



TDCC

Taiwan Depository & Clearing Corporation

2022 ANNUAL REPORT



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Letter to the Shareholders

To the shareholders of TDCC:

In 2022, the impact of the COVID pandemic, the Russia-Ukraine war, and geopolitical confrontation saw inflation surge in countries around the world. The central banks of various countries rapidly raised interest rates one after another in order to suppress inflation, which caused soaring living costs and a significant slowdown in global economic growth. Taiwan's economy was also affected by this global slowdown and falling demand, resulting in shrinking exports. As a result, the daily average trading value of Taiwanese stocks decreased by approximately 36% and corporate bond issuance decreased by 24% compared to 2021. Only short-term bills issuance grew by 7%. Despite the volatile financial market, TDCC still delivered brilliant performance due to its diversified business and digital transformation.

As we move into a new year, TDCC aims to actively deepen the four developmental visions of "innovation," "resilience," "sustainability," and "inclusive finance" and push forward in three major directions of development. In moving towards "expanding digital innovation business," TDCC will strengthen the digital transformation of its core business and develop financial innovation services to fulfill various demands of participants through digital approaches and build digital market infrastructure. Working in the direction of "promoting the application of big data," TDCC will utilize supervision technology and a big data platform, integrate diverse internal and external data, provide various data visualization services to the market, and assist the competent authorities in cross-market monitoring. As for "extending from back office to middle office," TDCC has extended the scope of data application and services to the middle office in recent years, including the development of a B2B financial services hub. In terms of B2C, TDCC is committed to developing inclusive finance, while in B2G, TDCC will assist in the supervision of the national financial market.

In addition, in conjunction with the promotion by the competent authority of major policies such as the Capital Market Blueprint, Fintech Development Roadmap, and Corporate Governance 3.0—Sustainable Development Blueprint, TDCC has implemented the four development visions and three aspects via the five major action plans below to assist the construction of the country's digital financial market infrastructure.



Chairman /

Han-Chiang Chu

To "prepare the ground for diverse services in the fund market," TDCC's first priority is to establish a centralized clearing platform for domestic funds, where the platform serves as an intermediary hub to enable sales institutions to remit funds into it and then remit funds from the platform to fund accounts through a standardized and automated service platform. We expect to have a gross payment B2B platform for investment trust institutions and sales institutions in place by the middle of 2023 to enhance operational effectiveness. In addition, we will work to optimize the Fundclear. This optimization will include the establishment of an ESG Fund Section and a Inclusion Financial Education Section, the strengthening of fund supervision and analysis, and a fund information exchange center. In the education section, TDCC will work with its subsidiary, FundRich, to promote education in wealth management for funds.

With regard to "developing digital stock affairs services," TDCC's electronic voting service will be fully available for emerging companies in 2023. The shareholders' video conference platform, known as eMeeting, was adopted by 72 companies in 2022, all of which held successful shareholders' meetings. In 2023, the enhanced eMeeting 3.0 system will be launched. The service scope of the system will be extended to eNotice of stock affairs messages to enable investors to receive dividend notices from the issuing companies through channels such as the ePassbook app and email.

As for "keeping up with trends in ESG sustainable investment," TDCC's ESG IR platform has provided 7 major domestic and overseas companies with ESG scoring data. It will also provide a report on investment portfolio sustainability performance as well as research and development on the feasibility of developing a local voting consultancy institution, establishing a case-by-case voting disclosure system to assist investors in voting, and promoting the sustainable development of ESG through public-private collaboration.

Turning to "cross-border custody services for sub-brokerage," TDCC will work with the Taiwan Stock Exchange to plan and establish a sub-brokerage custody service platform, which will be responsible for the management of back office securities custody and bookkeeping services. TDCC works with the TWSE to divide work, cooperate strategically, and share resources to bring synergy into full play. It not only safeguards investors' assets but also expands the business scope of securities companies and implements risk control, so as to assist the Financial Supervisory Commission in staying on top of related monitoring information.

Finally, looking at "strengthening the resilience of information security," in response to the international situation and digital risk, through active information security monitoring and automation tools, TDCC will continue to enhance the joint defense of financial information security, improve information security governance, strengthen information security protection, actively cultivate information security personnel, provide investors with confidence, and stabilize the operation of the capital market in Taiwan by assisting futures institutions in strengthening their information security awareness and incident response capability.

For more than 30 years, TDCC has taken the most stringent approach to promoting responsible innovation; providing high-quality, diverse services; building digital financial infrastructure; and earning the trust of the market and the competent authorities. Looking forward to the new year, digital finance, inclusive finance, and sustainable finance will be the focus of capital market development, and we will continue to adhere to our core values of altruism and shared benefit, strive to leverage both the novel and the established, and focus on investors to expand cross-domain application scenarios and embrace the future of Taiwan's capital market.

Taiwan Depository & Clearing Corporation

Chairman *Han-Chiang Chu*

Operational Overview





President /

Daniel Chen

In 2022, the average daily trading value on the Taiwan Stock Exchange (TWSE) was about NT\$ 242.2 billion, on the Taipei Exchange (TPEX) about NT\$ 63 billion, and on the Emerging Stock Market about NT\$ 2.4 billion, totaling approximately NT\$ 307.6 billion, which is a decrease of about 36% compared to 2021's average daily trading value of NT\$ 483.1 billion. For the bond market, the issuance volumes of financial bonds and corporate bonds were NT\$ 144.8 billion and NT\$ 405.5 billion, respectively, in 2022, which in total is NT\$ 550.3 billion, and is 27% less than 2021's issuance volume of NT\$ 758.1 billion. In respect of the bills market, short-term bills issuance amounted to NT\$ 17,779.8 billion in 2022, which is a growth of 7% compared to NT\$ 16,623 billion in 2021.

Under the guidance of the competent authority, TDCC upholds the mission of serving the market and continues to provide the market with highly efficient and secure registration, custody, and book-entry transfer services. It also provides post-trading operations for fixed-income products and the mutual funds market to reduce market operation costs. Instead of resting on its laurels, TDCC is proactively developing fintech and continuously strengthening system handling efficiency and information security resilience in order to build a robust digital financial environment. In addition to providing diverse monitoring services to the competent authority to strengthen market supervision, TDCC also provides comprehensive digital services in line with the needs of overall market business development, and actively participates in international organizations and relevant meetings to constantly boost visibility in the international capital market. TDCC also took practical actions toward implementing ESG sustainable development and inclusive finance, achieving multiple substantial results. The 2022 business review and 2023 business plan are described below.

01

2022 Business Review

I. Implementation of Important Business Projects

(I) Develop fintech so as to provide market with a digital financial environment, and implement inclusive finance

1. Provided video services for public companies to hold shareholders' meetings

TDCC implemented a new eMeeting 2.0 platform to assist 72 companies listed on TWSE or TPEX with over 300 rehearsal tests and set up a situation room to monitor system operation. Personnel were dispatched on-site to assist during entire meetings and ensure the annual shareholders' meetings were successfully held. It also held discussions with stock affairs units to discuss system optimization and development of an eMeeting 3.0 platform.

2. Planed and promoted open data querying of "open securities."

To assist the competent authority in implementing inclusive finance and creating an innovative atmosphere in the securities market, TDCC not only assisted securities firms and futures companies to complete research on the scope of open data, but also formulated and announced regulations on information security standards, API specifications, self-discipline

regulations, and standardized contracts. In preparation for future developments in open finance, TDCC promoted the construction of a single platform for open securities, coordinated the launch of an open securities API platform by FISC, and actively engaged securities firms, futures companies, and third-party service providers to join the open securities, so as to complete the policy plan by the designated due date.

3. Provided online account opening service for foreign clients and domestic investment trusts

TDCC is responsible for implementing an information system and reaching a consensus, and as such, it enabled foreign clients, domestic investment trusts, domestic custodian banks and securities firms to easily open customer accounts online rather than in person with hard-copy documents.

4. Diversified innovation of promoting e-Passbook

There are more than 3.5 million e-Passbook App users. This year, TDCC added overseas fund information query function and connected the data of 14 open banks to enable users to query deposit balances and transaction details.

5. Implemented the fintech development policies of the competent authority and completed related tasks of the fintech co-creation platform

In August 2020, the competent authority issued a three-year fintech development roadmap, and TDCC was the convener of the supervision technology group in the fintech co-creation platform. TDCC handled administration matters related to the projects such as the "Second Phase Supervision Technology Hackathon" in 2022 and presented the final report, "2021 Second Phase of Supervision Technology Hackathon—Feasibility Evaluation of Fintech Innovation in Practical Application."

TDCC is also a member of the data governance team, which, in line with the progress of the fintech development roadmap, assists in the summarization and compilation of the cross non-financial institutions and cross market data demands of securities, futures, investment trusts, and investment advisory companies, and assists the competent authority and the data governance team in advancing their work.

6. Actively assisted the competent authority in formulating relevant regulations and complementary measures for shareholders' video conference meetings and resolving questions from outside parties

In respect of the video conference and e-voting issues of Shareholders' Meetings, TDCC has made several communications regarding issues raised by foreign investors and assisted the competent authority to revise the Regulations Governing the Administration of Shareholder Services and the Sample Template for Rules of Procedure for Shareholders' Meetings. TDCC also provided relevant supporting measures such as



templates for Board proposals, material information, and Chinese and English versions of meeting notices, so that all 72 companies were able to successfully hold their 2022 video-assisted shareholders' meetings.

7. Guided emerging companies to use the shareholders' e-voting platform

In response to the fact that all emerging companies are including electronic voting as one of the channels for use of voting rights, TDCC set up a special project task force for 230 emerging companies that had not adopted e-voting and contacted the companies through phone calls and on-site visits between August and December 2022, explaining issues such as the e-voting contract signing process, system operation, and the election nomination system. The task force also encouraged directors, supervisors, and major shareholders of emerging companies to use the platform in order to raise the e-voting rate. A customer service hotline was also implemented to resolve any questions raised by issuers so that issuers could successfully adopt the e-voting platform.

(II) Assist the competent authority to strengthen market supervision and provide diverse supervision services

1. Established a foreign investment data monitoring system, providing the competent authority with dynamic monitoring of foreign investors' share ownership

In order to assist the competent authority in the supervision of the shareholding status of foreign and Mainland Chinese investors, TDCC has adopted big data analysis technology and visualized design to present multifaceted analysis of the shareholding profiles of foreign/Mainland Chinese investors, including securities market segments, regions, types of investors; and investment targets. The analysis also presents the monthly total shareholding balance of investors, degree of shareholding centralization, and shareholding movement via an interactive, multi-dimensional method to facilitate a full understanding of foreign investment movement and the conducting of market supervision. In addition, the system automatically produces various daily supervision reports that were previously manually prepared by the competent authority based on the information provided by TWSE, reducing the manpower workload.

