

**Taiwan Cooperative Financial
Holding Co., Ltd**

**Dodd-Frank Act Section 165(d)
Resolution Plan**

Part I: Public Section

Glossary

Banking Act

The Banking Act of The Republic of China

CBC

Central Bank of the Republic of China (Taiwan)

FDIC

Federal Deposit Insurance Corporation

FRB

Board of Governors of the Federal Reserve System or Federal Reserve Bank

FSC

Financial Supervisory Commission, R.O.C (Taiwan)

Plan

The Resolution Plan of TCB

R.O.C.

Republic of China (Taiwan)

Rule

Rules for resolution plans under Parts 243 and 381, Title 12 of the Code of Federal Regulations

TCB

Taiwan Cooperative Bank, Ltd.

TCB LA Branch

Taiwan Cooperative Bank, Ltd., Los Angeles Branch

TCB Seattle Branch

Taiwan Cooperative Bank, Ltd., Seattle Branch

TCB NY Branch

Taiwan Cooperative Bank, Ltd., New York Branch

TCFHC

Taiwan Cooperative Financial Holding Co., Ltd.

U.S.

The United States of America

U.S. Authorities

FRB, FDIC, California Department of Business Oversight, Washington State Department of Financial Services, and New York State State Department of Financial Services.

U.S. Branches

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch

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I. Introduction and Summary of Resolution Strategy

1. Introduction

Taiwan Cooperative Financial Holding Co., Ltd. (herein referred to as “TCFHC”) hereby files a reduced plan pursuant to the letter of the FRB and the FDIC dated June 10, 2016. In this Plan, TCFHC, as a foreign-based covered company, describes a strategy for the rapid and orderly resolution of its entities that are domiciled in the U.S. in the event of material financial distress or the failure of TCFHC and all of its subsidiaries and branches.

TCFHC’s U.S. operations comprise solely the U.S. banking business of TCFHC’s banking subsidiary and Taiwan Cooperative Bank, Ltd. (herein referred to as “TCFHC”). TCB holds three bank branches in the U.S which hold limited branch licenses. TCB LA Branch, TCB Seattle Branch and TCB NY Branch are the non-FDIC insured branches of TCB in the U.S. licensed by the state of California, the state of Washington, and the state of New York respectively. Among the three, TCB NY Branch were inaugurated on January 6, 2016.

As the Plan will describe, the U.S. Branches conduct very limited banking operations in their respective U.S. locales, focusing solely on traditional commercial banking business predominantly with their institutional clients. The U.S. Branches generally have no material operational interconnections with each other, with TCB, or with the non-banking operations of TCFHC outside the U.S. Further, as defined by the Rule, neither of the U.S. Branches is a Material Entity, as neither conducts a Core Business Line for TCFHC or a Critical Operation. Therefore, the relevant U.S. Authorities can resolve each of these U.S. Branches locally in a rapid and orderly manner under the applicable state bank insolvency regimes, without the need to consider mitigating the adverse effects of resolution on the other U.S. Branch, TCB, other TCFHC entities, or on the stability of the U.S.

2. Key Elements of the Plan for the Rapid and Orderly Resolution of the U.S. Branches In the Event of Material Financial Distress at the Failure of TCFHC

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch, as state-licensed branches, would be resolved under the supervision of their respective state banking authorities, pursuant to the applicable state insolvency regimes.

Considering their limited banking operation and the straightforward makeup of their assets and liabilities, even after the establishment of TCB NY Branch, the most likely and feasible resolution strategy for the U.S. Branches under the severely adverse scenario is still liquidation under the applicable state insolvency regimes. The commercial lending portfolio, which is the predominant asset of the U.S. Branches, can be marketed singly or in different pools of similar characteristics and/or packaged with wholesale deposits. Unaffiliated creditor claims of the U.S. Branches would be satisfied to the extent of the proceeds of asset liquidation.

TCFHC expects that the U.S. Branches will have minimal funding needs during the resolution process and that these can be met by the sale of the assets of each

U.S. Branch.

3. Integration of the U.S. Resolution Planning Process into TCFHC's Non-U.S. Resolution Planning Process

Resolution planning for the U.S. Branches is integrated into the risk management and contingency planning framework for TCFHC and TCB.

