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2023 Annual Report

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credit rating agencies	Address	Telephone	Companies for rating
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Fitch Ratings Taiwan	Room A2, 23F., No. 68, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City	(02)8175-7600	Yuanta Financial Holdings, Yuanta Securities, Yuanta Bank, Yuanta Futures, Yuanta Securities Finance, Yuanta Securities Asia Financial Services

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VI. Overseas Listings and Access to the Listing Information: None.

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Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of shareholders’ meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

One. Letter to Shareholders

I. Domestic and International Financial Environment

Recalling 2023, the global economic condition was adversely affected by unfavorable factors, such as monetary policies and geopolitics. Major economies, such as Europe and the United States, adopted significant lift rates to suppress inflation. The cumulative effects produced therefor resulted in sluggish end users' needs and a domestic manufacturing industry slowdown globally. Besides, due to the post-epidemic recovery in Mainland China being less than expected, the spread of the real estate debt crisis, and the ongoing Russia–Ukraine War and the Israel– Hamas conflict, the uncertainty of global economic outlook has been increasing. According to the latest forecast released by S&P Global in January 2024, the global economic growth rate was 2.7% in 2023. The economy in Taiwan was affected by the global political and economic conditions. Given the terminal market's weak demand, certain manufacturers needed to prolong their inventory adjustments. As a result, Taiwan's export momentum became sluggish and private investment tended to be conservative instead. Notwithstanding, given the stable private consumption momentum after the pandemic, domestic demand became the driving force to support economic growth. Based on the latest announcement by the Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan in January 2024, the economic growth rate of Taiwan in 2023 was estimated as 1.40%.

Looking forward to 2024, global economy is still affected by uncertain factors, such as undecided interest rate cut schedule, spreading geopolitical conflicts, the tense relationship between the US and China, and the restructuring of global supply chains. S&P Global estimated in February 2024 that the global economic growth rate would be 2.5% in 2024. In terms of the economy in Taiwan, private consumption is growing mildly, manufacturers' inventory adjustment is coming to an end, and the terminal market is gradually recovering. Meanwhile, the constantly expanding emerging technology applications are expected to improve the growth momentum of exports and investment activities. According to the forecast released by the DGBAS in November 2023, the economic growth rate of Taiwan is expected to be 3.35% in 2024.

In terms of the financial market, the inflation and accelerated lift rates resulted in significant market volatility in 2023. Since the Taiwan Stock Exchange (TWSE)/Taipei Exchange (TPEX)-listed companies performed steadily as a whole, the average daily turnover of TAIEX attained NT\$359.025 billion in 2023, a year-on-year (YoY) of 17.65%, which drove the brokerage service revenue growth of Yuanta Securities to earn a profit of NT\$13.793 billion in 2023. Yuanta Securities Investment Trust (YSIT) precisely understands investors' preferences, and the stocks and ETFs offered by it both hit new records in scale. The Yuanta Japan Leaders Equity Fund, launched by YSIT in July 2023, immediately set a record as the largest Japan stock fund in Taiwan, propelling the growth of YSIT's earnings by 39.90%, reaching NT\$2.547 billion, a historical high in 2023. Meanwhile, benefiting from the strength in lift rates and the top market share of customers' margin deposit, the profit sought by Yuanta Futures also grew significantly, by 61.76%, achieving NT\$1.853 billion. For the banking industry, increased lending resulted in the stable growth of net interest income. The recovering wealth management services drove the net income from service charges. In addition, benefiting from the increasing interest spread between Taiwan and the US, financial transactions performed remarkably. The profit sought by Yuanta Bank increased by 18.78% from the same period of last year, making NT\$8.657 billion. For the life insurance industry, the stock market has recovered from the previous year. Notwithstanding, the bond market was still affected by high yield rates and thereby minimized room for realizing capital gains. Moreover, the hedging cost remained high. As a result, the life insurance industry was

generally underperforming. Through flexible asset-liability management and the exchange gain from the appreciation of the US dollar, Yuanta Life maintained a solid profit of NT\$2.019 billion.

In 2024, the financial market is still facing many challenges, including the slowdown of global economic growth, the uncertainty of the monetary policies of the central banks in Europe and the US, and the ambiguity of Taiwan's export recovery, which will make the performance of Taiwan's stock market crammed with challenges. Although the cycle of interest rate rises has come to an end, with interest rates still relatively high and corporate capital costs high, it may impact the momentum of bank lending. For the life insurance industry, the recurring yield is expected to benefit from high interest rates. However, high hedging costs might be a concern for earnings. In conclusion, the financial market is still full of multiple uncertain factors in 2024. Yuanta Financial Holding Company (FHC) will consistently uphold its strict risk control and management policy, and assess the circumstances and seize market opportunities to continue to create record performance.

II. Changes in Company Organization

The most significant changes in Yuanta FHC's organization in 2023 are as follows:

In order to improve and perfect the risk management mechanism, the Board of Directors resolved on March 15, 2023 to approve the transformation of the Risk Management Committee into a functional committee subordinated to the Board of Directors, with the directors of Yuanta FHC with professional backgrounds in risk management directly participating in supervising and directing the risk management policies, so as to enhance the functions of the Board of Directors.

In the future, Yuanta FHC will continue to adjust the capital structures of its subsidiaries in line with business development needs and strengthen the entire Yuanta Group's competitiveness through organizational restructuring. In order to create operational synergies, Yuanta FHC has adopted a joint channel strategy, setting up offices for securities and banking operation in the same location. As of the end of December 2023, 57 securities branches and 55 bank branches were operating from the same location, creating maximum synergy by integrating resources of Yuanta FHC.

III. Business Achievements

Recalling 2023, the world encountered the impact posed by geopolitics, high interest rates, and global economy slowdown, thereby causing the significant volatility of markets. Nevertheless, Yuanta FHC continued to adopt a cautious and stable approach in dealing with external changes, and adjusted its orientation in a timely manner. The net income after tax was NT\$26.566 billion, with an earnings per share (EPS) after tax of NT\$2.09 in 2023, ranking the fifth place among fourteen TWSE-listed financial holding companies.

While developing the financial business thoroughly and creating profit, Yuanta FHC has also integrated ESG (environment, society and corporate governance) into its corporate culture and business strategies to establish a sustainable business management and service model. Yuanta FHC has been selected by the "DJSI World Index" of the Dow Jones Sustainability Index (DJSI), and "DJSI Emerging Markets Index" for five consecutive years. Yuanta FHC was once again ranked number one (No. 1) in the S&P Global Corporate Sustainability Assessment (CSA) in the group of FBN Diversified Financial Services and Capital Markets. Meanwhile, Yuanta FHC has been selected by FTSE4Good Emerging Index for seven consecutive years and has passed all ESG reviews for socially responsible investment, placing as a benchmarking enterprise in Taiwan's financial industry stably.

As a member of the Coalition of Movers and Shakers for Sustainable Finance of Taiwan’s Financial Supervisory Commission (FSC), Yuanta FHC has committed to take more proactive actions in the five major areas of Green Procurement, Funding and Engagement, Information Disclosure, Assistance and Promotion, and International Outreach. At the same time, Yuanta FHC and the Securities and Futures Institute (SFI) jointly acted as the convenor of the "Empowerment and Licensing Workgroup" of the FSC’s net-zero promotion platform, and made concerted efforts to promote and cultivate sustainable financial talents.

In 2023, Yuanta FHC won recognition from multiple external organizations for its ESG practices. For example, Yuanta FHC has made the Climate Change A List on the CDP (Carbon Disclosure Project), a global environmental indicator, for four consecutive years and has been in the “Leadership Level” for six consecutive years. Yuanta FHC was awarded the Silver Award of the National Enterprise Environmental Protection Award for its proactive efforts to reduce emissions. The Group also completed 100% verification of the five ISO management guidelines on the environmental aspect (ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas (GHG) Inventory Verification, ISO 14046 Water Footprint Inventory, ISO 50001 Energy Management System, and ISO 20400 Sustainable Procurement). Yuanta FHC’s construction of a sustainable supply chain was recognized by the Executive Yuan for twelve consecutive years for its outstanding performance in green procurement. Yuanta FHC received the “Best Company to Work for in Asia” award from *HR Asia* for four consecutive years, a leading Asian human resources magazine, for its promotion of the comprehensive employee care and career development system. Yuanta FHC promoted a gender-friendly workplace and was selected by the “Bloomberg Gender-Equality Index (GEI)” for five consecutive years. Moreover, Yuanta FHC has been continuously recognized as one of the “Top 100 Enterprises for Excellence in Corporate Social Responsibility (CSR)” by *CommonWealth Magazine*, won the role model award of the “2023 CSR Awards – ESG Integrated Performance-Financial Insurance Industry” from *Global Views Monthly*, Financial Holdings CSR Premium Award from *Wealth Magazine*, and was selected for the “Taiwan Top 100 Sustainable Model Enterprise Award (Service Industry Group)” by Taiwan Corporate Sustainability Awards (TCSA).

For corporate governance, Yuanta FHC ranked in the top 5% of the TWSE-listed companies in the ninth Corporate Governance Evaluation organized by TWSE. Yuanta FHC also received the Best Chief Executive Officer, Best Chief Financial Officer, Corporate Social Responsibility, Best Investor Relations Manager, Best Investor Relations, and Best Environmental Responsibility awards from *Corporate Governance Asia*. Furthermore, Yuanta FHC passed the Taiwan Corporate Governance Association’s “CG6013 (2021) Corporate Governance Framework Assessment Certificate with Distinguished Honor” jointly with its subsidiaries including Yuanta Securities and Yuanta Bank, and continued its practices in improving stakeholders’ interests and rights, functions of the Board of Directors, corporate governance culture, and sustainable development and governance.

The business achievements of Yuanta FHC’s subsidiaries are as follows:

Yuanta Securities had 149 branches and brokerage department as of the end of December 2023, with a brokerage market share of around 12.75% in 2023, growing by 7.5% from 2022 and maintaining the leading position in the industry. In recent years, Yuanta Securities has continuously developed multiple businesses domestically and overseas, driven by an enterprising culture of pursuing innovation and teamwork, and received recognition from domestic and international professional financial magazines, totaling 63 awards for the year, including the “Best Securities Brokerage in Taiwan” award for sixteen consecutive years and the “Best Overall Sales Services in Taiwan” for ten consecutive years from *Asiamoney*, and securities-related awards by various international institutions such as *The*

Asset. Honors from Taiwan’s competent authorities include the “Promotion of Innovation Award – Securities Underwriter: Capital Markets Contribution Award,” “Partnership Award – Securities Underwriters,” and “No. 1 for Taiwan ETF Total Contribution Award” from TWSE; “Futures Proprietary Trading Volume Diamond Award” and “Market-Making Performance Diamond Award” from Taiwan Futures Exchange (TAIFEX); and “No. 1 for E-TPEX Award,” “No. 1 for Maximum Value Creation Warrant Award,” and “No. 1 for Value Excellence Warrant Issuer Award” from TPEX. Meanwhile, Yuanta FHC also received the “Wealth Management Award (*Wealth Magazine*),” “Consumers Financial Brand Award (*Wealth Magazine*),” and the National Brand Yushan Award’s “Outstanding Enterprise” and “Outstanding Products – ‘Small Capital Investment’ Ecosystem and Smart Customer Service ‘Mr. Yuan’” awards. In particular, the “Small Capital Investment” Ecosystem even won the National First Prize. All these awards have demonstrated that Yuanta Securities’ proactive efforts in developing business as well as fulfilling customers’ rights and interests have been greatly affirmed.

Yuanta Bank continued asset expansion and high-quality customer focus in 2023. Yuanta Bank focused on large corporate clients and high-quality personal accounts as the main customer segments in its lending business, and strengthens the new-case momentum of its credit business, steadily expanding the scale of its various businesses. By the end of 2023, its asset scale amounted to NT\$1.83 trillion, growing by 7.14% from the previous year. In the wealth management business, fee income and assets under management (AUM) continued to grow, and Yuanta Bank has obtained the Wealth Management 2.0 license, which will deepen its services to high-asset customers. In terms of customer management, Yuanta Bank continued to promote data-driven decision-making. By analyzing customers’ business history and data, Yuanta Bank can provide customers with integrated cross-product marketing solutions through precise and focused investment of marketing resources. Yuanta Bank also launched thematic marketing campaigns targeting different customer segments to achieve customer acquisition and retention goals, as well as to deepen customers’ relationship and loyalty with Yuanta Bank. Based on the blueprint of the United Nations Sustainable Development Goals (SDGs), Yuanta Bank integrates the concept of sustainable management (ESG) into its corporate culture and business strategies, and promotes sustainable behavior in the five major areas of corporate governance, customer rights, employee care, environmental sustainability, and social welfare. In 2023, Yuanta Bank ranked in the top 20% of 34 industry peers in the FSC’s inaugural Sustainable Finance Evaluation, demonstrating Yuanta Bank’s commitment to sustainability. Yuanta Bank will continue to practice green finance and sustainable development in accordance with its set goals.

Under Yuanta FHC’s overall growth and development strategy of “solidification of cores and driving of growth,” Yuanta Life continued to strengthen the marketing of protection-type and long-term paying products through the integration of Group resources, in order to respond to the direction of the competent authorities. In 2023, the share of premiums for protection-type and long-term paying products reached 89%, demonstrating that Yuanta Life has been steadily expanding the scale of its business of protection-type and long-term paying products in pursuit of Yuanta Life’s core value of “Insurance Protection, Sustainable Business, and Society’s Well-being.” Yuanta Life turned its loss to profit in 2018 and the interest spread also turned positive in 2020. Yuanta Life’s net income after tax in 2023 amounted to NT\$2.019 billion, the second highest ever, and its capital adequacy ratio was 469% and net worth ratio was 7.3%, which are in line with Yuanta Life’s principle of maintaining a high standard of capital adequacy ratio and net worth ratio. Yuanta Life also ensured financial stability and sustained profitable growth to enhance its contribution and significance to the Group.

Yuanta Securities Investment Trust’s AUM amounted to NT\$1,487.5 billion as of the end of 2023, growing by NT\$522 billion from 2022, i.e. a YoY growth by 54%. The AUM

growth rate has attained more than 20% for three consecutive years. The net income after tax was NT\$2.547 billion, a YoY growth by 39.9%, and EPS NT\$11.22, in 2023. Since Yuanta Securities Investment Trust was incorporated, it has adhered to the management philosophy stressing “Stability, Integrity, Service, and Innovation” and “Devoted Entirely to Managing Your Wealth,” and has been dedicated to engaging in the diversified investment and wealth management areas as the investment trust company with the largest publicly offered fund scale and market share. The publicly offered funds amounted to NT\$1,453.6 billion, with the market share reaching 21.5%, and were affirmed by more than 2.877 million beneficiaries, stably occupying the first place in the market. Yuanta Securities Investment Trust owns the strongest and largest-scale research team dedicated to helping investors gain access to international trends and related financial products in a timely manner and also providing diversified investment solutions, in order to satisfy investors’ wealth management and retirement needs. In past years, Yuanta Securities Investment Trust’s domestic/overseas funds have pursued stable performance and growth rate. Yuanta Securities Investment Trust also won multiple awards and patents from domestic/overseas professional organizations, with respect to the three indicators including product, brand, and talent, establishing a leading position in the industry.

In 2023, Yuanta Futures adhered to strict risk management principles and continued to promote the core business and grow steadily. In terms of business performance, Yuanta Futures’ domestic futures brokerage market share was 22.58%, options brokerage market share 15.55%, and foreign futures market share 26.77%. Yuanta Futures’ overall business performance led the industry. In terms of financial performance, Yuanta Futures generated a net income after tax of NT\$1.853 billion, ranking the first place among fourteen professional futures firms, a new high historically, with an EPS after tax of NT\$6.39 and a rate of return (ROE) after tax of 13.53%, in 2023, demonstrating its excellent business performance. Yuanta Futures actively strengthened various business indicators, continued to penetrate the Asian financial market, and earned recognition from domestic/international competent authorities and professional financial organizations for its performance in various areas. For example, it has been included in the “Top 5% of TWSE/TPEX-listed Companies” of the Corporate Governance Evaluation by TWSE for nine consecutive years. Yuanta Futures also won “Outstanding Financial Innovation,” “Outstanding Risk Management,” “Outstanding Green Finance – Futures Industry,” and “Outstanding Futures Talent” from the seventeenth Golden Goblets Awards given by SFI, “Futures Diamond Award” from TAIFEX, and the “Best Futures Firm of the Year” from *The Asset*. Furthermore, it was recognized with multiple honors in the performance of ESG, such as the “CSR Sustainable Citizenship Award – Little Giant Award” from *CommonWealth Magazine* for six consecutive years, the TCSA, and *The Asset* ESG Corporate Platinum Award. It was granted the long-term credit rating “AA-(twn),” with the “stable” outlook by Fitch Ratings. In the future, Yuanta Futures will continue to develop business at home and abroad, optimize all indicators, and move towards becoming an international futures dealer in Asia.

In implementing their respective 2023 business plans, our subsidiaries posted the following results:

Item		Total assets (NT\$1,000)	Net income (NT\$1,000)	EPS (NT\$)
Yuanta Securities	2023	498,423,232	13,793,474	2.09
	2022	430,070,051	12,051,504	1.83
Yuanta Bank	2023	1,834,464,451	8,657,463	1.17
	2022	1,712,135,805	7,288,388	0.99

Item		Total assets (NT\$1,000)	Net income (NT\$1,000)	EPS (NT\$)
Yuanta Life	2023	433,372,854	2,018,960	0.85
	2022	415,054,660	1,376,517	0.58
Yuanta Securities Investment Trust	2023	7,659,524	2,547,106	11.22
	2022	7,157,085	1,820,634	8.02
Yuanta Futures	2023	110,060,069	1,852,719	6.39
	2022	109,878,680	1,145,348	3.95
Yuanta Venture Capital	2023	3,281,118	361,007	1.33
	2022	2,913,675	(197,272)	(0.73)
Yuanta Asset Management	2023	4,186,698	147,022	0.44
	2022	4,121,624	126,379	0.38
Yuanta Securities Investment Consulting	2023	301,856	3,981	0.40
	2022	307,872	10,850	1.09

IV. Credit Ratings' Dates and Results

Domestic and international credit rating organizations have recognized Yuanta FHC's stable asset quality and business achievements. Taiwan Ratings confirmed on January 25, 2024 that Yuanta FHC's outlook should remain "stable," reflecting that the Yuanta Group has a strong capital level on a consolidated basis and is in a leading position in the relevant securities markets in Taiwan. Fitch Ratings confirmed on November 8, 2023 that Yuanta FHC's outlook should remain as "stable," recognizing Yuanta Group's stable position in the domestic market. Yuanta Group's continued expansion of its domestic banking services, overseas retail brokerage services, and wealth management services further improved its profit quality and financing profile through diversification.

Yuanta FHC's most recent credit rating results are summarized below:

Rating category	Rating agency	Credit rating		Outlook	Effective date
		Long-term	Short-term		
International rating	Fitch Ratings	BBB+	F2	Stable	2023/11/8
Domestic rating	Fitch Ratings	AA-(tw)	F1+(tw)	Stable	2023/11/8
	Taiwan Ratings	twAA-	twA-1+	Stable	2024/1/25

V. Future Development Strategies of Yuanta FHC

Yuanta FHC has always aimed to grow stably and upgrade shareholders' value. Looking back on the development history in recent years, the integration and voluntary growth, exercise of the consolidated effects of merger and acquisition (M&A) and consolidation, integration of the securities businesses overseas and efforts used in growing the business of various business entities, have driven the significant increase in the entire business scale. As a result, Yuanta FHC owning the five major profit engines, including Yuanta Securities,

Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures, was incorporated. Meanwhile, the differentiated services and products drove the mutual growth of the Yuanta Group's five major business entities.

Looking forward to the post-pandemic era, Yuanta FHC will control risks carefully and continue to adopt the overall growth and development strategy valuing "solidification of cores and driving of growth," with emphasis on "focusing on Taiwan's capital market" and "expanding overseas profit engines." Under the balance of the three core philosophies of "stable profitability," "risk control and management," and "sustainable development," Yuanta FHC operates businesses, markets, and customer segments with growth potential, leveraging the growth benefits of the Yuanta Group's cross-industry and cross-border integration to effectively stabilize and improve earnings levels, and steadily progresses towards the two goals of "Best Financial Services Provider in Asia Pacific" and "International Benchmark Enterprise for Sustainability."

The development strategies of the Yuanta Group for 2024 are summarized as follows:

(I) Yuanta Securities: Solidify core competitive advantages and promote financial products with Yuanta's characteristics.

Yuanta Securities continues to solidify its core businesses and actively expands wealth management and other innovative businesses. It analyzes its customers' different attributes and needs, and conducts differentiation and segmentation of its operations. Yuanta Securities also vigorously invests in the development of customer experience-centered digital financial services, while at the same time strengthening information security and customer rights protection.

Yuanta Securities' proprietary trading adopts prudent investment and aggressive market-making strategies. It continues to research and develop various new trading strategies and trading systems, improves the research and development of self-made financial products, and also executes appropriate hedging policies at the same time. The investment banking business provides customers with complete services and responds to the competent authorities' policies proactively.

For overseas subsidiaries, Yuanta Securities will strive to enhance profit contribution and optimize profit structure, and reduce the dependence of each subsidiary on a single business or a specific customer. Depending on its overseas subsidiaries, Yuanta Securities will also adopt various strategies, such as improving customer structure, enhancing institutional customer services, and optimizing digital platforms, in order to increase the market share of the brokerage business and diversify profit sources, and to move towards becoming a regional securities institution in Asia.

(II) Yuanta Bank: Strengthen and adjust the income structure and improve the efficiency of capital utilization.

Yuanta Bank will adhere to risk control and management and maintain excellent asset quality, and also improve the momentum of deposit/loan and wealth management services. By adjusting the structure of assets and liabilities, it aims to improve the overall profitability. In terms of deposit services, Yuanta Bank will focus on strengthening of the operation of demand deposits. Through the implementation of the demand deposit program and the branch deepening program, the corporate banking business and branch channels will be able to enhance the connection with customers and increase their willingness to make deposits with Yuanta Bank. For lending services, the corporate banking team will continue to work closely with large corporations and participate in high-quality syndicated loans, as well as strengthen post-loan management. At the same time, by striving for high-interest rate cases, it expects to achieve simultaneous growth in price and volume. In the case of retail banking, the expansion of the telemarketing

team, the establishment of regional centers, and the strengthening of cooperation with existing partners, such as land registration agents and car dealers, will boost the momentum of the housing, credit, and auto loan businesses. In terms of financial investments, Yuanta Bank will maintain flexibility in investment operations and select investment targets prudently, taking into account liquidity risk, credit risk, and yield.

For wealth management services, Yuanta Bank will expand the manpower of the business team, optimize the sales and reward systems, improve wealth management specialists' capacity and professionalism, and set up a new private banking department, in order to focus on serving high-asset customers. For the overseas development, Yuanta Bank will focus on improvement of the business performance of its existing branches and subsidiaries, and adjust business strategies from time to time, subject to changes in the business environments in various countries.

(III) Yuanta Life: Continue the business direction of “digital transformation,” “earnings preservation,” “diversification,” and “connecting 25;” the product development continues to focus on the two main axes of “US dollar-denominated traditional products” and “investment-linked products;” and actively strengthen the operation of the core channels.

Yuanta Life continues to focus its product development on the needs of various customer segments, and in response to the aging trend and interest rate environment, it has adopted traditional and investment-linked as the two main axes of product development. Meanwhile, it continues to develop the insurance products that satisfy the needs of retirement life, retirement medical treatment, and retirement care, in order to enrich the product lines and optimize the coverage to meet various insurance needs. Through different sales channels such as financial services, insurance brokers and agents, and salespersons, Yuanta Life reaches out to every corner to help customers and their families build a complete protection and financial plan. In addition to delivering the core values of Yuanta Life – “Insurance Protection, Sustainable Business, and Society’s Well-being” – to its customers, Yuanta Life also helps itself achieve long-term financial and business goals.

In terms of channels, with the development direction of focusing on the market demand of target customer segments and core channel operations, Yuanta Life will promote differentiated product services to meet the needs of different channel customer segments, optimize the process of the service chain, and enhance the sales experience of the channels. Yuanta Life will also integrate the Group’s resources to deepen the relationship between customers and cooperative channels and to increase the level of contribution. Meanwhile, in response to the digital transformation wave and post-pandemic era, it exercises the insurance technology proactively to promote various digital services and optimize channel digital services, including remote insurance underwriting and implementation of AI smart customer services in the service process. Yuanta Life also actively participates in the Life Insurance Association’s policy passbook services and claims alliance chain re-evolution functions to achieve the three major goals of providing zero-contact services, energy saving and carbon reduction, and achieving financial inclusion in the post-pandemic era.

(IV) Yuanta Securities Investment Trust: Stable growth in asset management scale with innovative and diversified product lines.

Yuanta Securities Investment Trust’s (YSIT) business objective is to achieve stable growth in the size of AUM and profitability. With “Global Perspective, Leading in Stocks and Bonds, Active and Passive, Product Leadership, and Customer Satisfaction” as the core of development, YSIT, as a product research and development center, not only continues to introduce innovative products that are in line with the market

conditions, but also meets the diversified financial needs of customers by taking advantage of its multiple product lines (stocks, bonds, commodities, foreign exchange, and leveraged inverse trading) under the changes in the financial market. YSIT also actively promotes active and passive funds for regular fixing, in order to realize financial inclusion. In addition, YSIT refines its digital financial services, implements its responsibility for sustainable development, and strengthens its information security resilience, and enhances the quality of its services in terms of investor education and customer satisfaction.

(V) Yuanta Futures: Deepen domestic core business and build an international trading platform.

Yuanta Futures adopts the strategy of “Richly Build New Opportunities with Forward-Looking Sustainability” as its main operating principle, and adheres to the core of strict risk control and management and legal compliance. With respect to business, Yuanta Futures will continue to strengthen its futures brokerage business. In addition to maintaining its leading position in the domestic brokerage market, Yuanta Futures will also make every effort to promote overseas options products. At the operating level, Yuanta Futures is committed to enhancing its profitability based on a sound financial structure. In the future, it will create multiple sources of revenue proactively, combine software, hardware, and digital services with continuous innovation, and comprehensively refine the overall operation process to optimize customer service and various business development. Yuanta Futures also deeply pursues the concept of sustainable management and is committed to implementing ESG objectives, taking into account Yuanta Futures’ business development and outlook for corporate sustainability.

In terms of international layout, this year, Yuanta Futures will continue to work on the establishment of the subsidiary, Yuanta Global (Singapore), and aims to become a large international futures dealer, continues to expand its futures trading and clearing business opportunities, integrates resources from the head office, Hong Kong, and Singapore to build a transnational trading operation model in the Asia Pacific region and provide traders in Taiwan and Asia with the most complete futures trading services.

Yuanta FHC’s corporate governance plan and sustainable development strategy for the year 2024 are highlighted below:

Yuanta FHC pays attention to the development trend of corporate governance both domestically and internationally, and in accordance with the FSC’s “Corporate Governance 3.0 - Sustainable Development Roadmap” and various action plans, Yuanta FHC’s corporate governance plan is introduced in a timely manner and is revised annually in line with the execution status to achieve effective implementation. The corporate governance plan and specific measures for the year 2024 include continuing to strengthen the functions of the Board of Directors (planning diversified continuing education courses for directors and entrusting entities other than Yuanta FHC with the performance evaluation of the Board of Directors), enhancing the transparency of audit quality (regularly evaluating the independence and appropriateness of appointed accountants by referring to the Audit Quality Indicators (AQIs) each year), safeguarding shareholders’ rights and treating shareholders equally (uploading the materials of shareholders meetings and annual reports in English and Chinese in advance), promoting sustainable development (submitting the ESG report to the Board of Directors for approval), and continuing to improve the corporate governance structure and system (organizing the CG2014 (2023) Corporate Governance System Evaluation Certification).

In terms of sustainable development strategy, as one of the members of the Coalition of Movers and Shakers for Sustainable Finance of the FSC, Yuanta FHC works hand in hand with the competent authorities to lead the financial industry to face the problem of climate

change, continues to enrich sustainable finance-related products and services, issues and underwrites sustainable development bonds, follows voluntary green investment principles and initiatives, and implements the Equator Principles and Yuanta FHC's "Sustainable Finance Guidelines" assessment. Additionally, Yuanta FHC continues to use financial technology (FinTech) to promote financial inclusion, enhance financial inclusion and provide a friendly financial environment, optimize customer relationship management, and continue to follow the carbon reduction roadmap under the Climate-Related Financial Disclosures (TCFD), the CDP, and the Science Based Targets initiative (SBTi), and expand the scope of carbon footprint certification for financial products or services, in order to strengthen the development of sustainable finance with its core functions to contribute to the sustainable development of society and the environment.

Looking to the future, Yuanta FHC will continue to use the power of capital, commodities, and engagement of financial institutions to guide domestic industries toward sustainable transformation, and all of the staff will work together to promote sustainable development in this spirit.

Two. Company Profile

I. Date of Establishment: February 4, 2002.

II. Corporate Milestones

(I) Milestones

- Fuhwa Financial Holding Company (later renamed Yuanta Financial Holding Company) was formed on February 4, 2002 through a 100% equity swap between Fuhwa Securities Finance (later renamed Yuanta Securities Finance) and Fuhwa Securities (later renamed Yuanta Securities). This created a platform to leverage resources of the two business lines to enhance profitability and provide customers with more diversified products and services.
- In May 2002, Fuhwa Futures and Fuhwa Capital Management, both subsidiaries under Fuhwa Securities Finance (later renamed Yuanta Securities Finance) were later designated as direct subsidiaries of the parent company, on the same level as Fuhwa Securities Finance (later renamed Yuanta Securities Finance) and Fuhwa Securities (later renamed Yuanta Securities). This gave Fuhwa Financial Holding Company (later renamed Yuanta Financial Holding Company) better control over all four of its subsidiaries, providing a platform to leverage resources and enhance profitability.
- In August 2002, Fuhwa Bank (formerly known as Asia Pacific Bank, and later renamed Yuanta Bank) was acquired through a transfer of shares and Fuhwa Securities Investment Trust (formerly known as Asia Pacific Securities Investment Trust) was acquired as another subsidiary.
- In December 2002, Fuhwa Venture Capital (later renamed Yuanta Venture Capital) was established.
- In April 2003, Fuhwa Asset Management (later renamed Yuanta Asset Management) and Fuhwa Financial Consulting (later renamed Yuanta Financial Consulting) were established.
- On April 2, 2007, Yuanta FHC acquired Yuanta Core Pacific Securities via conversion of outstanding shares, launching Yuanta FHC into the top tier of financial holding companies in terms of capital, net value, and business scale.
- On September 23, 2007, Yuanta FHC completed the merger of Yuanta Securities (formerly known as Fuhwa Securities) and Yuanta Core Pacific Securities, and Yuanta Securities was held as the surviving company, while Yuanta Core Pacific Securities was held as the extinguishing company. Meanwhile, Yuanta FHC also completed the merger of Yuanta Futures and Fuhwa Futures, and Yuanta Futures was held as the surviving company, while Fuhwa Futures was held as the dissolved company.
- On September 27, 2007, Yuanta FHC was officially named “Yuanta Financial Holding Co., Ltd.”.
- On November 27, 2007, Yuanta FHC’s Board of Directors resolved that Yuanta FHC could subscribe for common stock totaling 80,000,000 shares and private placement common stock totaling 14,000,000 shares of Yuanta Futures as held by Yuanta Securities, so as to upgrade Yuanta Futures as a subsidiary wholly owned by Yuanta FHC. The Board of Directors also resolved that Yuanta FHC could subscribe for the whole common stock of Yuanta Securities Investment Consulting as held by Yuanta Securities, totaling 30,000,000 shares, so as to upgrade Yuanta Securities

Investment Consulting as a subsidiary wholly owned by Yuanta FHC.

- In October 2008, Yuanta FHC disposed of all equity in the subsidiary, Fuhwa Securities Investment Trust, and sold it to Manulife Asset Management (HK) Limited of the Manulife Group.
- On November 2008, Yuanta FHC's subsidiary, Yuanta Financial Consulting, called a directors' meeting acting on behalf of a shareholders' meeting to resolve that Yuanta Financial Consulting should wind up and be dissolved.
- On October 3, 2011, Yuanta FHC acquired a 100% shareholding in Polaris Securities through a share conversion.
- Yuanta Securities and Polaris Securities were merged on April 1, 2012, as were Yuanta Futures and Polaris MF Global Futures. The English names of the surviving companies are Yuanta Securities and Yuanta Futures.
- In May 2012, Yuanta FHC completed the merger of Yuanta Securities Investment Trust and Polaris Securities Investment Trust, and renamed the new company as Yuanta Securities Investment Trust. Meanwhile, Yuanta Securities Investment Trust became a subsidiary in which Yuanta Securities held 72.18% shares directly.
- In June 2012, Yuanta FHC's Board of Directors resolved that Yuanta FHC could subscribe for 72.18% of the equity of Yuanta Securities Investment Trust as held by the subsidiary, Yuanta Securities. Yuanta Securities Investment Trust canceled the 46,231 shares repurchased from the dissenting shareholders in the merger on July 16, 2012, and the capital reduction ratio was 0.0204%. Therefore, the proportion of equity of Yuanta Securities Investment Trust held by Yuanta FHC upon the settlement in September 2012 was 72.20%.
- In August 2012, Yuanta FHC's Board of Directors resolved that 25.17% of the equity of Yuanta Futures as held by Yuanta Securities should be transferred to Yuanta FHC. Yuanta FHC and Yuanta Securities completed the transfer of 15.18% and 9.99% of the equity of Yuanta Futures respectively on the open market in October 2012. Upon completion of said transfer, Yuanta FHC held 68.65% of the equity of Yuanta Futures directly.
- In May 2013, Yuanta FHC's subsidiary, Yuanta Financial Consulting, completed its liquidation on May 31, 2013, and reported the same to Taiwan Taipei District Court on June 28, 2013. The liquidation was approved by the Taiwan Taipei District Court for record on July 5, 2013.
- Yuanta FHC signed the equity purchase agreement with New York Life Insurance on June 25, 2013 and acquired 100% of the equity of New York Life Insurance Taiwan Corporation at the total price of NT\$100 million.
- On January 1, 2014, Yuanta FHC completed the transfer of equity of New York Life Insurance, and launched into the life insurance business officially since then.
- In February 2014, Yuanta FHC's subsidiary, New York Life Insurance, was renamed Yuanta Life Insurance Co., Ltd. and carried out business under the name of Yuanta Life officially on March 10, 2014.
- In June 2014, Yuanta FHC's subsidiary, Yuanta Securities, completed the settlement to gain control of the equity of Tong Yang Securities. Tong Yang Securities subsequently became a subsidiary of Yuanta Securities Asia Financial officially, and was renamed as Yuanta Securities (Korea).
- In November 2014, Yuanta Securities (Korea) sold its subsidiary, TONGYANG Savings Bank, owned by it wholly, to Yuanta Bank.
- In April 2015, Yuanta FHC's subsidiary, Yuanta Securities, completed the

settlement of equity of PT AmCapital Indonesia and renamed the company into PT Yuanta Securities Indonesia (then renamed into PT Yuanta Sekuritas Indonesia) on July, 2015. Yuanta Securities (UK) Limited was established.

- On July 6, 2015, Yuanta FHC's subsidiary, Yuanta Polaris Securities, was renamed "Yuanta Securities"; Yuanta Polaris Futures was renamed "Yuanta Futures"; and Yuanta Polaris Securities Investment Trust renamed "Yuanta Securities Investment Trust".
- On January 29, 2016, upon FSC's approval, Yuanta FHC acquired a 100% share in Ta Chong Bank through share swap and consolidated Ta Chong Bank as a subsidiary wholly owned by Yuanta FHC. Yuanta FHC also set the record date of share swap at March 22, 2016.
- On April 25, 2016, Yuanta FHC's subsidiary, Yuanta Bank, completed the settlement of equity of Hanshin Savings Bank, which was renamed into Yuanta Savings Bank Korea Co., Ltd. on February 13, 2017.
- On July 8, 2016, Yuanta FHC's subsidiary, Yuanta Securities, completed the settlement of equity of KKTrade Securities Company Limited, which was renamed into Yuanta Securities (Thailand) Company Limited on September 1, 2016.
- On October 24, 2017, the liquidation of Shanghai Xinsheng Investment Consulting was completed.
- On December 7, 2017, Yuanta Securities' subsidiaries, Yuanta Securities Asia Financial Services and Yuanta Securities (HK), completed the acquisition of equity of First Securities Joint Stock Company in Vietnam in part. After that, the shareholdings of Yuanta Securities Asia Financial Services was 50.76%. The shareholdings of Yuanta Securities (HK) was 49.19%. That is, both companies held a total of 99.95% shareholdings. First Securities Joint Stock Company in Vietnam was renamed Yuanta Securities Vietnam Joint Stock Company on February 13, 2018 officially.
- On January 1, 2018, Yuanta FHC completed the consolidation of Yuanta Bank and Ta Chong Bank. Yuanta Bank is identified as the surviving company, while Ta Chong Bank was identified as the extinguished company.
- On July 26, 2018, the Board of Directors of Yuanta Securities passed the motion for dissolution and liquidation of Yuanta Securities (UK). On August 17, 2018, the FSC approved the wind-up and liquidation. The record date for liquidation was set on November 1, 2018, since then Yuanta Securities (UK) has not engaged in any business activities.
- On September 19, 2018, Yuanta Securities Vietnam completed the capital increase by VND700 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 85.23% and 14.76%, respectively. Both companies held a total of 99.99% in shareholdings.
- On November 29, 2018, Yuanta Securities' subsidiary, Yuanta Securities Asia Financial Services, completed the acquisition of 0.01% of the remaining minority equity of Yuanta Securities Vietnam Joint Stock Company. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam Joint Stock Company were 85.24% and 14.76% respectively. That is, both companies held a total of 100% shareholdings.
- The Board of Directors of Yuanta FHC resolved on March 25, 2019 again to sell the whole equity of Yuanta Securities Finance to Yuanta Securities at the price of NT\$8.818 billion, and the date for settlement would be March 26, 2019. Upon completion of the settlement, Yuanta Securities Finance became a subsidiary wholly

owned by Yuanta Securities.

- On June 14, 2019, upon approval of the competent authority in Vietnam, the State Securities Commission (SSC), Yuanta Securities Vietnam Joint Stock Company was officially renamed Yuanta Securities Vietnam Limited Company.
- On September 17, 2019, Yuanta Securities Asia Financial Services increased the capital of Polaris Securities (HK) with 100% of the equity held by it in Yuanta Asia Investment in kind. Upon completion of the capital increase, Yuanta Asia Investment became a subsidiary wholly owned by Polaris Securities (HK), and Polaris Securities (HK) was renamed as Yuanta Asia Investment (HK) on September 24, 2019.
- On February 14, 2020, the registration of cancellation requested by Yuanta Securities Holdings (BVI) was approved by the BVI Companies Registry.
- SYF Information (Samoa) completed the liquidation on July 17, 2020. SYF Information owned SYF Information (Shanghai) wholly.
- On September 14, 2020, Yuanta Securities Vietnam completed the capital increase by VND500 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 90.16% and 9.84%, respectively. Both companies held a total of 100% shareholdings.
- On November 4, 2020, Yuanta Asia Investment received the approval of a certificate for liquidation from the competent local authority on BVI. Then, it completed the liquidation in kind and distributed and returned its assets to Yuanta Asia Investment (HK).
- On June 24, 2021, Yuanta Securities (UK) completed the liquidation procedures pursuant to the local laws and regulations and received the certificate of liquidation.
- On October 21, 2021, the application for relocation to Singapore filed by Yuanta Securities Asia Financial Services was approved by the competent authority in Singapore, namely the “Accounting and Corporate Regulatory Authority.” Accordingly, its name in English was changed into Yuanta Securities Asia Financial Services Private Limited simultaneously. Meanwhile, its application for emigration was approved by the Registrar of Companies in Bermuda on October 28, 2021. The effective date of the emigration is as same as that of relocation to Singapore.
- On December 15, 2021, Yuanta Securities Vietnam completed the capital increase by VND500 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 92.62% and 7.38%, respectively. Both companies held a total of 100% shareholdings.
- On September 14, 2022, Yuanta Securities Asia Financial Services completed the capital increase by US\$100 million.
- On September 16, 2022, the disposal of PT Yuanta Asset Management was completed. PT Yuanta Sekuritas Indonesia already reported the registration of transfer to the competent authority in Indonesia.
- On November 24, 2022, Yuanta Investment Management (Cayman) Ltd. the liquidation procedures pursuant to the local laws and regulations.
- On February 17, 2023, Yuanta Securities Vietnam completed the capital increase by VND500 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 94.10% and 5.90%, respectively. Both companies held a total of 100% shareholdings.
- On January 30, 2024, SYF Information (Shanghai) completed the dissolution and liquidation operations.

(II) Awards and honors won in the most three years

1. 2021

- (1) Yuanta FHC ranked among the top 6%–20% of TWSE listed company groups in the 7th term “Corporate Governance Evaluation Operation” held by TWSE.
- (2) Yuanta FHC was selected by the “DJSI World Index” – Diversified Financials and jumped to 1st place globally in the FBN Diversified Financial Services and Capital Markets.
- (3) Yuanta FHC was selected by the “DJSI Emerging Markets Index” – Diversified Financials.
- (4) Awarded by Corporate Governance Asia – Best Investor Relations Company in Taiwan, Asia’s Best CEO (Investor Relations) – President Chien Weng, Asia’s Best CFO (Investor Relations) – CFO Hsu Shu Mai, and Asia’s Best Investor Relation Manager – Senior Vice President Allen Wu.
- (5) Selected nominations by FTSE4Good Emerging Index.
- (6) Selected by the “2021 Bloomberg Gender-Equality Index (GEI).”
- (7) Awarded by S&P Global “2021 The Sustainability Yearbook – Bronze Award.”
- (8) Awarded HR Asia “Best Companies to Work for in Asia.”
- (9) Selected nominations by “FTSE4Good TIP Taiwan ESG Index”.
- (10) Rated by the international NPO, CDP (Carbon Disclosure Project), as Level A (Leadership level).
- (11) Awarded the “2021 Sustainability Resilience Awards – Leadership Award” by BSI.
- (12) Awarded the Global Banking & Finance Review “Best CSR Company in Taiwan.”
- (13) Awarded the International Business Magazine “Best CSR Company in Taiwan.”
- (14) Awarded the “Role Model Award for Financial Insurance Group and Role Model Award for Public Welfare Promotion” of the 17th Annual Corporate Social Responsibility Awards by Global Views Monthly.
- (15) Awarded the “Jade Award for the Best ESG Enterprise” by The Asset.
- (16) Awarded the “Sustainability Excellence Award for Financial Holdings” by Wealth Magazine.
- (17) Awarded the “National Excellent Healthy Workplaces” by Health Promotion Administration, Ministry of Health and Welfare.
- (18) Awarded the “Peaceful WorkPlace Certification” by the Department of Health, Taipei City Government.
- (19) Awarded the “Indoor Air Quality Self-Management Excellence Mark” by Environmental Protection Administration, Executive Yuan.
- (20) Awarded the “silver medal” of the 3rd ROC Enterprise Environmental Protection Award.

2. 2022

- (1) Yuanta FHC ranked among the top 5% of the TWSE listed companies, the top 10% of the TWSE/TPEX listed companies engaged in financial insurance

business, and 8th in “Corporate Governance Evaluation Operation” held by TWSE.

- (2) Yuanta FHC was selected by the “DJSI World Index” – Diversified Financials and jumped to 2nd place globally in the FBN Diversified Financial Services and Capital Markets.
 - (3) Yuanta FHC was selected by the “DJSI Emerging Markets Index” - Diversified Financials.
 - (4) Passed the Taiwan Corporate Governance Association’s “CG6013 (2021) Corporate Governance Framework Assessment Certificate with Distinguished Honor.” (Effective term: December 29, 2022~December 28, 2024)
 - (5) Rated by the international NPO, CDP (Carbon Disclosure Project), as Level A (Leadership level).
 - (6) Selected by the “2022 Bloomberg Gender-Equality Index (GEI).”
 - (7) Awarded by Corporate Governance Asia – Best Investor Relations Company, Asia’s Best Corporate Social Responsibility, Asia’s Best CEO (Investor Relations) – President Chien Weng, Asia’s Best CFO (Investor Relations) – CFO Hsu Shu Mai, and Asia’s Best Investor Relation Manager – Senior Vice President Allen Wu.
 - (8) Selected nominations by FTSE4Good Emerging Index.
 - (9) Awarded by S&P Global “2022 The Sustainability Yearbook – Gold Award.”
 - (10) Awarded HR Asia “Best Companies to Work for in Asia.”
 - (11) Selected nominations by “FTSE4Good TIP Taiwan ESG Index”.
 - (12) Awarded the “2022 Sustainability Resilience Awards - Leadership Award” by BSI.
 - (13) Awarded the “National Sustainable Development Award (Enterprise Group)” by the National Development Council.
 - (14) Awarded the “Role Model Award for Financial Insurance” Group of the 18th Annual ESG and CSR Awards by Global Views Monthly.
 - (15) Awarded the “Golden Prize for Taipei City Gender Equality in Employment Certification” by Department of Labor, Taipei City Government.
 - (16) Awarded the “Excellent Enterprise for Disclosure of Occupational Safety and Health Indicators in Sustainability Report” by Occupational Safety and Health Administration, Ministry of Labor.
 - (17) Awarded the “Top 100 Enterprises for Excellence in Corporate Social Responsibility (CSR)” by the CommonWealth Magazine.
 - (18) Awarded the “Sustainability Excellence Award for Financial Holdings” by Wealth Magazine.
3. 2023
- (1) Yuanta FHC ranked among the top 5% of TWSE listed company groups in the 9th term “Corporate Governance Evaluation Operation” held by TWSE.
 - (2) Yuanta FHC was selected by the “DJSI World Index” – Diversified Financials and jumped to 1st place globally in the FBN Diversified Financial Services and Capital Markets.
 - (3) Yuanta FHC was selected by the “DJSI Emerging Markets Index” - Diversified Financials.

- (4) Rated by the international NPO, CDP (Carbon Disclosure Project), as Level A (Leadership level).
- (5) Selected by the “2023 Bloomberg Gender-Equality Index (GEI).”
- (6) Awarded by Corporate Governance Asia – Best Investor Relations Company, Asia’s Best Corporate Social Responsibility, Asia’s Best CEO (Investor Relations) – President Chien Weng, Asia’s Best CFO (Investor Relations) – CFO Hsu Shu Mai, and Asia’s Best Investor Relation Manager – Senior Vice President Allen Wu.
- (7) Selected nominations by FTSE4Good Emerging Index.
- (8) Awarded by S&P Global “2023 The Sustainability Yearbook Top 5%.”
- (9) Awarded HR Asia “Best Companies to Work for in Asia.”
- (10) Selected nominations by “FTSE4Good TIP Taiwan ESG Index”.
- (11) Awarded the “2023 Sustainability Resilience Awards – Leadership Award , Information Resilience Award – Group Award” by BSI.
- (12) Awarded the “Role Model Award for Comprehensive Performance of Financial Insurance Industry” of the 19th Annual ESG Awards by Global Views Monthly.
- (13) Awarded the “Outstanding Unit Promoting the Private Enterprises and Organizations Green Procurement Program” by the Ministry of Environment.
- (14) Awarded the “Top 100 Enterprises for Excellence in Corporate Social Responsibility (CSR)” by the Commonwealth Magazine.
- (15) Awarded the “Sustainability Excellence Award for Financial Holdings” by Wealth Magazine.

Three. Corporate Governance Report

I. Organization

(I) Departmental duties and responsibilities

1. Secretariat Office: Responsible for the affairs of the Board of Directors and deliberations matters of all functional committees, reform of the Board structure and organizational division adjustment planning, assistance in onboarding of directors, continuing education plans for directors, succession plans for directors, and changes in directors (including election, reassignment, resignation, or dismissal), as well as coordination and integration of the parliamentary affairs of the Board meetings to be handled by the subsidiaries.
2. Internal Auditing Department: Responsible for internal audits as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
3. Risk Management Department: Responsible for risk control as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
4. Corporate Planning Department: Responsible for handling the Company's annual/mid-term and long-term development plans, setting operating goals and executing performance evaluations for the Company and its subsidiaries, managing and integrating important domestic business activities of the subsidiaries, promoting the corporate governance affairs, planning merger and acquisition projects, and promoting other important projects, et al. and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
5. Institutional IR Department: Responsible for maintaining relations and strategically communicating with institutional investors, providing feedback for their suggestions, etc.
6. Compliance Affairs Department: A compliance affairs unit subordinated to the president, responsible for planning, management and execution of the compliance system; establishment of various conveyance, consultation, coordination and communication systems for laws & regulations; confirmation of timely update of various operations and management regulations subject to laws & regulations; issuance or conclusion of the opinion which meets laws & regulations and internal regulations; analysis of deficiencies of various units in compliance or the causes thereof and opinion about corrective actions; performance appraisal of various units in compliance; assurance of effective operation of the compliance system; and, supervision and performance appraisal of the relevant functions assumed by subsidiaries. Responsible for planning, managing and executing AML and CFT system, and establishing the Group's consistent risk assessment method.
7. Legal Affairs Department: Responsible for researching and drafting Company's contracts with others; audit and management; advising and processing of legal issues and non-litigious and litigious matters; and, supervision and performance appraisal of the relevant functions assumed by subsidiaries.
8. Financial Department: Responsible for the Company's fiscal management, allocation of funds, capital planning, investment and financial management, market research and analysis, and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.

9. Accounting Department: Responsible for the establishment of the Company's accounting systems and operating procedures, accounting processing and management, final accounts, preparation of financial statements, a compilation of financial plans, planning and management of taxation affairs, and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
10. Administration Department: Responsible for planning and implementation of the Company's construction engineering, procurement affairs, asset management, shareholders service, occupational safety and health, paperwork, public affairs (including PRs, media affairs, promotional materials, CIS), and promotion of Environmental, Social, Governance (ESG) practices), and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
11. Human Resource Department: Responsible for planning and implementation of recruiting and hiring, education and training, employee development, remunerations, benefits, labor-management relations, drafting and amending of personnel regulations as well as oversight, integration and evaluation of matters relating to subsidiaries within the scope of its responsibilities.
12. Information Technology Department: Responsible for the planning, design, and implementation all the Company's IT matters as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
13. IT Security Department: Responsible for the planning, design, and implementation of all the Company's IT security matters as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
14. Operational Support Department: Responsible for raising efficiency of the operational support unit of each subsidiary company, including related operating systems and procedures, workforce optimization and upgrading of operational efficiency, and oversight of the operational planning, management, implementation and evaluation of various subsidiaries.
15. Project Planning Dept.: Responsible for providing the important operational management consulting services, and assisting subsidiaries, as an internal advisor, to research action projects to boost the operating revenue and profit growth and improve the efficiency.
16. Corporate Banking Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to corporate banking of the Company and its subsidiaries.
17. International Operations Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to international affairs of the Company and its subsidiaries.
18. Digital Development Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to Digital Development of the Company and its subsidiaries.

Chief functional officers and chief executive officers shall be appointed, who are responsible for implementing various functional affairs, or executing the guidance and integration of departments Business, and vice chief functional officer and vice chief executive officers may be appointed to assist the chief functional officers and chief executive officers, if necessary.

The chief functional officer under the supervision of the Board of Directors shall perform the following functions and operations:

1. The Auditor-General is responsible for supervising and integrating the execution of

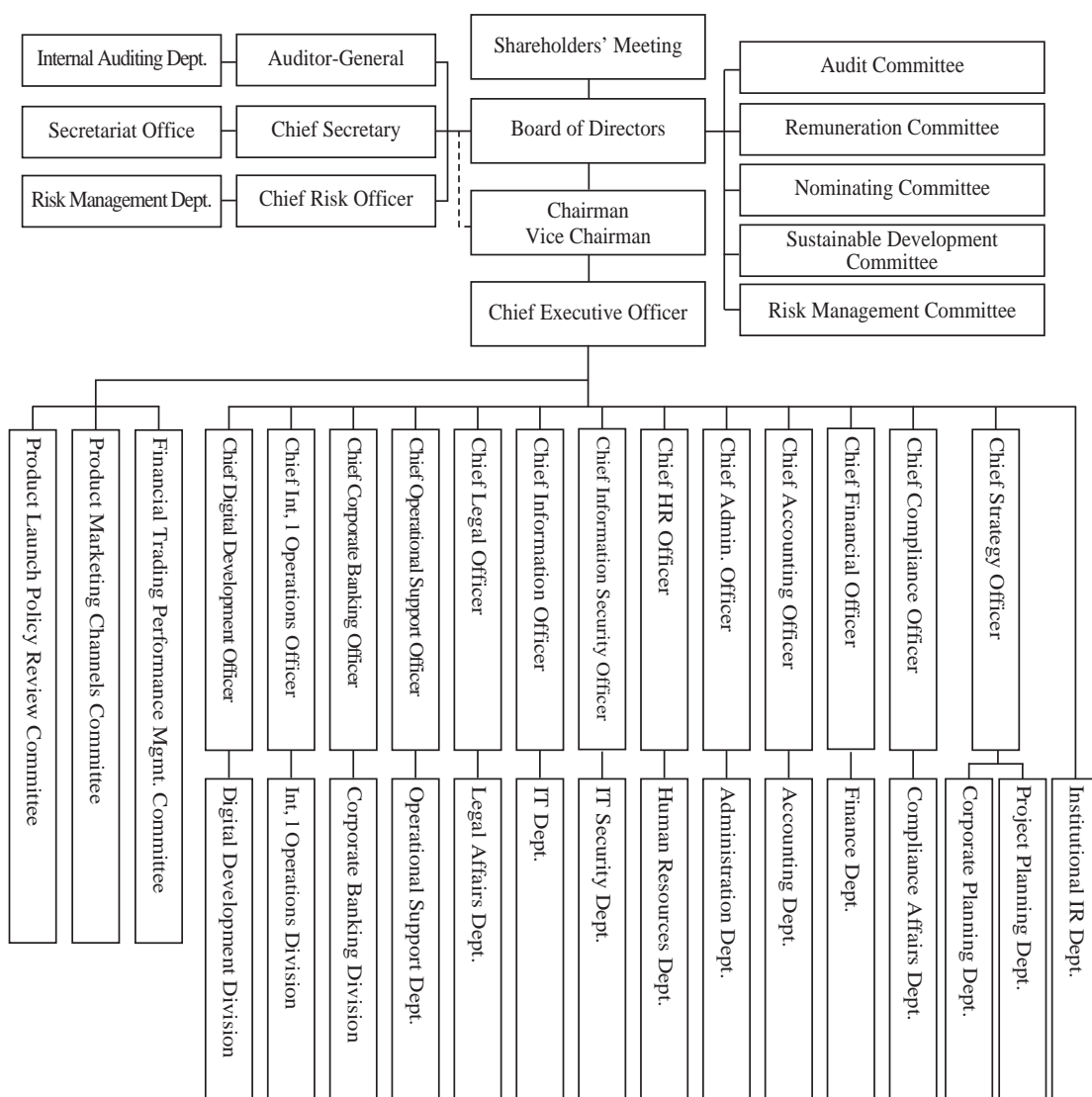
functions and operations of the Internal Auditing Dept.;

2. The Chief Secretary is responsible for supervising and integrating the execution of functions and operations of the Secretariat Office;
3. The Chief Risk Officer is responsible for executing the supervision and integration of functions and operations of the Risk Management Dept.

The chief functional officer and chief executive officer under the supervision of the president shall perform the following functions and operations:

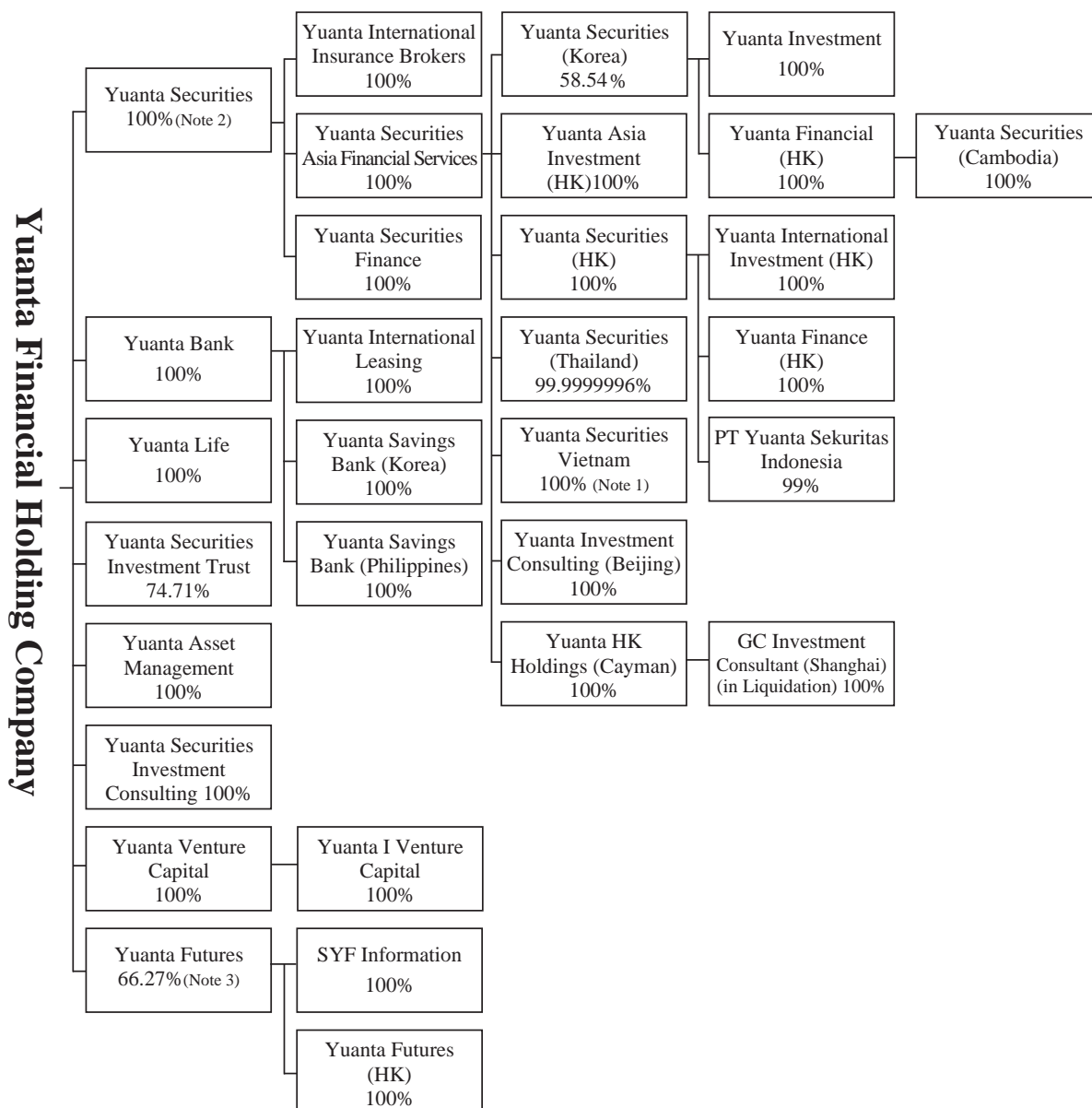
1. The Chief Strategy Officer is responsible for supervising and integrating the execution of functions and operations of the Corporate Planning Dept. and Project Planning Dept.;
2. The Chief Compliance Officer is responsible for executing the supervision and integration of functions and operations of the Compliance Affairs Dept., and serves as the Head Office CCO;
3. The Chief Financial Officer is responsible for executing the supervision and integration of functions and operations of the Finance Dept.;
4. The Chief Accounting Officer is responsible for executing the supervision and integration of functions and operations of the Accounting Dept.;
5. The Chief Admin. Officer is responsible for executing the supervision and integration of functions and operations of the Administration Dept.;
6. The Chief HR Officer is responsible for executing the supervision and integration of functions and operations of the Human Resources Dept.;
7. The Chief Information Officer is responsible for executing the supervision and integration of functions and operations of the IT Dept.;
8. The Chief Information Security Officer is responsible for executing the supervision and integration of functions and operations of the Information Security Dept.;
9. The Chief Legal Officer is responsible for executing the supervision and integration of functions and operations of the Legal Affairs Dept.;
10. The Chief Operational Support Officer is responsible for executing the supervision and integration of functions and operations of the Operational Support Dept.;
11. The chief executive officers of various business divisions are responsible for executing the supervision and integration of functions and operations of the relevant business divisions.

(II) Organizational Chart



(III) Relationship between the Company and its subsidiaries

As of January 31, 2024



Note 1 : Yuanta Securities Asia Financial Services Private Ltd. holds 94.10% of shares of Yuanta Securities Vietnam Limited Company. Yuanta Securities (Hong Kong) Co., Ltd. holds 5.90% of shares of Yuanta Securities Vietnam Limited Company. Yuanta Securities Co., Ltd. holds 100% of shares of Yuanta Securities Vietnam Limited Company indirectly.

Note 2 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established with the investment by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 3 : Yuanta Global (Singapore) Pte. Ltd. was established with the investment by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 4 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024.

(IV) Mutual shareholding ratios, number of shares, and actual invested capital between affiliated enterprises

As of January 31, 2024

Name of affiliated enterprise	Relationship with Yuanta FHC	Invested capital (NT\$ 1,000)	Investment shares (1,000 shares)
Yuanta Securities Co., Ltd.	100%-held subsidiary	75,708,786	6,592,453
Yuanta Commercial Bank Co., Ltd.	100%-held subsidiary	97,071,284	7,394,039
Yuanta Life Insurance Co., Ltd.	100%-held subsidiary	22,352,343	2,373,570
Yuanta Securities Investment Trust Co., Ltd.	74.71%-held subsidiary	3,829,794	169,538
Yuanta Futures Co., Ltd.	66.27%-held subsidiary	4,934,977	192,167
Yuanta Venture Capital Co., Ltd.	100%-held subsidiary	2,715,221	271,522
Yuanta Asset Management Co., Ltd.	100%-held subsidiary	3,346,138	334,614
Yuanta Securities Investment Consulting Co., Ltd.	100%-held subsidiary	138,100	10,000
Yuanta Securities Asia Financial Services Ptd. Ltd.	100% held by subsidiary, Yuanta Securities	14,642,759	390,909
Yuanta International Insurance Brokers Co., Ltd.	100% held by subsidiary, Yuanta Securities	5,550	500
Yuanta Securities Finance Co., Ltd.	100% held by subsidiary, Yuanta Securities	8,818,069	400,000
Yuanta Wealth Management (Singapore) Pte. Ltd.	100% held by subsidiary, Yuanta Securities	(Note 3)	(Note 3)
Yuanta International Leasing Co., Ltd.	100% held by subsidiary, Yuanta Bank	100,000	10,000
Yuanta Savings Bank Philippines, Inc.	100% held by subsidiary, Yuanta Bank	1,621,346	2,400,000
Yuanta Savings Bank Korea Co., Ltd.	100% held by subsidiary, Yuanta Bank	4,079,836	13,516
Yuanta Futures (Hong Kong) Co., Ltd.	100% held by subsidiary, Yuanta Futures	1,033,971	34,000
SYF Information Co., Ltd.	100% held by subsidiary, Yuanta Futures	350,000	35,000
Yuanta Global (Singapore) Pte. Ltd. (Note 4)	100% held by subsidiary, Yuanta Futures	156,725	5,000
Yuanta I Venture Capital Co., Ltd.	100% held by subsidiary, Yuanta Venture Capital	537,261	85,000
Yuanta Securities (Hong Kong) Co., Ltd.	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	9,151,651	2,268,133
Yuanta Asia Investment (Hong Kong) Limited	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	1,165,143	293,892
Yuanta Hong Kong Holdings (Cayman) Limited	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	23,529	74
Yuanta Investment Consulting (Beijing) Co., Ltd.	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	91,973	(Note 1)

Name of affiliated enterprise	Relationship with Yuanta FHC	Invested capital (NT\$ 1,000)	Investment shares (1,000 shares)
Yuanta Securities (Korea) Co., Ltd.	58.54% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	9,046,710	116,843
Yuanta Securities (Thailand)	99.999996% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	4,259,484	450,000
Yuanta Securities Vietnam Limited Company	94.10% held by subsidiary, Yuanta Asia Financial Services, a subsidiary of Yuanta Securities, 5.90% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary of Yuanta Securities, and a total of 100% held by both.	3,636,280	(Note 2)
GC Investment Consultant (Shanghai) (in liquidation)	100% held by Yuanta HK Holdings (Cayman), an indirect subsidiary of subsidiary Yuanta Securities	24,806	(Note 1)
Yuanta Finance (Hong Kong) Ltd.	100% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	204,189	50,000
Yuanta International Investment (Hong Kong) Ltd.	100% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	204,189	50,000
PT Yuanta Sekuritas Indonesia	99% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	1,009,676	474
Yuanta Investment Co., Ltd.	100% held by Yuanta Securities (Korea), an indirect subsidiary of subsidiary Yuanta Securities	1,662,011	6,401
Yuanta Financial (Hong Kong) Ltd.	100% held by Yuanta Securities (Korea), an indirect subsidiary of subsidiary Yuanta Securities	801,918	18,954
Yuanta Securities (Cambodia) Plc.	100% held by Yuanta Financial (HK), an indirect subsidiary of subsidiary Yuanta Securities	377,160	12,500

Note 1 : Said company refers to a limited liability company, and thus has only equity but no shares.

Note 2 : Said company adopts the contribution of capital, and thus has no shares.

Note 3 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established with the investment by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 4 : Yuanta Global (Singapore) Pte. Ltd. was established with the investment by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 5 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024.

II. Information on Directors, Independent Directors and Managers

(I) Directors'/Independent Director's information

As of January 31, 2024

Title	Nationality or Place of Registration	Name	Gender /Age	Date of Election (Appointment) Date	Term (years)	Date when first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in Yuanta FHC or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship	
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Chairman	Republic of China	Ting Chien Shen (Tony)	M 73	2022.06.10	Three Years	2009/04.16	5,384,398	0.04%	5,629,117	0.04%	—	—	—	—	Director of Yuanta Securities; Director of Yuanta Foundation	—	—	—
Director	Republic of China	Wei Chen Ma (Michael)	M 54	2022.06.10	Three years	2013.06.01	—	—	—	—	—	—	—	Director of Yuanta Bank; Director of Yuanta Construction Development; Director of Yuanta Foundation; Director of Yuanta Life; Director of International Taipei Trade Building, World Trade Center Co., Ltd.; Director of TWSE; Director of Richcorp International Limited; Director of Yuanta International Investment; Director of Sunshine City Global (PTC) Limited; Director of Empire Vision Limited; Supervisor of Bai Hung Investment Co., Ltd.	—	—	—	
Director	Republic of China	Representative of Tsun Chueh Investment: Chang Yuan Chen	M 74	2022.06.10	Three Years	2016.06.16	Holds 429,749,788 shares with Director Daniel Y.M. Song on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 2,392,000 shares	3.54%	Holds 449,281,915 shares with Director Daniel Yuan Chen on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 2,500,716 shares	3.54%	—	—	—	Director of Yuanta Bank; Responsible person of Xinyi Mansion Artwork Chung Yuan Chen; Chairman of Taipei City Jue Xin Temple; Chairman of Board, Yanping High School	—	—	—	
Director	Republic of China	Representative of Tsun Chueh Investment: Daniel Y.M. Song	M 63	2022.06.10	Three Years	2019.06.14	Holds 429,749,788 shares with Director Daniel Y.M. Song on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 249,305 shares	3.54%	Holds 449,281,915 shares with Director Chung Yuan Chen on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 260,635 shares	3.54%	—	—	—	Chairman of Yuanta Asset Management; Director of Yuanta Bank; Director of Yuanta Life; Director of Sunshine City Global (PTC) Limited	—	—	—	

Title	Nationality or Place of Registration	Name	Gender /Age	Date of Election (Appointment) Date	Term (years)	Date when first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in Yuanta FHC or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship	
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Director	Republic of China	Representative of Modern Investment Chien Weng	M /66	2022.06.10	Three years	2022.06.10	Holds 127,445,068 shares on behalf of Modern Investment Co., Ltd. and also individually holds 2,008,005 shares	1.05%	Holds 133,237,446 shares on behalf of Modern Investment Co., Ltd. and also individually holds 2,099,268 shares	1.05%	6,993	0.00%	—	—	Bachelor in Law, Fu Jen Catholic University Director, President, Vice President and Administrative Director of Yuanta Polaris Securities; Auditor-General and Executive Vice President of Yuanta FHC; Chairman of Yuanta Bank; Chairman of Yuanta Venture Capital; Director of Yuanta Life; Director of Yuanta I Venture Capital; Managing Director, Vice President, and Board of Directors Chief Secretary of Overseas-Chinese Banking Corporation Limited	President of Yuanta FHC; Director of Yuanta Bank; Independent Director of Taiwan FamilyMart; Director of Yuanta Foundation	—	—
Independent Director	Republic of China	Ming Ling Hsueh	M /69	2022.06.10	Three years	2016.06.16	—	—	—	—	—	—	—	—	Masters, Soochow University Institute of Accounting, MBA, Bloomsburg University of Pennsylvania President of PwC Taiwan; Adjunct Professor of College of Technology Management, National Tsing Hua University; Adjunct Professor of National Taiwan University of Science and Technology; School of Management; Member of the Board of Examiners for Senior Professional and Technical Examination of the R.O.C.; Chairman of Financial Literacy & Education Association (FINLEA)	Independent Director of Yuanta Bank, Lite-On Technology Corporation, TTY Biopharm, Walsin Lihwa Corp.; Standing Director of Taiwan Corporate Governance Association; Director of Tung Hua Book Co., Ltd.	—	—
Independent Director	Republic of China	Kuang-Si Shiu	M /73	2022.06.10	Three years	2019.06.14	—	—	—	—	—	—	—	—	Masters, Indiana University Kelley School of Business Chairman, President and Vice President of Mega Financial Holdings; Chairman and President of Mega Bank; Chairman of Hua Nan Financial Holdings; Chairman of Hua Nan Bank; Chairman of Land Bank of Taiwan; Vice President of Bank of Communications; Section Chief of Bureau of Monetary Affairs, Ministry of Finance; Assistant Auditor of Taxation Administration, Ministry of Finance; Research Associate of Council for Economic Planning and Development, Executive Yuan	Independent Director of Yuanta Bank; Supervisor of Yu Cheng Investment Co., Ltd.; Supervisor of The Promised Land Foundation; Director of Cuman Clear Co., Ltd.; Supervisor of Ti Mo Tai Investment Co., Ltd.; Independent Director of United Microelectronics Corporation; Director of Cuman Social Welfare & Charity Foundation	—	—

Title	Nationality or Place of Registration	Name	Gender /Age	Date of Election (Appointment) Date	Term (years)	Date when first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in Yuanta FHC or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship	
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Name	Relationship
Independent Director	Republic of China	Huang Yi Chow	M 65	2022.06.10	Three years	2019.06.14	—	—	—	—	—	—	—	—	Emeritus Professor of NCCU Department of Finance; Independent Director of Yuanta Securities; Independent Director of Global V. Corp.; Director of Global View Education Fund; Director of ESG World Citizens & Digital Creativity Foundation (ESGWD); Researcher, Committee Member of Lion Hwa Industrial Holdings Corp.; Director of Kuo-Fu Holdings Corp.; Director of Kuo-Fu Sun Art-Sun Cultural Center; Director of Andrew T. Huang Medical Education Promotion Fund	—	—	
Independent Director	Republic of China	Sharon S. Yang	F 53	2022.06.10	Three years	2022.06.10	—	—	—	—	—	—	—	—	PhD in Actuarial Science, Heriot-Watt University, UK Associate Dean of the School of Management and Chair of the Department of Finance at National Central University; Independent Director of BNP Paribas Cardif; Director of Taiwan Insurance Co., Ltd.; Director of Taiwan Insurance Guaranty Fund; Investment Linked Insurance Bureau, Financial Supervisory Commission; Discipline Committee Member of Taiwan Futures Exchange; Advisory Committee member of the Life Insurance Association of the Republic of China; Member of the Risk Control Member of Chinese Mutual Futures Association; Advisor, Associate Professor of the NCCU Department of Risk Management and Insurance; Clerk of the Department of Mathematics, CNU Life Insurance	Independent Director of Yuanta Life; Director of Yuanta Foundation; Advisory Committee member of Central Deposit Insurance Corporation; Director of Financial Research Center, NCCU College of Commerce; Member of Taiwan Futures Exchange Trading Committee; Advisory Committee member of Financial Ombudsman Institution; Vice Chairman of Pension Fund Association, R.O.C.; Member of Index Compilation Committee, Taiwan Index Plus; and Independent Director of SPOTON INTERNATIONAL INC., among others.	—	—

Note 1 : The contents above, including shares and shareholding ratios, were based on actual shareholdings on January 31, 2024. Shareholding ratios for institutional shareholders do not include the personal shareholdings of representatives.