2. Provided visualized overseas structured product supervision information for the competent authority

In response to the financial crisis of overseas structured product issuers in October 2022, TDCC assisted the competent authority in obtaining visualized supervision information on the number and balance of outstanding products issued and entrusted sales information classified into professional investors and ordinary investors so as to facilitate the competent authority's identification of the scope of impact.

3. Added the reporting of offshore funds position exposure of investment in China by offshore funds' master agents

To provide the competent authority and SITCA with visibility in regard to Taiwan investors' PRC position exposure in offshore funds investment, TDCC plans to request master agents to report the underlying investment targets and amounts of offshore funds in relation to PRC positions in the prior month and on the offshore funds information reporting platform by the end of each month. A report will be produced monthly and provided to the competent authority and SITCA for inquiry. It is expected that the platform will be officially launched in March 2023, with the monthly reporting requirement starting in February 2023.

4. Conducted various reviews of information by request and established an electronic real-time transmission mechanism

TDCC provided securities market data for the Securities and Futures Bureau to conduct market supervision information review as a reference for establishing indicators of financial inclusion. To assist the competent authority in providing real-time supervision data and reduce the risks in manual transmission and custody of personal data, the market supervision data required by the competent authority are transmitted electronically through encryption.

5. Balanced control and information disclosure on issuance of exempted-guarantee commercial papers

TDCC has assisted the Taiwan Bills Finance Association to revise the self-discipline regulations by adding issuer consent clauses in exempted-guarantee declarations, provided relevant information such as outstanding issuance balance to net worth ratio for bills finance companies to query in the Bills Custody Settlement System (BCSS), and established a warning mechanism when the ratio exceeds the 90% limit. It also provides a visual dashboard on the customer relationship management system (CRM) to allow bills finance companies to inspect and control in real time relevant risks during the buffer period, and to enable competent authority to make enquiries in the "Bills Market Supervision Information" section.

In order to comply with the amendments to the exempted-guarantee declaration by the TBFA, TDCC has added three new fund purposes and amounts: purchase of real estate, financing lease company credit purpose, and short-term working capital. TDCC also adjusted the format of the underwriting application and exempted-guarantee declaration issued by issuers, and enabled the automatic transmission of exempted-guarantee declaration for investors to assess risk when the bills finance companies outright sell the bills.



6. Enhanced digital supervision efficacy for bills finance companies through AI technology

As the eight bills finance companies each have different definitions in the industry of financing commercial paper issuers, to achieve consistency in data statistics, in 2022, TDCC adopted the decision tree concept to conduct industry-wide intelligent consolidation by nodes such as number of reports, weighted issuance volume, and latest reporting date. Model training was done using more than a million reporting items and data from the eight bills finance companies. The number of abnormal items was compared with actual cases and threshold configuration was constantly adjusted in order to establish an abnormality detection model.

7. Enabled the competent authority and Central Bank to query bills-related statistical information through the big data information platform

TDCC has reported foreign currency denominated bills statistics in five categories and 45 statistical tables to the competent authority, Foreign Exchange Bureau and Department of Economic Research of the Central Bank on monthly basis. Originally the reports were sent through email after the system produced the reports. In 2022, it was planned to interface the systems so that monthly various statistical information could be provided in real time through the Bills Market Supervision Information of big data information platform. Options to filter by period and by currency were designed in the dashboard to enable data cleaning and effective use of visualized interaction tools. The 40 dashboard designs were completed and online in the platform in December 2022.

8. Assisted the Central Bank in preparing an annual statistical report on capital flows through the big data information platform

The current preparation of capital flow statistics by the Department of Economic Research of the Central Bank is done on sampling basis. In order to improve the approach, TDCC has been engaged to compare the quarterly population data provided by the Department with bills issuers and holders by industry definition and key words, and then provide the data through the big data information platform after mapping with balance data.

(III) Assist the competent authority in strengthening corporate governance of the market, provide digital services for stock affairs, and practice sustainable development

1. Initiated the stock affairs evaluation and incorporated the results into the stock affairs supervision platform

In order to ensure the neutrality of the stock affairs units, safeguard the interests of shareholders, and maintain order in the securities market, TDCC has been evaluating the stock affairs operations of listed companies and emerging companies and stock affairs agencies since January 2022. Scores were granted for stock affairs matters conducted during the period from January 1, 2019 to December 31, 2021 in each aspect and sub-item, including management system, legal compliance, correctness of professional practice, and protection of shareholders' interests. The scoring also took into consideration shareholder rights litigation or penalties imposed by competent authority during the evaluation period. The evaluation result was submitted to the competent authority on March 21, 2022, who approved the result by formal letter on September 5. TDCC delivered the result through formal letters to all stock affairs units in line with the competent authority's instruction.

2. Strengthened management of proxy solicitation and assisting the competent authority in amending the rules of proxy

To avoid management rights disputes in listed on TWSE or TPEX companies, TDCC considered strengthening the proxy solicitation management system. After a correlation analysis between the companies involved in the management rights disputes occurring between 2018 and 2020 and the circumstances of proxy solicitation was carried out, TDCC offered concrete suggestions to strengthen the management measures of the system and provided the results of the study to the competent authority for reference at the end of December 2021.

During the notice period of the amendments to the laws and regulations in 2022, TDCC explained the future definitions and patterns of violation accountability through phone calls to those companies which left inquiries with their names. Promotion measures were taken to help companies feel confident in the regulatory amendment and obtain their support.

3. TDCC together with peripheral securities and futures units, jointly entrusted the Securities and Futures Institute to conduct research on "Setting the Annual Voting Policy Guidelines and the Corporate Governance Checklist for Shareholders' Meetings"

To assist institutional investors in implementing stewardship, and in response to the advice given by the Asian Corporate Governance Association (ACGA), TDCC, together with the TWSE, TPEX, and TAIFEX, jointly entrusted the Securities and Futures Commission to conduct a study entitled "Setting the Annual Voting Policy Guidelines and the Corporate Governance Checklist for Shareholders' Meetings." The Annual Voting Policy Guidelines and Corporate Governance Checklists for Shareholders' Meetings are useful in urging companies to strengthen information disclosure and stewardship of institutional investors.

4. Conducted audits on 2022 shareholders' meeting operations of companies in disputes to avoid the occurrence of shareholders' meeting-related disputes

TDCC conducted audits on the shareholders' meetings of five companies where there were management rights disputes and provided information such as candidates for directors and supervisors and proxies to the competent authority. Personnel were sent to the meetings on the days of shareholders' meetings to inspect the site arrangements and shareholder attendance reception activities, promptly reporting the voting on resolutions and the results of re-elections of directors, so as to assist the competent authority in immediately keeping abreast of the latest developments in companies facing disputes and strengthening the management of convening shareholders' meetings.

5. In response to the COVID-19 pandemic, worked out operating guidelines for holding physical shareholders' meetings

In response to the COVID-19 pandemic, TDCC advised that all issuers should comply with protection guidelines when holding shareholders' meetings, whether physical or video-aided, and TDCC shall keep abreast of the COVID-19 prevention efforts of each issuers' shareholders' meeting and report such efforts to the competent authority for reference.



(IV) In line with the overall market development needs to provide consummate service function

1. Assisted securities firms in developing virtual locations and expanded the permissions for cross-branch book-entry transfer services

TDCC assisted securities firms in developing a virtual location and post-trading operation center system, making it easier for participants' customers' to apply for book-entry transfers. A total of 252 new cross-branch transaction items were added to improve the convenience of securities firms in serving customers and enable customers to enjoy the convenience of opening an account at a nearby securities firm's branch. The idea of opening an account in one location with service in multiple locations was thus realized in terms of book-entry transfer activity. In the meantime, it facilitated greater flexibility in human resource allocation between different operating locations for securities firms, increased the capability to mutual support between branches, and facilitated integration of cross-location management activity.

2. Promoted comprehensive electronic querying of TDCC service fees for participants

In response to the trend of enterprise digital development, paperless information transmission, and provision of online query services, coupled with the effect of the COVID-19 pandemic in recent years, working from home or otherwise remotely has become the norm for most of the participants. In September 2022, TDCC established a TDCC service fee inquiry platform to fully digitalize the original hard copy official letters, invoices, and fee lists and to integrate all types of service fee information to provide a real-time, complete, convenient, and comprehensive online electronic query service. Physical mail has been cancelled and replaced by online queries since January 2023.

3. Planned book-entry transfer mechanism for domestic marketable securities used by abroad Taiwanese and foreigners as collateral for overseas investment activities

With reference to the suggestion in the 2022 Taiwan White Paper issued by the American Chamber of Commerce in Taiwan in 2022, the competent authority instructed the TWSE and TDCC to jointly develop a mechanism to allow foreign investors to use TWSE/TPEX-listed stocks as collateral for overseas investment activities. TDCC started to plan a book-entry transfer operating mechanism for abroad Taiwanese and foreign nationals (FINI) to use Taiwanese TWSE/TPEX-listed marketable securities as collateral for their overseas investment activities and regulated the operating procedures for the qualification of domestic collateral custodians, eligibility conditions for collateral, and provision or refund and disposal of collateral.

4. Added offshore fund investment warning messages at Fund Clear and adjusted the content of offshore fund dividend distribution

TDCC adjusted the basic information declaration specifications of offshore funds and added a new function for master agents to add warning messages at respective fund levels on April 30, 2022, such as that dividend distribution might come from principle or that the major investment target of the fund is in non-investment-grade high-risk bonds, which enables investors to understand the investment risk and dividend distribution status of each fund and gives them a one-stop access to complete fund information, improving fund information transparency.

5. Provided supporting measures through fund trading platform such as cancellation of fund purchase, refund, and fund split share class

After the outbreak of the Russia-Ukraine War in late February 2022, TDCC provided relevant response measures to funds whose transactions were suspended as a result of partial investments in Russia or Eastern Europe, and provided fund split share class service for offshore fund institutions to issue new classes in order to restructure fund assets for investments involved in areas affected by the war.

6. Provided electronic transmission service between ETF issuers and custodian institutions for ETF earnings distribution

To save on manual operation costs for ETF issuers, TDCC added an electronic transmission service for ETF earnings distribution information between ETF issuers and custodian institutions on the Issuance Operations Platform on August 29, 2022.

