison Table of the Drafted Amendments to Rules of Procedures for Shareholders' Meeting" of the Bank, please refer to Page 56 ~ 77 of this Handbook.

Voting results:

Total votes upon voting: 4,634,360,099 voting rights

Voting results	Votes (including electronic votes)	Ratio (%)
For	4,133,531,430	89.19
Against	22,933,869	0.49
Void	0	0
Abstain/unused votes	477,894,800	10.31

Resolution: The case was passed as proposed after voting.

Comparison Table of the Drafted Amendments to Rules of Procedures for Shareholders' Meeting of Taiwan Business Bank Co., Ltd.

Amended Provisions	Current Provisions	Explanation
<p>Article 1 (Purpose and applying principle) Same as the current article</p>	<p>Article 1 (Purpose and applying principle) To establish a strong governance system and sound supervisory capabilities for the Bank's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted for compliance. The rules of procedures for the Bank's shareholders meetings, except as otherwise provided by law, regulation, or the articles of association, shall be as provided in these Rules.</p>	
<p>Article 2 (Convening shareholders' meetings and meeting notices) Unless otherwise provided by law or regulation, the Bank's shareholders' meetings shall be convened by the board of directors. <u>A virtual shareholders' meeting shall be convened upon the resolution of the board of directors with the attendance of two-thirds or more of the directors and approval of the majority of the attending directors.</u> <u>Changes to how the Bank convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.</u> <u>In the event of natural disasters, accidents or other force majeure events announced by the Ministry of Economic Affairs, the Bank shall handle the following matters upon the resolution of the board of directors to convene a virtual shareholders' meeting:</u> <u>1. If the Bank has changed the convening method and has already mailed the notice for convening a shareholders' meeting or transmitted the notice</u></p>	<p>Article 2 (Convening shareholders' meetings and meeting notices) Unless otherwise provided by law or regulation, the Bank's shareholders' meetings shall be convened by the board of directors. A notice shall be provided to all shareholders for <u>the convening of the annual shareholders' meeting</u> 30 days prior to the meeting. The Bank may notify shareholders holding less than 1,000 inscribed stock by way of entering the information into the Market Observation Post System (MOPS) as announcement <u>30 days prior</u> to the meeting. A notice shall be provided to all shareholders for <u>the convening of a special shareholders' meeting</u> 15 days prior to the meeting. The Bank may notify <u>shareholders holding less than 1,000 inscribed stock by way of entering the information into the MOPS as announcement 15 days prior to the meeting.</u></p>	<p>1. With reference to Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' meetings" published by the Taiwan Stock Exchange (hereinafter referred to as the "Sample Template"), procedures for changing the method of convening a shareholders' meeting and the time for sending out meeting notices, as well as provisions for announcing or distributing relevant meeting information have been added.</p> <p>2. In accordance with Article 44-9 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" revised</p>

<p><u>via electronic documents, it may announce the change of the convening method of a shareholders' meeting on the information reporting website designated by the competent authority.</u></p> <p><u>2. If the Bank convenes a virtual shareholders' meeting and provides a shareholder who has difficulty taking part in a virtual shareholders' meeting with alternative measures to exercise voting rights by correspondence, the shareholder intending to exercise voting rights by correspondence shall apply to the Bank in advance, and the provisions in Article 5, paragraph 2 of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" regarding materials that shall also be sent to the shareholders do not apply.</u></p> <p><u>3. Other necessary emergency measures as provided by the competent authority.</u></p> <p><u>The Bank shall notify each shareholder before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Bank may notify shareholders holding less than 1,000 inscribed stock by way of entering the information into the Market Observation Post System (MOPS) as announcement.</u></p> <p><u>The Bank shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials, meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the MOPS.</u></p> <p><u>The Bank shall make the meeting</u></p>		<p>on March 6, 2023, provisions related to virtual shareholders' meetings have been added.</p> <p>3. Other wordings have been revised accordingly.</p>
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<p><u>agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u></p> <p><u>1. For physical shareholders' meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p>	<p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p>	
<p>Article 3 (Preparation of documents such as the attendance book)</p> <p>The Bank shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as</u></p>	<p>Article 3 (Preparation of documents such as the attendance book)</p> <p>The Bank shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p>	<p>1. With reference to Article 6 of the Sample Template, the registration parties of the shareholders' meeting notice, the registration procedure for shareholders attending virtual meetings, and the rules for uploading meeting materials have been added, and the order of paragraphs has been adjusted accordingly.</p> <p>2. With reference to Article 6 of the Sample Template and pursuant to Article 44-13, paragraph 1 of the "Regulations Governing the Administration of</p>