TCFHC and TCB has organized an internal task force consisting of the heads of all the relevant departments to prepare, update, and implement the Plan on an annual basis, under the supervision and guidance of the Board of Directors of TCFHC, which ultimately oversees overall operations and risk management process for all global TCFHC entities.

Starting from 2014, in accordance with Section 243.3(e)(2) of the Rule, the Board of Directors of TCFHC has expressly delegated the final approval of this Plan to the Chairman of TCFHC's Resolution Plan Steering Committee -- the President of TCFHC, on condition that no changes are made to the content architecture and resolution strategies of the Plan, and further that the Resolution Plan Steering Committee has already reviewed and approved the Plan in advance. After final approval by the President of TCFHC, TCFHC's Resolution Plan Task Force shall file the Plan with the FRB and the FDIC.

The 2018 Plan has been approved by the President of TCFHC on November 30, 2018.

4. Material Changes that Require Modifications to TCFHC's filed Plan in 2016

TCB LA Branch and TCB Seattle Branch were mentioned in the 2016 Plan that their recent financial examination reports issued by their competent authority included improvement items for compliance function. After appointing external audit and consulting firm to implement a series of remediation actions, the re-examination reports indicate that the overall rating of TCB LA Branch and TCB Seattle Branch has been upgraded.

In addition, in order to expand oversea operating units, TCB established a New York branch with the New York State. The operations of the branch were inaugurated on January 6, 2016 and Li-Hua Huang was appointed as the branch manager. The main business of TCB NY Branch is loan, including syndicated loans and commercial loans. Since TCB NY Branch just began its operations, its business is still in the development period. Thus, the TCB NY Branch's revenue is far below TCB LA Branch and TCB Seattle Branch. As TCB NY Branch has sufficient of working capital, the initial loss will not impact its operations. According to the regulations prescribed within 165(d), the initial operating loss of TCB NY Branch mentioned above does not constitute as a material event under §.3(b)(2). In addition, TCB NY Branch is operation at a profit in 2017, its Income before Income Tax is US\$543 thousand and Net Revenue is US\$129 thousand. As of President of TCFHC' approved date on November 30, 2018, the initial operating loss of TCB NY Branch had no significant impact on the business activities, operating activities, capital sources, liquidity, and relationships with third parties etc. of TCB LA Branch, TCB Seattle Branch, and TCB NY Branch.

Therefore, After reviewing the TCB NY Branch financial statement as of December 31, 2017 and the TCB NY Branch resolution strategy, as well as evaluating the strategic analysis, corporate governance, organization structure and related operation and financial information, management information systems, interconnections and interdependencies, supervisory and regulatory information and contact information of TCFHC’s filed Plan in 2016, TCFHC has determined that, as of December 21, 2016, the filing date of the 2016 Plan, even after the establishment of TCB NY Branch, there have been no events, occurrences, or material changes in the conditions or circumstances of TCFHC, including the U.S. Branches, that necessitate material changes to the Plan, as described below.

II. Names of Material Entities

As mentioned above, TCFHC’s Plan has no Material Entities, as it has no Core Business Lines or Critical Operations.

However, for informational purposes, the Plan discusses the U.S. Branches, including the interconnections and interdependencies among the U.S. branches of TCFHC around the world, and the integration of the resolution planning of the U.S. branches into the contingency process of TCFHC. TCFHC streamlined the contents of this Plan with an intention to promote an accurate and comprehensive understanding on the part of the FRB and the FDIC about TCFHC and, in particular, the operations of TCFHC in the U.S. and to enhance the ability of the authorities and TCFHC itself in facilitating a rapid and orderly resolution of TCFHC in response to a material financial distress of TCFHC.