7. Planned for provision of dividend distribution e-notification services between issuers and shareholders

In line with the global target of net zero carbon emissions by 2050, TDCC has proposed the establishment of a e-Notice Platform to provide electronic notification services for the distribution of dividends by issuing companies. The e-Passbook App has also been planned to provide e-notification for stock affairs. In the future, investors can receive dividend push notifications through the e-Passbook App and query the summarized and visualized information for cash and stock dividends.

8. Set up a mechanism for automatic settlement of commercial paper on bank holidays decided by the competent authority

To improve the efficiency of short-term bill clearing and settlement operations, starting from August 29, 2022, TDCC automatically executes settlement on actual maturity date for commercial paper regardless of whether it is on a bank holiday decided by the competent authority. This avoids complex manual adjustment activity for bills finance companies, bills issuers, and TDCC in response to the subsequent announcement of bank holidays.

9. Planned the application of the Central Bank's digital currency (CBDC) in the bonds/bills clearing settlement business and conducted POC testing according to the Central Bank's planned schedule

In line with the Central Bank's policy, TDCC, Central Bank, FISC, and industries worked together to discuss and plan the application of the Central Bank's digital currency (CBDC) in the bills clearing settlement business. A proof of concept (POC) exercise was conducted, with all participants conducting case simulations based on test roles such as bills finance companies, investor custodian banks, and issuers, and completed the test plan.

(V) Continuously strengthen system processing efficacy and information security maintenance to improve financial market operating efficiency and resilience

1. Returned release operation to participant management after enhancing risk control measures

During the initial construction of the book-entry transfer system, TDCC requested participants provide relevant documents and information for specific changes of account and non-account changes through online transactions. The transaction operations would be completed by participants after approval and release by TDCC.

In view of the tightening of the internal control systems of the participants, TDCC reviewed the existing release operation for online transactions, and after strengthening the relevant supporting measures, the release operation items were adjusted to allow participants to manage them themselves.

2. Optimized the real-time remote backup synchronization mechanism of the information system

TDCC introduced the new technology of simultaneous disk synchronization. The operating model grasps data adjustments written to three drives (operation, local backup, and remote backup) at the same time. When remote backup operations are initiated or the operating environment of the main center is restored, there is no further need to perform data synchronization, providing a more flexible remote backup data copying mechanism and significantly reducing the maximum tolerable period of disruption (MTPD) of TDCC, thereby achieving a safer and more efficient service in the financial market.



3. Strengthened the preparation work of critical infrastructure and information communication security protection during long weekend

TDCC regularly strengthens the preparation work of critical infrastructure and information communication security protection during long weekend such as Chinese New Year and ROC National Day. During the project period, TDCC reports the overall operation of the information and communication system at 3:30 p.m. every day and updates the handling status of information security incidents not closed within 24 hours of the report renewal time.

4. Enhanced security of securities and futures four-in-one network and internet connection

In view of the fact that the external service units and systems of TDCC are no longer limited to the securities and futures markets, TDCC has formulated a Four-in-One Network and Internet Use Policy to ensure the original application of the routes and enhance the closed-end integrity of the four-in-one transaction network and internet security.

5. Enhanced the information security level of industries and strengthened information security resilience

TDCC, together with the peripheral units of the securities and futures industries, jointly assisted industries to comply with information security regulations, conducted various information security drills and strengthened the remote backup mechanism, and established an emergency response system for information security incidents in the securities and futures market, so as to improve the joint defense capability of the industry.

(VI) Actively participate in international organizations and related conferences to contribute to the innovative development and international visibility of Taiwan's capital market

1. Engaged with voting consulting institutions, major foreign investors, and international organizations and received invitations to participate and share experiences in international forums

TDCC assisted the competent authority in engaging with voting consulting institutions, major foreign investors, and international organizations to support the promotion of shareholders' video conference meetings, and was invited to participate in international forums to share our experience, which will in turn attract foreign investment and boost international visibility.

In addition, TDCC was invited to attend the Responsible Investor Asia Conference (RI Asia) in 2021 and 2022 consecutively, sharing Taiwan's experience. In 2021, only Cathay Financial Holdings and TDCC were invited to speak. In 2022, TDCC was the sole Taiwanese institution to be invited to speak, and expressed to global institutional investors how the Taiwan market values ESG and the achievements we have made in this regard.

2. Hosted an online meeting of the Asian Fund Standardization Forum (AFSF)

In order to promote international exchange and develop international business, TDCC hosted an online meeting of the Asia Fund Standardization Forum (AFSF) from June 14 to 15, 2022 to share and exchange business on the theme of "Cross-border Trade Barriers: From Silos to Symphonies."

(VII) Practice ESG and sustainable development through practical actions

1. Established a declaring platform for ESG execution information of securities and futures industries

On March 8, 2022, the SEC announced "Transition Strategies of Sustainable Development for Securities and Futures Sectors" to promote the sound and healthy development of the securities and futures markets in Taiwan and construct a robust and sustainable financial system. To this end, under the instruction of the competent authority, TDCC planned and established the Securities and Futures Companies ESG Execution Information Declaration System.

The project was planned to be launched in two phases, with the first phase assisting 120 securities and futures companies to complete declaration as scheduled in October 2022. In addition, in order to assist the supervisors with getting a full picture of the declaration status of companies, a visualized report on the declaration status of the relevant companies was provided on the reporting website. Phase two integrated the accounts and passwords used by the existing securities and futures companies for declaration purposes to reduce the overall market operating cost and improve operational efficiency. The system was ultimately launched on December 30.

2. Specific actions of TDCC in the three aspects of ESG-related sustainable development

In terms of the environment (E), in addition to the introduction of greenhouse gas inventory (including all aspects), ISO 50001 energy management systems, and the Task Force on Climate-related Financial Disclosures (TCFD) framework, TDCC also actively worked to be in compliance with the global target of net zero carbon emissions by 2050, formulating a carbon emissions reduction roadmap. This roadmap includes energy saving measures and the purchase of green energy, and has resulted in electricity savings of 3.52 million kWh and a reduction of 1,813 tons of carbon dioxide emissions since its implementation.

As for the social (S) aspect, TDCC not only continued to devote itself to public welfare externally and caring for its employees internally, but also further assisted local governments in helping disadvantaged groups and narrowing the education resource gap between urban and rural areas. In addition,

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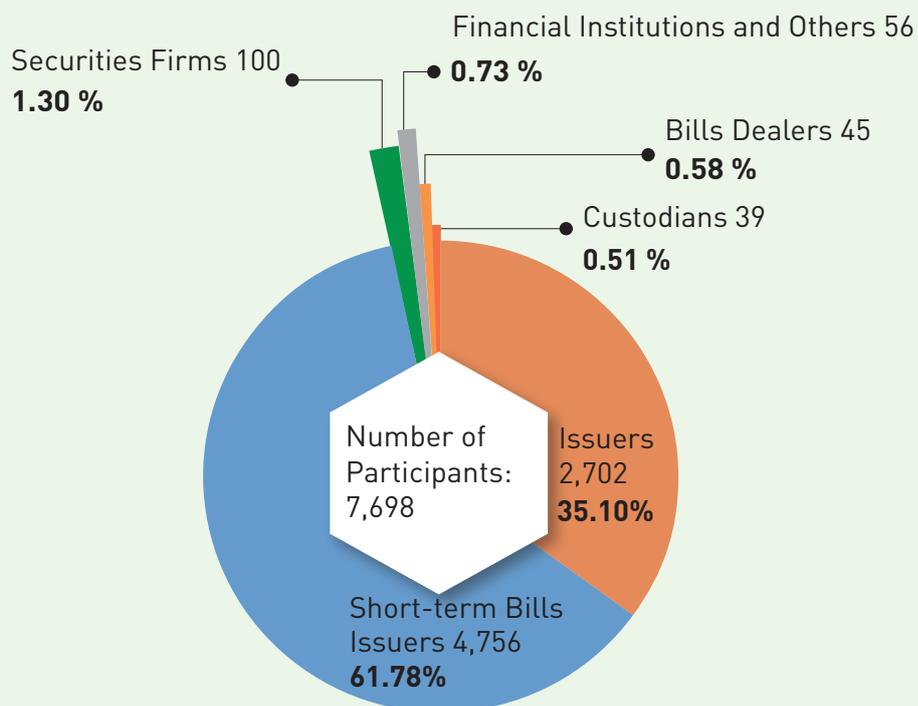
Operational
Performance

TDCC has continued to promote various public welfare activities and use its influence for the betterment of society.

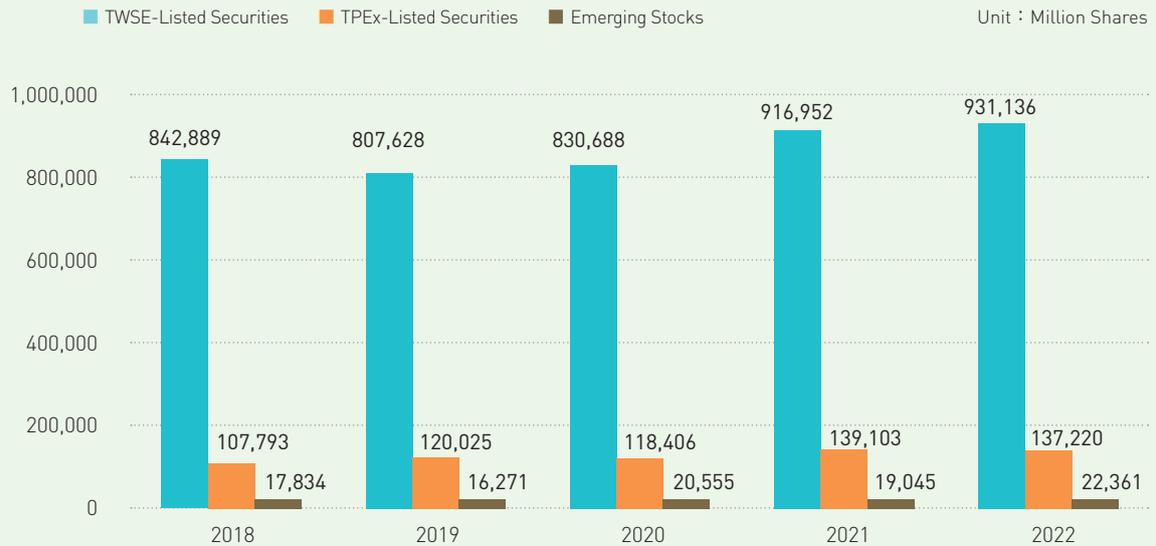
Finally, in corporate governance (G), TDCC continues to implement legal compliance measures, introduce related matters such as Sustainable Accounting Standards Board (SASB) standards, internal controls, risk controls, and information security measures, safeguarding the interests of TDCC's shareholders.