Note 2 : The Company's directors of the board were re-elected in whole on June 10, 2022, and the directors shall hold the position from June 10, 2022 until June 9, 2025.

Note 3 : The Company convened the Board of Directors meeting to elect Mr. Tony Shen as the Chairman of Board on J June 10, 2022.

Note 4 : The date first elected is the date on which directors or representative first assumed their positions.

Note 5 : Yuanta FHC had a total of 12,689,082,377 shares outstanding as of January 31, 2024.

Note 6 : The Chairman of the Board of Directors and President or equivalent (the chief executive officer) of the Company are not the same person, spouses or relatives within first degree of kinship.

(II) Major shareholders of institutional shareholders

As of January 31, 2024

Name of Institutional shareholder	Major shareholders of institutional shareholders
Tsun Chueh Investment Co., Ltd.	Teng Ta Investment Co., Ltd. - 19.69%, Lian Ta Investment Co., Ltd. - 19.84%, Chiu Ta Investment Co., Ltd. - 18.36%, Lien Heng Investment Co., Ltd. - 18.92%, Hsing Tsai Investment Co., Ltd. - 10.23%, Victor Ma - 12.96%
Modern Investment Co., Ltd.	Lian Ta Investment Co., Ltd. - 46.37%, Lien Heng Investment Co., Ltd. - 19.73%, Teng Ta Investment Co., Ltd. - 17.23%, Hsing Tsai Investment Co., Ltd. - 16.67%

(III) Key shareholders of major institutional shareholders

As of January 31, 2024

Name of Juristic Person	Major shareholders of Juristic Person
Teng Ta Investment Co., Ltd.	Lien Heng Investment Co., Ltd. - 54.13%, Mcgold Ventures Limited - 45.87%
Lian Ta Investment Co., Ltd.	GW International Inc. - 45.79%, Lien Heng Investment Co., Ltd. - 37.14%, Chiu Ta Investment Co., Ltd. - 14.02%, Hsing Tsai Investment Co., Ltd. - 2.58%, Judy Tu - 0.47%
Chiu Ta Investment Co., Ltd.	CK Investments Group Limited - 46.06%, Lian Ta Investment Co., Ltd. - 33.26%, Teng Ta Investment Co., Ltd. - 14.27%, Lien Heng Investment Co., Ltd. - 4.72%, Modern Investment Co., Ltd. Co., Ltd. - 1.69%
Lien Heng Investment Co., Ltd.	Suchluck Investments Limited - 45.14%, Hsing Tsai Investment Co., Ltd. - 22.49%, Teng Ta Investment Co., Ltd. - 19.61%, Lian Ta Investment Co., Ltd. - 11.14%, Modern Investment Co., Ltd. - 1.25%, Chiu Ta Investment Co., Ltd. - 0.37%
Hsing Tsai Investment Co., Ltd.	Lien Heng Investment Co., Ltd. - 48.93%, Taiwan Dragon Management Limited - 46.19%, Chiu Ta Investment Co., Ltd. - 4.88%

(IV) Disclosure of information about professional qualifications and independence of directors and independent directors

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Ting Chien Shen (Tony) Chairman	<p>Chairman Tony Shen used to be the Chairman of Yuanta Polaris Securities (2009/4–2014/6), and also Yuanta FHC’s President (2009/9 – 2013/5, 2014/7 – 2019/6), Vice Chairman (2013/11 – 2014/7) and Chairman (2013/6 – 2013/11, 2019/6 – present), who satisfies the professional qualifications referred to in subparagraph 1, Paragraph 1, Paragraph 3, Paragraph 5, Paragraph 9, of Article 9 of the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company” (hereinafter referred to as the “Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies”). Meanwhile, Chairman Tony Shen also held the position as the Vice Chairman (2007/4 – 2007/10), Director (2001/10 – 2014/7) of Yuanta Securities Asia Financial Services and Chairman (2007/6 – 2009/7) of Yuanta Securities (HK) once and engaged in the securities-related work for nearly fifty years. He holds the expertise in management and corporate governance of financial holding company and securities house.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. To be director or supervisor of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC’s total outstanding shares, nor is one of Yuanta FHC’s ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC. 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	0

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Wei Chen Ma (Michael) Director	<p>Director Wei Chen Ma (Michael) used to be the director of Yuanta Core Pacific Securities (2000/8 – 2005/6), Vice Chairman of Yuanta Bank (2005/7 – 2008/3), Executive Vice President of Yuanta FHC (2007/9 – 2009/5) and Vice Chairman of Yuanta Life (2016/2 – 2018/1), and is experienced in the financial business and management and, therefore, satisfies the professional qualifications referred to in the subparagraph 3, Paragraph 1, Paragraph 3 of Article 9 of the Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies. For the time being, he holds the position as director of TWSE with the expertise in management and corporate governance of financial holding company and financial business.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. To be director or supervisor of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC's total outstanding shares, nor is one of Yuanta FHC's ten largest natural-person shareholders. 4. The spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. To be Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act. 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC. 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	0

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Chung Yuan Chen Director	<p>Director Chung Yuan Chen used to be the Executive Yuan Political Adviser (2000 – 2008), Managing Director of Taiwan Power Company (2005 – 2008), Chairman of Taipei City Fire Buff Association (2003–2008), and Supervisor of Chang Jia M&E Engineering Corp., (2013 – 2016) and is very experienced in the industry, has extensive popularity and good reputation in the industry, and holds in-depth insights into corporate management, industrial development trends and related risk controls. For the time being, he holds the position as director of Yuanta FHC (2016/6 – present) and Yuanta Bank (2016/6 – present), and exercises his specialty in the corporate management and industry perfectly, provides various professional suggestions, holds expertise in management and corporate governance of financial holding company and banking business.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. To be director or supervisor of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC’s total outstanding shares, nor is one of Yuanta FHC’s ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC. 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 12. To be elected as a institution or their representative as prescribed in Article 27 of the Company Act. 	0

Name / Qualification	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Daniel Y.M. Song Director	<p>Director Daniel Y.M. Song, currently the Chairman of Yuanta Asset Management (2019/2 – present), used to be a partner of Lee and Li Attorneys-at-Law (1997/1 – 2018/12), Prosecutor of Taiwan Taichung District Prosecutors Office (1988/12 – 1995/12), and the negotiator for the important economic, trade and legal affairs including WTO Trade in Services, counseling services, Taiwan–US intellectual property rights negotiation and Taiwan–US mutual legal assistance in criminal matters. He is qualified for practicing law in the USA and Taiwan, with plentiful experience in dealing with cases involving international affairs. His legal expertise covers administrative law, Fair Trade Act, Mass Communication Law, commercial cases, criminal actions, intellectual property right litigation and international trade disputes, etc., and particularly the M&A and transnational commercial cases.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. To be director or supervisor of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC’s total outstanding shares, nor is one of Yuanta FHC’s ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC. 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 12. To be elected as a institution or their representative as prescribed in Article 27 of the Company Act. 	0

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Chien Weng Director	<p>Mr. Chien Weng is the current the President of Yuanta FHC (2019/7 – present) and the director of Yuanta Bank (2019/6 – present), the former Chairman of Yuanta Bank (2020/10 – 2023/8), and the former Auditor - General of Yuanta FHC (2012/8 – 2016/5) and Yuanta Bank (2012/10 – 2016/5), Executive Vice President of Yuanta Polaris Securities, President, Vice President and Administrative Director of Polaris Securities (2007/12 – 2010/1), and Vice President of Oversea-Chinese Banking Corporation Limited and Board of Directors Chief Secretary (2005/3 – 2007/11), who should be held as satisfying the professional qualifications referred to in subparagraph 1, Paragraph 1, and Paragraph 9, of Article 9 of the Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies. Meanwhile, he is the former Chairman of Yuanta Venture Capital (2016/6 – 2019/3) and former Director of Yuanta Life (2018/2 – 2020/10), well experienced in finance. He holds the expertise in management and corporate governance of a financial holding company, banking industry and securities houses.</p>	<ol style="list-style-type: none"> 1. To be employee of Yuanta FHC or an affiliate. 2. To be director or supervisor of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC’s total outstanding shares, nor is one of Yuanta FHC’s ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC. 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act. 12. To be elected as a institution or their representative as prescribed in Article 27 of the Company Act. 	1

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Ming Ling Hsueh Independent Director	<p>Independent Director Ming Ling Hsueh has practiced as a CPA for more than three decades, and used to be the President of PwC Taiwan (2006/7 – 2013/6). Through practicing in the CPA business, he has experience in auditing financial statements for financial holding companies of 9 years. Therefore, he should be held as satisfying the professional qualifications referred to in subparagraph 3, Paragraph 1, Paragraph 3, Paragraph 6 of Article 9 of the Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies. Meanwhile, he serves as the Standing Director of Taiwan Corporate Governance Association (2010/3–present) and also as the keynote speaker of the Corporate Governance Forum and trainer of professional courses; he holds expertise in management and corporate governance of financial holding companies, accounting and finance.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. Not a director of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC's total outstanding shares, nor is one of Yuanta FHC's ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC (this restriction does not apply to independent director positions in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by Yuanta FHC that is an independent director in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country). 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the subparagraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	3

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Kuang Si Shiu Independent Director	<p>Independent Director Kuang Si Shiu became the Vice President of General Administration Bank of Communications Co., Ltd. (2001/8 – 2006/8), and the President of Mega International Commercial Bank (2006/8 - 2014/8). He has held the position as Vice President or above for 13 years in total, thus satisfying professional qualifications referred to in subparagraph 1, Paragraph 1, Paragraph 3, Paragraph 9 of Article 9 of the Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies. He used to be the Chairman (2008/7 – 2014/8) and President of Mega Financial Holdings (2015/9 – 2016/8), Chairman of Hua Nan Financial Holdings, Chairman of Mega Bank, Chairman of Hua Nan Bank (2015/9 – 2016/8) and Chairman of Land Bank of Taiwan (2014/8 – 2015/9), and is thus well experienced in the banking business. He holds the expertise in management and corporate governance of a financial holding company and banking business.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. Not a director of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC's total outstanding shares, nor is one of Yuanta FHC's ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC (this restriction does not apply to independent director positions in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by Yuanta FHC that is an independent director in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country). 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the subparagraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	1

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Hsing Yi Chow Independent Director	<p>Independent Director Hsing Yi Chow is the Emeritus Professor of NCCU Department of Finance. He used to be President of National Chengchi University (NCCU) (2014/11 – 2018/11), Dean of NCCU College of Commerce (2005/8 – 2008/7), Director of Investor Research Center, Chair of NCCU Department (Graduate Institute) of Finance (2000/8 – 2002/7), and Vice President of Asian Finance Association (1996/8 – 1997/7); he holds the expertise in investment, risk management, international finance, entrepreneurial financial management and corporate governance and engages in in-depth research in the securities houses and capital market development in Taiwan. He used to be the Supervisor of TPEX (2006/8 – 2018/7), Director of International Cooperation and Development Fund (2009/8 – 2014/7), Member of Financial Restructuring Fund Commission (2010/1 – 2012/12), and Supervisor of Securities and Futures Investors Protection Center (2003/2 – 2008/7), this well experienced in the securities and financial businesses. He holds the expertise in management and corporate governance of a financial holding company and securities houses and also finance.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. Not a director of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC's total outstanding shares, nor is one of Yuanta FHC's ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC (this restriction does not apply to independent director positions in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by Yuanta FHC that is an independent director in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country). 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the subparagraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	1

Qualification Name	Professional Qualifications and Experience	Compliance of Independence (Note 2)	Number of positions as an Independent Director in other public listed companies (Note 1)
Sharon S. Yang Independent Director	<p>Ms. Sharon S. Yang is the Independent Director of Yuanta Life (2019/6 – present), and holds the positions including the Director of Financial Research Center, NCCU College of Commerce (2020/1 – present), TAIFEX Trading Committee Member (2023/1 – present), Vice Chairman of Pension Fund Association, R.O.C. (2023/6 – present) and Actuarial Review Committee Member of National Pension Insurance (2017/10 – present), and was the former Investment Linked Investment Review Member of Insurance Bureau, Financial Supervisory Commission (2005/7 – 2016/4), former director of Taiwan Insurance Guaranty Fund (2011/5 – 2015/4), former Director of Takeover Committee of Taiwan Insurance Guaranty Fund (2011/5 – 2015/4), former Discipline Committee Member of Taiwan Futures Exchange (2019/5 – 2020/12) and Convener of Clearing Committee, Taiwan Futures Exchange (2020/1 – 2022/12), who should be held as satisfying the professional qualifications referred to in subparagraph 3, Paragraph 1, Paragraph 3, Paragraph 9 and Paragraph 10 of Article 9 of the Regulations Governing Qualification Requirements for Responsible Persons of Financial Holding Companies. She holds the expertise in management and sustainable finance related to a financial holding company, life insurance industry and finance, and financial actuarial.</p>	<ol style="list-style-type: none"> 1. Not an employee of Yuanta FHC or an affiliate. 2. Not a director of Yuanta FHC or any of its affiliated companies. 3. Not a director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of Yuanta FHC's total outstanding shares, nor is one of Yuanta FHC's ten largest natural-person shareholders. 4. Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item 1. or persons described in the Item 2. and Item 3. 5. Not a director, supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by Yuanta FHC, or of top-5 institutional shareholders of Yuanta FHC, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of Yuanta FHC in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in Yuanta FHC its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 6. Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of Yuanta FHC. 7. Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of Yuanta FHC (this restriction does not apply to independent director positions in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country). 8. Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with Yuanta FHC (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by Yuanta FHC that is an independent director in Yuanta FHC, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country). 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to Yuanta FHC or any affiliated company of Yuanta FHC, or that provides commercial, legal, financial, accounting or related services to Yuanta FHC or any affiliated company of Yuanta FHC for which the provider in the past two years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act. 10. Is not the spouse or relative within the second degree of kinship of another director. 11. Is not a person of the conditions specified in any of the subparagraphs of Article 30 of the Company Act. 12. Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act. 	1

- Note 1 : The Company's Independent Directors include, Mr. Ming Ling Hsueh who is concurrently acting as the independent director of Yuanta Bank, Mr. Kuang Si Shiu concurrently acting as the independent director of Yuanta Bank, and Mr. Hsing Yi Chow concurrently acting as the independent director of Yuanta Securities, Ms. Sharon S. Yang concurrently acting as the independent director of the subsidiaries including Yuanta Life (not for public offering). According to Paragraph 2, Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" amended and promulgated by Financial Supervisory Commission, Executive Yuan on January 15, 2020, where any independent director of a financial holding company concurrently acts as an independent director of more than one subsidiary wholly owned by the company, the number of additional subsidiaries in which he concurrently acts as an independent director shall be counted as "other unrelated" public companies.
- Note 2 : For the following items, this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country :
- (1) Not a director or supervisor of the Company or any of its affiliated companies.
 - (2) Not a Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 institutional shareholders of the Company, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act.
 - (3) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of the Company.
 - (4) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company.
 - (5) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the Company.

(V) Diversity and independence of the Board of Director

Yuanta FHC has established the “Procedure for Election of Directors”, in which Article 3 expressly defines that the overall composition of the Board of Directors shall be taken into consideration in the selection of the directors. The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on Yuanta FHC’s business operations, type of operation, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture, et al.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

As stated in the subparagraph 2 of the preceding paragraph, each Board member of Yuanta FHC shall have the necessary knowledge, skills, and experience required to perform their duties. The professional knowledge and skills that must be present in the Board as a whole are stated as follows:

1. Ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability (including ability to manage subsidiaries).
4. Crisis management ability
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.
9. Risk management knowledge and ability.

According to said diversity policy, Yuanta FHC’s existing Board of Directors sets the diversity targets as follows:

1. The elected independent directors shall account for more than 40% of the elected directors;
2. Nominate at least one female candidate for director since the 9th Board of Directors (2022), and increase the proportion of the female directors to the whole Board members to 20% by 2030, and aim at 30% as the long-term target.
3. Appoint the directors satisfying the natural-person professional qualifications, in accordance with the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company.”

The 9th Board of Yuanta FHC’s (elected in 2022) consists of 9 directors, including 4 independent directors and the 6 directors elected in the capacity of natural-person (including 4 independent directors).

The Board members’ industrial experience covers financial holding, securities, banking, insurance, information technology, construction, aviation, asset management, utilities, mechatronics, education, retailing and pharmaceuticals, etc. The members are also specialized in banking, marketing, risk management, information technology, laws, finance & accounting, asset management, engineering and construction, and actuarial science. Directors hold the abilities to make judgments about operations and for business management, risk management, international market, merger & acquisition, leadership

and decision-making, accounting and financial analysis, and make a contribution to the development of Yuanta FHC's strategies and plans about domestic/overseas business management, business decision making and risk control. The directors of the 9th term as elected are held satisfying Yuanta FHC's diversity policy and targets, who will practice what they are good at to help Yuanta FHC keep pursuing the two major targets, "Best Financial Services Provider in the Asia Pacific Region" and "International Sustainable Benchmarking Enterprise," in line with the three core philosophies, "Stable Profit," "Risk Control" and "Sustainable Development."

Among the directors of the 9th term, Director Tony Shen has worked for Yuanta Securities for more than five decades, and, with plentiful experience in financial management, has gone through multiple domestic and foreign merger and acquisition projects and helped upgrade the Group's profitability to hit the record, as a natural person director specialized in banking and securities operations. Director Chien Weng has held the position as President of Yuanta FHC for about four as from July 26, 2019, and held the position as the Chairman of Yuanta Bank since October 2020 to August 2023, and has engaged in the finance for more than three decades, gone through securities, banking, venture capital, life insurance and financial holding, served as the important promoter of Yuanta FHC's important decisions and execution thereof, as a natural person director specialized in finance, securities and banking. Director Michael Ma has held the position as director of Yuanta FHC since June 2013, and, with his insight into the financial business and industry, leads the Group to promote the integration of business and financial operations and drive the five major business units of the Group to grow together and move forward the vision "the Best Financial Services Provider in the Asia Pacific Region" stably, as a natural person director specialized in banking. Independent Director Ming Ling Hsueh, qualified as a CPA, is experienced in auditing accounts of Yuanta FHC for about one decade and performs remarkably, as a natural person independent director specialized in accounting and banking. Independent Director Kuang Si Shiu has worked in the banking industry for more than four decades, and is experienced in international banking, international layout and overseas business management, as a natural person director specialized in financial and banking. Independent Director Hsing Yi Chow has worked for Yuanta Securities for many years, specialized in the investment science, risk management, international banking and entrepreneurial finance management and conducting in-depth research on Taiwan's securities industry and capital market development, with the expertise in securities markets and corporate governance. Independent Director Sharon S. Yang formerly held some important position in the financial supervisory authority and its peripheral business, and is well experienced in promoting corporate governance and financial practices, as a natural person director specialized in finance and insurance. Furthermore, Director Daniel Y.M. Song is specialized in law. Director Michael Ma, Director Tony Shen and four independent directors are specialized in finance and accounting. Director Michael Ma and Director Chung Yuan Chen are experienced in the information technology industry, construction industry and engineering. Meanwhile, all of Yuanta FHC's directors hold plentiful experience and expertise in mergers & acquisitions, risk management, business management, finance & banking insurance, corporate governance and sustainable development.

The average term of office served by Yuanta FHC's directors is 7 years. One(1) of the directors has held the position for 12 to 14 years, three(3) of the directors for 8 to 11 years, three(3) of the directors for 5 to 7 years, and two(2) of the directors for 0 to 4 years. Yuanta FHC's directors consist of eight(8) male directors and one(1) female director, including two(2) at the age of 51 to 60 years old, four(4) at the age of 61 to 70 years old, and three(3) at the age of 71 -75 years old. Therefore, the average age of all directors is 66.

Concerning the diversity policy on the Board of Directors, the elected independent directors of the 9th term already accounted for 44% of the elected directors. A total of five (5) natural-person professional directors satisfied the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company.” Meanwhile, Yuanta FHC has elected one(1) female independent director, Sharon S. Yang.

Yuanta FHC’s fulfillment of the board member diversity policy is summarized as following:

Name	Professional skills	
Ting Chien Shen (Tony) Director (Chairman)	73 years old male/Date of Appointment: April 16, 2009/Term of Office: 15 years/Nationality: Republic of China	
	With the experience in the industries including financial holding and Securities. With the expertise in finance, marketing, financial and risk management, and the abilities to make judgments about operations and for business management, risk management, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience^{note}	Financials
Wei Chen Ma (Michael) Director	54 years old male/Date of Appointment: June 1, 2013/Term of Office: 11 years/Nationality: Republic of China	
	With the experience in the industries including financial holding, banking, life insurance, securities, information technology and construction, etc. With the expertise in finance, financial, information technology and risk management, and the abilities to make judgments about operations and for business management, risk management, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Financials, Information Technology, Real Estate
Chung Yuan Chen Director	74 years old male/Date of Appointment: June 16, 2016/Term of Office: 8 years/Nationality: Republic of China	
	With the experience in the industries including utilities, electrical and mechanical work, education and construction, etc. With the expertise in finance, engineering and construction, and the abilities for business management, risk management, leadership and decision-making.	
	Industry work experience	Real Estate
Daniel Y.M. Song Director	63 years old male/Date of Appointment: June 14, 2019/Term of Office: 5 years/Nationality: Republic of China	
	With the experience in the industries including banking, life insurance, aviation and asset management. With the expertise in law and asset management, and the abilities for business management, risk management, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Legal Service (Consumer Discretionary)
Chien Weng Director	66 years old male/Date of Appointment: June 10, 2022/Term of Office: 2 years/Nationality: Republic of China	
	With the experience in the industries including financial holding, banking, securities and retail. With the expertise in finance, laws and risk management, and the abilities to make judgments about operations and for business management, risk management, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Financials
Ming Ling Hsueh Independent Director	69 years old male/Date of Appointment: June 16, 2016/Term of Office: 8 years/Nationality: Republic of China	
	With the experience in the industries including financial holding, banking, information technology and medicines, etc. With the expertise in finance, financial, accounting and information technology, and the abilities for accounting and financial analysis, business management, risk management, international	

Name	Professional skills	
	market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Educational and Cultural Industry & Accounting Services (Consumer Discretionary)
Kuang Si Shiu Independent Director	73 years old male/Date of Appointment: June 14, 2019/Term of Office: 5 years/Nationality: Republic of China	
	With the experience in the industries including financial holding and banking. With the expertise in finance, marketing, financial and risk management, and the abilities to make judgments about operations and for business management, risk management, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Financials
Hsing Yi Chow Independent Director	65 years old male/Date of Appointment: June 14, 2019/Term of Office: 5 years/Nationality: Republic of China	
	With the experience in the industries including education, securities and information technology. With the expertise in finance, financial and risk management, and the abilities for business management, financial analysis, international market, merger & acquisition, leadership and decision-making.	
	Industry work experience	Educational and Cultural Industry (Consumer Discretionary)
Sharon S. Yang Independent Director	53 years old female/Date of Appointment: June 10, 2022/Term of Office: 2 years/Nationality: Republic of China	
	With the experience in the industries including insurance and education. With the expertise in finance, actuarial, financial and risk management, and the abilities for international market and financial analysis.	
	Industry work experience	Financials, education & culture (Consumer Discretionary)

Note : It refers to the industry work experience in non-directorship. The industry type is classified based on GICS Level 1.

(VI) Information concerning the president, vice presidents, assistant vice presidents, and department and branch managers

As of January 31, 2024

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers, who are spouses or relatives within the second degree of kinship	
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Relationship
President	Republic of China	Chien Weng	M	2019.07.26	2,099,268	0.02%	6,993	0.00%	—	—	Bachelor in Law, Fu Jen Catholic University Chairman of Yuanta Bank, Chairman of Yuanta Venture Capital; Chairman of Yuanta I Venture Capital; President of Polaris Securities	Director of Yuanta FHC, Director of Yuanta Bank; Independent Director of Taiwan FamilyMart Co., Ltd.; Director of Yuanta Foundation	—	—
Auditor-General	Republic of China	Su Ching Weng	F	2023.08.04	62,854	0.00%	—	—	—	—	Bachelor in Business Administration, National Cheng Kung University Vice President of Yuanta Bank	None	—	—
Senior Vice President (Chief Secretary)	Republic of China	Lawrence Lee	M	2017.09.01	198,070	0.00%	967,892	0.01%	—	—	Master in Law, Soochow University Chairman of Yuanta Asset Management; Chairman of Ta Chong Securities; President of Yuanta Securities Finance; President of Yuanta Financial Consulting	Executive Vice President of Yuanta Securities	—	—
Vice President (Chief Risk Officer)	Republic of China	Chi Wei Lai	F	2023.08.01	65,425	0.00%	—	—	—	—	Master degree in Finance, Tamkang University Senior Assistant Vice President of Yuanta Life	Vice President of Yuanta Life	—	—
Executive Vice President (Chief Strategy Officer)	Republic of China	Hsuan Min Kuo	M	2023.08.01	479,169	0.00%	—	—	—	—	M.A. in International Business Administration, National Taiwan University Senior Vice President of Yuanta FHC	Executive Vice President of Yuanta Life; Director of Yuanta Life	—	—
Executive Vice President (Chief International Operation Officer)	Republic of China	Wei Cheng Hwang (Bobby)	M	2023.10.01	254,870	0.00%	—	—	—	—	MBA, University of California President of Yuanta Securities; President of Yuanta Securities (Korea) Co., Ltd.	Vice Chairman of Yuanta Securities; Director of Yuanta Securities; Director of Yuanta Asia Investment (HK); Director of Yuanta Securities (HK); Director of Yuanta Securities (Thailand); Director of Yuanta Securities Asia Financial Services; Director of Yuanta Securities (Korea) Co., Ltd.; Authorized Representative of Yuanta Securities Vietnam; Director of Taiwan Depository & Clearing Corporation	—	—
Senior Vice President (Chief Digital Development Officer)	Republic of China	Mei Ling Kuo	F	2019.01.02	171,738	0.00%	—	—	—	—	Master of Business Administration, National Chengchi University Executive Vice President of Yuanta Securities	Executive Vice President of Yuanta Bank; Director of Yuanta Futures; Director of Yuanta Securities Finance	—	—
Senior Vice President (Chief Corporate Banking Officer)	Republic of China	Hsiao Ling Chou	F	2021.11.01	1,016,153	0.01%	—	—	—	—	Master degree in Finance, National Taiwan University Vice Chairman of Yuanta Futures; President of Yuanta Futures	Vice Chairman of Yuanta Bank; Director of Yuanta Bank; Director of Yuanta Venture Capital; Director of Yuanta I Venture Capital; Director of Yuanta Foundation	—	—
Senior Vice President (Chief Compliance Officer)	Republic of China	Wen Ching Chiu	F	2018.02.01	315,543	0.00%	—	—	—	—	Bachelor in Law, National Chengchi University Senior Vice President of Yuanta Securities	Executive Vice President of Yuanta Bank; Director of Yuanta Bank; Director of Yuanta Futures	—	—
Senior Vice President (Chief Financial Officer)	Republic of China	Hsu Shu Mai	M	2017.07.01	1,010,538	0.01%	—	—	—	—	Master degree in Finance, National Taiwan University Senior Vice President of Yuanta Securities	Senior Vice President of Yuanta Bank; Supervisor of Yuanta Securities Finance	—	—

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers whose spouses or relatives within the second degree of kinship	
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Senior Vice President (Chief Admin. Officer)	Republic of China	Robert C.S. Yang	M	2014.07.21	305,100	0.00%	—	—	—	—	Doctor of Philosophy in News & Mass Communication, Jinan University Vice President of Yuanta FHC	Senior Vice President of Yuanta Bank; Supervisor of Yuanta Asset Management	—	—
Senior Vice President (Chief Operational Support Officer)	Republic of China	Ming Lang Liu	M	2017.09.01	706,070	0.01%	—	—	—	—	Bachelor in Business Administration, Tamkang University Senior Vice President of Yuanta Securities	Director of Yuanta Life, Yuanta Securities Finance; Executive Vice President of Yuanta Securities	—	—
Senior Vice President (Chief Accounting Officer)	Republic of China	Hui Jung Lu	F	2020.07.01	297,485	0.00%	—	—	—	—	Master degree in Finance, National Taiwan University of Science and Technology Senior Vice President of Yuanta Life	Senior Vice President of Yuanta Securities; Supervisor of Yuanta International Insurance Brokers; Director of Yuanta Securities (HK)	—	—
Vice President (Chief Information Officer)	Republic of China	Fang Ming Lo	M	2020.04.01	53,986	0.00%	41,931	0.00%	—	—	Bachelor of Computing Engineering, Tamkang University Senior Assistant Vice President of Yuanta FHC	Vice President of Yuanta Securities; Director of Yuanta Securities Finance	—	—
Vice President (Chief Legal Officer)	Republic of China	Yung Chu Su	F	2021.01.01	26,881	0.00%	—	—	—	—	Master of Finance Law, Boston University Junior Associate, Lee and Li, Attorneys-at- Law	Vice President of Yuanta Securities; Supervisor of Yuanta Venture Capital; Supervisor of Yuanta I Venture Capital; Director of Yuanta Securities (HK); Director of EMPIRE VISION LIMITED; Director of SUNSHINE CITY GLOBAL (PTC) LIMITED; Director of Yuanta Asia Investment (HK)	—	—
Vice President (Chief Information Security Officer)	Republic of China	Chi Jung Huang	M	2022.09.01	197,581	0.00%	7,416	0.00%	—	—	Bachelor of Information Engineering, Feng Chia University Senior Assistant Vice President of Yuanta Bank	Vice President of Yuanta Bank	—	—
Vice President (Chief HR Officer)	Republic of China	Chang Fang Lin	F	2023.08.01	237,483	0.00%	—	—	—	—	Master of Industrial Technology Education, National Taiwan Normal University Vice President of Yuanta Futures	Vice President of Yuanta Bank	—	—
Senior Vice President	Republic of China	Allen Wu	M	2011.06.01	840,422	0.01%	—	—	—	—	MBA, Mississippi State University Executive Vice President of Yuanta Securities; Vice Chairman of Yuanta Securities Asia Financial Services	Executive Vice President of Yuanta Bank; Chairman of Yuanta Savings Bank Philippines, Inc.; Director of Yuanta Savings Bank (Philippines)	—	—
Senior Vice President	Republic of China	Yann Deun Deng	M	2023.04.01	—	—	—	—	—	—	Bachelor in Law, National Taiwan University Chief Legal Officer of CTBC Financial Holding Co., Ltd.	Director of Yuanta Bank; Vice Chairman of Yuanta Venture Capital; Vice Chairman of Yuanta I Venture Capital; Director of Yuanta Venture Capital; Director of Yuanta I Venture Capital	—	—
Senior Vice President	Republic of China	Chieh Wu	M	2024.01.01	332,593	0.00%	—	—	—	—	Master of Business Administration (MBA), Waseda University Vice Chairman of Yuanta Securities Finance; Vice Chairman of Yuanta Asset Management; Senior Vice President of Yuanta Life	Director of Yuanta Life; Director of Yuanta Venture Capital; Director of Yuanta I Venture Capital; Vice Chairman of Yuanta Securities Investment Consulting; Director of Yuanta Securities Investment Consulting	—	—
Senior Vice President	Republic of China	Sophia Chang	F	2023.08.01	487,263	0.00%	—	—	—	—	Master of Professional Accounting, National Taiwan University Senior Vice President of Yuanta Life	Senior Vice President of Yuanta Bank	—	—
Senior Vice President	Republic of China	Chih Peng Lo	M	2024.01.02	—	—	—	—	—	—	MBA, University of Pennsylvania Chief Executive Officer of Yuanta Securities (HK)	None	—	—

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers whose spouses or relatives within the second degree of kinship	
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Vice President (Vice Chief Corporate Banking Officer)	Republic of China	Yi Wen Ma	F	2018.05.01	186,423	0.00%	—	—	—	—	Master of Business Administration, National Chengchi University Vice President of Yuanta Securities	Senior Vice President of Yuanta Securities	—	—
Vice President	Republic of China	Wei Chen Chang	M	2021.05.01	113,506	0.00%	—	—	—	—	MBA, Tulane University Vice President of Yuanta Securities	Vice President of Yuanta Bank; Director of Yuanta Futures	—	—
Vice President	Republic of China	Yi Cheng Liao	M	2022.07.01	52,279	0.00%	—	—	—	—	Master degree in Finance, National Taiwan University Vice President of Sales, Yuanta Securities	Senior Assistant Vice President of Yuanta Bank	—	—
Vice President	Republic of China	Feng Hsiang Kuo	M	2023.11.01	348,731	0.00%	24,444	0.00%	—	—	MBA, Pepperdine University Senior Vice President of Yuanta Securities	Executive Vice President of Yuanta Securities; Authorized Representative of Yuanta Securities Vietnam	—	—
Senior Assistant Vice President (Vice Chief Admin. Officer)	Republic of China	Po Ching Li	M	2014.07.21	460,991	0.00%	—	—	—	—	Department of Electronic Engineering, You De High School Senior Assistant Vice President Yuanta Securities	Vice President of Yuanta Securities	—	—
Senior Assistant Vice President	Republic of China	Hsien Chun Li	M	2021.08.01	58,467	0.00%	—	—	—	—	Electronic Equipment Maintenance Department, Chihs-Kuang Vocational High School of Business & Technology Assistant Vice President of Yuanta FHC	Professional Senior Assistant Vice President of Yuanta Securities	—	—
Senior Assistant Vice President	Republic of China	Ho Hsing Pan	F	2021.11.26	2,522	0.00%	—	—	—	—	G MBA, University of South Australia Assistant Vice President of Yuanta Securities Investment Trust	None	—	—
Senior Assistant Vice President	Republic of China	Po Yi Wu	M	2022.06.01	6,240	0.00%	—	—	—	—	Master of Administration, National Taiwan University of Science and Technology Assistant Vice President of Yuanta FHC	None	—	—
Senior Assistant Vice President	Republic of China	Yang Chia Huang	M	2023.06.13	—	—	—	—	—	—	Bachelor in Finance, National Taiwan University Senior Specialist of Insurance Bureau, Financial Supervisory Commission	None	—	—
Assistant Vice President	Republic of China	Chien Wen Chen	M	2023.07.01	24,612	0.00%	5,261	0.00%	—	—	M.A. in International Business Administration, National Taiwan University Assistant Vice President of Yuanta Securities	Director of Yuanta Securities Investment Trust	—	—
Assistant Vice President	Republic of China	Yu-Chin Tsao	F	2020.04.01	—	—	—	—	—	—	Master of Accounting, National Taipei University Professional Assistant Vice President of Yuanta Bank	None	—	—
Assistant Vice President	Republic of China	Chia Hui Lin	F	2020.07.01	—	—	1,087	0.00%	—	—	Bachelor of International Trade, Chinese Culture University Senior Manager of Yuanta FHC	None	—	—
Assistant Vice President	Republic of China	Tzu Miao Chen	F	2020.07.01	2,636	0.00%	—	—	—	—	MBA, The University of Sheffield Senior Manager of Yuanta FHC	Professional Senior Manager of Yuanta Bank	—	—
Assistant Vice President	Republic of China	Fu Mei Chen	F	2020.07.01	5,661	0.00%	—	—	—	—	Master of International Trade, Tamkang University Senior Manager of Yuanta FHC	Senior Manager of Yuanta Bank	—	—
Assistant Vice President	Republic of China	Yu Ling Chu	F	2020.08.01	—	—	—	—	—	—	Master of Finance, St. John's University Senior Manager of Yuanta Securities	Assistant Vice President of Yuanta Securities; Supervisor of GC Investment Consultant (Shanghai)	—	—

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers whose spouses or relatives within the second degree of kinship	
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Relationship
Assistant Vice President	Republic of China	Hui Wei Tsai	F	2021.06.01	—	—	—	—	—	—	Bachelor of International Trade, Ming Chuan University Senior Manager of Yuanta FHC	None	—	—
Assistant Vice President	Republic of China	Yi Ju Wei	F	2022.06.01	2,501	0.00%	—	—	—	—	Bank Insurance Department of National Taipei College of Business Professional Assistant Vice President of Yuanta Venture Capital	Supervisor of Yuanta Securities Investment Consulting	—	—
Assistant Vice President	Republic of China	Hsuan Feng Tien	F	2022.06.01	979	0.00%	—	—	—	—	Bachelor in Law, Fu Jen Catholic University Senior Manager of Yuanta FHC	None	—	—
Assistant Vice President	Republic of China	Hsiao Ching Chao	F	2022.06.01	10,872	0.00%	—	—	—	—	MBA, Tamkang University Senior Manager of Yuanta FHC	None	—	—
Assistant Vice President	Republic of China	Chao Chih Chang	F	2022.08.01	5,227	0.00%	—	—	—	—	Master of Information Management, National Taiwan University of Science and Technology	Assistant Vice President of Yuanta Securities	—	—
Assistant Vice President	Republic of China	Hsin Yi Kuo	F	2023.09.01	10,669	0.00%	—	—	—	—	Master of Economics, National Chengchi University Senior Manager of Yuanta FHC	Assistant Vice President of Yuanta Securities	—	—
Assistant Vice President	Republic of China	Hung Chou Chen	M	2023.09.01	4,270	0.00%	—	—	—	—	MBA, International University of Monaco Senior Manager of Yuanta FHC	Assistant Vice President of Yuanta Bank	—	—
Assistant Vice President	Republic of China	Chung Shu Lin	F	2024.01.01	31,363	0.00%	—	—	—	—	MBA, National Chiayi University Assistant Vice President of Yuanta Securities	None	—	—

Note 1 : Information for all persons holding a position equivalent to president, vice president, or assistant vice president must be disclosed, regardless of title.

Note 2 : The work experience of anyone above relating to their current roles, e.g. previous employment in a related company, must be addressed with detailed job titles and responsibilities.

Note 3 : The "Shares" and "Ratio" columns above marked with "—" denote "0"; columns under "Managers who are spouses or relatives within the second degree of kinship" marked with "—" denote "None."

Note 4 : The president or equivalent (the top manager) of the Company and the chairperson of the board are not the same person, spouses of each other, or members of the same degree of kinship.

III. Remuneration paid to directors, President, Vice Presidents, consultants, etc. and distribution of employee remuneration in the most recent year

(I) Remuneration to Directors and Independent Directors

As of December 31, 2023
Unit: NTS 1,000; %

Title	Name	Remuneration to directors						Remuneration from concurrently servings as employees				Sum of A, B, C, D, E, F, G and as percentage of net income		Remuneration from investees or parent company other than subsidiaries						
		Wages (A)		Pension upon retirement (B)		Compensation to directors (C)		Service Expenses (D)		Sum of A, B, C, D and as percentage of net income		Wages, bonuses, and special allowances, etc. (E)			Pension upon retirement (F)		Employee Compensation (G)		Companies included into the financial statement	
		Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement		Cash	Stock	Yuanta FHC	Companies included into the financial statement		
Director	Ting Chien Shen (Tony)																			
Director	Wei Chen Ma (Michael)																			
Director	Tsun Chueh Investment Co., Ltd. Representative: Chung Yuan Chen	80,000	132,551	0	0	215,186	215,186	1,262	4,522	296,448	352,259	55,372	0	0	101	0	101	0	349,921	406,732
Director	Tsun Chueh Investment Co., Ltd. Representative: Daniel Y.M. Song									1.12%	1.33%								1.32%	1.53%
Former Director	Modern Investment Co., Ltd. Representative: Chao Kuo Chiang																			
Independent Director	Ming Ling Hsueh																			
Independent Director	Kuang Si Shiu	8,640	14,400	0	0	0	0	1,000	2,765	9,640	17,165	0	0	0	0	0	0	0	9,640	17,165
Independent Director	Hsing Yi Chow									0.04%	0.06%								0.04%	0.06%
Independent Director	Sharon S. Yang																			

1. Please state the remuneration policies, systems, standards and packages about independent directors, and the connection of the factors, such as responsibilities, risk and spent hours, with the amount of remuneration:

(1)The remuneration to independent directors consists of compensation, and professional practice expenses.

(2)The remuneration to Yuanta FHC's independent directors is decided based on their experience, functions, and contribution, and expected or actual risks, and the Board of Directors is authorized to resolve the remuneration based on the typical pay levels adopted by peer companies in accordance with Article 19 of the Articles of Incorporation. The remuneration is paid at fixed amount on a monthly basis, excluded from Yuanta FHC's allocation of remuneration to directors.

(3)The professional practice expenses refer to those incurred by independent directors' performance of job duties, including the transportation allowance and fees for attending meetings paid based on the typical pay levels adopted by peer companies.

2. Other than the remuneration disclosed in said table, the remuneration received by any of Yuanta FHC's directors for providing services to any companies included in the financial statement, e.g., as an advisor other than employee in the most recent year: N/A.

(II) Range of Remuneration to Directors and Independent Directors

As of December 31, 2023

Breakdown of remuneration to Yuanita FHC's directors (NT\$)	Directors			
	Sum of foregoing four items (A+B+C+D)		Sum of foregoing seven items (A+B+C+D+E+F+G)	
	Yuanita FHC	Companies included into the financial statement (H)	Yuanita FHC	Companies included into the financial statement (I)
Below 1,000,000	Chung Yuan Chen, Daniel Y.M. Song, Chien Weng	Chung Yuan Chen	Chung Yuan Chen, Daniel Y.M. Song	Chung Yuan Chen
1,000,000 (inclusive) ~ 2,000,000 (exclusive)				
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow, Sharon S. Yang		Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow, Sharon S. Yang	
3,500,000 (inclusive) ~ 5,000,000 (exclusive)		Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow, Sharon S. Yang		Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow, Sharon S. Yang
5,000,000 (inclusive) ~ 10,000,000 (exclusive)				
10,000,000 (inclusive) ~ 15,000,000 (exclusive)				
15,000,000 (inclusive) ~ 30,000,000 (exclusive)		Chien Weng		
30,000,000 (inclusive) ~ 50,000,000 (exclusive)		Daniel Y.M. Song		Daniel Y.M. Song
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	Ting Chien Shen (Tony), Wei Chen Ma (Michael), Modern Investment Co., Ltd.	Ting Chien Shen (Tony), Wei Chen Ma (Michael), Modern Investment Co., Ltd.	Ting Chien Shen (Tony), Wei Chen Ma (Michael), Chien Weng Modern Investment Co., Ltd.	Ting Chien Shen (Tony), Wei Chen Ma (Michael), Chien Weng Modern Investment Co., Ltd.
Over 100,000,000	Tsun Chueh Investment Co., Ltd.	Tsun Chueh Investment Co., Ltd.	Tsun Chueh Investment Co., Ltd.	Tsun Chueh Investment Co., Ltd.
Total	11	11	11	11

Notes : (1) This table summarizes the amounts of various payments made to directors. Payments are calculated from the date the directors were appointed during the year.

(2) Remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

(3) As the Company was free from any circumstances requiring that the remuneration to directors should be disclosed individually as defined in the regulations governing information to be published in annual reports, the Company disclosed aggregate remuneration information, with the name(s) indicated for each remuneration range.

(III) Remuneration to President, and Vice Presidents

As of December 31, 2023
Unit: NTS 1,000; %

Title	Name	Wages (A)		Pension upon retirement (B)		Bonuses and special allowances (C)		Employee Compensation (D)		Sum of A, B, C, D and as percentage of net income (%)	Remuneration from investors other than subsidiaries, or parent company
		Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Cash	Stock			Yuanta FHC	Companies included into the financial statement
President	Chien Weng										
Auditor-General	Su Ching Weng										
Senior Vice President (Chief Secretary)	Lawrence Lee										
Vice President (Chief Risk Officer)	Chi Wei Lai										
Executive Vice President (Chief Strategy Officer)	Hsuan Min Kuo										
Executive Vice President (Chief International Operation Officer)	Wei Cherng Hwang (Bobby)										
Senior Vice President (Chief Digital Development Officer)	Mei Ling Kuo										
Senior Vice President (Chief Corporate Banking Officer)	Hsiao Ling Chou										
Senior Vice President (Chief Compliance Officer)	Wen Ching Chiu										
Senior Vice President (Chief Financial Officer)	Hsu Shu Mai										
Senior Vice President (Chief Admin. Officer)	Robert C.S. Yang	33,744	97,812	0	0	188,623	632	0	1,341	222,999	552,296
Senior Vice President (Chief Operational Support Officer)	Ming Lang Lin					453,143		0		0.84	2.08
Senior Vice President (Chief Accounting Officer)	Hui Jung Lu										
Vice President (Chief Information Officer)	Fang Ming Lo										
Vice President (Chief Legal Officer)	Yung Chu Su										
Vice President (Chief Information Security Officer)	Chi Jung Huang										
Vice President (Chief HR Officer)	Ching Fang Lin										
Senior Vice President	Allen Wu										
Senior Vice President	Yann Deun Deng										
Senior Vice President	Sophia Chang										
Vice President (Vice Chief Corporate Banking Officer)	Yi Wen Ma										
Vice President	Wei Chen Chang										

Title	Name	Wages (A)		Pension upon retirement (B)		Bonuses and special allowances (C)		Employee Compensation (D)				Sum of A, B, C, D and as percentage of net income (%)		Remuneration from investors other than subsidiaries, or parent company		
		Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Yuanta FHC	Companies included into the financial statement	Cash	Stock	Cash	Stock		Yuanta FHC	Companies included into the financial statement
Vice President	Yi Cheng Liao															
Vice President	Feng Hsiang Kuao															
Former Senior Vice President (Former Chief Strategy Officer)	Chieh Wu															
Former Auditor-General	Ming Hsin Tsai															
Former Vice President	Pei Yu Chen															

* Information for all persons holding a position equivalent to president, vice president (e.g. president, CEO, director and etc.) must be disclosed, regardless of title.

(IV) Range of remuneration to president and vice presidents

As of December 31, 2023

Breakdown of remuneration to Yuanta FHC's president and vice presidents (NT\$)	President and vice presidents	
	Yuanta FHC	Companies included into the financial statement (E)
Below 1,000,000	Lawrence Lee, Wei Cheng Hwang (Bobby), Hsiao Ling Chou, Ming Lang Liu, Hui Jung Lu, Fang Ming Lo, Yung Chu Su, Chi Jung Huang, Ching Fang Lin, Allen Wu, Yann Deun Deng, Sophia Chang, Yi Wen Ma, Wei Chen Chang, Feng Hsiang Kuo	
1,000,000 (inclusive) ~ 2,000,000 (exclusive)		
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Chi Wei Lai	Feng Hsiang Kuo
3,500,000 (inclusive) ~ 5,000,000 (exclusive)	Hsu Shu Mai	Ching Fang Lin
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Su Ching Weng, Wen Ching Chiu, Pei Yu Chen	Su Ching Weng, Chi Wei Lai, Sophia Chang, Wei Chen Chang, Pei Yu Chen
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Mei Ling Kuo, Yi Cheng Liao	Lawrence Lee, Wei Cheng Hwang (Bobby), Chi Jung Huang, Yi Cheng Liao
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	Robert C.S. Yang, Ming Hsiu Tsai	Mei Ling Kuo, Hsiao Ling Chou, Wen Ching Chiu, Hsu Shu Mai, Robert C.S. Yang, Ming Lang Liu, Hui Jung Lu, Fang Ming Lo, Yung Chu Su, Allen Wu, Yann Deun Deng, Yi Wen Ma, Ming Hsiu Tsai
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	Hsuan Min Kuo, Chieh Wu	Chieh Wu
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	Chien Weng	Chien Weng, Hsuan Min Kuo
Over 100,000,000		
Total	27	27

Notes : (1) This table summarizes the amounts of various payments made to presidents and vice presidents. Payments are calculated from the date the presidents and vice presidents were appointed during the year.

(2) Remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

(3) As the Company was free from any circumstances requiring that the remuneration to directors or president/vice presidents should be disclosed individually as defined in the regulations governing information to be published in annual reports, the Company disclosed aggregate remuneration information, with the name(s) indicated for each remuneration range.

(4) The pay to drivers, NT\$1,144 thousand, was excluded from the remuneration.

(5) The Company's vice presidents who were not serving throughout the year are as follows:

Yann Deun Deng's term of office commences on April 1, 2023; Su Ching Weng's term of office commences on July 1, 2023; Chi Wei Lai's term of office commences on August 1, 2023; Ching Fang Lin's term of office commences on August 1, 2023; Wei Cheng Hwang's term of office commences on October 1, 2023; Feng Hsiang Kuo's term of office commences on November 1, 2023; Pei Yu Chen's term of office expired on June 30, 2023; Chieh Wu's term of office expired on July 31, 2023; Ming Hsiu Tsai's term of office expired on August 3, 2023.

(V) Managers receiving employee compensation and state of distribution

As of December 31, 2023

Unit: NT\$1,000; %

Title		Name	Stock	Cash	Total	The sum as percentage of net income (%)
Managers	President	Chien Weng	0	665	665	0.003
	Auditor-General	Su Ching Weng				
	Senior Vice President (Chief Secretary)	Lawrence Lee				
	Vice President (Chief Risk Officer)	Chi Wei Lai				
	Executive Vice President (Chief Strategy Officer)	Hsuan Min Kuo				
	Executive Vice President (Chief International Operation Officer)	Wei Cherng Hwang (Bobby)				
	Senior Vice President (Chief Digital Development Officer)	Mei Ling Kuo				
	Senior Vice President (Chief Corporate Banking Officer)	Hsiao Ling Chou				
	Senior Vice President (Chief Compliance Office)	Wen Ching Chiu				
	Senior Vice President (Chief Financial Officer)	Hsu Shu Mai				
	Senior Vice President (Chief Admin. Officer)	Robert C.S. Yang				
	Senior Vice President (Chief Operational Support Officer)	Ming Lang Liu				
	Senior Vice President (Chief Accounting Officer)	Hui Jung Lu				
	Vice President (Chief Information Officer)	Fang Ming Lo				
	Vice President (Chief Legal Officer)	Yung Chu Su				
	Vice President (Chief Information Security Officer)	Chi Jung Huang				
	Vice President (Chief HR Officer)	Ching Fang Lin				
	Senior Vice President	Allen Wu				
	Senior Vice President	Yann Deun Deng				
	Senior Vice President	Sophia Chang				
	Vice President (Vice Chief Corporate Banking Officer)	Yi Wen Ma				
	Vice President	Wei Chen Chang				
	Vice President	Yi Cheng Liao				
	Vice President	Feng Hsiang Kuo				
	Former Senior Vice President (Former Chief Strategy Officer)	Chieh Wu				
	Former Auditor-General	Ming Hsiu Tsai				
	Former Vice President	Pei Yu Chen				
	Senior Assistant Vice President (Vice Chief Admin. Officer)	Po Ching Li				
Assistant Vice President	Chien Wen Chen					

Note : The employee remuneration allocated to managers in 2023 was only the estimated amount. The managers who were allocated the employee remuneration shall actually be identified based on the name list passed by the Company's Board of Directors.

(VI) An explanation on remuneration paid to directors (including independent directors), president, and vice presidents in the last two years

1. Ratio of directors' (including independent directors), presidents' and vice presidents' remuneration to net income after tax of the entity or individual financial report.

The proportions of the remuneration paid by Yuanta FHC and all of the companies included in the consolidated financial statements (exclusive of the remuneration received for serving as an employee concurrently) to the directors against the net income were 1.19% and 1.51% in 2022, and 1.15% and 1.39% in 2023.

The proportions of the remuneration paid by Yuanta FHC and all of the companies included in the consolidated financial statements (exclusive of the remuneration received for serving as an employee concurrently) to the presidents and vice presidents against the net income were 0.59% and 1.90% in 2022, and 0.84% and 2.08% in 2023.

2. Remuneration policies, standards and packages; procedures for determining remuneration and its connection with business performance and future risk exposure.

- (1) Directors (including Independent Directors)

- A. Director and Independent Director

The remuneration to directors shall be allocated in the manner referred to in Article 33 of the Company's Articles of Incorporation. That is, if Yuanta FHC has profit at the year's final accounting, the remuneration to directors shall be no more than 0.9% of the remainder after the profit less accumulated loss, if any. The allocation of remuneration to directors shall be subject to the overall operating performance for the year, and follow the typical pay levels adopted by peer companies and consider the reasonableness of the correlation with future risk exposure. The actual allocation shall be based on the self-appraisal result on the Board of Directors members, hours of directors' attendance at meetings and continuing education, and negative qualifications, and calculated on a pro-rata basis subject to the session of the Board of Directors, the number of directors seats (exclusive of independent directors) and the number of days for which the directors hold the position in the year when the earnings to be allocated as remuneration to directors were sought.

The Board of Directors is authorized to resolve the remuneration to the independent directors based on the typical pay levels adopted by peer companies. The remuneration is paid at fixed amount on a monthly basis, excluded from Yuanta FHC's allocation of remuneration to directors.

Meanwhile, according to Yuanta FHC's Articles of Incorporation, the transportation allowance and fees for attending meetings payable to directors shall be paid based on the typical pay levels adopted by peer companies. Yuanta FHC's regulations governing transportation allowance and attendance fees method stipulates that the transportation allowance is NT\$10,000 per month, the attendance fees is NT\$10,000 per time.

- B. Chairman and Vice Chairman

Except for the remuneration to directors, the Chairman's salary shall be no more than 1.5 times the President's salary. The Vice Chairman's salary shall be no more than 1.25 times the President's salary, as resolved by the Remuneration Committee and Board of Directors. The Remuneration Committee and Board of Directors are authorized to resolve any other remuneration and benefits to Chairman and Vice Chairman based on their personal performance, company operation performance, and reasonableness of the correlation with future risk exposure and the typical pay levels adopted by peer companies. Meanwhile, the Board of Directors is authorized to resolve the severance pay/pension payable to the Chairman and Vice Chairman based on their participation in Yuanta FHC's operation, contribution value and the typical pay levels adopted by peer companies, in accordance with Yuanta FHC's Articles of Incorporation and Regulations Governing Severance Pay/Pension Payable to Chairman and Vice Chairman.

(2) President and managers

According to Article 29 of Yuanta FHC's Articles of Incorporation, the President shall take charge of all of Yuanta FHC's affairs subject to resolution made by the Board of Directors, and may be authorized by the Board of Directors to carry out transactions externally. The President and Managers shall set the annual operating objectives and performance appraisal indicators based on Yuanta FHC's mid-term and long-term business strategies and annual business plan on a yearly basis.

A. Target setting

Yuanta FHC's President and managers set the annual operating objectives and performance appraisal standards based on Yuanta FHC's business strategies (including sustainable development goals) and annual business plan. The operating objectives consist of the operating development strategies, annual operating highlights, operations and human resource management, group resource integration and supporting, internal control and compliance. The management team holds a meeting on a monthly basis to review, discuss and timely modify Yuanta FHC's operating performance, promotion of operating highlights and effect of integration, and practices the strategies and achieves the performance under the performance management mechanism dedicated to "initial target setting, mid-term follow-up and improvement, and final review and appraisal".

B. Performance appraisal

According to Yuanta FHC's Performance Management Regulations, Yuanta FHC must conduct the mid-term and final performance appraisals each year to rate the performance, subject to the physical result per target, based on the operating objectives and performance appraisal indicators for the President and managers. The performance appraisal results are categorized into 5 levels (5~1 levels). Specifically, Level 5 stands for excellent performance beyond the expected target. Level 4 stands for the performance higher than the standard and occasionally excellent performance. Level 3 stands for the performance satisfying what is expected and the operating objectives. Level 2 stands for the performance less than the expected target and to be improved.

Level 1 stands for the performance far less than the expected target, namely failure. Upon weighted summing up of all objectives, the results are reported to Chairman to help the Chairman conduct the performance appraisal on the President and managers. The results about performance appraisal on the President and managers, and correspondent group performance bonus, must be submitted to the Remuneration Committee and directors' meeting for review and approval.

C. Remuneration policies and business performance, and future risk correlation

70% of the operating objectives to be set by Yuanta FHC's President reside in the business development objectives, including the operating profit achievement rate, ROE achievement, achievement rate of subsidiaries' core business lines and growth-driven business, and results of promotion of sustainability and corporate social responsibility of Yuanta FHC and its subsidiaries. 30% thereof reside in the internal management objectives, including supervision on the achievement rate of co-marketing objectives of the Group's subsidiaries, successors selection and cultivation, and fulfillment of compliance and internal control. Both of said operating objectives are primarily based by the performance appraisal and group performance bonus about the President. The standards governing allocation of the annual remuneration to the President must follow the typical pay levels adopted by peer companies and also take into consideration the entire contribution of the President to the Group achieved by his operation of the Group and operating performance. The annual remuneration allocated to the President and all contributions he/she achieves are related to each other positively.

Yuanta FHC values the managers' contribution and value to the Group. The Company's managers set their annual operating objectives subject to their job responsibilities, in accordance with the Company's strategic targets and sustainability strategic roadmap, covering business development, sustainable development/projects, annual key business, talent management, integration and support of the Group's resources, compliance and internal control management, etc. The policy, system, standard and structure of the salary and remuneration to the Company's managers must be reviewed by Remuneration Committee and then submitted to the Board of Directors for resolution on the remuneration to managers. When resolving the salary and remuneration to individual managers, the Board of Directors must follow the profit earned by or typical pay levels adopted by peer companies, and take into consideration the individual performance and the managers' business performance and contribution to Yuanta FHC. In order to ensure and align with the profit earned upon the risk exposure adjustment, the bonus to the President and managers must be changed based on specific proportions to make it related to the profit earned by Yuanta FHC and Yuanta FHC's stock price in the form of the deferred savings shareholding trust. Notwithstanding, if any other significant risk events affecting Yuanta FHC's goodwill adversely arise, Yuanta FHC may cut or withhold the bonus to have the President and managers share the future risk exposure with Yuanta FHC, so as to develop toward the corporate sustainability management philosophy.

Yuanta FHC's remuneration system balancing business performance and risk management helps recruit and retain excellent talents and encourage the talents to develop their potentials effectively. In conclusion, the management team consisting of excellent talents would create more excellent business performance for Yuanta FHC and shareholders inevitably. Yuanta FHC feeds the operating results back to the managers reasonably, so that the managers' personal operating objectives may align with Yuanta FHC's operating objectives and shareholders' equity permanently and closely to help create the mutual interest for the individuals, Yuanta FHC and shareholders, and achieve a win-win-win situation.

**(VII) Information about Chairmen and presidents rehired as consultant after retiring :
None.**

(VIII) Whether the Company establishes any successor cultivation planning for the Board members and key management, and the operation of such planning

1. Member of Board of Directors

The nomination system is adopted for the election of Yuanta FHC's Board members. The Nominating Committee recruits and recommends competent candidates based on the quota of electees and qualifications required from the electees. Then, the directors will be elected among the candidates together with the nominees recommended by shareholders at a shareholders' meeting upon approval of the Board of Directors meeting.

The successor cultivation planning for Yuanta FHC's Board members shall not only satisfy the conditions required by laws and regulations, but also recruit competent candidates based on Yuanta FHC's development orientation and mid-term and long-term strategic goals and by taking into account the diversified background and independence standards, such as professional knowledge, expertise, experience, and gender of the Board members. The candidates of Yuanta FHC's director successors shall hold the diversified professional knowledge and skills (e.g., law, accounting, industry, financial, marketing or technology or risk management) and industry experience, and as a whole, they shall also hold the abilities including the ability to make judgments about operations, accounting and financial analysis ability, operational ability (including the management of subsidiaries), ability to manage crisis, industrial knowledge, international market perspective, leadership, decision-making ability, and risk management knowledge and ability.

Additionally, in order to balance the planning for appointment of professional directors of the financial holding Company's board of directors and Yuanta FHC's strategic business development, the Board members shall hold not only said abilities but also the abilities related to the focus of Yuanta FHC's operations and mid-term and long-term stable growth development strategies and continued upgrading of the corporate governance, so as to practice the Board of Directors' functions to make decisions and supervise.

All of Yuanta FHC's existing key management team and chief functional officers should attend the Board of Directors meetings and related meetings. They shall be familiar with the operation of the Board of Directors meetings and related meetings, and shall go through training step by step to hold the specific professional knowledge and ability in adoption and development of the Company's strategies, supervision and execution of the internal control and compliance, and have control

over and the response to risk management. Basically, the Company appoints professionals and senior managers to serve as directors in its subsidiaries to participate in the supervision and management of the subsidiaries' development planning, internal control, compliance and risk control, so that their abilities to serve as the directors of Yuanta FHC can be more well founded. The Company's current President and most of the Company's chief functional officers and related management have held the positions including director and supervisor in the Company's subsidiaries. Actually, they are already familiar with the operations of the Board of Directors, decision-making, and various companies' internal controls, risk controls, compliance and corporate strategic planning. Such policy to combine personal expertise through practical engagement may help upgrade the horizon of decision-making and the ability to supervise and, therefore, can form the best talent pool for the successor planning by the Board of Directors of Yuanta FHC. The Company will conduct the performance appraisal on the directors and those appointed as directors of various subsidiaries on a yearly basis. Meanwhile, the Company will also conduct performance appraisal on its senior management as the reference for future selection of the director successors.

Generally, the Company's director successor planning not only recruits the professionals outside the Company, but also reserves successors by training the Company's and subsidiaries' directors and senior management, in order to balance "profession" and "transfer of experience" to set up a fair foundation for the Company's sustainability.

Yuanta FHC re-elected the Board of Directors on June 10, 2022. Based on Yuanta FHC's development orientation and mid-term and long-term strategic goals, President Chien Weng of Yuanta FHC and Independent Director Sharon S. Yang of Yuanta Life were elected as new directors, who should be considered as the qualified successors based on the professional qualifications that meet the Company's diversity policy and targets.

In 2022, Yuanta FHC recruited many professionals to serve as directors and independent directors of its subsidiaries, including Mr. Pin Cheng Chen (former Vice Chairman of KGI Futures) as the director of its subsidiaries including Yuanta Securities and Yuanta Futures, Mr. Chi Chun Liu (Director of NTU Center for the study of Banking and Finance), Mr. Chin Ting Pan (former Chairman of FamilyMart), Mr. Chung Chuan Wu (former Deputy Director General of Insurance Bureau, FSC), Mr. An Pin Chen (former Director of NCTU FinTech Center), Ms. Ya Li Sun (Director of the National Institute of Cyber Security) and Mr. Biing Shen Kuo (former Director of First Financial Holding) as the independent directors of the subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life and Yuanta futures. Meanwhile, Ms. Jui Han Hu (former Director of News Department, Unique Satellite TV) was retained as the Chairman of Yuanta Securities Investment Consulting. The external professionals' involvement in the board of directors of Yuanta FHC's subsidiaries not only broadens its vision for decision-making, but also strengthens supervisory capabilities and corporate governance. It also significantly improves the effectiveness of the Board of Directors.

The current Chairman of Yuanta FHC, Tony Shen; President of Yuanta FHC, Chien Weng; President of Yuanta Bank, Ming Hsiu Tsai; Chairman of Yuanta Securities, Hsiu Wei Chen (Vincent); Chairman of Yuanta Futures, Tien Fu Lin; Chairman of Yuanta Securities Finance, Shao Sing Gong; and Chairman of Yuanta Venture Capital, Arthur Chen, all used to be the senior management of the Yuanta Group. All of these reflect Yuanta FHC's performance of the "profession" and "transfer of experience" under the successor plan.

2. Successor cultivation planning for the key management, and the operation of such planning

According to Article 53-1 of the “Yuanta FHC Corporate Governance Best-Practice Principles,” “Yuanta FHC shall establish the succession planning for the management and have the Board of Directors evaluate the development and execution of such planning periodically, in order to ensure the corporate sustainability.” Yuanta FHC’s key management include President, General Auditor, chief functional officers, chief executive officers and department heads, 95.2% of whom held the position after job transfer and internal promotion. Yuanta FHC values the training of successors. 94.8% of the supervisors of departments or above in Yuanta Group and its subsidiaries were promoted internally.

Yuanta FHC selects the key management’s successors based on the expertise and experience, work performance, development potential, compatibility with the enterprise’s core value and individual development willingness of the key talents. For the time being, 1 to 3 successor candidates would be nominated for each key manager. Meanwhile, the successor candidates need to undergo the cross-company or cross-functional job training and attend the courses on compliance, finance, strategic management and corporate governance. They will also be assigned to attend Yuanta FHC’s important meetings, such as performance review meetings, periodically, and act as a key manager’s functionary substitute. In conclusion, said diversified development model might help each successor candidate have the in-depth knowledge about the Group’s overall development strategies, policy-making logic, cross-company communication and negotiation mechanism, and execution of policies, in order to train them about the logic and sophistication which the management shall have in thinking and execution.

The talent training and successor cultivation have been included as an important indicator for Yuanta FHC’s performance appraisal on the management at all levels. Yuanta FHC conducts mid-term and final performance appraisals to measure the development results and maturity of the successor each year, adequately adjust the training and job transfer development plans for next year, and report the status of successor cultivation to the Nominating Committee and Board of Director for review each year.

For the appointment of management, Yuanta FHC will review the successor candidates’ qualifications in accordance with the Yuanta FHC Regulations Governing Appointment and Management of Managers and job descriptions, ask its directors for authorization of the recommended candidates, and then report the same to the Board of Directors for resolution upon review and approval of the Nominating Committee.

In 2023, the Vice Auditor-General of Yuanta FHC, Su Ching Weng, succeeded to the role of Auditor-General of Yuanta FHC; the Vice President of Yuanta Life, Chi Wei Lai, succeeded to the role of Chief Risk Officer of Yuanta FHC; the Vice President of Yuanta Life, Hsuan Min Kuo, succeeded to the role of Chief Strategy Officer of Yuanta FHC; the Vice President of Yuanta Futures, Ching Fang Lin, succeeded to the role of Chief HR Officer of Yuanta FHC; the Vice Chairman of Yuanta Securities, Wei Cherng Hwang (Bobby), succeeded to the role of CEO of the International Business Division of Yuanta FHC; and the Assistant Vice President of Yuanta Securities, Chien Wen Chen, succeeded to the role of Corporate Planning Dept. head of Yuanta FHC, as a part of the practicing of Yuanta FHC’s important management successor plan.

IV. Status of Corporate Governance

(I) Operation of the Board of Directors

1. The board held 13(A) meetings during 2023; the attendance of directors is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Ting Chien Shen (Tony)	13	0	100	
Director	Wei Chen Ma (Michael)	11	2	85	
Director	Representative of Tsun Chueh Investment Co., Ltd.: Chung Yuan Chen	13	0	100	
Director	Representative of Tsun Chueh Investment Co., Ltd.: Daniel Y.M. Song	13	0	100	
Director	Representative of Modern Investment: Chien Weng	13	0	100	
Independent Director	Ming Ling Hsueh	13	0	100	
Independent Director	Kuang Si Shiu	13	0	100	
Independent Director	Hsing Yi Chow	13	0	100	
Independent Director	Sharon S. Yang	13	0	100	

Other items to be stated:

- I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors, and Yuanta FHC's resolution of said opinions:
- (I) For resolution(s) passed pursuant to Article 14 -3 of the Securities and Exchange Act: Not applicable, as Yuanta FHC has established the Audit Committee and Article 14 -5 of the Act shall apply.
- (II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. In instances where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, reason for not voting and actual voting counts:
- (I) 10th meeting of the 9th Board of Directors on January 16, 2023
For performance appraisal on the group performance bonus for Yuanta FHC's Chairman of Board in 2022.
Resolution:
1. Chairman Tony Shen, as a stakeholder, recused himself from discussion and voting, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.
- (II) 10th meeting of the 9th Board of Directors on January 16, 2023
For performance appraisal on the group performance bonus for Yuanta FHC's Managers in 2022.
Resolution:
Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion

unanimously.

- (III) 12th meeting of the 9th Board of Directors on March 15, 2023
Scheduled to execute the addendum to the industry-academia cooperation agreement with National Chengchi University.
Resolution:
Except Independent Director Sharon S. Yang, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.
- (IV) 12th meeting of the 9th Board of Directors on March 15, 2023
Scheduled to organize the annual general meeting 2023 at 9:00AM on June 9, 2023 (Friday).
Resolution:
Except Director Wei Chen Ma (Michael), who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.
- (V) 12th meeting of the 9th Board of Directors on March 15, 2023
Motion for allocation of remuneration to directors 2022.
Resolution:
1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, and Director Chien Weng, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions. The motion will also be reported to the annual general meeting this year.
- (VI) 12th meeting of the 9th Board of Directors on March 15, 2023
Motion for allocation of remuneration to employees 2022.
Resolution:
Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously. The motion will also be reported to the annual general meeting this year.
- (VII) 14th meeting of the 9th Board of Directors on April 26, 2023
The proposal for total budget of the interior decoration design and construction of the headquarters building of Yuanta Bank is submitted accordingly.
Resolution:
1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.
- (VIII) 14th meeting of the 9th Board of Directors on April 26, 2023
For the amendments to the Company's 2023 audit plan.
Resolution:
Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.
- (IX) 14th meeting of the 9th Board of Directors on April 26, 2023
For the amendments to certain provisions of the "Yuanta FHC's Regulations Governing Shareholdings by Senior Management."
Resolution:
Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.
- (X) 15th meeting of the 9th Board of Directors on May 22, 2023
For upgrading of the Group's SAP financial and accounting system.
Supplementary notes:
1. Chairman Tony Shen, Director Wei Chen Ma (Michael) (whose relative by blood within the

2nd degree of kinship, Victor Ma, holds the position as director of Yuanta Securities) and Independent Director Hsing Yi Chow, who recused themselves, with respect to the art involving Yuanta Securities. Independent Director Ming Ling Hsueh acted as the chairperson preliminarily.

2. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank.
3. Director Wei Chen Ma (Michael), Director Daniel Y.M. Song, and Independent Director Sharon S. Yang recused themselves from the part involving Yuanta Life.
4. Director Daniel Y.M. Song recused himself from the part involving Yuanta Asset Management.

Resolution:

The Company has a total of nine directors, and a total of nine directors attended the meeting. The motion was ratified as it was upon separate discussion and voting.

- (XI) 16th meeting of the 9th Board of Directors on June 28, 2023

For evaluation and determination of Yuanta FHC's remuneration to managers.

Resolution:

Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

- (XII) 16th meeting of the 9th Board of Directors on June 28, 2023

For allocation of remuneration to Yuanta FHC's directors (exclusive of independent directors) in 2022.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, and Director Chien Weng, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

- (XIII) 16th meeting of the 9th Board of Directors on June 28, 2023

For allocation of remuneration to the directors and supervisors of invested enterprises appointed by Yuanta FHC in 2022.

Resolution:

Except Director Wei Chen Ma (Michael), who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

- (XIV) 16th meeting of the 9th Board of Directors on June 28, 2023

For allocation of remuneration to employees 2022.

Resolution:

Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

- (XV) 17th meeting of the 9th Board of Directors on July 26, 2023

For the lease agreement on certain floors of the "Head Office Building at No. 157, Section 3, Ren'ai Road, Daan District, Taipei City" to be executed with the stakeholder, Yuanta Bank.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

- (XVI) 18th meeting of the 9th Board of Directors on August 23, 2023

For raising the total budget for the construction project of Yuanta Financial Plaza at the subsidiary, Yuanta Bank.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song,

Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, the stakeholders, recused themselves from discussion and voting.

2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(XVII) 18th meeting of the 9th Board of Directors on August 23, 2023

The proposal for appointment of the subsidiary, Yuanta Bank, to coordinate the budget allocation for the decoration works on certain floors of Yuanta Financial Plaza for Yuanta FHC is submitted accordingly.

Supplementary notes:

1. Chairman Tony Shen, Director Wei Chen Ma (Michael) (whose relative by blood within the 2nd degree of kinship, Victor Ma, holds the position as director of Yuanta Securities) and Independent Director Hsing Yi Chow, who recused themselves, with respect to the art involving Yuanta Securities. Independent Director Ming Ling Hsueh acted as the chairperson preliminarily.
2. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank.
3. Director Wei Chen Ma (Michael), Director Daniel Y.M. Song, and Independent Director Sharon S. Yang recused themselves from the part involving Yuanta Life.

Resolution:

The Company has a total of nine directors, and a total of nine directors attended the meeting. The motion was ratified as it was upon separate discussion and voting.

(XVIII) 20th meeting of the 9th Board of Directors on October 25, 2023

Proposal to increase the construction work budget for the “Nanjing Fuxing Urban Renewal Project” in which the five subsidiaries including Yuanta Securities reported joint participation.

Supplementary notes:

1. Chairman Tony Shen, Director Wei Chen Ma (Michael) (whose relative by blood within the 2nd degree of kinship, Victor Ma, holds the position as director of Yuanta Securities) and Independent Director Hsing Yi Chow, who recused themselves, with respect to the art involving Yuanta Securities. Independent Director Ming Ling Hsueh acted as the chairperson preliminarily.
2. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank.
3. Director Ma Wei Chen (Michael) recused himself from the part involving Yuanta Construction Development Co., Ltd.

Resolution:

The motion was ratified as it was upon separate discussion and voting.

(XIX) 22nd meeting of the 9th Board of Directors on December 27, 2023

Presentation of Yuanta FHC’s audit plan for year 2024.

Resolution:

Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

(XX) 22nd meeting of the 9th Board of Directors on December 27, 2023

For adjusting the lease contract on Yuanta Financial Plaza executed between Yuanta FHC and Yuanta Commercial Bank Co., Ltd.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Director Chien Weng, Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(XXI) 23rd meeting of the 9th Board of Directors on January 31, 2024

For performance appraisal on the group performance bonus for Yuanta FHC’s Chairman of

Board in 2023.

Resolution:

1. Chairman Tony Shen, as a stakeholder, recused himself from discussion and voting, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(XXII) 23rd meeting of the 9th Board of Directors on January 31, 2024

For performance appraisal on the group performance bonus for Yuanta FHC's Managers in 2023.

Resolution:

Except Director Chien Weng, who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

III. The TWSE/TPEX-listed company shall disclose the appraisal cycle and period, scope of appraisal, method and contents of appraisal about the Board of Directors' self (or peer) performance appraisal, and specify in the following Table.

Appraisal cycle (Note 1)	Once per year
Appraisal period (Note 2)	January 1, 2023 ~ December 31, 2023
Scope of appraisal (Note 3)	<p>Yuanta FHC takes into account Yuanta FHC's condition and needs when determining the scope of performance appraisal on the Board of Directors, which shall at least consist of the following six major elements:</p> <ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC's operation; 2. Upgrading the quality of the Board of Directors' decision making; 3. Formation and structure of the Board of Directors; 4. Election and continuing education of directors; 5. Internal control; 6. Participation in ESG. <p>The performance appraisal (self or peer) on the Board of Directors members shall at least consist of the following six elements:</p> <ol style="list-style-type: none"> 1. Alignment with Yuanta FHC's goals and mission; 2. Awareness toward directors' responsibilities and duties; 3. Degree of participation in Yuanta FHC's operation; 4. Management of internal relations and communication; 5. Expertise and continuing education of directors; 6. Internal control. <p>The performance appraisal on the Audit Committee shall at least consist of the following five elements:</p> <ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC's operation; 2. Awareness toward Audit Committee's responsibilities and duties; 3. Upgrading the quality of the Audit Committee's decision making; 4. Formation and election of Audit Committee members; 5. Internal control. <p>The performance appraisal on the Remuneration Committee shall at least consist of the following five elements:</p> <ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC's operation; 2. Awareness toward Remuneration Committee's responsibilities and duties; 3. Upgrading the quality of the Remuneration Committee's decision making; 4. Formation and election of Remuneration Committee members; 5. Internal control. <p>The performance appraisal on the Sustainable Development Committee shall at least consist of the following five elements:</p>

	<ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC’s operation; 2. Awareness toward Sustainable Development Committee’s responsibilities and duties; 3. Upgrading the quality of the Sustainable Development Committee’s decision making; 4. Formation and election of the Sustainable Development Committee members; 5. Internal control. <p>The performance appraisal on the Nominating Committee shall at least consist of the following six elements:</p> <ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC’s operation; 2. Awareness toward the Nominating Committee’s responsibilities and duties; 3. Nomination review and decision making; 4. Upgrading the quality of the Nominating Committee’s decision making; 5. Formation and election of the Nominating Committee members; 6. Internal control. <p>The performance appraisal on the Risk Management Committee shall at least consist of the following five elements:</p> <ol style="list-style-type: none"> 1. Degree of participation in Yuanta FHC’s operation; 2. Awareness toward Risk Management Committee’s responsibilities and duties; 3. Upgrading the quality of the Risk Management Committee’s decision making; 4. Formation and election of the Risk Management Committee members; 5. Internal control.
Method of appraisal (Note 4)	<p>Yuanta FHC conducts a self-assessment in the form of a questionnaire. The execution unit responsible for the performance appraisal collects the information about the Board of Directors and functional committee activities, and complete Schedule 1 hereto, “Board of Directors Self-Assessment Questionnaire”; Schedule 2 hereto, “Board Members (Self or Peer) Assessment Questionnaire”; Schedule 3 hereto, “Audit Committee Self-Assessment Questionnaire”; Schedule 4 hereto, “Remuneration Committee Self-Assessment Questionnaire”; Schedule 5 hereto “Sustainable Development Commission Self-Assessment Questionnaire”; Schedule 6 hereto, “Nomination Committee Self-Assessment Questionnaire” and Schedule 7 hereto, “Risk Management Committee Self-Assessment Questionnaire,” respectively. Then, the questionnaires are collected uniformly, and the unit records the assessment report based on the scores per the assessment indicators, and submits the assessment results to the Nomination Committee and then to the Board of Directors for discussion.</p>
Contents of appraisal (Note 5)	<p>The Board of Directors’ and functional committees’ 2023 self-assessment results were handled in accordance with “Regulations Governing Performance Appraisal on Board of Directors and Functional Committees of Yuanta FHC” The relevant assessment results were also reported at the 8th Nomination Committee Meeting of 9th Board of Directors on December 27, 2023 and 22nd meeting of the 9th Board of Directors on December 27, 2023 for discussion and approval.</p> <ol style="list-style-type: none"> 1. Board of Directors <p>The “Board of Directors Self-Assessment Questionnaire”: Consisting of 6 elements and 47 assessment items, as self-assessed by nine(9) directors (including independent directors).</p> <p><u>Statistic results</u></p> <ol style="list-style-type: none"> (1) Degree of participation in Yuanta FHC’s operation (12 questions in total): Positive comments given by all directors and independent directors. (2) Upgrading the quality of the Board of Directors’ decision making (12 questions in total): Positive comments given by all directors and independent directors. (3) Formation and structure of the Board of Directors (7 questions in total): Positive comments given by all directors and independent directors. (4) Election and continuing education of directors (7 questions in total): Positive comments given to the questions, other than Q36 which was not applicable as no new directors were elected in the current year, by all directors and independent directors.

- (5) Internal control (7 questions in total): Positive comments given by all directors and independent directors.
- (6) Degree of participation in ESG (2 questions in total): Positive comments given by all directors and independent directors

The entire assessment results show that all of the nine(9) directors (including independent directors) gave positive comments on all of the elements.

2. Board members

The “Board Members (Self or Peer) Assessment Questionnaire”:

Consisting of 6 elements and 26 assessment items, as self-assessed by nine(9) directors (including independent directors).

Statistic results

- (1) Alignment with Yuanta FHC’s goals and mission (3 questions in total): Positive comments given by all directors and independent directors.
- (2) Awareness toward directors’ responsibilities and duties (6 questions in total): Positive comments given to the questions, other than Q6 which was not applicable as no new directors were elected in the current year, by all directors and independent directors.
- (3) Degree of participation in Yuanta FHC’s operation (8 questions in total): Positive comments given by all directors and independent directors.
- (4) Management of internal relations and communication (3 questions in total): Positive comments given by all directors and independent directors.
- (5) Expertise and continuing education of directors (3 questions in total): Positive comments given by all directors and independent directors.
- (6) Internal control (3 questions in total): Positive comments given by all directors and independent directors.

The entire assessment results show that all of the nine(9) directors (including independent directors) gave positive comments on all of the elements.

3. Audit Committee

The “Audit Committee Performance Self-Assessment Questionnaire”:

Consisting of 5 elements and 34 assessment items, as self-assessed by four(4) members.

Statistic results

- (1) Degree of participation in Yuanta FHC’s operation (9 questions in total): Positive comments given by all members.
- (2) Awareness toward Audit Committee’s responsibilities and duties (5 questions in total): Positive comments given by all members.
- (3) Upgrading the quality of the Audit Committee’s decision making (8 questions in total): Positive comments given by all members.
- (4) Formation and election of Audit Committee (5 questions in total): Positive comments given by all members.
- (5) Internal control (7 questions in total): Positive comments given by all members.

The entire assessment results show that all of the four(4) members gave the positive comments on all of the elements.

4. Remuneration Committee

The “Remuneration Committee Performance Self-Assessment Questionnaire”:

Consisting of 5 elements and 26 assessment items, as self-assessed by four(4) members.

Statistic results

- (1) Degree of participation in Yuanta FHC’s operation (5 questions in total): Positive comments given by all members.
- (2) Awareness toward Remuneration Committee’s responsibilities and duties (7 questions in total): Positive comments given by all members.
- (3) Upgrading the quality of the Remuneration Committee’s decision making (8 questions in total): Positive comments given by all members.
- (4) Formation and election of Remuneration Committee (4 questions in total): Positive comments given by all members.

(5) Internal control (2 questions in total): Positive comments given by all members. **The entire assessment results** show that all of the four(4) members gave the positive comments on all of the elements.

5. Sustainable Development Committee

The “Sustainable Development Committee Performance Self-Assessment Questionnaire”:

Consisting of 5 elements and 30 assessment items, as self-assessed by five(5) members.

Statistic results

(1) Degree of participation in Yuanta FHC’s operation (9 questions in total): Positive comments given by all members.

(2) Sustainable Development Committee’s responsibilities and duties (3 questions in total): Positive comments given by all members.

(3) Sustainable Development Committee’s responsibilities and duties (10 questions in total): Positive comments given by all members.

(4) Formation and election of Sustainable Development Committee (4 questions in total): Positive comments given by all members.

(5) Internal control (4 questions in total): Positive comments given by all members.

The entire assessment results show that all of the five(5) members gave the positive comments on all of the elements.

6. Nominating Committee

The “Nominating Committee Performance Self-Assessment Questionnaire”:

Consisting of 6 elements and 33 assessment items, as self-assessed by five(5) members.

Statistic results

(1) Degree of participation in Yuanta FHC’s operation (6 questions in total): Positive comments given by all members.

(2) Awareness toward Nominating Committee’s responsibilities and duties (6 questions in total): Positive comments given by all members.

(3) Nomination review and decision-making (6 questions in total): Positive comments given to the questions, other than Q13–17 which was not applicable as no election was held in the current year, by all directors and independent directors.

(4) Upgrading the quality of the Nominating Committee’s decision making (8 questions in total): Positive comments given by all members.

(5) Formation and election of Nominating Committee (3 questions in total): Positive comments given by all members.

(6) Internal control (4 questions in total): Positive comments given by all members.

The entire assessment results show that all of the five(5) members gave the positive comments on all of the elements.

7. Risk Management Committee

The “Risk Management Committee Performance Self-Assessment Questionnaire”:

Consisting of 5 elements and 26 assessment items, as self-assessed by three(3) members.

Statistic results

(1) Degree of participation in Yuanta FHC’s operation (6 questions in total): Positive comments given by all members.

(2) Awareness toward Risk Management Committee’s responsibilities and duties (5 questions in total): Positive comments given by all members.

(3) Upgrading the quality of the Risk management’s decision making (8 questions in total): Positive comments given by all members.

(4) Formation and election of Risk Management Committee (4 questions in total): Positive comments given by all members.

(5) Internal control (3 questions in total): Positive comments given by all members.

The entire assessment results show that all of the three(3) members gave the positive comments on all of the elements.

Summarized results of the annual assessment:

According to the performance assessment results, all directors (including independent directors) gave positive comments on the efficiency and operation of the Board of Directors and functional committees. The Board of Directors and functional committee members have assessed the elements including “Degree of participation in Yuanta FHC’s operation,” “Formation and structure of the Board of Directors,” “Formation of committees and election of committee members,” “Awareness toward directors’ responsibilities and duties,” “Improvement of meeting decision-making quality,” “Expertise and continuing education of directors,” “Internal control,” “Assessment and supervision of risk management mechanism,” “Supervision of legal compliance and best-practice principles” and “Participation in ESG” and all considered that the Board and committees operated satisfactorily and practiced their functions thoroughly.

Note 1 : To specify the cycle of appraisal on the Board of Directors, e.g. once per year.

Note 2 : To specify the period for which the appraisal on the Board of Directors will persist, e.g. the performance appraisal on the Board of Directors persisting from January 1, 2023 to December 31, 2023.

Note 3 : The scope of appraisal covers the performance appraisal on the Board of Directors, individual Board members, and functional committees.

Note 4 : The method of appraisal includes Board of Directors self-assessment, Board members’ self-assessment, peer assessment, external professional organization’s assessment, and performance appraisal by experts or in any other adequate manners.

Note 5 : The contents of appraisal shall consist of, at least, the following elements, subject to the scope of appraisal:

- (1) Performance appraisal on Board of Directors: To cover, at least, degree of participation in Yuanta FHC’s operation, Quality of the Board of Directors’ decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control, et al..
- (2) Performance appraisal on individual Board member: To cover, at least, alignment with Yuanta FHC’s goals and mission, awareness toward directors’ responsibilities and duties, degree of participation in Yuanta FHC’s operation, management of internal relations and communication, expertise and continuing education of directors, and internal control, et al..
- (3) Performance appraisal on functional committees: degree of participation in Yuanta FHC’s operation, awareness toward functional committees’ responsibilities and duties, quality of the functional decision making, formation of the functional committees and election of members, and internal control, et al..

IV. Measures undertaken during the current year and in the most recent year in order to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment on their implementation:

- (I) In the spirit of ethical management and by upholding the enterprise culture, Yuanta FHC follows the corporate governance, compliance and risk control mechanism. It manages business stably in the changeable financial environment in order to provide stakeholders with comprehensive and fine-quality services. In order to expressly declare and also keep demonstrating Yuanta FHC’s upgrading and improvement of the corporate governance, corporate social responsibility and ethical management practices, Yuanta FHC appoints the third independent organization, Taiwan Corporate Governance Association, to perform an in-depth assessment on the corporate governance system periodically. It reviews the completeness of the related system, fulfillment of the same and validity of the feedback mechanism to provide the reference information helping Yuanta FHC establish the future corporate governance system development plan. Yuanta FHC passed the Taiwan Corporate Governance Association’s “CG6013 (2021) Corporate Governance Framework Assessment Certificate with Distinguished Honor” in 2022. This certification is effective from December 29, 2022 to December 28, 2024.

- (II) In order to practice the concept of corporate sustainable development and integrate the environmental, social and corporate governance (hereinafter referred to as “ESG”) guidelines into corporate culture and operation strategies, the Company established the Sustainability Committee under the Board of Directors in 2018 (renamed to the Sustainable Development Committee in 2023), under which the “Ethical Corporate Management Office” and “Corporate Sustainability Office” (with the Independent Director serving as the steering member) reorganized the relevant personnel of the Group to be responsible for routine work and the implementation of the Group’s “Sustainable Development Strategy Roadmap,” and connection of the UN Sustainable Development Goals (SDGs) with the international sustainability framework. Each office shall regularly report the work plans and implementation results to the Sustainable Development Committee and Board of Directors, in order to establish a good two-way communication relationship and the supervision of the Board of Directors. While cultivating the financial business and creating profits, Yuanta FHC also values the positive development of ESG practices, in order to become an “International Sustainability Benchmarking Company.”
- (III) In order to improve Yuanta FHC’s candidate nomination system, Yuanta FHC has established a Nomination Committee since 2019 to select directors with practical management experience and establish the standard operating procedures for nomination. So far, Yuanta FHC has completed the re-election of the Board of Directors for two terms. Further, since 2022, the review of senior managers’ qualifications is included into the duties of the Nomination Committee, in order to strengthen the function of the Board of Directors to supervise talent cultivation, and also in response to the succession plan for directors and senior managers for effective implementation of Yuanta FHC’s “profession” and “transfer of experience” under the successor plan.
- (IV) In order to improve and strengthen the risk management mechanism of Yuanta FHC, the Board of Directors passed a resolution on March 15, 2023 to transform the Risk Management Committee into a functional committee under the supervision of the Board of Directors, and had Yuanta FHC’s directors with risk management backgrounds participate in supervision and direction of the risk management policies to enhance the functions of the Board of Directors.
- (V) Yuanta FHC has appointed “Taiwan Corporate Governance Association” in September 2021 to appraise the performance of the Board of Directors from September 1, 2020 to August 31, 2021. The Association appraised the Board of Directors’ performance, in the form of a questionnaire and on-site survey, in terms of 8 elements subject to 10 indicators, including 1. Composition and Board of Directors, 2. Direction by Board of Directors, 3. Authorization by Board of Directors, 4. Supervision by Board of Directors, 5. Communication with Board of Directors, 6. Internal Control and Risk Management, 7. Self-Discipline of Board of Directors, and 8. Others, such as the Board of Directors’ meetings and supporting systems. The Association and experts had no business transactions with Yuanta FHC and, therefore, acted independently. The appraisal report was provided on October 8, 2021. Yuanta FHC reported the appraisal results at 36th meeting of the 8th term Board of Directors on November 19, 2021, and continued to improve the Board of Directors’ functions based on the appraisal results. An external performance evaluation of the Board of Directors, which shall be performed once per three years, is expected to be performed in 2024.
- (VI) Yuanta FHC’s Regulations Governing Procedure for Board of Directors Meetings expressly provide that each director’s annual attendance ratio is advised to attain 80% or more, and the annual attendance ratio is included into the performance appraisal on directors as one of the indicators. A total of 13 Board of Directors meetings were convened in 2023. The directors’ average attendance ratio attained 98%.
- (VII) In order to practice the corporate governance, strengthen the support to help directors exercise powers and facilitate the Board of Directors to practice its functions, the corporate governance officer should be served by the Chief Secretary of the Board of Directors, primarily responsible for providing directors (including independent directors) with the information required by them to perform their duties, help the directors with compliance affairs, and process the affairs related to directors’ meetings and shareholders’ meetings pursuant to laws to protect shareholders’ equity and enhance the Board of Directors’ functions. According to Article 24 of the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers,” the Company’s

Chief Corporate Governance Officer has completed the continuing education for 12 hours in 2023.

Name	Title	Course name	Organizing agency	Continuing professional education hours (hrs)	Total hours annually
Lawrence Lee	Chief Corporate Governance Officer	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	Institute of Financial Law and Crime Prevention	3	14
		Seminar on Analysis of Climate Change Response Measures and Enterprises' Response Strategies	Taiwan Corporate Governance Association	2	
		Financial Consumer Protection Act and Fair Dealing Policy	Taiwan Securities Association	3	
		Net-Zero Emissions and Corporate Governance	Taiwan Securities Association	3	
		The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	Taiwan Securities Association	3	

Note 1 : The name and representative of the institutional shareholder of any director who is a corporation, if any, shall be disclosed.

Note 2 : The Company's directors (including independent directors) of the 9th term were elected on June 10, 2022.

Note 3 : (1) Where a specific director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) Where a reelection may be held for filling the vacancies of directors before the end of the fiscal year, list both the new and the discharged directors, and specify if they are the former directors, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

2. Attendance of independent directors at various Board of Directors meetings in the most recent year (2023)

⊙: In person; ☆: By proxy; *: Absent; -: Not yet take office/Not attending upon dismissal

2023	1	2	3	4	5	6	7	8	9	10	11	12	13
Ming Ling Hsueh	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Kuang Si Shiu	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Hsing Yi Chow	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Sharon S. Yang	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙

(II) Functions, Annual Key Work and Operations of the Audit Committee

1. The Company's Audit Committee consists of 4 independent directors. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the Company's implementation of accounting,

auditing, financial reporting processes and financial control. Member professional qualifications and experience refer to page 29 for the “(IV) Disclosure of information about professional qualifications and independence of directors and independent directors.”

2. The number of persons, term of office and authority of Yuanta FHC’s audit committee shall be subject to Article 3, Article 4, Article 5 and Article 6 of the Articles of Association for Yuanta FHC’s Audit Committee. The relevant regulations are disclosed in the “Major Internal Policies” in the section of “Sustainability” on Yuanta FHC’s website.
3. The Audit Committee held 13 (A) meetings in the most recent year (2023). The attendance of independent directors is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A] (Note 3)	Remarks
Independent Director	Ming Ling Hsueh	13	0	100	
Independent Director	Kuang Si Shiu	13	0	100	
Independent Director	Hsing Yi Chow	13	0	100	
Independent Director	Sharon S. Yang	13	0	100	

Other items to be stated:

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, any independent director’s opinions expressing objections or reservations or important suggestions, Audit Committee’s resolution and Yuanta FHC’s resolution of Audit Committee’s opinions:

- (I) The circumstances referred to in Article 14 -5 of the Securities and Exchange Act;
 1. 9th meeting of the 9th Audit Committee on January 17, 2023
For the assessment on independence of Yuanta FHC’s independent auditors, audit quality indicators, and appointment of and remuneration to the independent auditors in 2023.
Resolution made by the Audit Committee: approved by all present members unanimously.
Yuanta FHC’s action against the Audit Committee’s opinion: Approved by all present directors unanimously at 11th meeting of the 9th Board of Directors on February 1, 2023.
 2. 11th meeting of the 9th Audit Committee on March 15, 2023
Motion for Yuanta FHC’s consolidated financial statements 2022.
Resolution made by the Audit Committee: approved by all present members unanimously.
Yuanta FHC’s action against the Audit Committee’s opinion: Approved by all present directors unanimously at 12th meeting of the 9th Board of Directors on March 15, 2023.
 3. 11th meeting of the 9th Audit Committee on March 15, 2023
Yuanta FHC’s 2022 earnings appropriation.
Resolution made by the Audit Committee: approved by all present members unanimously.
Yuanta FHC’s action against the Audit Committee’s opinion: Approved by all present directors unanimously at 12th meeting of the 9th Board of Directors on March 15, 2023.
 4. 11th meeting of the 9th Audit Committee on March 15, 2023
For Yuanta FHC’s issuance of new shares upon capital increase from earnings 2022.
Resolution made by the Audit Committee: approved by all present members unanimously.
Yuanta FHC’s action against the Audit Committee’s opinion: Approved by all present directors unanimously at 12th meeting of the 9th Board of Directors on March 15, 2023.
 5. 12th meeting of the 9th Audit Committee on March 21, 2023
Approved of Yuanta FHC’s 2022 Statement on Internal Control System.
Resolution made by the Audit Committee: approved by all present members unanimously.
Yuanta FHC’s action against the Audit Committee’s opinion: Approved by all present directors unanimously at 13th meeting of the 9th Board of Directors on March 29 2023.

6. 14th meeting of the 9th Audit Committee on May 16, 2023
 Motion for Yuanta FHC's consolidated financial statements Q1 of 2023.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 15th meeting of the 9th Board of Directors on May 22 2023.
7. 15th meeting of the 9th Audit Committee on June 20, 2023
 For issuance of Yuanta FHC's "unsecured common corporate bonds."
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 16th meeting of the 9th Board of Directors on June 28 2023.
8. 15th meeting of the 9th Audit Committee on June 20, 2023
 Changes in Yuanta FHC's Auditor-General.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 16th meeting of the 9th Board of Directors on June 28 2023.
9. 16th meeting of the 9th Audit Committee on July 18, 2023
 For Yuanta FHC's issuance of new shares upon capital increase from earnings in 2022 and determination of the record date for distribution of stock dividends and record date for issuance of new shares upon capital increase, etc.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 17th meeting of the 9th Board of Directors on July 26 2023.
10. 17th meeting of the 9th Audit Committee on August 15, 2023
 Motion for Yuanta FHC's consolidated financial statements Q2 of 2023.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 18th meeting of the 9th Board of Directors on August 23 2023.
11. 20th meeting of the 9th Audit Committee on November 21, 2023
 Motion for Yuanta FHC's consolidated financial statements Q3 of 2023.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 21st meeting of the 9th Board of Directors on November 21, 2023.
12. 22nd meeting of the 9th Audit Committee on January 23, 2023
 For the assessment on independence of Yuanta FHC's independent auditors, audit quality indicators, and appointment of and remuneration to the independent auditors in 2024.
 Resolution made by the Audit Committee: approved by all present members unanimously.
 Yuanta FHC's action against the Audit Committee's opinion: Approved by all present directors unanimously at 23rd meeting of the 9th Board of Directors on January 31 2024..

(II) Aside from said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two thirds of the Board of Directors: None.

II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, reason for not voting and actual voting counts:

(I) 13th meeting of the 9th Audit Committee on April 18, 2023
 The proposal for total budget of the interior decoration design and construction of the headquarters building of Yuanta Bank is submitted accordingly.
 Resolution:
 Except Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, who did not participate in the discussion and voting, Independent Director Sharon S. Yang acted as the chairperson preliminarily. The present members agree to pass the motion, and the motion will be reported to the Board of Directors for resolution.

(II) 14th meeting of the 9th Audit Committee on May 16, 2023
 For upgrading of the Group's SAP financial and accounting system.
 Supplementary notes:
 The motion was discussed and voted on separately as follows:

1. Director Ming Ling Hsueh and Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank. Independent Director Hsing Yi Chow acted as the chairperson preliminarily.
2. Independent Director Hsing Yi Chow recused himself from the part involving Yuanta Securities.
3. Independent Director Sharon S. Yang recused herself from the part involving Yuanta Life.

Resolution:

The motion was passed upon separate voting, and reported to the Board of Directors for resolution.

(III) 16th meeting of the 9th Audit Committee on July 18, 2023

For the lease agreement on certain floors of the “Head Office Building at No. 157, Section 3, Ren’ai Road, Daan District, Taipei City” to be executed with the stakeholder, Yuanta Bank.

Resolution:

Except Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, who did not participate in the discussion and voting, Independent Director Sharon S. Yang acted as the chairperson preliminarily. The present members agree to pass the motion, and the motion will be reported to the Board of Directors for resolution.

(IV) 17th meeting of the 9th Audit Committee on August 15, 2023

For raising the total budget for the construction project of Yuanta Financial Plaza at the subsidiary, Yuanta Bank.

Resolution:

Except Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, who did not participate in the discussion and voting, Independent Director Hsing Yi Chow acted as the chairperson preliminarily. The present members agree to pass the motion, and the motion will be reported to the Board of Directors for resolution.

(V) 17th meeting of the 9th Audit Committee on August 15, 2023

The proposal for appointment of the subsidiary, Yuanta Bank, to coordinate the budget allocation for the decoration works on certain floors of Yuanta Financial Plaza for Yuanta FHC is submitted accordingly.

Supplementary notes:

The motion was discussed and voted on separately as follows:

1. Director Ming Ling Hsueh and Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank. Independent Director Hsing Yi Chow acted as the chairperson preliminarily.
2. Independent Director Hsing Yi Chow recused himself from the part involving Yuanta Securities.
3. Independent Director Sharon S. Yang recused herself from the part involving Yuanta Life.

Resolution:

The motion was passed upon separate voting, an

d reported to the Board of Directors for resolution.

(VI) 19th meeting of the 9th Audit Committee on October 17, 2023

For the “Nanjing Fuxing Urban Renewal Project,” the five subsidiaries including Yuanta Securities reported joint participation.

Supplementary notes:

The motion was discussed and voted on separately as follows:

1. Director Ming Ling Hsueh and Director Kuang Si Shiu recused themselves from the part involving Yuanta Bank. Independent Director Hsing Yi Chow acted as the chairperson preliminarily.
2. Independent Director Hsing Yi Chow recused himself from the part involving Yuanta Securities.

Resolution:

The motion was passed upon separate voting, and reported to the Board of Directors for resolution.

(VII) 21st meeting of the 9th Audit Committee on December 19, 2023

For adjusting the lease contract on Yuanta Financial Plaza executed between Yuanta FHC and Yuanta Commercial Bank Co., Ltd.

Resolution:

Except Independent Director Ming Ling Hsueh and Independent Director Kuang Si Shiu, who did not participate in the discussion and voting, Independent Director Hsing Yi Chow acted as the chairperson preliminarily. The present members agree to pass the motion, and the motion will be reported to the Board of Directors for resolution.

III. Communication between independent directors and internal auditing officers as well as CPAs on company finances and business situation (such as items discussed, means of communication and results, etc.):

(I) In order to upgrade the efficiency and effect of operations and strengthen the interaction with the internal auditing unit and accounting unit, Yuanta FHC's Audit Committee adopted the "Communication Procedures for Audit Committee and Auditing Dept." and "Communication Procedures for Audit Committee and Independent Auditors" to supervise the auditing unit's performance and exercise of its duties and functions. All communications between the Audit Committee and internal auditors/external auditors followed said Regulations, which thus far have resulted in very good consequence. At the same time, internal auditors and external auditors will be evaluated separately at the end of each year for their overall performance, and the results are reported to the Board of Directors.

1. Status of communication between independent directors and CPAs:

(1) Yuanta FHC's Audit Committee members consist of the whole independent directors.

In order to upgrade the efficiency and effect of operations and strengthen the interaction with independent auditors, Audit Committee adopted the "Communication Procedures for Audit Committee and Independent Auditors" to supervise the adequate expression in Yuanta FHC's financial statements, as well as the independence and performance of the independent auditors.

(2) The issues to be communicated periodically under the "Communication Procedures for Audit Committee and Independent Auditors" shall be communicated when the independent auditors are planning the audit, in the process of the audit, and prior to completion of the audit report. Yuanta FHC discloses the communication and results on its website. Besides, under any circumstances requiring communication, the communication may take place from time to time to maintain the fair communication between the independent auditors and Audit Committee.

(3) The 2023 communication meeting between Audit Committee and independent auditors provided the explanation about finance and income upon audit (review) per quarter. Meanwhile, the important issues are summarized as follows:

A. Descriptions about the credit project transferred by Yuanta Bank to overdue loans, and the progress of the treatment.

B. Discussion on the progress of legal actions involving Yuanta Securities' overseas subsidiaries, and the relevant accounting treatment descriptions.

C. Descriptions of the strategies or guidelines for Yuanta Life's investment products in response to changes in foreign exchange rates and interest rates.

D. Discussion on the external auditor's financial disclosure of the fair value evaluation parameter adjustment about the Group's non-TWSE/TPEX-listed stocks.

E. Inquiry about the application of the "Regulations Governing Application of Recognizing Income from Controlled Foreign Company (CFC) for Profit-Seeking Enterprise" within the Group.

F. Inquiry about the measurement of the recoverable amount of the cash-generating unit in the annual goodwill impairment assessment.

G. Inquiry about how the materiality of the external auditor's audit on financial statements is applied during the audit process.

H. Audit Quality Indicator (AQI).

2. Status of communication between independent directors and internal audit officers:

(1) Yuanta FHC has the Internal Auditing Dept. subordinated to the Board of Directors, which is responsible for the internal auditing affairs, and supervision, integration and performance appraisal by the subsidiaries on the affairs within the scope of their job

duties, and reporting of the implementation status of the audit affairs of Yuanta FHC and its subsidiaries to Audit Committee and Board of Directors on a monthly basis.

- (2) The Company's Internal Auditing Dept. continues to follow up the inspection comments or deficiencies mentioned in the internal auditing unit's and internal units' self-inspection report, and the improvements required in the Statement on Internal Control System, until they are corrected completely, and submit the report on deficiencies found in important inspections and follow up on improvement of the internally audited deficiencies to Audit Committee on a semi-annual basis.
- (3) The Company's Internal Auditing Dept. reports the internal auditing system and self-inspection on internal control system to Audit Committee from time to time, and submits the amendments to annual audit plans, laws & regulations of the Internal Auditing Dept. ("Regulations Governing Implementation of Internal Audit" and "Directions Governing Performance Appraisal on Subsidiaries' Audit Operations" etc.) and Statement on Internal Control System to Audit Committee for review.
- (4) The Audit Committee holds a communication meeting with internal auditors each year. The Auditor-General shall compile the internal audit-related matters in Yuanta FHC and its subsidiaries. The meeting is intended to communicate the issues of concern of the Audit Committee.
- (5) When Yuanta FHC or any of its subsidiaries reports any contingency, Yuanta FHC's Internal Auditing Dept. will notify all directors via email or message at the same time, and then report it to the Audit Committee to help the Audit Committee control the information at the very beginning.

(II) Yuanta FHC discloses the summary about the communication between independent directors and chief internal audit officers and CPAs in the "Other Committees/ Audit Committee" in the section of "Investor relations" > "Corporate Governance" on Yuanta FHC's website. (Website:<https://www.yuanta.com/TW/IR/Governance/Committees>).

Summary of the communication meetings between the Audit Committee and internal audit managers in 2022.

Date	Method of communication	Counterpart	Points of communication	Communication results
2023.1.17	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in December 2022.	Acknowledged, and transferred to the Board of Directors
2023.2.21	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in January 2023.	Acknowledged, and transferred to the Board of Directors
2023.3.21	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in February 2023. 2. 2022 Statement on Internal Control System	1. Acknowledged, and transferred to the Board of Directors 2. Approved, and reported to the Board of Directors for resolution
2023.4.18	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in March 2023. 2. Amendments to Yuanta FHC's 2023 audit plan.	1. Acknowledged, and transferred to the Board of Directors 2. Approved, and reported to the Board of Directors for resolution
2023.5.16	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its	Acknowledged, and transferred to the Board of

			direct subsidiaries in April 2023.	Directors
2023.6.20	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in May 2023.	Acknowledged, and transferred to the Board of Directors
2023.7.18	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in June 2023. 2. The Audit Department's investigation report on the whistleblowing from the public.	1. Acknowledged, and transferred to the Board of Directors 2. Approved, and reported to the Board of Directors for resolution
2023.8.15	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in July 2023.	Acknowledged, and transferred to the Board of Directors
2023.9.19	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in August 2023. 2. Status of the corrections made based on the inspection opinions provided by Financial Examination Bureau, Financial Supervisory Commission	1. Acknowledged, and transferred to the Board of Directors 2. Acknowledged, and transferred to the Board of Directors
2023.10.17	Audit Committee	Auditor-General	Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in September 2023.	Acknowledged, and transferred to the Board of Directors
2023.11.21	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in October 2023. 2. Status of the corrections made based on the inspection opinions provided by Financial Examination Bureau, Financial Supervisory Commission 3. Yuanta FHC's appraisal report on the subsidiaries' internal audits.	1. Acknowledged, and transferred to the Board of Directors 2. Acknowledged, and transferred to the Board of Directors 3. Acknowledged, and transferred to the Board of Directors
2023.12.19	Audit Committee	Auditor-General	1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in November 2023. 2. Yuanta FHC's 2024 audit plan is presented for review.	1. Acknowledged, and transferred to the Board of Directors 2. Approved, and reported to the Board of Directors for resolution

2024.1.23	Audit Committee	Auditor-General	<ol style="list-style-type: none"> 1. Summary report on the audit affairs of Yuanta FHC and its direct subsidiaries in December 2023. 2. Status of the corrections made based on the inspection opinions provided by Financial Examination Bureau, Financial Supervisory Commission 	<ol style="list-style-type: none"> 1. Acknowledged, and transferred to the Board of Directors 2. Acknowledged, and transferred to the Board of Directors
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IV. Operation and functions of the audit committee:

- (I) Yuanta FHC’s Audit Committee shall be responsible for “improve Yuanta FHC’s internal mechanism and assist the Board of Directors in enhancing corporate governance performance”. The members consist of independent directors. The Committee is considered as the most important functional committee for the operation of the Company’s Board of Directors. The Audit Committee will establish the “Annual plan for events and agenda” based on Yuanta FHC’s mid-term and long-term development strategies each year, as the core of the execution of annual strategic objectives by Yuanta FHC’s Board of Directors. The annual work focuses include review of Yuanta FHC’s annual business and strategic planning, corporate governance-related issues, financial reports and internal audit affairs. The Audit Committee members consist of all independent directors, and the Committee is the most important functional committee in the operation of Yuanta FHC’s Board of Directors. The Audit Committee and Board of Directors will execute the same and review the results of execution each year.
- (II) The Audit Committee functions primarily in order to supervise the adequate expression in Yuanta FHC’s financial statements, appointment (dismissal), independence and performance of external auditors, effective implementation of Yuanta FHC’s internal control and compliance with related laws and rules.
- (III) The responsibilities and duties of the Audit Committee are as follows:
1. Adoption of or amendments to the internal control system.
 2. Appraisal on effectiveness of the internal control system,
 3. Adoption of or amendments to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
 4. A matter bearing on the personal interest of a director.
 5. A material asset or derivatives transaction.
 6. A material monetary loan, endorsement, or provision of guarantee.
 7. Offering, issuance, or private placement of equity-type securities.
 8. Appointment or dismissal of the independent auditor CPA, or remuneration to the independent auditor.
 9. The appointment or discharge of a financial, accounting, or internal auditing officer.
 10. Financial reports of Q2 to be signed or affixed with a seal by the Chairman, managers and chief accountant, and also audited and certified by a CPA.
 11. Any other material matter so required by Yuanta FHC or the competent authority.
- The Audit Committee holds regular monthly meetings. Within the scope of its powers, managers of relevant departments may be invited; internal auditors, accountants, legal advisers or other personnel to attend the meetings and provide relevant and necessary information. However, they should leave the meeting during discussions and voting.
- (IV) The Audit Committee has convened 13 meetings in total in 2023, which primarily reviewed the following motions and annual key work:
1. 2022 “Consolidated financial Statements” and “Statement on Internal Control System.”
 2. “2023 Audit Plan,” “Assessment on Independence of External Auditors, AQIs and Appointment of and Remuneration to the External Auditors,” “Consolidated Financial Statements of Q1,” “Consolidated Financial Statements of Q2,” “Consolidated Financial

Statements of Q3,” “Distribution of Earnings,” “Issuance of New Shares Upon Capital Increase out of Earnings,” “Issuance of Unsecured Ordinary Corporate Bonds,” “Issuance of New shares Upon Capital Increase out of Earnings and Determination of Record Date for Distribution of Stock Dividends and Record Date for Issuance of New Shares Upon Capital Increase. ”

3. Amendments to the “Procedures for Communication between the Audit Committee and External Auditors,” “Self-Regulatory Rules on Disclosure of Merger and Acquisition Information,” “Organization Regulations,” “Organization Regulations of Audit Committee,” “Risk Management Policies,” “Accounting System,” “Article 2 of the Regulations Governing Confidentiality and Prevention of Conflict of Interest With Respect to Information Provided by or Database Established by Subsidiaries,” “Regulations Governing Evaluation of Equity Securities of Non-TWSE/TPEX Listed Companies,” “Regulations Governing Implementation of Whistleblowing System,” “Rules Governing the Transactions Between Yuanta FHC and Self-Disciplined Counterparts” and “Information Security Policy. ”
4. The proposals for total budget of the interior decoration design and construction of the headquarters building of Yuanta Bank, the lease agreement on certain floors of the “Head Office Building at No. 157, Section 3, Ren'ai Road, Daan District, Taipei City” to be executed with the stakeholder, Yuanta Bank, raising of the total budget for the construction project of Yuanta Financial Plaza at the subsidiary, Yuanta Bank, appointment of the subsidiary, Yuanta Bank, to coordinate the budget allocation for the decoration works in Yuanta Financial Plaza for Yuanta FHC, and increase in the construction work budget for the “Nanjing Fuxing Urban Renewal Project” in which the five subsidiaries including Yuanta Securities reported to participate jointly.
5. The “Regulations Governing the Establishment of the Risk Management Committee” and “Procedures for Communication between Audit Committee and Risk Management Committee or Risk Management Department” are abolished. (Note 4)
6. Establishment of the “Regulations Governing Asset and Liability Matching Risk Management. ”

(V) The information about Audit Committee is disclosed in the “Other Committees/ Audit Committee” in the section of “Investor relations” > “Corporate Governance” on Yuanta FHC’s official website. (Website: <https://www.yuanta.com/EN/IR/Governance/Committees>).

Note 1 : The Company’s independent directors were elected on June 29, 2007, and the audit committee was set up on the same day.

Note 2 : The Company’s independent directors of the 9th term were elected on June 10, 2022.

Note 3 : (1) Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the “Remark” section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director’s term and the number of meetings actually attended by that director.

(2) Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection in the “Remark” section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director’s term and the number of meetings actually attended by that director.

Note 4 : On March 15, 2023, the 12th meeting of the 9th Board of Directors of the Company passed the “Organization Regulations of Risk Management Committee” to restructure the “Risk Management Committee” into a functional committee.

(III) Items disclosed in accordance with the Corporate Governance Best-Practice Principles for Financial Holding Companies

On the home page of Yuanta FHC’s website, the “Sustainability” section discloses information related to the operations of corporate governance at Yuanta FHC. (<https://www.yuanta.com/EN/ESG/Governance>)

(IV) Status of corporate governance, departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and reasons for such departures

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No		Summary
<p>1. Equity structure and shareholders' rights of financial holding company</p> <p>(1) Whether the financial holding company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?</p>	✓		There was no departure in this respect.
<p>(2) Whether Yuanta FHC controls the name lists of the financial holding Company's major shareholders and their ultimate owners?</p>			<p>1. Yuanta FHC has "Contact Us" and "Contact Window" in the "Service Section" of the "Investor Relations" section on its website. The contact information is fully disclosed. Any suggestions, questions, or disputes and litigation matters from shareholders shall be directed to the relevant personnel, so that the personnel may handle the same in a proper and objective manner in accordance with Yuanta FHC's regulations. No dispute or litigation action has been raised or initiated by any shareholder in 2023 and by January 31, 2024.</p> <p>(2) According to Article 11 of the "Regulations Governing Approvals of the Same Person's or Same Related Parties' Applications to Own More Than a Certain Percentage of the Issued Voting Shares of a Financial Holding Company", Yuanta FHC will, on a monthly basis, disclose the information about any change in the major shareholders' equity on MOPS, and check the consistency with the roster of shareholders whenever the transfer registration is suspended, in order to control the information about major shareholdings. Meanwhile, Yuanta FHC sets up the "Shareholder Structure" section under the "Investor Information" of the "Investor Relations" on Yuanta FHC's website that provides relevant forms for download.</p>
<p>(3) Whether the financial holding company establishes and implements some risk control and firewall mechanisms between Yuanta FHC</p>			<p>(3) A. Yuanta FHC has established a "Risk Management Department" being responsible for launching,</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
and its affiliates?			<p>supervising and implementing risk management measures. Each subsidiary has an independent risk management unit in place, depending on their business scale and risk attributes, to monitor the various risks involved.</p> <p>B. Yuanta FHC has complied with Articles 44 and 45 of the Financial Holding Company Act, regarding credit and non-credit transactions with related parties.</p> <p>C. Yuanta FHC has established the “Regulations Governing Operations Related to Financial Transactions with Affiliated Companies,” “Rules Governing Transactions with Related Parties,” “SOP for the General Power of Attorney Regarding the Non-Credit Transactions Between Yuanta FHC and Stakeholders Defined in Article 45 of the Financial Holding Company Act,” “Rules Governing the Transactions Between Yuanta FHC and Self-Disciplined Counterparts” and “Regulations Governing Confidentiality and Prevention of Conflict of Interest With Respect to Information Provided by or Database Established by Subsidiaries” for the fulfillment of risk control and firewall mechanism.</p> <p>D. Yuanta FHC has adopted the “Regulations Governing Operations Related to Financial Transactions with Affiliated Companies of Yuanta Financial Holding Co., Ltd.,” in order to manage the financial and business contacts or transactions between Yuanta FHC and related parties, and to prevent non-arm’s length transactions and improper benefit transfers. Per the resolution rendered by 13th meeting of 9th Board of</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No		Summary
<p>(4) Whether Yuanta FHC’s internal rules are adopted and disclosed on Yuanta FHC’s official website, which prohibit the insiders, such as Yuanta FHC’s directors or employees, from seeking profit based on the information unavailable on the market, and how such rules are practiced?</p>			<p>Directors on March 29, 2023, the Regulations was renamed as “Rules Governing Financial and Business Matters Between Yuanta Financial Holding Company and its Related Parties.” Meanwhile, it expanded the subjects of the Regulations from affiliated companies to all related parties and additionally required that the important transactions with related parties shall be reported to the Board of Directors for resolution and also submitted to a shareholders’ meeting for approval, or reported to the shareholders’ meeting.</p> <p>(4) Article 15 of Yuanta FHC’s “Procedures for Integrity Management and Guidelines for Conduct” expressly provides that insider trading is strictly prohibited, which is also disclosed on Yuanta FHC’s official website: Investor Relations>Corporate Governance> “Committees/Sustainable Development Committee.” URL: https://www.yuanta.com/Res/Doc/Polities/CG/Procedures_for_Integrity_Management_and_Guidelines_for_Conduct_EN.pdf.</p> <p>According to the Company’s “Ethical Management Best-Practice Principles,” education, training and promotion shall be conducted regularly for directors, managers and employees. In 2023, in addition to providing all directors of Yuanta FHC with “Integrity Management and Law Compliance Promotion” materials, Yuanta FHC also held a total of two seminars on ethical management for directors and supervisors of the Group. The topics and training hours thereof include the “Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors’ Legal Duties and Responsibilities” attended by a</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
2. Composition and responsibilities of board of directors (1) Has the financial holding company established the diversity policy about the members of the Board of Directors and discloses the specific management targets and fulfillment of such policy at Yuanta FHC's website?	✓		There was no departure in this respect.

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
			<p>background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.</p> <p>As stated in the subparagraph 2 of the preceding paragraph, each Board member of Yuanta FHC shall have the necessary knowledge, skills, and experience required to perform their duties. The professional knowledge and skills that must be present in the Board as a whole are stated as follows:</p> <ul style="list-style-type: none"> A. Ability to make judgments about operations. B. Accounting and financial analysis ability. C. Business management ability (including ability to manage subsidiaries). D. Crisis management ability. E. Knowledge of the industry. F. An international market perspective. G. Leadership ability. H. Decision-making ability. I. Risk management knowledge and ability. <p>According to said diversity policy, Yuanta FHC's existing Board of Directors sets the diversity targets as follows:</p> <ul style="list-style-type: none"> A. The elected independent directors shall account for more than 40% of the elected directors; B. Nominate at least one female candidate for director since the 9th Board of Directors (2022), and increase the proportion of the female directors to the whole Board members to 20% by 2030, and aim at 30% as the long-term target. C. Appoint the directors satisfying the natural-person professional qualifications, in accordance with the

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
<p>(2) Is the financial holding company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees?</p> <p>(3) Does the Board of Directors of Yuanta FHC evaluate the external auditors' independence and competence in reference to AQIs periodically (at least once per year) and disclose the evaluation procedure honestly?</p>			<p>"Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company." The information about diversified policies on the Board of Directors is disclosed in the "Board of Directors" in the section "Investor relations" > "Corporate Governance" on Yuanta FHC's website. (Website: https://www.yuanta.com/EN/IR/Governance/Board).</p> <p>(2) The Company's Board of Directors approved the establishment of the "Sustainable Development Committee" (formerly known as the "Sustainability Committee") on November 28, 2018 and the Nomination Committee on January 23, 2019.</p> <p>In order to improve and strengthen the risk management mechanism, the Board of Directors passed a resolution for establishment of the "Risk Management Committee" on March 15, 2023.</p> <p>(3) According to Article 46 of Yuanta FHC's Corporate Governance Best-Practice Principles, Yuanta FHC shall assess the independence and competence of the external auditors regularly (at least once per year), in reference to the AQI. Accordingly, Yuanta FHC has acquired the AQI of an external auditor, which consists of five general standards including professional, quality control, independence, supervision and ability to innovate, and 13 indicators, as the reference for assessment on the independence and competence of external auditors. Meanwhile, Yuanta FHC assessed the independence, professionalism and audit quality</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
<p>(4) Have the regulations or procedures governing appraisal on performance of the Board of Directors established by the financial holding company is approved by the Board of Directors:</p> <p>A. Is the self-assessment conducted at least once per year and the performance appraisal result disclosed at Yuanta FHC's website as the reference for remuneration to individual directors and nomination, and is the assessment result disclosed on Yuanta FHC's website? (Note 2)</p>		<p>of the external auditors. The assessment result was found to satisfy Yuanta FHC's independence and competency assessment criteria. Said assessment report, together with the "Statement of Independent Audit" issued by the external auditor, were submitted to the Audit Committee and Board of Directors. Then, the motion for appointment of the external auditor was approved per resolution made by the Board of Directors.</p> <p>In 2024, Yuanta FHC assessed that Pao-Ju Kuo, Chien Hung Chou and Li Yuan Chen, CPAs of PricewaterhouseCoopers, Taiwan met Yuanta FHC's independence and competency assessment criteria, and acquired the Statement of Independent Audit, which was approved at 22nd meeting held by the Audit Committee of 9th term on January 23, 2024 and 23rd meeting of the Board of Directors of 9th term on January 31, 2024.</p> <p>(4) Yuanta FHC has enacted the "Regulations Governing Performance Appraisal on the Board of Directors and Functional Committee." The amendments to the same have been resolved and approved at the 20th meeting of the Board of Directors of 9th term on October 25, 2023.</p> <p>A. The Board of Directors and functional committees conduct the performance appraisal on the Board of Directors and functional committees pursuant to the appraisal procedure and indicators referred to in Article 6 and Article 8, and record the assessment report based on the scores per the assessment indicators referred to in Article 8, and submit the report to the Nominating Committee and then to the Board of Directors for discussion and improvement.</p>	<p>(4)A. No difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies.</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
<p>B. Is it expressly stated that the external appraisal should be conducted at least once per three years and within the time limit defined in the relevant regulations, and the implementation and appraisal results should be disclosed at Yuanta FHC's</p>		<p>The self-assessment result on the performance of the Board of Directors and functional committee and the Board members (self or peer) 2023 has been discussed and approved at the 8th Nomination Committee meeting of the 9th Board of Directors on December 27, 2023 and the 22nd meeting of the 9th Board of Directors on December 27, 2023. The directors (including independent directors) commented positively on the efficiency and operation of the Board of Directors and functional committees based on the assessment results. The Board of Directors and functional committee members have assessed the elements including "Degree of participation in Yuanta FHC's operation," "Formation and structure of the Board of Directors," "Formation of committees and election of committee members," "Awareness toward directors' responsibilities and duties," "Improvement of meeting decision-making quality," "Expertise and continuing education of directors," "Internal control," "Assessment and supervision of risk management mechanism," "Supervision of legal compliance and best-practice principles" and "Participation in ESG" and all considered that the Board and committees operated satisfactorily and practiced their functions thoroughly.</p> <p>B. Paragraph 2, Article 3 of Yuanta FHC's Regulations Governing Performance Appraisal on the Board of Directors and Functional Committees: The assessment on the performance of Yuanta FHC's Board of Directors shall be contracted to an external professional and independent organization, or external experts/scholars</p>	

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
website?			<p>for once per three years.</p> <p>Yuanta FHC has appointed "Taiwan Corporate Governance Association" in September 2021 to appraise the performance of the Board of Directors from September 1, 2020 to August 31, 2021. The Association delegated three (3) experts to appraise the Board of Directors' performance, in the form of questionnaire and on-site survey, in terms of 8 elements subject to 10 indicators, including 1. Composition and Board of Directors, 2. Direction by Board of Directors, 3. Authorization by Board of Directors, 4. Supervision by Board of Directors, 5. Communication with Board of Directors, 6. Internal Control and Risk Management, 7. Self-Discipline of Board of Directors, and 8. Others. Such as the Board of Directors' meetings and supporting systems. The Association and experts had no business transactions with Yuanta FHC and, therefore, acted independently. The appraisal report was provided on October 8, 2021. Yuanta FHC reported the appraisal results at 36th meeting of the 8th term Board of Directors on November 19, 2021, and continued to improve the Board of Directors' functions based on the appraisal results. The general comments and recommendations provided by the Association, and the corrective actions taken by Yuanta FHC are stated as follows:</p> <p>(A)General comments:</p> <ol style="list-style-type: none"> 1. You (namely, Yuanta FHC) have appointed the external professional and independent organization to conduct the performance

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
			<p>appraisal on the Board of Directors for the first time in 2018. The results thereof were reported to the Board of Directors. Meanwhile, the relevant suggestions were already included into the priorities to be corrected for the corporate governance. Following last external assessment, you continued to appoint the external professional and independent organization to conduct the performance appraisal on the Board of Directors. This signifies your ambition to improve yourself and keep upgrading the Board of Directors' performance.</p> <p>2. You value the cultivation and training of senior management talents, set forth the perfect talent development system, enable each successor candidate to have in-depth knowledge about the Group's overall development strategies, cross-department communication and negotiation mechanism, policy-making logic, and execution of policies through the cross-department or cross-functional job training and attendance to related training courses, organize the Yuanta MBA program to train the cross-industry management and also specify the successors training as the priority work target for the supervisors at any level. The relevant implementation results and execution focus for next year would be also reported to the Board of Directors periodically.</p> <p>3. You use the best effort to practice the corporate sustainability, fulfill the corporate social</p>

Scope of Assessment	Status (Note 1)		Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	No	
			<p>responsibility and implement ethical management-related issues. The “Ethical Corporate Management Promotion Center” and “Corporate Social Responsibility Promotion Center” were established and subordinated to the “Corporate Sustainability Committee.” Led by two(2) independent directors respectively, said two Centers convened the work meeting on a quarterly basis and set forth the Group’s sustainability strategic roadmap for 2021–2025 and requirements for improvement of DJSI indicators. Said practices reflect your insistence on the sustainability and care about the independent directors’ opinions and value.</p> <p>(B) Recommendations:</p> <p>1. You are advised to report the status of implementation of mid-term and long-term strategies to the Board of Directors at the beginning of each year. Considering that the strategic direction refers to one of the important functions to be performed by the Board of Directors, you are suggested to consider engaging in in-depth discussion with independent directors about the environment and important development strategies to be dealt with by Yuanta FHC at regular meetings or in any other occasion each year, in order to enable the independent directors to have more opportunities to participate in the construction and formation of various strategic intents and</p>

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			<p>also provide professional guidance and consulting service, thus improving the Board of Directors' performance further.</p> <p>2. The functions to be performed by your Nominating Committee for the time being primarily include preparation of the selection criteria for the Board members and related succession plan. Given this, you are suggested to include the senior management successor and training plans into the scope of supervision and review the operations of related mechanism periodically to strengthen the Board of Directors' and functional committees' functions to supervise the result of talent training and continue creating the momentum driving the sustainability.</p> <p>(C) Corrective action:</p> <ol style="list-style-type: none"> 1. Before reporting the status of implementation of mid-term and long-term strategies to the Audit Committee and Board of Directors for discussion, Yuanta FHC will engage in in-depth discussion with independent directors about the environment and important development strategies to be dealt with by Yuanta FHC and allow independent directors to the opportunities to provide professional guidance and consulting service, in order to improve the Board of Directors' performance. 2. The senior management's succession plan has been included into the Nominating Committee's

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	Yes	No	
(5) Has the financial holding company disclosed the connection between the performance appraisal on and remuneration to directors and managers?		<p>The Board of Directors amended the Articles of Incorporation for Nominating Committee on March 15, 2022.</p> <p>The information about the regulations or procedures governing appraisal on performance of the Board of Directors and Functional Committees is disclosed in the “Major Internal Policies” in the section of “Corporate Social Responsibility” on Yuanta FHC’s website at Website: https://www.yuanta.com/EN/IR/Governance/Internal-Policies</p> <p>The information about the self-appraisal result on performance of the Board of Directors (functional committee) and the board members (self or peer) is disclosed in the “Board of Directors” in the section of “Investor relations” > “Corporate Governance” on Yuanta FHC’s official website at Website: https://www.yuanta.com/EN/IR/Governance/Board</p> <p>(5) Except for independent directors, Yuanta FHC shall allocate remuneration to directors in accordance with the Articles of Incorporation. The allocation of remuneration to directors shall be subject to the overall operating performance for the year, and follow the typical pay levels adopted by peer companies and consider the reasonableness of the correlation with future risk exposure. The actual allocation shall be based on Yuanta FHC’s Regulations Governing Remuneration to Directors and take into account the self-appraisal result on the Board of Directors members, hours of directors’ attendance at meetings and continuing education, and negative qualifications, and calculated on a pro-rata basis subject to the session of the Board of Directors, the</p>	

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			<p>number of directors seats (exclusive of independent directors) and the number of days which the directors hold the position in the year when the earnings to be allocated as remuneration to directors were sought. The remuneration shall be allocated per resolution of the Remuneration Committee and Board of Directors.</p> <p>The Board of Directors is authorized to resolve the remuneration to Yuanta FHC's independent directors based on the typical pay levels adopted by peer companies. The remuneration is paid at fixed amount on a monthly basis, excluded from Yuanta FHC's allocation of remuneration to directors.</p> <p>Based on Yuanta FHC's strategic objectives and sustainable development goals, Yuanta FHC's managers set "Policy Requirements," "Voluntary Reporting," and "Indicators" for personal annual work targets as the basis for performance appraisal.</p> <p>The President of Yuanta FHC "self-report" (50% of the weight) on the annual operating goals should evaluate the annual operating goals (including sustainable development goals) and the effectiveness of the implementation of the business plan, such as operating revenue, net profit after tax, ROE, investment business management, CSR (Corporate Social Responsibility) and ESG (Environment, Social and Governance) projects and other important operating data.</p> <p>The department head's department-specific focus tasks in the "self-report" (weighted at 50%) should evaluate the linkage and achievement of each department's business with its mid-term and long-term business strategies (including sustainable development goals) and annual operating goals</p>

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	Yes	No	
<p>(6) Has the financial holding Company disclosed the information about independent communication between independent directors and related units (or executive officers) and CPAs (e.g. means, items discussed and results of communication on Yuanta FHC's financial report and business overview, et al.) on Yuanta FHC's website?</p>			<p>should be evaluated, such as effectiveness of professional mission planning and implementation, effectiveness of CSR and ESG projects and assignment implementation effectiveness.</p> <p>In accordance with Yuanta FHC's Performance Management Regulations, Yuanta FHC must conduct the mid-term and final performance appraisals each year to rate the performance, subject to the physical result per target, based on the operating objectives and performance appraisal indicators for the managers. Upon weighted summing up of all objectives, the results shall be reported to help the Chairman conduct the performance appraisal on the managers. According to Yuanta FHC's Regulations Governing Bonus, the Remuneration Committee and Board of Directors are authorized to resolve any other remuneration to the managers based on their personal performance, company operation performance, and reasonableness of the correlation with future risk exposure and the typical pay levels adopted by peer companies.</p> <p>(6) Yuanta FHC has established the "Communication Procedures between the Audit Committee and the Certified Public Accountants", which stipulates that the certified public accountants should meet with the Audit Committee individually on a regular basis or when necessary.</p> <p>Yuanta FHC has disclosed the exclusive communication means, discussed items, resolutions and related information among Independent Directors, Internal Audit Officers and CPAs, on its own official website, and can be found in "Committees>Audit Committee" under the section of "Investor Relations" section>Corporate Governance."</p>

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	Yes	No	
3. Whether Yuanta FHC assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors with the information needed to perform their duties, helping directors with compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.), and disclosed the scope of authority, annual business focus and status of continuing education on Yuanta FHC's website and in the annual report?	✓		<p>Website: https://www.yuanta.com/EN/IR/Governance/Committees.</p> <p>Yuanta FHC has delegated the unit and personnel dedicated to (concurrently in charge of) corporate governance:</p> <p>(1) Yuanta FHC's Secretariat Office is responsible for handling the affairs related to meetings held by the Board of Directors, Audit Committee and other functional committees, and designating the personnel dedicated to communicating, providing the relevant information required by directors for carrying out business, arranging and planning directors' continuing education plans, and helping independent directors and the general directors complete their annual continuing education programs.</p> <p>(2) Yuanta FHC's Administration Department would be responsible for the convention of shareholders' meetings and registration of incorporation and changes .</p> <p>(3) In order to practice the corporate governance, strengthen the support to help directors exercise powers and facilitate the Board of Directors to practice its functions, according to the competent authority's policy planning about the new corporate governance roadmap, Yuanta FHC's Board of Directors meeting on November 28, 2018 resolved that the corporate governance officer should be appointed, and served by the Chief Secretary of the Board of Directors. Then, the Board of Directors meeting on March 6, 2019 resolved to adjust the position as the "Chief Corporate Governance Officer." who shall have the professional qualifications for serving as the management dedicated to legal affairs, finance, shareholders service and parliamentary management, as well as corporate governance affairs, in</p>

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	Yes	No	
			<p>financial institutions and public companies for more than three years. The chief corporate governance officer of Yuanta FHC is primarily responsible for providing directors (including independent directors) with the information required by them to perform their duties, help the directors with compliance affairs, and process the affairs related to directors' meetings and shareholders' meetings pursuant to laws to protect shareholders' equity and enhance the Board of Directors' functions.</p> <p>(4) Yuanta FHC's chief corporate governance officers processed the affairs related to board meetings and shareholders' meetings, and also helped the Board of Directors solidify the various commissions' mechanism pursuant to laws, and provide the directors with information required by them to perform their duties in 2023. The annual business was executed in the following manners:</p> <p>A. In response to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies," it shall implement an enterprise risk management mechanism, plan to upgrade the level of the risk management committee from a non-functional committee to a functional committee, and help construct the committee's organizational structure.</p> <p>B. Process the affairs related to 2023 shareholders' meetings:</p> <p>(A) Coordinate various units to process the parliamentary operations about shareholders' meetings according to the Articles of Incorporation and Article 57-2 of the Corporate Governance Best</p>

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			<p>Practice Principles for Yuanta FHC.</p> <p>(B) Assist in convening a physical annual general meeting and provide video communication means as the aid for the first time to provide shareholders with diversified channels to attend the shareholders' meetings.</p> <p>(C) Help shareholders' meetings solidify related operations and boost the parliamentary procedures successfully.</p> <p>(D) Help shareholders understand Yuanta FHC's corporate governance practices, and update data on webpages, to ensure the shareholders' equity.</p> <p>C. Supervise the research, amendment and adjustment of Yuanta FHC's important regulations, including amendments to Yuanta FHC's Articles of Association, Organization Regulations of Audit Committee, Organization Regulations of Sustainable Development Committee, Regulations Governing Directors' Continuing Education, Corporate Governance Best-Practice Principles, and Regulations Governing Performance Appraisal on the Board of Directors and Functional Committee, etc., and also establish the Organization Regulations of Risk Management Committee.</p> <p>D. Supervise the organization of 9th (2022) corporate governance evaluation, in which Yuanta FHC ranked in the top 5% among TWSE listed companies, and 11%—20% in the category of finance and insurance.</p> <p>E. Process the parliamentary operations related to the Board of Directors and functional committees to</p>

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	Yes	No	
	Summary		
			<p>strengthen the parliamentary procedure compliance and avoidance of conflict of interest.</p> <p>F. Provide the relevant information required by directors for performance of job duties, and remind directors of the related laws and regulations to be followed when performing job duties or at the time of/after resolution made by the Board of Directors; follow up the processing and progress of the suggestions or opinions raised by directors.</p> <p>G. Help the execution of the Board of Directors' letter of undertaking for compliance with ethical management and confidentiality statement on financial statements, and strictly supervise the AML and prevention of insider trading.</p> <p>H. Handle the directors' continuing education and help directors practice diversified continuing education mechanism.</p> <p>I. Conduct the assessment on performance of the Board of Directors and functional committees.</p> <p>J. Educate directors on changes in laws and regulations, and assist directors in compliance with laws and related reporting matters.</p> <p>K. Help the directors comply with the requirement prohibiting trading of Yuanta FHC's stocks within 30 days prior to the disclosure of annual financial statements and within 15 days prior to the disclosure of quarterly financial statements, namely the closure period.</p> <p>(5) Yuanta FHC's Board of Directors Chief Secretary, Lawrence Lee, has held the position as Chief Corporate</p>

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	Yes	No	
4. Whether the financial holding company establishes communication channels with stakeholders (including but not limited to, shareholders, employees, and customers, and suppliers, et al.), and sets up a section for stakeholders at the official website of Yuanta FHC with the proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	✓	<p>Governance Officer since November 28, 2018, and completed the continuing professional education for 12 hours in 2023. (See page 59)</p> <p>(6) The information about the chief corporate governance officers is disclosed in the “Board of Directors” > “Chief Corporate Governance Officer” in the section of “Investor relations” > “Corporate Governance” on Yuanta FHC’s website at Website: https://www.yuanta.com/EN/IR/Governance/Board.</p>	
		<p>Yuanta FHC establishes the well-founded spokesperson system pursuant to the “Uniform Spokesman Procedure”, and appoints the spokesperson and deputy spokesperson to release any public information, policy or other related information to the public on behalf of Yuanta FHC officially.</p> <p>Yuanta FHC and all of its subsidiaries use their best efforts to provide adequate information to stakeholders such as customers, correspondent banks, vendors, employees, and shareholders, and has established the “CSR” > in the section of “Stakeholders Engagement” on its website to disclose the identification of major concerns about stakeholders, channels of communication with the stakeholders and investigation on certain concerns. Meanwhile, Yuanta FHC attaches great importance to the rights and interests of stakeholders and to maintain fair channels of communication with them via mailbox or phone. Yuanta FHC’s Legal Affairs Department assists with and handles possible legal disputes. Where the opinion fed back by any stakeholder is considered material, the responsible unit must report the same to the Audit Committee and Board of Directors under Yuanta FHC’s internal control system. Website: https://www.yuanta.com/EN/ESG/Stakeholder-Engagement.</p>	There was no departure in this respect.