<p><u>attend the shareholders' meeting in person.</u> <u>Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance.</u> <u>Solicitors soliciting proxy forms shall also bring identification documents for verification.</u> The Bank shall furnish the attending shareholders with an attendance book to sign, or attending shareholders or proxies may hand in a sign-in card in lieu of signing in. The Bank shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and supplemental meeting materials. Where there is an election case, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. <u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Bank two days before the meeting date.</u> <u>In the event of a virtual shareholders' meeting, the Bank shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>The Bank shall furnish the attending shareholders <u>or proxies</u> with an attendance book to sign, or attending shareholders or proxies may hand in a sign-in card in lieu of signing in. The Bank shall furnish attending shareholders <u>or proxies</u> with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and supplemental meeting materials. Where there is an election case, pre-printed ballots shall also be furnished. <u>Shareholders or proxies shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.</u> When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>Shareholder Services of Public Companies," registration rules for shareholders wishing to attend the shareholders' meeting online have been added.</p>
<p>Article 4 (Principles for the convening venue and time) The venue for a shareholders' meeting shall be the premises of the Bank, or a place easily accessible to shareholders and suitable for a shareholders'</p>	<p>Article 4 (Principles for the convening venue and time) The venue for a shareholders' meeting shall be the premises of the Bank, or a place easily accessible to shareholders and suitable for a shareholders'</p>	<p>1. With reference to Article 5 of the Sample Template, it is stipulated that full consideration shall be given to the opinions of the</p>

<p>meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u></p> <p><u>The restrictions on the place of the meeting shall not apply when the Bank convenes a virtual shareholders' meeting. However, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>independent directors with respect to the place and time of the meeting.</p> <p>2. With reference to Article 20 of the Sample Template and pursuant to Article 44-17, paragraph 3 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," it is stipulated that both the chair and secretary of a virtual shareholders' meeting shall be in the same location.</p>
<p><u>Article 4-1</u></p> <p><u>To convene a virtual shareholders' meeting, the Bank shall include the follow particulars in the shareholders' meeting notice:</u></p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>(1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u></p> <p><u>(3) In case of a hybrid</u></p>		<p>With reference to Article 6-1 of the Sample Template and pursuant to Article 44-21 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," the particulars that shall be included in the virtual shareholders' meeting notice have been added.</p>

<p><u>shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.</u></p>		
<p>Article 5 (Calculation for the number of shares in attendance and the meeting) Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	<p>Article 5 (Calculation for the number of shares in attendance and the meeting) Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to</p>	<p>With reference to Article 9 of the Sample Template, provisions regarding the calculation for the number of shares in attendance at virtual shareholders' meetings and meeting rules have been added, and the wordings have been revised accordingly.</p>