TDCC is well-positioned to practice sustainable development in the three core aspects of ESG, and its efforts have been recognized with various domestic and international awards over several consecutive years, including the Asia Corporate Social Responsibility Award, the Taiwan Corporate Sustainability Awards (TCSA), and the Taiwan Sustainability Action Award (TSAA). TDCC was also awarded Taiwan iSports certification by the Ministry of Education and the Arts and Business Award by the Ministry of Culture. The above demonstrate TDCC's performance in pursuit of ESG-related sustainable development.

(I) Participants



(II) Custody Business

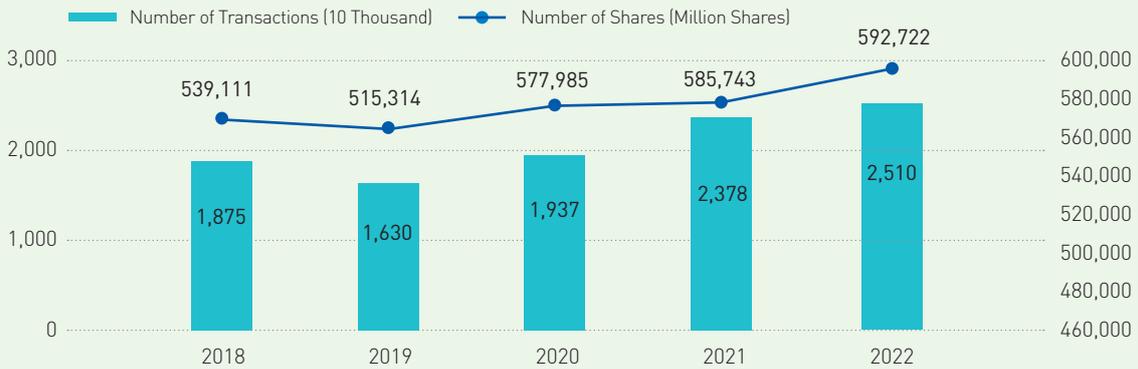


The Balance of Central Custody of Equity Securities: 1,090,717 Million Shares



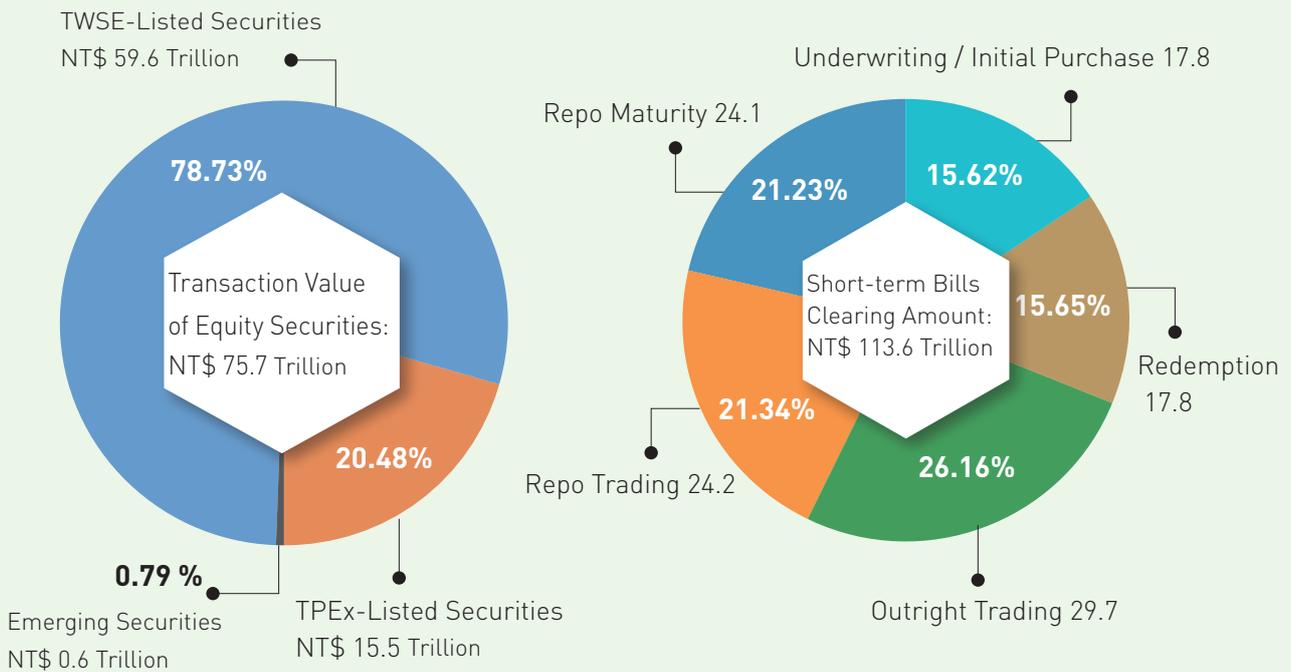
Short-term Bills Custody Balance: NT\$ 2,695.4 Billion

(III) Book-Entry Transfer Business

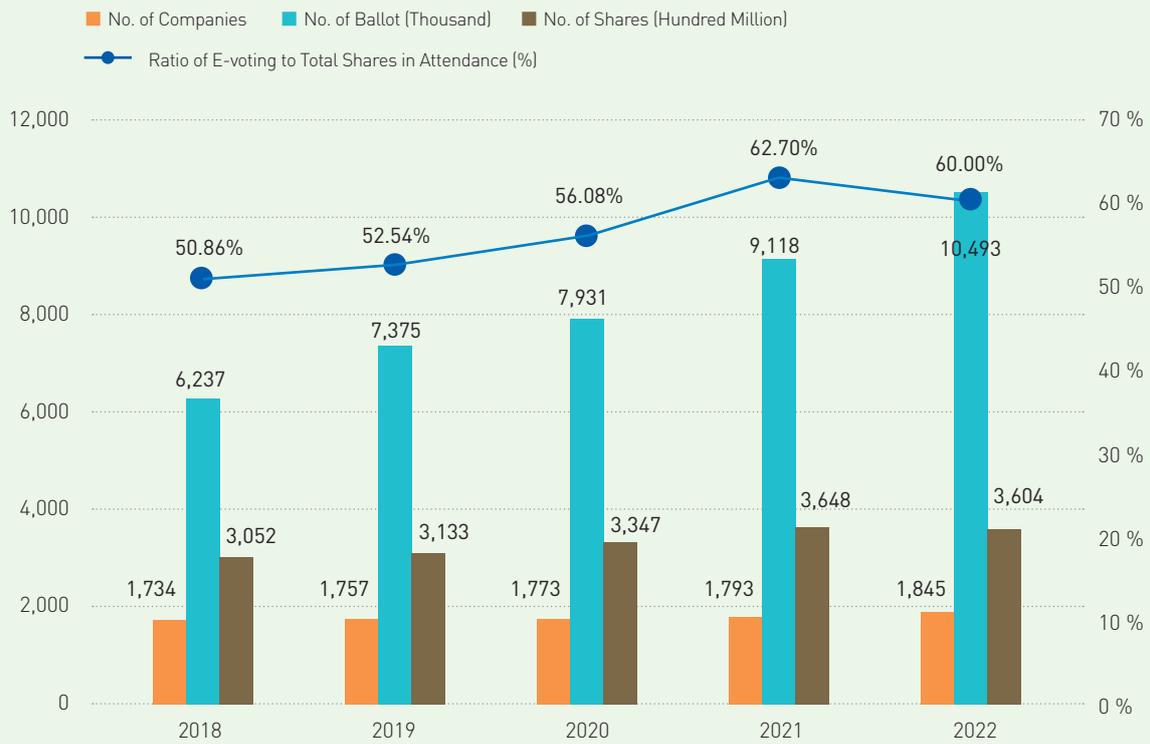


The Shares Allotment of Equity Securities: 592,722 Million

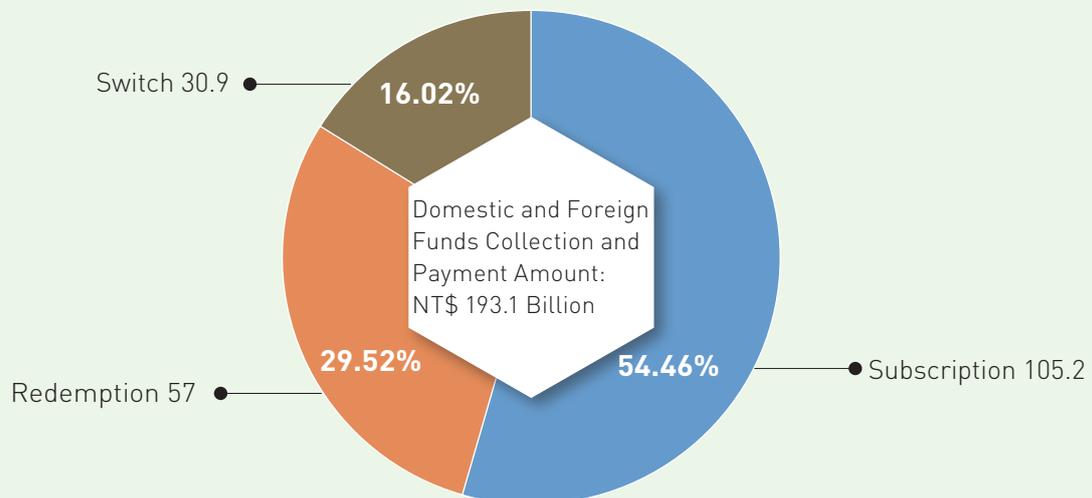
(IV) Clearing and Settlement Business



(V) E-Voting Business



(VI) Fund Business



03

2023 Business Plan

In 2023, TDCC will continue to build on its foundation in fintech to promote information integration and digital transformation, strengthen diversity of services, and create maximum value in the financial market through cross-boundary, cross-industry, and cross-border data integration. Facing rapid changes in the market, TDCC will be deeply involved in the field of digital and information security and promote the development of digital financial services, continuing to adhere to the concept of creating mutual benefit with market players and establishing a fintech services ecosystem through public-private collaboration. TDCC's key business plans in 2023 are as follows:

I. Research digital innovative service mechanisms of financial market

In terms of equity products, in addition to the establishment of the online account opening platform eSMART in 2022 to provide online account opening services for foreign investors and investment trusts, TDCC also plans to establish a second phase in 2023, involving the full conversion to eSMART book-entry transfer services. In addition, to enhance the security of digitized documents and file transmission, and in consideration of the needs of users, it is planned that depository institutions and investment trust enterprises who log into TDCC's issuance platform will need to use an electronic certificate (MOEACA ID card or Common Certificate for securities and futures units) and through a fixed IP to complete identity verification.