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			<p>Yuanta FHC's website also sets up the "Investor Relations" section where the information about the Group's operating performance, credit rating and other financial information are available. Website: https://www.yuanta.com/EN/IR.</p> <p>Meanwhile, the exclusive email address, department, and phone number are listed in the "Stakeholders Engagement" section to maintain effective communication with stakeholders and investors. Website: https://www.yuanta.com/EN/IR/Service/Contact-Us.</p> <p>In order to establish the ethical and transparent enterprise culture, promote the sound management and encourage whistleblowing against misconduct in Yuanta FHC, Yuanta FHC set up the "Reporting Mechanism" in the section of "Investor relations" > "Corporate Governance" on Yuanta FHC's official website to disclose the requirements about the reporting mechanism, reporting hotline and email box. Website: https://www.yuanta.com/EN/IR/Governance/Reporting-Mechanism.</p>
<p>5. Information Disclosure</p> <p>(1) Establishment of a corporate website to disclose information concerning financial affairs and corporate governance?</p>	✓		<p>There was no departure in this respect.</p>

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	Yes	No	
<p>(2) Other information disclosure channels (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and the broadcasting of investor conferences via Yuanta FHC website)?</p>			<p>Directors and other committees (e.g. Audit Committee, Remuneration Committee, Sustainable Development Committee, Nomination Committee and Risk Management Committee), the risk management policies and organizational framework, information security management framework, policies and operation management, intellectual property management plans (and practices and results thereof), internal audit system, summary of the whistleblowing system, and information to be reported and disclosed under Article 46 of the Financial Holding Company Act. Meanwhile, according to the “TWSE Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds” and “TWSE Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities,” Yuanta FHC discloses the public information about Yuanta FHC’s and its subsidiaries’ finance, business and corporate governance on the MOPS, and also in the important message section on the home page of Yuanta FHC’s website.</p> <p>(2)</p> <p>A. Yuanta FHC has set up the official website in Chinese and English, established the spokesperson and deputy spokesperson system, and delegated the dedicated unit to update and disclose Yuanta FHC’s information. Yuanta FHC is invited to attend investor conferences periodically to disclose Yuanta FHC’s overview of operation and information, and interact with domestic/foreign investors closely. Meanwhile, the related information, in Chinese and English, is posted on</p>

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	Yes	No	
<p>(3) Whether Yuanta FHC announces and reports the annual financial report within the time limit prescribed by the Financial Holding Company Act and Securities and Exchange Act at the end of each fiscal year, and the financial report for Q1, Q2, and Q3 and monthly operation overview before the prescribed time limit?</p> <p>(4) Whether Yuanta FHC establishes any cyber security risk management structure, cyber security policy and concrete management program, invests the resources of cyber security management, and discloses the same on Yuanta FHC's website?</p>			<p>the "Investor Relations" section and the Market Observation Post System (MOPS) on the official website. Website: https://www.yuanta.com/EN/IR.</p> <p>B. With respect to the ESG (Environmental, Social, and Governance) issues concerned by investors increasingly in the recent years, Yuanta FHC has set up the "Sustainability" section in Chinese and English on the official website and disclosed the related non-financial performance and practices in detail. Website: https://www.yuanta.com/EN/ESG.</p> <p>(3) Yuanta FHC Company has announced and reported the quarterly/annual financial reports and monthly operation overview for 2023 within the prescribed time limit. The financial reports for Q1, Q2, and Q3 of 2023 and the annual financial report were already announced and reported on May 22, 2023, August 23, 2023, November 21, 2023, and March 14, 2024.</p> <p>(4) A. Information security risk management structure: Yuanta FHC implemented ISO 27001:2005 ISMS and also passed the certification by BSI in 2011. Thereafter, Yuanta FHC would complete the continuing review once per year and the re-examination once per three years. In view of the International Standards Organization (ISO) officially released a new version of the standard ISO 27001:2022 on October 25, 2022. Yuanta FHC has also been certified by the British Standards Institution (BSI) for the new version on November 2023, and continuously strengthen the management and monitoring of information security</p>

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	Summary		
			<p>with the circular PDCA framework.</p> <p>B. Concrete management program:</p> <p>(A) In order to improve Yuanta FHC' strength in making decisions against information security issues, enhance the information security supervision, and consolidate information security policies to boost coordination and allocation of resources, Yuanta FHC Board of Directors passed the articles of association in December 2020, in order to establish the independent and dedicated information security unit, "Information Security Dept.," and "CISO," responsible for regulating, planning and supervising the information security throughout Yuanta FHC and boosting the implementation of information security management operations, and reporting the information security practices to the Board of Directors periodically.</p> <p>(B) Yuanta FHC expressly states the information security objectives and information security responsibilities in its information security policy and establishes the multi-departmental information security taskforce, which coordinate and research the handling and review on the information security policy, plan, allocation of resources, implementation, and crisis management through the taskforce's meetings and the information security management review meeting to be held at least once per year, and also to enhance the information security management system.</p> <p>C. In order to control the information security management</p>

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6. Other important information enabling a better understanding of Yuanta FHC's corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policy, purchase of liability insurance by Yuanta FHC for directors, and donations to political parties, interested parties and public welfare groups)?	✓		<p>system effectively, Yuanta FHC establishes the relevant policy, regulations (guidelines and enforcement rules, et al.), procedures (guidebook on the information security business) and QR/FM (Quality Records/Form) to be followed by the entire information business operation, management and control.</p> <p>The related information is disclosed on Yuanta FHC's website "Investors Relations" > "Corporate Governance" > "Information Security." URL: https://www.yuanta.com/EN/IR/Governance/Information-Security.</p>
			<p>6.</p> <p>(1) Employee rights and interests: Yuanta FHC's human resources management mechanisms all comply with labor laws and regulations and internal control requirements, safeguarded employees' legitimate rights and interests. Yuanta FHC convenes the labor-management meeting regularly to urge the representatives of labor and the management to state their opinions on various motions and communicate with each other sufficiently on the motions, based on the principle of mutual trust and respect, in order to gather the common consensus and promote harmonious labor-management relations.</p> <p>(2) Employee care: Yuanta FHC cares about the physical and mental health of its employees and undertakes education and training, group insurance, employee shareholding trusts, and health checkups, and employee assistance programs (EAPs), etc.. Meanwhile, it encourages employees to cultivate diversified hobbies, participate in various social clubs, and get used to</p>

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	Yes	No	
			<p>having fun when working. Yuanta FHC also strives to realize employees' potential, and trains and rewards excellent talents so as to enhance employees' on-the-job competitiveness and market value and create a diversified and friendly working environment by encouraging a positive attitude toward corporate sustainability.</p> <p>(3) Investor relations and stakeholders interests: In its "Corporate Governance Guidelines," Yuanta FHC has defined the contents of investor relations and stakeholders' interests. These principles are implemented in Yuanta FHC's day-to-day business and focus on the following aspects:</p> <p>A. Yuanta FHC maintains open channels of communication with investors, and respects and protects their legal rights.</p> <p>B. Taking advantage of the convenience of the Internet, Yuanta FHC has established a website, which carries information on financial affairs and corporate governance for the reference of shareholders and stakeholders. Yuanta FHC also sets up the English version of the official website to provide the information in Chinese and English languages at the same time and make the real-time information about Yuanta FHC available to foreign investors, including corporate governance practices, sustainable development, financial information, credit rating, activities, public notice, etc..</p> <p>(4) Supplier relations:</p> <p>A. Yuanta FHC values the control over procurement risk and practices responsible procurement, asks the suppliers to include supplier's sustainable procurement</p>

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			<p>clauses and ethical management clauses into the contract executed with Yuanta FHC, and also expressly states various labor conditions, occupational safety and health, environmental protection and labor human rights laws and regulations to be performed and followed by the suppliers. The contract shall also include the clauses providing that a supplier who violates laws may have their contract terminated directly, in order to jointly practice sustainable development.</p> <p>B. In order to include the concept about sustainability into the procurement department and to affect up-stream suppliers' practices, Yuanta FHC has continued to pass the third party's certification since 2021, and practiced the sustainability concept in the subsidiaries' procurement procedures comprehensively via the systematic management in order to work with the suppliers to implement the ESG practices.</p> <p>C. Yuanta FHC is committed to promoting the corporate sustainable development. It practices the same proactively and also asks its suppliers to join the sustainability campaign. In 2023, 3 supplier conferences were held, attended by a total of 72 main suppliers to share their practices on supply chain management and concept about sustainable procurement, and also commend Level A suppliers with remarkable performance in sustainability practices</p> <p>(5) Stakeholders' rights and interests:</p> <p>A. Yuanta FHC values the stakeholders' opinions, and uses the best effort to communicate with the stakeholders via various channels to verify and identify the issues concerned by them. Yuanta FHC analyzes how</p>

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			<p>stakeholders' concern about environmental, social and corporate governance issues and the impact posed to the principal business by the senior management's review on various issues, in order to prepare the matrix chart for major topics.</p> <p>B. Yuanta FHC needs to take specific responsibility toward the stakeholders. In the "Sustainability" > "Stakeholder Engagement" section on the website site, Yuanta FHC also set up the communication channels exclusive for various stakeholder types, hoping to verify the stakeholders' needs and expectation toward Yuanta FHC in various manners and via the communication channels.</p> <p>(6) Continuing education of directors: See Pages 186 ~ 189.</p> <p>To implement the continuing education mechanism for directors, in 2023, Yuanta FHC has organized the internal training courses for directors including the four seminars, namely the "Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities" on March 16, "Financial Consumer Protection Act and Fair Dealing Policy" on May 18, "Net-Zero Emissions and Corporate Governance" on July 13, and "The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation" on September 7, and also arranged external continuing education courses to be attended by directors to help directors improve their competence and practice corporate sustainable development.</p> <p>(7) Implementation of risk management policy and risk measurement criteria: Risk management policies and procedures clearly specify</p>

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	Summary		
			<p>risk management scope, organization framework and operations thereof:</p> <p>A. Yuanta FHC has had the Board of Directors approve the risk management policy and related procedures to provide guidance with regard to management of risks.</p> <p>B. The risk management policy refers to Yuanta FHC's prime guidelines governing risk management, which specifies that the company confronts four major risks, including "financial risk," "business risk," "compliance & legal risk" and "climate change risk." The "financial risk" includes market risk, credit risk, market liquidity risk, funding liquidity risk, asset-liability matching risk, large risk exposure, insurance risk, and operational risk. The "business risk" includes information security risk, human resource risk, emerging risk, integrity risk, reputation risk and strategic risk. The "compliance & legal risk" includes compliance risk, legal risk, and ML/TF risk. The "climate change risk" includes investment and financing climate change risk and self-operation climate change risk. Each defined risk has its written mechanism.</p> <p>C. Subsidiaries shall establish the "risk management systems" that meet their business portfolio, business scale and capital scale, according to Yuanta FHC's risk management policy, to measure and manage various risks they're dealing with effectively.</p> <p>D. Yuanta FHC's risk management structure consists of the Board of Directors, Risk Management Committee, senior management, and three lines of defense for risk management. Yuanta FHC has disclosed the "Risk</p>

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			<p>Management Policy” in the “Sustainability” > “Internal Rules and Regulations” on its official website, expressly defining Yuanta FHC’s risk management scope, risk management organization’s framework and job duties, risk management procedures, and risk report and disclosure.</p> <p>E. Yuanta FHC regularly reports to the board of directors on the operation of the risk management, including:</p> <p>(A) Risk Management Department reports the execution of risk management measures, including Yuanta FHC and its subsidiaries to the Board of Directors on a monthly basis.</p> <p>(B) The Risk Management Committee convenes a meeting per quarter. The resolutions made at the meeting would be minuted and reported to Board of Directors.</p> <p>(C) The Risk Management Dept. submitted the 2023 risk management mechanism assessment report (including identification methods, measurement criteria, and monitoring and reporting procedures) at the 5th meeting of the 9th Risk Management Committee on December 19, 2023. The Chairman of the Risk Management Committee reported Yuanta FHC’s 2023 risk management mechanism assessment result at the 22nd meeting of the 9th Board of Directors on December 27, 2023.</p> <p>(D) The Risk Management Dept. submitted the 2024 business risk assessment report at the 5th meeting of the 9th Risk Management Committee on December 19, 2023. The Chairman of the Risk Management</p>

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	Yes	No	
			<p>Committee reported Yuanta FHC's 2024 business risk assessment result at the 22nd meeting of the 9th Board of Directors on December 27, 2023.</p> <p>(E) The operations of the Risk Management Committee are disclosed in the "Sustainability" > "Committees" > "Risk Management" on its official website.</p> <p>(8) Implementation of customer policy: Yuanta FHC protects customer privacy based on "Confidentiality Measures on Customer Information for Yuanta FHC and Its Subsidiaries", "Personal Data Protection Policy of Yuanta FHC" and "Personal Data Management Rules of Yuanta FHC". Yuanta FHC uses customer information in accordance with the forgoing measures and within the scope of the law so as to fulfill its obligations in maintaining the confidentiality of customer information and protect customer privacy.</p> <p>(9) Purchase of liability insurance by Yuanta FHC for directors/supervisors and managers: Yuanta FHC continues to purchase the directors/supervisors and managers liability insurance for its directors (including independent directors), supervisors and managers, in order to pass on Yuanta FHC's business risk and help establishment of a well-founde corporate governance mechanism.</p> <p>(10) Donations to political parties, interested parties, and non-profit organizations: A. Handled in accordance with Yuanta FHC's guidelines governing public donations. Public donations mean those donations which comply with the following laws and regulations:</p>

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	Yes	No	
			<p>(A) Donations to political parties, political groups and political candidates in accordance with Political Donations Act.</p> <p>(B) Donations to the public welfare groups and syndicates defined in the General Provisions of the Civil Code, or any other educational, cultural, public welfare or charity agencies or groups which are registered with the competent authorities or incorporated validly in accordance with other relevant laws and regulations.</p> <p>B. Where the donated subject is a related party, the donations shall be reported to the Board of Directors for resolution, regardless of the amount of the donations, and material information shall be announced in accordance with Paragraph 1.43 of Article 4 of the "Taiwan Stock Exchange Corporation's (TWSE) Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities".</p>
<p>7. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies.</p> <p>(1) In the Taiwan Stock Exchange's 10th (2023) Corporate Governance Evaluation, Yuanta FHC was ranked in the top 5% of listed companies and the top 10% of the companies in financial and insurance categories.</p> <p>(2) For the 2024 (11th) corporate governance evaluation, Yuanta FHC will prioritize the following indicators and measures:</p> <p>A. Indicator 3.20: Yuanta FHC will be invited to (voluntarily) hold at least two investor conferences, and disclose the complete video and video link of at least two meetings.</p> <p>B. Indicator 4.23: Yuanta FHC's policy is to link the disclosure of remuneration to senior managers and ESG-related performance evaluation.</p> <p>C. Indicator 4.24: The Sustainability Report prepared by Yuanta FHC is submitted to the Board of Directors for approval.</p>			

Note 1 : Regardless of "Yes" or "No", the status shall be stated in the "Summary" section.

Note 2 : Describe the deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.

(V) Describe the composition, duties and operations of the remuneration committee:

1. Information about members, duties and operations of Remuneration Committee

(1) Information about Remuneration Committee Members

Position Title	Qualification	Professional Qualifications and Experience	Compliance of Independence	Number of positions as a Remuneration Committee Member in other public listed companies
	Name			
Independent Director (Convener)	Kuang Si Shiu	Please refer to Page 29 for the “(IV) Disclosure of information about professional qualifications and independence of directors and independent directors.”		2
Independent Director	Ming Ling Hsueh			4
Independent Director	Hsing Yi Chow			3
Independent Director	Sharon S. Yang			2

(2) Duties of Remuneration Committee

Yuanta FHC’s Remuneration Committee shall perform the following duties honestly with due diligence, and submit their motions to the Board of Directors for discussion:

- A. Determine and periodically review the performance appraisal on Yuanta FHC’s directors and managers, and remuneration policy, system, standard and structure;
- B. Periodically evaluate and determine Yuanta FHC’s remuneration to directors and managers.

(3) Information concerning the remuneration committee

- A. Yuanta FHC establishes the “Annual plan for events and agenda” of Remuneration Committee and deliverables to be met by Yuanta FHC’s operation in accordance with the “Regulations on the Establishment of Remuneration Committees by TWSE/TPEX Listed Companies and their Exercise of Powers”.
- B. Yuanta FHC’s remuneration committee consists of 4 members.
- C. Term of office to be held by 9th-term members: June 10, 2022–June 9, 2025. In the most recent year (2023), the Remuneration Committee has held six(6) meetings (A). The attendance of the Committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Kuang Si Shiu	6	0	100	
Member	Ming Ling Hsueh	6	0	100	
Member	Hsing Yi Chow	6	0	100	
Member	Sharon S. Yang	6	0	100	

Other items to be stated:

- I. If the Board of Directors does not adopt or amend the remuneration committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and Yuanta FHC’s handling of the remuneration committee’s opinions (if the remuneration approved by the Board

of Directors is superior than that suggested by the remuneration committee, please specify the deviation and reason): None.

II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and Yuanta FHC's handling of the said opinions: None.

D. The motions discussed by Yuanta FHC's Remuneration Committee in the most recent year (2023) and resolutions thereof, and Yuanta FHC's handling of the members' opinion are stated as following:

Remuneration Committee	Motion	Resolution
4 th meeting of 9 th term January 16, 2023	1. Group performance bonus for the Chairman of Board. 2. Group performance bonus for managers.	Remuneration Committee: The related motions have been approved by all present members unanimously, and submitted to the Board of Directors for reporting or resolution. Board of Directors: Agreed by all present directors unanimously.
5 th meeting of 9 th term March 7, 2023	1. Allocation of remuneration to employees. 2. Allocation of remuneration to directors.	
6 th meeting of 9 th term April 18, 2023	1. Performance appraisal on directors and supervisors of the immediate companies and investees. 2. Amendments to Yuanta FHC's Regulations Governing Shareholdings by Senior Management.	
7 th meeting of 9 th term June 20, 2023	1. Evaluate and determine the remuneration to managers regularly. 2. Determine and review the performance appraisal on managers, and remuneration policy, system, standard and structure. 3. Payment of remuneration to directors (exclusive of independent directors). 4. Payment of remuneration to directors and supervisors of investees appointed by Yuanta FHC. 5. Allocation of employee remuneration to managers.	
8 th meeting of 9 th term August 15, 2023	Appointment of managers	
9 th meeting of 9 th term October 17, 2023	Amendments to the Regulations Governing Performance Appraisal on Board of Directors and Functional Committees	

2. Information about members and operations of Sustainable Development Committee

(1) Functions of Sustainable Development Committee members:

The Committee is subordinated to the Board of Directors to take charge of the following operations:

- A. Assisting in integrating the values of integrity management and corporate sustainable development into the Company's operational strategy;
- B. Cooperating with laws and regulations to establish measures to ensure integrity management and fulfill corporate sustainable development;
- C. Supervising and implementing the Company's policies of integrity management and corporate sustainable development, and evaluating the effectiveness of their execution;
- D. Other matters related to the formulation and monitoring of the implementation of policies on integrity management and corporate

sustainable development.

- (2) Information about members' professional qualifications and experience, and operations of Sustainable Development Committee:
- A. According to Article 2 of the Sustainable Development Committee Charter, the Committee must consist of three(3) to seven(7) members, who shall be directors of the board of the Company, and at least half of whom shall be independent directors.
 - B. Term of office to be held by 9th-term members: from June 10, 2022 to June 9, 2025. The term of office to be held by the Committee member shall be identical with that held by the director, unless otherwise provided by laws, or Yuanta FHC's articles of incorporation or charters.
 - C. The Sustainable Development Committee of the current term consists of five(5) members (including four(4) independent directors). Member Ming Ling Hsueh is now serving as the Executive Director of the Taiwan Corporate Governance Association. She used to be the President of PwC Taiwan, and is well experienced in corporate governance, accounting and finance. Member Kuang Si Shiu served as the Chairman/President of Mega Financial Holdings for about one decade, and has plentiful experience in corporate governance, management and practices. Independent Director Hsing Yi Chow is the Emeritus Professor of NCCU Department of Finance currently. He used to be the supervisor of TPEX and supervisor of Securities and Futures Investors Protection Center, with expertise in risk management, corporate governance and finance. Ms. Sharon S. Yang is the current Director of Financial Research Center, NCCU College of Commerce, Vice Chairman of Pension Fund Association, R.O.C. and Actuarial Review Committee Member of National Pension Insurance, and the former Investment Linked Investment Review Member of Insurance Bureau, Financial Supervisory Commission and former director of Taiwan Insurance Guaranty Fund. She holds the expertise in management and sustainable finance related to a financial holding company, life insurance industry and finance, and financial actuarial. All of the four(4) members are specialized in the Sustainable Development Committee affairs.
 - D. In the most recent year (2023), the Sustainable Development Committee has held four(4) meetings (A). The professional qualifications, experience, attendance of the committee members, and execution results of important motions are summarized as follows:

Title	Name	Professional Qualifications and Experience	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Ting Chien Shen (Tony)	Please refer to Page 29 for the “(IV) Disclosure of information about professional qualifications and independence of directors and independent directors.”	4	0	100	
Member	Ming Ling Hsueh		4	0	100	
Member	Kuang Si Shiu		4	0	100	
Member	Hsing Yi Chow		4	0	100	
Member	Sharon S. Yang		4	0	100	

Other items to be stated:

- I. If the Board of Directors does not adopt or amend the Sustainable Development Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and Yuanta FHC's handling of the Sustainable Development Committee's opinions: None.
- II. For resolution(s) made by the Sustainable Development Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and Yuanta FHC's handling of the said opinions: None.
- III. Other important motions and results of execution thereof:
 - (I) 4th Sustainable Development Committee Meeting of the 9th Board of Directors on March 15, 2023
 1. Report on the "execution result for 2H of 2022" of the Company's Ethical Corporate Management Office.
 2. Report on the "execution result for 2H of 2022" of the Company's Corporate Sustainability Office.
 3. Report on the Company's "implementation of the whistleblowing system for 2H of 2022."
 4. Report on the Company's "performance of ethical management for 2022."
 5. Report on the Company's "promotion of sustainable development for 2022."
 6. Report on the Company's "GHG Inventory and Verification Work."
 7. Report on the "performance results and progress for 2H of 2022" of the Group's green products.
 8. Amendments to the "Yuanta FHC Procedures for Ethical Management and Guidelines for Conduct."
 9. Amendment to the "2021–2025 Group Sustainable Development Strategy Roadmap" of Yuanta FHC.
 - (II) 5th meeting of the 9th Sustainable Development Committee on May 30, 2023
 1. Report on the Company's "2022 Communications on Issues of Concern to Stakeholders and Materiality Assessment Procedure."
 2. Report on "Yuanta FHC 2022 ESG Report."
 3. Amendments to the "Yuanta FHC Sustainable Finance Guidelines."
 4. Establishment of the "Yuanta FHC Inclusive Financing Policy."
 - (III) 6th meeting of the 9th Sustainable Development Committee on August 15, 2023
 1. Report on the "execution result for 1H of 2023" of the Company's Ethical Corporate Management Office.
 2. Report on the "execution result for 1H of 2023" of the Company's Corporate Sustainability Office.
 3. Report on the Company's "implementation of the whistleblowing system for 1H of 2023."
 - (IV) 7th meeting of the 9th Sustainable Development Committee on November 21, 2023
 1. Preparation of Yuanta FHC Sustainable Development Committee's "2024 Action Plan" and "2024 Meeting Schedule."
 2. Report on the "2024 work plan" of the Company's Ethical Corporate Management Office.
 3. Report on the "2024 work plan" of the Company's Corporate Sustainability Office.
 4. Report on the "performance results and progress for 1H of 2023" of the Group's green products.

Note : (1) Where a specific member may be relieved from duties before the end of the fiscal year specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of meetings of the Sustainable Development Committee held during each member's term and the number of meetings actually attended by that member.

(2) Where a re-election may be held for filling the vacancies of members before the end of the fiscal year, list both the new and the discharged members, and specify if they are the former members, or newly elected, re-elected and the date of the re-election in the "Remark" section. Actual attendance rate (%) was calculated based on the number of meetings of the Sustainable Development Committee held during each director's term and the number of meetings actually attended by that member.

3. Information about members and operations of Nominating Committee

(1) Functions of Nominating Committee members:

The Committee is subordinated to the Board of Directors to take charge of the following operations:

- A. Establishing the criteria governing such diversified backgrounds as professional knowledge, technology, experience and gender, and independence, required from the Board of Directors members, and searching, reviewing and nominating the candidates for director.
- B. Review the candidates for the senior management.
- C. Constructing and developing the structural framework of the Board of Directors and various committees.
- D. Establish and periodically review the directors' continuing education and directors' and senior managers' succession plans.
- E. Research and amend Yuanta FHC's Corporate Governance Best-Practice Principles, Procedure for Election of Directors and Regulations Governing Directors' Continuing Education.
- F. Serving as the execution unit engaged in performance appraisal on the Board of Directors and various functional committees.
- G. Other deliverables to be satisfied by the Committee per resolutions by the Board of Directors.

(2) Information about Nominating Committee members' professional qualifications and experience, and operations:

- A. The Company's Nominating Committee consists of 5 members. According to Article 4 of the Articles of Association for Nominating Committee, the Committee must consist of no less than 3 directors elected by the directors, and a majority of the members must be served by independent directors.
- B. Term of office to be held by 9th-term members: from June 10, 2022 to June 9, 2025. The term of office to be held by the Committee member shall be identical with that held by the director, unless otherwise provided by laws, or Yuanta FHC's articles of incorporation or charters.
- C. The Nominating Committee of the current term consists of five(5) members (including three(3) independent directors). Member Hsing Yi Chow is the former President of NCCU, former Dean of NCCU College of Commerce, and former Chair and Professor of NCCU Department (Graduate Institute) of Finance. He holds the expertise in investment, risk management, international finance, entrepreneurial financial management and corporate governance. He is one of the core staff of the research project entitled "How to Improve the Training of International Financial Management Talents in Finance, Securities and Insurance," and conducts in-depth research on Taiwan's securities industry and capital market, as a member holding the expertise related to Nominating Committee. Member Kuang Si Shiu served as the Chairman/President of Mega Financial Holdings for about one decade, who has plentiful experience in management and practices, and is specialized in the Nominating Committee affairs. Member Ming Ling Hsueh is now serving as the Executive Director of the Taiwan Corporate Governance Association. She has served as the president of PwC Taiwan, adjunct professor of College of Technology Management, National Tsing Hua

University and adjunct professor of National Taiwan University of Science and Technology School of Management once, and also won the Excellence in Teaching Award for Adjunct Professor awarded by National Taiwan University of Science and Technology School of Management (2020) and Excellence in Teaching Award awarded by College of Technology Management, National Tsing Hua University (2004), who has ample experience in corporate governance and business management practices and is specialized in the Nominating Committee affairs.

D. In the most recent year (2023), the Nominating Committee has held five(5) meetings (A) The attendance of the Committee members is summarized as follows:

Title	Name	Professional Qualifications and Experience	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Hsing Yi Chow	Please refer to Page 29 for the “(IV) Disclosure of information about professional qualifications and independence of directors and independent directors.”	5	0	100	
Member	Ming Ling Hsueh		5	0	100	
Member	Wei Chen Ma (Michael)		5	0	100	
Member	Ting Chien Shen (Tony)		5	0	100	
Member	Kuang Si Shiu		5	0	100	

Other items to be stated:

- I. If the Board of Directors does not adopt or amend the Nominating Committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and Yuanta FHC’s handling of the Nominating Committee’s opinions: None.
- II. For resolution(s) made by the Nominating Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and Yuanta FHC’s handling of said opinions: None.
- III. Other important motions and results of execution thereof:
 - (I) 4th meeting of the 9th Nominating Committee on March 21, 2023.
 1. Implementation status of Yuanta FHC directors’ successor plan.
 2. Discussion about amendments to the “Yuanta FHC Corporate Governance Best-Practice Principles.”
 - (II) 5th meeting of the 9th Nominating Committee on July 26, 2023.
 1. Review the candidates for the senior management.
 - (III) 6th meeting of the 9th Nominating Committee on August 23, 2023.
 1. The result of the qualification review of the independent directors during their tenure.
 2. Discussion about amendments to the “Yuanta FHC Corporate Governance Best-Practice Principles.”
 3. Review the directors’ continuing education program in 2023.
 - (IV) 7th meeting of the 9th Nominating Committee on September 27, 2023.
 1. Review the candidates for the senior management.
 - (V) 8th meeting of the 9th Nominating Committee on December 27, 2023.
 1. Periodically review the senior managers’ succession plans.
 2. Amendments to the “Yuanta FHC Regulations Governing Directors’ Continuing Education.”
 3. Motion for the results of Yuanta FHC’s performance appraisal on the Board of Directors

and Functional Committees in 2023.

4. Recheck results and recommendation of organizational framework of the Board of Directors and various functional committees of Yuanta FHC.
5. Prepare the directors' continuing education plan in 2024.
6. Prepare the "2024 Nominating Committee Calendar & Agenda Planning."

Note : (1) Where a specific member may be relieved from duties before the end of the fiscal year specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of meetings of the Nominating Committee held during each member's term and the number of meetings actually attended by that member.

- (2) Where a reelection may be held for filling the vacancies of members before the end of the fiscal year, list both the new and the discharged members, and specify if they are the former members, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated based on the number of meetings of the Nominating Committee held during each member's term and the number of meetings actually attended by that member.

4. Information about members, duties and operations of Risk Management Committee

(1) Responsibilities of Nomination Committee members:

The Committee is subordinated to the Board of Directors to take charge of the following operations:

- A. Review of the risk management policy and system.
- B. Review of annual risk limits and monitoring indicator thresholds.
- C. Review of the report on the implementation status of risk management.
- D. Supervision of Yuanta FHC's existing or potential risk management.
- E. Assistance to the Board of Directors in supervising the implementation of risk management decisions.
- F. Other risk management work to be performed or reported per resolutions by the Board of Directors.

(2) Information about Risk Management Committee members' professional qualifications and experience, and operations:

- A. According to Article 2 of the Organization Regulations of Nomination Committee, the Committee shall consist of no less than three directors elected by the Board of Directors, and a majority of the members shall be served by independent directors. One independent director shall be elected from among all members to act as the convener and chairperson.
- B. Term of office to be held by 9th-term members: from March 15, 2023 to June 9, 2025. The term of office to be held by the Committee member shall be identical with that held by the director, unless otherwise provided by laws, or Yuanta FHC's articles of incorporation or charters.
- C. The Risk Management Committee of the current term consists of three(3) members (including two(2) independent directors). Member Tony Shen was the convener of the Risk Management Committee before the restructuring and regularly chaired the Committee meetings. He holds extensive practical experience in banking, finance and risk management. Member Hsing Yi Chow is the Emeritus Professor of NCCU Department of Finance currently, and the former supervisor of TPEX and former supervisor of Securities and Futures Investors Protection Center, who is specialized in investment, risk management, corporate governance. Ms. Sharon S. Yang is the Director of Financial Research Center, NCCU College of Commerce, director of Taiwan Risk and Insurance Association, Actuarial Review Committee Member of

National Pension Insurance and Vice Chairman of Pension Fund Association, R.O.C., and the former director of Taiwan Insurance Guaranty Fund and former director of the Asia-Pacific Risk and Insurance Association, etc. All of the three(3) members are specialized in the risk management committee affairs.

- D. In the most recent year (2023), the Risk Management Committee has held five(5) meetings (A). The professional qualifications, experience, attendance of the committee members, and execution results of important motions are summarized as follows:

Title	Name	Professional Qualifications and Experience	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Noe)	Remarks
Convener	Sharon S. Yang	Please refer to Page 29 for the “(IV) Disclosure of information about professional qualifications and independence of directors and independent directors.”	5	0	100	It was restructured into a functional committee on March 15, 2023, and three directors were elected by the Board of Directors as members of the 9 th term on the same day.
Member	Ting Chien Shen (Tony)		5	0	100	
Member	Hsing Yi Chow		5	0	100	

Other items to be stated:

- I. If the Board of Directors does not adopt or amend the Risk Management Committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and Yuanta FHC’s handling of the Risk Management Committee’s opinions: None.
- II. For resolution(s) made by the Risk Management Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and Yuanta FHC’s handling of said opinions: None.
- III. Other important motions and results of execution thereof:
 - (I) 1st meeting of the 9th Risk Management Committee on March 15, 2023.
 1. Election of the convener of Yuanta FHC’s 9th Risk Management Committee.
 2. Preparation of Yuanta FHC Risk Management Committee’s “2023 Action Plan” and “2023 Meeting Schedule.”
 - (II) 2nd meeting of the 9th Risk Management Committee on May 16, 2023.
 1. Yuanta FHC’s financial risk management and risk analysis report for Q1 of 2023.
 2. Yuanta FHC’s business risk monitoring report for Q1 of 2023.
 3. Amendments to the Company’s “Large Risk Exposure Management Regulations,” “Market Liquidity Risk Management Regulations,” “Market Risk Management Regulations,” “Investment and Financing Climate Change Risk Management Regulations,” “Financial Trading Credit Risk Management Regulations,” “Specific Stock Limit Management Regulations,” “Business Risk Management Regulations,” “Capital Adequacy Management Regulations,” and “Funding Liquidity Risk Management Regulations.”
 - (III) 3rd meeting of the 9th Risk Management Committee on August 15, 2023.
 1. Yuanta FHC’s financial risk management and risk analysis report for Q2 of 2023.
 2. Yuanta FHC’s business risk monitoring report for Q2 of 2023.
 - (IV) 4th meeting of the 9th Risk Management Committee on November 21, 2023.
 1. Yuanta FHC’s financial risk management and risk analysis report for Q3 of 2023.

2. Yuanta FHC’s business risk monitoring report for Q3 of 2023.
 3. Establishment of the “Yuanta FHC Regulations Governing Asset and Liability Matching Risk Management.”
- (V) 5th meeting of the 9th Risk Management Committee on December 19, 2023.
1. 2024 Business Risk Assessment and Management Report.
 2. 2023 Risk Management Mechanism Assessment Report.
 3. Preparation of Yuanta FHC Risk Management Committee’s “2024 Action Plan” and “2024 Meeting Schedule.”
 4. Establishment of Yuanta FHC’s 2024 risk limits.
 5. Establishment of 2024 business risk monitoring indicators and threshold values.

Note : (1) Where a specific member may be relieved from duties before the end of the fiscal year specify the date of discharge in the “Remark” section. Actual attendance rate (%) was calculated based on the number of meetings of the Risk Management Committee held during each member’s term and the number of meetings actually attended by that member.

(2) Where a re-election may be held for filling the vacancies of members before the end of the fiscal year, list both the new and the discharged members, and specify if they are the former members, or newly elected, re-elected and the date of the re-election in the “Remark” section. Actual attendance rate (%) was calculated based on the number of meetings of the Risk Management Committee held during each member’s term and the number of meetings actually attended by that member.

(VI) Corporate sustainability practices, and deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No		Summary
<p>I. Whether Yuanta FHC establishes the governance framework dedicated to promoting the sustainability and delegates the full-time (part-time) functional units dedicated to promoting the corporate sustainability; has the Board of Directors authorized the senior management to deal with it; and how the Board of Directors supervise it?</p>	✓		<p>I. In order to practice Yuanta FHC’s corporate sustainable development philosophy, promote corporate governance, strengthen the Board of Directors’ control over ethical management and fulfill the corporate sustainable development proactively, Yuanta FHC resolved at the meeting of the Board of Directors on November 28, 2018 to establish the “Sustainability Committee” subordinated to the Board of Directors. The Committee was renamed to “Sustainable Development Committee” at the 39th meeting of the 8th Board of Directors on March 15, 2022. The Committee must consist of 3–7 members, who must be served by Yuanta FHC’s directors, and at least a majority of the members must be served by independent directors. Yuanta FHC’s “Nomination Committee” will review their qualifications and potential conflict of interest. Then the members are appointed upon approval of the Board of Directors, one of whom shall be elected as the convener. The current (9th) Sustainable Development Committee consists of the Chairman of Yuanta FHC and four independent directors. The Chairman also serves as the convener of the Committee, and the proportion of independent directors accounts for 80%. The Committee shall meet at least twice per year, and may convene a meeting at any time, if necessary. In order to practice ethical management and promote corporate</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
		<p>sustainable development, Yuanta FHC has established the “Integrity Management Office” and “Corporate Sustainability Office” subordinated to the Sustainable Development Committee.</p> <p>(2) In 2011, Yuanta FHC established the “Corporate Social Responsibility Promotion Center,” which was renamed as the “Corporate Sustainability Office” in 2022, and also six major functional teams, subject to the nature of the mission, comprising “Corporate Governance,” “Sustainable Finance,” “Customer Care,” “Employee Care,” “Environmental Sustainability” and “Social Participation” consisting of the members served by the staff across subsidiaries and departments. The Corporate Sustainability Office convened four meetings to monitor and review the progress of various projects in 2023. The Committee reports the work plans and execution results thereof on a semi-annual basis, in order to strengthen the Board of Directors’ management of the sustainable development. Meanwhile, it will amend related policies on a rolling basis, in order to ensure the validity thereof.</p> <p>(3) The Sustainable Development Committee held 4 meetings in 2023, and reported the implementation results of sustainable development and future work plans to the Board of Directors. The Board of Directors regularly listens to the proposed strategies reported by the management team on a quarterly basis. The Board of Directors shall review the progress of the strategies, assess the possibility of</p>	

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>success in the strategies, and urge the management to make adjustment if necessary. The motions include the implementation results of the implementation status of the promotion of sustainable development and execution of ethical management; Corporate Sustainability Office and Integrity Management Office in 1H of the year; the Group’s green product implementation results and progress in 1H of the year; the communication of issues concerned by stakeholders; Yuanta FHC’s 2022 Sustainability Report; establishment of the “Financial Inclusion Policy;” and amendment to the “2021–2025 Group Sustainable Development Strategy Roadmap,” and the operation and implementation of the Committee will be published on Yuanta FHC’s website and in Yuanta FHC’s annual report.</p> <p>(4) Yuanta FHC’s medium and long-term business strategy includes two aspects: business model and sustainable development. The board of directors regularly listens to the report of the management team every year, reviews the implementation of the current year, and conducts strategic review and proposes optimization based on the impact of the current year’s environment. practice.</p> <p>The supervision on sustainability is disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees.</p>
2. Whether Yuanta FHC conducts the risk assessment on the environment, society and corporate governance	✓	2. (1) By identifying the stakeholders related to Yuanta	There was no departure in this respect.

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
<p>issues related to Yuanta FHC’s operation and adopts related risk management policies or strategies, and disclose the same on Yuanta FHC’s website?</p>		<p>FHC’s operations and their sustainability issues of concern, and reviewing the impacts posed by each issue on operations and risk assessment, Yuanta FHC conducts annual assessment and analysis of major issues base on the principle of materiality, setting the short,medium, and long-term sustainability goals for the group accordingly. Meanwhile, the assessment results of major topics,along with potential internal and external risks related to financial-related operations, are reported to the finance-related businesses to the Board of Directors.</p> <p>(2) Yuanta FHC values the stakeholders’ opinions, and uses the best effort to communicate with the stakeholders via various channels to verify and identity the issues concerned by them. Yuanta FHC analyzes how stakeholders’ concern about environmental, social and corporate governance issues and the impact posed to the core business operations by the internal senior management’s review on various issues, in order to prioritize the positive and negative impacts posed by the sustainability issues. The issues which pose any positive/negative impact reaching more than 60% will be identified as major ones. Yuanta FHC identified a total of 12 major topics in 2023, and provided impact statements for these topics,formulated corresponding policies,and established assessment mechanisms to meet the expectations of stakeholders.</p> <p>(3) Yuanta FHC has included climate change in its corporate governance and business strategies as an</p>	

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
<p>3.Environmental issues</p> <p>(1) Has Yuanta FHC established environmental policies suitable for Yuanta FHC’s industrial characteristics?</p>	✓	<p>important part. Meanwhile, pursuant to the materiality principle, Yuanta FHC conducted the related risk assessment on major issues and adopted the related risk management policies or strategies based on the assessed risks, disclosed on the following website: https://www.yuanta.com/EN/ESG/Stakeholder-Engagement/Material-Aspects.</p>	
<p>3.Environmental issues</p> <p>(1) Has Yuanta FHC established environmental policies suitable for Yuanta FHC’s industrial characteristics?</p>		<p>3.</p> <p>(1) The Group has set forth the “Environment & Energy and Climate Change Management Policy.” In order to improve the environmental sustainability management, the “Environmental Sustainability Group” of the Corporate Sustainability Office continues to promote various policies to mitigate the environmental impact and use the best effort to build the enterprise’s green culture, hoping to mitigate the impact posed by the operating process to the environment, by managing the internal energy consumption and GHG emission, continuing to improve the energy utilization efficiency, and proactively procuring the renewal energy.</p> <p>A. The management departments of Yuanta FHC and its subsidiaries have formed the “Environmental Sustainability Group” since 2011 to establish the environmental management system, implement various environment and energy ISO management systems voluntarily, and conduct GHG inspection, promote energy conservation and carbon reduction proactively, manage energy/resources, water resources and</p>	There was no departure in this respect.

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
	Summary		
			<p>waste with care, and also practice the green procurement and sustainable supply chain management.</p> <p>B. The “Environment Policy” established by Yuanta FHC in 2016 was approved by the Board of Directors, and consolidated as the “Energy and Climate Change Management Policy” in 2022, and changed to the “Environment & Energy and Climate Change Management Policy.” With the standard and systematic management, Yuanta FHC exerted the power of integration, set the short-term, mid-term and long-term goals under various environmental sustainability indicators, and executed and followed up the same, in order to continue mitigating the impact posed by the environment in the process of operation in line with the international pathway to net-zero emissions.</p> <p>C. Yuanta FHC establishes the environmental management system exclusively applicable to the financial business based on ISO 14001 environment management standard systems, and passes the third-party certification each year. Meanwhile, Yuanta FHC also delivers the ISO 14064-1 Greenhouse Gas Investigation System and ISO 14046 Water Footprint Investigation System into its eight subsidiaries extensively. In terms of the 321 business locations throughout Taiwan, the coverage rate of such inspection should attain 100%. All of the buildings owned</p>

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	Yes	No	
(2) Does Yuanta FHC endeavor to upgrade the efficient use of available energy, and use environmentally friendly materials?		<p>by the Group have implemented the ISO 50001 energy management system, respectively, and also passed the third-party certification.</p> <p>(2) Yuanta FHC is actively implementing carbon reduction measures, managing energy/resource, water resource and waste with care, and also fulfilling green procurement and supply chain management. The specific management practices are stated as follows:</p> <p>A. Environmental policies were drafted or amended per Yuanta FHC’s operating policies, assessment result considered in terms of important environment or the management review resolution.</p> <p>B. Fulfill the “Corporate Sustainability,” and establish the Energy and Climate Transformation Management Policy in response to such issues including shortage of international energy and climate transformation, and include corporate sustainability into Yuanta FHC’s management and operations.</p> <p>C. Yuanta FHC set internal management rules for indoor air conditioning temperature in office that follow Taipei City Government’s Self-Government Regulations Governing Energy Saving and Carbon Reduction of Industrial and Commercial Business.</p> <p>D. Review the result about consumption of such energy as water and electricity, on a year basis, in order to realize water conservation, energy</p>	

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	Yes	No	
			<p>conservation, and carbon and greenhouse gas reduction.</p> <p>E. Draft the environmental objective and action plans, set the manners in which various departments should set the objectives, and establish the plan to achieve the environmental objectives.</p> <p>F. Smoking is completely prohibited inside our offices. Smokers must use designated outdoor places. In order to meet regulations we regularly carry out disinfection, rodent and insect control.</p> <p>G. The headquarters building’s management committee functions as a dedicated environmental management unit to maintain the environment.</p> <p>(A) Global warming results in increasing frequencies of extreme weather events and thereby creates a threat to the infrastructure of the financial market. Yuanta FHC not only pays close attention to the effect caused by changes of climate to operating activities, but also applies multiple tangible safety prevention measures to protect against risks of such changes of climate, including maintenance of fire insurance and additional insurance against Yuanta FHC’s own assets and electronic insurance against information equipment, installation of watertight gates, and periodic maintenance of fire protection, monitoring and back-up supporting equipment, in order to control contingent</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>climate risk and reduce the loss of Yuanta FHC’s operation and equipment.</p> <p>(B) Yuanta FHC is a financial service business, instead of a manufacturer who is used to discharging massive quantities of greenhouse gas. The primary sources of Yuanta FHC’s emission of greenhouse gas refer to power, water and fuel of transportation means. Yuanta FHC has conducted an investigation into the emission of greenhouse gases by said energies, and has had the emission of greenhouse gases certified by some external organization since 2015.</p> <p>(C) Yuanta FHC promotes environmental protection and fulfills the energy saving/carbon reduction measures as its strategies to manage greenhouse gas:</p> <ol style="list-style-type: none"> a. Promote recycling and adopt green procurement. b. Permanently encourage staff to move by stairs instead of elevators if the length of distance is no more than two floors to save power and encourage the partaking of exercise. Elevators are categorized into those exclusive for floors of odd and even numbers separately, so that the energy used by the elevators to stop and open/close the doors may be saved. c. Require that the room temperature at the office premises shall be set as no less than

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	Yes	No	
			<p>Summary</p> <p>26°C.</p> <p>d. The areas of sun exposure shall be equipped with window shades to reduce radiant heat.</p> <p>e. Promote that the plugs of OA equipment shall be pulled out, if the equipment will remain inactive permanently, and staff shall turn off the lights immediately before leaving the office.</p> <p>f. Set the PCs in the manner that the screensavers will be activated automatically once the PCs are inactive.</p> <p>g. Reduce water yield of faucets comprehensively, and persuade colleagues to confirm that the faucet is turned off tightly after use.</p> <p>h. Promote videoconferencing to save the staff from consuming the energy used in commuting.</p> <p>i. Plan to replace traditional lighting with LED to save power.</p> <p>j. The communication of official letters, internal and external, has been replaced by an online approval system to save consumption of paper and carbon powder.</p> <p>H. Yuanta FHC's measures to raise resource utilization efficiency and its use of renewable materials are explained below: (A) Oergy-intensive articles. This includes advocating as well as promoting the recycling</p>

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	Yes	No	
			<p>and reuse of paper products, the use of recycled paper and resource recycling as well as reporting on execution status.</p> <p>(B) We properly dispose of waste. This includes advocating and promoting waste sorting and reduction, waste water treatment and reporting on the outcome.</p> <p>(C) Yuanta FHC adopts low-consumption and green OA appliances and devices and procures the products with eco-friendly, energy-conservation and water-conservation logos as the first priority. The office renovation work is primarily required to satisfy the criteria for green construction materials.</p> <p>(D) In response to the policy for “Prohibition of Disposable and Melamine Tableware,” employees are encouraged to prepare their own tableware and eco-friendly cups. No disposable cups, such as paper cups, would be provided at any of Yuanta FHC’s meetings.</p> <p>(E) Yuanta FHC has been honored by Environmental Protection Administration, Executive Yuan, as the excellent green procurement benchmarking entity for ten consecutive years.</p> <p>(F) Yuanta FHC has been honored as the excellent green procurement benchmarking entity. (Honored by Ministry of Environment, Executive Yuan for 12 consecutive years and by the Department of Environmental</p>

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	Yes	No	
		Protection, Taipei City Government for 13 consecutive years)	
(3) Whether Yuanta FHC assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to these issues?		(3) A. Yuanta FHC practices its commitments for the “Coalition of Movers and Shakers on Sustainable Finance” and responds to the Green Finance Action Plan 3.0, in order to improve the climate change risk management mechanism, increase the climate-related opportunities and ability to address any risk. In 2023, it established the “Yuanta Financial Holding Company and Subsidiaries Environment and Energy and Climate Change Management Policy,” which was approved by the Board of Directors. Each year, the Group regularly reviews climate-related issues based on the characteristics of its business and incorporates them into business strategies. In 2023, it issued “Yuanta FHC 2022 TCFD Report,” in order to improve the completeness and transparency of the Group’s climate-related information disclosure and also demonstrate the Group’s proactive response to the risks and opportunities brought about by climate change, and respond to stakeholders’ expectations. B. Yuanta FHC discloses the annual performance and results by the four major aspects, including governance, strategy, risk management, and indicator & goal, and also establish countermeasures in order to mitigate and adapt the risk over Yuanta FHC’s internal responsive	

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	Yes	No									
			<p>strategies. Meanwhile, Yuanta FHC also encourages customers to transform themselves toward the low-carbon industry and utilize their capital to help the global green economic development in order to demonstrate Yuanta FHC’s determination to boost the sustainable development.</p> <p>C. The risk management units and sales units of Yuanta FHC and its subsidiaries would identify and assess the climate-related risks and opportunities subject to their company size, business characteristics and business strategies, and assess the importance of effect, time period, territory, value chain location and financial effect based on various risks and opportunities, and also draft responsive strategies and mitigation measures therefor.</p> <p>Said detailed information is disclosed in Yuanta FHC Sustainability Report Chapter “Climate Change-Related Risks and Opportunities” and TCFD Report at the URL: https://www.yuanta.com/EN/ESG/ESG-Report</p>								
(4) Whether Yuanta FHC gathers the statistics about the annual GHG emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods, including reduction target, promotional policy and status of achievement?			<p>(4)</p> <p>A. The Group uses the best effort to achieve the various environmental sustainability targets, and set the following quantitative indicators:</p> <table border="1"> <thead> <tr> <th></th> <th>Short-term Goals</th> <th>Mid-term Goals</th> <th>Long-term Goals</th> </tr> </thead> <tbody> <tr> <td>Category 1 and Category 2 Carbon</td> <td>1. The carbon emission reduced by</td> <td>1. The carbon emission reduced by</td> <td>1. The carbon emission reduced by</td> </tr> </tbody> </table>		Short-term Goals	Mid-term Goals	Long-term Goals	Category 1 and Category 2 Carbon	1. The carbon emission reduced by	1. The carbon emission reduced by	1. The carbon emission reduced by
	Short-term Goals	Mid-term Goals	Long-term Goals								
Category 1 and Category 2 Carbon	1. The carbon emission reduced by	1. The carbon emission reduced by	1. The carbon emission reduced by								

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	Yes	No	Short-term Goals	Mid-term Goals	Long-term Goals		
			<p>Reduction Targets (2017 as the base year)</p> <p>4% per unit of operating revenue in 2021 from the base year.</p> <p>2. The energy consumption reduced by 3% in 2021 from the base year.</p>	<p>6% per unit of operating revenue in 2023 from the base year.</p> <p>2. The energy consumption reduced by 3% in 2021 from the base year.</p>	<p>8% per unit of operating revenue in 2025 from the base year.</p> <p>2. The energy consumption reduced by 3% in 2021 from the base year.</p>		
		<p>Waste Reduction Target (2019 as the base year)</p> <p>The quantity per capita reduced by 1% in 2021 from the base year.</p>	<p>The quantity per capita reduced by 2% in 2023 from the base year.</p>	<p>The quantity per capita reduced by 3% in 2025 from the base year.</p>			
		<p>Water Consumption Reduction (2019 as the base year)</p> <p>The water consumption per square meter reduced by 1% in 2021 from the base year.</p>	<p>The water consumption per square meter reduced by 2.5% in 2023 from the base year.</p>	<p>The water consumption per square meter reduced by 4% in 2025 from the base year.</p>			
		<p>In response to the renewable energy consumption</p> <p>1. Two business locations consumed 100% green power in 2021.</p> <p>2. The proportion of green power consumption is increasing</p>	<p>1. At least four business locations consumed 100% green power in 2023.</p> <p>2. The green power consumption aims to attain 1.50 million kWh</p>	<p>The green power consumption attains 2.7 million kWh cumulatively, i.e. 2% of the total energy consumption.</p>			

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					by 2% year by year.	cumulatively.																																		
			<p>The historical environmental data are stated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Power consumption (kWh)</td> <td>41,022,526</td> <td>36,454,150</td> <td>34,823,076</td> </tr> <tr> <td>Renewable energy consumption (kWh)</td> <td>527,341</td> <td>945,924</td> <td>2,643,358</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>GHG emission (tons) (Categories 1+2)</td> <td>23,880.29</td> <td>22,254.04</td> <td>19,999.89</td> <td>18,613.8665</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Gross weight of waste (tons)</td> <td>691.83</td> <td>661.18</td> <td>651.70</td> <td>616.08</td> </tr> <tr> <td>Water consumption (million liters)</td> <td>194.44</td> <td>173.09</td> <td>167.04</td> <td>165.29</td> </tr> </tbody> </table> <p>B. The Group has physically practiced sustainability in terms of climate transformation, energy-saving and carbon reduction, and green environmental protection. The green power and renewable energy certificate procured by it in the past years generated the green power of 2.51 MWh, corresponding to the CO₂ absorption of 3.4 Daan Forest Parks each year.</p> <p>In June 2021, Yuanta FHC completed the green power supply. The five branches of Yuanta FHC’s subsidiaries including Yuanta Securities, Yuanta Bank and Yuanta Futures were the first to adopt 100% green power in the financial</p>		2021	2022	2023	Power consumption (kWh)	41,022,526	36,454,150	34,823,076	Renewable energy consumption (kWh)	527,341	945,924	2,643,358		2020	2021	2022	2023	GHG emission (tons) (Categories 1+2)	23,880.29	22,254.04	19,999.89	18,613.8665		2020	2021	2022	2023	Gross weight of waste (tons)	691.83	661.18	651.70	616.08	Water consumption (million liters)	194.44	173.09	167.04	165.29
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	Summary		
			<p>industry. The green power consumed totaled 2,643,358 kWh and carbon-reduction performance reached 22.05% from the base year (2020).</p> <p>The Group’s new own building construction projects all aim to obtain the green building mark (including Yuanta Financial Plaza, Nanjing Fuxing Urban Renewal Project, and Gold Star/Sliver Star Buildings under construction).</p> <p>The Group takes carbon-reduction issues very seriously. Since 2016, it has participated in the Carbon Disclosure Project (CDP) rating. Since 2020, it has been rated by the CDP as A for four consecutive years, ranking the leading position for six consecutive years, as the highest rating in the CDP and also ranking the best among peer companies domestically.</p> <p>In response to the government’s pathway to net-zero emissions, Yuanta FHC launched multiple measures and continues to invest in energy-conservation lamps and equipment replacement to practice the energy-conservation and carbon-reduction goal. In 2021, it saved about 461,000 kWh of power and saved about NT\$1,750,000 in expenses. In 2022, it saved about 262,000 kWh of power and saved about NT\$990,000 in expenses. In 2023, it saved 241,400 kWh of power and, therefore, saved expenses by NT\$920,000. The accumulated carbon-reduction volume satisfied the Group’s</p>

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	Yes	No	
<p>4. Social issues</p> <p>(1) Has Yuanta FHC established any related management policies and procedures in accordance with the relevant laws and international human rights conventions?</p>	✓	<p>carbon-reduction goal.</p> <p>In 2022, in order to adapt to the trend for shortage of international energy and climate change, the Company consolidated the “Environmental Policy” and “Energy and Climate Change Management Policy” into the “Environment and Energy and Climate Change Management Policy” to respond to the international trend proactively and also to include the climate governance into Yuanta FHC’s management and operation.</p>	There was no departure in this respect.
		<p>4.</p> <p>(1)</p> <p>A. In order to maintain and protect the human rights, Yuanta FHC establishes the “Human Rights Policy” in accordance with the human rights protection spirit and basic principles disclosed in the Universal Declaration of Human Rights, United Nations Global Compact and International Labour Conventions, in order to regulate the protection of human rights in workplaces, supply of healthy and safe workplaces and propagation of human rights policies, and fulfill the responsibility for respecting and protecting human rights. Meanwhile, Yuanta FHC’s President signed the “Statement of Human Rights” to undertake inclusion of the human rights protection principles and spirit into the enterprise’s value and culture.</p> <p>B. Meanwhile, in order to practice the “Human Rights Policy,” Yuanta FHC conducts the risk</p>	

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	Summary		
			<p>assessment with respect to the potential human rights risk issues to be dealt with by the employees each year, sets forth and adjusts the following management, mitigation, compensation and correction policies based on the assessment results, and discloses Yuanta FHC’s human rights risk assessment control list, in order to control and mitigate the risk and solidify Yuanta FHC’s human rights protection policies.</p> <p>C. Yuanta FHC organizes the “Peaceful Workplace: Human Rights, Laborers’ Interests and Rights, Gender Equality and Prevention of Sexual Harassment” training courses each year, in order to promote to and train all employees about the human rights concept, and the human rights knowledge including the contents of Yuanta FHC’s human rights policy, statutory laborers’ interests and rights and Yuanta FHC’s work rules, gender equality, prevention of sexual harassment and grievance channels, in order to raise all employees’ awareness toward human rights protection and work with them to build a peaceful workplace jointly.</p> <p>D. In order to improve the performance and social influence of the Group’s social welfare activities, Yuanta FHC establishes the “Directions for Management of Social Public Welfare Activities in reference to the Sustainable Development Goals (SDGs)” and Yuanta FHC’s “Sustainable Development Best-Practice Principles.”</p>

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	Yes	No	
			<p>E. Among the other things, the “Community Common Good” out of the three major public welfare strategies expressly states that cooperation with strategic partners shall be considered as the priority, in order to integrate the human rights protection principles and spirit into the community partners. Strategic partners refer to the civil organizations, charity and public welfare organizations and government agencies that are dedicated to improving human right risk in the community, and the groups that might have to deal with community human right risk, including but not limited to, children, indigenous people, women, disabled persons, and vulnerable groups.</p> <p>F. The Directions require follow-up with various companies each year, and respond to the social issues concerned by the three major strategies, such as rural education, human trafficking, forced labor, child labor, freedom of association, collective bargaining rights, equal pay for equal work, and discrimination, in response to the human right protection principles under the “Community Common Good” strategy.</p>
(2) Whether Yuanta FHC adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately, and disclose the same on Yuanta FHC’s website?			<p>(2)</p> <p>A. Yuanta FHC offers a competitive remuneration system, and pays remuneration under multiple packages, including basic pay, allowances, bonuses, festival bonus, employee compensation, and shareholding trust. In order to encourage</p>

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	Yes	No	
			<p>colleagues to work harder and practice their work performance, Yuanta FHC may provide a group performance bonus subject to the operation performance and earnings achieved by Yuanta FHC, and pay other benefits based on personal performance rating and work performance each year. According to the Articles of Incorporation, if Yuanta FHC has profited at the year’s final accounting, the remuneration to employees shall be 0.01%–0.5% of the remainder, if any, after the profitless accumulated loss.</p> <p>Since 2015, Yuanta FHC has been selected by “Taiwan HC 100 Index of TWSE” for nine consecutive years. Apparently, Yuanta FHC’s efforts to pay reasonable remuneration and feedback of profit to employees are recognized. In the future, Yuanta FHC will continue to fulfill its corporate social responsibility, value and promote employees’ well-being, and facilitate a win-win situation between the labor and management.</p> <p>B. The starting salary offered to Yuanta FHC’s new employees is higher than the statutory base pay. The salary is authorized per the personnel’s expertise, job responsibilities and functions. The salary will not vary depending on gender. Yuanta FHC uses its best efforts to build a working environment upholding equal pay for equal work, so as to practice the philosophy of gender equality in employment. Yuanta FHC’s female employees</p>

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	Yes	No	
			<p>account for 50.85%. Among the other things, the female senior management accounts for 44.83%.</p> <p>C. For the employees’ days off, the Labor Standards Act, Gender Equality Work Act, and Regulations of Leave-Taking of Workers, etc., in addition to the Regulations of Leave-Taking of Workers, shall apply. Meanwhile, Yuanta FHC offers the paid maternity leave for miscarriage more favorable than that prescribed by laws. Specifically, in the case of miscarriage after pregnancy for more than two months but less than three months, the maternity leave for 9 days is made available. In the case of miscarriage after pregnancy for less than two months, the maternity leave for 7 days is made available, in addition to the pregnancy checkup leave more favorable than that prescribed by laws for 8 days.</p> <p>D. Yuanta FHC provides employee benefit measures, including the bonus for three major festivals, birthday gift money, marriage subsidies, maternity subsidies, hospitalization and medical treatment subsidies, funeral subsidies, emergent relief, employee assistance programs (EAPs), scholarship for workers’ children, and social activities, etc.. In order to mitigate the employees’ burden to help them build a sweet home, Yuanta FHC offers the preferential loan interest rate, Group Comprehensive Insurance, etc.. in an effort to enable the employees to achieve a perfect balance between their work and life. Further,</p>

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	Yes	No	
			<p>Yuanta FHC established an employee shareholders’ association in August 2003. When employees set aside a certain amount of money each month for stock purchases, Yuanta FHC will match the employees’ contributions, encouraging employees to be Yuanta FHC’s shareholders.</p> <p>E. In order to take care of the workers’ retirement life, Yuanta FHC has set forth the Pension Management Guidelines pursuant to laws and made monthly contribution equivalent to 2% of the total employees’ salary as the pension fund saved in the exclusive account maintained with the Bank of Taiwan. Meanwhile, Yuanta FHC established the Pension Fund Supervisory Committee responsible for auditing the contribution, deposit and expenditure of the pension fund and payment of pension in order to protect the workers’ interests and rights. Following the Labor Pension Act promulgation on July 1, 2005, Yuanta FHC has made monthly payments, equivalent to 6% of the insured value maintained by the individual employee into the employee’s personal labor pension account.</p> <p>F. The related employee benefit measures are disclosed on Yuanta FHC’s website. Website: https://www.yuanta.com/EN/ESG/Employees/Benefits.</p>
(3) Whether Yuanta FHC provides the existence of a safe and healthy work environment protection measures, conducts regular health and safety		(3)	A. In order to provide employees and customers with a safe and healthy environment, we continue to

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	Yes	No	
training for employees, and discloses the same on Yuanta FHC’s website?			<p>promote the workplace environment safety protection, and adopts the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the “Occupational Safety and Health Act” and related sub laws.</p> <p>B. Organize the online training courses and disaster prevention drill for the occupational safety and health training and four major programs for occupational safety and health, with respect to new and current employees, pursuant to laws each year. A total of 34 courses were organized in 2023, attended by a total of 5,892 trainees. The total training hours were 6,941 hours.</p> <p>Organize the occupational safety management training, fireproof management personnel training, first-aid personnel training, and disaster and earthquake prevention drill with respect to the occupational safety and health affair managers, fireproof management personnel, security personnel and first-aid personnel, each year in order to mitigate the risk derived from occupational disasters and provide employees with a safety, healthy and sanitary occupational environment. There were a total of 867 trainees in 2023. The total training hours were 5,211 hours.</p>

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	Yes	No	
			<p>C. Yuanta FHC and its subsidiaries all provide the specialist’s on-site occupational health service, hire specialty occupational safety and health management personnel, dedicated registered nurse and occupational specialist by contract to provide employees with the medical treatment and healthcare information, as well as the health consulting and health promotion services pursuant to laws, and also screen and identify the employees’ occupational health risks which are more likely to derive and plan the occupational disease prevention program based on the indicators including job type, operating environment, age & gender, and health risks each year.</p> <p>D. In order to take care of employees’ and customers’ health, various units all practice the requirements about “installation of prominent non-smoking label at all entrances.” and test the carbon dioxide concentration and lightness at the office premises semi-annually in accordance with the occupational safety and health laws and regulations, and also obtain the “Air Quality Self-Management Certification”. Website: https://www.yuanta.com/EN/ESG/Employees/Health-and-Safety.</p> <p>E. Yuanta FHC and its five subsidiaries (Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures) have passed the certification and renewal by ISO</p>

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			<p>45001 Occupational Safety and Health Management System, respectively, in 2021. Additionally, the Group continues to maintain the operating environment for employees and protect their personal safety via the cyclical quality management (Plan-Do-Check-Action), in order to improve occupational safety and health in the workplace.</p> <p>Said six companies of the Group all received the renewed certification in 2023.</p> <p>F. Yuanta FHC values the safety protection in the workplace and the traffic safety during commute, and organizes occupational safety and health education and training courses periodically each year, in order to strengthen colleagues' occupational safety and health awareness. There were no occupational accidents arising in 2023.</p> <p>G. There were no fire incidents during the year. The head office and branches conduct regular disaster prevention drills and make statutory fire declarations.</p>
(4) Has Yuanta FHC established some effective career development training plan for employees?			<p>(4) The career development training plan for Yuanta FHC's employees consists of the following elements:</p> <p>A. Training and development system for diversified talents holding management function and professional function</p> <p>Yuanta FHC's management find and reserve the management and professional talents needed by the financial industry and the Group's development through talent identification, and</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
	Summary		
			<p>train talents through orientation training, management and diversified functional courses, assignment of missions, participation in projects, participation in meeting and job rotation. Meanwhile, Yuanta FHC also encourages its employees to access various financial areas of the Group and learn the diversified functions voluntarily to help Yuanta FHC and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time. The training plan in 2023 was primarily based on Yuanta FHC’s business development strategy in order to promote the transformation and diversified competence training programs for the Group’s personnel, including financial product training, insurance and product sales training, accounting for 79.3% of the total training fees. The senior, middle and junior management’s training accounted for 12.7% of the total training expenses, and 8.0% of the total training expenses for the orientation training.</p> <p>Yuanta FHC encourages employees to participate in workshops and training sessions to enhance their competence or reserve the competence needed in the future. Yuanta FHC will cover the full expenses for courses that are attended upon assignment or approval by Yuanta FHC. Moreover, Yuanta FHC encourages employees to attend international financial professional course</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>certification and English proficiency certification by offering incentive bonus.</p> <p>B. Share the digital training platform and promote self-learning</p> <p>Yuanta FHC communicates tactic knowledge and transfer practical experience via its self-made courses available on the digital learning platform, “Yuanta e-Learning.” The digital learning courses added on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, new knowledge and application of management, and strengths in workplaces, as the important knowledge treasury for the Group’s employees to engage in self-learning and develop diversified competencies.</p> <p>Based on the thought about learning curation, in line with the hit subjects in the global financial industry and the Group’s business focus, Yuanta FHC releases “Yuanta e-Learning/Learning Weekly” to train employees to maintain their learning motives and habits, urge employees to engage in self-learning “anytime, anywhere, on-demand.” to continue enhancing the employees’ professional ability and reserve their competitiveness for their future careers.</p> <p>C. Provide the chance for post transfer in the Group and encourage cross-functional transfer for development</p> <p>Yuanta FHC makes good use of the strength in</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>diversified financial industry of its subsidiaries to arrange the intracompany post transfer subject to the operating need periodically, and encourages employees to apply for internal post transfer, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and spread efficiency.</p> <p>D. Fulfillment of Yuanta FHC’s internal knowledge management and experience transmission</p> <p>Meanwhile, in order to enable employee training to meet the Group’s enterprise culture and practical management needs and to signify senior employees’ professional value and contribution, the Group has engaged in promoting the in-house trainer system based on the plentiful experience of in-house staff permanently, so as to fulfill Yuanta FHC’s internal knowledge management and experience transmission. It is also done to help enhance colleagues’ professional competency in the area of finance.</p> <p>E. The Group’s employee training program 2023 offered a total of 4,289 courses, attended by a total of 394,643 trainees. The total training hours were 633,438 hours. The total employee training budget was NT\$63.25 million. Averagely, each employee accepted the training for 55.3 hours and attended the training for 34.4 counts, and was allocated the training budget, NT\$5,518.</p>
(5) Whether Yuanta FHC complies with the related		(5)	

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
<p>laws and international practices with respect to customers’ health and safety, customers’ privacy, marketing and labeling for its products and services, and adopts related consumers or customers protection policy and complaining procedures?</p>		<p>A. Yuanta FHC upholds the ethical and honest enterprise culture and, based on the “Fair Dealing Principles,” strengthens the mechanism of communication with customers, perfects the product and service information disclosure, and cares about consumers’ interests and rights. The five major subsidiaries (Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures) all establish dedicated units under the Fair Dealing Principles, which report the implementation of related policies to the Board of Directors periodically. In 2021 and 2023, Yuanta Securities was awarded the “Excellent Securities House Fair under Fair Dealing Principles” by FSC for two consecutive terms (top 20% among integrated securities houses and top 25% among large-size integrated securities houses). Yuanta Life’s 2023 fair dealing assessment result ranked 26%–50% and Yuanta Life was awarded the Best Progress Award accordingly.</p> <p>B. In order to fulfill the responsibility for maintaining the confidentiality of customers’ personal data, the “Yuanta FHC and Subsidiaries Customer Information Confidentiality Measures” are established in accordance with the “Personal Data Protection Act,” “Cyber Security Management Act,” “Financial Holding Company Act” and “Regulations Governing Cross-selling Among Subsidiaries of Yuanta Financial Holding</p>	

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
	Summary		
			<p>Co., Ltd.” Meanwhile, in response to the “Guidelines for Information Sharing Among Financial Institutions” Q&A updated by the Financial Supervisory Commission on September 5, 2022 and January 4, 2023, Yuanta FHC reviewed and completed the amendments to related regulations (e.g. expressly stipulating the domestic subsidiaries’ related procedures for acceptance of customer complaints and dispute settlement in the AML and CFT Policy), in order to practice the customer data protection mechanism.</p> <p>C. The five major subsidiaries also established the units in charge of the information security, which shall be responsible for planning, supervising and executing the information security management operations, and reporting the execution of the information security to the Board of Directors to improve the information security regulation and practice the high-standard information security protection, acquire ISO 27001 Information Security Management System (ISMS) or BS 10012 International Personal Data Privacy Protection Certification, and ISO 22301 Business Continuity Management System. Meanwhile, they keep improving the information security operating procedures strictly to manage and protect users’ personal data and privacy and provide safe services, and also disclose the Privacy Statement and customer information</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>confidentiality measures on Yuanta FHC’s website.</p> <p>D. Yuanta FHC’s subsidiaries value the customers’ interest and right very much, and sufficiently disclose the information to customers and competent authorities honestly per the competent authorities’ requirements whenever any financial instrument and services hit the market, including the terms and conditions of the instrument, characteristics of the instrument, DM, and various documents to be disclosed per the competent authorities’ requirements. Further, it establishes the internal control system and related guidelines with respect to the product design and sale, and helps customers understand the products rapidly in the form of sales’ or service attendants’ detailed explanation or answers to questions, financial courses and investment seminars organized by various subsidiaries from time to time, and disclosure of the product details and simplified Q&A on the official website and self-media, in order to upgrade the customers’ knowledge about financial instruments.</p> <p>E. Yuanta FHC has set up various public channels, such as the official website, customer service hotline, webpage, and e-mail. The customers may call the phone number, request at any branch or service center in person, or in writing or via fax or e-mail, or file a complaint against the consumption dispute with the competent authority</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>or via any other channels. The consulting service is also available to customers at any time to reflect customers’ need. Yuanta FHC also sets forth the internal control system, customer complaint processing procedure and instructions to telephone recording system management, in order to follow up and solve problems effectively, provide customers with the best services and protect customers’ rights.</p>
(6) Whether Yuanta FHC adopts any specific suppliers’ management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors’ human rights, and how the policy is implemented?		(6)	<p>A. According to the “Yuanta FHC Ethical Management Best-Practice Principles,” “Yuanta FHC Procedures for Integrity Management and Guidelines for Conduct” and “Yuanta FHC’s Supplier Sustainable Procurement Guidelines,” Yuanta FHC asks the suppliers to verify Yuanta FHC’s ethical management principles, environmental sustainability strategies and practices, and also to include supplier’s sustainable procurement clauses and ethical management clauses into the contract executed with Yuanta FHC, and also expressly states various labor conditions, occupational safety and health, environmental protection and labor human rights laws and regulations to be performed and followed by the suppliers. The contract shall also include the clauses providing that the a supplier who violates laws may have their contract terminated directly, in order to jointly practice sustainable development. In order to establish a</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>more sound “Sustainable Procurement Procedure,” Yuanta FHC took the initiative to implement the ISO 20400 Sustainable Procurement Guideline Standards in 2019 and Yuanta FHC passed the third party’s certification in 2020 as the first one to practice the concept about sustainability into the procurement department step by step, affect up-stream suppliers’ practices and practice the commitment for corporate sustainability. Meanwhile, in 2020, the ISO 20400 Sustainable Procurement Guideline Standards were extensively implemented in all of Yuanta FHC’s subsidiaries. In 2021, Yuanta FHC and all of the subsidiaries passed the third party’s certification. In 2022, various subsidiaries continued to implement the ISO 20400 Sustainable Procurement Guidelines and received the relevant certification. Yuanta FHC practiced the sustainability concept in the subsidiaries’ procurement procedures comprehensively via the systematic management of the sustainable procurement procedure, in order to work with the suppliers to practice the sustainability.</p> <p>B. In order to establish a more sound “Sustainable Procurement Procedure,” Yuanta FHC took the initiative to implement the ISO 20400 Sustainable Procurement Guideline Standards in 2019 and expanded the scope of application thereof year by year. Yuanta FHC has continued to pass the third</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>party’s certification since 2021, and practiced the sustainability concept in the subsidiaries’ procurement procedures comprehensively via the systematic management of the sustainable procurement procedure, in order to work with the suppliers to implement the ESG practices.</p> <p>C. Yuanta FHC has strengthened the risk assessment on suppliers and also practiced the suppliers’ evaluation, in order to improve the suppliers’ management procedure. Among other things, in order to identify the suppliers’ sustainability risk, Yuanta FHC distributed the risk self-assessment questionnaire to key suppliers this year. The questionnaire comprehensively covered the three major dimensions, including Environment (E), labor practices and human rights (S) and Corporate Governance (G), in order to precisely control the suppliers’ performance in sustainability.</p> <p>D. In an effort to make some contribution to environmental sustainability, Yuanta FHC procures green products as the first priority, primarily the three types of environmental protection product which renders less impact to the environment, namely, “the product which acquires the green mark granted by Environmental Protection Administration, Executive Yuan,” “the product which meets the requirements about recycling materials, low pollution, recycling and energy-saving” and “the</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	No	
			<p>other product with an identical or similar performance which may increase the social interest or reduce the social cost.” Yuanta FHC was also honored as an outstanding unit by Ministry of Environment, Executive Yuan for 12 consecutive years and by the Department of Environmental Protection, Taipei City Government for 13 consecutive years</p> <p>E. In order to improve the suppliers’ management responsibilities more in line with the occupational safety and health laws and regulations, Yuanta FHC executed the “Supplier’s Letter of Undertaking for Safety and Health” in Chinese and English. Website: https://www.yuanta.com/Res/Doc/Policies/ES/Letter_of_Undertaking_for_Safety_and_Health_by_Supplier.pdf.</p>
5. Whether Yuanta FHC prepares the report disclosing Yuanta FHC’s non-financial information, such as the sustainability report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third-party certification unit?	✓		<p>Yuanta FHC releases the non-financial information report periodically each year. In June 2023, Yuanta FHC released the “Yuanta FHC 2022 Sustainability Report” (hereinafter referred to as the Report), and the relevant public notice was posted in the “Sustainability” section on Yuanta FHC’ website, in Chinese and English languages. It covers the Group’s performance in economy, society and environment in 2022 (from January 1, 2022 to December 31, 2022), and management policies and responsive measures against important topics. The Report set the organization bound based on the principles of consolidated statements, covering Yuanta FHC and its</p> <p>There was no departure in this respect.</p>

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
			<p>eight subsidiaries. The scope of disclosure focused on the operating activities in Taiwan. The Report was prepared primarily based on the “core” requirements under the GRI, Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, International Integrated Reporting Framework and SDGs, and also added the SASB-Investment Banking & Brokerage Guidelines, commercial bank guidelines, and TCFD. The financial data were prepared based on International Financial Reporting Standards and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. In respect of environment, the ISO 14001, ISO 14046, ISO 14064-1, ISO 20400 and ISO 50001 were followed. In respect of society, ISO 45001, ISO 26000, ISO 27001 and ISO 45005 were followed. The Report was investigated by BSI, Taiwan Branch based on AA 1000 AS v 3 and GRI. Upon investigation, the Report was held satisfying the “core” requirements under GRI and AA1000TypeII guarantee. Meanwhile, subject to the indicators under the SASB-Investment Banking & Brokerage Guidelines, PwC Taiwan provided the limited assurance on the specific SASB key performance information in accordance with the Statement of Taiwan Standards on Assurance Engagements (TWSAE) No. 1, “Other Than Audits or Reviews of Historical Financial Information.”</p>
6. If Yuanta FHC has established corporate social responsibility principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: There was no departure in this respect.			
7. Other information material to the understanding of the sustainable development : Please view the “Sustainability” section on the home page of Yuanta FHC’s website (https://www.yuanta.com/EN/ESG).			