Organizational Information of the U.S. Operations of TCFHC as of December 31, 2017

Name	Address	RSSD ID
Branches of Taiwan Cooperative Bank, Ltd.		
Los Angeles	601 S. Figueroa St. #3500, Los Angeles, CA 90017, U.S.A.	2361077
Seattle	1201 3rd Ave. Suite 1200, Seattle, WA 98101, U.S.A.	1861909
New York	88 Pine Street, 31st Floor, New York, New York 10005	4932471

III. Description of Core Business Lines

As TCFHC does not conduct any business line in whole or material part in the U.S., TCFHC has determined that, under Rule, TCFHC has no Core Business Lines in the U.S. A minor part of the banking business of TCFHC is conducted in the U.S. TCFHC conducts its banking business in the U.S. through its three branches in Los Angeles, Seattle, and New York. Among the three, TCB NY Branch were inaugurated on January 6, 2016. The business of these three branches is largely confined to corporate banking. The business volume of these U.S. Branches is very small compared against the business volume of TCFHC in its entirety with reference to either the net revenue, income before income tax, or assets and liabilities.

Within the global banking business line of TCFHC, the share of business volume contributed by the operations in the U.S. is no more than 4% in a usual year in terms of either net revenue or income before income tax. With respect to assets and liabilities, the share of U.S. operations in the global banking business line of TCFHC is less than 2%. Therefore, the banking business line in the U.S. is not a core business line of TCFHC defined in 12 CFR. Part 243.

IV. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. The consolidated financial information of TCFHC, TCB, and the U.S. Branches is summarized in the following tables.

TCFHC and TCB (consolidated)

Unit: NTD in million

	TCFHC		TCB	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Total Assets	\$ 3,411,540	\$ 3,341,327	\$ 3,189,897	\$ 3,141,275
Total Liabilities	2,409,186	3,142,846	2,989,421	2,950,841
	2017	2016	2017	2016
Net Revenue	\$ 46,628	\$ 42,584	\$ 42,384	\$ 40,907
Income Before Income Tax	16,803	16,226	14,898	14,558

Source: Audited by certified public accountants.

U.S. Branches

Unit: USD in thousand

	TCB LA Branch	TCB Seattle Branch	TCB NY Branch	Total
December 31, 2017				
Total Assets	\$ 376,722	\$ 479,259	\$ 317,170	\$ 1,173,151
Total Liabilities	328,651	418,397	308,853	1,055,901
December 31, 2016				
Total Assets	\$ 468,684	\$ 684,706	\$ 173,530	\$ 1,326,920
Total Liabilities	424,045	629,378	165,342	1,218,765

Source: Audited by certified public accountants.

2. The total consolidated equities in TCB and the U.S. Branches are summarized below.

Unit: USD in thousand

	TCB	TCB LA Branch	TCB Seattle Branch	TCB NY Branch
December 31, 2017	\$ 6,754,582	\$ 48,071	\$ 60,802	\$ 8,317
December 31, 2016	5,910,482	44,639	55,328	8,188

As required by the Bank Holding Company Act and the International Banking Act, TCB files Form FR Y-7Q (The Capital and Asset Report for Foreign Banking Organizations) with the FRB quarterly, which provides information of TCB as a whole but not about the U.S. Branches individually. The information of the capital of TCB is summarized below:

December 31, 2017 **Unit: USD in million**

Tier 1 Capital	\$6,279
Total risk-based capital	8,199
Risk-weighted assets	60,687
Total assets at end of period	107,476

3. Primary Funding Sources

TCB's primary funds sources include client deposits and remittances, deposits by the CBC and other banks, as well as long-term bank debentures and shareholder equity. TCB has established real-time reporting mechanisms to effectively control TCB's capital flows. Primary businesses are deposits, loans, and securities investments, which include high-liquidity assets such as negotiable CBC CDs, treasury bills and government bonds, money market commercial papers, high-quality financial bonds and corporate bonds.

The primary funding sources of the TCB LA Branch, TCB Seattle Branch, and TCB NY Branch are customer deposits and loans from the CBC and other overseas branches of Taiwanese banks. The U.S. Branches are 100% owned by TCB. If necessary, TCB promises to fully support its overseas branches, although the Plan does not rely upon such support in insolvency regimes. In addition, TCB LA Branch, TCB Seattle Branch, and TCB NY Branch have access to the discount window to meet its liquidity needs by pledging its assets with the FRB.