As for bill products, in addition to providing an application service for the Central Bank's digital currency (CBDC) for the bond/bill clearing settlement business based on the schedule planned by the Central Bank, TDCC is also exploring and developing a dynamic settlement message platform for bill participants with reference to international trends and innovative technologies, with a view to enhancing the efficiency of bills settlement.

Finally, in terms of fund products, TDCC has completed an application service for fund stock or bond position supervision information over the past two years, and in 2023, it will continue to study and analyze the supervision information of short-term bills positions held by investment trust funds and optimize the information inquiry service provided to investors through Fund Clear as a reference for supervision.

II. Promote open securities for public data inquiry in the securities and futures industries

To provide more useful and accessible securities and futures services, and in response to future open financial development, TDCC will promote an Open Data Inquiry for Securities and Futures Businesses service for open securities in 2023. The platform will adopt a single platform structure and will coordinate with the FISC Open API. TDCC will actively match securities and futures companies with third-party service providers participating in open securities to complete the policy plan according to the expected timeline.

III. Establish a centralized clearing platform for domestic funds

In recent years, TDCC has been actively laying the groundwork in the fund market for an ecosystem of fund services. The first priority is to establish a centralized clearing platform for domestic funds. Through a standardized and automatic service platform, the domestic fund market will not only strengthen the resilience of Taiwan's fund post-trading infrastructure, but also reduce operating costs for market players.

With strong support from the competent authority in May 2022, the platform is expected to be launched in three phases. First is to be B2B gross amount collection and payment for investment trust and sales institutions in 2023, followed by an expansion to B2C in 2024. The feasibility of net amount centralized clearing will be further investigated in 2025.

IV. Provide video shareholders' meetings for public companies, electronic transmission services for stock affairs notifications, and stronger management of proxy solicitation companies

In addition to continuing to conduct and promote video shareholders' meetings through eMeeting, in line with the needs of regulatory adjustments and user unit operations, TDCC will provide eMeeting platform version 3.0 system optimization in 2023, extending service to electronic stock affairs information notification (e-Notice), and provide electronic notification services for public companies to deliver cash dividend distribution and stock dividend notifications.

In addition, in accordance with Article 7-2 of the Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, TDCC carried out audit procedures for proxy solicitors and companies soliciting proxies on behalf of solicitors. TDCC set up an operating procedure for proxy soliciting engagement agreements and requires that the personnel of proxy soliciting companies shall pass a competency test.

V. Improve ESG information transparency, implement corporate social responsibility, and practice sustainable development

In addition to strengthening the database of TDCC's integrated investor relationship platform, optimizing relevant functions such as the negative screening service, and assisting institutional investors in realizing responsible investment, TDCC will also investigate the feasibility of an annual voting policy guide and the setting up of a local voting consulting institution to assist investors in voting, while also promoting the sustainable development of ESG through public-private cooperation.

In addition, TDCC will optimize the FundClear fund information observatory, increase Reuters and Morning Star ESG rating information, and provide the performance of each ESG fund in the ESG Fund section so that investors can also make more fully informed investment decisions.

TDCC will also continue to optimize the ESG execution information control system of securities and futures businesses by working with the TWSE, TPEX, TAIEX, TWSA, SITCA, and CNFA, providing multi-dimensional and visualized analysis to control units such as the FSC and TWSE, and making it more convenient for businesses to report ESG information. In addition, TDCC will also continue to implement the sustainable development of ESG and has formulated a five-year carbon reduction plan, which includes plans for the purchase of green energy, promoting carbon neutrality, and carrying out carbon footprint inventory of digital services so as to reduce carbon emissions and move towards the goal of net zero carbon emissions.

VI. Study and formulate foreign securities sub-brokerage custody service

TDCC will work with the TWSE to plan and establish a sub-brokerage custody service platform, open accounts in foreign custody banks under TDCC's name, and integrate overseas investment positions into management, providing services such as cross-border custody, securities settlement, and stock affairs.

With years of experience in cross-border custody of foreign bonds, TDCC has planned a single settlement and custodian institution to provide services not only to safeguard investors' assets, but also to expand the scale of securities business, while further implementing risk control and staying on top of relevant regulatory supervisory information, which will lead Taiwan's capital market to another milestone.



VII. Enhance the ability of information security protection to ensure the security of trading networks

TDCC's existing server room has been established for more than 20 years. Given that TDCC is the only post-trading unit in the securities and futures market, it will establish a new generation of server room to provide a stable information operating environment and strengthen the operational and maintenance safety of the server room, as well as securing key market data, which is vital infrastructure.

In addition, to strengthen information security protection capability, TDCC has integrated information security inspection operations and cooperated with telecommunication companies, securities companies, futures companies, and information companies operating securities and futures market trading networks to strengthen internet information security protection mechanisms. In addition, TDCC has also upgraded to ISO 27001: 2022 and received third-party assurance.



04

Outlook

For more than 30 years, TDCC has adopted the most stringent approach to provide quality and diverse services, gradually earning the trust of the market and competent authority. In addition to the core concept of innovation promoting market innovation through new thinking and new technology, it also includes "creating from the old," the continuous optimization of traditional core businesses and enhancing of operational efficacy. Looking forward to 2023, TDCC has established three major visions, the first of which is "Building a Financial Service Hub." In terms of B2B, this will reduce the participating cost of dealing with TDCC's business, with a view to improving the overall market operating efficiency. Second, in terms of B2C, is the vision of being "Committed to Developing Inclusive Finance" to enhance the accessibility of financial services. Third, in terms of B2G, is the vision of "Assisting the Supervision of National Financial Markets," exerting the timeliness and precision of digital finance.

Looking ahead, as we face a new year, digital finance, inclusive finance, and sustainable finance will be the future focus of the capital market, while "innovation, resilience, and sustainability" will be TDCC's new goals. We will implement various businesses based on the core value of "altruism and mutual benefit," playing a constructive, critical role in actively cooperating with peripheral units and technology companies, continuously focusing on investors and expanding cross-field application scenarios to embrace the future of Taiwan's capital market.



Company Profile

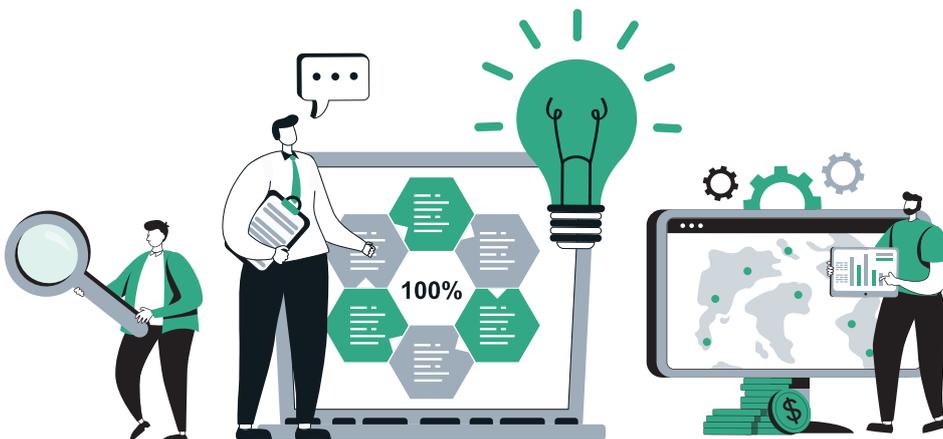


Taiwan Depository & Clearing Corporation (TDCC) was formerly Taiwan Securities Central Depository Co., Ltd. (TSCD), which was established in line with the direction of the competent authority to increase the efficiency of the securities market and resolve the heavy workload of processing paper securities by providing a secure and efficient central depository. Taiwan Stock Exchange (TWSE), Yuanta Securities Finance Co., Ltd., and other securities firms jointly invested in the venture, and it was officially established in October 1989. TSCD went into operation in January 1990, providing securities central depository and book-entry, centralized trading and over-the-counter market securities settlement, emerging stocks clearing and settlement, and registration of securities issued in dematerialized form. It was also entrusted by the competent authority to conduct audits on stock-related matters.

In order to take into account the synergies of back-end operation for cross-product investment by market participants, prevent duplicate resource investment, and follow the trend of back-office integration in major international securities markets, the competent authority resolved to merge TSCD with Debt Instruments Depository and Clearing Co., Ltd. Taiwan (DIDC), which handled short-term bills, in July 2005. Through the integration of clearing, settlement, and depository platforms, the merged entity would aim to leverage the benefits of integration by effectively reducing the cost of investment, increasing operational efficiency, expanding the scope of service, and stimulating market development. The merger of the two companies was completed on March 27, 2006, and the new entity was named Taiwan Depository & Clearing Corporation (TDCC).

Subsequently, considering the development trend in shareholders' meetings in the global securities market in recent years, TDCC and Taiwan Integrated Shareholder Service Company (TISSC) resolved to promote the merger of the two companies in November 2013. The merger was completed on March 24, 2014, with TDCC the surviving company.

Through the merger, TDCC has become the back-end organization in Taiwan's financial market, acting as a diversified market platform that provides equity securities, fixed-income securities, bills, mutual funds, futures, and stock affairs services.

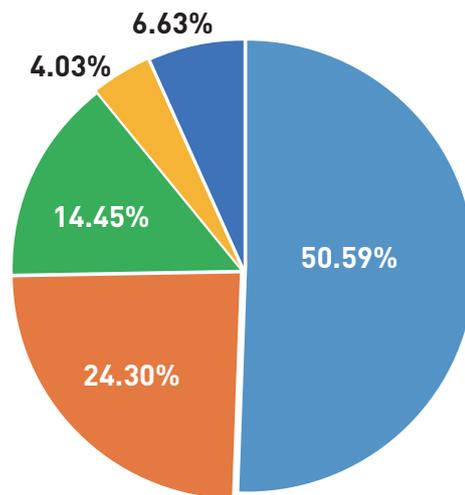


The Multiple Roles of TDCC

TDCC was established in line with the competent authority's promotion of a securities central depository and book-entry transfer and settlement mechanism. The scope of service has gradually expanded from equity products to a more diverse range of products, including fixed-income securities, bills, futures, cross-border, mutual funds, and stock affairs. TDCC provides registration, custody, clearing, settlement, information transmission, payment, and various value-added services. To assist in the promotion of policies, TDCC uses legally compliant technology to offer a variety of services such as e-voting, video-aided platform for shareholders' meetings, IR Platform, the AML/CFT Screening System, and the Company Transparency Platform.