Note 1 : Yuanta FHC conducts the risk assessment on the environment, society and corporate governance issues related to Yuanta FHC's operation based on the material principle and adopts related risk management policies or strategies as following:

Aspect	Material Topics	Risk Assessment	Policy	Evaluation
Corporate Governance	Corporate Governance	Enforce relevant laws and regulations such as the Corporate Governance Best Practice Principles to help build favorable corporate governance systems and ensure stable company operations.	Corporate Governance Guidelines	<ul style="list-style-type: none"> • Every two years, the Taiwan Corporate Governance Association is commissioned to conduct an evaluation of the Company's corporate governance system. Through regular and in-depth reviews by external institutions and experts, the evaluation examines the completeness of the Company's relevant governance system, effectiveness of the system operations, implementation of disciplinary measures, and relevance and integrity of disclosures. The results of this evaluation serve as a reference for the Company to continuously improve and strengthen its corporate governance system. • The performance of the Board of Directors and Functional Committees is evaluated annually (self-evaluation), and every three years, the performance of the Board of Directors is evaluated by an outside professional and independent organization or outside experts.
	Integrity Management	Implement integrity management to help stabilize market order and protect the rights and interests of our stakeholders.	<ul style="list-style-type: none"> • Integrity Management Guidelines • Procedures for Integrity Management and Guidelines for Conduct • Whistleblowing System and Implementation 	<ul style="list-style-type: none"> • The prevention plan and the related regulations established by the Company. • Internal control and other related regulations for each unit to follow internal control and operating procedures. • General business audits conducted by the auditing unit on an annual basis.

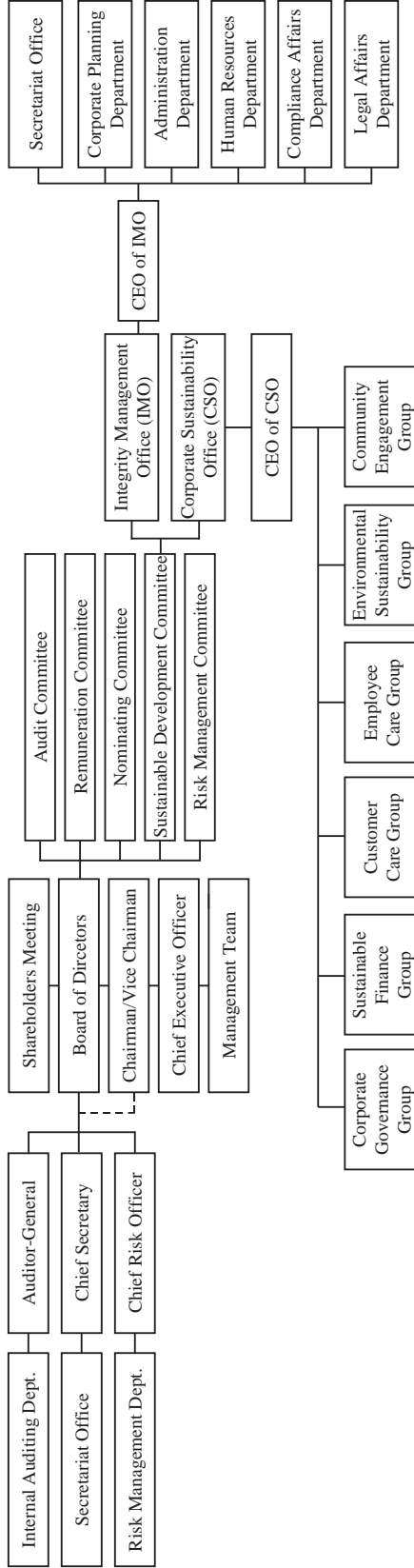
Aspect	Material Topics	Risk Assessment	Policy	Evaluation
	Risk Management	Establish comprehensive risk management measures to help improve operational resilience against crises, safeguard assets, and maintain financial market stability.	<p>Measures</p> <ul style="list-style-type: none"> • Professional Code of Ethics • Risk Management Policy • Crisis Management Policy and Procedure Rules • Various risk management measures 	<ul style="list-style-type: none"> • Compliance and enforcement of regulations and internal control systems are verified through the Internal Auditing Department, which is part of the Board of Directors. • An annual risk management mechanism assessment is conducted, and the assessment results are reported to the Audit Committee and the Board of Directors.
	Legal Compliance	Comply with relevant laws and regulations to help stabilize market order, and protect the natural environment as well as the rights and interests of our stakeholders.	<ul style="list-style-type: none"> • Compliance Manual • Anti-Money Laundering and Counter-Terrorist Financing Policy 	Through the Internal Auditing Department under the Board of Directors, the Company conducts general business audits at least once a year and project business audits every six months.
	Information and Transaction Security	Strengthen information security protection networks and employee information security awareness to prevent hackers and to prevent private customer information from leaking, protecting the rights and interests of our stakeholders.	Information Security Policy	The information security team of the Company and each subsidiary holds regular group meetings and management review meetings every year to evaluate and improve the effectiveness of information security management, audit and evaluation results, and feedback from stakeholders.
Social	Talent Cultivation and Development	Train employees to possess multiple competences and provide them with favorable and equal career development opportunities in order to improve employee engagement and the Group's competitiveness.	The Group's talent cultivation strategy is to align with "solidification of cores and driving of growth", encourage	Managing employee education and training coverage rate, cultivating green financial talents, and reviewing employee performance evaluation.

Aspect	Material Topics	Risk Assessment	Policy	Evaluation
			<p>employees to learn and transfer to other positions, and promote lifelong learning by combining physical and online training courses and providing learning resources through four course structures: Management College, Professional College, License College and Life College.</p>	
Employee Attraction and Retention		<p>Pay attention to the issues of retaining old employees as well as attracting talented domestic and foreign workers to improve the competitiveness of domestic industries and to increase employment opportunities, including those for disadvantaged groups.</p>	<p>We have established multiple channels to source talents and provided a comprehensive compensation and benefit system to recruit domestic and overseas talents.</p>	<p>We have established a long-term incentive plan linked to sustainable performance, actively retained high-performing personnel, and conducted regular employee engagement surveys.</p>
Customers Rights		<p>Care about the rights and interests of customers and provide them with complete communication mechanisms to understand their needs promptly and protect their rights and interests.</p>	<ul style="list-style-type: none"> • Personal Data Protection Act • Cyber Security Management Act • Financial Holding Company Act • Regulations on Joint Marketing among Subsidiaries of 	<p>We incorporate the principles of fair treatment into our daily core business. Each of the five subsidiaries has established a specialized unit, with the chief executive officer as the convener, to hold regular meetings to plan, review, and promote improvement plans on matters related to the principle of fair treatment of customers and product review, and to report the implementation status to the Board of Directors to strengthen implementation from the top</p>

Aspect	Material Topics	Risk Assessment	Policy Holding Companies	Evaluation
	Financial Product Innovation and Services	Continue to promote financial product innovations and services, increase the reach of financial services, and reduce the use of paper and carbon emissions through the increased use of digital media.	<ul style="list-style-type: none"> Digital platform development process Design criteria specification document and production design specification XD file 	<p>down.</p> <p>We hold monthly meetings and occasional meetings with colleagues in the digital finance department of each subsidiary to discuss and ask the head of the digital finance department of each subsidiary to report on the content, progress, schedule, and promotion of mobile device development and optimization. Every six months, we evaluate the growth rate of mobile users of each subsidiary's digital finance department.</p>
	Sustainable Finance	Encourage our business partners to set sustainable goals, promote green energy, and support sustainability-related industries as well as companies with good ESG performance to drive society to engage in sustainable practices.	<ul style="list-style-type: none"> Sustainable Finance Guidelines Industry-Specific Environmental and Social Risk Management Rules 	<p>Through half year meetings of the chief executive officers of the Company and its subsidiaries, we review the progress and performance of sustainable investment and financing, ESG products and services, and ESG consultation and negotiation, and discuss relevant international trends and directions for promoting sustainable finance, so that ESG can be implemented in our operations.</p>
	Financial Inclusion	Continue to promote financial inclusion, protect the rights and interests of the public to obtain financial services, promote social equity, and achieve inclusive growth.	-	<p>We track and manage the performance of each subsidiary's financial inclusion products on a quarterly basis. Through each subsidiary's quarterly reports on the new financial products developed, the number of participants, and the amount of money involved, as well as reporting on the 24 financial inclusion indicators and 4 observation indicators of Taiwan's Financial Supervisory Commission (FSC), we are able to grasp the financial inclusion policies of the competent authorities.</p> <ul style="list-style-type: none"> Environmental related ISO standard system is introduced and third-party verification is obtained. Annual review of carbon reduction, energy saving,
Environment	Climate action	Care about climate action issues, set carbon reduction targets, and implement GHG inventory, energy management, climate finance, and supply	<ul style="list-style-type: none"> Environmental and Energy and Climate Change Management 	

Aspect	Material Topics	Risk Assessment	Policy	Evaluation
		chain carbon reduction management to mitigate global warming; and use our financial power to promote low-carbon industrial transformation.	Policy	renewable energy use, water saving, and waste reduction targets.

Note 2 : The Corporate Sustainability Office is identified as Yuanta FHC's unit dedicated to promoting the sustainable development, which governs six functional teams. The organizational structure is stated as following:



(VI-1) Climate information about TWSE/TPEX listed companies

1. Climate information implementation status

Item	Implementation status
<p>1. Expressly state the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</p> <p>2. Expressly state how the identified climate risks and opportunities affect the enterprise's business, strategies and finance (short-term, mid-term and long-term)</p>	<p>1. The Board of Directors is the highest governance unit of climate-related issues. The Board members have climate-related professional knowledge, responsible for supervising and managing climate-related risks and opportunities, and also promoting the Group's entire climate strategies and policies. The Board of Directors incorporates climate issues into the important considerations of corporate governance and business strategy, including the commitment to attaining the net-zero emission goal by 2050, link with the ESG performance and remuneration mechanism and inclusion of climate risk management into the organizational culture, discusses the climate risk issues from time to time, and evaluates and continues to supervise the execution of various risk management mechanisms, in order to ensure the Group's stable business. The "Sustainable Development Committee" and "Risk Management Committee" are subordinated to the Board of Directors. The Chairman of Board and some independent director of Yuanta FHC serve as the conveners of the two Committees, respectively.</p> <p>2. The "Corporate Sustainability Office" is responsible for managing and executing climate sustainability policies and related programs, researching and preparing adequate strategies and action programs, and reporting the execution result to the Sustainable Development Committee regularly. In order to establish the sound climate governance framework, Yuanta FHC established the TCFD Taskforce which consisted of the Risk Management Dept together with related departments in 2021, led by Yuanta FHC's Chief Risk Officer. The Taskforce already assessed and evaluated the analysis and control over related risks and opportunities, and reported to the Risk Management Committee the important information related to climate risk.</p> <p>3. Executive compensation, including CEOs and department heads, has incorporated the outcome of climate governance. The ESG indicators are designed for appraise the performance of senior management. Meanwhile, the performance appraisal of the task force is also linked with the environmental indicators. The ESG-related indicators are included in the performance evaluation of the Group's senior management (including the CEO level and department heads), accounting for more than 5%. Meanwhile, the reward mechanism is linked to several goals such as promoting energy conservation and carbon reduction, renewable energy procurement, and supplier evaluation and management. Meanwhile, the assessment and evaluation of members of climate-related executive departments are also linked to environmental and climate indicators to strengthen the implementation of sustainable management. It hopes to promote the performance system based on the top-to-down approach throughout the organization to improve the core spirit of climate governance.</p> <p>1. Since 2018, Yuanta FHC has disclosed the climate management results in Yuanta FHC's Sustainability Report and on Yuanta FHC's official website according to the framework under the TCFD. In 2022, it issued the "Yuanta FHC 2021 TCFD Report" for the first time, in order to improve the completeness and transparency of the climate-related information disclosure. In 2023, in order to continue improving the climate-related information disclosure, it continued to issue the "Yuanta FHC 2022 TCFD Report," and won the highest rating, "Level5+ Excellence" from the third-party investigation unit, BSI. Meanwhile, it took the initiative among peer companies to implement the spirit of the IFRS S2 General Requirements for Disclosure of Sustainability-related Climate, in order to disclose the annual climate management mechanism and performance.</p> <p>2. Yuanta FHC conducts an annual analysis of climate risks and opportunities for businesses with different characteristics. First, it conducts a comprehensive analysis of the climate risk levels and investment and financing positions of various industries. Second, it prepares a climate risk matrix and identifies industries with a high climate risk. In 2022, it improved the climate risk quantitative model to include risk factors beyond those affected by market risk, such as credit risk factors, market liquidity risk factors, and other risk factors. In 2023, it continued to set climate risk value monitoring indicators for 2024 based on the climate risk quantitative model.</p> <p>3. In 2022, eight risks and eight opportunities were identified by Yuanta FHC. Responsive measures and strategies, based on their duration and</p>

scale of impact, were prepared and specified as below:			
Duration	Risk	Effects	Responsive measures
Mid-term and Long-term	Cost of responding to carbon-reduction policies and regulations	<p>Investment and financing customers: Stricter regulations or inadequate transformation of technology by investment and financing counterparts might result in the increase in additional carbon-reduction costs, reduction in customers' profits, stock price decline or increase in credit risk, and reduction in the Group's assets therefor.</p> <p>Self-operation: In order to achieve the carbon-reduction goal and comply with domestic policies and regulations, the use of renewable energy as a carbon-reduction measure may incur additional costs and thereby result in an increase in the Group's operating costs.</p>	<p>Investment and financing customers: Continue to focus on the trend of international carbon tax and carbon-related laws and regulations, and strengthen the engagement with investment and financing partners generating high carbon emissions.</p> <p>Self-operation: Continue to focus on and participate in the renewable energy market, and improve the energy efficiency of business locations proactively to reduce the consumption of non-renewable energy.</p>
Long-term	Industrial green energy and environmental protection transformation costs	<p>The transformation of investment and financing counterparts may incur additional costs, or the transformation is not completed promptly, and thereby results in the customers' operating revenue decline and reduction in profit, thus lowering stock price, increasing credit risk and reducing the Group's assets.</p> <p>Institutional investors are focusing more on climate change and environmental issues. Investors have doubts about the safety of assets and even withdraw their fund significantly, thus resulting in a decrease in investable funds for the Group's AUM business.</p>	<p>Continue to focus on the market demand for low-carbon transformation, and assist customers in the low-carbon transformation.</p>
Long-term	Investors' withdrawal of investment in high-polluting industries	<p>Investors' withdrawal of investment in high-polluting industries</p>	<p>Implement sustainable financial management into the asset management process, and strengthen the review of high-pollution and high-emission investments to meet investors' expectations.</p>

Duration	Risk	Effects	Responsive measures
Long-term	Impact posed by investment in high-pollution industries on the Company's goodwill	The negative news of a highly polluting enterprise invested in by the Company adversely affects the Group's goodwill. Investors' withdrawal of capital would cause impairment to the Group's goodwill, or a decrease in investable funds for AUM businesses.	Strengthen the review, control and engagement of the investment and financing in high-pollution enterprises, and proactively become a sustainable financial institution through independent advocacy or participation in international initiatives, in order to build a positive social image.
Mid-term	Increase in insurance premiums due to natural disasters and infectious diseases	Natural disasters or infectious diseases cause the personal safety concern or even death to the policyholders, thus resulting in higher medical or life insurance claim expenses, and also an increase in the operating costs of the Group.	Take the climate-related factors into account in the process of the product design, in order to provide insurance products that better meet the needs of policyholders and climate change trends.
Long-term	Business interruption of investment and financing counterparts caused by extreme weather	Extreme weather causes property losses or business interruptions of investment and financing counterparts, thereby resulting in reduction in the Group's assets.	Strengthen customer due diligence and know your customer (KYC) procedures on investment and financing counterparts to understand the resilience of business counterparts against extreme weather.
Long-term	Loss of business locations and collateral caused by floods	Extreme weather causes floods resulting in the business interruption of subsidiaries' business locations or self-owned real estate price decline, thus posing some impact to the Group's income that results in reduction in the Group's revenue or assets.	The business locations and self-owned real estate investment take the flooding factor caused by climate change into consideration.
Long-term	Loss of business locations and collateral caused by sea level rise	Extreme weather causes the sea level rise resulting in the business interruption of subsidiaries' business locations or self-owned real estate price decline, thus posing some impact to the Group's income adversely.	The business locations and self-owned real estate investment take the sea level rise factor caused by climate change into consideration.

Duration	Opportunity	Effects	Responsive measures
Mid-term	Business locations' practices to improve the energy utilization efficiency	Adopt green buildings, renewable energy, energy conservation equipment, and implement energy management system to improve the energy utilization efficiency and cut operating costs relatively.	Implement ISO 50001 energy management system, purchase renewable energy certificate, procure renewable energy (green power supply) directly, strive for green building certificates for own real estate proactively, and adopt energy conservation lamp and water conservation equipment instead.
Mid-term	Green procurement and supplier management	Adopt the green procurement and supplier management to support enterprises engaged in supplying low carbon and sustainable products, and cut operating costs relatively.	Yuanta FHC has established the "Declaration of Sustainable Procurement," "Ethical Management Best-Practice Principles," "Procedures for Integrity Management and Guidelines for Conduct," "Supplier Sustainable Procurement Guidelines" and "Supplier Management Directions." Meanwhile, the contract executed with suppliers shall still include the "Written Undertaking for Ethical Management" and "Supplier's Sustainable Procurement Clauses" to regulate suppliers. The "green procurement clauses" are also set forth in the procurement regulations.
Short-term	Develop and promote low-carbon products and services	Develop and promote low-carbon products and services to satisfy investors' needs and increase operating revenue.	Launch climate change and sustainability theme-based diversified and innovative financial products, such as ETF, ETN, and sustainability-related warrants, to keep meeting customers' needs for sustainable investment. Meanwhile, promote the existing ESG products through diversified channels, continue to expand the scale of sustainable AUM scale, guide the investment of funds in ESG industries, and support enterprises aiming at sustainable management. Conduct carbon footprint inspections and carbon neutralization for major financial products and services of various subsidiaries, such as APP, credit cards, and online services, in order to provide customers with low-carbon financial products and services to meet customer needs and increase revenue accordingly.
Short-term	Agree with customers on the concepts toward sustainability and green consumption	Make good use of financial product and service platforms, and agree with customers on the concepts toward sustainability and green consumption in a diversified manner to increase the operating revenue.	Encourage customers to respond to the energy conservation and carbon reduction or make green investment via the multiple channels, such as official website and APP. Engage with institutional investors to encourage them to adopt proactive ESG practices, via meeting, in writing or via phone, in order to mitigate the impact posed by the invested enterprises to society and the environment.
Mid-term	Sustainable Investment and Green Credit Extension	Formulate group-level investment and financing policies to guide the inflow of capital into sustainable enterprises and increase operating	Make the investment and loan decisions in accordance with the "Sustainable Finance Guidelines" and "Industry Environment and Social Risk Management Rules." Various subsidiaries' investment units also adopt related regulations and indicators, subject to the

Duration	Opportunity	Effects	Responsive measures
		revenues.	business characteristics, to implement the ESG concept into the investment procedure. For credit extension, Yuanta Bank shall comply with the "Directions for Management of Project Financing under the Equator Principles," in order to ensure compliance with the Equator Principles.
Mid-term	Sustainability bond market	Issue, underwrite and invest in sustainability bonds to activate the sustainability bond market and increase operating revenues.	Continue to issue, underwrite and invest in sustainability bonds, including green bonds, sustainable bonds and social bonds, to activate the sustainability bond market and assist enterprises in their transformation toward sustainability.
Short-term	Cooperation with government agencies	Participate in the competent authorities and industry associations to stay on top of sustainability trends and develop new markets and business opportunities.	As a member of the "Sustainable Finance Pioneers Alliance," we increase investment and financing in specific industries in response to national policies, including forward-looking economic activities or key strategic industries as stated in the Executive Yuan's "Taiwan Pathway to Net-Zero Emissions in 2050" to guide the industry's net-zero transformation.
Short-term and mid-term	Natural Disaster Crisis Management and Early Warning Practices	Establish relevant measures and ensure the effectiveness of adequate measures, provide stable services for all business lines, improve customer trust, and reduce operating losses.	Various subsidiaries participate in formulation of the sustainability policy by the competent authority, and provide relevant suggestions to verify the development trend of sustainability business in each industry. Equipped with uninterrupted power supply, backup servers and remote backup mechanisms, conduct emergency response drills against disaster periodically to ensure that the equipment and mechanism may keep functioning normally in the case of any crisis. Meanwhile, certain subsidiaries have implemented ISO 22301 business continuity management system, and established SOPs to mitigate the risk over business interruption to ensure recovery.
1. Expressly state the impact to be posed by extreme weather incidents to finance as following:			
	Risk description	Financial impact	
Extreme weather incidents	Loss of business locations and collateral caused by floods	Extreme weather causes floods resulting in the business interruption of subsidiaries' business locations or self-owned real estate price decline, thus posing some impact to the Group's income that results in reduction in the Group's revenue or assets. Analyze the expected loss rate of collateral for real estate involving high risk over flood, in order to verify the possible impact posed on the Group's business and asset value in the case of increasing climate changes in the future; in the scenario of RCP 8.5, about 8.91% of the collateral is located in the districts with high flood risk at the end of this century, i.e. 8.74% of the total loans, and the expected loss rate 0.70%,	
3. Expressly state the impact to be posed by extreme climate incidents and transformation actions to finance			

	Risk description	Financial impact
Transformation action	<p>Carbon-reduction policies and regulatory response costs – investment and financing customers, industrial green energy and environmental protection transformation costs.</p>	<p>with 8.79% of the business locations are located in the districts with high flood risk at the end of this century, primarily in South Taiwan.</p> <p>Stricter regulations or inadequate transformation of technology by investment and financing counterparts might result in the increase in additional carbon-reduction costs, reduction in customers' profits, stock price decline or increase in credit risk, and reduction in the Group's assets therefor.</p> <p>The assessment on the investment and financing customers of the Group in the six major high climate risk industries at home and abroad is explained as following:</p> <p>Quantitative assessment of the impact posed by carbon fees on the corporate credit position: The asset position of each corporate banking account the six major industries is implemented into the credit loss model to calculate the expected loss affected by the carbon fee under two scenarios (1.5°C / < 2°C). Among other things, that of the power generation and steel industries has increased significantly year by year, and the impact ratio (the ratio of the expected loss of the industry in that year divided by the risk exposure of the industry) by 2050 does not exceed 5%.</p> <p>Quantitative assessment on the impact posed by carbon fee on equity investment positions: The asset position of six major industries among the equity investment positions was implemented into the stock price valuation model to calculate the expected loss affected by the carbon fee under two scenarios (1.5°C / < 2°C). Among other things, that of the cement, steel, and energy industries has increased significantly year by year, and the impact ratio (the ratio of the expected loss of the industry in that year divided by the AUM of the industry) by 2050 does not exceed 70%.</p> <p>In order to achieve the carbon-reduction goal and comply with domestic policies and regulations, the use of renewable energy as a carbon-reduction measure may incur additional costs and thereby result in an increase in the Group's operating costs.</p> <p>The Group conducts a quantitative assessment to promote carbon reduction in its self-operations. It set the Science-based Carbon-Reduction Target (SBT) in July 2022, and followed the "Taiwan 2050 Net-Zero Carbon Emission Pathway and Strategy." In order to achieve the goal for carbon reduction and in line with the national policy trends and expectations, the Group will reduce carbon through the use of renewable energy (green power) proactively. Under the "Group's SBT carbon-reduction target" and the "National 2050 Net-Zero Carbon Emission Target" scenarios, the annual expected cost of green power procurement is estimated to reach NT\$49.3 million in 2030 and NT\$105 million by 2050.</p>
2.		<p>The Group will continue to mitigate the impact posed by climate risk factors to the value of financial products by diversifying the investment portfolio. Meanwhile, based on the scenario analysis results, refigure self-risk tolerance and asset risk pricing, and set the climate VaR to monitor indicators based on the estimated loss on the investment portfolio, in order to prevent the loss on value caused by the extreme climate risks. In order to manage the risks associated with extreme climate incidents and low-carbon economic transformation, the risk over climate</p>

<p>change has been incorporated into the business decision-making, in order to identify and manage risks; meanwhile, confront the crisis from global warming and depletion of resources, use the best effort to respond to the trend of energy conservation and carbon reduction, and adopt relevant mitigation and adaptation measures.</p>	<p>4. Expressly state how to integrate the climate risk identification, assessment and management procedures into the entire risk management system</p>
<p>1. Yuanta FHC has set up three lines of defense and the Enterprise Risk Management (ERM) mechanism to manage risks. Each line of defense has clear organization, responsibilities and functions. Yuanta FHC's risk management policy integrates climate change risk with the existing risk management framework, and divides it into "investment and financing" and "self-operation," covering the assessment and management of transformation risk or tangible risk, including qualitative and quantitative analysis.</p> <p>2. There are four steps to deal with the Group's climate risks and opportunities, which are stated as below:</p>	<p>1. The Group follows the TCFD's guidance on quantitative scenario analysis. In 2019, it analyzed the impact posed by the transformation and tangible risks to tangible counterparts in the steel industry. In 2020, under the assumption that climate changes might cause physical hazard on real estate, it conducted the scenario analysis on the collateral for real estate and business locations throughout Taiwan, and prepared the corresponding risk management practices based on the quantitative results. In 2021, in reference to the industrial risk assessment and economic condition analysis reports issued by well-known domestic and foreign institutions, various environmental and social risk factors of each industry were taken into account on risk level for each industry for 2022. In 2022, Yuanta FHC continued to improve the climate risk quantitative model to include the risk factors other than the market risk factors affected by climate risk into the scope of assessment, including credit risk factors, market liquidity risk factors and other risk factors.</p> <p>2. The Group expects to analyze climate-related financial impacts at different times and under different scenarios from the diversified points of</p>
<p>Management procedure</p>	<p>Contents</p>
<p>1. Risk and opportunity identification</p>	<p>(1) Each subsidiary identifies the climate risk and opportunity subject to its business characteristics each year. (2) Yuanta FHC's Risk Management Dept. and Corporate Planning Department carry out the integration of risk and opportunity identification. (3) Take into account the climate risk report presented by international institutions.</p>
<p>2. Risk and opportunity measurement</p>	<p>(1) Each subsidiary measures the impact and effect posed by various risks and opportunities subject to its business characteristics each year. (2) The scope of measurement covers impact path, impact time and geographical scope, location of impact value chain, and financial impact. (3) Yuanta FHC's Risk Management Dept. establishes the climate VaR measurement model to improve the quantitative management of climate risk.</p>
<p>3. Risk and opportunity monitoring</p>	<p>(1) Include various industries' environmental and social risk factors into the industry risk level assessment mechanism. (2) Yuanta FHC and its five major subsidiaries have set climate risk monitoring indicators and thresholds for investment, financing, and self-operations, and measure, monitor and report them on a monthly basis.</p>
<p>4. Risk and opportunity reporting</p>	<p>(1) Research and prepare response strategies against various risks and opportunities, and report the same to the Sustainable Development Committee and Board of Directors. (2) Report the use of various risk indicators or threshold values to the Risk Management Committee and Board of Directors periodically. (3) Report the climate risk information to the Risk Management Committee and Board of Directors from time to time.</p>

view, through the scenario analysis on overall investment positions (Top Down) and individual company scale scenario analysis (Bottom Up).

Contents of assessment	Assessed counterpart	Assessment method	Assessed climate scenario	Assessment results
<p>Scenario analysis on overall investment positions (Top Down)</p>	<p>The group-wide mid- and long-term investment positions</p>	<p>Market risk quantitative model (climate risk value)</p>	<p>IPCC 6th climate change assessment report on the combination of two tangible risk scenarios and three transformation risk scenarios</p>	<p>1. Impact posed by climate change on financial transaction value The long-term relative market value of the Group's investment positions was reduced by approximately 0.5% of the market value on the base day due to the impact posed by climate change. As the Group invests in a wider range of instruments, the impact posed by climate change is not significant after diversification of risks.</p> <p>2. Impacts posed by climate change on expected credit losses of financial transactions The climate impact of the Group's investment positions has resulted in an increase in long-term relative expected credit loss of about 0.8% of the market value on the base day. Since most of the Group's investment positions are rated at investment grade, the change in expected credit loss caused by the climate impact is insignificant.</p> <p>3. Impact caused by climate change on financial transaction discount rate If it is necessary to liquidate the positions due to the climate impact, the liquidation would take up to a week. Therefore, if it is necessary to liquidate the Group's investment positions due to the climate impact, the loss of value to be caused to the Group's investment positions by the liquidation to take up to a week will be about 0.02%. Generally speaking, the climate market value discount rate caused by climate change is not significant.</p>
<p>Transformation risk scenario analysis: Quantitative assessment on the impact posed by carbon fees to corporate banking positions</p>	<p>The Group's six major high climate risk industry corporate banking accounts at home and abroad</p>	<p>Expected credit loss model</p>	<p>Implement the asset positions of individual companies in the six major industry corporate banking accounts into the credit loss model to calculate the expected loss resulting from carbon fees under the two scenarios</p>	<p>Among the corporate banking positions, the power generation and steel industries have suffered more changeable impacts and have more significant changes in the degree of impact over the years. Among the other things, the changes in the impact level under the 1.5°C scenario is more significant than that under the <2°C scenario. Meanwhile, from 2030 to 2035, the impact level curve of the power generation industry under the 1.5°C scenario has grown exponentially. Based on the detailed analysis, the main cause is that the changes in the financial factors arising from the carbon tax pressure of the</p>

Contents of assessment	Assessed counterpart	Assessment method	Assessed climate scenario	Assessment results
<p>Transformation risk scenario analysis: Quantitative assessment on the impact posed by carbon fees to equity investment.</p>	<p>The Group holds the issuers of equity investment positions in industries with high climate risk at home and abroad.</p>	<p>Stock valuation model</p>	<p>(1.5°C/<2°C).</p>	<p>enterprises with higher carbon emissions have exceeded the default risk level acceptable by the credit risk PD model. Therefore, the overall curve appears to increase significantly, while it does so only under the <2° scenario from 2040 to 2045. The difference in the impact level curves of individual industries under the two scenarios may be observed based on the following two indicators: Taking the power generation industry as an example, the difference in the impact level curves of individual industries under the two scenarios in 2040 is 1.94%, while the difference increases significantly as 4.71% in 2035, showing the significant increase in the credit risk PD model. The other refers to the overall observation on six major industries from 2025 to 2050, showing that the difference in impact level curves of individual industries under the two scenarios keeps expanding as time goes on. This means that the impact to borrowers varies significantly depending on the intensity of control over market heat-up, and so does the impact to the Group posed by the default risk.</p> <p>Among the equity investment positions, the cement, steel, and energy industries have suffered more changeable impacts and have more significant changes in the degree of impact over the years. After analyzing all investments in the cement, steel, and energy industries, it is estimated that the carbon emission growth rate of the cement industry in the future will decrease with the improvement of production efficiency and technology, but its carbon emission intensity is relatively higher than the other industries, and the AUM is concentrated in some investees with a slightly higher net worth loss rate, so the expected loss in the 1.5°C or <2° scenarios will be particularly prominent. The steel and energy industries are expected to suffer higher impacts, as their carbon emission growth rate are expected to be higher than the other industries.</p> <p>The Group uses green power as a part of its major carbon-reduction measures. Under the “Group’s SBT carbon-reduction target” and the “National 2050 Net-Zero Carbon Emission Target” scenarios,</p>
<p>Transformation risk scenario analysis: Quantitative assessment on the impact posed by carbon fees to equity investment.</p>	<p>The Group holds the issuers of equity investment positions in industries with high climate risk at home and abroad.</p>	<p>Stock valuation model</p>	<p>Implement the asset positions of the six major industries in the equity investment positions into the stock valuation model to calculate the expected loss resulting from carbon fees under the two scenarios (1.5°C/<2°C).</p>	<p>Among the equity investment positions, the cement, steel, and energy industries have suffered more changeable impacts and have more significant changes in the degree of impact over the years. After analyzing all investments in the cement, steel, and energy industries, it is estimated that the carbon emission growth rate of the cement industry in the future will decrease with the improvement of production efficiency and technology, but its carbon emission intensity is relatively higher than the other industries, and the AUM is concentrated in some investees with a slightly higher net worth loss rate, so the expected loss in the 1.5°C or <2° scenarios will be particularly prominent. The steel and energy industries are expected to suffer higher impacts, as their carbon emission growth rate are expected to be higher than the other industries.</p> <p>The Group uses green power as a part of its major carbon-reduction measures. Under the “Group’s SBT carbon-reduction target” and the “National 2050 Net-Zero Carbon Emission Target” scenarios,</p>
<p>Transformation risk scenario analysis: Quantitative</p>	<p>The Group’s business locations throughout Taiwan</p>	<p>Expected green power cost scenario analysis</p>	<p>Following the Group’s SBT carbon-reduction path: It is expected that the</p>	<p>enterprises with higher carbon emissions have exceeded the default risk level acceptable by the credit risk PD model. Therefore, the overall curve appears to increase significantly, while it does so only under the <2° scenario from 2040 to 2045. The difference in the impact level curves of individual industries under the two scenarios may be observed based on the following two indicators: Taking the power generation industry as an example, the difference in the impact level curves of individual industries under the two scenarios in 2040 is 1.94%, while the difference increases significantly as 4.71% in 2035, showing the significant increase in the credit risk PD model. The other refers to the overall observation on six major industries from 2025 to 2050, showing that the difference in impact level curves of individual industries under the two scenarios keeps expanding as time goes on. This means that the impact to borrowers varies significantly depending on the intensity of control over market heat-up, and so does the impact to the Group posed by the default risk.</p> <p>Among the equity investment positions, the cement, steel, and energy industries have suffered more changeable impacts and have more significant changes in the degree of impact over the years. After analyzing all investments in the cement, steel, and energy industries, it is estimated that the carbon emission growth rate of the cement industry in the future will decrease with the improvement of production efficiency and technology, but its carbon emission intensity is relatively higher than the other industries, and the AUM is concentrated in some investees with a slightly higher net worth loss rate, so the expected loss in the 1.5°C or <2° scenarios will be particularly prominent. The steel and energy industries are expected to suffer higher impacts, as their carbon emission growth rate are expected to be higher than the other industries.</p> <p>The Group uses green power as a part of its major carbon-reduction measures. Under the “Group’s SBT carbon-reduction target” and the “National 2050 Net-Zero Carbon Emission Target” scenarios,</p>

	Contents of assessment	Assessed counterpart	Assessment method	Assessed climate scenario	Assessment results
	assessment on carbon reduction promoted by self-operation.			absolute emissions in 2030 would be reduced by 42% from the baseline of 2020. National 2050 net-zero carbon emission target: It is expected that all business locations will use green power.	the annual expected cost of green power procurement is estimated to reach NT\$49.3 million in 2030 and NT\$105 million by 2050.
	Tangible risk scenario analysis: Quantitative assessment on the impact posed by flood collateral for real estate and business locations throughout Taiwan.	The Group's collateral for real estate, and territories where the business locations of Yuanta FHC throughout Taiwan	Disaster risk model and expected loss model		<ol style="list-style-type: none"> In the scenario of RCP 2.6 (< 2°C), about 0.93% of the collateral is located in the districts with high flood risk at the end of this century, i.e. 2.49% of the total loans, and the expected loss rate 0.12%, which is considered still controllable, with 0.91% of the business locations located in the districts with high flood risk throughout Taiwan at the end of this century. In the scenario of RCP 8.5 (4°C), about 8.91% of the collateral is located in the districts with high flood risk at the end of this century, i.e. 8.74% of the total loans, and the expected loss rate 0.70%, which is considered still controllable, with 8.79% of the business locations located in the districts with high flood risk throughout Taiwan at the end of this century, primarily in South Taiwan.
	Opportunity scenario analysis: Quantitative assessment on the financing needs of renewal energy equipment.	The Group assesses the steel companies that might be controlled under laws and regulations in Taiwan.	Market valuation method	<ol style="list-style-type: none"> Adoption of the installation of solar panels for controlled companies. No additional cost invested to develop new products or services. 	It's estimated that the market value of demand for renewable energy equipment created by Taiwan's steel industry in 2025 may amount to NT\$6.75 billion. Upon analysis on the market share that the Group might secure, such opportunity is estimated to derive the interest revenue, NT\$2.73 million, for the Group.
6. If any transformation plan in response to the climate risk management is in place, please describe the contents of the plan, and the indicators and targets used to identify and manage the tangible risk and transformation risk.	<p>The Group has set short-term/mid-term/long-term/SBT targets for low-carbon business management indicators and targets, subject to the GHG emission reduction (category 1 and category 2) and the proportion of consumption of renewable energy. Achievement of the targets is specified as following:</p> <ol style="list-style-type: none"> GHG emission (category 1 and category 2) <ol style="list-style-type: none"> The carbon emission reduced by 6.93% in 2022 from the previous year to help Yuanta FHC continue moving toward the SBT target for carbon reduction by 42% in 2030. The analysis shows that the emissions declined in 2023, primarily due to the relocation to a new building resulting in better utilization 				

<p>efficiency of energy and the application of green power supply at the business locations resulting in the carbon emission therefrom lower than that from the general power supply. The Group will continue to monitor the emission.</p> <p>2. Renewable energy consumption</p> <p>(1) In 2023, five business locations used 100% green power based on the renewable power purchase agreement (PPA) and, therefore, achieved the mid-term target earlier.</p> <p>(2) The utilization of green power increased by 179.46% in 2023, about 25% of the business locations were arranged to use the green power. Meanwhile, with respect to the low-carbon transformation management indicators and targets, the Group set 2019 as the base year, and started the calculation of carbon emissions and carbon emission intensity of the Group's long-term loans and long-term stock and bond investment portfolios, according to the suggested approaches, such as PCAF and TCFD. The Group performed the independent GHG emission analysis on investment and financing of 7 industries with high carbon emissions. Meanwhile, based on the analysis results, the Group reviewed the counterparts contributing to the high and moderate carbon emissions in the investment and financing portfolio, continued to enhance the negotiation with them for cooperation, and also planned to include the GHG emission intensity factor to the reference factors for future investment and financing decision making.</p>	<p>7. If the internal carbon pricing is applied as a planning tool, please specify the pricing basis.</p>
<p>1. In line with the international trend for carbon reduction and in response to the concept about "Science Based Targets and Value of Carbon Credit," Yuanta FHC activated the "Internal Carbon Pricing (ICP)" in 2020, as the first financial business implementing the carbon reduction management system domestically. Yuanta FHC's Internal Carbon Pricing (ICP) was based on the carbon price range disclosed by about 2,600 enterprises all over the world in the most authoritative climate change questionnaire, "CDP Carbon Disclosure Project," in 2019 primarily, and the Group's internal historical carbon reduction results and future potential carbon reduction costs secondarily, e.g. replacement with energy-conservation equipment and purchase of renewable energy certificates, etc., and included the input and output of each energy-conservation improvement action plan to the carbon price parameters for calculation.</p> <p>2. Yuanta FHC values the internal carbon pricing management mechanism. Since 2022, Yuanta FHC has launched an internal pilot mechanism. It officially implemented the mechanism in 2023. The "Internal Carbon Pricing Task Force" consisting of the inter-departmental units including Accounting Dept., Finance Dept., HR Dept. and Administration Dept. convenes the "Internal Carbon Pricing Task Force Meeting" regularly to focus on the reasonableness of carbon fee, accuracy of carbon-reduction target and effectiveness of carbon-reduction programs and to conduct the inter-department assessment and planning. Meanwhile, with respect to the execution progress of the "Internal Carbon Pricing Task Force," it convenes the "Internal Carbon Pricing Review Meeting" regularly, in order to perfect the management, establish the carbon management pricing mechanism, set the overall carbon-reduction target in line with the SBT net-zero path, i.e. reduction by 4.2% YoY, and determine the internal carbon pricing as NT\$2,000 in 2024.</p>	<p>8. If any climate-related target is set, please specify the activities, scope of GHG emissions, planning schedule and annual achievement progress covered by the target. If carbon offsets or renewable energy certificates (RECs) are used to achieve related goals, please specify the source and quantity of offset carbon reduction limit, or quantity of RECs.</p>
<p>Yuanta FHC set the GHG emission reduction target (hereinafter referred to as the carbon reduction target), and received the target approval notice from the Science-based targets initiative (SBTi) in July 2022, as the second finance business in Taiwan and the fourth financial business in Asia to complete the review, and, therefore, was considered satisfying the carbon reduction path for control over heatup by 1.5°C. The Group also set short-term, mid-term and long-term targets, each of which lasts five years. According to the milestones as scheduled, it should be reduction by 4% in 2021, 6% in 2023 and 8% in 2025. The Category 1 and Category 2 carbon-reduction targets covered the business locations' business activities including consumption of electricity. By applying the energy-conservation equipment and consumption of renewable energy (hereinafter referred to as "green power"), the Group consumed green power totaling 2,643,358 kWh physically in December 2023. In 2023, Yuanta FHC plans to purchase an additional 2 MWh of green power starting in 2024, and all subsidiaries of the Group are included in the targets aiming to adopt green power supply instead. For the time being, Yuanta FHC is the financial service provider that consumes the most green power and owns the widest layout therefor. Further, carbon emissions are verified by a third party that complies with the ISO 14064 greenhouse gas inventory standard every year. The actual carbon reduction in 2023 has reached 6.9%.</p>	<p>9. GHG accounting and assurance status</p>

1-1 GHG accounting and assurance status

Scope 1	Total emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e/NT\$ Million)	Assurance Institution	Descriptions about the assurance
Yuanta Financial Holding Co., Ltd.	41,3598	0.0016	SGS Taiwan Ltd.	The scope of Yuanta FHC's 2022 GHG accounting and assurance covers: 1. Business locations of Yuanta FHC and its subsidiaries 2. Domestic subsidiaries of the subsidiaries included into the consolidated financial statements (1) Yuanta Securities Co., Ltd. including Yuanta Securities Finance Co., Ltd. and Yuanta International Insurance Brokers Co., Ltd. (2) Yuanta Venture Capital Co., Ltd. including Yuanta I Venture Capital Co., Ltd. (3) Yuanta Futures Co., Ltd. including SYF Information Co., Ltd. 3. Among the total GHG emissions disclosed by Yuanta FHC, 1,359,6396 metric tons of CO ₂ e (representing 7.3% of the total emissions) has been assured by the assurance organization based on the ISO 14064-3. The assurance engagement provided reasonable guarantee.
Yuanta Securities Co., Ltd.	624,1341	0.0452		
Yuanta Commercial Bank Co., Ltd.	569,6844	0.0658		
Yuanta Life Insurance Co., Ltd.	37,4073	0.0185		
Yuanta Securities Investment Trust Co., Ltd.	23,3371	0.0092		
Yuanta Futures Co., Ltd.	31,0136	0.0167		
Yuanta Venture Capital Co., Ltd.	12,9235	0.0358		
Yuanta Asset Management Co., Ltd.	6,2350	0.0424		
Yuanta Securities Investment Consulting Co., Ltd.	13,5448	3.40		
Total	1,359,6396	6.6376		
Scope 2	Total emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e/NT\$ Million)	Assurance Institution	Descriptions about the assurance
Yuanta Financial Holding Co., Ltd.	376,2800	0.0142	SGS Taiwan Ltd.	The scope of Yuanta FHC's 2023 GHG accounting and assurance covers: 1. Business locations of Yuanta FHC and its subsidiaries 2. Domestic subsidiaries of the subsidiaries included into the consolidated financial statements (1) Yuanta Securities Co., Ltd. including Yuanta Securities Finance Co., Ltd. and Yuanta International Insurance Brokers Co., Ltd. (2) Yuanta Venture Capital Co., Ltd. including Yuanta I Venture Capital Co., Ltd. (3) Yuanta Futures Co., Ltd. including SYF Information Co., Ltd. 3. Among the total GHG emissions disclosed by Yuanta FHC, 17,254,2269 metric tons of CO ₂ e (representing 92.7% of the total emissions) has been assured by the assurance organization based on the ISO 14064-3. The assurance engagement provided reasonable guarantee.
Yuanta Securities Co., Ltd.	7,105,5020	0.5151		
Yuanta Commercial Bank Co., Ltd.	8,343,3145	0.9637		
Yuanta Life Insurance Co., Ltd.	521,8263	0.2585		
Yuanta Securities Investment Trust Co., Ltd.	273,6137	0.1074		
Yuanta Futures Co., Ltd.	499,1717	0.2694		
Yuanta Venture Capital Co., Ltd.	20,7252	0.0574		
Yuanta Asset Management Co., Ltd.	23,8743	0.1624		
Yuanta Securities Investment Consulting Co., Ltd.	89,9192	22.5871		
Total	17,254,2269	24.9352		

1-2 GHG reduction goals, strategies and concrete action plans

With the vision of “becoming an international sustainability benchmark enterprise and promoting a better future for next generations proactively,” Yuanta FHC has been deeply committed to the issue of climate change for a long time. In 2019, it signed the “Science-based targets initiative, SBTi” as the first comprehensive financial company advocating the initiative in Taiwan. In 2022, it set the carbon reduction target based on the SBT methodology and the target was approved upon review. Upon SBT review and approval, 2020 was set as the base year, requiring that the absolute emissions in 2030 shall be reduced by 42% from 2020. It also signed the 2050 Net-Zero Emission Commitment (SBTi Net-Zero) officially in 2023, and proposed the Net-Zero Declaration and Operation Directions for Climate Finance in response to the 2050 net-zero emission target set by Taiwan and the United Nations.

Yuanta FHC’s emission reduction strategies are developed in terms of four major aspects, namely, low-carbon operations, sustainable finance, low-carbon supply chain, and sustainable advocacy. By implementing the internal carbon pricing and internalization of external carbon reduction costs, the new self-owned building has obtained the green building mark. It procured renewable energy and used a total of 2.64 MWh of green power in 2023. Energy-intensive equipment was replaced with LED energy-saving lamps, smart energy consumption monitoring was installed, and air conditioning system was upgraded. Yuanta FHC used purchased electricity as a major source of energy in the course of its operations. Energy-saving plans were implemented through a systematic management framework and process to effectively reduce energy consumption and mitigate environmental impacts. Yuanta FHC followed its “Environment, Energy, and Climate Change Management Policy,” and continued to improve the energy consumption of buildings and reduce GHG emissions. All of the 10 self-owned buildings throughout the nation have passed the ISO 50001 energy management system certification.

(VII) Ethical Corporate Management Practices, and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Scope of Assessment	Status		Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No		Summary
<p>1. Enactment of ethical management policy and program</p> <p>(1) Whether Yuanta FHC adopts the ethical management policy approved by the Board of Directors, and expressly states the ethical corporate management policy and rules, and its fulfillment by the Board of Directors and senior management in its Articles of Incorporation and public documents, and disclosed it on Yuanta FHC’s website?</p>	✓		<p>There was no departure in this respect.</p> <p>A. Yuanta FHC has adopted the “Yuanta Financial Holding Company Integrity Management Guidelines ” (“Integrity Management Guidelines”) and “Yuanta Financial Holding Company Procedures for Integrity Management and Guidelines for Conduct ” (“Procedures for Integrity Management and Guidelines for Conduct”), respectively, in response to Financial Supervisory Commission’s policies, and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and “Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct” published by TWSE. Upon approval of the Board of Directors, these rules are applicable to Yuanta FHC and all of its subsidiaries, and all foundations to which Yuanta FHC has directly/indirectly donated more than 50% of operating funds. Yuanta FHC will also continue to promote the “ethics-based” policy and establish good corporate governance and risk management mechanisms to create a sustainable development environment based on the management philosophy upholding integrity, transparency and accountability.</p>

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
		<p>The relevant ethical corporate management best practice principles are disclosed on the following website: https://www.yuanta.com/TW/IR/Governance/Internal-Policies.</p> <p>B. In order to help the Group's directors, supervisors and senior management understand and practice the ethical management philosophy, in response to the amendments to laws and regulations, since 2019, Yuanta FHC has included the "Statement of Ethical Management" in the documents to be executed by the Group's directors, supervisors and senior management, which shall also be kept with care. The directors and supervisors as re-elected, new directors and supervisors, and new senior management, if any, shall execute the Statement absolutely. The Statement primarily declares no unethical conduct, no provision or acceptance of unjustified benefits, no political donation or unfair charity donation or sponsorship, compliance with the principle of confidentiality interest, performance of confidentiality obligation and no infringement upon intellectual property rights, compliance with non-disclosure agreement and no insider trading, performance of the obligation of disclosure and no acceptance of unjustified benefits, and prohibition of transactions with any person engaged in unethical management. In 2023, 100% of Yuanta FHC's directors and senior management have</p>	

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	
			signed the "Declaration of Integrity," and none of them was found violating the same. The execution of the "Declaration of Integrity" and the commitment to fulfill the management policy are disclosed via the following Website: https://www.yuanta.com/TW/IR/Governance/Committees .
(2) Whether Yuanta FHC establishes the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopts the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?			In addition to defining requirements about prevention of unethical conduct in the "Procedures for Integrity Management and Guidelines for Conduct" and "Professional Code of Ethics" and reviewed whether the regulations satisfy internal and external laws and internal operations periodically, Yuanta FHC also has analyzed and assessed the operating activities with a higher risk of potentially unethical conduct in the scope of business periodically. In order to conduct the risk assessment, and also reviewed the adequacy and validity of the prevention program, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and provide the assessment results to the audit unit for the unit to include the same results into the annual audit plan.
(3) Whether Yuanta FHC expressly states the SOP, guidelines and reward and disciplinary & complaining systems in the unethical conduct prevention program, implements the same precisely, reviews amendments to said program and discloses it on Yuanta FHC's website?			(3) A. Yuanta FHC's "Integrity Management Guidelines" and "Procedures for Integrity Management and Guidelines for Conduct" outline a list of unethical conducts and conflicting interests and prohibits any bribery, illegitimate political contributions, and improper donations, sponsorships, gifts, treatments, or benefits. Yuanta FHC also has reviewed the

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No		Summary
			adequacy and validity of the prevention program periodically. The relevant rules and regulations of integrity management are disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees . B. Any unethical conduct of Yuanta FHC's staff, Yuanta FHC will render discipline pursuant to relevant laws or Yuanta FHC's regulations after verifying the same, and claim damages through legal action, if necessary, to maintain Yuanta FHC's goodwill and interest. The disciplined personnel who disagree with the discipline may apply for reconsideration under the complaint system.
2. Implementation of ethical management (1) Has Yuanta FHC assessed a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	√		Yuanta FHC expressly states in the "Supplier Management Checklist" that in the case of procurement value amounting to more than NT\$20,000, the requesting unit shall make a query on the website of Judicial Yuan to verify whether the trading counterpart has any unethical management record, such as bribery or illegal political donations, and then specify the query results in the "Supplier Management Checklist" as the basis for evaluation of the supplier's ethical conduct. Meanwhile, it shall ask the supplier to include ethical management clauses and sustainable procurement clauses in the procurement contract when executing the contract. (2)
(2) Whether Yuanta FHC establishes a unit dedicated to promoting ethical corporate management under			A. In n 2018, Yuanta FHC established the (2)
			There was no departure in this respect. There was no departure in this respect.

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>supervision by the Board of Directors who shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, reporting the status thereof to the Board of Directors periodically (at least for once per year), and stating the operations and execution of such unit on Yuanta FHC's website?</p>			<p>"Sustainability Committee" under the Board of Directors, as the dedicated unit for corporate ethical management responsible for formulating and supervising the implementation of integrity management policies and preventive programs, which was renamed to the "Sustainable Development Committee" per approval of the Board of Directors, directing the "Integrity Management Office" and the "Corporate Sustainability Office," in 2022. The Integrity Management Office is responsible for promoting and coordinating the related affairs, and also reporting to the Sustainable Development Committee the work plans and execution results thereof periodically, in order to strengthen the Board of Directors' regulations about ethical management. Meanwhile, it would amend and review related policies to ensure the validity thereof, on a rolling basis, and report its duties to the Board of Directors regularly to help the Board of Directors supervise Yuanta FHC's ethical management practices.</p> <p>The Sustainable Development Committee reported to the Board of Directors the Integrity Management Center's execution results of Integrity management practices in the first half and second half of the year, Yuanta FHC's whistleblowing system practices in the first half and second half of the year, and ethical management practices in 2022, on March 29 and August 23, 2023, respectively. The Committee's</p>

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
			<p>operations and functions are also disclosed on Yuanta FHC's website and in the annual reports. The related operations are disclosed on the following website: https://www.yuanta.com/TW/IR/Governance/Committees.</p> <p>B. The operations and execution of Yuanta FHC's 2023 Integrity management policies are summarized as follows: (A) Education & training: Yuanta FHC organized the "Integrity Management & Compliance Promotion" training program for all employees and managers in Q4. All of the employees and managers were required to attend the program and pass the test. A total of 11,550 trainees has attended the program and passed the test in whole. The total training hours were 10,870 hours.</p> <p>(B) Periodically analyze and assess the operating activities with a higher potential risk of unethical conduct in the scope of business periodically: Each of Yuanta FHC's units will analyze and assess the operating activities with a higher risk of unethical conduct in the scope of business periodically, in order to conduct the risk assessment, and also review the adequacy and validity of the prevention program. The Auditing Dept. has included the "Integrity Management Operations" and</p>

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
			<p>"Assessment on Potential Risk over Unethical Conduct" into the audit, in order to manage and prevent any unethical conduct jointly.</p> <p>(C) Whistle-blowing system: C. A total of 3 whistle-blowing cases were accepted, while none of them involved unethical conduct issues. Yuanta FHC established the "Regulations Governing Implementation of Complaint System" which is disclosed via the following Website: https://www.yuanta.com/TW/IR/Governance/Reporting-Mechanism.</p>
(3) Has Yuanta FHC defined any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely?			<p>(3) A. Yuanta FHC has expressly defined the conflict of interest policy in the "Integrity Management Guidelines," "Procedures for Integrity Management and Guidelines for Conduct," "Rules and Procedures of Board Meetings," "Professional Code of Ethics" and any directors shall recuse themselves from voting for any motions involving the interest of the directors and managers or corporations represented by the directors, as submitted to a Board of Directors' meeting, or the directors shall declare any of their transactions or relations which might cause conflict of interest voluntarily, and shall deal with it or recuse themselves adequately. B. Meanwhile, Yuanta FHC's staff shall not, in their own names or in another person's name,</p>

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No		Summary
(4) Whether Yuanta FHC fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct the audits?			<p>engage in any funding, transaction of substantial assets, offering of guarantees, or other transaction that might cause conflict of interest with Yuanta FHC. Yuanta FHC's staff shall perform their duties in accordance with said codes and regulations.</p> <p>(4) A. Under the "Integrity Management Guidelines", Yuanta FHC has linked the other relevant internal control regulations intensively to help various departments comply with the internal control and SOPs, and to prevent any staff misconduct. For example, the "Professional Code of Ethics," "Procedures for Integrity Management and Guidelines for Conduct," "Audit Committee Charter" and "Guidelines Governing Donations to the Public." The Auditing Dept. has included the "Fulfillment of Integrity Management" and "Unethical Conduct Risk Assessment" into the audit when auditing Yuanta FHC's business. The audit result showed no major deficiency found.</p> <p>B. Yuanta FHC's accounting system was established in accordance with IFRSs and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. Unless otherwise provided in laws, Yuanta FHC's related accounting affairs are all processed in accordance with Yuanta FHC's accounting system. The quarterly financial statement would be audited (certified) by</p>
			There was no departure in this respect.

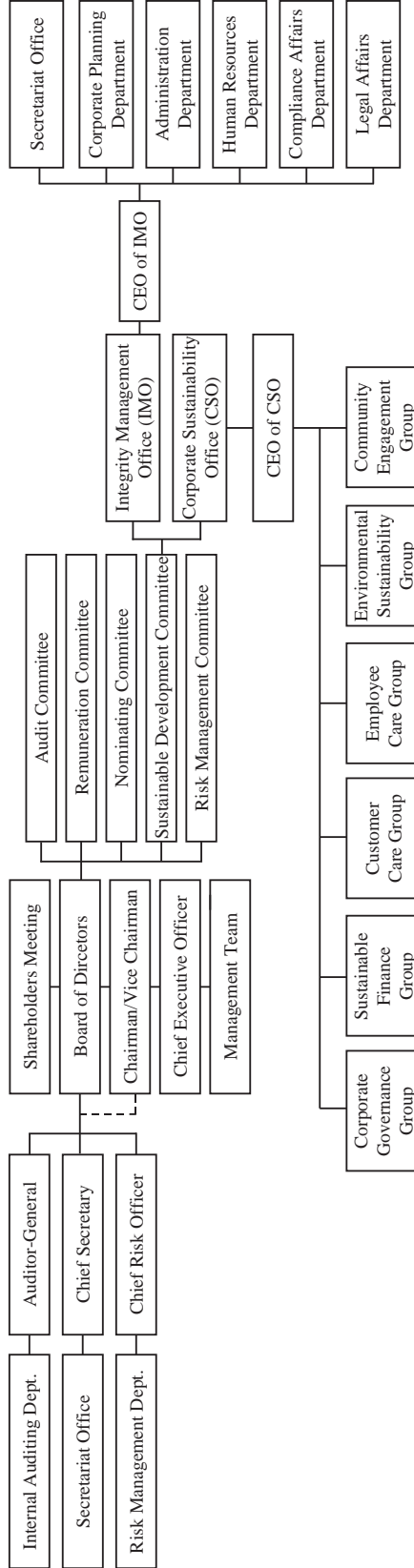
Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
			<p>PricewaterhouseCoopers Certified Public Accountants and also reported to the Audit Committee and Board of Directors periodically. Yuanta FHC will accept the internal audit, and audit by Financial Examination Bureau and the external auditor, in order to ensure that design and execution of Yuanta FHC's accounting system still works.</p>
(5) Has Yuanta FHC organized internal/external education training program for ethical management periodically?			<p>(5) A. In order to enable all employees and managers of the Group to have a correct understanding and judgment of relevant laws and regulations and ethical conduct, Yuanta FHC organizes the "Integrity Management and Legal Compliance" training program each year, including : customers' data protection, banking consumers' data protection, transactions with stakeholders, insider trading requirements, disclosure of M&A information, financial personnel's integrity, ethics and legal liability, compliance resources and a whistleblowing system. All employees and managers have to participate in the program and pass the test, ensure that they have the correct knowledge and basic judgment of relevant laws and ethical conduct and that the corporate integrity management policy may be fulfilled. B. The Group's "Integrity Management and Law Compliance" promotional training program 2023 was attended by a total of 11,550 trainees. There were 10,870 training hours in total. C. In 2023, in addition to providing all directors of</p>
			There was no departure in this respect.

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
			<p>Yuanta FHC with "Integrity Management and Law Compliance Promotion" materials, Yuanta FHC also held a total of two seminars on integrity management for directors and supervisors of the Group. The topics and training hours thereof include the "Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities" attended by a total of 50 directors and supervisors on March 16, for a total of 150 hours, and the "Financial Consumer Protection Act and Fair Dealing Policy" attended by a total of 59 directors and supervisors on May 18, for a total of 177 hours.</p>
<p>3. Status of Yuanta FHC's complaint system</p> <p>(1) Has Yuanta FHC defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?</p>	✓		<p>The motion for establishment of the "Regulations Governing Implementation of Complaint System" submitted by Yuanta FHC has been approved by the Board of Directors. Yuanta FHC also established the convenient complaint channels, such as hotline and email box, and also assigned the units with the independent powers to accept and investigate the complaint cases. If the complaint filed by any employee is proven, the complainant will be rewarded in accordance with Yuanta FHC's Guidelines Governing Reward and Punishment.</p>
<p>(2) Whether Yuanta FHC defines the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of complaints as accepted?</p>			<p>Yuanta FHC's "Regulations Governing Implementation of Complaint System" has expressly stated the procedures for investigation and coordination in the complaint cases and the following standard operating procedures, and required that the personnel dedicated to processing complaints shall provide the</p>

Scope of Assessment	Status		Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
			written statement undertaking that they will keep the complainants' identity and contents of the complaint in confidence. The Auditing Dept. has included the "Results of Whistle-Blowing System Operation" into the audit. The audit result has been handled in the manner as prescribed.
(3) Has Yuanta FHC adopted any measures to prevent the complainants from being abused after filing complaints?			The protection policies adopted by Yuanta FHC in accordance with the "Regulations Governing Implementation of Complaint System" include the confidentiality of the complainant's ID, non-disclosure of the information sufficient to identify the complainant, prohibition from firing, dismissing or demoting the complainant or cutting the complainant's salary, damaging the interest vested in the complainant pursuant to laws, contracts or customs, or rendering any decision in disfavor of the complainant on the ground of the complaint.
4. Enhancing Information Disclosure Has Yuanta FHC disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	✓		There was no departure in this respect.
5. If Yuanta FHC has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: None.			There was no departure in this respect.
6. Other information material to the understanding of ethical management operation (e.g. discussion of an amendment to the ethical management best practice principles defined by Yuanta FHC): Yuanta FHC expressly states that in the case of procurement value amounting to more than NT\$20,000, the requesting unit shall make a query on the website of Judicial Yuan to verify whether the trading counterpart has any unethical management record, such as bribery or illegal political donations, and then specify the			

query results in the “Supplier Management Checklist” as the basis for evaluation on the supplier’s ethical conduct. Meanwhile, it shall ask the supplier to include ethical management clauses and sustainable procurement clauses into the procurement contract when executing the contract.

Note : The Integrity Management Office is responsible for promoting and coordinating matters related to integrity management. It has 6 members, who are headed by the department heads of the relevant units. Its organizational structure is as follows:



(VIII) Corporate Governance Best-Practice Principles and related regulations' search

Please view the “Sustainability” section on the home page of Yuanta FHC’s website (<https://www.yuanta.com/EN/ESG>)

(IX) Other information enabling better understanding of the Company’s corporate governance:

1. For effective control of Yuanta FHC’s internal material information handling and disclosure mechanism, Yuanta FHC has adopted the “Operating Procedures for Handling Internal Material Information of Yuanta Financial Holding Co., Ltd.” and disclosed the same on the official website as the guidelines to be followed by the management and all employees, in order to avoid violating the requirements or insiders’ trading. Article 6-1 of the “Operating Procedures for Handling Internal Material Information of Yuanta Financial Holding Co., Ltd.” expressly states the control measures over stock exchanges to be applied upon awareness of Yuanta FHC’s directors, managers and employees of Yuanta FHC’s financial report or related business contents, including the requirements that the directors shall not trade Yuanta FHC’s stocks within the book closure period, namely 30 days prior to publication of the annual financial report and 15 days prior to publication of the quarterly financial report.
2. Yuanta FHC has adopted the “Regulations Governing Operations Related to Financial Transactions with Affiliated Companies of Yuanta Financial Holding Co., Ltd.,” in order to manage the financial and business contacts or transactions between Yuanta FHC and related parties, and to prevent non-arm’s length transactions and improper benefit transfers. Per the resolution rendered by the 13th meeting of the 9th Board of Directors on March 29, 2023, the Regulations was renamed as “Rules Governing Financial and Business Matters Between Yuanta Financial Holding Company and its Related Parties.” Meanwhile, it expanded the subjects of the Regulations from affiliated companies to all related parties and additionally required that the important transactions with related parties shall be reported to the Board of Directors for resolution and also submitted to a shareholders’ meeting for approval, or reported to the shareholders’ meeting.
3. Yuanta FHC passed the Taiwan Corporate Governance Association’s “CG6013 (2021) Corporate Governance Framework Assessment Certificate with Distinguished Honor” in 2022. This certification is effective from December 29, 2022 to December 28, 2024.
4. Other information enabling better understanding of Yuanta FHC’s corporate governance: Please refer to the “Corporate Social Responsibility” section of Yuanta FHC website: (<https://www.yuanta.com/EN/ESG>) or the official website of the Market Observation Post System ([http://mops.twse.com.tw/mops/web/index; company code 2885](http://mops.twse.com.tw/mops/web/index;company%20code%202885)).