<p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. If the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Bank shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted upon receiving consent from the majority attending shareholders' voting rights pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Bank in accordance with Article 3. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to</p>	<p>order at the appointed meeting time and when the attending shareholders represent a majority of the total number of issued shares. If the attending shareholders are less than the quorum, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted upon receiving consent from the majority attending shareholders' voting rights pursuant to Article 175, paragraph 1 of the Company Act.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the meeting pursuant to Article</p>	
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<p>Article 174 of the Company Act.</p> <p>Article 6 (Discussion of proposals) If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. <u>Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda).</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. <u>If the chair declares the meeting adjourned in violation of the Rules, a new chair shall be elected in accordance with statutory procedures,</u> by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, <u>and schedule sufficient time for voting.</u></p>	<p>174 of the Company Act.</p> <p>Article 6 (Discussion of proposals) If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the Rules, a new chair <u>may</u> be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p>	<p>With reference to Article 10 of the Sample Template, provisions stipulating that votes shall be cast on each separate proposal in the agenda and sufficient time shall be scheduled when calling for a vote have been added.</p>
<p>Article 7 (Documentation of a shareholders' meeting by audio or</p>	<p>Article 7 (Documentation of a shareholders' meeting by audio or</p>	<p>With reference to Article 8 of the</p>

<p>video) The Bank, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders' meeting is held online, the Bank shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Bank, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Bank during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p>video) The Bank, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>Sample Template and pursuant to Article 44-23, paragraph 1 and 2 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," the methods for making an audio and video recording of the proceedings of the meeting when a shareholders' meeting is held online have been stipulated.</p>
<p>Article 8 (The chair and non-voting participants of a shareholders' meeting) Same as the current article</p>	<p>Article 8 (The chair and non-voting participants of a shareholders' meeting) If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair. Where the chairperson does not make such a designation, the</p>	

	<p>managing directors shall select from among themselves one person to serve as chair.</p> <p>When a managing director serves as chair, as referred to in the preceding paragraph, the managing director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Bank. It is advisable that shareholders' meetings convened by the board of directors be attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</p> <p>If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Bank may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p>	
<p>Article 9 (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p>	<p>Article 9 (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p>	<p>With reference to the order of paragraphs in Article 11 of the Sample Template, the original paragraph 3 and paragraph 4 were switched, and provisions regarding shareholders raising questions during virtual shareholders' meetings have been added.</p>

<p><u>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</u></p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 6 do not apply.</u></p>	<p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p><u>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</u></p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	
<p>Article 10 (Voting, vote monitoring, and recusal system for related parties) <u>Voting at a shareholders' meeting</u></p>	<p>Article 10 (Voting, vote monitoring, and recusal system for related parties) <u>Except as otherwise provided in</u></p>	<p>1. With reference to Article 12 of the Sample Template, paragraph 1 has</p>

<p><u>shall be calculated based the number of shares.</u></p> <p><u>With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</u></p> <p><u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Bank, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</u></p> <p><u>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</u></p> <p><u>Unless otherwise provided by law or regulation, if a shareholder has engaged a proxy to attend the shareholders' meeting, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</u></p> <p><u>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u></p> <p><u>When the Bank holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall</u></p>	<p><u>the Company Act and in the Bank's articles of association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u></p> <p><u>With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. Unless otherwise provided by law or regulation, if a shareholder has engaged a proxy to attend the shareholders' meeting, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</u></p> <p><u>When the Bank holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by</u></p>	<p>been added to specify the calculation basis for voting at a shareholders' meeting.</p> <p>2. With reference to the order of paragraphs in Article 12 and Article 13 of the Sample Template, adjustments have been to move the original paragraph 1 to paragraph 10, original paragraph 2 to paragraph 6, original paragraph 7 to paragraph 9, original paragraph 8 to paragraph 11, original paragraph 9 to paragraph 3, and original paragraph 10 to paragraph 4.</p> <p>3. With reference to Article 13 of the Sample Template and pursuant to Article 44-13, Article 44-14, Article 44-16 (paragraph 2), Article 44-17 (paragraph 2, subparagraph 1 and 2) of the "Regulations Governing the Administration of Shareholder Services of Public Companies," paragraph 13 to 16 of this Article have been added to stipulate provisions regarding voting at a virtual shareholders' meeting.</p> <p>4. Other wordings</p>
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<p><u>be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Bank before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Bank, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Bank's articles of association, the passage of a proposal shall require an</u></p>	<p><u>correspondence. The method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</u></p> <p><u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Bank before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Bank, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p> <p><u>When there is an amendment or</u></p>	<p>have been revised accordingly.</p>
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<p><u>affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Bank. Vote counting for meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. When the Bank convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p>	<p><u>an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Bank, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Bank. Vote counting for meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p>	
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<p><u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Bank convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 11 (Maintaining order at the meeting place) Same as the current article</p>	<p>Article 11 (Maintaining order at the meeting place) Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Bank, the chair may</p>	