Shareholder Structure

As of the end of 2022, TDCC has 1,796 shareholders, comprising 109 institutional investors and 1,687 individual shareholders. The Taiwan Stock Exchange holds the largest shareholding of 295,434,295 (about 50.59%), and securities firms and securities finance companies hold 141,895,144 (about 24.3%) of the shares. Followed by 84,395,587 shares held by financial institutions (about 14.45%), 23,514,033 shares held by other juridical persons (about 4.03%) and 38,724,782 shares held by natural persons (about 6.63%). The shareholding structure as of the end of 2022 is as follows:



- The Taiwan Stock Exchange Corp.(TWSE) 295,434,295
- Securities Firms And Securities Finance Companies 141,895,144
- Financial Institutions 84,395,587
- Other Juridical Persons 23,514,033
- Natural Persons 38,724,782

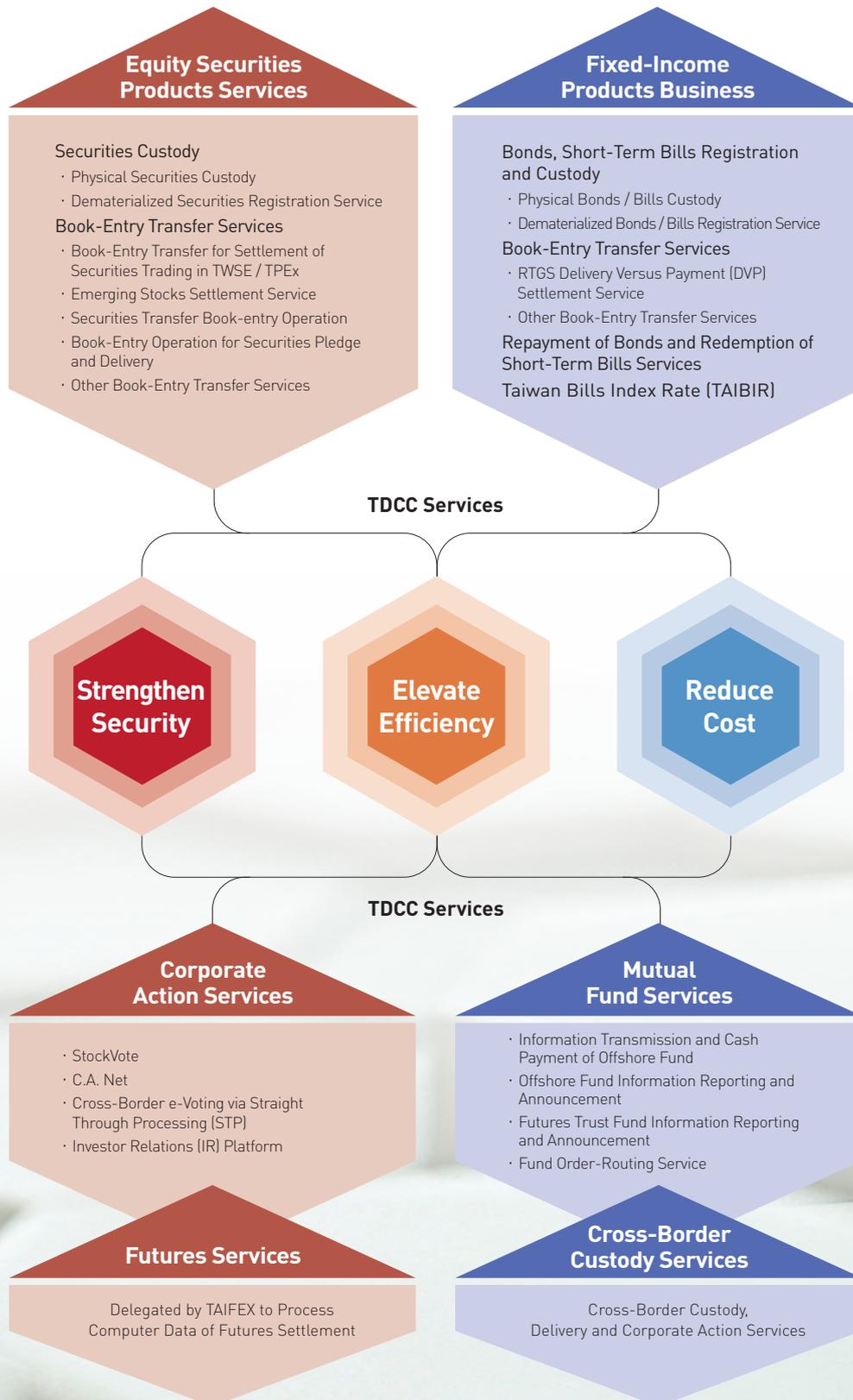
Board of Directors and Supervisors

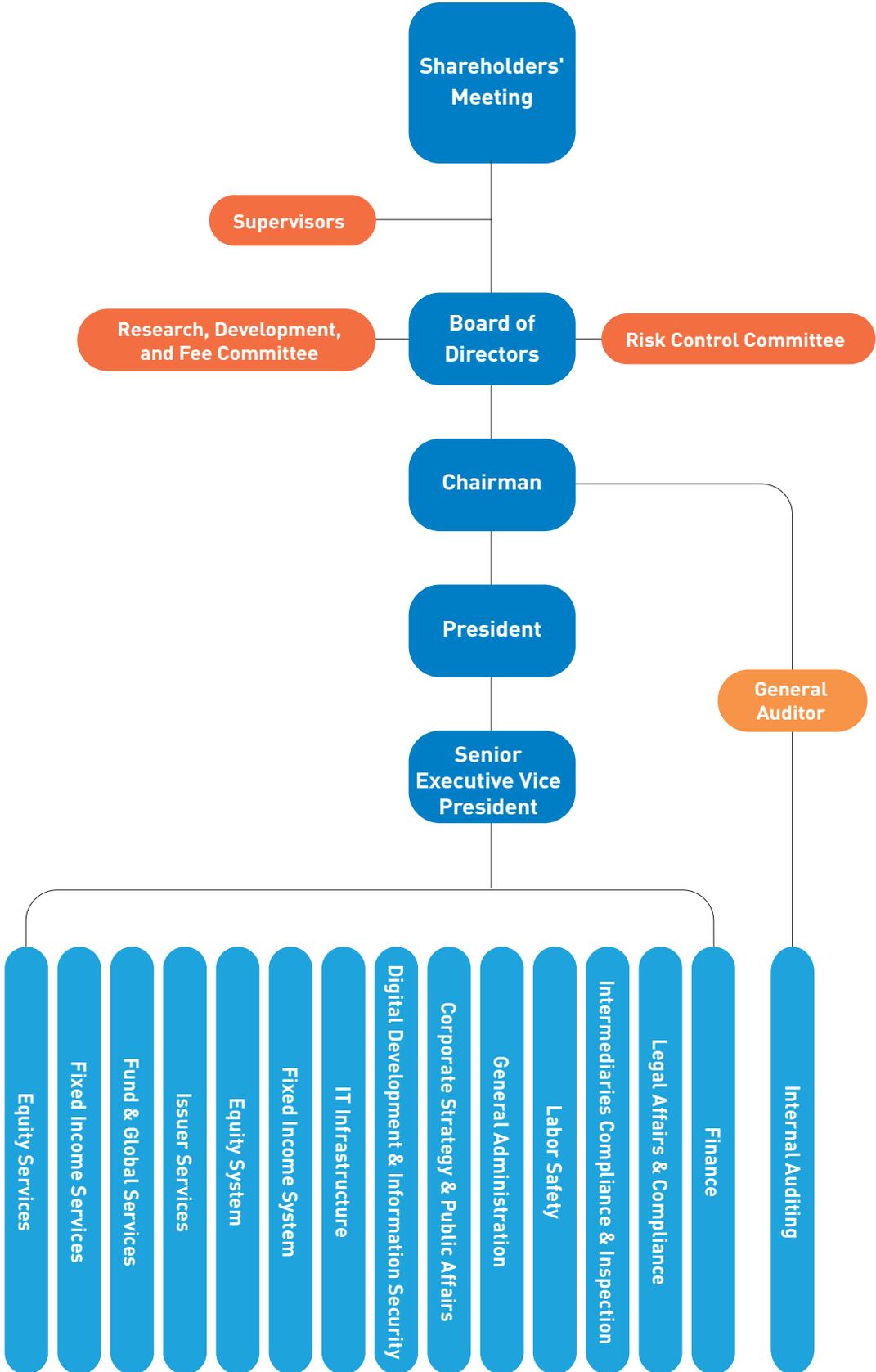
The Board of Directors is comprised of seven directors, representing the Taiwan Stock Exchange, Yuanta Securities Finance Co., Ltd., and KGI Securities Co., Ltd. There are three supervisors, including one standing supervisor. The directors, supervisors, and shareholder representatives of TDCC are as follows:

December 31, 2022

Title	Name	Shareholder Represented
Chairman	Han-Chiang Chu	Taiwan Stock Exchange Corporation (TWSE)
Director	Sherman Lin	Taiwan Stock Exchange Corporation (TWSE)
Director	Daniel Chen	Taiwan Stock Exchange Corporation (TWSE)
Director	Mei-Chu Liao	Taiwan Stock Exchange Corporation (TWSE)
Director	Hung-Tu Liao	Taiwan Stock Exchange Corporation (TWSE)
Director	Wei-Cheng Huang	Yuanta Securities Finance Co., Ltd. (YSFC)
Director	Falco Mi	KGI Securities Co., Ltd.
Standing Supervisor	Chun-Hung Chen	Taiwan Securities Association
Supervisor	Chung-Che Huang	Taiwan Securities Association
Supervisor	Hsiu-Fen Hung	Taiwan Futures Exchange Corporation

Major Business Scope







Senior Executive
Vice President

Jane Chang

Senior Executive
Vice President

Kuang-Hui Chen

Senior Executive
Vice President

Gloria Ching

General Auditor of
Internal Auditing

Olivia Chang

Title	Name
Chairman	Han-Chiang Chu
President	Daniel Chen
Senior Executive Vice President	Gloria Ching
Senior Executive Vice President	Jane Chang
Senior Executive Vice President	Kuang-Hui Chen
General Auditor of Internal Auditing	Olivia Chang
Senior Vice President of Equity Services	Victor Wang
Senior Vice President of Fixed Income Services	Yuan-Hua Hsiao
Senior Vice President of Fund & Global Services	Julie Wang
Senior Vice President of Issuer Services	Chen-Chen Huang
Senior Vice President of Equity System Development	Jeff Yang
Senior Vice President of Fixed Income System Development	Feng-Chung Chen
Senior Vice President of IT Infrastructure	Li-Chung Wu
Senior Vice President of Digital Development & Information Security	Win-Cheng Wang
Senior Vice President of Corporate Strategy & Public Affairs	Eric Hsu
Executive Vice President of General Administration and Labor Safety	Jennifer Chen
Senior Vice President of Intermediaries Compliance & Inspection	Tzu-Ting Chen
Vice President of Legal Affairs & Compliance	Hui-Hua Pai
Senior Vice President of Finance	Stephanie Lin

Supervisors' Report

To the 2023 Annual Shareholders' Meeting,

Taiwan Depository & Clearing Corporation

The Board of directors have compiled and submitted to us for examination the 2022 balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows, consolidated financial statements, operations report and proposal for earning distribution for year 2022, etc. The undersigned Supervisors, accompanied by Deloitte & Touche, CPAs have completed our examination and found them correct. This report is hereby prepared in accordance with Article 219 of the Company Act and submitted for your approval.