(X) Directors' continuing education

As of December 31, 2023

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Chairman	Ting Chien Shen (Tony)	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Chairman	Ting Chien Shen (Tony)	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Chairman	Ting Chien Shen (Tony)	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Director	Wei Chen Ma (Michael)	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Director	Wei Chen Ma (Michael)	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Director	Wei Chen Ma (Michael)	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Director	Chung Yuan Chen	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Director	Chung Yuan Chen	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Director	Chung Yuan Chen	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Director	Chung Yuan Chen	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Director	Chung Yuan Chen	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Director	Daniel Y.M. Song	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Director	Daniel Y.M. Song	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Director	Daniel Y.M. Song	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Director	Chien Weng	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Director	Chien Weng	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Director	Chien Weng	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Director	Chien Weng	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Director	Chien Weng	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Independent Director	Ming Ling Hsueh	2023.03.10	2023.03.10	Taiwan Corporate Governance Association	Unpredictable global economic condition in 2023	1
Independent Director	Ming Ling Hsueh	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Independent Director	Ming Ling Hsueh	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Independent Director	Ming Ling Hsueh	2023.05.25	2023.05.25	Taiwan Corporate Governance Association	ESG Driven by Enhancement of Board of Directors – Sharing of Guiding Cases about Link of Remuneration to Senior Managers with ESG Performance	1
Independent Director	Ming Ling Hsueh	2023.07.27	2023.07.27	Taiwan Corporate Governance Association	Role of Financial Decision-Maker in Enterprise Management (Lecturer for 3 hours)	1
Independent Director	Ming Ling Hsueh	2023.08.30	2023.08.30	Taiwan Corporate Governance Association	ChatGPT's Impact on the Industry, and Countermeasures	1
Independent Director	Ming Ling Hsueh	2023.09.01	2023.09.01	Taiwan Corporate Governance Association	Exercise of the Independent Director's Functions Based on Prosperity Thinking (Lecturer for 3 Hours)	1
Independent Director	Ming Ling Hsueh	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Independent Director	Ming Ling Hsueh	2023.10.13	2023.10.13	Taiwan Corporate Governance Association	Digital Technology and AI Trend and Risk Management	3
Independent Director	Ming Ling Hsueh	2023.10.30	2023.10.30	Taiwan Corporate Governance Association	Notes to Business M&A	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Independent Director	Ming Ling Hsueh	2023.12.28	2023.12.28	Taiwan Corporate Governance Association	Wandao Accounting and Corporate Governance	1
Independent Director	Kuang Si Shiu	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Independent Director	Kuang Si Shiu	2023.04.26	2023.04.26	Accounting Research and Development Foundation	Latest Development of International Tax and Domestic Tax, and Trend for Amendments to Laws & Regulations	3
Independent Director	Kuang Si Shiu	2023.04.27	2023.04.27	Jointly organized by TWSE and TPEX	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX listed Companies	3
Independent Director	Kuang Si Shiu	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Independent Director	Kuang Si Shiu	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Independent Director	Kuang Si Shiu	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Independent Director	Hsing Yi Chow	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Independent Director	Hsing Yi Chow	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Independent Director	Hsing Yi Chow	2023.06.07	2023.06.07	Taiwan Institute of Directors	The Future of Enterprises in the War: Strategic Shift & Strategic Transformation	3
Independent Director	Hsing Yi Chow	2023.08.24	2023.08.24	Taiwan Stock Exchange Corporation (TWSE)	Symposium on Strategies for Sustainable Development, Transformation, and Implementation of the Securities Industry	3
Independent Director	Hsing Yi Chow	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Independent Director	Hsing Yi Chow	2023.10.30	2023.10.30	Taiwan Corporate Governance Association	Analysis on ESG Practices	3
Independent Director	Hsing Yi Chow	2023.10.30	2023.10.30	Taiwan Corporate Governance Association	New Sustainability Trend Knowledge and Board of Directors' Governance	3
Independent Director	Sharon S. Yang	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3

itle	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Independent Director	Sharon S. Yang	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Independent Director	Sharon S. Yang	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Independent Director	Sharon S. Yang	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3

(XI) Managers' participation in training and education programs related to corporate governance

As of December 31, 2023

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
President	Chien Weng	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
President	Chien Weng	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
President	Chien Weng	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
President	Chien Weng	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
President	Chien Weng	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Auditor-General	Su Ching Weng	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Auditor-General	Su Ching Weng	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Executive Vice President	Hsuan Min Kuo	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Executive Vice President	Hsuan Min Kuo	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Executive Vice President	Wei Cherng Hwang (Bobby)	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Executive Vice President	Wei Cherng Hwang (Bobby)	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Executive Vice President	Wei Cherng Hwang (Bobby)	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Lawrence Lee	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Lawrence Lee	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Senior Vice President	Lawrence Lee	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Lawrence Lee	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Mei Ling Kuo	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Mei Ling Kuo	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Senior Vice President	Mei Ling Kuo	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Mei Ling Kuo	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Mei Ling Kuo	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Hsiao Ling Chou	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Hsiao Ling Chou	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Hsiao Ling Chou	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Hsiao Ling Chou	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Wen Ching Chiu	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Wen Ching Chiu	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Wen Ching Chiu	2023.05.31	2023.05.31	Taiwan Academy of Banking and Finance	Impact posed by Chat GPT on Financial Industry, and Countermeasures	3
Senior Vice President	Wen Ching Chiu	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Senior Vice President	Wen Ching Chiu	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Hsu Shu Mai	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Hsu Shu Mai	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Robert C.S. Yang	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Robert C.S. Yang	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Ming Lang Liu	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Ming Lang Liu	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Ming Lang Liu	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Hui Jung Lu	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Hui Jung Lu	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Yann Deun Deng	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Yann Deun Deng	2023.08.14	2023.08.14	Taipei Foundation of Finance	Corporate Governance – Prevention of Taxation Money Laundering Risks – Eight Major Types of Money Laundering Risks in Taiwan	3
Senior Vice President	Yann Deun Deng	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Vice President	Yann Deun Deng	2023.11.16	2023.11.16	Taipei Foundation of Finance	Corporate Governance – Analysis on Important Tax Law Strategies and Application for Wealth Inheritance	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Senior Vice President	Chieh Wu	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Vice President	Chieh Wu	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Vice President	Chieh Wu	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Vice President	Sophia Chang	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Chi Wei Lai	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Chi Wei Lai	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Vice President	Fang Ming Lo	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Countering of Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Vice President	Fang Ming Lo	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Fang Ming Lo	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Vice President	Yung Chu Su	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Yung Chu Su	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Vice President	Yung Chu Su	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Vice President	Chi Jung Huang	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Ching Fang Lin	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Vice President	Ching Fang Lin	2023.10.30	2023.10.30	Legal Affairs Dept.	Implementation of Gender Equality and Construction of Friendly Workplace	3
Vice President	Feng Hsiang Kuo	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Feng Hsiang Kuo	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Vice President	Feng Hsiang Kuo	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Vice President	Wei Chen Chang	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Vice President	Wei Chen Chang	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Vice President	Wei Chen Chang	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Vice President	Wei Chen Chang	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Senior Assistant Vice President	Ho Hsing Pan	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Senior Assistant Vice President	Ho Hsing Pan	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Senior Assistant Vice President	Ho Hsing Pan	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Senior Assistant Vice President	Ho Hsing Pan	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Assistant Vice President	Chien Wen Chen	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Assistant Vice President	Chien Wen Chen	2023.09.04	2023.09.04	Financial Supervisory Commission	14 th Corporate Governance Forum	3
Assistant Vice President	Chien Wen Chen	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Assistant Vice President	Chien Wen Chen	2023.09.15	2023.09.15	Securities and Futures Institute (SFI)	How to Improve the Credibility of Corporate Sustainability Report	3
Assistant Vice President	Chien Wen Chen	2023.11.03	2023.11.03	Institute of Financial Law and Crime Prevention	Fair Dealing Policy of Financial Service Industry	3
Assistant Vice President	Yu Ling Chu	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Assistant Vice President	Hui Wei Tsai	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Assistant Vice President	Hui Wei Tsai	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Assistant Vice President	Hui Wei Tsai	2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Information Security Technologies on Financial Digital Innovation	3
Assistant Vice President	Yi Ju Wei	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Money Laundering Prevention and Counter Terrorism Financing Practices and Promotion of Directors' Legal Duties and Responsibilities	3
Assistant Vice President	Yi Ju Wei	2023.05.18	2023.05.18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing Policy	3
Assistant Vice President	Yi Ju Wei	2023.07.13	2023.07.13	Taiwan Securities Association	Net-Zero Emissions and Corporate Governance	3
Assistant Vice President	Hsuan Feng Tien	2023.10.13	2023.10.13	Securities and Futures Institute (SFI)	Analysis on Corporate Governance Practices and Audit Cases	6
Assistant Vice President	Hsiao Ching Chao	2023.04.28	2023.04.28	Yuanta Financial Holding Co., Ltd.	Talks about organizational resilience and business development through the sustainable banking evaluation and observation	2
Assistant Vice President	Hung Chou Chen	2023.07.07	2023.09.11	National Taiwan University of Science and Technology	Financial Cyber Security Thinking and Practice Based on Zero Trust Architecture	72

(XII) Implementation of the internal control system

1. Statement on Internal Control System: Please ref. to page 197.
2. CPA audit report of the internal control system: None.

Statement on Internal Control System of Yuanta FHC

We hereby declare on behalf of Yuanta Financial Holding Co., Ltd. that, in accordance with “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries“, from January 1, 2023 to December 31, 2023, Yuanta FHC had an internal control system, performed risk management, and was audited by an impartial and independent internal auditing department, which regularly reported to the Board of Directors and the Audit Committee. After a careful assessment, it was found that except for the matters identified in the attached schedule, all units were able to effectively implement internal control and legal compliance tasks during the year. This Statement shall be included among the chief contents of Yuanta FHC’s annual report and prospectus, and shall be made public. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liabilities.

To:
Financial Supervisory Commission

Stated by :
Chairman : Tony Shen

President : Chien Weng

General Auditor : Ming Hsiu Tsai

Head Office CCO : Wen Ching Chiu

Date: 03/27/2024

Issues-to-be-improved and Improvement of Internal Control System of
Yuanta FHC

(Basis date: 12/31/2023)

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
<p>【Yuanta Securities】</p> <p>I. When compiling and providing to the customer the fund information per the single customer's request, the sales representative failed to implement the internal control system precisely. Therefore, the FSC ordered it to correct the deficiency.</p>	<p>Enhance the promotion to sales representatives and conduct compliance education & training for them.</p>	<p>Improvement completed.</p>
<p>II. With respect to the subscription for the securities firm's stocks without approval of the FSC, the FSC ordered it to correct the deficiency.</p>	<p>1. The securities house's stocks were sold in whole. 2. Remove the securities house's stocks from the tradable stock list in the ETF beneficiary certificate trading account in the computer system. 3. Promote related regulations to the personnel.</p>	<p>Improvement completed.</p>
<p>III. The subsidiary, Yuanta Securities (Korea) Co., Ltd., engaged in the proprietary trading and short selling in violation of the marketable securities market business rules, etc. Therefore, KRX imposed the fine, KRW 22,000,000 (NT\$530,000 approximately), on it.</p>	<p>1. Modify the order placing system. 2. Conduct the compliance education & training on the short selling.</p>	<p>Improvement completed.</p>
<p>【Yuanta Bank】</p> <p>I. When processing the natural person's application for house loan, its KYC and CDD operations and continuous monitoring on accounts and transactions were found defective. The FSC ordered it to correct the deficiencies.</p>	<p>Already amended the related internal regulations and established the inspection mechanism to strengthen the bank clerks' training, in order to prevent a similar situation from occurring again.</p>	<p>Improvement completed.</p>
<p>II. The former clerk of Department of Loan Asset Management took advantage of his position to misappropriate the repayment made by the customer.</p>	<p>1. The misappropriated fund has been collected and the customer's interest and right was maintained accordingly. 2. Already amended the related internal regulations, strengthen the internal controls, and continued to strengthen the bank clerks' training, in order to prevent a similar situation from occurring again.</p>	<p>Improvement completed.</p>
<p>III. Failed to detect and prevent any abnormal transactions suspected</p>	<p>1. Improve the mechanism to review and report transactions.</p>	<p>Improvement completed.</p>

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
of fraud as early as possible. (2022 Statement on Internal Control System has been disclosed.)	2.Optimize customer due diligence and warning monitoring system. 3.Improve the control over specific transactions involving high risk. 4.Continue to strengthen clerks' education and training.Education & training:	
【Yuanta Futures】 The sales representative of a leveraged trader was fined NT\$120,000 by FSC for providing bullish and bearish suggestions to customers regarding the future trend of gold and foreign exchange price.	The violators have been punished, and the promotion of personnel regulations and the review of salespersons' online business activities were also strengthened.	Improvement completed
【Yuanta Securities Investment Trust】 When the FSC conducted the general business inspection in 2023, it found certain inadequate division of jobs concerning the allocation of information staff and performance of duties and also negligence in the use of third-party accounts for system verification in the official system. It kept in mind and corrected the deficiency after the FSC ordered it to do so.	(I) Optimize the versioning and go-live process to clearly divide the responsibilities of IT personnel. (II) Already strengthen the control measures for employees' access to the e-trading platform, and also enhance the promotion to advise employees not to provide their own account ID to others, or use a third party's account ID for system verification in the official system.	Improvement completed.

(XIII) Penalties imposed on the Company and its subsidiaries during the most recent two years and until the date of publication of the annual report for illegalities and major deficiencies, and improvements made.

1. Indictment of Yuanta FHC's statutory responsible person or an employee by prosecutors for crimes committed on the job:

- (1) The clerk of Yuanta Securities (Korea), Noh○○, was suspected of violating the KYC Act and Act Governing Concealment of Proceeds of Crime of Korea. The local prosecutor initiated an indictment against him in December 2022 accordingly.

Improvement:The case is still pending trial by the Seoul Central District Court for the time being. Notwithstanding, according to the internal audit and inspection conducted by Yuanta Securities (Korea), no violations have been found and the case should involve the employee's personal behavior. Yuanta Securities (Korea) will keep observing the development of the case.

- (2) The employee, Yang ○ Jing, of Yuanta Securities Yonghe Branch was charged with forgery of instrument under the Criminal Code of Taiwan and indicated by the prosecutor on March 28, 2023.

Improvement:The case is pending in Taiwan Taipei District Court for the time being.

- (3) The manager, Chang ○ Heng, of the head office of Yuanta Securities was charged with violation of the Personal Data Protection Act and indicated by the prosecutor on October 18, 2023.

Improvement: The case is pending in Taiwan Taipei District Court for the time being.

- (4) The former employee, Wu ○ ○, of Yuanta Securities Investment Trust was charged with violation of the Securities Investment Trust and Consulting Act, and indicated by the prosecutor in May 2023.

Improvement: The employee has paid the damages suffered by Yuanta Securities Investment Trust and related funds and was sentenced to the term imprisonment of two years by Taiwan Taipei District Court, but put on probation for four years.

2. Any fine imposed by the FSC for violation of a law or regulation, any deficiency for which an official reprimand was issued by the FSC, any matters in which sanctions were imposed by the FSC pursuant to Item 1 Article 54 of the Regulations Governing Information to be Published in Annual Reports of Financial Holding Company or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, where the result of such penalty could have a material effect on shareholder equity or securities prices or specified in article 2 of the Financial Supervisory Commission Regulations on the Publication of Material Penalties for Violations of Finance Laws, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement:

(1) Yuanta Bank

- A. The internal operating procedure for underwriting non-guarantee commercial papers was defective and, therefore, likely to affect the robust management adversely. Therefore, the competent authority asked it to correct the deficiency pursuant to laws, and suspended it from underwriting the non-guarantee commercial papers for three months as of the effective date of the decision. (Written Decision under Jin-Guan-Yin-Kong-Zi No. 11101349691 and Jin-Guan-Yin-Kong-Zi No. 11101349692 dated May 16, 2022)

Improvement: Already amended the related internal regulations, strengthen the internal controls, and continued to strengthen the bank clerks' training, in order to prevent a similar situation from occurring again.

- B. The deficiency resulting from the unusual financial transactions between the former wealth management specialist of Yongchun Branch and customers was held violating Paragraph 1, Article 45-1 of the Banking Act and the Bank was fined NT\$6 million by FSC accordingly. (Written Decision under Jin-Guan-Yin-Kong-Zi No. 11101411111 and Jin-Guan-Yin-Kong-Zi No. 11101411112 dated November 15, 2022)

Improvement: 1. Already imposed the punishment on the related wealth management specialist and related staff, subject to their involvement in the case. 2. Already amended the related internal regulations and established the inspection mechanism to strengthen the bank clerks' training, in order to prevent a similar situation from occurring again.

(2) Yuanta Life

- A. The operations to set forth the declared interest rates for the three

insurance commodities, including “Yuanta Life Generation USD Interest Rate Sensitivity Life Insurance (KJ),” “Yuanta Life Mei Li Chuan USD Interest Rate Sensitivity Life Insurance (KS)” and “Yuanta Life Youli USD Interest Rate Sensitivity Life Insurance (KZ)” failed to follow the formula for setting forth the declared interest rate. Suspended from selling the relevant three commodities following the date of service of the written decision. (Written Decision under Jin-Guan-Po-Shou-Zi No. 11101428611 and Jin-Guan-Po-Shou-Zi No. 11101428612 dated August 18, 2022)

Improvement: Already adjusted the formula for declared interest rate, and set forth the declared interest rate according to the formula.

3. Disclosure of losses exceeding \$50 million incurred during the year, whether individually or in total, as a result of conspiracy, material contingencies (including fraud, theft, misappropriation of assets, fictitious transactions, forgery of documents and securities, kick-backs, natural disasters, external forces, hackers’ attacks, theft and leakage of confidential information, disclosure of customers’ details or other major events), or accidents arising from failure to comply with Safety and Maintenance Guidelines for Financial Institutions: None.
4. Other disclosures required by the Financial Supervisory Commission: None.

(XIV) Shareholder meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report

1. Shareholders' meeting resolutions and their implementation:

Year	Date	Resolution Items	Resolution Results	Implementation status
2023 General Shareholders' Meeting	June 9, 2023	To recognize Yuanta FHC's 2022 Business Report and Financial Statements. (Proposed by the Board of Directors)	The motion was ratified upon voting.	The related statements and records have been published pursuant to laws and reported to the competent authority for record.
		To recognize Yuanta FHC's 2022 earnings distribution plan. (Proposed by the Board of Directors)	The motion was ratified upon voting.	The distribution was completed per the resolution rendered by the general shareholders' meeting.
		Motion for Yuanta FHC's issuance of new shares upon capital increase from earnings 2022 is proposed for resolution. (Proposed by the Board of Directors)	The motion was ratified upon voting.	1.The cash dividend distribution was NT\$0.8 per share. The record date for distribution was set on July 7, 2023, and the dividend should be distributed on July 26, 2023. 2.The stock dividend distribution was NT\$0.15 per share. The record dates for distribution and the capital increase were both set on August 19, 2023. The application for change of the registration of paid-in capital has been filed with the Ministry of Economic Affairs as required. 3.The shares issued upon capital increase were already distributed and traded on October 2, 2023.

2. 11th meeting of the 9th Board of Directors on February 1, 2023

- (1) Approved the assessment on independence of Yuanta FHC's independent auditors, audit quality indicators, and appointment of and remuneration to the independent auditors in 2023.

3. 12th meeting of the 9th Board of Directors on March 15, 2023

- (1) Approved Yuanta FHC's consolidated financial statements 2022.
- (2) Approved Yuanta FHC's 2022 earnings appropriation.

- (3) Approved Yuanta FHC's issuance of new shares upon capital increase from earnings 2022.
- (4) Approved the amendments to certain articles of the "Yuanta Financial Holding Co., Ltd. Articles of Association."
- (5) Approved the amendments to certain provisions of the "Yuanta FHC Organization Regulations of Audit Committee."
- (6) Approved the amendments to certain provisions of the "Yuanta FHC Risk Management Policy," and abolishment of "Yuanta FHC Regulations Governing Establishment of Risk Management Commission."
- (7) Approved the establishment of the "Yuanta FHC Organization Regulations of Risk Management Commission."
- (8) Approved the election of the Risk Management Committee Members of Yuanta FHC's 9th Board of Directors.
- (9) Approved organization of the general shareholders' meeting 2023 at 9:00AM on June 9, 2023 (Friday).
- (10) Approved the allocation of remuneration to directors 2022.
- (11) Approved the allocation of remuneration to employees 2022.
4. 13th meeting of the 9th Board of Directors on March 29, 2023
 - (1) Approved Yuanta FHC's 2022 Statement on Internal Control System
 - (2) Approved the amendments to certain provisions of the "Yuanta FHC Procedures for Ethical Management and Guidelines for Conduct."
 - (3) Approved the amendments to certain provisions of the "Yuanta FHC Corporate Governance Best-Practice Principles."
 - (4) Approved the amendments to the "2021–2025 Group Sustainable Development Strategy Roadmap" of Yuanta FHC.
5. 14th meeting of the 9th Board of Directors on April 26, 2023
 - (1) Approved the proposal for total budget of the interior decoration design and construction of the headquarters building of Yuanta Bank is submitted accordingly.
6. 15th meeting of the 9th Board of Directors on May 22, 2023
 - (1) Approved Yuanta FHC's consolidated financial statements Q1 of 2023.
7. 16th meeting of the 9th Board of Directors on June 28, 2023
 - (1) Approved the issuance of Yuanta FHC's "unsecured common corporate bonds."
 - (2) Approved the amendments to certain provisions of the "Yuanta FHC Sustainable Finance Guidelines."
 - (3) Approved the establishment of the "Yuanta FHC Inclusive Financing Policy."
 - (4) Approved the allocation of remuneration to managers 2022.
8. 17th meeting of the 9th Board of Directors on July 26, 2023
 - (1) For Yuanta FHC's issuance of new shares upon capital increase from earnings in 2022 and determination of the record date for distribution of stock dividends and record date for issuance of new shares upon capital increase, etc.
 - (2) Approved the lease agreement on certain floors of the "Head Office Building at No. 157, Section 3, Ren'ai Road, Daan District, Taipei City" to be

executed with the stakeholder, Yuanta Bank.

9. 18th meeting of the 9th Board of Directors on August 23, 2023
 - (1) Approved Yuanta FHC’s consolidated financial statements Q2 of 2023.
 - (2) Approved the amendments to certain provisions of the “Yuanta FHC Corporate Governance Best-Practice Principles.”
 - (3) Approved the proposal for raising the total budget for the construction project of Yuanta Financial Plaza at the subsidiary, Yuanta Bank.
10. 20th meeting of the 9th Board of Directors on October 25, 2023
 - (1) Approved the proposal to increase the construction work budget for the “Nanjing Fuxing Urban Renewal Project” in which the five subsidiaries including Yuanta Securities reported to participate jointly.
 - (2) Approved the regular review of and amendments to certain provisions of the “Regulations Governing Performance Appraisal on Board of Directors and Functional Committees of Yuanta FHC.”
11. 21st meeting of the 9th Board of Directors on November 21, 2023
 - (1) Approved Yuanta FHC’s consolidated financial statements Q3 of 2023.
12. 22nd meeting of the 9th Board of Directors on December 27, 2023
 - (1) Approved the establishment of the “Yuanta FHC Regulations Governing Asset and Liability Matching Risk Management.”
 - (2) Approved the proposal for adjusting the lease contract on Yuanta Financial Plaza executed between Yuanta FHC and Yuanta Commercial Bank Co., Ltd.
13. 23rd meeting of the 9th Board of Directors on January 31, 2024.
 - (1) Approved the assessment on independence of Yuanta FHC’s independent auditors, audit quality indicators, and appointment of and remuneration to the independent auditors in 2024.

(XV) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of this annual report: None.

(XVI) Summary of resignation or dismissal of personnel (including the Chairman, president, financial manager, accounting manager and internal audit manager and chief corporate governance officer) who are involved with the Company’s financial statements during the most recent year and up to the date of publication of this annual report:

Title	Name	Inauguration date	Date of dismissal	Reasons for resignation or dismissal
Internal Audit officer	Ming Hsiu Tsai	2016.08.10	2023.08.04	Change of position
Internal Audit officer	Su Ching Weng	2023.08.04		Newly elected

V. Certified Public Accountant Fee Information

Unit: NT\$1,000

Accounting firm name	Name of accountant	Audit period	Audit Fee	Non-Audit Fees	Total	Remarks
PwC Taiwan	Puo-Ju Kuo	January 2023 ~ December 2023	6,370	6,132	12,502	The non-audit fees were primarily paid for the “Profit-Seeking Business Income Tax Audit & Certification and Linked Filing of business Income Tax Returns 2023” services, “DJSI Project” consulting services, “ESG Report” consulting services, “Anti-tax Avoidance System and the Global Minimum Tax System” consulting service, “Information Security Health Checkup and Information Security Management Operations” services, “the Group’s major information security incident reporting and response drill” services and “ISMS Revision and Optimization” services, etc.
	Chien Hung Chou					

Note 1 : If there is any change of CPA or CPA firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column. Any audit and non-audit fee paid to CPAs should also be disclosed separately. Details of services rendered based on the non-audit fees must be specified in the remarks column.

Note 2 : If a change of CPA firm results in a lower audit fee for that year compared to the previous year, please disclose the amount of audit fees before and after the change, and causes thereof: None.

Note 3 : If the audit fee is reduced by more than 10% from the previous year, please disclose the reduction in the audit fees, and percentages and causes thereof: None.

VI. Information about replacement of CPAs: None

VII. Name of Auditing Firm or Its Affiliates at Which the Company’s Chairman, President, or Managers Responsible for Financial or Accounting Matters Was an Employee over the Past Year, His/Her Position and Employment Period: None.

VIII. Equity Changes, Transfers, and Pledges of Directors, Managers and Major Shareholders

(I) Changes in equity of directors, managers and major shareholders

Title	Name	2023		Ending January 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Ting Chien Shen (Tony)	83,188	0	0	0
Director	Wei Chen Ma (Michael)	0	0	0	0
Director (same person or same affiliated person)	Representative of Tsun Chueh Investment Co., Ltd.: Daniel Y.M. Song	6,639,634	0	0	0
Director (same person or same affiliated person)	Representative of Tsun Chueh Investment Co., Ltd.: Chung Yuan Chen				
Director (same person or same affiliated person)	Representative of Modern Investment Co., Ltd.: Chien Weng	1,969,026	0	0	0
Independent Director	Ming Ling Hsueh	0	0	0	0
Independent Director	Kuang Si Shiu	0	0	0	0
Independent Director	Hsing Yi Chow	0	0	0	0
Independent Director	Sharon S. Yang	0	0	0	0
President	Chien Weng	31,023	0	0	0
Auditor-General	Su Ching Weng (newly elected on August 4, 2023)	928	0	0	0
Executive Vice President	Hsuan Min Kuo	7,081	0	0	0
Executive Vice President	Wei Cherng Hwang (Bobby) (newly elected on October 1, 2023)	0	0	0	0
Senior Vice President	Lawrence Lee	2,927	0	0	0
Senior Vice President	Mei Ling Kuo	40,538	0	0	0
Senior Vice President	Hsiao Ling Chou	15,017	0	0	0
Senior Vice President	Wen Ching Chiu	4,663	0	0	0
Senior Vice President	Hsu Shu Mai	14,934	0	0	0
Senior Vice President	Robert C.S. Yang	4,508	0	0	0

Title	Name	2023		Ending January 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Senior Vice President	Ming Lang Liu	10,434	0	0	0
Senior Vice President	Hui Jung Lu	4,396	0	0	0
Senior Vice President	Allen Wu	12,420	0	0	0
Senior Vice President	Yann Deun Deng (newly elected on April 1, 2023)	0	0	0	0
Senior Vice President	Chieh Wu (resigned on August 1, 2023; on board since January 1, 2024)	0	0	0	0
Senior Vice President	Sophia Chang	7,200	0	0	0
Senior Vice President	Chih Peng Lo (newly elected on January 2, 2024)	0	0	0	0
Vice President	Chi Wei Lai (newly elected on August 1, 2023)	966	0	0	0
Vice President	Fang Ming Lo	797	0	0	0
Vice President	Yung Chu Su	397	0	0	0
Vice President	Chi Jung Huang	2,919	0	0	0
Vice President	Ching Fang Lin (newly elected on August 1, 2023)	3,509	0	0	0
Vice President	Yi Wen Ma	2,755	0	0	0
Vice President	Wei Chen Chang	1,677	0	0	0
Vice President	Yi Cheng Liao	772	0	0	0
Vice President	Feng Hsiang Kuo (newly elected on November 1, 2023)	0	0	0	0
Senior Assistant Vice President	Po Ching Li	6,812	0	0	0
Senior Assistant Vice President	Hsien Chun Li	864	0	0	0
Senior Assistant Vice President	Ho Hsing Pan	37	0	0	0
Senior Assistant Vice President	Po Yi Wu	92	0	0	0
Senior Assistant Vice President	Yang Chia Huang (newly elected on June 13, 2023)	0	0	0	0
Assistant Vice President	Chien Wen Chen (newly elected on July 1, 2023)	363	0	0	0
Assistant Vice President	Yu-Chin Tsao	0	0	0	0
Assistant Vice President	Chia Hui Lin	0	0	0	0
Assistant Vice President	Tzu Miao Chen	38	0	0	0

Title	Name	2023		Ending January 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Assistant Vice President	Fu Mei Chen	83	0	0	0
Assistant Vice President	Yu Ling Chu	0	0	0	0
Assistant Vice President	Hui Wei Tsai	0	0	0	0
Assistant Vice President	Yi Ju Wei	36	0	0	0
Assistant Vice President	Hsuan Feng Tien	14	0	0	0
Assistant Vice President	Hsiao Ching Chao	160	0	0	0
Assistant Vice President	Chao Chih Chang	77	0	0	0
Assistant Vice President	Hsin Yi Kuo (newly elected on September 1, 2023)	0	0	0	0
Assistant Vice President	Hung Chou Chen (newly elected on September 1, 2023)	0	0	0	0
Assistant Vice President	Chiung Shu Lin (newly elected on January 1, 2024)	0	0	0	0
Professional Senior Assistant Vice President	Li Yun Chen	2,451	0	0	0
Professional Senior Assistant Vice President	Sheng Hui Yang	1,500	0	0	0
Professional Senior Assistant Vice President	Shih Huan Chang	6,075	0	0	0
Professional Senior Assistant Vice President	Shu Ling Chen	12	0	0	0
Professional Senior Assistant Vice President	Chen Chun Lin	1,482	0	0	0
Professional Senior Assistant Vice President	Chen Hsing Huang	182	0	0	0
Professional Senior Assistant Vice President	Wei Ching Chien	264	0	0	0
Professional Assistant Vice President	Ming Ju Li	92	0	0	0

Title	Name	2023		Ending January 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Professional Assistant Vice President	Ko Le Wei	144	0	0	0
Professional Assistant Vice President	Su Fen Chao	270	0	0	0
Professional Assistant Vice President	Hui Ling Chou	4	0	0	0
Professional Assistant Vice President	Chung Yu Tseng	0	0	0	0
Professional Assistant Vice President	Yu Tzu Chen	934	0	0	0
Professional Assistant Vice President	Hui Ying Lin	19	0	0	0
Professional Assistant Vice President	YU WEI WANG (newly elected on September 1, 2023)	0	0	0	0
Professional Assistant Vice President	Harding James (newly elected January 1, 2024)	0	0	0	0
Same person or same affiliated person	Yu Yang Investment Co., Ltd.	4,051,638	0	0	0
Same person or same affiliated person	Yuan Hung Investment Co., Ltd.	5,479,444	0	0	0
Same person or same affiliated person	Lian Ta Investment Co., Ltd.	3,352,004	0	0	0
Same person or same affiliated person	Yuan Hsiang Investment Co., Ltd.	5,411,784	24,000,000	0	0
Same person or same affiliated person	Teng Ta Investment Co., Ltd.	3,816,736	0	0	0
Same person or same affiliated person	Hsing Tsai Investment Co., Ltd.	1,118,161	0	0	0
Same person or same affiliated person	Lien Heng Investment Co., Ltd.	1,990,092	0	0	0

Title	Name	2023		Ending January 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Same person or same affiliated person	Chih Fu International Co., Ltd.	2,508,807	0	0	0
Same person or same affiliated person	Chiu Ta Investment Co., Ltd.	2,076,818	0	0	0
Same person or same affiliated person	Yuanta Construction Development Co., Ltd.	0	0	0	0
Same person or same affiliated person	Hui Tung Investment Co., Ltd.	0	0	0	0
Former Auditor-General	Ming Hsiu Tsai (resigned on August 4, 2023)	0	0	0	0
Former Vice President	Pei Yu Chen (resigned on July 1, 2023)	0	0	0	0
Former Assistant Vice President	Shu Min Li (resigned on February 1, 2023)	0	0	0	0
Former Assistant Vice President	Yung Chi Wang (newly elected on February 1, 2023; resigned on April 1, 2023)	0	0	0	0
Former Assistant Vice President	An Ting Cheng (resigned on June 1, 2023)	0	0	0	0
Former Assistant Vice President	I Chen Hung (resigned on August 1, 2023)	0	0	0	0
Former Professional Senior Assistant Vice President	Hsiu Ling Chung (resigned on July 1, 2023)	0	0	0	0
Former Professional Senior Assistant Vice President	Li Jen Lin (resigned on August 1, 2023)	0	0	0	0

(II) Equity transfer information: None.

(III) Equity pledge information: None.

IX. Information of the Top Ten Shareholders Being Related Parties

As of April 9, 2024

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Shareholding using other's name		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and Name relationships		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Representative of Tsun Chueh Investment Co., Ltd.: Chen Kuo Huang	449,281,915	3.54%	—	—	—	—	Yu Yang Investment Co., Ltd.	1. Tsun Chueh Investment Co., Ltd. and Yu Yang Investment Co., Ltd. constitute a parent company and subsidiary respectively. 2. The same person serves as chairman of both companies.	—
Representative of HO JIA Investment Co., Ltd.: Chen Hai Lin	421,643,324	3.32%	—	—	—	—	—	—	—
Representative of Yuan Hung Investment Co., Ltd.: Chun Jin Du	370,775,712	2.92%	—	—	—	—	—	—	—
Representative of Yuan Hsiang Investment Co., Ltd.: Yung Tsang Lin	366,197,406	2.89%	—	—	—	—	—	—	—
Singapore Government's investment account held in custody by Citibank (Taiwan)	363,232,181	2.86%	—	—	—	—	—	—	—
Trust property account held in custody by Yuanta Bank	340,591,790	2.68%	—	—	—	—	—	—	—
Representative of Bank of Taiwan: Chu Cheng Lu	285,570,538	2.25%	—	—	—	—	—	—	—
Representative of Yu Yang Investment Co., Ltd.: Chen Kuo Huang	274,160,892	2.16%	—	—	—	—	Tsun Chueh Investment Co., Ltd.	1. Tsun Chueh Investment Co., Ltd. and Yu Yang Investment Co., Ltd. constitute a parent company and subsidiary respectively. 2. The same person serves as chairman of both companies.	—
Representative of Fubon Life Insurance Co., Ltd.: Howard Lin	272,314,000	2.15%	—	—	—	—	—	—	—
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF's trust fund account held in custody by Taishin International Bank	262,692,294	2.07%	—	—	—	—	—	—	—

Note : 1.Data relating to the top ten shareholders are based on those as of the latest book closure date (04/09/2024).

2.The Company has a total of 12,689,082,377 shares outstanding (including common stock and preferred stock) on the data baseline date (04/09/2024).

X. Total Shareholding Ratio in Each Invested Enterprise

Units: 1,000 shares; %
As of January 31, 2024

Invested enterprise	Investment made by the company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Yuanta Securities	6,592,453	100	-	-	6,592,453	100
Yuanta Bank	7,394,039	100	-	-	7,394,039	100
Yuanta Life	2,373,570	100	-	-	2,373,570	100
Yuanta Securities Investment Trust	169,538	74.71	16	0.01	169,554	74.72
Yuanta Futures	192,167	66.27	81	0.03	192,248	66.30
Yuanta Venture Capital	271,522	100	-	-	271,522	100
Yuanta Asset Management	334,614	100	-	-	334,614	100
Yuanta Securities Investment Consulting	10,000	100	-	-	10,000	100

Note : Investees of Yuanta FHC

Four. Financing Status

I. Corporate Capital and Shares

(I) Types of share

Unit: shares
As of January 31, 2024

Types of share	Authorized capital stock		
	Outstanding shares	Unissued shares	Total
Common stock	12,689,082,377	5,310,917,623	18,000,000,000

Note : The outstanding common stock totaled 12,689,082 thousand shares on December 31, 2023.

(II) Equity Capital sources

Unit: shares, NT\$

Date	Issue price	Authorized capital stock	Paid-in capital		Remarks	
		Amount	Shares	Amount	Equity Capital sources	Others
2002.02	\$10	50,000,000,000	2,091,000,000	20,910,000,000	1,470,000,000 shares of Fuhwa Securities Finance (renamed Yuanta Securities Finance) common stock and 621,000,000 shares of Fuhwa Securities (renamed Yuanta Securities) common stock were converted into shares of Fuhwa Financial Holdings (renamed Yuanta FHC)	Note 1
2002.08	\$10	50,000,000,000	2,964,477,742	29,644,777,420	873,477,742 new shares were issued for swapping 1,211,513,628 shares of common stock of Asia -Pacific Bank (renamed Yuanta Bank)	Note 2
2002.09	\$10	50,000,000,000	2,939,829,359	29,398,293,590	Fuhwa Financial Holdings (renamed Yuanta FHC) simultaneously reduced capital by 24,648,383 shares in conjunction with the annulment by Fuhwa Securities (renamed Yuanta Securities) of shares held by dissenting shareholders	Note 3
2002.12	\$10	50,000,000,000	2,826,829,359	28,268,293,590	Annulment of a total of 113,000,000 shares of treasury stock from the 3rd, 4th and 5th buybacks by Fuhwa Financial Holdings (renamed Yuanta FHC)	Note 4
2003.08	\$10	50,000,000,000	2,894,444,460	28,944,444,600	Capital increase of 67,615,101 shares out of additional paid-in capital	Note 5
2004.09	\$10	50,000,000,000	3,006,444,460	30,064,444,600	Capital increase of 40,000,000 shares out of additional paid-in capital and capital increase of 72,000,000 shares out of earnings	Note 6
2005.09	\$10	50,000,000,000	3,161,761,593	31,617,615,930	Capital increase of 155,317,133 shares out of earnings	Note 7
2007.04	\$10	100,000,000,000	8,312,114,476	83,121,144,760	Capital increase through issue of 5,150,352,883 new shares and swap with all shares of Yuanta Core Pacific Securities	Note 8
2008.01	\$10	100,000,000,000	8,353,043,686	83,530,436,860	Application for conversion of overseas convertible corporate bonds to 40,929,210 shares of common stock	Note 9
2008.12	\$10	100,000,000,000	8,102,105,686	81,021,056,860	Annulment of 250,938,000 shares of treasury stock from the 11th and 12th buybacks	Note 10

Date	Issue price	Authorized capital stock	Paid-in capital		Remarks	
		Amount	Shares	Amount	Equity Capital sources	Others
2011.01	\$10	100,000,000,000	8,102,610,736	81,026,107,360	Application for conversion of 1st domestic unsecured convertible bonds application to 505,050 shares of common stock	Note 11
2011.08	\$10	100,000,000,000	8,845,471,060	88,454,710,600	Capital increase of 742,860,324 shares out of earnings	Note 12
2011.10	\$10	125,000,000,000	10,016,310,506	100,163,105,060	Capital increase through issue of 1,170,839,446 new shares and swap with all shares of Polaris Securities	Note 13
2012.03	\$10	125,000,000,000	10,016,210,506	100,162,105,060	Annulment of 100,000 shares of treasury stock from 15th buyback	Note 14
2013.03	\$10	125,000,000,000	9,897,335,506	98,973,335,060	Annulment of 118,875,000 shares of treasury stock from 16th buyback	Note 15
2013.04	\$10	125,000,000,000	9,893,723,506	98,937,235,060	Annulment of 3,612,000 shares of treasury stock from 14th buyback	Note 16
2014.09	\$10	125,000,000,000	10,141,066,594	101,410,665,940	Capital increase of 247,343,088 shares out of earnings	Note 17
2015.08	\$10	125,000,000,000	10,439,151,709	104,391,517,090	Application for conversion of 1st domestic unsecured convertible bonds application to 298,085,115 shares of common stock	Note 18
2015.09	\$10	125,000,000,000	10,712,960,508	107,129,605,080	Capital increase of 273,808,799 shares out of earnings	Note 19
2016.03	\$10	125,000,000,000	12,098,647,753	120,986,477,530	Capital increase through issue of 1,385,687,245 new shares and swap with all shares of Ta Chong Bank	Note 20
2017.11	\$10	125,000,000,000	11,989,197,456	119,891,974,560	Annulment of 109,450,297 shares of treasury stock upon capital reduction	Note 21
2018.01	\$10	125,000,000,000	11,889,197,456	118,891,974,560	Annulment of 100,000,000 shares of Class A preferred stock upon capital reduction	Note 22
2018.03	\$10	125,000,000,000	11,820,232,456	118,202,324,560	Annulment of 68,965,000 shares from 17th buyback of treasury stock upon capital reduction	Note 23
2018.08	\$10	125,000,000,000	11,686,232,456	116,862,324,560	Annulment of 134,000,000 shares from 18th buyback of treasury stock upon capital reduction	Note 24
2019.10	\$10	125,000,000,000	11,670,611,456	116,706,114,560	Annulment of 15,621,000 shares of treasury stock upon capital reduction	Note 25
2020.02	\$10	180,000,000,000	11,670,611,456	116,706,114,560	Increase authorized capital	Note 26
2020.09	\$10	180,000,000,000	12,137,435,914	121,374,359,140	Capital increase of 466,824,458 shares out of earnings	Note 27
2022.08	\$10	180,000,000,000	12,501,558,992	125,015,589,920	Capital increase of 364,123,078 shares out of earnings	Note 28
112.08	\$10	180,000,000,000	12,689,082,377	126,890,823,770	Capital increase of 187,523,385 shares out of earnings	Note 29

Note 1 : (2001) Tai -Tsai -Cheng -(4) -Zi No. 175847, December 31, 2001.

Note 2 : (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910135271, July 2, 2002.

Note 3 : (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910004872, September 19, 2002.

Note 4 : (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910164534, December 6, 2002.

Note 5 : (2003) Tai -Tsai -Cheng -(4) -Zi No. 0920129910, July 4, 2003.

Note 6 : (2004) Tai -Tsai -Cheng -(4) -Zi No. 0930128919, June 30, 2004.

Note 7 : (2005) Jin -Guan -Cheng -(1) -Zi No. 0940130318, August 2, 2005.

Note 8 : (2007) Jin -Guan -Yin -(6) -Zi No. 09600022230, March 8, 2007.

Note 9 : Jing -Shou -Shang -Zi No. 09601321150, January 3, 2008.

Note 10 : Jing -Shou -Shang -Zi No. 09701313360, December 11, 2008.

Note 11 : Jing -Shou -Shang -Zi No. 10001094810, May 11, 2011.

Note 12 : Jing -Shou -Shang -Zi No. 10001213110, September 15, 2011.
Note 13 : Jing -Shou -Shang -Zi No. 10001213120, October 3, 2011.
Note 14 : Jing -Shou -Shang -Zi No. 10101064400, April 12, 2012.
Note 15 : Jing -Shou -Shang -Zi No. 10201064760, April 18, 2013.
Note 16 : Jing -Shou -Shang -Zi No. 10201087760, May 14, 2013.
Note 17 : Jing -Shou -Shang -Zi No. 10301189720, September 11, 2014.
Note 18 : Jing -Shou -Shang -Zi No. 10401171690, August 19, 2015.
Note 19 : Jing -Shou -Shang -Zi No. 10401192360, September 14, 2015.
Note 20 : Jing -Shou -Shang -Zi No. 10501039430, March 22, 2016.
Note 21 : Jing -Shou -Shang -Zi No. 10601154740, November 13, 2017.
Note 22 : Jing -Shou -Shang -Zi No. 10701001940, January 31, 2018.
Note 23 : Jing -Shou -Shang -Zi No. 10701032810, March 27, 2018.
Note 24 : Jing -Shou -Shang -Zi No. 10701102930, August 13, 2018.
Note 25 : Jing -Shou -Shang -Zi No. 10801146050, October 25, 2019.
Note 26 : Jing -Shou -Shang -Zi No. 10901018360, February 20, 2020.
Note 27 : Jing -Shou -Shang -Zi No. 10901171110, September 21, 2020.
Note 28 : Jing -Shou -Shang -Zi No. 11101168720, August 29, 2022.
Note 29 : Jing -Shou -Shang -Zi No. 11230171960, September 14, 2023.

(III) Shareholder structure

Face value \$10 per share

As of April 9, 2024

Shareholder structure Quantity	Government agencies	Financial institutions	Other institutions	Individuals	Foreign Institute and others	Total
Persons	12	24	1,203	434,169	1,654	437,062
Shares held	294,550,241	1,112,696,207	5,099,412,188	2,723,544,649	3,458,879,092	12,689,082,377
Shareholding ratio	2.32%	8.77%	40.19%	21.46%	27.26%	100%

Note 1 : The data were based on the latest book closure date (04/09/2024).

Note 2 : The Company has a total of 12,689,082,377 shares outstanding (including common stock and preferred stock) on the data baseline date (04/09/2024).

(IV) Distribution of equity

Face value \$10 per share

As of April 9, 2024

Shareholding category	Number of shareholders	Shares held	Shareholding ratio
1 to 999	165,524	30,290,419	0.24%
1,000 to 5,000	174,909	365,620,885	2.88%
5,001 to 10,000	43,851	295,508,137	2.33%
10,001 to 15,000	21,094	248,897,764	1.96%
15,001 to 20,000	7,880	135,481,683	1.07%
20,001 to 30,000	9,050	215,362,891	1.70%
30,001 to 40,000	4,150	141,729,906	1.12%
40,001 to 50,000	2,202	98,010,449	0.77%
50,001 to 100,000	4,398	295,719,960	2.33%
100,001 to 200,000	2,003	267,388,474	2.11%
200,001 to 400,000	871	237,135,655	1.87%
400,001 to 600,000	284	138,274,373	1.09%
600,001 to 800,000	149	101,966,787	0.80%
800,001 to 1,000,000	91	81,120,387	0.64%
Over 1,000,001	606	10,036,574,607	79.09%
Total	437,062	12,689,082,377	100%

Note 1 : The data were based on the latest book closure date (04/09/2024).

Note 2 : The Company has a total of 12,689,082,377 shares outstanding (including common stock and preferred stock) on the data baseline date (04/09/2024).

(V) List of major shareholders (top ten shareholders)

As of April 9, 2024

Major Shareholders	Shares	Shares held	Shareholding ratio
Tsun Chueh Investment Co., Ltd.		449,281,915	3.54%
HO JIA Investment Co., Ltd.		421,643,324	3.32%
Yuan Hung Investment Co., Ltd.		370,775,712	2.92%
Yuan Hsiang Investment Co., Ltd.		366,197,406	2.89%
Singapore Government's investment account held in custody by Citibank (Taiwan)		363,232,181	2.86%
Trust property account held in custody by Yuanta Bank		340,591,790	2.68%
Bank of Taiwan		285,570,538	2.25%
Yu Yang Investment Co., Ltd.		274,160,892	2.16%
Fubon Life Insurance Co., Ltd.		272,314,000	2.15%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF's trust fund account held in custody by Taishin International Bank		262,692,294	2.07%

Key shareholders of major institutional shareholders

As of April 9, 2024

Institutional shareholder	Major shareholders of institutional shareholders
Tsun Chueh Investment Co., Ltd.	Teng Ta Investment Co., Ltd. 19.69%, Lian Ta Investment Co., Ltd. 19.84%, Chiu Ta Investment Co., Ltd. 18.36%, Lien Heng Investment Co., Ltd. 18.92%, Hsing Tsai Investment Co., Ltd. 10.23%. Victor Ma 12.96%
HO JIA Investment Co., Ltd.	Chen Hai Lin 50%, Shu Chiung Tseng 50%
Yuan Hung Investment Co., Ltd.	Megariches Investments Limited 45.88%, Lien Heng Investment Co., Ltd. 33.74%, Teng Ta Investment Co., Ltd. 15.38%, Judy Tu 5.00%
Yuan Hsiang Investment Co., Ltd.	Lian Ta Investment Co., Ltd. 44.38%, Lien Heng Investment Co., Ltd. 19.00%, Teng Ta Investment Co., Ltd. 18.69%, Chiu Ta Investment Co., Ltd. 9.96%, Michael Ma 5.01%, Hsing Tsai Investment Co., Ltd. 2.96%
Singapore Government's investment account held in custody by Citibank (Taiwan)	N/A
Trust property account held in custody by Yuanta Bank	N/A
Bank of Taiwan	Taiwan Financial Holdings 100%
Yu Yang Investment Co., Ltd.	Tsun Chueh Investment Co., Ltd. 100%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd. 100%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF's trust fund account held in custody by Taishin International Bank	N/A

(VI) Market value, net value, earnings, and dividends per share during the most recent two years

Item		Year			
		2022	2023	Ending January 31, 2024	
Market price per share (Note 1)	Highest	27.25	27.60	27.85	
	Lowest	18.70	21.40	25.70	
	Average	22.63	24.02	26.68	
Net worth per share (Note 2)	Before distribution	20.51	22.62	(Note 9)	
	After distribution	19.71	(Note 8)	(Note 9)	
EPS	Weighted average number of shares (1,000 shares)		12,501,559	12,689,082	(Note 9)
	EPS (Note 3)	Before adjustment	1.72	2.09	(Note 9)
		After adjustment	1.69	(Note 8)	(Note 9)
Dividends per share	Cash dividend		0.80	(Note 8)	(Note 9)
	Stock dividends	Out of earnings	0.15	(Note 8)	(Note 9)
		Out of additional paid - in capital	—	(Note 8)	(Note 9)
	Accumulated, unpaid dividends (Note 4)		—	—	—
ROI analysis	P/E ratio (Note 5)		13.16	11.49	(Note 9)
	P/D ratio (Note 6)		28.29	(Note 8)	(Note 9)
	Cash dividend yield (Note 7)		0.04	(Note 8)	(Note 9)

※ If shares are distributed in connection with a capital increase out of earnings or capital reserve, please also disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1 : Please identify the highest and lowest market price per share of common stock for each fiscal year and calculate each fiscal year's average market price.

Note 2 : Please apply the number of the outstanding issued shares at year -end as the basis and specify it based on the distribution resolved by shareholders' meeting of the following year.

Note 3 : If retrospective adjustment is required due to circumstances such as gratuitous allotment, the earnings per share before and after adjustment shall be shown.

Note 4 : If the conditions for the issuance of equity securities stipulate that the unpaid dividends in the current year can be accumulated until the surplus is distributed in the year, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note 5 : P/E ratio = Average closing price per share for the year/Earnings per share.

Note 6 : P/D ratio = Average closing price per share during the current fiscal year/Cash dividend per share.

Note 7 : Cash dividend yield = Cash dividend per share/Average closing price per share for the current year.

Note 8 : Distribution of earnings in 2023 had not yet been resolved by the shareholders' meeting up to the date of publication of this annual report.

Note 9 : Not applicable to 2024 reporting.

(VII) Dividend policy and implementation

1. Company dividend policy:

If Yuanta FHC has a profit at the year's final accounting, it shall first pay profit seeking-enterprise income tax and make up any losses from past years, and then make contributions to the statutory reserve and provide or reverse special reserve in accordance with law. The Board shall draft a distribution proposal for the remaining balance together with undistributed earnings from past years. The distribution of shareholder bonuses shall be implemented upon resolution of the shareholders' meeting.

Where said statutory reserve amounts to Yuanta FHC's total paid-in capital, it is not necessary to provide such reserves again.

In order to continue expanding scale and increasing profitability, Yuanta FHC adopted a residual dividend policy in accordance with its long-term financial planning and the relevant laws and regulations. According to the dividend allocation principle, allocable earnings are determined based on the earnings at the end of the fiscal year, if any, in the manner referred to in the preceding Article, and the working capital required by Yuanta FHC's operations is reserved from the allocable earnings according to Yuanta FHC's operational planning. The remainder, if any, shall be allocated as cash dividend, provided that the cash dividend shall be no less than 40% of the allocable earnings of that year.

2. Implementation: The company's 2023 earnings distribution is calculated based on about 62.09% of the current year's after-tax earnings. Yuanta FHC plans to distribute a cash dividend of NT\$1.10 per share of Company stock. The total amount of cash dividends distributed to shareholders was about NT\$13.958 billion, the total stock dividend is 253,781,648 shares. This distribution proposal is yet to be passed by the shareholders meeting.

(VIII) The effects of stock grants proposed at this shareholders' meeting on business performance and EPS: N/A, as the Company did not publish 2024 financial forecast.

(IX) Employee and directors' remuneration

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in Yuanta FHC's Articles of Incorporation:

According to Yuanta FHC's Articles of Incorporation, if Yuanta FHC has profit at the year's final accounting (namely, the earnings before tax prior to deduction of remuneration to employees and directors), it shall reserve the amount sufficient to cover accumulated losses, if any. The remuneration to employees is allocated at the range from 0.01% to 0.5%, and the remuneration to directors no more than 0.9%, from the remainder, if any. The distribution of employee remuneration and directors' remuneration shall be handled in accordance with the relevant payment standards formulate by the board of directors. When the remuneration to employee is distributed in the form of stock or in cash, it shall also be distributed to employees of affiliated companies that meet certain conditions.

The certain conditions referred to in the preceding paragraph shall be decided by the Board of Directors.

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

The remuneration to employees/directors was estimated based on Yuanta FHC's profit (namely, the earnings before tax prior to distribution of the remuneration to employees and directors) minus accumulated losses, multiplying by the allocation ratio referred to in Yuanta FHC's Articles of Incorporation. If there is any discrepancy between the amount allocated actually and the estimated amount for the fiscal year, it shall be identified as a change in estimation and stated as the income for next year.

3. The motion for allocation of remuneration passed by the Board of Directors:
 - (1) Remuneration to employees and directors allocated in cash or in the form of stock bonus:

Yuanta FHC's Board of Directors resolved to allocate the remuneration to employees, NT\$4,631,225, and the remuneration to directors, NT\$215,186,208, both in cash in 2023.
 - (2) Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity financial statement for the current period: N/A.
4. Actual allocation of remuneration to employees and directors in the previous year:

Yuanta FHC's allocation of earnings as the remuneration to employees and directors for 2022 as approved by the Board of Directors and reported to the shareholders' meeting did not differ from the allocation proposed by the Board of Directors. Specifically, NT\$4,260,969 was allocated as the remuneration to employees and NT\$173,796,250 as the remuneration to directors.

(X) Financial holding company's buyback of company shares: None.

II. Corporate Bonds

(I) Corporate bonds issued and outstanding

As of January 31, 2023

Bond type	2018 1st unsecured corporate bonds	2020 1st unsecured corporate bonds	2022 1st unsecured corporate bonds	2022 2nd unsecured corporate bonds	2023 1st unsecured corporate bonds
Date issued	July 20, 2018	January 15, 2021	April 19, 2022	October 6, 2022	November 6, 2023
Face value	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Place of issuance and exchange (Note)	N/A	N/A	N/A	N/A	N/A
Issue price	The corporate bond is issued at full face value	The corporate bond is issued at full face value	The corporate bond is issued at full face value	The corporate bond is issued at full face value	The corporate bond is issued at full face value
Total	NT\$10 billion. Of which: Class A bonds: NT\$1.5 billion. Class B bonds: NT\$8.5 billion.	NT\$5 billion.	NT\$5.3 billion.	NT\$8.2 billion	NT\$6.6 billion. Of which: Class A bonds: NT\$1.85 billion. Class B bonds: NT\$4.75 billion.
Interest rate	Class A bonds: Annual coupon rate of 0.86%. Class B bonds: Annual coupon rate of 0.96%.	Annual coupon rate of 0.59%.	Annual coupon rate of 0.85%.	Annual coupon rate of 1.55%.	Class A bonds: Annual coupon rate of 1.65%. Class B bonds: Annual coupon rate of 1.80%.
Duration	Class A bonds: Term: 5 years Class B bonds: Term: 7 years	Term: Ten years	Term: Five years	Term: Five years	Class A bonds: Term: 5 years Class B bonds: Term: 10 years
Priority of repayment	N/A	N/A	N/A	N/A	N/A
Guaranteeing institution	None	None	None	None	None
Trustee	Cathay United Bank	Taipei Fubon Bank	Taipei Fubon Bank	Taipei Fubon Bank	BANK SINOPAC
Underwriting institution	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.

Bond type	2018	2020	2022	2022	2023
1st unsecured corporate bonds	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm
Certifying attorney	PwC Taiwan	PwC Taiwan	PwC Taiwan	PwC Taiwan	PwC Taiwan
Independent auditing firm	1. Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT\$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT\$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity.	1. Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT\$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT\$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity.	1. Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT\$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT\$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity.	1. Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT\$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT\$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity.	1. Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT\$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT\$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity.
Repayment method	2. Principal repayment method: Principal for the Type-A bonds shall be repaid in full at maturity since the date	2. Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity since the date	2. Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity since the date	2. Principal repayment method: Principal for the corporate bonds shall be repaid by 50% in the fourth and fifth	2. Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity since the date

Bond type	2018 1st unsecured corporate bonds	2020 1st unsecured corporate bonds	2022 1st unsecured corporate bonds	2022 2nd unsecured corporate bonds	2023 1st unsecured corporate bonds
	of issuance; principle for the Type-B bonds shall be repaid by 50% in 6th and 7th years respectively since the date of issuance.	of issuance.	of issuance.	years upon maturity, respectively, since the date of issuance.	of issuance of the bonds.
Outstanding principal balance	NT\$8.5 billion.	NT\$5 billion.	NT\$5.3 billion.	NT\$8.2 billion	NT\$6.6 billion.
Terms for redemption or early repayment	None	None	None	None	None
Restrictive terms	None	None	None	None	None
Whether included in qualifying capital	No	No	No	No	No
Name of credit rating organization, rating date, bond rating results	None	None	None	None	None
Other rights	Amount of the bonds already converted into (exchanged into or subscribed for) common shares, overseas depositary receipts, or any other securities until the date of publication of the annual report	None	None	None	None
	Issuance and conversion (traded or subscribed) regulations	None	None	None	None
Possible dilution of equity and impact on equity of existing shareholders due to issuance and conversion, trading or subscription rules, or issuance terms	None	None	None	None	None
Name of commissioned custodial institution for objects exchanged	None	None	None	None	None

Note : Not required in the case of a non-overseas corporate bond

(II) Convertible bonds: None.

(III) Exchangeable bonds: None.

(IV) Shelf registration for corporate bond issues: On October 3, 2023, Yuanta FHC obtained the approval from the Financial Supervisory Commission under Letter No. Jin-Guan-Yin-Kong-Zi 1120230236 to issue unsecured primary ordinary corporate bonds in batches within 2 years, totaling NT\$15 billion, of which NT\$6.6 billion had been issued on November 6, 2023. The balance available for the issuance remained about NT\$8.4 billion.

(V) Information on corporate bonds with attached warrants: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Overseas Depository Receipts: None.

V. Issuance of Employee Stock Option Certificates: None.

VI. Information about new restricted employee shares: None.

VII. Mergers or Acquisitions

(I) CPA opinions on share exchange ratio for mergers and acquisitions or transfers to other financial institutions for the most recent year: None.

(II) Mergers and acquisitions with other financial institutions over the past five years

1. Yuanta FHC:None.

2. Subsidiaries of Yuanta FHC:

(1) Yuanta Securities

A. The First Securities Joint Stock Company

The Board of Directors of Yuanta Securities resolved on November 26, 2015 that the subsidiaries, Yuanta Securities Asia Financial Services and Yuanta Securities (HK), should jointly acquire the equity of First Securities Joint Stock Company in Vietnam in whole. Meanwhile, pursuant to FSC's letter under Jin-Guan-Zheng-Quan-Zi No. 1050000837 dated January 30, 2016 and upon approval of the competent authority in Vietnam, SSC, via its letter No. 7860/UBCK-PTTT dated November 20, 2017, the settlement was completed pursuant to the agreement signed on December 7, 2017. The common stock as acquired therefor totaled 16,581,900 shares. The total investment amount was about US\$15 million, equivalent to NT\$450 million, and Yuanta Securities held 99.95% of the equity of First Securities Joint Stock Company in Vietnam. First Securities Joint Stock Company in Vietnam was renamed Yuanta Securities Vietnam Joint Stock Company on February 13, 2018 officially. Upon approval of the competent authority in Vietnam, the State Securities Commission (SSC), Yuanta Securities Vietnam Joint Stock Company was officially renamed Yuanta Securities Vietnam Limited Company on June 14, 2019.

B. Global Securities Finance Corporation

The Board of Directors of Yuanta Securities resolved on April 24, 2019 that the subsidiary, Yuanta Securities Finance, should succeed to the equity and related creditor's right in the loan secured by margin trading and short sale, refinancing and marketable securities of Global Securities Finance Corporation. Upon approval via FSC's Letter Jin-Guan-Zheng-

Tou-Zi No. 1080360681 dated October 14, 2019, the final installment payment was made and the transaction was completed on November 20, 2019. The transaction price amounted to NT\$15 million and, plus the collateral and related rights valuing NT\$3.211 billion, totaled NT\$3.226 billion.

(III) Issuance of new shares for mergers and acquisitions with other financial institutions approved by the Board of Directors in 2023 and until January 31, 2024: None.

VIII. Implementation of Capital Utilization Plan

(I) Any negotiable securities offering or private placement that has not yet been completed up to the last quarter before the publication of this annual report: 2023 1st unsecured common corporate bonds.

1. Contents of the plan:

- (1) Approval Date and No.: Written Decision under Jin-Guan-Yin-Kong-Zi No. 1120230236 dated October 3, 2023
- (2) Total funds required by the plan: NT\$6.6 billion.
- (3) Source of the funds: Issuance of 2023 1st unsecured common corporate bonds.
- (4) Planned items, scheduled progress of fund utilization, and expected benefits:

Planned items	Expected date of completion	Total funds required	Scheduled progress of fund utilization	
			2023	2024
			Q4	Q3
Repayment of 2018 1st unsecured common corporate bonds	2024 Q3	1,600,000	—	1,600,000
Repayment of commercial paper issued for business needs	2023 Q4	5,000,000	5,000,000	—
Total		6,600,000	5,000,000	1,600,000
Expected benefits		The unsecured common corporate bonds were issued at a fixed interest rate, of which NT\$1.6 billion was used to repay the 2018 1st-Term corporate bonds, and the balance was used to repay the commercial paper issued for business needs, in order to mitigate the risk over interest rate volatility, target mid- and long-term capital costs, improve its long-term capital sources and liquidity ratio, and strengthen its financial structure therefor.		

2. Implementation status

The commercial paper amounting to NT\$5 billion issued for business was already repaid in 2023 Q4 as scheduled, and the balance was implemented per the scheduled progress, free from any change in the plan or failure to achieve the deliverables.

(II) Plan(s) completed within the most recent three (3) years but without significant benefits as yet: None.

Five. Overview of Operations

I. Operations

(I) Yuanta FHC

1. Scope of business

(1) Main business services

Yuanta FHC is a financial holding company. According to Financial Holding Company Act, the business of a financial holding company is limited to investment in, and management of, the enterprises in which it has invested. A financial holding company may invest in the following businesses: financial holding companies, banking, bills finance, credit card, trust, insurance, securities, futures, venture capital, foreign financial organizations approved for investment by the competent authority, and other enterprises determined by the competent authority to be related to financial services.

(2) Revenue breakdown:

Unit: NT\$1,000; %

Item \ Year	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Investment income recognized under the equity method	22,907,800	99.44	28,175,994	99.67
Others	128,300	0.56	92,985	0.33
Total	23,036,100	100.00	28,268,979	100.00

2. Business plans for the year

Supported by excellent asset quality and risk management ability, Yuanta FHC will continue to solidify its core competitiveness - comprehensively driving its growth, strengthening overseas business performance and improving the efficiency from integration of group resources. The business highlights of Yuanta FHC for the year are summarized as follows:

- (1) Yuanta Securities: Yuanta Securities is continuing to improve its market share, prioritizing the protection of customers' assets amid market volatility, helping specific customers with controls and extending care to them regularly. For wealth management services, Yuanta Securities provides diversified wealth management products to expand the AUM for customers to drive the growth of the double engines, i.e. brokerage and wealth management services. For proprietary trading, Yuanta Securities strives to seize more stable and conservative investment opportunities and proactive market making strategies. It also takes the opportunities to construct positions in order to seek capital gains and adopt appropriate hedging policy at the same time. For the stock warrants operations, Yuanta Securities will adopt business strategies valuing quality and quantity at the same time. It will continue upgrading customer services and improving their abilities to control various risks and costs to pursue maximization of profit. For the investment banking-related services, Yuanta Securities will integrate the Group's resources to provide cross-industry and cross-border financial services. For the overseas investees, Yuanta Securities will exert business synergy among various subsidiaries of the Group. It will also upgrade its position in local markets and take firm steps to increase

its earnings contribution.

- (2) Yuanta Bank: Considering that the global economy is becoming sluggish, Yuanta Bank will focus on selection of customers, and adjustment and improvement of income composition. For the wholesale banking services, Yuanta Bank tends to select large-scale group customers and potential industries, in order to expand the business in depth and width. For retail banking services and wealth management operations, Yuanta Bank tends to take the risk into consideration when developing the customer base with medium and high interest spread step by step, increase the branches' local involvement, improve the development of peripheral potential customers and solicitation for deposits, and launch integrated marketing projects via the customer-oriented digital channels. For financial transactions, Yuanta Bank tends to select investment portfolio carefully, maintain the resilience of investment operations, and choose to allocate the fixed income to improve the rate of return from the fund utilization, in the context of interest rate cut.
- (3) Yuanta Life: Given the financial outlook filled with uncertainties, Yuanta Life will manage assets and liabilities and investment operations with a cautious and stable approach. In terms of the product development, Yuanta Life will focus on the "USD-denominated traditional products" and "investment-linked products" at the same time, give emphasis on the legacy protection planning for the high-asset customer base, promote investment-linked products regularly, and increase different underlying assets in response to the environmental trends in the financial market in a timely manner, in order to satisfy customers' needs for protection and retirement life planning at various stages of their life. Meanwhile, Yuanta Life will improve its core channels' operations to improve their loyalty and contribution. Yuanta Life will also develop digital applications, focus on the target customer base market, and provide differentiated products and services.
- (4) Yuanta Securities Investment Trust: Yuanta Securities Investment Trust will continue to expand the AUM scale, and adopt the new product strategy and existing product promotion policy emphasizing investors' needs and focusing on high-quality products in the markets of Taiwan, the USA and Japan, in order to build the active and passive product lines for stocks and bonds, and help customer achieve sound and diversified asset allocation. Meanwhile, it will optimize the digital wealth management services, implement the sustainable development, improve the resilience in information security, keep optimizing the investors' education and provide customers with rapid and satisfied high-quality services. It will also continue to work with the Group's subsidiaries to build a new ecosystem for investment jointly.
- (5) Yuanta Futures: Yuanta Futures will continue to improve the core profit-seeking momentum and expand the brokerage service team. In addition to the brokerage service with the leading market share domestically, Yuanta Futures will strive to promote foreign futures and options. Meanwhile, Yuanta Futures will continue to optimize its trading platforms, provide different customer bases with differentiated services, plan annual marketing activities, and optimize the service fee structure to increase the brokerage service market share and gross profit margin. Yuanta Futures will also continue to push the schedule for opening and operational preparation of Yuanta Global (Singapore) to develop international B2B brokerage services, and combine resources of Yuanta Futures (Taiwan and Hong Kong) and the other subsidiaries to create the Group's synergies and develop international B2B brokerage services.

3. Industry overview

The inflation and accelerated lift rates resulted in significant market volatility in 2023. Notwithstanding, given the steady overall fundamentals of TWSE/TPEx-listed companies, the average daily turnover of TAIEX attained NT\$359.025 billion in 2023, i.e. a YoY of 17.65%, driving the growth of the revenue from brokerage service fees generated by Yuanta Securities resulting in the profit amounting to NT\$13.793 billion in 2023. Yuanta Securities Investment Trust verifies investors' preferences precisely. Its equity, bond and ETF business scale hit new high. Meanwhile, the "Yuanta Japan Leaders Equity Fund" has become the largest Japanese equity fund in Taiwan immediately since the Fund was launched in July 2023, driving the profit growth of Yuanta Securities Investment Trust by 39.90%, amounting to NT\$2.547 billion, a record high, in 2023. Meanwhile, benefiting from the lift rates and market share of the customers' deposit AUM ranking the first place, the profit sought by Yuanta Futures also grew significantly, by 61.76%, amounting to NT\$1.853 billion. For the banking industry, the increase in loan operations drove a steady increase in net interest income, and recovery of the wealth management services resulting in the increase in net income. Meanwhile, as the financial transactions benefited from the widening interest rate spread between Taiwan and the United States and outperformed accordingly, the profit sought by Yuanta Bank increased by 18.78% from the same period of last year, amounting to NT\$8.657 billion. For the life insurance industry, although the stock market recovered from the previous year, the bond market continued to be affected by high yields and, therefore, the room for capital gains was narrowed. Besides this, the hedging cost stayed still high and the overall performance of the life insurance industry was generally poor. Yuanta Life still maintained stable profit amounting to NT\$2.019 billion through flexible asset and liability management and foreign exchange benefits from the appreciation of USD.

In 2024, the financial market will still face many challenges. The global economic growth is expected to be sluggish. The schedule for monetary policies adopted by the central banks in Europe and the USA remains uncertain. The outlook for Taiwan's export recovery also appears to be unclear. Therefore, TAIEX's performance will still face many challenges. Further, although the lift rate cycle is coming to an end, the interest rate still stays high relatively and so does the enterprises' capital costs. Therefore, the bank's loaning momentum might be affected adversely. For the life insurance industry, the recurring yield is expected to increase in the high interest rate environment. However, the cost of hedging (which remains high) might rise, causing a worry to earnings. In conclusion, the financial market is still full of multiple uncertain factors in 2024. Yuanta Financial Holding Company (FHC) will consistently uphold its strict risk control policy, and assess the circumstances and seize market opportunities to continue to create record performanc.

4. Research and development

(1) Project completed in 2023

A. Yuanta Group

- (A) Yuanta FHC data center (backup-site) network equipment update and replacement
- (B) Yuanta FHC GCB (Government Configuration Baseline)
- (C) Construction of Yuanta FHC's flash drive DLP
- (D) Group information systems security officers' professional training
- (E) Group's major information security incident reporting and

- response drill
 - (F) The Group's cyber security practical training course
 - (G) The Group's blue and red teams' offensive and defensive exercise
 - (H) International Information Security Management Standard ISO 27001:2022 Update and Optimization Project
 - (I) Computer system information security diagnostic project
 - (J) Security Operation Center (SOC)
 - (K) Endpoint Detection and Response (EDR)
- B. Yuanta Securities
- (A) Yuanta Securities Investment Trust beneficiary meeting platform
 - (B) Anti-money laundering procedure automation
 - (C) Implementation of XQ trading platform
 - (D) Extension of OTC derivatives e-platform trading hours
 - (E) Establishment of mini branches (for sub-brokerage and wealth management services)
 - (F) Securities OpenAPI Project
 - (G) Group FIDO and data sharing service on a trial basis
 - (H) Implementation of loans for indefinite purposes into customer fund management accounts
 - (I) Expansion of e-trading mid-office services - inclusion of account opening services
 - (J) Implementation of large-sum management mechanism into the customer capital management system
 - (K) Provide the service for the other interest oriented trust of securities
 - (L) TAIEX market data system backup
 - (M) Wealth management quantitative system
 - (N) Tax reduction for stock warrant hedging
 - (O) Mr. Yuanta APP business integration - fund, account opening
 - (P) Smart stock selection system for Taiwan stock regular fixed amount investment
 - (Q) Automation of brokerage back office system security controls
 - (R) DMA low-latency trading system performance improvement
 - (S) Structured-note platform - addition of MIT and maturity date
 - (T) Digital account opening - non-credit extension
 - (U) Account opening system - automatic checking operation
 - (V) Retirement trust account program - fund allocation and transfer
 - (W) Automatic repayment of proprietary trading stock
 - (X) Equity-linked note (ELN) automatic hedging and order placement
 - (Y) Amortization of foreign currency floating bonds
 - (Z) CRM System for investment banks
 - (AA) Brokerage front-office system storage equipment upgrading
 - (BB) Mr. Yuanta and Action Golden Spirit system trading and accounting host upgrading
 - (CC) Real-time quote service server upgrading
 - (DD) Mr. Yuanta local backup framework fire wall and IPS construction
 - (EE) Xinyi data center e-trading platform quotation load balancer
 - (FF) Banqiao remote backup control room backbone network upgrading
 - (GG) Centralized depository system equipment update and replacement.
 - (HH) Information security assessment and declaration service project

- (II) Mobile APP basic information security test
 - (JJ) Mobile APP obfuscation protection
 - (KK) Endpoint Detection and Response (EDR)
 - (LL) Vulnerability Management System
 - (MM) AI information security response automated system
 - (NN) Red-Blue Team Attack-Defense Exercise
 - (OO) Security Operation Center (SOC)
 - (PP) ISO 27001 Standard (Information Security Management System, ISMS) Optimization Project
 - (QQ) ISO 22301 Standard (Business Continuity Management System, BCMS) implementation and certification service project
 - (RR) Information security governance maturity assessment
 - (SS) Emergency response management for information security incidents
 - (TT) Information security assessment
 - (UU) Self-built social engineering platform
 - (VV) Open source software management
 - (WW) Directory monitor
 - (XX) Managed Detection and Response (MDR)
 - (YY) Source code detection
- C. Yuanta Bank
- (A) Emerging Technology Network-based Construction Project (1st/2nd stage)
 - (B) Centralized file transmission construction project
 - (C) Backup system hardware equipment EOS update and replacement project
 - (D) DLP control project for external storage device file transfer
 - (E) Oracle database upgrading and construction project
 - (F) Ming Cheng Building network equipment EOS update and replacement project
 - (G) Securities receipt and payment office network equipment EOS update and replacement project
 - (H) Branch wireless network equipment EOS update and replacement project
 - (I) Bank-wide “ATM upgrade to Windows 10”
 - (J) Bank-wide PC, monitor and passbook printer update and replacement project
 - (K) Financial acquiring platform construction project
 - (L) Mobile wealth management construction project (1st/2nd/3rd Stage)
 - (M) Retail banking AO mobile platform construction project (1st/2nd Stage)
 - (N) Mobile insurance enrollment construction project (2nd stage - investment-linked)
 - (O) Bills service integration and equipment update and replacement project.
 - (P) RPA – implementation of the new procedure project (2022~ 2023)
 - (Q) Real Estate Mortgage Cancellation and Application Platform Construction Project
 - (R) SWALLOW System Upgrading Project
 - (S) Insurance Agency System Host Upgrading Project
 - (T) Non-discretionary money trust investment in stock system

- construction project
 - (U) NTD core system database upgrading project
 - (V) Application system LOG analysis platform construction
 - (W) OFSAA ALM/FTP software and hardware upgrading project
 - (X) Establishment of cash-for-everyone machine
 - (Y) TAIFEX OTC derivatives centralized clearing – IRS centralized clearing – correspondent banking service and Central Customer Clearance (CCM)
 - (Z) Sprouting plan management platform construction project
 - (AA) Statement monitoring operation management platform construction project
 - (BB) Optimization of regulatory reporting by the Financial Operation Dept.
 - (CC) New wholesale banking review system construction project
 - (DD) Financial Trading System Upgrading (Calypso implemented into LIBOR Reforms module) Project
 - (EE) The computer system information security assessment project (Class I)
 - (FF) E-payment institution information system standards and security management assessment project
 - (GG) Global cybersecurity information analysis and defensive system (2nd stage) project
 - (HH) Intrusion prevention system implementation project
 - (II) Security Operation Center (SOC)
 - (JJ) Managed Detection and Response (MDR)
 - (KK) SIEM Consulting Service Project
- D. Yuanta Life
- (A) Continue information infrastructure network equipment optimization.
 - (B) Continue update and replace EOS equipment in line with the requirements for equipment safety, reduce vulnerabilities and defects, and comply with the zero trust network framework
 - (C) AI customer service system construction project (2nd/3rd Stage)
 - (D) Compliance technology management platform (self-assessment module) construction project
 - (E) WEB proposal revision
 - (F) Channel service platform revision
 - (G) Authority management automation project - resigned employees
 - (H) Mobile insurance enrollment optimization project
 - (I) Remote insurance enrollment optimization project
 - (J) Yuanta Group FIDO and data sharing service on a trial basis
 - (K) Claims middle office
 - (L) Total amount operating procedure improvement project
 - (M) EIS Situation Room - Performance Template
 - (N) Insurance product early warning indicator automation project
 - (O) Data middle office infrastructure
 - (P) Endpoint Detection and Response (EDR)
 - (Q) Construction of Abnormal Pattern Analysis Mechanism on Application System
 - (R) Security Operation Center (SOC)
 - (S) International Information Security Management Standard ISO 27001:2022 Update Project

- E. Yuanta Securities Investment Trust
 - (A) Remote failover and backup data center construction
 - (B) Development of e-payment system applicable to subscription for funds
 - (C) Implementation of TDCC domestic fund centralized clearing platform
 - (D) Custom SMS platform
 - (E) Security information and event management (SIEM) system
 - (F) Business Continuity Management System (ISO 22301) Implementation project
 - (G) System vulnerability management system
 - (H) Open source software management
 - (I) Endpoint Detection and Response (EDR)
 - (J) Security Operation Center (SOC)
- F. Yuanta Futures
 - (A) Domestic core accounting back-office proprietary trading system replacement project
 - (B) TAIFEX 2023 IT Project
 - (C) Enhanced remote backup data center construction project (1st stage)
 - (D) Big data center system construction project
 - (E) Enhanced Security Information and Event Management (SIEM) Project
 - (F) Endpoint Detection and Response (EDR)
 - (G) Network security detection and protection
 - (H) Open source software management system
 - (I) Organize the information security diagnostic and risk evaluation
 - (J) Security Operation Center (SOC)
- (2) Future development plans
 - A. Financial Holding
 - (A) Financial industry computer system configuration benchmark construction project
Yuanta FHC's execution of cyber security protection operations in response to the Finance Configuration Baseline (FCB)
 - (B) Offline backup construction project
Construct offline backup environment and cloud backup mechanism to improve the important core data security mechanism
 - (C) Group's major information security incident reporting and response drill
In response to FSC's "Financial Information Security Action Plan" and in order to continue strengthening the system risk control and information security joint defense, Yuanta FHC continues to contract a third-party institution to process the Group's major information security incident reporting and response drill, which might improve the operating mechanism and ability of horizontal reporting, response and supporting within the Group.
 - (D) Network Detection and Response (NDR)
In order to strengthen the control over intranet activities, identify

suspicious signs for attacks, and take corresponding protective measures, the NDR construction is under building, which may function in response to SIEM and EDR to help verifying and investigating the source of attack and endpoint information promptly.