	<p>prevent the shareholder from so doing.</p> <p>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	
<p>Article 12 (Delegation and authorization principles for shareholders)</p> <p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Bank and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Bank before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Bank, if the shareholder intends to attend the meeting in person <u>or online</u>, or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Bank before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Article 12 (Delegation and authorization principles for shareholders)</p> <p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Bank and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Bank before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Bank, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Bank before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>With reference to Article 4 of the Sample Template and pursuant to Article 44-12, paragraph 2 of the "Regulations Governing the Administration of Shareholder Services of Public Companies", paragraph 3 of this Article was revised to add the procedures for attending the meeting online.</p>
<p>Article 13 (Public disclosure)</p> <p>On the day of a shareholders' meeting, the Bank shall compile in <u>the prescribed format</u> a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <u>and the</u></p>	<p>Article 13 (Public disclosure)</p> <p>On the day of a shareholders' meeting, the Bank shall compile a statistical statement of the number of shares obtained by solicitors through solicitation, <u>and</u> the number of shares represented by proxies, and shall make an</p>	<p>With reference to Article 16 of the Sample Template, the relevant procedures for convening a virtual shareholders' meeting via video conferencing have</p>

<p><u>number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Bank shall upload the above meeting materials to the virtual meeting platform 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Bank's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Bank shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>express disclosure of the same at the place of the shareholders' meeting.</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Bank shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>been added in this Article, and external agencies for material information disclosure have also been specified.</p>
<p>Article 14 (Meeting minutes and signed matters) Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. <u>The meeting minutes may be produced and distributed in electronic form.</u></p> <p>The Bank may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month,</p>	<p>Article 14 (Meeting minutes and signed matters) Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.</p> <p>The Bank may distribute the meeting minutes of the preceding paragraph <u>in electronic form</u> or by means of a public announcement.</p> <p>The meeting minutes shall accurately record the year, month,</p>	<ol style="list-style-type: none"> 1. With reference to Article 15 of the Sample Template and pursuant to Article 44-22 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," the particulars to be included in the meeting minutes of a virtual shareholders' meeting have been added. 2. In accordance with the addition of rules stating that votes

<p>day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their <u>voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.</u> The minutes shall be retained for the duration of the existence of the Bank.</p> <p><u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Bank shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</u></p>	<p>day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. The minutes shall be retained for the duration of the existence of the Bank.</p> <p><u>Regarding the resolution method in the previous paragraph, if the chair puts the matter before all shareholders and no shareholder voices an objection, "the proposal is passed after the chair put the matter before all attending shareholders and none voiced an objection" shall be recorded.</u></p> <p><u>However, where there is an objection from any shareholder, it shall set out the method of voting by poll and the ratio of the number of passing votes to the total voting rights.</u></p>	<p>shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda) in Article 6 of the Sample Template, the provision of resolutions in the original paragraph 3 has been deleted accordingly.</p> <p>3. Other wordings have been revised accordingly.</p>
<p>Article 15 (Election)</p> <p>The election of directors at a shareholders' meeting shall be held in accordance with the Rules for Election of the Directors of the Bank, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, <u>and the names of directors not elected and number of votes they received.</u></p> <p>The ballots for the election referred</p>	<p>Article 15 (Election)</p> <p>The election of directors at a shareholders' meeting shall be held in accordance with the Rules for Election of the Directors of the Bank, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the</p>	<p>1. With reference to Article 14 of the Sample Template, the requirement to disclose the names of directors not elected and number of votes they received has been added.</p> <p>2. Other wordings have been revised accordingly.</p>