Taiwan Depository & Clearing Corporation

Standing Supervisor

Chun-Hong Chen



May 2, 2023

Supervisors' Report

To the 2023 Annual Shareholders' Meeting,

Taiwan Depository & Clearing Corporation

The Board of directors have compiled and submitted to us for examination the 2022 balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows, consolidated financial statements, operations report and proposal for earning distribution for year 2022, etc. The undersigned Supervisors, accompanied by Deloitte & Touche, CPAs have completed our examination and found them correct. This report is hereby prepared in accordance with Article 219 of the Company Act and submitted for your approval.

Taiwan Depository & Clearing Corporation

Supervisor

Hank Huang



April 26, 2023

Supervisors' Report

To the 2023 Annual Shareholders' Meeting,

Taiwan Depository & Clearing Corporation

The Board of directors have compiled and submitted to us for examination the 2022 balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows, consolidated financial statements, operations report and proposal for earning distribution for year 2022, etc. The undersigned Supervisors, accompanied by Deloitte & Touche, CPAs have completed our examination and found them correct. This report is hereby prepared in accordance with Article 219 of the Company Act and submitted for your approval.

Taiwan Depository & Clearing Corporation

Supervisor

Shiu-Feng Hung



April 26, 2023

Internal Control Statement

Based on self-assessment, the following declarations are made regarding the Taiwan Depository & Clearing Corporation (hereinafter referred to as TDCC) internal control system for the period from January 1, 2022 to December 31, 2022.

1. TDCC is fully aware that the establishment, implementation and maintenance of the company's internal control system are the responsibility of the board of directors and of the company's management. TDCC has already established an internal control system. The objective of the system's establishment was to provide a reasonable level of assurance that the company's goals for the efficiency and effectiveness of the company's operations (including profitability, performance and asset protection, etc.), the reliability, timeliness, transparency of its reports and adherence to relevant laws and regulations can be met.
2. Any internal control system has certain pre-ordained limitations. No matter how carefully designed the system may be, even the most effective internal control system can only provide a reasonable level of assurance for the three objectives noted above. In addition, the effectiveness of the internal control system is liable to be affected at changes in the environment and circumstances. However, TDCC's internal control system has a self-monitoring function; as soon as any failing in the system comes to light, the company will immediately take steps to improve it.
3. TDCC has evaluated the result of the design and implementation of the internal control system in accordance with the criteria items from the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinafter referred to as "these Regulations"). The criteria items adopted by these Regulations are classified into five components in line with the management control procedures: (1) Control environment; (2) Risk assessment; (3) Control activities; (4) Information and communication; (5) Monitoring activities. Each components in turn contains a number of items. Please refer to these Regulations for details of these items.
4. The above-mentioned internal control criteria items have been used by TDCC to assess the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the assessment, TDCC believes that the design and implementation of the company's internal control system (including supervision and management over subsidiaries, overall implementation of information security) during the above mentioned period are acceptable in terms of the efficiency and effectiveness of the company's operations, the reliability, timeliness, transparency of its reports and adherence to relevant laws and regulations, and can therefore provide a reasonable degree of assurance for the achievement of the above objectives.
6. Any false, hidden or illegal matters of this Declaration will lead to lawsuit responsibility according to the Article 174 of the Securities Exchange Act.
7. This Declaration was approved by TDCC's Board of Directors on February 22, 2023.

Taiwan Depository & Clearing Corporation

Chairman

Han-Chiang Chu

Han-Chiang Chu

President

Daniel Chen

Daniel Chen

Chief Internal Auditor

Tzu-Wei Chang

Tzu-Wei Chang

Information Security Officer

Jane Chang

Jane Chang

February 22, 2023

Financial Report



Independent Auditors' Report

The Board of Directors and Stockholders
Taiwan Depository & Clearing Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group 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 Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The description of each key audit matter of the consolidated financial statements for the year ended December 31, 2022 are as follows:

Accuracy of Operating Revenues

The operating revenues of Taiwan Depository & Clearing Corporation and subsidiaries mainly include securities settlement revenue, securities recording revenue, transfer processing services revenue and bills and bonds clearing and custodial services revenue. These revenues are recorded on the books based on the related laws and contracts. In 2022, the Group's principal operating revenues amounted to \$5,348,607 thousand, which is material to the financial statements. We considered the accuracy of operating revenues as key audit matter.

The main audit procedures we performed for operating revenues are listed below:

1. We acquire an understanding of the Group's nature of the industry and evaluate the procedures for internal control in the recording of operating revenues, including understanding of the information environment of the system for calculating operating revenues.
2. We verify whether the calculation methods with respect to operating revenues complied with the statutory provisions or the related contracts.
3. We recalculate operating revenues and confirmed the accuracy of operating revenues.

Existence and Classification of Bank Deposit

As stated in Notes 6 and 11, as of December 31, 2022, the Group had cash and cash equivalents of \$6,583,330 thousand, other financial assets (time deposits with original maturities of more than 3 months) of \$9,948,699 thousand, default damage fund of \$3,491,239 thousand, respectively. Because of the significance of the accounts, we considered the existence and classification of the bank deposit as key audit matter.

The main audit procedures we performed for bank deposits are listed below:

1. We obtained an understanding of the cash cycle and tested the operating effectiveness of internal controls.
2. We checked the amounts on bank statements against those in the ledger, and sent a written confirmation request to the bank. If there is any discrepancy, we obtained a bank reconciliation statement and tested the correctness of the reconciliation items.
3. We ascertained whether bank deposits designated for specific purposes or otherwise restricted have been reclassified to the appropriate account.
4. We performed an inventory count of certificates of deposit and checked the results of inventory testing against the ledger.
5. We performed test of large inflows and outflows of cash and verified whether the transactions were related to the Group's business. We obtained explanations for large or irregular transactions.

Other Matter

We have also audited the parent company only financial statements of Taiwan Depository & Clearing Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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 Tung-Ju Hsieh and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2023

Notice to Readers

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

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

Taiwan Depository & Clearing Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,583,330	17	\$ 4,717,912	13
Financial assets at fair value through profit or loss - current	5,052,690	13	5,801,372	16
Financial assets at amortized cost - current	1,750,248	4	2,708,199	7
Other financial assets - time deposits with original maturities of more than three months	9,948,699	25	9,483,307	26
Notes and accounts receivable, net				
Unrelated parties	466,784	1	505,631	1
Related parties	232,693	1	341,165	1
Other financial assets - others	719,660	2	818,325	2
Other current assets	131,907	-	152,025	-
Total current assets	24,886,011	63	24,527,936	66
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent	2,243,828	6	1,961,204	5
Financial assets at amortized cost - noncurrent	6,888,062	17	5,535,413	15
Default damage fund	3,491,239	9	3,238,148	9
Investments accounted for using the equity method	104,678	-	98,322	-
Property and equipment	814,393	2	812,866	2
Right-of-use assets	288,071	1	123,386	-
Investment properties	212,031	1	215,308	1
Intangible assets	208,786	-	248,763	1
Goodwill	237,545	1	237,545	1
Deferred tax assets	20,479	-	17,567	-
Refundable deposits	151,525	-	151,267	-
Operation guarantee deposits	70,000	-	70,000	-
Other noncurrent assets	11,449	-	3,890	-
Total noncurrent assets	14,742,086	37	12,713,679	34
TOTAL	\$ 39,628,097	100	\$ 37,241,615	100

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Accrued expenses	\$ 599,014	2	\$ 573,795	2
Lease liabilities - current	95,773	-	88,970	-
Current tax liabilities	512,524	1	1,010,459	3
Receipts under custody	650,273	2	756,288	2
Other current liabilities	114,526	-	109,728	-
Total current liabilities	1,972,110	5	2,539,240	7
NONCURRENT LIABILITIES				
Lease liabilities - noncurrent	194,076	1	37,227	-
Deferred tax liabilities	35,673	-	35,673	-
Guarantee deposits	61,025	-	66,727	-
Net defined benefit liabilities	416,359	1	536,895	2
Total noncurrent liabilities	707,133	2	676,522	2
Total liabilities	2,679,243	7	3,215,762	9
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Capital stock	5,839,638	15	4,357,939	12
Capital surplus	478,821	1	478,569	1
Legal reserve	4,099,392	11	3,478,360	9
Special reserve	19,542,132	49	17,264,809	46
Unappropriated earnings	4,483,745	11	6,275,847	17
Other equity - unrealized gain on financial assets at fair value through other comprehensive income	2,102,420	5	1,819,788	5
Total equity attributable to owners of the Corporation	36,546,148	92	33,675,312	90
NON-CONTROLLING INTERESTS	402,706	1	350,541	1
Total equity	36,948,854	93	34,025,853	91
TOTAL	\$ 39,628,097	100	\$ 37,241,615	100