- (E) Blue and red teams' drill services, and offensive and defensive exercise withing education & training

In order to enhance the information security defensive ability of the Group's subsidiaries and find out the major information security risk that affect the Group's operations, adjust to the lean financial resilience of the FSC's "Financial Information Security Action Plan," Yuanta FHC contracts a professional third-party organization to execute the information security offensive and defensive exercise.

- (F) Blue team's offensive and defensive exercise competition

In order to keep strengthening the Group's information security protection ability, Yuanta FHC plans to strengthen the team's ability to respond to incident and collaborative operation in the event of any information security attack incident through simulated offensive and defensive exercise competitions and education & training.

- (G) Breach and Attack Simulation (BAS)

In accordance with the FSC's "Financial Information Security Action Plan," Yuanta FHC plans to exam the effectiveness of information security monitoring and protection mechanisms through the hacker's attack in the Breach and Attack Simulation model. The Breach and Attack Simulation plans to simulate hackers' launch of multi-faceted attacks with automated tools, in order to identify the security vulnerabilities and possible internal attack paths, understand information security risks, optimize the current structure, and inspect the effectiveness of defensive deployment.

B. Yuanta Securities

- (A) Continue new brokerage front-office core system

The new brokerage trading core system for TAIEX is scheduled to go live step by step as of Q4.

- (B) E-trading middle-office service expansion

Inclusion of wealth management-related services

- (C) Continue Mr. Yuanta APP AP version (middle office)

Provide the e-channel customers with various functions needed by the new general AP trading system, in response to the business departments' planning orientation.

- (D) Continue Mr. Yuanta APP business integration (middle office)

Provide customers with the access to various online service provided by Yuanta Securities via a single channel (APP), and achieve the purpose of business promotion through Mr. Yuanta's vast customer base.

- (E) Continue Customer centralized management platform

Establish customers' basic data sharing space maintenance across branch companies, interface with data synchronization in various

business systems, and provide the query service about summarization of financial position, collateral, quota and credit transaction maintenance ratio..

- (F) Continue Brokerage back-office transaction related fee calculation function optimization

In response to the market changes, such as intraday odd-lot trading and systematic investment services, Yuanta Securities improves the back-office's efficiency in calculation transaction related fee, in order to promptly provide confirmation to customers.

- (G) Continue Branch companies' customer self-service section

Provide convenient e-channel value-added services to customers over the counter via the self-service process.

- (H) Continue Shareholders service schedule system

Help the issuer prepare the schedule for shareholders' meeting and ex-dividend/right operations online, in order to improve the operational efficiency.

- (I) Bills trading system function optimization

It will allow customers to trade bills RP directly via Mr. Yuanta APP, expand the existing note and bill system, and automate e-trading and subsequent alternative measures.

- (J) Automation of overseas bond trading

The manual inquiry with foreign brokers to confirm transactions is changed into the system's connection with the foreign brokers to combine or split orders automatically and distribute them to customers, in order to improve the front-office personnel's operating efficiency and reduce manual errors.

- (K) Program development certification automation

Develop automated certification tools via programs to promote the implementation of automated procedures during development, testing and deployment of APPs.

- (L) Implement the bond RP and derivatives transactions into customers' fund management accounts.

Provide customers with diversified settlement options, and allow customers to choose the fund management account as the settlement bank for bond RP and derivatives transactions.

- (M) Digital account opening – credit extension

Allow the relevant personnel to provide services, via mobile devices, to customers who are unable to apply for the account opening service over the counter and provide professional explanation about the account opening services for non-credit extension, additional account opening claimed by existing customers and credit extension.

- (N) Foreign income – customer notice

Provide customers with mailing services for inquiries on overseas income from sub-brokerage and wealth management services, and allow customers use Mr. Yuanta APP to download the data.

- (O) TAIEX regular variable investment

Allow customers to increase or decrease stocks they subscribe for subject to market changes in order to improve the investment

- flexibility.
- (P) Integration of account opening applications
The 3+1 (futures) function will be made available to new online accounts, allowing customers to apply for multiple services effectively at the same time. Meanwhile, Yuanta Securities will also allow Yuanta Bank to open securities accounts on behalf of the Bank's general accounts through a joint marketing campaign, in order to enhance customers' loyalty and provide broader service.
 - (Q) Full range of account executive services
Business representatives assist in changing customer transaction (account number, normal, credit, or short sell trade).
 - (R) ETF subscription and redemption project
Convergence of the platform and centralized management in response to the reform of new brokerage front-office.
 - (S) Revamp webpage for real-time quotes
Self-developed webpage version – real-time quotes, quotation table, hourly chart, and volume price of five stalls
 - (T) E-trading platform (Mr. Yuanta, Yeswin, Golden Spirit) virtual server and storage equipment upgrading
The virtual blade server and storage equipment have been applied for about 6 years, and the service provider is going to terminate the maintenance support; therefore, Yuanta Securities plans to upgrade them in step.
 - (U) Securities borrowing (lending)/emerging stock/performance host upgrading project
The current host equipment has been used for more than 7 years, and the operating system version support was terminated; therefore, Yuanta Securities plans to purchase the new machine for upgrading.
 - (V) Brokerage back-office account system database server upgrading project
The current host equipment has been used for more than 7 years, and the database version support was terminated; therefore, Yuanta Securities plans to upgrade it.
 - (W) New brokerage trading core system construction
Proposal to purchase hosts and network equipment, and build a new brokerage trading core system on the Linux platform.
 - (X) Yuanta Securities proprietary trading database host upgrading project
The current securities proprietary trading database host has been used for more than 8 years, and it is impossible to update the version; therefore, Yuanta Securities plans to upgrade it.
 - (Y) Implementation of cloud-based development environment
 - (Z) Shareholder service agency system host upgrading project
The current shareholder service agency system host has been used for more than 12 years, and the service provider also has announced that no maintenance service would be made available; therefore, Yuanta Securities plans to upgrade it.
 - (AA) Offline backup setup

- Ensure that a quarantined copy is retained when data and backup files are attacked by ransomware.
- (BB) Upgrade Banqiao data center intranet load balancer
The equipment has been used for more than 7 years. It is updated, replaced and upgraded for business continuity.
- (CC) IT service supply chain information security management
Financial institutions have relied on digital financial services increasingly and expanded from traditional financial service scenarios into the financial ecosystem. Information service providers shall have sound cyber security management measures in place and provide reliable service quality. Meanwhile, they shall improve the IT service supply chain information security management per the competent authority's requirement, in order to ensure the provision of safe and reliable financial services.
- (DD) ISO 27001:2022 Standard (Information Security Management System, ISMS) Reversion Project
In order to keep strengthening its information security management system and information security standards, and ensure compliance with laws and regulations, and the ongoing validity of certificates, Yuanta Securities applies for ISO 27001 version revision to make it in line with the new standards in 2022.
- (EE) ISO 22301 Standard (Business Continuity Management System, BCMS) expansion project
In accordance with the FSC's "Financial Information Security Action Plan" and relevant laws & regulations, Yuanta Securities improves the securities house's operational resilience to ensure that contingency measures may be effectively implemented and its operational management momentum may be increased in case of business interruption caused to it. It also continues to expand the management system promotion scope and improves the availability of information services and mitigate the risk over business or information service interruption, in order to achieve convenient, safe and uninterrupted financial services.
- (FF) Information security governance maturity assessment
In order to ensure the financial system's uninterrupted operation and provide the public with a safe trading environment, the FSC continued to release the "Financial Information Security Action Plan" 2.0 in December 2022, in order to improve the financial industry's information security protection ability, and conduct the inherent risk survey and network security maturity assessment through the information security governance maturity assessment to continue improving the information security management.
- (GG) Network Detection and Response (NDR)
Protect corporate networks from various information security attacks, such as internal and external threats, unauthorized access, data leakage, and other abnormal activities, and analyze abnormal network access behaviors through AI to help the enterprise improve its identification of and response to network security incidents more comprehensively, in order to better protecting the enterprise's assets and data.
- (HH) Security Orchestration, Automation and Response (SOAR)

After the SOC enters the active monitoring and defensive mode, it hopes to develop toward automated active monitoring to help improve the timeliness of emergency response and coordination.

C. Yuanta Bank

(A) Offline Backup and Cloud Storage Project

In response to frequent hacker attacks and cyber threats, it strengthens the information security protection to prevent the disclosure of confidential data, and builds a safe haven for offline backup data security to establish a reliable emergency response mechanism and recovery plan. In consideration of geopolitical risks, it builds the cloud backup or a third-place backup mechanism to restore normal operations rapidly and mitigate losses.

(B) Emerging Technology Network-based Construction (3rd/4th stage) Project

In response to the branch's new network infrastructure planning, the center plans the automated management and allocation, construct the branch's network equipment to satisfy new services, improve the network performance and strengthen the branch's information security protection.

(C) Centralized file transmission construction project

Upgrade Yuanta Bank's file transfer performance, enhance inventory of account transfer settings, and add mainstream FTP file encryption rules and alarm mechanisms to improve file transmission stability and strengthen the information security protection ability.

(D) E-payment area parallel load equipment SLB update and replacement project

External service e-payment area parallel load equipment EOS update and replacement project to ensure the operating and information security

(E) Firewall Policy Auditing Software Project

With automated analysis and integration tools, produce firewall login and update record report for compliance with laws, and optimize firewall rule management and policy change management

(F) Branch ATM firewall EOS update and replacement project

Branch firewall EOS equipment update and replacement to ensure operating and information security.

(G) Data center major network equipment Switch/Router EOS update, replacement and expansion project

Provide new host high-speed network services to enhance information security and reduce management costs, in order to ensure stable operation.

(H) NTD core system local active-active framework construction project

Per the competent authority's requirements, it provides the NTD account core system to provide uninterrupted services, improve the reliability, operation and continuity of the system, and mitigate customers' transaction risks accordingly. Improve the

system's backup ability, increase the system's extensibility, and improve the system's processing performance to respond to the future continuous growth of trading volume and enhance customers' experience in accessing the system.

- (I) **New Foreign Exchange Bargaining System Construction Project**
The existing foreign exchange bargaining system is outdated and thereby limits diversified business development and causes bottlenecks in the growth of technology. The new system construction environment adopts new development technology, operating system and database to integrate systems, in order to improve the convenience for users to operate. Besides this, after the version is updated, the original manufacturer's technical support will still be made available to maintain the system's stability and safety.
- (J) **SWIFT System Upgrading Project**
In response to the SWIFT product updating plan, it carries out the update and replacement operation to upgrade the relevant products and operating systems to the latest version, in order to comply with the SWIFT specifications and to maintain the system's stability and safety.
- (K) **Over-the-counter account opening service paperless function construction project**
Apply the emerging digital technologies to provide customers with the over-the-counter mobile experience, whereby customers may enter electronic signature to forms and engage in over-the-counter online review and approval via tablets, in response to green environmental protection and build a new generation of paperless operations.
- (L) **Customer Service Platform Upgrading Project**
Carry out the customer service platform AES EOS update and replacement, construct the customer service backup mechanism in Taipei and Kaohsiung, and update the system version in response to new AES equipment version.
- (M) **Message platform construction project**
Establish the Bank's own message system to interface with the telecommunication service providers directly and replace the existing outsourced message system in steps.
- (N) **New credit card review system construction project**
Establish and implement a comprehensive automatic audit mechanism to make audit operations streamlined and flexible. Streamline the existing customers' applications for credit cards and review process thereof, to enable them to enjoy the privileges immediately upon receipt of the rapid approval.
- (O) **New gold passbook system construction project**
In response to the plan to build a new generation foreign currency core system, it will establish an independent system for the gold passbook services which were originally included in the foreign exchange system, and apply the open platform technology to provide the new generation webpage operating interface and upgrade the business operation momentum.
- (P) **Car loan appropriation module setup project**

In order to optimize the car loan appropriation process, it provides customers with a faster loan application process, improves the customer service satisfaction and plans to build the “car loan structured key file function” to improve the efficiency of loan appropriation and optimize the internal operating procedure.

- (Q) Outsourcing appraisal system upgrading project
Apply the new generation HTML5 webpage platform to replace the old Microsoft components, in order to maintain the system’s stability and safety while receiving the original Microsoft technical supports, avoid information security issues effectively, and improve the operating performance.
- (R) House loan appropriation application acceptance platform construction project
Accept applications and manage house loan appropriation cases via e-procedure, provide online contract signing application service and systematic management of document pending operations to improve the centralized operational efficiency.
- (S) Overdue account collection management platform upgrading project
Apply the new generation HTML5 webpage platform to replace the old Microsoft components, in order to maintain the system’s stability and safety while receiving the original Microsoft technical supports, avoid information security issues effectively, and improve the operating performance.
- (T) New capital-financing review system construction project
In response to the digital business operations, it built a new generation capital-financing review platform to apply HTML5 as the new generation webpage presentation, in order to improve the system response speed. Further, it also adds an automatic review module to reduce the manpower engaged in credit review and improve the credit review efficiency and also productivity.
- (U) Fund System Host Upgrading Project
In response to the termination of relevant supporting services by the trust system hardware equipment, the related hardware equipment upgrading is carried out to seek OEM technical support and improve the business continuity momentum.
- (V) Elder Care Trust Creation Project
In response to the competent authority’s Trust 2.0 “Comprehensive Trust” promotion plan to establish an exclusive elder care trust system dedicated to providing customers with more comprehensive elder care trust planning, increase customers’ satisfaction, and improve Yuanta Bank’s competitiveness among its peers.
- (W) Mobile security construction project
Develop digital banking and apply digital tools to plan mobile security and various paperless operations related to the insurance agency business, streamline the frontline personnel’s workload, and improve the back-office administrative efficiency; streamline the process for customers to sign documents via mobile functions, in order to accelerate the security operations and promote the

- subsequent services more successfully.
- (X) Interbank FEP database and local active-active framework upgrading project
 In response to the discontinued EOS by the Oracle database version, upgrade the database to a subsequent version, in order to seek the supporting service from the OEM, upgrade the system as the local active-active framework and original factory support services, and improve the business continuity momentum.
- (Y) DES Host Upgrading Project
 In response to the termination of EOS for DES R6 host and encryption/decryption cards, it upgrades the host and encryption/decryption cards to seek the technical support from the OEM and improve the business continuity momentum.
- (Z) New Capital Requirement (2nd stage) Project
 According to the Basel III Reform (referred to as Basel IV) released by the BCBS in December 2017, various risk capital requirements would be amended in steps from January 1, 2019 to January 1, 2022, in order to update and update the existing systems and purchase new ones to satisfy the regulatory requirements.
- (AA) International Department's regulatory reporting optimization project
 In order to optimize the International Department's output and filing of the regulatory reporting, it makes the automated adjustment to reduce labor costs and risks, improve operating efficiency and optimize internal operating procedures.
- (BB) New credit behavior scorecard project in the retail banking scorecard system
 The model has been completed in response to the behavior scorecard to distinguish Yuanta Bank's three subcards, namely overdue credit loan customers, non-overdue credit loan but with credit revolving customers, and non-overdue credit loan with no credit revolving customers, develop the credit rating list automatically generated by the system, pre-determine the risk customer base and create the maximum earnings for existing customers insofar as the risk management basis is met, and plan the grading strategies per various units' needs and manage different customer bases resiliently.
- (CC) AML customer due diligence (CDD) e-signature integration platform project
 In order to reduce paper printing and streamline the approving procedure and the cost and operation risk of manual access to relevant data from various systems, the system will automatically inquire transactions completed via related hosts when the credit loan personnel conduct the AML customer due diligence (CDD), and also provide the CDD investigation form completed based on the AML risk scores and e-approving operations.
- (DD) Yuanta Bank's Know Your Employee (KYE) platform construction project
 In order to establish a conduct risk self-assessment operating mechanism, based on the digital platform and related regulatory

requirements, it establishes a risk management platform to manage the KYE, focus on high-risk wealth management specialists to improve management efficiency and ensure that effectiveness of the risk management.

- (EE) Addition of NTD short-term notes and bills function to the OM system

In response to Yuanta FHC's notes and bills business development strategy, it plans to add NTD short-term notes and bills function into the OM system, and provide Finance Department with the ability to underwrite short-term notes and bills in NTD to the Financial Instruments Department for marketing to institutional investors to upgrade the business operation momentum.

- (FF) ICB notes and bills clearing and settlement bank construction project

In response to Yuanta FHC's notes and bills business development strategy, it plans to establish the ICB notes and bills clearing and settlement banking system to facilitate business promotion and upgrade the business operation momentum.

- (GG) International Information Security Management Standard ISO 27001:2022 Revision Consulting Service Assessment Project

In response to the promulgation of the latest international security information management standard ISO 27001:2022 version, it is necessary to revise the bank certificate. Therefore, it implements the consulting service to help the bank with the revision per the latest version requirements and also to keep the bank ISO 27001 certificate valid.

- (HH) Information security incident response and automated response

In order to strengthen the defense against immediate information security threats, it continues to assess the solutions, in order to block any malicious access immediately and mitigate the malicious threats such as hackers' scanning, detection and invasion, through the automated process response.

- (II) Network Detection and Response (NDR)

Identify possible intrusions, malicious behaviors or other risks by analyzing network traffic (packets) and other relevant data. Take a series of actions upon detection of any abnormalities, such as alarms and isolation of infected equipment, to mitigate the damage and protect network security.

D. Yuanta Life

- (A) Systematic investment-linked insurance policy project

Through promotion and exposure of investment-linked insurance policies, and operating systems related to the insurance policies.

- (B) Implementation of computer auditing software

Implement the computer auditing software to achieve the purpose of continuous auditing and increase the auditing efficiency.

- (C) Implementation of automatic testing tools and software

Record the scripts using tools to facilitate regression testing and ensure development quality.

- (D) Authority management automation – new employees

Automate the granting of authority, and allow the program to grant new employees the authority of access to the system upon approval to improve the efficiency and quality of operations.

- (E) Authority management automation – quarterly inventory of authority

Digitize the existing quarterly inventory of authorization, reduce labors and paper operations, increase the efficiency of operations and retain tracks.

- (F) Insurance product early warning indicator automation project

Automate the insurance product early warning indicators and replace manual calculation with program writing logics, in order to provide relevant indicator information more accurately and correctly.

- (G) EIS Situation Room (administrative/management template)

Use Tableau to provide senior management with real-time operational data to replace previous manual actions such as archiving and data sorting and to improve decision-making efficiency.

- (H) Application of AI risk control model (sales representative quality/claims fraud)

Establish the sales representative quality model and claims fraud model to better prevent fraud and detect risks that cannot be discovered manually.

- (I) 0800 customer service system update and replacement

Update and replace the customer service system in response to the information security upgrading, and integrate customer service and complaint operations to improve the efficiency of operations.

- (J) Budget contract management system

Systematize the operations controlled manually in the past, such as budget preparation, contract management, and budget consumption, in order to increase processing efficiency and reduce the problem about multiple versions during the information transmission.

- (K) Financial statements self-preparation system

Solve the problems about complicated manual operations to collect financial statement data and self-preparation of financial statements, in order to mitigate the difficulty in manual matching.

- (L) Message system update and replacement project

In order to protect personal data, the messages shall be directed to the telecommunications terminal directly, but not via a third-party service provider.

- (M) Fund balance allocation platform

Check the balance of Finance Department in the network bank via program automatically and check the amount payable on the same day to improve the timeliness of payment and reduce manual operations.

- (N) iCare revision (Yuanta Bank foreign currency eDDA/e-Bill)

Add the iCare Yuanta Bank foreign currency eDDA function and e-Bill function to provide the policyholders with more sound cash

- flow services.
- (O) Mobile service platform (any pending documents to be completed upon notice)
The mobile service platform is made available to sales representatives, so that they may require completion of pending documents by notice. The platform may replace the paper operations adopted in the past to increase the efficiency of operations and paperless operations.
 - (P) AML customer risk management system
Establish a money laundering prevention customer risk management system, add the real-time scoring function for more real-time customer risk identification, and increase operational card control.
 - (Q) Claims middle office (medical insurance template)
Standardize the medical insurance formula template to allow flexible adjustment in case any new products are added in the future.
 - (R) Security middle office
In order to reduce the core system development load, the original core system operations are transferred to the security middle office, and the relevant operation logic and automatic judgment mechanism are added simultaneously.
 - (S) Automatic transmission of underwriting and claims AI-based identification system data
Replace the manual transmission model training files with an automated transmission mechanism to increase the efficiency of operations and also improve data security.
 - (T) Update and replace the PowerSystem host hardware, in response to its digital development; update and replace the host hardware in the testing environment, in response to the future application development.
 - (U) Implement the offline backup system architecture, as the backup is considered as the “insurance” for data storage; in order to further ensure the stored data security, the Air-Gap architecture is planned to be adopted to isolate the backup environment from possible sources of threats and improve backup security.
 - (V) Continue to expand the BCM remote backup environment; in response to its digitization and continuous business development, expand the remote backup environment hardware equipment step by step to undertake more recovery systems.
 - (W) Continue to optimize the information infrastructure network equipment – intranet QOS mechanism, as the use of intranet application systems becomes more and more complicated; in order to ensure the use of important application system services inside it, it plans to implement network equipment QOS to adjust and process specific high-performance APPs as the first priority to ensure the quality of important services as applied.
 - (X) Network Detection and Response (NDR)
Proactively monitor the network traffic, and detect malicious activities and lateral attacks to conduct investigation and block to improve the real-time visibility of network traffic.

- (Y) Implementation of open source software scanning system
Identify, track and patch security vulnerabilities via the automated testing management to improve the overall security and quality of software applications.
 - (Z) Configuration management platform construction
Automatically monitor and centrally adjust the computer system configuration, and apply the Finance Configuration Baseline (FCB) to the configuration thereof.
 - (AA) Continue to execute the International Information Security
In response to the new ISO 27001:2022 released by the International Standard Organization (ISO) on October 25, 2022, Yuanta Life contracted third-party consultants for the guidance to our event management perspectives including prevention, monitoring and response according to the new version control measures, and to continuously improve the information security management system in order to control the effectiveness of risk management meanwhile. Acquisition of the certification is expected by the end of March 2024.
- E. Yuanta Securities Investment Trust
- (A) Continued enhancement of remote failover and backup data center construction
Establish the official website services at remote failover and backup data center construction to enhance the business continuity management ability, reduce the time spent in restoration of the official website in the case of any accident occurring in the IDC.
Establish the remote database synchronization mechanism to reduce the data loss time in the case of any accident occurring in the server room.
 - (B) Offline backup
Enhance the backup strength of operationally essential data and systems to protect against hackers and ransomware, and ensure the recovery and continuity of business.
 - (C) Supply Chain Risk Management
Strengthen the information service supply chain's information security management per the competent authority's requirement, in order to improve the entire information security protection capabilities of Yuanta.
 - (D) E-conference system (Teams) construction
 - (E) Optimize the fund dividend distribution mechanism
Consolidate income distribution notices to keep investors informed of the latest income distribution information.
 - (F) ETF split/reverse split operation
Engage in the ETF split/reverse split, process the customers' inventories, and adjust the calculation formula adopted by fund managers to track the deviation.
 - (G) International Information Security Management Standard ISO 27001:2022 Revision Project
In response to the promulgation of the latest international security information management standard ISO 27001:2022 version, it is

necessary to revise certificate. We will work with the third-party advisor service to modify management perspectives including prevention, monitoring and response to the event according to the new control measures, and take the effectiveness of risk management while continuing to improve the information security management system.

(H) Network Detection and Response (NDR)

Identify possible intrusions, malicious behaviors or other risks by analyzing network traffic (packets) and other relevant data. When anomalies are detected, a series of measures are taken, such as issuing alerts and isolating infected devices, to minimize damage and protect network security.

F. Yuanta Futures

(A) Foreign futures core accounting back-office update and replacement project

In order to follow the policy of upholding a fast market with no slow order matching, and to ensure smooth operations on the booming trading date subject to drastic fluctuation, Yuanta Futures optimizes and upgrades the domestic and foreign core accounting system comprehensively. Following the replacement of the domestic futures core accounting back office, it will proceed to update and replace the foreign futures core accounting back office to enhance more APP services and provide a stable and high-quality trading environment.

(B) TAIFEX 2024 IT Project

In response to the TAIFEX IT projects, Yuanta Futures modifies its internal system and extends the system's functions, completes the construction and development of various front-office trading systems and back-office accounting systems to satisfy the functions and features needed by the new systems, thus making investors' trading more efficient and trading information more transparent.

(C) Enhanced remote backup data center construction project (2nd stage)

In order to strengthen the entire business stability and mitigate the risk of information disasters, in 2023, Yuanta Futures planned and completed the construction of the IDC remote control rooms and related infrastructure equipment to be procured. This year, it will continue the plan to construct the remote core system, in order to achieve the goal of uninterrupted business.

(D) Yuanta Futures Singapore subsidiary's information system construction project

Yuanta Futures' Singapore subsidiary is expected to open for business this year. In response to the execution of the planning about future overall business objectives, the related information platform and core accounting back-office system plan are scheduled to be completed this year.

(E) Core system offline backup planning and construction

In view of the frequent occurrence of cyber threats, Yuanta Futures has initiated the core system offline backup planning and

construction, in order to have an isolated, safe and infection-free data backup copy that can be accessed immediately to restore the system's operation in the event of any attack.

- (F) Endpoint DNS safety protection enhancement project
Due to the ever-changing attack techniques, traditional condition code matching methods are no longer effective. Cloud analysis and machine learning can quickly block and significantly reduce zero-day attacks. It is necessary to strictly control online behaviors to mitigate the risk of users accessing phishing or malicious websites in error. Palo Alto Advance URL uses cloud analysis and machine learning for real-time identification of new types of phishing websites to effectively block and prevent users from accessing malicious websites or C2 feedback via DNS. This improves the ability to detect threats and protect information security.
- (G) International Information Security Management Standard ISO 27001:2022 Revision Consulting Service Assessment Project
In response to the promulgation of the latest international security information management standard ISO 27001:2022 version, it is necessary to revise the original ISO 27001:2013 certificate. Therefore, it implements the consulting service to complete the revision per the latest version requirements and also to keep the ISO 27001 certificate valid.
- (H) Enhanced network security detection and protection (NDR & MDR)
Continue to strengthen network security detection and protection by including the head office and branch offices into the scope of NDR monitoring to proactively detect and resist network threats. The NDR detection records shall be provided to the SIEM to achieve the site-wide correlation analysis, then the joint defense with the firewall, activate the blocking of malicious activities to improve the overall defense capability, and enable the MDR to help organizations monitor information security threats, analyze incidents, respond to information security incidents, provide precise threat alarms and countermeasures, and provide two-way professional communication services to continuously improve the corporate information security.
- (I) Web Application firewall optimization and upgrading project
Plan to upgrade the existing web application firewall, in response to new types of network attacks; implement behavior-based models primarily and condition codes secondarily, and use the dynamic modeling technology, without relying on keywords to determine, in order to detect unknown attacks, reduce zero-day attacks, and improve the information security protection momentum effectively.

(3) Expected important R&D expenditures, and R&D progress

Unit: NT\$1,000

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta FHC's financial industry computer system configuration benchmark construction project	0	January 2024 ~ December 2024	0	Underway
Yuanta FHC Virtual Desktop Project	3,600	January 2024 ~ December 2024	0	Underway
The Group's major information security incident reporting and response drill	2,000	January 2024 ~ December 2024	0	Underway
Yuanta FHC Network Detection and Response (NDR)	3,600	January 2024 ~ December 2024	0	Underway
Yuanta FHC blue and red teams' drill services, and offensive and defensive exercise withing education & training	6,000	January 2024 ~ December 2024	0	Underway
Yuanta FHC blue team's offensive and defensive exercise competition	3,500	January 2024 ~ December 2024	0	Underway
Yuanta FhC Breach and Attack Simulation (BAS)	6,000	January 2024 ~ December 2024	0	Underway
Yuanta Securities new brokerage trading core system construction project - support development manpower outsourcing	10,000	September 2023 ~ December 2024	870	Underway
Yuanta Securities brokerage front-office system storage equipment upgrading	4,630	June 2023 ~ December 2023	0	Already launched in December 2023
Yuanta Securities Mr. Yuanta and Action Golden Spirit system trading and accounting host upgrading	11,700	June 2023 ~ December 2023	0	Already launched in December 2023
Yuanta Securities real-time quote service server upgrading	9,400	June 2023 ~ December 2023	0	Already launched in December 2023
Yuanta Securities e-trading platform (Mr. Yuanta, Yeswin, Golden Spirit) virtual server and storage equipment upgrading	58,600	January 2024 ~ October 2024	0	Underway
Yuanta Securities securities borrowing (lending)/emerging stock/performance host upgrading project	25,000	January 2024 ~ October 2024	0	Underway
Yuanta Securities brokerage back-office account system database server upgrading project	240,000	January 2023 ~ December 2024	0	Underway
Yuanta Securities new brokerage trading core system construction project	117,300	January 2023 ~ December 2024	0	Underway
Yuanta Securities proprietary trading database host upgrading project	18,550	January 2023 ~ September 2024	0	Underway
Yuanta Securities implementation of cloud-based development environment	4,600	January 2024 ~ October 2024	0	Underway
Yuanta Securities shareholder service agency system host upgrading project	26,000	January 2024 ~ October 2024	0	Underway
Yuanta Securities offline backup setup	10,800	July 2023 ~ June 2024	0	Underway

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Securities ISO 27001:2022 Standard (Information Security Management System, ISMS) Reversion Project	4,350	January 2024 ~ December 2024	0	Yuanta Securities ISO 27001:2022 Standard (Information Security Management System, ISMS) Reversion Project
Yuanta Securities ISO 22301 Standard (Business Continuity Management System, BCMS) expansion project	3,864	January 2024 ~ December 2024	0	Yuanta Securities ISO 22301 Standard (Business Continuity Management System, BCMS) expansion
Yuanta Securities information security governance maturity assessment	1,280	April 2024 ~ December 2024	0	Yuanta Securities information security governance maturity assessment
Yuanta Securities Network Detection and Response (NDR)	13,000	January 2024 ~ December 2024	0	Yuanta Securities Network Detection and Response (NDR)
Yuanta Securities Security Orchestration, Automation and Response (SOAR)	5,000	January 2024 ~ June 2025	0	Yuanta Securities Security Orchestration, Automation and Response (SOAR)
Yuanta Bank centralized file transmission construction project	6,500	December 2023 ~ April 2024	0	Underway
Yuanta Bank Offline Backup and Cloud Storage Project	8,000	January 2024 ~ December 2024	0	Underway
Yuanta Bank USB Review and Approval Project	4,000	January 2024 ~ December 2024	0	Underway
Yuanta Bank Emerging Technology Network-based Construction Project (1st/2nd stage)	65,000	November 2021 ~ March 2024	65,000	Underway
Yuanta Bank Emerging Technology Network-based Construction Project (3rd/4th stage)	33,000	April 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank e-payment area parallel load equipment SLB update and replacement	3,000	April 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank Firewall Policy Auditing Software Project	30,000	March 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank branch ATM firewall EOS update and replacement project	9,000	May 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank data center major network equipment Switch/Router EOS update and replacement, and 10G expansion project	18,000	June 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank SWALLOW System Upgrading Project	1,000	January 2023 ~ May 2023	1,000	Launched in May 2023
Yuanta Bank Insurance Agency System Host Upgrading Project	8,000	September 2022 ~ July 2023	8,000	Launched in July 2023
Yuanta Bank non-discretionary money trust investment in stock system construction project	20,000	July 2021 ~ September 2023	20,000	Launched in September 2023
Yuanta Bank RPA Project – implementation of the new procedure	7,000	September 2020 ~ December 2023	7,000	Implement RPA automated platform throughout the Bank in 2020, and continue to promote the implementation of new procedures to various

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
				units.
Yuanta Bank retail banking AO mobile platform construction project	7,000	May 2022 ~ June 2023	7,000	1st-stage already launched in July 2022 2nd-stage already launched in June 2023
Yuanta Bank mobile wealth management construction project	23,000	November 2021 ~ December 2023	23,000	1st-stage already launched in August 2022 2nd-stage already launched in December 2022 3rd-stage already launched in December 2023
Yuanta Bank message platform construction project	1,500	May 2023 ~ December 2024	0	1st-stage already launched in December 2023 2nd-stage scheduled to be executed in 2024
Yuanta Bank Elder Care Trust Creation Project	24,000	June 2023 ~ October 2024	7,000	Underway
Yuanta Bank over-the-counter account opening service paperless function construction project	24,000	May 2023 ~ March 2024	700	Underway
Yuanta Bank mobile security construction project	1,500	July 2023 ~ January 2024	500	Underway
Yuanta Bank new credit card review system construction project	700	June 2023 ~ December 2024	0	Underway
Yuanta Bank Customer Service Platform Upgrading Project	20,000	August 2023 ~ June 2024	0	Underway
Yuanta Bank New Foreign Exchange Bargaining System Construction Project	4,000	June 2023 ~ June 2024	0	Underway
Yuanta Bank Fund System Host Upgrading Project	20,000	November 2023 ~ September 2024	0	Underway
Yuanta Bank SWIFT System Upgrading Project	6,000	April 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Bank new gold passbook system construction project	2,000	January 2024-December 2024	0	Underway
Yuanta Bank interbank FEP database and local active-active framework upgrading project	75,000	December 2022 ~ April 2024	33,000	1st-stage database already launched in May 2023 2nd-stage local active-active framework upgrading is expected to be launched in April 2024
Yuanta Bank credit loan scorecard model development project	7,000	January 2022 ~ March 2023	7,000	Launched in March 2023
Yuanta Bank application system LOG analysis platform construction	2,600	October 2022 ~ March 2023	2,600	Launched in March 2023
Yuanta Bank Financial Trading System Upgrading (Calypso implemented into LIBOR Reforms module)	38,000	April 2022 ~ May 2023	38,000	Launched in May 2023

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Bank ALM/FTP software and hardware upgrading project	39,000	February 2023 ~ September 2023	39,000	Launched in September 2023
Yuanta Bank new wholesale banking review system construction project	33,000	April 2022 ~ December 2023	33,000	Launched in December 2023
Yuanta Bank capital Requirement System - 2nd stage	47,000	February 2023 ~ February 2025	34,000	Underway
Yuanta Bank DES Host Upgrading Project	16,000	January 2024 ~ December 2024	0	Underway
Yuanta Bank addition of NTD short-term notes and bills function to the OM system	6,500	January 2024 ~ December 2024	0	Underway
Yuanta Bank ICB notes and bills clearing and settlement bank construction project	10,000	January 2024 ~ December 2024	0	Underway
Yuanta Bank International Information Security Management Standard ISO 27001:2022 Revision Consulting Service Assessment Project	2,000	June 2023 ~ December 2024	1,750	Underway
Yuanta Bank information security incident response and automated response	20,000	January 2024 ~ December 2024	0	Underway
Yuanta Bank Network Detection and Response (NDR)	3,000	October 2023 ~ August 2024	0	Underway
Yuanta Life new generation customer service system construction	15,450	June 2023 ~ December 2024	3,000	Underway
Yuanta Life fund balance allocation platform construction	2,000	January 2024 ~ September 2024	0	Underway
Yuanta Life automatic transmission of underwriting and claims AI-based identification system data	1,700	January 2024 ~ December 2024	0	Underway
Yuanta Life budget management platform	10,740	January 2024 ~ October 2024	0	Underway
Yuanta Life channel conduct risk and claims fraud project	1,000	January 2024 ~ December 2024	0	Underway
Yuanta Life middle office construction project	78,000	October 2022 ~ December 2027	6,950	Underway
Yuanta Life mobile service	12,000	January 2024 ~ December 2024	0	Underway
Yuanta Life message system update and replacement project	4,000	January 2024 ~ December 2024	0	Underway
Yuanta Life implementation of computer auditing software	800	June 2023 ~ December 2024	0	Underway
Yuanta Life Powersystem (AIX) host hardware update and replacement	9,000	February 2024 ~ July 2024	0	Scheduled to be executed in 2024
Yuanta Life implementation of the offline backup system framework	15,000	January 2024 ~ June 2024	0	Underway
Yuanta Life expansion of BCM remote backup environment	4,600	June 2024 ~ December 2024	0	Scheduled to be executed in 2024
Yuanta Life information infrastructure network equipment optimization - intranet QOS mechanism	1,200	April 2023 ~ August 2024	0	Underway

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Life Network Detection and Response (NDR) system	3,000	January 2024 ~ August 2024	0	Yuanta Life Network Detection and Response (NDR) system
Yuanta Life implementation of open source software scanning system	2,000	January 2024 ~ June 2024	0	Yuanta Life implementation of open source software scanning system
Yuanta Life configuration management platform construction	1,500	March 2024 ~ December 2024	0	Yuanta Life configuration management platform system construction
Yuanta Life's continues execution of the International Information Security Management Standard ISO 27001:2022 update project	1,000	January 2024 ~ March 2024	0	Yuanta Life's continued adoption of the International Information Security Management Standard ISO 27001:2022 revision project
Yuanta Securities Investment Trust's continued enhancement of remote operations	8,900	January 2024 ~ December 2024	0	Underway
Yuanta Securities Investment Trust's offline backup	7,000	January 2024 ~ June 2024	0	Underway
Yuanta Securities Investment Trust International Information Security Management Standard ISO 27001:2022 Revision Project	2,000	January 2024 ~ December 2024	0	Yuanta Securities Investment Trust International Information Security Management Standard ISO 27001:2022 Update Project
Yuanta Securities Investment Trust Network Detection and Response (NDR)	3,000	January 2024 ~ December 2024	0	Yuanta Securities Investment Trust Network Detection and Response (NDR)
Yuanta Futures foreign futures core accounting back-office update and replacement project	148,000	January 2024 ~ December 2024	0	Underway
Yuanta Futures TAIEX 2024 IT Project	5,000	January 2024 ~ December 2024	0	Underway
Yuanta Futures enhanced remote backup data center construction project (2nd stage)	81,850	September 2022 ~ September 2025	33,700	The 3-year construction project is expected to be executed in two stages. The first stage has been completed.
Yuanta Futures Singapore subsidiary's information system construction project	15,000	January 2024 ~ December 2024	0	Underway
Yuanta Futures core system offline backup planning and construction	8,000	January 2024 ~ June 2024	0	Underway
Yuanta Futures Endpoint DNS safety protection enhancement project	1,000	January 2024 ~ March 2024	0	Underway
Yuanta Futures International Information Security Management Standard ISO 27001:2022 Revision Consulting Service Assessment Project	1,300	January 2024 ~ December 2024	0	Underway

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Futures enhanced network security detection and protection (NDR & MDR)	5,000	January 2024 ~ December 2024	0	Underway
Yuanta Futures web Application firewall optimization and upgrading project	4,000	January 2024 ~ December 2024	0	Underway

5. Long and short-term business development plans

Yuanta FHC has kept developing the market in Taiwan more thoroughly in recent years. At the same time when Yuanta FHC is developing business overseas, the integration and voluntary growth, exercise of the consolidated effects of merger and acquisition (M&A) and consolidation, integration of the securities businesses overseas and efforts used in growing the business of various business entities, have driven the significant increase in Yuanta FHC's entire business scale. As a result, Yuanta FHC owning the five major profit engines, including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures, was incorporated. Meanwhile, the differentiated services and products drove the mutual growth of the Yuanta Group's five major business entities. In order to achieve more remarkable records in the future, Yuanta FHC will make every endeavor to practice the enterprise's core values, namely "seize opportunities and create client wealth," "enhance performance and promote employee welfare," and "create value and increase shareholders' return," and will follow its "2021-2025 Group Sustainable Development Strategy Roadmap" to include the spirit of ESG (Environmental, Social and Governance) into the enterprise's culture and business strategies, expecting to become a financial holding company responsible to shareholders, making customers rest assured, being friendly to the environment, and steadily progressing towards the two goals of "Best Financial Services Provider in Asia Pacific" and "International Benchmark Enterprise for Sustainability." The focus on Yuanta FHC's future business development is stated as following:

(1) Yuanta Securities: Demonstration of Integration & Innovation and Overseas Deployment Effects

It keeps solidifying its leadership in the various main business lines domestically, develops diversified sources of income, controls the market movement and provides innovative products and services in response to the lifting of laws and regulations and also customers' needs. It will use data analysis to carry out precision marketing and customer group management, and continue to optimize various electronic trading platforms to enhance customer loyalty. Meanwhile, it will also continue to strengthen the risk control mechanism to pursue long-term stable growth.

In terms of overseas business management, it focuses on the diversified core profits, cross-border integration for its subsidiaries in the matured markets, such as Hong Kong and Korea, and the emerging business development in Thailand, in order to disperse the sources of profit. For its subsidiaries in developing markets, such as Indonesia and Vietnam, it stabilizes its core business and establishes a wealth management subsidiary in Singapore to expand its wealth management and private banking business. Additionally, it will continue to improve the existing subsidiaries'

profitability ratio and business comprehensiveness, and also keep developing the consolidated business effects to construct the stable and diversified sources of profit. For a long run, it aims to enable the ratio of profit contributed by the overseas investees to attain 25%.

- (2) Yuanta Bank: Sprouting high-quality customers and increasing the AUM and income

It will continue “balancing its business structure, dispersing its profit-making sources and increasing the efficiency of its capital utilization” as its primary business philosophy, and also solidify the growth of core loans and improve the cash flow management of individuals and corporate customers, in order to increase the demand deposit ratio and control the deposit cost. For the lending business, it will sprout high-quality customers, control the loan risk and fulfill the post-loan management service, in order to increase the interest spread and drive other business transactions concurrently while the business scale is growing. For the wealth management business, it will continue to layout its business team and expand the AUM. It will also offer financial products and services applicable to high-asset customers, provide more diversified wealth management products, and expand the sources of revenue from service fees.

- (3) Yuanta Life: Accumulate Assets and Make Contribution to Profit Stably

Its development strategy maintains stable growth, financial control, balancing of business, and high standard capital adequacy ratio and net worth as the principles. It targets high-asset, general and young customer bases to satisfy the customers’ needs for insurance protection, general inheritance and retirement life.

Short-term goals include: 1. continuing to promote digital transformation to expand business service momentum and improve business management performance; 2. Increasing recurring revenue, reducing non-recurring fluctuations, and improving the ability to manage stocks and bonds to increase the sources of profit; 3. developing channels in a diversified manner, stabilizing internal channels, strengthening external channels and differentiating the operation of insurance broker and agent channels; 4. ensuring the successful integration of IFRS 17 and ICS in 2026; the medium-term goal is to contribute stable profits and support voluntary growth with own profits.

- (4) Yuanta Securities Investment Trust: Making its AUM grow stably, and innovating diversified product lines

Yuanta Securities Investment Trust aims to make its AUM and profitability grow stably. By upholding the development core concept, i.e. “looking around the world, being leader in stock and bond market, combining active and passive products, creating leading products, and satisfying customers,” as a product R&D center, it not only continues to improve and launch innovative products in line with market conditions, but also satisfies customers’ needs for diversified wealth management needs relying on its

strength in product lines (including stocks, bonds, commodities, foreign exchange, and leveraged reverse trading). Meanwhile, it promotes the systematic investment in active and passive funds to implement the inclusive financing policy. Meanwhile, it will also improve its digital financial services, implement sustainable development responsibilities, strengthen information security resilience, and upgrade the investors' education and service quality to customers' satisfaction.

(5) Yuanta Futures: Sprouting the domestic core business, and building an international trading platform

Based on the strategy focusing on “Building New Opportunities, Forward-Looking and Sustainability,” and rigorous risk controls and compliance practices, it focuses on improvement of various futures brokerage services in terms of the sales business, and on stable financial structure and increase in profitability in terms of the business management. In addition to increasing new customers, brokerage market share and gross profit margin, it also strives to optimize the trading performance, develop the subscription economy, and strengthen information security protection systems, in order to keep improving customer service and experience. Meanwhile, based on the Group's strategies, it also provides diversified products and services. The parent company continues the in-depth cooperation with major exchanges around the world and builds a multinational and cross-market international trading platform via overseas subsidiaries to integrate the business in the Asia Pacific region, expand overseas business domain and core business, and strive to become one of the world's largest futures houses.

For the short-term business development plan, please refer to “Four. Overview of Operations/I. Operations” for the business plans of Yuanta FHC and its subsidiaries.

(II) Business services of subsidiaries

1. Yuanta Securities

(1) Main business services

- A. Brokerage of securities listed on Taiwan Stock Exchange (TWSE)
- B. Proprietary trading of TWSE-listed securities
- C. Brokerage of securities listed on Taipei Exchange (TPEX)
- D. Proprietary trading of TPEX-listed securities
- E. Margin trading and short sale for the trading of securities
- F. Underwriting of securities
- G. Securities transfer services
- H. Introducing brokerage for futures trading
- I. Proprietary trading of securities-related futures
- J. Consigned trading of foreign securities
- K. Short-term notes and bills
- L. Trust Businesses
- M. Other operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT\$1,000; %

Business	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Brokerage	21,074,823	70.30	25,070,764	70.93
Proprietary	7,158,215	23.88	8,099,706	22.91
Underwriting	1,743,429	5.82	2,177,892	6.16
Total	29,976,467	100.00	35,348,362	100.00

(3) New financial products and services in development

Yuanta Securities continue to improve its existing products and services, and also keep expanding business to satisfy customers' diversified needs and boost its profitability, in response to the competent authority's new policies.

It continues to upgrade the functions of the Mr. Yuanta APP by integrating various mobile trading platforms to meet customers' one-stop investment needs, and actively assist overseas subsidiaries in developing relevant electronic trading platforms, and apply the successful model of Mr. Yuanta APP to their overseas subsidiaries. It also incorporated the overseas localized elements to build a tailor-made trading platform for overseas subsidiaries and provide customers with high-quality and comprehensive online services. In line with the market trend, it launches a variety of wealth management products and services to satisfy different customer bases.

In the proprietary business, it continues to improve its trading strategies and risk controls. In the investment banking business, it seeks the optimal financing channels for various corporate customers through diversified IPOs and SPOs. Meanwhile, with the characteristics and expertise of each overseas

subsidiary, it builds a full series of products and services in all aspects, and strive to achieve the goal of becoming “the best financial service provider in the Asia Pacific region.”

(4) Business plan for the year

A. Balanced business development:

(A) Brokerage services:

Yuanta Securities continues to exert its strength in tangible channels, combine the online digital services, deepen and upgrade the brokerage-related business and services by integration of virtual and tangible channels and create a dual engine of brokerage and wealth management profitability to drive the revenue from the trading and AUM of relevant business operations. Big data will be used to analyze differences and segment customers into different segments based on their attributes and needs. It aims to target customers precisely, take the initiative and diversify products to market. It will also diversify its services and revenues and drive the synergy of brokerage and wealth management services to improve the operating efficiency of the channels effectively. Meanwhile, it implements the fair dealing policy, and is friendly to senior customers, and develop the inclusive financing policy proactively.

It continues to improve Yuanta Securities’s overall customer structure, expand the institutional-investor brokerage business, optimize the relevant trading platforms and product portfolio, provide a more complete product line for institutional investors, and construct a one-stop service business model to improve its competitiveness in the corporate banking business market. It also continues to develop young and retail investors by means of the systematic investment plan and intraday odd-lot trading policy to solicit new customers and activate dormant accounts to improve the weight and turnover rate of transactions. It continues to offer unrestricted-purpose lending and expand the scope of collateral. ETF products are promoted strongly. Applicable underlying assets are promoted subject to the customers’ attributes and needs to help it build the ETF ecosystem.

It continues to perform the brokerage channel talent recruitment plans, and train the talents and members needed by the business by recruiting and soliciting for the elite in the same trade, and implements internal risk control and control for specific types of customers, implement KYC, credit investigation and care operations, review customers’ financial proof and re-evaluate the optimal trust limit. It optimizes the back-office operating systems of the headquarters and branch companies, strengthens the functions of ledgers and utilizes and promotes them, continues to expand the e-counter services and functions to provide customers with the access to the efficient and convenient one-stop online account opening service. It improves the energy efficiency of business locations, such as energy conservation and carbon reduction, use of green electricity, GHG reduction and other environmental protection measures, implement supplier management and increase green procurement, and promote the

implementation of carbon pricing management system internally.

(B) Wealth Management:

Yuanta Securities continues to sprout wealth management services and also expands the scale of its wealth management business. All of the brokerage branches have been transformed into wealth management branches, and sales representatives have developed into a wealth management consultant model. Further, it utilizes big data to analyze customers' trading behaviors and needs, effectively distinguishing customers into different groups, and providing customized services and underlying products based on customer needs. In addition to continuously introducing funds and insurance products with outstanding performance, it also proactively designs and develops self-made financial products, while continuing to assist in the promotion of the Group's related financial products.

In response to the FSC's Wealth Management 2.0 policy, Yuanta Securities works with the three leading accounting firms to provide high-asset customers with various asset allocation recommendations and customized services to meet the customers' needs. In response to the aged society trend, it will continue to adjust the branch company's structure and invest massive wealth management resources, subject to the retirement life planning, asset legacy and children education, in order to delve into customers' family condition and strengthen retirement cash flows and long-term care planning. Meanwhile, it will plan cash flows to fill the social insurance gap, help customers complete the wealth inheritance, and transform one single product vs. one single customer to the family inheritance planning and solutions.

Yuanta Securities has received the approval from the competent authority with respect to the service for the "other interest oriented trust of securities." It is planning the related system to provide customers with more diversified wealth management service options. It participates in the "Retirement Trust Account Program" organized by the Taiwan Trust Association, and strive to provide the relevant services after the "Labor Pension Self-Contribution/Self-Selection System" is open, in order to provide the vast labor customers with retirement protection services. For the sub-brokerage services, it continues to perfect the overseas equity system and launches the products about US stocks, Japanese stocks and high-quality overseas bonds primarily. It will also continue to optimize the related e-trading platforms. It continues to hold regional investment forums to maintain good relationship with customers, link relevant services and resources of overseas subsidiaries, and continue to focus on the progress of securities houses' opening up for sub-brokerage financing service, and make relevant preparations in advance. Yuanta Securities established a wealth management subsidiary in Singapore to develop a regional hub for private wealth management and commodity trading. It plans to provide high-asset customers with the discretionary wealth management services after receiving the relevant license, and also works with the diversified product trading center in Hong Kong to continue strengthening the overall wealth management and private banking business, deepening the integration and connection of

resources among overseas subsidiaries to upgrade Yuanta image as the top financial institution in Asia.

(C) International institutional business and securities borrowing and lending (SBL) business:

Yuanta Securities continues to improve its foreign institutional investors business. Meanwhile, in response to the market changes and customers' needs, it keeps integrating the Group's resources, diversifies products and optimizes trading systems and services to maintain its high competitiveness. Especially, through the one-stop service and connection of the stock brokerage and securities lending services, it fully meets the foreign institutional investors' trading strategy planning and asset allocation needs, and increases customer loyalty. Also, with the strength in distribution channels, it develops two-way securities lending to natural persons proactively, strengthens the collection and lending of relevant securities, and also activates the treasury stock positions held by investors, in order to provide foreign institutional investors customers with a wider range of securities to maintain Yuanta Securities' long-term leadership in securities lending market.

(D) Proprietary trading:

In terms of securities investment, Yuanta Securities takes into account the changes in domestic and foreign economic and financial conditions and investees' corporate governance status, adopts the stable investment policy, constructs investment positions and adjusts investment portfolios as appropriate. Meanwhile, in order to improve the mid- and long-term operating performance stability, it continues to upgrade its investment in line with the ESG-related subject matters and also to engage in the systematic investment management and diversified trading allocation strategies.

Quantitative trading is primarily based on the market making and arbitrage strategies. In terms of market making, in addition to maintaining the leading position in the market making products of TAIFEX and TWSE, it also participates in the market making of ESG-related instruments to fully support the ESG philosophy. In terms of arbitrage strategy, it adopts an interlock position between longs and shorts, with a small net exposure, and a neutral trade in its risk preference. Meanwhile, it will continue to conduct in-depth research on the factors affecting market prices to assist the existing market making transactions, and develop various directional trading strategies, in order to add new sources of profit in addition to the original market making operations.

(E) Investment banking business:

In response to changes in the capital market, it will continue to seize the opportunities for fund-raising and M&A, and capitalize on customer needs to continue to leverage its advantages in investment banking services, while continuing to increase the market share of related businesses, continues to improve the internal control mechanism about related cases, in order to mitigate the risk over underwritten cases effectively. It will combine the wholesale banking resources of Yuanta FHC and Yuanta Bank, continue to

promote relevant business cooperation opportunities by adopting a business quality approach, effectively utilize relevant resources to connect overseas subsidiaries, and introduce international investors proactively, and strive to participate in market benchmarks or multinational cases.

In order to respond to the government's green financial policy, it strictly follows the "Sustainable Finance Guidelines" when selecting cases, develop the ESG-related underwriting cases, guides customers to enhance the ESG-related improvements, and practices corporate social responsibility (CSR) into the corporate business. Meanwhile, it continues to keep the market share of market making and trading volume on the emerging stock market ranked in first place, and assesses the position risk and weight of related position allocation carefully.

(F) Shareholders service agency:

Yuanta Securities continues to maintain its market position ranking 1st place in the securities industry, and replace the price competition with high-quality differentiated services to increase the added value for companies it act on behalf of. At the same time, it will continue to combine the Group's resources to continuously increase the customer base with high contribution in a steady manner, and refer relevant resources and services within the Group to customers per customers' needs. Meanwhile, in response to the ongoing amendments to laws and regulations, it continues to optimize the shareholders' meetings held by means of visual communication network, and also to enhance the information equipment and systems to improve the operational performance.

(G) Bond business:

Yuanta Securities will continue to focus on the global major central banks' monetary policy and the effect posed by lift rates to the financial market, adjust the related bond trading strategies from time to time, take chance to create interest spread positions and seek the opportunities for investment under band operations that may generate capital gains. The market generally expects that various major central banks may begin to cut interest rates successively in 2024. In the future, it will pay close attention to changes in the general economic conditions and market interest rates, and adjust the direction of proprietary bond trading strategies in a timely manner to seize the opportunities to seek profit. It continues to participate in bond underwriting cases proactively, and promotes the issuance of green bonds or sustainable bonds, maintains the leading position in the underwriting market, participates in the overseas bond market, and works with overseas subsidiaries.

Yuanta Securities holds the qualification as a foreign exchange securities house; therefore, it will continue to provide customers with the services related to foreign exchanges, and also strive to reduce the covered costs and improve the price competitiveness. It will also expand the development of short-term notes and bills business, increase the e-trading, expand the overall notes and bills scale and increase related products, and provide customers with

more diversified fixed-income investment instruments as options.

(H) Derivatives service:

Yuanta Securities maintains its leading position in the markets of warrants, ETN and various financial derivatives, continues to develop new types of over-the-counter structured instruments, improve the ability to self-made financial derivatives, and plan to establish the online account opening system for financial derivatives and domestic and overseas index warrants and ETF warrants monitoring system to provide customers with more high-quality derivatives trading services.

(I) Digital finance and e-commerce:

Yuanta Securities continues to pursue innovation and opportunities for digital transformation. Through the integration of the Group's resources and cross-subsidiary alliances, it builds a digital ecosystem to provide customers with a one-stop integrated financial platform. In addition to the securities, sub-brokerage and wealth management accounts which were already launched and application for digital accounts in NTD and foreign currencies at Yuanta Bank, it is currently applying for the opening of new accounts, futures accounts, and sub-brokerage foreign currency accounts at Yuanta Securities, which should be completed in Q1 of 2024 at the earliest. It will continue to improve the related e-platform's trading functions and also to integrate various e-platforms and optimize the "Mr. Yuanta" APP, so that customers may access services via Mr. Yuanta APP as its primary portal site. Meanwhile, it also assists overseas subsidiaries in developing related digital services and implementing the "Mr. Yuanta" APP.

It uses the big data analysis to conduct business strategy analysis and customer base management, and increase the weight and turnover rate of electronic users, continues to improve and strengthen the intelligent customer service application, and improve the satisfaction of online customer services. It continues to optimize the one-stop online account opening to provide the convenient service allowing opening of multiple accounts at the same time. It plans to connect the E-counter of Yuanta Bank. Therefore, in the future, securities and bank accounts may be opened simultaneously through a single login, thus improving the quality and convenience of account opening operations. Further, in view of the increasingly serious threats to information security, it also continues to strengthen various information security defenses to ensure the security of various business transactions.

B. Expand the market in Asia:

(A) Korea:

Yuanta Securities (Korea) continues to develop brokerage, proprietary trading, and investment banking services in a balanced manner as its core strategy, in order to achieve business diversification and stable income. In terms of brokerage business, it will improve the functions of its order placing system and provide differentiated services proactively, in order to attract new customers and increase customer loyalty. The efforts include optimization of the DMA order placing and overseas derivatives

trading systems, and proactive expansion of the overseas stock order placing service. In terms of proprietary trading, it will deploy bonds cautiously as the lift rate cycle is coming to an end, and will follow the Group's risk management policy to manage its positions carefully. In terms of investment banking, it will undertake business related to the real estate industry cautiously, select high-quality cases, strengthen traditional investment banking business and expand real estate financing intermediary and consulting services proactively, insofar as the risk is under control, in order to increase the sources of income.

(B) Hong Kong:

Yuanta Securities (HK) continues to expand its personal wealth management business to provide high-end customers with customized wealth management services. It promotes the transformation of brokerage business, create a diversified product platform by taking self-made structured products as the niche, combining with the bond platform business and expanding the agency sale of financial products. It continues to develop diversified customer bases in Asia. In the future, it will also work with Yuanta Wealth Management (Singapore) to improve the Group's core competitiveness in wealth management services and create the Group's business synergy.

(C) Thailand:

Yuanta Securities (Thailand) will continue to optimize its brokerage system and improve the quality of its financing services, and also construct an institutional investor trading system to provide professional corporate customer services. It will continue to strengthen investment banking, bonds, warrants, and wealth management businesses to create diversified operating revenues.

(D) Vietnam:

Yuanta Securities Vietnam will continue to enhance its e-trading and services, develop young customer bases and institutional investor services, increase its brokerage market share and financing business growth momentum, and expand its market position. Meanwhile, it will enhance control over financing position risks and customer concentration. For a long run, it will develop diversified wealth management and warrant products, increase sales channels, and become a full-service securities house.

(E) Indonesia:

PT Yuanta Sekuritas Indonesia will continue to strengthen its core business of brokerage and financing, continue to optimize the operating procedure for account opening, in order to expand the customer base, improve risk diversification in financing positions, and strive to diversify the operating revenue sources.

(F) Singapore:

On April 29, 2022, Yuanta Securities established its wealth management subsidiary in Singapore. After obtaining the asset management-related financial license from the local competent authority and officially opening for business, it will further expand its wealth management and private banking services, and plan to provide the high-asset customers with discretionary wealth

management services, and connect with the business resources and customer needs of the related subsidiaries of the Group to develop into a regional private wealth management platform.

(G) Mainland China:

Yuanta Securities and its subsidiary have set up three representative offices in Beijing, Shanghai and Shenzhen in China so far, in addition to Yuanta Investment Consulting (Beijing) Co., Ltd. and its branch company in Shanghai primarily engaged in the related business and collection of information. In the future, it will continue to focus on the legal environment of the entire capital market in China and the development in the same trade, and also follow up the cross-strait competent authorities' schedules for lifting of related laws and evaluation thereon.

(5) Industry overview

A. Industry status and development:

After the inflation pressure led the central banks around the world to raise interest rates, and the slowdown in economic momentum caused the price of both stocks and bonds to fall in 2022, though the United States showed better economic resilience in 2023, most countries were still under economic pressure from the high interest rate environment. Besides this, financial crises broke out in the US and Europe, which aggravated the volatility of global financial market and economy. International institutions such as IMF, World Bank, and OECD, forecast that the global economic growth rates in 2023 will be 3.1%, 2.6%, and 2.9%, respectively, which is a significant decline from the 3.5%, 3.0%, and 3.3% in 2022. The weak global economy has dragged down Taiwan's commodity trade and domestic investment momentum. Even though AI-related industries have become the topic of discussion, the overall end demand continues to be sluggish, export growth rate shows as negative, and private investment tends to be conservative. The Directorate-General of Budget, Accounting and Statistics and the Central Bank forecast Taiwan's economic growth rates were only 1.40% and 1.40%, respectively, in 2023, which is also a decline from 2.59% and 2.45% in 2022.

The rate-rising cycle has posed an impact on the global financial markets. However, Taiwan's lifting of the lockdown at the beginning of the year has boosted the consumer economy. By May, the AI-themed topics emerged. Benefiting from the development of the industrial chain, TAIEX had counter-offensive momentum. The TAIEX rose by 3,793.12 points cumulatively for the year, i.e. by 26.83 %, the third largest increase in history, and reached 17,930.81 points on December 29, the highest record since March 2022. In addition to the significant breakthrough in the index growth, the turnover also performed well. In 2023, the daily trading volume of TWSE and TPEX was NT\$359.025 billion, an increase by NT\$53.870 billion or 17.65% from NT\$305.155 billion in 2022. According to the statistics gathered by TWSE, the profit sought by the whole securities houses was NT\$68.709 billion in 2023, increasing by NT\$29.981 billion from 2022, i.e. 77.41%. Yuanta Securities' net profit after tax was NT\$13.793 billion, i.e. 20.07% of the profit sought by the whole securities houses.

Looking forward to 2024, the Fed has signaled the end of its lift

rate cycle, indicating that inflation would continue to cool down. Notwithstanding, the impact posed by the tight monetary policies has not yet subsided. Besides this, the economic recovery since China's lifting of the lockdown is not as good as expected. International institutions generally believe that the economic momentum will become sluggish this year. The IMF, World Bank and OECD forecast that the global economic growth rates in 2024 will be 3.1%, 2.4%, and 2.7%, respectively. For the domestic economy, the impact posed by de-stocking and inflation continues to be mitigated. Besides this, in consideration of the expansion of AI business opportunities, the global commodity trade is expected to recover, thus driving Taiwan's import and export trade and domestic investment momentum. Given the low base period in 2023, the Directorate-General of Budget, Accounting and Statistics and the Central Bank forecast Taiwan's economic growth rates will be 3.35% and 3.12%, respectively, in 2024.

In terms of securities market-related policies, the FSC continued to promote new policies and deregulations in 2023, including approval of the warrant hedging tax reduction to help warrant issuers provide better quotes and drive the development of the warrant market, and relaxing the Taiwan Innovation Board professional investors' qualifications to solicit more investors' participation and improve the liquidity of the Board. Further, the FSC has also focused on the development of FinTech in recent years. According to the "FinTech Development Roadmap (1.0)" released in August 2020, the results include the establishment of "Guidelines for Information Sharing Among Financial Institutions" and the promotion of multiple policies including the financial FIDO. Meanwhile, on August 15, 2023, the FSC also announced the "FinTech Development Roadmap (2.0)" to improve the competitiveness in the financial market and create a friendly FinTech ecosystem. Further, in terms of ESG development, FSC has released the "Green Finance Action Plan 3.0" and "Corporate Governance 3.0 – Sustainable Development Roadmap," and conducted the fair dealing assessments, in order to practice the inclusive financing policy by building a robust business and trading environment for the securities industry.

B. Business development trends and competitiveness:

(A) Brokerage services

In 2023, the global financial markets were affected by the lift rates and international developments and thereby causes market volatility. Notwithstanding, Taiwan's stock market was characterized by relatively stable and high yields. After the lift rate cycle was suspended in 2H of the year, funds flew back, and the TAIEX fluctuated and eventually rose to 17,930.81 points throughout the year, i.e. YoY of 26.83%. In 2023, the daily trading volume of Taiwan's stock market was NT\$359.025 billion, increasing by 17.65% from NT\$305.155 billion in 2022.

Yuanta Securities has long been committed to a full range of investment and wealth management services by making good use of the Group's entire resources. It organizes regular presentations and institutional investor conferences to help investors stay on top of domestic and foreign stock market investment trends and pulses,

and aims to satisfy customers' needs as the first priority, review the customer bases' structure carefully and implement the customer management by segment and group. For high-asset customers, investment advisors are invited to provide customers with the most real-time market information, and interact with customers to understand their needs and provide suggestions on tax planning and asset allocation. In order to deal with the general customer base, it adopts the digital marketing and pushes notices for business activities precisely via various channels including the official website, Mr. Yuanta APP and social media, in order to provide the target customers with the latest information about products and services to increase customer reach.

Yuanta Securities also strives to develop and solicit new customers proactively. Considering that the customers opening accounts have been younger and younger and the e-trading proportion has been increasing too in recent years, Yuanta Securities continues to promote the easy and low-risk investment tools, such as intraday odd-lot trading and systematic investment services, in order to train the young customers' correct investment concept and financial knowledge. Meanwhile, in line with the trend that investors tend to choose deposit of stocks but withdraw interest, it launches the systematic investment portfolio for ETF to provide investors with more sound investment tools and experience.

While the Taiwan stock market still hold energy and quantity at the same time, Yuanta Securities continues to sprout its brokerage business, develop innovative services, and expand the financial services in breadth and depth. Meanwhile, it aims to protect customers' assets as the first priority implements KYC, and verifies any changes in customers' transactions, in order to real-time customer care, integrate the Group's resources to provide more sound services, and create sales opportunities for diversified products.

(B) Proprietary Trading business

In 2023, the interest rate of federal funds stayed high, and the international stock, foreign exchange and bond markets reflected the monetary policy expectation that interest rates might continue to rise or reach a peak. Despite the supply chain de-stocking, the AI server investment boom began at the end of Q1 drove the rising price of related US and Taiwan supply chain stocks. TAIEX surged nearly 4,000 points or 26% throughout the year.

Looking forward to 2024, as the high-end inflation has passed, the market expects that the monetary policy will turn to cut interest instead. The electronics industry's terminal inventory has gradually returned to the normal level in 2H of last year. The industry's sales are expected to grow optimistically, in consideration of the moderate recovery of terminal demand in 2024. Besides this, the demand for new applications, such as AI servers and high-speed transmission, is strong. Taiwan's semiconductor industry will continue to drive the prosperity of the entire upstream and downstream industry chains based on its unique leading position in the world.

Proprietary Trading Dept. closely works with research resources, in hopes of creating new and more excellent investment portfolio. Proprietary Trading Dept. owns the best stock investment team, insists on pursuing absolute rate of return under strict risk control, grasps the investment trend and opportunity precisely, continues developing toward diversified layout and investment in the world's markets, and constructs the investment team with forward-looking global view and excellent ability in investment.

(C) Quantitative trading services

The Quantitative Trading Dept. is primarily engaged in various ETFs, futures and options market making services at Taiwan Stock Exchange and Taiwan Futures Exchange. It uses the best efforts to provide quotes about TAIEX, stocks, raw materials & supplies, foreign exchange rate and overseas ETNs, etc., becoming the market maker providing quotes about the most product lines. In 2023, the market share of its market making businesses made it remain the market leader stably. Meanwhile, it won the Market-Making Performance Diamond Award of Taiwan Futures Exchange's 9th Gold Diamond Awards, 1st place in Futures Proprietary Trading Volume Diamond Award and 1st place in Securities Trading Volume Award.