V. Description of Derivative and Hedging Activities

Derivatives

Since its inception, neither TCB LA Branch, TCB Seattle Branch nor TCB NY Branch undertakes or holds any derivatives. If the branches purchase derivatives as the end user, the purchase should be primarily for the purpose of hedging and secondarily for the purpose of trading. In other words, in compliance with TCB's derivatives policies and procedures, the primary goal should be to enhance the hedging function of assets and the secondary goal would be to create profits from financial trading operations.

Hedging Activities

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch mainly hold floating-interest rate asset and liability positions, and have not held any hedging-related instruments since their inceptions. In the future, any hedging transactions must be conducted in compliance with TCB's derivatives policies and procedures.

VI. Memberships in Material Payment, Clearing and Settlement Systems

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch mainly utilize the following payment, clearing and settlement systems:

Name of System	Services Provided
1. Fedwire Fund Service	Payment Processing & Cash Settlement
2. Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Interbank Financial Telecommunication
3. The Depository Trust and Clearing Corporation (DTCC)	Clearing & Depositories

VII. Descriptions of Foreign Operations

TCFHC has many subsidiaries outside the U.S., primarily in the R.O.C. The business of those subsidiaries are roughly divided into banking, insurance, securities, bills finance, trust, assets management, and venture capital. However, as mentioned above, the scale of the banking business is much larger than other businesses under TCFHC.

Hierarchical List of Subsidiaries Held Directly or Indirectly by TCFHC as of December 31, 2017.

Name of Entity note 1	Principal Place of Business	Jurisdiction of Incorporation note 2	Percentage of Equity Directly Held		Chairperson of the Board	Major Business Activities
			voting	non-voting		
Subsidiaries Held Directly by Taiwan Cooperative Financial Holding Co., Ltd.						
Taiwan Cooperative Bank, Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Chung-Dar Lei	Banking
Taiwan Cooperative Securities Co., Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Fu-Hsiung Hu	Securities dealer
Taiwan Cooperative Bills Finance Corporation Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Chao-Liang Kuo	Bills finance dealer
Co-operative Assets Management Co., Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Chih-Cheng Peng	Acquisition of delinquent loans
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Po-Yu Lin	Securities investment trust
BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei TAIWAN	TAIWAN	51%	note 3	Zhen-Yuan Du	Insurance industry
Taiwan Cooperative Venture Capital Co., Ltd.	Taipei TAIWAN	TAIWAN	100%	note 3	Chiu-Jung Tsai	Venture capital, management, and investment advisory industry
Subsidiaries Held Directly by Taiwan Cooperative Bank, Ltd.						
United Taiwan Bank	Brussels BELGIUM	BELGIUM	90.02%	note 3	Hong-Chen Lin	Acceptance of savings related services approved by local authorities, domestic and oversea remittances, syndicated loans, short-term facilitations, interbank deposits and loans, business in the monetary, foreign exchange and capital market.
Subsidiaries Held Directly by Co-operative Assets Management Co., Ltd.						

Cooperative International Leasing Corp., Ltd.	Suzhou People's Republic of China	People's Republic of China	100%	note 3	Pei-Liang Chen	Financial leases
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note 1: All entities listed are corporate entities. The names of the entities include information about their corporate forms.

note 2: All entities in the table has obtained the licenses required to engage in their major business activities at their principal place of business.

note 3: The company does not issue any non-voting share.

VIII. Material Supervisory Authorities

Supervisory Authorities for the U.S. Branches

The supervisory authorities for TCB LA Branch are the FRB and California Department of Business Oversight.

The supervisory authorities for TCB Seattle Branch are the FRB and Washington State Department of Financial Services.

The supervisory authorities for TCB NY Branch are the FRB and New York State State Department of Financial Services.

Taiwan Supervisory Authorities for the Covered Company

Pursuant to the Financial Holding Company Act, Organic Law of Banking Bureau, FSC and the Organic Act Governing the Establishment of the Financial Examination Bureau, FSC, TCFHC is subject to the supervision of the FSC, the Banking Bureau of the FSC and the Financial Examination Bureau of the FSC.

Pursuant to the Banking Act, the Organic Law of Banking Bureau, Financial Supervisory Commission, R.O.C, the Organic Act Governing the Establishment of the Financial Examination Bureau, Financial Supervisory Commission, R.O.C, the Central Bank of the Republic of China (Taiwan) Act, and the Deposit Insurance Act of the Republic of China, TCB is subject to the supervision of the FSC, the Banking Bureau of the FSC, the Financial Examination Bureau of the FSC, CBC, and the Central Deposit Insurance Corporation, Taiwan, R.O.C.