<p>to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept <u>in proper custody</u> for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>signatures of the monitoring personnel and kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	
<p>Article 16 (Recess and resumption of a shareholders' meeting) Same as the current article</p>	<p>Article 16 (Recess and resumption of a shareholders' meeting) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</p>	
<p><u>Article 17 (Disclosure of information at virtual meetings)</u> <u>In the event of a virtual shareholders' meeting, the Bank shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>		<p>With reference to Article 19 of the Sample Template, the provisions regarding the disclosure of information at virtual shareholders' meetings have been added.</p>
<p><u>Article 18 (Handling of disconnection)</u> <u>In the event of a virtual shareholders' meeting, the Bank may offer a simple connection test to shareholders prior to the</u></p>		<p>With reference to Article 21 of the Sample Template and pursuant to Article 44-20 of the "Regulations</p>

<p><u>meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or</u></p>		<p>Governing the Administration of Shareholder Services of Public Companies," the provisions for handling disconnection in the event of a virtual shareholders' meeting have been added.</p>
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<p><u>resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When the Bank convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the Bank shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article</u></p>		
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<p><u>13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Banks shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 19 (Handling of digital divide)</u> <u>When convening a virtual-only shareholders' meeting, the Bank shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</u> <u>Unless natural disasters, accidents, or other force majeure events announced by the Ministry of Economic Affairs occur, the Bank shall at least provide connection equipment and necessary assistance to shareholders, and specify the period during which shareholders may apply to the Bank and other relevant matters to be noted.</u></p>		<p>With reference to Article 22 of the Sample Template and Article 44-21 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" revised on March 6, 2023, the provisions specifying that appropriate alternative measures shall be made available to shareholders unable to attend a virtual shareholders' meeting online have been added.</p>
<p>Article <u>20</u> (Taking effect) These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Article <u>17</u> (Taking effect) These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Adjustment of the order of the Article.</p>

Proposal IV

(Proposed by the Board of Directors)

Explanation: Proposal for releasing non-competition restriction on the Directors of the Board, hereby submitted for approval.

Description:

1. Pursuant to Article 209, paragraph 1 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval"; and the explanation given by the Letter Ri-Shang-Zi No. 89206938 dated April 24, 2000 sent from the Ministry of Economy reads that, "If a representative authorized by a government agency or a juristic person acting as a shareholder is elected as a Director, both said government agency or said juristic person, and its authorized representative shall be subject to the non-competition restriction on the Directors of the Board."
2. In consideration of the Directors (including juristic persons and the representatives assigned by juristic persons) of the Banks' 16th Board of Directors may act for themselves or for others in acts within the scope of the Bank's business, which have not yet obtained the approval from the shareholders' meeting (please refer to Page 79 of this Handbook), the Bank intends to seek the approval of the shareholders' meeting to release non-competition restriction on said Directors of the Board.

Schedule of Releasing Non-Competition Restriction on the Directors of
the Board, Taiwan Business Bank Co., Ltd.

Title	Name	Competitor	Position
Juristic person shareholder	Bank of Taiwan Co., Ltd.	Financial eSolution Co., LTD.	Director

Total number of shares in attendance upon voting: 4,634,360,099 shares

Total number of votes upon voting: 3,332,452,784 votes

Voting results	Votes (including electronic votes)	Ratio (%)
For	2,843,858,548	85.33
Against	10,997,091	0.32
Void	0	0
Abstain/unused votes	477,597,145	14.33

Resolution: The case was passed as proposed after voting.

VI. Extempore Motion : None.

The Chairman declared the meeting adjourned.

VII. Meeting Adjourned (9:39 a.m.)

The meeting minutes of the shareholders' meeting only set out the summary of discussions; the details shall be subject to the meeting's video/audio records.