Taiwan Depository & Clearing Corporation and Subsidiaries

Consolidated Statements Of Comprehensive Income

For The Years Ended December 31, 2022 and 2021

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUES				
Securities settlement	\$ 1,569,591	19	\$ 2,435,863	24
Securities recording	2,060,485	25	3,236,424	31
Maintenance services	376,757	4	376,076	4
Transfer processing services	576,124	7	650,491	6
Bills and bonds clearing and custodial services	1,718,531	21	1,681,182	16
Futures clearing services	467,710	6	457,786	4
Registration and distribution and electronic voting services	232,412	3	211,721	2
Mutual fund services	480,157	6	488,545	5
Brokerage fee	380,208	4	314,673	3
Others	430,581	5	469,747	5
Total operating revenues	8,292,556	100	10,322,508	100
OPERATING EXPENSES				
Personnel	1,391,049	17	1,244,209	12
General and administrative	1,777,142	21	1,705,112	17
Total operating expenses	3,168,191	38	2,949,321	29
OPERATING INCOME	5,124,365	62	7,373,187	71
NONOPERATING INCOME AND EXPENSES				
Interest income	220,713	3	169,380	2
Net (loss) gain arising on financial assets at fair value through profit or loss	(82,258)	(1)	16,613	-
Share of profit of subsidiaries and associates accounted for using equity method	27,416	-	23,774	-
Dividend income	85,283	1	77,184	1
Other income	19,171	-	16,970	-
Expected credit gain	142	-	559	-
Other expenses	(14,079)	-	(13,967)	-
Total nonoperating income and expenses	256,388	3	290,513	3

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

	2022		2021	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 5,380,753	65	\$ 7,663,700	74
INCOME TAX EXPENSE	(1,072,427)	(13)	(1,489,545)	(14)
NET INCOME	4,308,326	52	6,174,155	60
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investment in equity instruments at fair value through other comprehensive income	282,624	3	6,422	-
Remeasurement of defined benefit plans	166,319	2	95,694	1
Share of the other comprehensive income of associates accounted for using equity method	94	-	(453)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(17)	-	89	-
Other comprehensive income for the year, net of income tax	449,020	5	101,752	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 4,757,346	57	\$ 6,275,907	61
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 4,251,899	51	\$ 6,114,978	59
Non-controlling interests	56,427	1	59,177	1
	\$ 4,308,326	52	\$ 6,174,155	60
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 4,700,919	57	\$ 6,216,730	60
Non-controlling interests	56,427	-	59,177	1
	\$ 4,757,346	57	\$ 6,275,907	61
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic earnings per share	\$ 7.28		\$ 10.47	

Independent Auditors' Report

The Board of Directors and Stockholders
Taiwan Depository & Clearing Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The description of each key audit matters of the financial statements for the year ended December 31, 2022 are as follows:

Accuracy of Operating Revenues

The operating revenues of Taiwan Depository & Clearing Corporation mainly include securities settlement revenue, securities recording revenue, transfer processing services revenue and bills and bonds clearing and custodial services revenue. These

revenues are recorded on the books based on the related laws and contracts. In 2022, the Corporation's principal operating revenues amounted to \$5,348,607 thousand, which is material to the financial statements. We considered the accuracy of operating revenues as key audit matter.

The main audit procedures we performed for operating revenues are listed below:

1. We evaluate the procedures for internal control in the recording of operating revenues, including understanding of the information environment of the system for calculating operating revenues.
2. We verify whether the calculation methods with respect to operating revenues complied with the statutory provisions or the related contracts.
3. We recalculate operating revenues and confirmed the accuracy of operating revenues.

Existence and Classification of Bank Deposit

As stated in Notes 6 and 11, as of December 31, 2022, the Corporation had cash and cash equivalents of \$6,560,304 thousand, other financial assets (time deposits with original maturities of more than 3 months) of \$9,237,499 thousand, and default damage fund of \$3,491,239 thousand. Because of the significance of the accounts, we considered the existence and classification of the bank deposits as key audit matter.

The main audit procedures we performed for bank deposits are listed below:

1. We obtained an understanding of the cash cycle and tested the operating effectiveness of internal controls.
2. We checked the amounts on bank statements against those in the ledger, and sent a written confirmation request to the bank. If there is any discrepancy, we obtained a bank reconciliation statement and tested the correctness of the reconciliation items.
3. We ascertained whether bank deposits designated for specific purposes or otherwise restricted have been reclassified to the appropriate account.
4. We performed an inventory count of certificates of deposit and checked the results of inventory testing against the ledger.
5. We performed test of large inflows and outflows of cash and verified whether the transactions were related to the Corporation's business. We obtained explanations for large or irregular transactions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the supervisors, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation 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 entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 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 Tung-Ju Hsieh and Cheng-Hung Kuo.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 22, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the 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.

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

Taiwan Depository & Clearing Corporation

Balance Sheets

December 31, 2022 and 2021

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,560,304	17	\$ 4,685,603	13
Financial assets at fair value through profit or loss - current	5,007,363	13	5,801,372	16
Financial assets at amortized cost - current	1,750,248	4	2,708,199	8
Other financial assets - time deposits with original maturities of more than three months	9,237,499	24	8,894,907	24
Notes and accounts receivable, net				
Unrelated parties	382,977	1	426,065	1
Related parties	233,982	-	341,475	1
Other financial assets - others	719,338	2	818,124	2
Other current assets	113,545	-	104,406	-
Total current assets	24,005,256	61	23,780,151	65
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent	2,243,828	6	1,961,204	5
Financial assets at amortized cost - noncurrent	6,888,062	18	5,535,413	15
Default damage fund	3,491,239	9	3,238,148	9
Investments accounted for using the equity method	640,700	2	556,247	1
Property and equipment	808,464	2	806,017	2
Right-of-use assets	273,613	1	121,684	-
Investment properties	212,031	-	215,308	1
Intangible assets	187,048	-	236,580	1
Goodwill	237,545	1	237,545	1
Deferred tax assets	20,479	-	17,567	-
Refundable deposits	148,056	-	147,798	-
Other noncurrent assets	372	-	372	-
Total noncurrent assets	15,151,437	39	13,073,883	35
TOTAL	\$ 39,156,693	100	\$ 36,854,034	100

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Accrued expenses	\$ 575,510	2	\$ 550,181	2
Lease liabilities - current	89,494	-	87,247	-
Current tax liabilities	489,081	1	1,010,459	3
Receipts under custody	650,273	2	756,288	2
Other current liabilities	111,774	-	99,812	-
Total current liabilities	1,916,132	5	2,503,987	7
NONCURRENT LIABILITIES				
Lease liabilities - noncurrent	185,734	1	37,227	-
Deferred tax liabilities	35,673	-	35,673	-
Guarantee deposits	56,647	-	64,940	-
Net defined benefit liabilities	416,359	1	536,895	2
Total noncurrent liabilities	694,413	2	674,735	2
Total liabilities	2,610,545	7	3,178,722	9
EQUITY				
Capital stock	5,839,638	15	4,357,939	12
Capital surplus	478,821	1	478,569	1
Legal reserve	4,099,392	11	3,478,360	9
Special reserve	19,542,132	50	17,264,809	47
Unappropriated earnings	4,483,745	11	6,275,847	17
Other equity - unrealized gain on financial assets at fair value through other comprehensive income	2,102,420	5	1,819,788	5
Total equity	36,546,148	93	33,675,312	91
TOTAL	\$ 39,156,693	100	\$ 36,854,034	100

Taiwan Depository & Clearing Corporation

Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUES				
Securities settlement	\$ 1,569,591	20	\$ 2,435,863	24
Securities recording	2,060,485	26	3,236,424	32
Maintenance services	376,757	5	376,076	4
Transfer processing services	576,124	7	650,491	6
Bills and bonds clearing and custodial services	1,718,531	21	1,681,182	17
Futures clearing services	467,710	6	457,786	5
Registration and distribution and electronic voting services	232,412	3	211,721	2
Mutual fund services	552,575	7	584,487	6
Others	393,729	5	398,784	4
Total operating revenues	7,947,914	100	10,032,814	100
OPERATING EXPENSES				
Personnel	1,299,165	17	1,170,295	12
General and administrative	1,670,993	21	1,621,477	16
Total operating expenses	2,970,158	38	2,791,772	28
OPERATING INCOME	4,977,756	62	7,241,042	72
NONOPERATING INCOME AND EXPENSES				
Interest income	213,682	3	164,987	2
Net (loss) gain arising on financial assets at fair value through profit or loss	(82,585)	(1)	16,613	-
Share of profit of subsidiaries and associates accounted for using equity method	101,251	1	101,080	1
Dividend income	85,283	1	77,184	1
Other income	19,149	-	16,929	-
Expected credit gain	142	-	559	-
Other expenses	(13,795)	-	(13,871)	-
Total nonoperating income and expenses	323,127	4	363,481	4

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

	2022		2021	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 5,300,883	66	\$ 7,604,523	76
INCOME TAX EXPENSE	(1,048,984)	(13)	(1,489,545)	(15)
NET INCOME	4,251,899	53	6,114,978	61
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investment in equity instruments at fair value through other comprehensive income	282,624	4	6,422	-
Remeasurement of defined benefit plans	166,319	2	95,694	1
Share of the other comprehensive income of subsidiaries and associates accounted for using equity method	94	-	(453)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(17)	-	89	-
Other comprehensive income for the year, net of income tax	449,020	6	101,752	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 4,700,919	59	\$ 6,216,730	62
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic earnings per share	\$ 7.28		\$ 10.47	

Taiwan Depository & Clearing Corporation

Schedule For Appropriation Of Earnings

For Year 2022

(In New Taiwan Dollars)

	<u>Amount</u>	<u>Amount</u>
Earnings, beginning of year		\$ 65,457,791
After-tax net income in 2022	4,251,899,528	
Add : Remeasurement of defined benefit plans	166,318,971	
Investments accounted for using the equity method	<u>69,107</u>	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period		4,418,287,606
Reserved items :		
Legal reserve (10%)	{ 441,828,761 }	
Special reserve (35.82%)	<u>{ 1,582,630,620 }</u>	<u>{ 2,024,459,381 }</u>
Earnings available to appropriation in 2022		2,459,286,016
Appropriation of earnings :		
Stockholder's cash dividends (NT\$2.9 per share)	{ 1,693,495,139 }	
Stockholder's stock dividends (NT\$1.2 per share)	<u>{ 700,756,610 }</u>	<u>{ 2,394,251,749 }</u>
Unappropriated retained earnings at end of 2022		<u>\$ 65,034,367</u>





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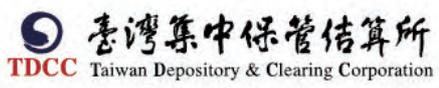
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