IX. Principal Officers

List of Members of the Steering Committee as of August 2, 2018.

Title	Name
President of TCFHC	Mei-Tsu Chen
President of TCB	Bor-Chang Hwang
Executive Vice-President of TCFHC and Executive Vice-President of TCB	Chun-Lung Chou
Executive Vice-President of TCFHC	Tso-Cheng Su
Executive Vice-President of TCB	Teng-Shan Tai
Executive Vice-President of TCB	Wu-Shung Yan
Executive Vice-President of TCB	Yen-Mao Lin
Executive Vice-President of TCB	Shih-Ching Chen
Executive Vice-President of TCFHC Chief Compliance Officer of TCFHC and Chief Compliance Officer of TCB	Pi-Chu Wu

X. Corporate Governance Structure and Processes Related to Resolution Planning

The Board of Directors of TCFHC is at the top of the hierarchy of the management, approval and supervision processes for the resolution planning of the U.S. Branches in

accordance with Federal Reserve System 12 CFR Part 243 and Federal Deposit Insurance Corporation 12 CFR Part 381.3(e). The policies, procedures, internal controls relating to and the compliance with the Plan are under the supervision of the Resolution Plan Steering Committee and the Steering Committee periodically reported to the Board of Directors of TCFHC.

The Resolution Plan Task Force carries out the drafting and implementation of the Plan under the supervision and management of the Steering Committee. The Task Force shall report to the Steering Committee all progress made with respect to the Plan, the status of relevant filings, the risk management strategy, and the level of compliance with the Rule. In the event that a major incident necessitates timely modification to the resolution strategy or other contents of the Plan, such modification shall be reviewed by the Steering Committee and submitted to the Board of Directors of TCFHC for approval. The Task Force shall examine the effectiveness and adequacy of the policies, procedures, and internal controls relating to the Plan every year in accordance with the requirements of the U.S. Authorities. Such examination shall follow the same authorization and approval process as discussed above.

XI. Description of Material Management Information Systems

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch do not utilize any proprietary, self-developed management information system, but instead rely on applications and modules provided by the Head Office to manage daily operations. The systems are sufficient to generate the information necessary to execute the resolution strategy described below. The systems are widely involved in the daily transactions, evaluation procedures, risk management, funding, performance assessment, regulatory filings, and reporting of accounting and financial information. TCB LA Branch, TCB Seattle Branch, and TCB NY Branch have promulgated policies and procedures to ensure the effectiveness of the management information systems at TCB LA Branch, TCB Seattle Branch, and TCB NY Branch. Data Processing Steering Committee / Information System Steering Committees have been created for the U.S. Branches to periodically review the implementation of computer and network security control measures, monitor and manage information operations, as well as identify and control related risks.

XII. High-level Description of Resolution Strategy

As required by the FRB and FDIC, TCFHC has prepared the Plan under the assumption that TCFHC and all of its subsidiaries and branches have reached the point of simultaneous failure. This hypothetical failure is addressed under severely adverse scenario. Further, as required by FRB and FDIC, in this Plan TCFHC will state a resolution strategy solely for its U.S. operations.

TCB LA Branch, TCB Seattle Branch, and TCB NY Branch, as state-licensed limited branches, would be placed into the receivership of the California, Washington, and New York state banking authorities respectively, and be resolved under the applicable state insolvency regimes.

Considering the limited banking operations of TCB LA Branch, TCB Seattle Branch, and TCB NY Branch, the preferred resolution strategy for TCB LA Branch, TCB Seattle Branch, and TCB NY Branch are orderly and deliberate wind-down of operations and sale of assets and liabilities, under the applicable insolvency regime.

Under this approach, the key assets of TCB LA Branch, TCB Seattle Branch, and TCB NY Branch likely would be liquidated or would be transferred along with their deposits and other liabilities to an acquirer. The liabilities not thereby assumed in such transfers would be satisfied to the extent of the assets remaining in the respective receiverships.