In 2023, when the impact posed by the Russia-Ukraine War was mitigated and the global inflation declined step by step, the Fed slowed down the pace of life rate. As a result, the stock market rebounded quickly, and in the context of expectation that the bond prices would rebound due to interest rate cuts, a large amount of capital poured into the bond and securities market. Meanwhile, the trading volume of bond ETFs in Taiwan was growing month by month. The average daily trading value has increased from NT\$2.2 billion in January to NT\$11.7 billion in December, an increase of 5 times, and the percentage in the overall ETF trading value has increased from 15% to 39%. At the beginning of the trend development, the Quantitative Trading Dept. seized the opportunity and continued to increase the trading resources of bond instruments, thereby increasing the market share quarter by quarter. The annual market share was 9.4%, ranking first place among the peer companies engaged in proprietary trading. In terms of the futures and options market, although the market volatility continued to decline, from 21% in 2022 to 15% in 2023, and the average daily trading volume also declined by 13%, i.e. NT\$1.35 million, Quantitative Trading Dept. continued to improve the evaluation model and system and adjust the strategic direction to enhance the competitiveness amid the market volatility, so that the overall profit of the Department increased by approximately 70% in 2023 from 2022.

Looking forward to 2024, Quantitative Trading Dept. will continue to maintain the quality of the market making and provide sufficient market liquidity. Meanwhile, it will also strengthen the development of emerging businesses, and maintain balanced development of options, ETF and stocks, in order to maintain excellent profit performanc.

(D) Investment banking business

Yuanta Securities' investment banking business is oriented toward customers' needs. It helps customers enter the capital market and raise funds in the capital market, and offers financial consulting services. By adopting a business strategy that emphasizes both quality and quality, as a sector banker, it provides customers with customized and diversified financial services, and makes use of the support from the capital market to help customers develop with long-term development and enhance customer loyalty.

Yuanta Securities has business locations in all major regions of Asia, including Hong Kong, China, Korea, Vietnam, Thailand, Indonesia, and Cambodia. The Investment Banking Department of Yuanta Securities utilizes the business resources, ability to innovate financial products and strict management experience of the headquarters based in Taiwan to provide customers with the one-stop services via the framework of the "Investment Banking Platform," so as to leverage the cross-border synergy in Asia and fully satisfy customers' needs for raising funds/financing in the capital market. Meanwhile, it aims to increase customer loyalty and become the customers' best partner via Yuanta FHC's Wholesale Banking Platform and services provided by Yuanta Bank, Yuanta Life, Yuanta Venture Capital and Yuanta Securities Investment Trust.

It responds to the government's green financial policy. The investment banking business focuses on customers' ESG performance (Environmental, Social and Governance), hoping to encourage listed companies to value their ESG development via the market mechanism. When selecting cases, it strictly complies with the "Sustainable Finance Guidelines," consider the customers' business outlook more thoroughly, and take into account the degree of customers' valuation on ESG practices. Whenever accepting cases, it fulfills the CDD through case counseling, periodically reports the status of customers to whom it provides the counseling service, and guides customers to strengthen the ESG practices, in order to practice the spirit of corporate social responsibility into business planning and corporate operations and urge both parties to create the ESG value jointly in line with the international sustainable development trend.

The Investment Banking Department upholds the principle claiming "Honest-Based Hospitality" to continue improving employees' awareness toward financial consumer protection and compliance with relevant laws and regulations, strictly adheres to the professional finance and ethical service principles and complies with the fair dealing policy, in order to ensure the rights and interests of customers and shareholders. Also, in order to protect senior customers and avoid fake allotment and placement in the market, the Investment Banking Department will remind the relevant instructions in the purchase order and announcement documents when processing book building cases, and also provide its contact information to protect customers' investment security.

In 2023, given the booming capital market, it underwrote a total of 236 cases in IPO/SPO markets, amounting to NT\$149.398 billion

in total. Yuanta Securities has participated in the bookrunner and joint bookrunner with a total of 68 cases, with a market share of 8.51% and a total underwriting amount of NT\$12.7 billion. As the leading brand in the IPO market, Yuanta Securities values quality and characteristics when selecting cases, and communication with investors when underwriting cases. It refers fine-quality cases to the capital market, so that investors may access fine-quality investment portfolio via the IPO platform and thereby seek profit. Issuers may also raise the fund needed by their business development. In 2023, Yuanta Securities has underwritten the IPO including InnoCare Optoelectronics Corporation (6861), HYE TECHNOLOGY CO.,LTD. (6877), Gogolook (6902), WINSTAR Display Co., Ltd. (6916), Skytech Inc. (6937), etc., and the SPO including LOTES CO., LTD (3533), BizLink Holding Inc.-KY (3665), Materials Analysis Technology Inc. (3587), TSEC CORPORATION (6443), Actron Technology Corporation (8255), HD Renewable Energy Co., Ltd (6873), International CSRC Investment Holdings Co. (2104), Tai-Tech Advanced Electronics Co., Ltd. (3357) and Amulaire Thermal Technology, Inc. (2241). Among them, Gogolook-Innovation (6902) is the first SAS cloud software service company on Taiwan's Innovation Board, which provides TrustTech and anti-fraud solutions. Investment Banking Department of Yuanta Securities helps it anchor the international peers to create a SAS company's investment story. Meanwhile, it sets the precedent for new economic software companies to be listed on the Innovation Board, hoping to drive more startups and software companies to be listed in Taiwan and demonstrate the diversified outlook of Taiwan's capital market. Further, it underwrote the CB of HD Renewable Energy Co., Ltd., a company listed on the Innovation Board, and completed the offering and listing successfully in September 2023, as the first successful issuance of CB by a company listed on the Innovation Board.

Yuanta Securities investment banking business insists on selecting high-quality cases. With its innovation and diversity in investment banking business, it was honored the "Capital Market Contribution Award" by Taiwan Stock Exchange in 2023 and the "2023 Best Investment Bank in Taiwan" of the Finance Asia Awards.

For the financial consulting service (FA), Yuanta Securities has achieved abundant achievements in underwriting cases, including M&A cases in Taiwan, or multinational/cross-border cases. It will continue to look for companies with potential in the international market, hoping to utilize the depth and width of investment banking products to improve the cross-border international financial consulting services, and keep deepening the comprehensive investment banking services and increase the added value.

For the private placement (PP), Yuanta Securities exercises its experience in private placement and extensive investor network to provide private placement and investment solicitation and block trade services and designs the corrective action plan of equity structure for its corporate customers. It also introduces diversified financial and strategic investors by taking into account the

timeliness and valuation.

Investment Banking Department of Yuanta Securities upholds the principles of risk control when selecting projects carefully. It also continues to integrate the resources and competitive advantages of the Group, other subsidiaries, and overseas business locations in Hong Kong, Korea, Vietnam, Thailand, and Indonesia. Through cooperation with investment channels in different regions, it may increase the breadth of allotment and placement and solicitation for investment, and provide customers with a full range of capital and strategic planning, aiming to be “the best financial service provider in the Asia Pacific region” and looking forward to becoming the customers’ best partner.

(E) Bond business

After a year of sharp inflation and rapid lift rate by the central banks around the world, the global economic volatility has been gradually eased in 2023. The emergency economic support measures launched by various countries after the pandemic also ended successively. The negative effects caused by the Russia–Ukraine War were mitigated significantly, and the inflation gradually cooled down. However, the change in lifestyle after the pandemic resulted in an imbalance between supply and demand in the employment market. It is difficult to stop the rigid rise of wages and the core inflation rate is slowly declining. Viscous inflation has become the biggest challenge for central banks led by the Fed. Fortunately, the global economy has not fallen into stagnant inflation. Insofar as the growth can still be maintained, the Fed has raised the Federal Funds Rate to 5.25–5.5%, and the European Central Bank has raised it to 4.5%, respectively, increasing by 100 and 200 points, respectively, from the previous year. The Bank of Japan also gradually raised the interest rate for the purchase of 10-year JGBs to 1% after the new President took office. Throughout 2023, under the expectation that the global economy can achieve a “soft landing” and the central banks around the world continue to raise interest rates, the bond market has limited room for performance.

In terms of trading, Yuanta Securities Fixed Income Dept. maintained the defensive strategy, and adjusted the NTD and foreign currency bond trading positions in response to the market conditions. In terms of offering, the offering of bonds in NTD underwritten by Yuanta Securities has amounted to NT\$94.8 billion in total. It underwrote a total of 117 cases. Also, Yuanta Securities continues to innovate business in the NTD-denominated bond market. In response to the sustainable development bond policy promoted by the competent authority, it led the offering of the bonds listed on the Sustainability Board, including TSMC 112-1, Chi Mei 112-1, and Far Eastern New Century 112-1 & 112-5. Further, in response to the competent authority’s promotion of new financial products, Yuanta Securities participated in the SLB issued by domestic enterprises proactively (Far Eastern New Century 111-1, Chi Mei 111-1 & 112-1 and Hon Hai 112-4). Yuanta Securities served as the leading underwriter of the first batch of SLB issued successfully and was also the only one underwriter participating in

all SLB cases to fulfill its promise to promote the sustainable development bond market. It provided the underwriting and consulting services for the bonds, deepened participants' respect toward the sustainability-related issues and practiced the sustainability and common good, and relied on its position as the bond underwriter ranking 1st place and high-level understanding about enterprises and investors to play the role as a matchmaker on the capital market platform satisfactorily, in order to allow the fund-raising channels of enterprises which are committed to promoting the environmental improvement to operate more successfully, promote the government's green finance policy, and provide investors with innovative products to give the investors more choices and also create a win-win-win situation. Affected by the strong lift rates in the USA, the investment made by Yuanta Life was less than expected. The issuance and cases of foreign currency-denominated International Board bonds decreased at the same time. Notwithstanding, Yuanta Securities continued to develop the underwriting opportunities in NTD and foreign currency primary markets. Its entire underwriting market share ranked 1st place in 2023.

Looking forward to 2024, with the expectation of interest rate normalization, it could almost confirm that central banks around the world will end the lift rate cycle and possibly start the interest rate cut cycle. Meanwhile, the bond market is expected to be loosened from the constraint of two-year bears. However, the interest rate cut speed and timeliness vary depending on how quickly the economy cools down. The Bond Dept. will continue to monitor the relevant data, in order to make a breakthrough and seek profit in a high interest rate environment, and will develop new businesses or new products proactively to create more business opportunities.

(F) Derivatives service

Yuanta Securities is a leading securities house in the stock warrant market of Taiwan. In 2023, Yuanta Securities has issued a total of 14,639 stock warrants, i.e. the market share of 22.4%, at the issue amount of NT\$110.2 billion, i.e. the market share of 22.7%, both in the first place in the market ahead of the others in the same trade. Yuanta Securities has developed the stock warrant market for many years. Its business scale outperforms the others in the same trade. Notwithstanding, it keeps improving itself and uses the best effort to provide investors with better service quality, including offering of diversified stock warrant products to enable each stock warrant investor to find Yuanta stock warrant in line with his needs. Further, during the peak season of ex-rights and ex-dividends in 2023, it organized the "FUN Unboxing" event for Yuanta warrants to promote replacement of stocks with warrants and to create a "warrants in replace of stocks" trading strategy, allowing investors to enjoy the multiple benefits from warrants and also to win prizes by participating in the event at the same time, in line with Yuanta Securities' goal of promoting warrants. Finally, Yuanta Securities uses the best effort to protect investors' interests and rights. It also discloses on its securities and warrant official website the "market

making commissioned selling volatility” of each Yuanta Securities’ warrant since it is listed, so that investors may access the reasonable price of Yuanta Securities’ warrant at any time via the trial calculator and then make the most correct investment decision to upgrade the investors’ recognition of Yuanta Securities’ warrant brand and maintain the leadership of Yuanta Securities’ warrant in the market.

In 2023, under the circumstance that Yuanta Securities continued to promote the business of structured notes, the outstanding balance of the equity-linked notes still accounts for about 33% market share in the same trade. In recent years, structured notes have been accepted by domestic investors gradually. The investors may choose adequate products to optimize the asset allocation, subject to their risk tolerance. Looking forward to 2024, Yuanta Securities will continue to research and develop new structured notes to satisfy the market. It is expected to bring the chance of development for the structured notes market.

Asset swap services derive from convertible bonds. In 2023, Yuanta Securities still remained the first place in the market share of the outstanding balance of asset swap services. In 2023, Taiwan’s stock market was bullish. Through the significant lift rate of the US In the previous year, the market began to expect that the economy would regain growth momentum in recent years once inflation was controlled. The bull market in TAIEX was followed by the record volume of domestic convertible bonds and the overall market size of asset exchange options, from NT\$147.3 billion to NT\$159.3 billion. Looking forward to 2024, the asset swap market is still full of challenges and opportunities. Yuanta Securities continues to seek the stable market position by virtue of the competitive strengths, such as brand, capital cost, business scale, APP order placement, increase of e-trading convenience, and fair dealing policy, and also pursue the growth of scale and profitability by insisting on effective control over the quality of asset risk.

In 2023, Yuanta Securities made innovations in the issuance of indexed securities by issuing the first ETN linked to a weighted return index on the market with zero investment commission. Meanwhile, it continued to expand the product line of index-invested securities. A total of 5 ETNs have been issued, of which 2 were related to ESG, namely Yuanta ESG HD (Payout) ETN and Yuanta TPEx ESG LDR ETN. In April 2023, Yuanta Financial DH TR (Payout) ETN and Yuanta Financial DH TR (Reinvestment) ETN were launched, both linked to the same index to provide investors with the free choice of whether to pay dividends or not to pay dividends, thus making the product line of Yuanta ETN more diversified and complete. Until 2023, Yuanta Securities has had 14 ETN tranches, with an outstanding amount of NT\$ 890 million, i.e. 59% of the total ETN tranches.

(G) Wealth management services

In order to deepen the customer services, provide complete products, Yuanta Securities sought the approval from the competent authority in March 2011 to run the wealth management business under the trust framework, and played the important role

as a pioneer in the market of wealth management run by securities firms.

Yuanta Securities' wealth management business has matured after several years of development. The customers' needs became more and more diversified, while the depth and width of services needed by the clientele were high. In order to deal with more and more special and professional customers' needs, Wealth Management Dept. continued to include various wealth management products. Meanwhile, in order to meet customers' needs more and serve high-asset customers, it integrated internal resources to design and develop self-made products so that any different customers may enjoy financial services.

Since Yuanta Securities offered the securities wealth management trust business, it has led the others in sale and management of funds. Therefore, since 2012, the total assets of customers under its non-discretionary money trust business has ranked 1st place in the market, far ahead of the others in the same trade. This primarily resulted from mass business locations of Yuanta Securities' channels and intensive relationship between it and customers, as well as the quality of its study report ranking 1st place in the same trade. Meanwhile, its fund platform has selected 31 domestic trust investment companies and 23 overseas fund companies so far, offered more than 2,500 products, and owned the most complete network interface and order placing system in the same trade. For customers, they may deserve such strengths as professionalism, completeness of portfolio and convenience, if they choose Yuanta Securities to manage wealth on behalf of them.

Statistics of the money trust balance managed by the wealth management department until the end of December 2023(NT\$ million)

AUM	2021	2022	2023
Yuanta	46,758	64,088	71,370
KGI	26,330	30,029	40,714
Sino Pac Securities	29,739	32,779	33,310
Mega	13,754	13,520	15,511
Fubon	5,377	5,744	14,623
Total Amount	128,705	153,694	175,528

Source of data: Taiwan Securities Association

Statistics of the accumulated accounts opened for money trust managed by the wealth management department until the end of December 2023

Number of opened accounts	2021	2022	2023
Yuanta	391,228	453,284	515,894
Fubon	45,561	60,292	134,107
KGI	72,414	95,221	124,779
Sino Pac Securities	90,701	99,844	112,331
Capital Securities Corp	51,261	55,195	59,710
Total	651,165	763,836	946,821

Source of data: Taiwan Securities Association

Since Yuanta Securities offered the wealth management trust lending operations in May 2013, Yuanta Securities has built the asset pool for the stock which was most likely to be lent and pursued the efficiency of lending as its business development policy. Notwithstanding, in response to the lifting of laws and regulations, since Yuanta Securities started the retails two-way lending in February 2016, it has focused on the two-way lending operations for natural persons primarily and the trust lending operations secondarily. The asset pool for the trust lending operations was based on the customers' permanent idle stocks which were lent frequently, in order to generate the maximum income for customers and Yuanta Securities together with the two-way lending operations for natural persons.

Statistics of the securities trust balance managed by the wealth management department until the end of December 2023(NT\$ million)

AUM	2021	2022	2023
KGI	10,661	10,360	11,485
Yuanta	3,094	3,260	3,415
Master Link	3,447	3,064	1,903
Mega	1,716	1,833	1,808
Fubon	5,979	5,765	1,259
Total of securities	24,897	24,283	19,870

Source of data: Taiwan Securities Association

(H) Consigned trading of foreign securities operations

To pursue extensive development and innovation of financial services, expand the scope of business and upgrade customers' service quality, given that domestic financial products cannot satisfy consumers' need for diversified investment in new products, the investment service for foreign securities demanded by the market was expanded; and, to participate in various business seminars and open policy-making procedures organized by the competent authority.

In November 2014, the competent authority approved the Shanghai-Hong Kong Stock Connect and approved professional investors to participate in foreign securities IPO at the beginning of 2015. In 2020, it applied for providing services to high-asset customers and the application was approved later. In 2021, it provided customers with the real-time quotation for the US stocks and offered the systematic investment services for overseas stocks. In 2022, it provided customers with the real-time quotation for the Japanese stocks and overseas bonds e-trading services on APP. Meanwhile, it researched the important policies, such as the allowance of foreign currency financing business. Yuanta Securities will always seize the opportunities as the first one in the same trade and continue providing customers with the services beyond the standard applicable in the same trade in response to the government policy.

Since 2017, Yuanta Securities has recruited the sales representatives to deal with high-net-worth customers to engage in direct marketing. It set up the market and product team, and also

offices in North, Central and South Taiwan dedicated to developing the private wealth management services for exclusive clientele and planning the tailor-made service needed by the exclusive clientele, in hopes of creating a new age for itself in the securities private wealth management market.

Market share of sub-brokerage services in 2023	
Cathay Securities Corporation	19.84%
Sino Pac Securities	18.11%
KGI	12.38%
Yuanta	11.50%
Fubon	10.35%

Source of data: Taiwan Securities Association

(I) Securities borrowing and lending

At the end of 2023, a total of 19 Securities & Securities Finance Companies offered products & services of Securities Borrowing & Lending (SBL), a highly competitive OTC marketplace. As the lending price and volume soared at the same time, the lending balance from securities houses/securities finance companies increased substantially from NT\$331.9 billion at the end of 2021 NT\$465.4 billion at the end of 2023, proving a solid 40% growth of the market. With its excellent and savvy utility, Yuanta Securities concluded its SBL market share at close to more than 30%, putting a huge gap between the peers in the same trade. Furthermore, in order to more efficiently utilize resources, the securities borrowing and lending services provided by Yuanta Securities in the past seven years also expanded to general local customers and inter-broker trading. These expanding practices not only increased participants revenue and trading flexibility, but also enhanced Yuanta Securities's income and created remarkable synergies. At said resources-developing side of business, Yuanta Securities has secured about 30% market share, ranking the first place among peers in the same category.

(J) International institutional business

Foreign investors accounted for 29.05% of the market turnover in 2023, while the proportion of e-trading kept growing, and the demand from market participants became more diversified as well. Yuanta Securities' international institutional business put the best effort to strengthen the differentiation among local securities firms by integrating its resources and products in order to provide a broader and more convenient platforms. It has achieved a remarkable record in 2023.

Looking forward to 2024, International Institutional Business Dept. engages in sprouting the customers' loyalty to Yuanta Securities through the cross-product sales and the department's one-stop platform services, and satisfies foreign institutional investors' demand in Taiwan's capital market via the cooperation with brokerage and SBL businesses. By providing derivatives and activating capital and securities from the primary market to the secondary market, it provides the customer bases with different trading behaviors with comprehensive expertise and services, and thereby creates the win-win situation showing improvement of the

department's market share and profitability at the same time.

(K) Shareholders service agency

Given the market competition, Yuanta Securities Shareholders Service Dept. adjusted the expansion strategy. It gave up the policy to solicit for customers through the price war. Still, it strove to grasp the opportunities for cooperation with new customers based on its own resources and experience. Meanwhile, it enhanced the relationship with customers, integrated customers' resources and exerted the Group's consolidated effects by providing differentiated services and financial holding resource services.

(L) International services

For the time being, Yuanta Securities is the leader in the securities market of Taiwan. Notwithstanding, it is not only satisfied with its leadership in the domestic securities market but also highly values the internationalized business development, in order to pursue the diversification of profit-making sources and structural upgrading of profit-making model while based in Taiwan and aiming at the international markets. Yuanta Securities uses the best efforts to expand its overseas business locations. Its overseas layout has been extended from Korea in Northeast Asia to Southeast Asia, including Thailand, Indonesia and Vietnam, by integrating its funding sources and product niche in Hong Kong and Taiwan. It deepened the local business of various subsidiaries and utilized the market characteristics and local strengths everywhere to form characteristic products and link the synergies of various overseas subsidiaries to build a Pan-Asian trading platform. This was done in hopes of providing customers with more diversified options in investment, more complete product lines and more diversified investment visions, so as to maximize the value of Yuanta Securities, which will ultimately be rooted in Taiwan, and complete the multinational and global layout of Yuanta Securities.

(6) Research and development

Yuanta Securities continues to pursue innovation and digital transformation opportunities. By upholding the principle claiming "Honest-Based Hospitality," Yuanta Securities takes customer needs as its primary consideration, and continues to promote digital transformation and R&D to promote interdisciplinary information application services. Yuanta Securities will start new business lines to satisfy investors' diversified need, according to the competent authority's policy and license to the securities industry. Meanwhile, Yuanta Securities will keep providing the competent authority with suggestions about policies to seek the approval to offer more securities business lines and new products and the opportunity for underwriting business proactively. Meanwhile, it will promote the proposal and pilot test of new financial products to meet customers' needs for innovative financial products and services, and work with Yuanta Bank to implement the "Yuanta FIDO" identity verification service to provide investors with convenient and safe financial services and experience. Meanwhile, it will work with Yuanta Bank, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust in the shared data application scenarios. It also takes the initiative to launch the

two major services, “automatic import of information for online account opening” and “the Group’s asset overview,” in order to make investors quickly complete account opening and manage the Group’s assets with ease to upgrade the digital services further.

In order to provide customers with convenient one-stop digital banking services, the “Mr. Yuanta” APP offers a “five-in-one” account opening service covering securities, sub-brokerage, and applications for wealth management accounts and NTD and foreign currency digital accounts at Yuanta Bank. Customers may pass the identity verification via the “Yuanta FIDO,” so that the time spent in opening an account might be reduced effectively. The asset overview function effectively integrates more than a dozen products including Taiwan stocks, sub-brokerage instruments, funds, domestic and foreign options, and derivatives. It uses a graphical design to present the assets and income distribution overview and help customers control all of their financial planning and performance completely. Via the “Yuanta FIDO” identity verification and authorization, Yuanta Securities customers may access the status and details of their assets in Yuanta Securities, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust within Yuanta Group, in order to manage their personal assets via the one-stop service. At present, Yuanta Securities is also assisting overseas subsidiaries in the development of relevant electronic trading platforms proactively, and continues to copy and apply the successful “Mr. Yuanta” APP model to overseas subsidiaries, in order to strengthen local digital development, and integrate the localized elements overseas to create a tailor-made trading platform for overseas subsidiaries and provide customers with high-quality and sound online services.

(7) Long and short-term business development plans

Yuanta Securities uses the best effort to solidify the core business competitiveness and position. By improving regional integration and products and extending the development of diversified and differentiated products and services, it develops customer relations more thoroughly and expands the young customers the chance for digital FinTech development. Meanwhile, it develops various innovative businesses to promote the growth momentum, expands sources of diversified income and upgrades the contributions made by overseas subsidiaries step by step to secure stable returns and move forward toward a regional securities institution in the Asia Region.

In consideration of the financial liberalization, constant and rapid development of FinTech and increasing e-trading proportions, Yuanta Securities continues to invest the R&D in related areas. It will seize related business opportunities to provide investors with diversified products and increase Yuanta Securities’ diversified business revenue under the government financial policy to open new business lines and products. In consideration of the booming FinTech development and increasingly serious

information security threats, in response to the competent authority's "Financial Information Security Action Plan," it strengthens the information security defense, appoints the Chief Information Security Officer and dedicated information security department, and also establishes the Security Operation Center (SOC) to respond to various information security threats in a timely manner and to ensure the safety of transactions and maintenance of operations. Yuanta Securities' 2024 business development plans are explained as follows:

A. Short-term business development plans:

- (A) Solidify the core brokerage services and sprout the development of wealth management services, promote the systematic investment plan for stocks, develop the young and retail investors, provide elderly customers with adequate services, solicit new customers, activate dormant accounts and utilize data analysis to execute the digital financial business strategies and manage customers by group, integrate related business units to better perfect the products available on the wealth management product platform in width, and promote the wealth management service momentum.
- (B) Continue to improve the functions of "Mr. Yuanta," integrate various mobile trading platforms, satisfy customers' need for one-stop investment, optimize the one-stop online account opening service, connect E-counters, improve the digital financial service quality, establish branches' digital sections and strengthen its competitiveness among peer companies.
- (C) Continue to implement the diversified marketing model integrating loaning, develop different customer structures, optimize customer service experience and satisfaction, and improve the efficiency of service via digitalized procedures, in order to complement its loaning and financing operations effectively. Enhance the securities lending operations, develop the two-way lending operations for natural persons, utilize the sources of securities effectively, and increase the revenue from the related commission.
- (D) Continue to perfect the wealth management products and services, promote overseas sub-brokerage services, improve trading momentum, continue to add compliance trading markets and products, improve the cooperation with Yuanta Securities Investment Trust, Yuanta Life and other financial institutions, and also increase the wealth management products in depth and width, in order to satisfy customers' need for diversified asset allocation.
- (E) Improve the design and sale of self-made products, upgrade the AUM of Yuanta Securities, organize various marketing campaigns aiming at raising customers' brand recognition toward Yuanta Securities to secure market leadership, promote the ETN, ELN and FCN business development, expand product lines and increase the circulation market value and market share.
- (F) Participate in the underwriting of related bonds proactively, maintain the leadership in the market, participate in overseas subsidiaries' fixed-income market, build the Group's institutional investor platform for international cases, expand the underwriting of sustainability bonds and green bonds, develop bills and notes

- operations, and increase the contents and channels of products.
- (G) Continue to develop the investment banking business and, for the customer-oriented purposes, continue to integrate related business resources via the Group's wholesale banking services platform, provide customers with the complete solutions, balance the quality of cases and business development, conduct the business by weighing quality and quantity equivalently, and participate benchmark or multinational projects. The counseling service for case selection will take into account customers' ESG practices and guide customers to improve their ESG practices and replace EPS with ESG.
 - (H) Continue to expand the scope of market making, participate in the market making of various products, expand the ETN operations, and develop various financial products that satisfy customers' needs in response to the market changes.
 - (I) Strengthen fund liquidity, large-sum exposure to financing position, proprietary trading and product issuance risk management mechanism, an early warning system for risk and mechanism for reporting material contingencies, practice overseas subsidiaries' compliance with internal and external laws and regulations, and execute transparent corporate governance policies.
 - (J) Strengthen the SOC's protection ability, achieves the 24/7 monitoring purposes, conduct the information security offensive and defensive drills, and strengthen the defense against hackers, and also improve the information security governance to ensure compliance with the information security management standards and effectiveness of the information security protection, expand the certification and implement the international business continuity management standards (ISO 22301) to request a third party's certification, and construct the third-party supply chain information security management mechanism to mitigate the information security risk arising from the third-party supply chain.
 - (K) Continue to promote the ESG development, increases the proportion of ESG-related products, establish the "commercial office building green power model," promote the adoption of green power at business locations to achieve the Group's green power target, implement the internal carbon pricing management system to achieve the Group's carbon reduction target, and also the Group's "188 Sustainability Relay Plan" to expand the environmental sustainability and social participation issues.
- B. Long-term business development plans:
- (A) Have the channels develop wealth management services comprehensively, exert the brokerage and wealth management double engines completely, and stabilize customers' and sales representatives' revenue related to flow (trading) and inventory (AUM). Utilize data analysis, fulfill customers' group service and position management, provide customers with premium wealth management services, and deepen customers' loyalty.
 - (B) Continue the recruitment of and guidance to, and cooperative education, of excellent midlife talents, optimize the entire sales representatives' age structure, reserve excellent talents, in order to achieve the goal for the talent cultivation, alternation of generation,

- and quality succession.
- (C) Utilize FinTech, big data analysis and AI, and engage in precision marketing subject to customer groups, in order to elaborate the account management; sprout the development of customer assets, fulfill the asset legacy and continue the relationship between Yuanta Securities and customers.
 - (D) Expand related financial products proactively at home and abroad, innovate and diversify products, strengthen the R&D of self-made products, and promote “Yuantization” of products. Upgrade the omnibus mobile financial service and FinTech innovation and application, and provide customers with the one-stop service. Integrate resources of the Group’s domestic and overseas subsidiaries, upgrade the consolidated effects of domestic and overseas operations, create diversified business cooperation models and solidify its market leadership.
 - (E) Promote the wealth management proactively, provide high-asset customers with more comprehensive wealth management services, and continue to enhance the convenience and completeness of the information platform, in order to satisfy customers’ comprehensive investment and wealth management needs. With Yuanta Hong Kong as the hub for commodities and transactions, and Yuanta Singapore as the regional personal wealth management platform to enhance the core competitiveness of the wealth management business.
 - (F) Solidify the wholesale banking operations and provide the one-stop service by developing customized needs and with the strengths in business, product, and teamwork to build Yuanta Securities’s position in the brokerage services for institutional investors in the territories of Asia.
 - (G) Train the professional talents for regional investment banks in Asia; enhance the cross-border regional cooperation and integration of resources, develop new markets overseas, develop multinational platforms, and provide customers with omnibus financial consulting services needed by customers at various stages of operation, in order to become the top regional international investment bank in Asia.
 - (H) Maintain the market leadership in futures, options and ETF market making, expand the scope of countries for overseas investment, construct the secondary trading platform in foreign currency and increase the revenue from related overseas transactions. Develop foreign exchange derivatives, increase the trading volume of spot foreign exchange and trade in Taipei Foreign Exchange Market.
 - (I) All overseas subsidiaries’ earnings to the whole earnings gained by Yuanta Securities attained the specific target. Utilize the business platforms effectively, line business development opportunities, and expand the operating scale. Enhance overseas subsidiaries’ standard information security protection to ensure the safety of connection with multinational network systems. Keep concerning the opportunities for the layout of investment overseas and choose the optimal market to reproduce a successful experience.
 - (J) Construct Yuanta Securities (HK) to be the international trading platform center to link the markets of Taiwan, Hong Kong, Korea,

Thailand, Indonesia, Vietnam and Singapore; utilize the strength and characteristics of the cross-border financial trading to provide customers with more diversified investment visions and professional financial services; develop the Group's foreign currency bonds marketing platform and work with overseas subsidiaries to issue and sell the bonds; participate in overseas subsidiaries' fixed income market and engage in secondary transactions of bonds with its overseas subsidiaries.

- (K) Promote the ESG practices, establish related dedicated taskforces to promote related operations at different levels, develop ESG-related products, build green financing business locations in steps, implement the internal carbon pricing management system, and expand the environmental sustainability and social participation issues.
- (L) Cultivate a professional and active defensive information security team, introduce AI self-monitoring, and improve the ability of urgent response; train information security talents qualified as hackers, and strengthen the information security based on the hacker's thinking instead.

2. Yuanta Bank

(1) Main business services

- A. Deposit and remittance services
- B. Wholesale banking services
- C. Retail banking services
- D. Wealth management services
- E. Trusts services
- F. Foreign exchange services
- G. Financial operation and financial trading services
- H. Digital financial services
- I. Overseas services

(2) Revenue breakdown

Unit: NT\$1,000; %

Item \ Year	2022		2023	
	Net profit	Percentage (%)	Net profit	Percentage (%)
Net interest income	14,280,352	68.82	14,451,632	61.09
Net service fee income	4,086,589	19.69	4,535,774	19.17
Income from financial assets and liabilities at fair value through profit or loss	1,473,318	7.10	1,441,279	6.09
Realized gain or loss on financial assets at fair value through other comprehensive income	991,773	4.78	1,002,130	4.24
Exclude financial asset gains and losses measured at amortized cost	5,985	0.03	0	0.00
Exchange gain or loss	(233,028)	(1.12)	2,064,075	8.73

Item \ Year	2022		2023	
	Net profit	Percentage (%)	Net profit	Percentage (%)
Loss on asset impairment	(2,625)	(0.01)	(437)	(0.00)
Net profit or loss other than other interests	148,109	0.71	160,488	0.68
Total	20,750,473	100.00	23,654,941	100.00

(3) New financial products and services in development

A. Financial market services:

- (A) In 2023, it established the “Globalbond website,” continued to optimize its functions, and extended the new website to Mobile Banking and Business.com to provide convenient and high-quality services to expand the scale of proprietary trading of bonds.
- (B) Yuanta Bank obtained the “New Wealth Management Solution for High-Asset Customers” license in August 2023 and officially launched the service on January 1, 2024, aiming to issue financial structured bonds and provide exclusive products to high-asset customers. By improving Yuanta Bank’s ability to research, research and self-make products, it may increase the stickiness of high-asset customers.
- (C) Yuanta Bank plans to apply for a notes and bills clearing bank license in 2024 and to establish the ICB system at the same time to provide customers with notes and bills clearing related services when developing the notes and bills services. Meanwhile, it participates in the optimization of the NTD bond (OM) system, improves related functions, and establishes a complete notes and bills trading process.

B. Digital financial services:

- (A) In order to enhance customer experience and integrate service applications, Yuanta Bank will launch new digital banking services, including personal mobile banking APP, corporate mobile APP, and Prestige Corporate Banking portal site.
- (B) Yuanta Bank will work with Non-Life Insurance Association of the Republic of China and Taiwan Insurance Institute to promote the digitalization of residential fire insurance policies. House loan customers can choose the insurance policies in carbon copy or an electronic form. Taiwan Insurance Institute provides the Bank with the electronic copy of the underwriting list, and then the Bank, upon receipt of the electronic copy, transfer the information to the collateral system, so that the manual intervention, working hours and human error may be reduced significantly.

C. Overseas subsidiaries:

- (A) Subsidiary in the Philippines: Optimize its core system and peripherals online payment system and develop online banking services suitable for customers in line with future deposit projects and loans (including house loan), in order to comply with the policy requirements of Central Bank of the Philippines and also to improve customers’ service experience.
- (B) Subsidiary in Korea: Evaluate the application of the personal credit evaluation module provided by the Bank of Korea to process credit loaning operations.

(4) Business plans for the year

In 2024, Yuanta Bank will focus on adjustment and upgrading of income structure, and adequately plan the business volume to improve the capital utilization efficiency, insofar as the risk is under control. The primary development strategies are:

- A. Wholesale banking services: Insofar as risks are controlled prudently, it expands the scale of loaning operations by developing promising industries and their upstream and downstream enterprises, developing high-quality corporate customers with better credit ratings domestically, and proactively striving to act as the arranger of syndicated loan projects; and increase the yield by deepening business relations. Meanwhile, it aims to become a primary bank preferred by customers to park and allocate their funds, through the projects of NTD and foreign currency deposits, promotion of transaction financing services, and payroll transfer or payment collection services to increase the transactions of deposits.
- B. Retail banking services: Personal loans will enhance product diversification and cross-sale to increase the income. The mortgage operations will continue to develop high-quality customers and bulk mortgage in the metropolitan area, and increase on-lending and wealth management-type mortgages to be underwritten. The credit loaning operations will primarily rely on the channels, such as telemarketing and branches. In the future, in addition to Yuanta Bank's existing high-quality customers, large-size enterprises' employees, and professionals, it will also expand the underwritten customer base through rigorous credit examination. For the car loan operations, it will continue to sprout the original brand and financing channels and original car financing, and also develop the opportunities in cross-selling for foreigners' car loan and other car loan customers. For credit card operations, it will simplify the privileges system by integrating member days and bonus points throughout the Bank, in order to solicit new customers and secure the existing customers. Meanwhile, it will make good use of e-bills, mobile banking service and social media to market other businesses to improve the penetration of Yuanta Bank's products.
- C. Wealth management: By identifying insurance, funds, and bonds as the three major products, it stays on top of market changes and provides customers with appropriate investment advice, strengthens the customer base management, and provides various customer bases with exclusive rights via the membership system and promotion program, in order to improve the transaction relationship with customers. Further, in order to provide high-asset customers with wealth management services, the senior wealth management staff will help plan the asset allocation, and the experts from the head office will provide the exclusive services on taxation, investment and insurance planning.
- D. Financial trading services: Improve capital allocation and management, stabilize investment-related income, expand the scale of underwriting of notes and bills, and strengthen expansion of the seller's business operations including TMU and proprietary trading of bonds, in order to expand the sources of income.
- E. Digital banking: To improve customer service and experience, it is building a new mobile bank, "Yuanta Payment Pass APP," which

includes “personal mobile bank” and “Prestige Corporate Banking portal site.” Meanwhile, it promotes bank-wide integrated digital marketing to precisely drive customers’ interactions and contribution via data analysis, to achieve the purpose of customer acquisition, customer activation, and customer retention. Further, it implements new AI technologies and applies them to AML, anti-corruption and anti-fraud, and surveillance operations to improve detection precision and reduce manual processing hours.

(5) Industry overview

Since 2022, the Fed has raised interest rates by 5.25% in total, while Taiwan’s Central Bank has raised interest rates by 0.75% in total. The sharp increase in USD interest rate has caused the foreign deposits in domestic banks to increase significantly, especially the foreign currency time deposits. As a result, the cost of the whole domestic banks’ deposit has been increasing quarter by quarter, while the growth of foreign currency loans has slowed down due to high interest rates and uncertain demand. Fortunately, in 2023, the capital market has recovered, domestic private consumption has rebounded, and the interest spread between Taiwan and the United States has widened, this driving a significant increase in wealth management service fees, credit card service fee revenue and currency exchange revenue. Besides this, the domestic industry’s recovery also resulted in an increase in NTD loaning operations. Generally speaking, the net interest income, net service fee income and financial transaction income of domestic banks all increased from 2022, and the banking industry’s overall profit showed a growing trend.

In terms of FinTech and digital finance, the development and application of AI became more mature in 2023. In August 2023, the FSC also released the FinTech Development Roadmap 2.0, in order to provide guidelines and policies on the financial industry’s application of AI. Some domestic banks have also begun to research the possibility of applying generative AI to customer service, wealth management and credit review. Notwithstanding, as the accountability, transparency, and interpretability of AI still need to be clarified, the future application of AI to the banking industry remains observable.

For the sustainable development issue, the FSC announced the Green Finance Action Plan 3.0 in September 2022, aiming to realize the influence exercised by the financial industry for sustainable development through the public sector’s promotion and evaluation, particularly the selection of investment and financing, in order to reduce carbon and mitigate the impacts posed by the climate change.

(6) Research and development

A. Business R&D:

- (A) In response to the sustainable banking policy and customer needs, it will increase the FRCP services.
- (B) It will add internal trading functions to its bills and bonds system to improve the trading and accounting functions and also help expand the trading business of subordinated and general corporate bonds.

- (C) In order to develop high-asset wealth management business and to cooperate with the competent authority's Wealth Management 2.0 plan, it researches the feasibility and business strategy for issuance of structured bonds.
 - (D) Enhance the SBS equity system by adding the functions of accounting for stocks and securities borrowings/lending, statements and limit calculation.
 - (E) Research TAIFEX's quotation strategy for product contracts, coupled with the high-frequency trading system to make the market for multiple futures products, so as to earn TAIFEX's incentives and discount of service charges.
 - (F) Apply programming languages to develop low-risk trading strategies to increase trading momentum under controllable risks.
 - (G) In response to the TWQR specifications of Financial Information Service Co., Ltd., it upgrades the "Yuanta Payment Pass APP" service, in order to meet the dual needs to help merchants collect payment, and the public make payment, conveniently by providing one single QR Code enabling customers to collect and make payments across e-payment organizations and across borders.
 - (H) In order to expand the business opportunities for syndicated loan projects, it implements the global syndicated loan market information platform "iLex" established by iLex Markets APAC Pte. Ltd., a Singapore-based FinTech company. The platform may be used to verify the market information in real time to increase the source of cases.
- B. Risk management:
- (A) Establish the default loss rate and default exposure model in line with IFRS 9 and Basel quantitative and qualitative requirements, and plan the adjustment on the wholesale banking credit rating model or risk rating and analysis projects in response to the corporate banking services, continue following up on the changes in and control over corporate banking assets, continue strengthening and adjusting the same, and guide the corporate banking product risk pricing to be measured under the corporate banking rating model default rate and loss rate.
 - (B) In response to the consumer banking services, continue to follow up and adjust the house loan, car loan, credit loan, credit card and ATM card risk rating and credit extension analysis, scorecard model and risk analysis statement to show the performance in management and supervision of assets. Make good use of the new credit loan application model, aiming to expand business and increase income under controllable risks, and continue to optimize it, in order to accurately discover the default customers' characteristic factors.
 - (C) In response to the amendments to and update on large risk exposure limit, regulations and systems, it helps the large risk exposure system construction upgrading program, includes the information about overseas branches' and subsidiaries' large risk exposure, and plans to implement the information about related parties, in order to better the control over the centralized risks.
 - (D) Continue to improve the stress test calculation method and frequency, e.g. Stimulation of the quantitative model, setting of

- pressure scenario, and selection and forecast of risk-linked factors.
- (E) In response to the new judicial review system construction project implemented to optimize the wholesale banking credit rating process, it adds the mechanisms including execution of multiple ratings on borrowers in the same case, guarantors and stock collateral rating.
 - (F) Improve quantitative management of wealth management specialists'/clerks' conduct risks: Continue to deepen the quantitative KYE risk assessment indicators and optimize model parameters, develop a KYE conduct risk smart management platform, and integrate quantitative conduct risk management with customer care control operations.
 - (G) Continue to enhance and improve the risk management mechanism on climate change, such as planning to include investment and financing portfolio financial carbon emissions (Scope 3), climate-related disclosures under IFRS S2, and The Taskforce on Nature-related Financial Disclosures (TNFD), and optimize the qualitative/quantitative information about governance, strategy, risk management, indicators and targets of climate-related financial disclosures.
 - (H) Continue to strengthen Yuanta Bank's investment and financing portfolio carbon emissions inspection, and improve the ability to verify the financial carbon emission inspection and also the completeness and accuracy of the disclosures in response to the "Domestic Banking Investment and Financing Portfolio Finance Carbon Emission (Scope 3) Practical Manual" researched and drafted by the team of the Bankers Association of the Republic of China, as the reference for the decision-making for investment and financing, improve Yuanta Bank's performance in carbon reduction, and respond to and control the climate risks and business opportunities actively.
- C. Information R&D:
- (A) In response to the business continuity and business development, and to practice the information security management, the Bank plans to execute the following:
IT system R&D and upgrading: NTD Core System local active-active framework construction project, New Foreign Exchange Bargaining System Construction Project, SWIFT System Upgrading Project, Over-the-counter account opening service paperless function construction project, Customer Service Platform Upgrading Project, Message platform construction project, New credit card review system construction project, New gold passbook system construction project, Car loan appropriation module setup project, Outsourcing appraisal system upgrading project, House loan appropriation application acceptance platform construction project, Overdue account collection management platform upgrading project, New capital-financing review system construction project, Fund System Host Upgrading Project, Elder Care Trust Creation Project, Mobile security construction project, New Capital Requirement (2nd stage) Project, International Department's regulatory reporting optimization project, New credit behavior scorecard project in the retail banking scorecard system,

AML customer due diligence (CDD) e-signature integration platform project, Yuanta Bank Know Your Employee (KYE) platform construction project, and Addition of NTD short-term notes and bills function to the OM system.

- (B) Improvement of trading functions and operational efficiency: Interbank FEP database and local active-active framework upgrading project, DES Host Upgrading Project and investor clearing and settlement bank (ICB) system construction project
 - (C) Information security infrastructure and management: It continues to improve the information infrastructure and system performance. The projects in progress and expected to be launched include Offline Backup and Cloud Storage Project, Emerging Technology Network-based Construction (3rd/4th stage) Project, Centralized file transmission construction project, E-payment area parallel load equipment SLB update and replacement project, Branch ATM firewall EOS update and replacement project, and Data center major network equipment Switch/Router EOS update, replacement and expansion project.
 - (D) FIDO V2: Expand the scope of business lines and service scope that can be handled by FIDO and extend to cooperation projects outside financial institutions.
 - (E) 2nd stage of surveillance technology: Continue to deepen the digital process of legal compliance and surveillance technology, and promote the establishment of digital regulatory data reporting and analysis platform.
 - (F) AI applications: It plans to promote its products in 5 major scenarios, including “Intelligent Customer Service 2.0,” “Wealth Management Specialist’s Fraud Prevention,” “Intelligent Wholesale Banking Application,” “Official Document System Intelligence and Automation System,” and “Improvement of Employees’ Productivity based on Generative AI.”
 - (G) Open the 3rd-stage “transaction information” of Open Banking/API, and continue to work with TSP to expand the financial service areas.
- (7) Long and short-term business development plans
- A. Short-term business development plans:
 - (A) Enhance the deposit/loan business momentum and to adjust the structure of assets and liabilities to increase net interest income.
 - a. For the wholesale banking services, it will continue to sprout large-scale group accounts and focus on the development of high-quality new customers, and also strive to increase the interest spread by undertaking high-quality syndicated loan projects and land & construction financing projects.
 - b. For consumer banking services, it improves the quality and quantity of house loan, card loan and credit loan operations via Yuanta Bank’s channels and the sales team, in addition to the coordination of the partners.
 - c. For the investment trading business, it will continue to develop high-frequency and arbitrage transactions, and under the expected interest rate cut, it will allocate the fixed-income products and control the opportunities for bond interest and capital gains.

- d. In order to optimize the deposit structure, it will focus its deposit-taking strategy on NTD and demand deposits, while attracting stable or new fund flows through deposit programs.
- (B) Enhance wealth management through customer segmentation and digital services, while expanding into high-asset wealth management areas.
 - a. By examining the customer segmentation factors, coupled with the digital marketing program, it promotes different business strategies with respect to new customers, existing credit card customers, and mortgage customers of Yuanta Bank to drive small investment or systematic investment.
 - b. Yuanta Bank was approved to provide high-end wealth management service. It will work with Yuanta Securities HK and Yuanta Bank's Wholesale Banking and Financial Market Dept. to develop financial products applicable to high-asset customers and expand the customer base.
 - c. Continue to recruit manpower internally and externally, expand the wealth management team, enhance education and training, and encourage applications for license and license renewal, and enhance the personnel's expertise to meet the needs of customers with different attributes.
- (C) In response to the digitalization trend, it provides diversified digital financial services and strengthens customer management.
 - a. Continue to optimize existing digital platforms, such as mobile banking APP, online banking, LINE personalized service, etc., and launch new products and services, such as smart customer service, self-built SMS platform, and Yuanta Payment Pass APP, to maximize customer experience.
 - b. Work with more mobile payment platforms to expand Yuanta Bank's coverage of the mobile payment for accounts and credits, thereby enhancing the convenience of customers' spending.
 - c. Establish an integrated digital marketing platform; integrate member days and bonus points to deepen the transactions and loyalty between customers and Yuanta Bank.
- (D) Implement legal compliance and fair dealing policy to block financial crime and maintain customers' interests and rights.
 - a. Work with law enforcement agencies and focus on the training of frontline personnel and digital infrastructure at branches, and, with AI and other emerging technologies for detection, strengthen the prevention of fraud and other illegal activities.
 - b. Strengthen the execution of the fair dealing policy, and establish related systems and regulations to practice the specific policies dedicated to strengthening the first-line personnel, including training program, care for customers, prevention of fraud and anti-money laundering, optimization of operating procedures, customer service satisfaction and upgrading of the efficiency in processing of customers' complaints.
 - c. For compliance with AML/CTF requirements, continue to adjust the system's functions and transaction monitoring mechanism per the need for integration of practices and implement the data comparison and search operations into the automated procedure to upgrade the operational efficiency.

- d. Comply with external laws and regulations, and continue to strengthen the completeness of the operating procedures for anti-money laundering, information security, personal data protection, corporate governance, consumer protection, and finance-friendly culture and service measures, etc. Conduct the case study on the sanctions in the same trade and promote the correct countermeasures against individual cases to enhance the clerks' compliance concept.
 - e. Collect and publish the latest update in financial laws and regulations, and amend the internal regulations in a timely manner; ensure the compliance with various laws and regulations through training, execution of compliance self-assessment and appraisal.
 - f. Enhance the risk control, compliance and internal audit/internal control of overseas branch and subsidiaries.
- B. Long-term business development plans:
- (A) Improve the business dealings between customers and Yuanta Bank to deepen the penetration of products and services.
 - a. Continue to promote local projects at the branches, develops deposits and credit cards through the development of salary transfer service and NTD and foreign currency projects, strengthen the relationship with branches' peripheral firms and develop individual customers.
 - b. The wholesale banking team uses project design and bundled cash flow to strengthen deposit transactions with corporate customers, and assists in sales of Yuanta Bank's TMU commodity, wealth management, or employee shareholding trust through import and export business, ESG issues, or wealth management needs, in order to expand the source of revenue and make the relationship between customers and Yuanta Bank closer.
 - c. Based on data analysis, enhance customers' willingness to engage in transactions with Yuanta Bank to drive the cross-selling of deposits, mobile payments, credit cards, and wealth management services, thereby increasing the transactions between customers and Yuanta Bank and improving the customers' stickiness.
 - (B) Strengthen the IT infrastructure and develop digital banking practical applications to support internal operations and customers' operating efficiency.
 - a. In response to the bank-wide business development, continue to research, develop and upgrade information systems to meet the needs of customers at different times and in different places, and achieve the goal of paperless operations and upgraded operational efficiency, such as robotic process automation (RPA), the NTD account system active-active project, financing review and loan appropriation application acceptance platform construction.
 - b. As users turn to access mobile and digital services, continue to improve the interface, experience, and usage scenarios of Yuanta Bank's Internet banking, mobile banking APP, and FIDO verification system, launch new and emerging technologies in a

timely manner to strengthen customer management and increase customer satisfaction and usage frequency.

- c. In view of the enhanced computing and learning capabilities of AI, the application fields are expanding. Yuanta Bank will promote the establishment and application of an AI governance framework, such as the continuous refinement of the AI Skynet model, the promotion of AI applications in wealth management specialists' corruption prevention and automation of the official document system. Meanwhile, it will train related talents and knowledge, and practice the risk controls and protect customers' interests and rights at the same time.
- (C) The overseas branches adjust the business development strategies subject to the local market environment to increase their profitability step by step.
- a. The Hong Kong Branch will continue to take deposits to stabilize the loan-to-deposit ratio, and provide customers with sound capital management services through cross-border business cooperation with customers in Taiwan. In terms of credit extension, it will enhance exchanges with local peers and arrangers in syndicated loan cases to deepen contacts and strive for more cases.
 - b. The subsidiary in Korea will aim to develop loan services in a balanced manner, while maintaining liquidity and interest rate competitiveness, upgrade the risk control and post-loan management to develop the deposit/loan business steadily.
 - c. The subsidiary in the Philippines will continue to develop wholesale banking, mortgage and deposit services, and will research the possibility of developing mobile banking, online banking, and peripheral payment systems to meet the regulatory goals of the Central Bank of the Philippines and the trend of digital financial services.

3. Yuanta Life

- (1) Main business services: Life insurance agency underwriting the products including life insurance, annuity insurance, health reinsurance and accident insurance.
- (2) Revenue breakdown

Unit: NTS1,000; %

Business	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Life Insurance	33,570,016	65.33	29,966,038	62.22
Personal Accident insurance	189,738	0.37	186,530	0.38
Health insurance	4,647,795	9.04	4,507,537	9.36
Annuity insurance	737	0.00	554	0.00
Group insurance	183,408	0.36	168,363	0.35
Premium revenue	38,591,694	75.10	34,829,022	72.31
Less: Reinsurance premium ceded	(822,461)	(1.60)	(776,410)	(1.61)

Business	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Less: Net changes of premium ceded reserve	(96,047)	(0.19)	(18,029)	(0.04)
Commission reinsurance allowance	137,298	0.27	84,564	0.18
Revenue from service charges	853,848	1.66	546,365	1.13
Net income from investments	11,491,030	22.36	12,097,680	25.12
Other operating revenue	46,911	0.09	22,053	0.05
Separate Account on Investment-linked Insurance Products income	1,187,333	2.31	1,377,499	2.86
Total	51,389,606	100.00	48,162,744	100.00

(3) New financial products and services in development

A. In terms of commodities: In response to the rapid changes in interest rate environment and an aging population, Investment-Linked and USD Sensitive Interest Rate Products are applied to meet the retirement planning and asset inheritance needs of different customer groups. In terms of USD sensitive interest rate products: With respect to the high-end customer base, it provides customized inheritance products, and also combines exclusive VIP services as the focus of the planning. As to the general customer bases, it provides multiple long-term high-protection products available to customers subject to their individual financial budget.

In terms of investment-linked products, the fixed term payment mechanism combined with insurance protection appeals to the prudent investment mentality of “persistence and disciplined execution,” to expand the young customer base, and also regularly enrich the investment portfolio to build a flexible platform via which customers may select their own portfolio and seek rider protection. In terms of protection-type products, it will continue to promote mortgage, life insurance and group insurance products based on the Group’s channel resources, and continue to expand its product distribution in the direction of senior citizen and health promotion to promote the inclusive financing and fair dealing policy.

B. In terms of the channels:

(A) Management of distribution and customer base: Starting from the characteristics of channels and customers’ attributes, segment the customer bases’ markets, provide differentiated products and services, subject to the different target customer base markets and characteristics of channels to improve the market penetration of Yuanta Life.

(B) Digital service: Continue to strengthen the application of insurance technology for business expansion, such as addition of mobile insurance coverage through partners, increase of the utilization rate of mobile insurance enrollment, promotion of smart customer service and the operation and application of the insurance customer relationship, etc., in order to optimize operating procedures and efficiency to expand its business service momentum; it will also

optimize the online insurance platform, enhance online product visualization and insurance trial calculation services, improve customer service experience, and assist in the management of young customer bases.

(4) Business plans for the year

Yuanta Life's entire business strategy in the year:

- A. Channel strategy: Focus on the management of core channels, aim at the target customer market, provide differentiated products & services, expand and sprout the partner channels' loyalty to improve the channels' contribution, subject to the main channel development strategies specified as following:
 - (A) Expand the Group's consolidated effects:
 - a. Combine the Group's professional strengths and channel resources and work with the Group to develop and promote insurance products.
 - b. Work with the Group's institutional investor business channel to promote the group insurance services and sprout the relationship with the group customers.
 - (B) Improve the management of channels in depth and width:
 - a. Bank & Securities Insurance Channels: Segment the target customer markets, provide corresponding product and service value subject to the demand from different customer base markets, maintain the internal channels' business momentum (Yuanta Bank/Yuanta Securities), and expand the depth of cooperation with other financial broker and agent channels proactively.
 - b. Broker and agent channels: Managed subject to the characteristics of insurance broker and agency companies and scale grading, combining with the characteristics of channel demand to develop customized products coupled with differentiated marketing planning; sprout key broker and agency companies, focusing on high-production capacity units and sales representatives, to improve the penetration rate.
 - c. Agency sales channels: Improve the business service quality through the orientation training programs and revitalization of the name list of policyholders, and assist the development of localized organizations to increase the business production capacity.
 - (C) Promotion of the channel's digital marketing and service:
 - a. Strengthen and guide the channel sales team's marketing ability to exercise digital tools, in order to improve the sales performance.
 - b. Continue to promote the channel's digital services, integrate digital tools and platforms, optimize the channel's data service and insurance application procedure, and improve the business competitiveness.
 - (D) Train the core sales representatives:
 - a. Internally, continue to promote the talent recruitment project to train young life insurance advisors with potential.
 - b. Externally, plan the segment training certification program and insurance tax professional marketing program, solidify the sales

- representatives' expertise in insurance, and upgrade the channels' service value.
- (E) Enhanced channel management:
 - a. Optimize the business quality management platform to strengthen the control over the quality of sales channels and sales representatives, and implement fair dealing policy.
 - b. Combine data technology risk model to detect risks, prevent the occurrence of the risk of misconduct, and thereby improve service quality.
 - (F) Enhanced risk management ability:

Subject to the characteristics of the sales channel's customer base, coupled with sales of various products, increase the proportion of long-term products to help the stable accumulation and growth of assets and also mitigate the risk over liability management.
- B. Product strategy: Yuanta Life will continue to develop "USD Sensitive Interest Rate Products" and "Investment-Type Products," with a focus on inheritance products for high-asset customers, and promote investment-linked products regularly, and increase different underlying assets in response to the environmental trends in the financial market in a timely manner, in order to satisfy customers' needs for protection and retirement life planning at various stages of their life and also to achieve Yuanta Life's overall financial and business goals. The current product strategy of Yuanta Life can be divided into the following four aspects:
- (A) Retirement life planning: The nationals' average life expectancy is getting longer and longer, and the awareness of retirement planning is also enhanced. Therefore, it develops the combination of USD sensitive interest rate products and investment-linked products subject to diversified payment terms to meet the needs of the customer bases with different attributes, as the retirement planning.
 - (B) Enhancement of medical and health protection: In the trend of aging society, the average life expectancy of sub-health or unhealthy people has reached 8 years, and it is necessary to rely on commercial insurance to make up for the shortage of national health insurance. Accordingly, comprehensive health protection is planned in order to help the public obtain better medical and care services. Meanwhile, with respect to young customer bases, it offers investment-linked products with "deductible" riders claiming "low premiums and high protection," so that even retail investors can enjoy accident and medical insurance protection easily. It also promotes the protection-type rider to encourage customers to maintain the master contract permanently.
 - (C) Health-promoting spillover policies: In order to raise the health awareness of policyholders, a mechanism whereby policyholders can enjoy premium discounts by self-health management is designed to encourage policyholders to value their own health and reduce the consumption of social medical resources, thereby improving insurance companies' claims expenditure and creating a positive cycle where customers, insurance companies and social medical resources are benefiting from three wins.
 - (D) Management of high-end customers: High-asset customers particularly value asset preservation and inheritance for future generations. Life insurance products can give play to the function

of “wealth succession” through the design of stable and sufficient protection multiples in each policy year, combined with the simple and optimized insurance process, to help customers achieve the purpose of asset inheritance planning.

(5) Industry overview

According to the statistics of the Life Insurance Association, the insurance premium revenue based on new business in the life insurance business was about NT\$671.4 billion in 2023, decrease of 13.1% over the same period in 2022.

Statistics of insurance premium under new business in the life insurance business in 2023 (insurance premium revenue + liabilities)

Unit: million dollar

Item	2022	2023	Growth rate (%)
First Year Premium	772,995	671,368	(13.1)

Source of data: Life Insurance Association

According to the analysis of insurance premium under new business by type of insurance, it is NT\$442.8 billion for life insurance, i.e. 66.0% of the revenue from insurance premium under new business, NT\$174.7 billion for annuity insurance, i.e. 26.0% of said revenue, NT\$40.2 billion for health insurance, i.e. 6.0% of said revenue, and NT\$13.7 billion for accident insurance, i.e. 2.0% of said revenue.

There are two things to be clarified about Yuanta Life’s sales performance in 2023:

In terms of traditional insurance products, the total first year premium income of traditional annuity insurance declined by the largest proportion, primarily because the interest rate adjustment announced by insurance companies was relatively conservative, and there was still a gap between the customers’ expectations toward the increase in declared interest rate after the lift rate in the United States. As a result, customers tend to stay on the sidelines or use the funds for other purposes.

As for investment-linked insurance products, the total first year premium income of investment-linked annuity insurance suffered severer decline. As the new investment-linked insurance policy was launched in July 2023, the regulations governing the investment-linked policy investment portfolio, back mechanism, and value-added feedback have affected the sales of investment-linked insurance products. As a result, the total first year premium income of investment-linked insurance products declined from the same period of last year.

Statistics of insurance premium by insurance type in the life insurance business (insurance premium + liabilities)

Unit: million dollar

Insurance type		2022	2023	Growth rate (%)
Life insurance	Traditional	360,624	353,318	(2.0)
	Investment-linked	99,503	89,442	(10.1)

Insurance type		2022	2023	Growth rate (%)
	Subtotal	460,127	442,760	(3.8)
Accident insurance	Traditional	11,448	13,659	19.3
Health insurance	Traditional	36,572	40,241	10.0
Annuity insurance	Traditional	17,926	7,607	(57.6)
	Investment-linked	246,922	167,101	(32.3)
	Subtotal	264,848	174,708	(34.0)
Total	Traditional	426,570	414,825	(2.8)
	Investment-linked	346,425	256,543	(25.9)
	Total	772,995	671,368	(13.1)

Source of data: Life Insurance Association

According to the analysis on the percentage of insurance premium by channel, the first year premium accounted for 47.7%, the bank & securities insurance channel 36.9% and traditional broker and agent channels 15.4% in Yuanta Life's own marketing system in 2023. Personal life insurance products are primarily sold via the bank & securities channel. Investment-linked insurance products are still primarily sold via Yuanta Life's own marketing channels.

Statistics from insurance premium in the life insurance business by source in 2023 (insurance premium revenue + liabilities)

Unit: million dollar

By source	Life insurance	Bank broker	Traditional broker	Total
Insurance premium	320,039	247,675	103,654	671,368
Rate (%)	47.7%	36.9%	15.4%	100.0%
Individual life insurance	118,545	196,644	33,979	349,168
Individual annuity	6,127	1,141	210	7,478
Investment-linked	149,983	49,326	57,234	256,543
Personal Accident insurance/health	32,528	315	6,539	39,382

Source of data: Life Insurance Association

(6) Research and development

A. R&D of insurance products:

Yuanta Life continues to focus its research and development on the needs of various customer groups to meet the insurance planning needs of customers at various stages. In response to the aging trend and the interest rate environment, it continues to develop insurance products that meet the needs of retirement, retirement medical care, and retirement care. The new "Yuanta Life Hao-Shi-Yuan-Man Health & Term Life Policy" launched in 2023 aimed to provide protection against the four major eye diseases that modern consumers are prone to suffer from, and to assist different ethnic groups in planning suitable protection plans and

implementing the inclusive financing.

In 2023, the “Yuanta Life JU HAO SHI DAI Term Health Policy” won the g National Brand Yushan Award-the “Best Product Category.” It is an insurance policy exclusively designed for seniors between the ages ranging from 50 to 80 years old. It not only raises the upper age limit for insurance coverage, but also provides a wide range of protection, including hospitalization and surgery. It also offers the subsidy for the purchase of 8 common pieces of medical equipment, such as intraoral lens implantation, placement of cardiac bracket, total knee arthroplasty or artificial total knee replacement. Meanwhile, it also intensifies the protection against accidental hospitalization and fracture, which the elderly often suffer from. During the insurance period, they are entitled to the medical protection up to 2,000 times the insured value, in order to enable the elderly people who are uninsured or hold insufficient medical insurance protection to seize the opportunity to fill in the gap in their protection.

The future product R&D will start from the attributes of channels and customers’ needs and provide optimal solutions to achieve the effect of business development and customer group management, create the win-win-win niche for Yuanta Life, channels and customers, and continue to improve Yuanta Life’s long-term value.

- B. Operation Management Performance:
- (A) Continue to develop the business mobile insurance application system, and improve and optimize it for ease of use and system verification; e.g. establish an identity verification mechanism for the paperless operation of mobile insurance application consent forms to increase the usage rate by incorporating biometrics into the mobile insurance application to support the identity verification measures and technological innovation model for video and sound recording. Meanwhile, it also continues to connect the insurance broker and agent channels in response to business mobility. Additionally, via the remote insurance application service, it provides customers with zero-contact, convenient and safe insurance application channels, so as to improve the sales or services further and practice the paperless and energy conservation & carbon reduction policies.
 - (B) Construct a budget contract management system to digitize the processes of budget preparation, budget control, contract signing, and contract management to increase operating efficiency and make it paperless.
 - (C) Construct an integrated financial report system to digitize the manual process of preparing financial reports and reduce inefficiencies and errors caused by manual data adjustment and version control.
 - (D) Develop the mobile notice/completion of pending documents digitization function to improve the time-consuming transmission for completion of pending documents by notice and manual counting and distribution, so that the efficiency of administrative processing may be upgraded, energy conservation and carbon reduction costs cut and service quality upgraded after the digitization.
 - (E) Develop the underwriting review decision digitization function to

replace the paper review operation by manual with a systematic platform, establish a systematic underwriting review, standardized review opinions and online hierarchical authorization and sign-off processes, so that the efficiency of administrative processing may be upgraded, energy conservation and carbon reduction costs cut and service quality & channel satisfaction upgraded after the digitization.

- C. Customer Service Optimization:
 - (A) Promote the optimization and update of the mobile interface functions of the iCare App, scheduled to add the payment calendar function to give users clearer and understandable information about payables/receivables, and also a page dedicated to investment-linked insurance policies subject to regular payment, so that policyholders will be able to view the process of accumulation of systematic investment assets and related protection details to upgrade customers' after-sale satisfaction.
 - (B) Further upgrade the claims alliance chain functions, and promote the digital identity authentication service to allow policyholders to apply for identity authentication of insurance passbook via biometrics and link multiple insurance companies to claim benefits and help customers with the on-stop application and practice the inclusive financing.
 - (C) Optimize the intelligent customer service system, continue to refine the service process, so that more service items can be answered through customer service, achieve 24-hour uninterrupted customer service, and improve customer satisfaction.
 - (D) Plan to include "premium operations" in the scope of the business continuity management mechanism for verification to expand the scope of uninterrupted services for policyholders.
- D. Channel Business Development:
 - (A) Sprout the relationship with partner channels, plan the channel insurance certification and professional marketing training system, create the channels' brand value, and improve the partner channels' and sales representatives' loyalty.
 - (B) Continue to promote the application of insurance technology, such as mobile insurance coverage, remote insurance application and data mid-office transmission service, and optimize the channel service information platform to increase the partner channels' business momentum.
 - (C) Enhance value-added services, such as inheritance products for high-end customers, customer concierge service, and cooperation with corporate insurance group.
 - (D) Continue the optimization and update of WEB proposal system and back-office management system functions, in order to improve the efficiency of information development and accelerate the performance of business promotion.
 - (E) Plan the EIS Situation Room dashboard to provide the management with real-time business, report and trend analysis, etc., for real-time and accurate decision-making and management.
- E. Business quality control:
 - (A) Develop a business quality management platform to strengthen the control over the quality of sales channels and sales representatives.

- (B) Construct a channel conduct risk and claims fraud detection model; use AI models to establish risk score forecast for sales representatives' conduct and policyholders' claims, and distinguish the risk levels to help differentiated control.
 - (C) Build the AML customer management system to engage in checking various money laundering patterns and streamline the operating procedures.
- F. Asset and liability management:
- (A) Optimize the financial product evaluation models and risk quantification refinement, in terms of assets, improve the real-time calculation related to the integration of IFRS 17 and ICS systems, increase the completeness of scenario analysis and stress testing execution for major risk factors, and apply the asset evaluation model to the assessment on emerging risks; taking climate risk as an example, in order to conduct a comprehensive assessment on the impact posed by the climate issue to Yuanta Life's investment trading positions, it establishes the model and risk management indicators for measurement of the impact posed by climate risk to the market risk, and also develops the other methods for estimating the impacts posed by other risks.
 - (B) In terms of the liability aspect, in order to improve the quality of business management, the AI risk model and risk forecast are established using the insurance policy information and sales representative trading behavior data in its existing system, and the early warning sales representative list is generated, which is managed according to the risk level, in response to the authority's emphasis on fraud prevention and channel management; meanwhile, it also conducts risk detection of claims to achieve the fraud early warning, and tracks related risks through visual dashboards to improve management efficiency and implement the fair dealing policy.
 - (C) Based on the liability information in the financial actuarial calculation, and subject to its risk appetite, it establishes the management standards for the matching of assets and liabilities; monitors any asymmetric information during Yuanta Life's matching of duration, currency and accounting practices; reports material information in a timely manner; and adjusts its asset and liability management strategies.
 - (D) In response to the IFRS 17 system platform implementation schedule, establish the big database and cross-system operation platform in line with the statement disclosure, retention of data and audit tracks.
- (7) Long and short-term business development plans
- A. Short-term development plans:
- (A) Expansion of the consolidated effects of Yuanta FHC: Continue to work with the Group's subsidiaries to develop and promote characteristic products and services, exert the Group's strengths and maximize the Group's contribution.
 - (B) Focus on customer base management: Segment customer base market to develop the products and services correspondent to the different characteristics of channels and customer base market needs, and become the insurance partner in the channels' customer

base management.

- (C) Channel hierarchical management: Adopt hierarchical management of partner channels, focus on core channel management, deepen the high-production capacity channels through optimization of the underwriting operating procedures and differentiated products and services, strengthen the channel business quality management, and practice the fair dealing policy.
 - (D) Improve the channels' competence in insurance operations: Continue to promote the insurance protection certification program, and work with channels to plan customized training courses to improve the sales representatives' competence in sales.
- B. Long-term development plans:
- (A) Combine the fair dealing policy and Yuanta Life's core values to continue promoting the professional insurance certification, communicate the insurance sustainability value, and improve Yuanta Life's influence over the channels.
 - (B) Continue the channel digital services, optimize the channel service information platform, strengthen the technology ability, and improve the business competitiveness.
 - (C) Improve the channel business management model, integrate business resources and improve the data analysis ability to promote the business model with data and improve the effect and value of business development.

4. Yuanta Securities Investment Trust

(1) Main business services

- A. Securities investment trust
- B. Discretionary investment
- C. Securities investment consulting
- D. Futures Trust
- E. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT\$1,000; %

Item \ Year	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Revenue from Management fees	3,802,485	95.18	5,001,664	96.39
Revenue from transaction fees	73,804	1.85	47,531	0.92
Revenue from sale	102,984	2.58	125,984	2.43
Revenue from marketing reimbursement	10,262	0.26	9,240	0.18
Other operating revenue	5,597	0.13	4,764	0.08
Total	3,995,132	100.00	5,189,183	100.00

(3) New financial products and services in development

A. Product line R&D

In 2023, Yuanta Securities Investment Trust launched the "Yuanta

Japan Leaders Equity Fund.” After the Fund was launched, it has been favored by investors. The Fund has been funded twice within three months after its establishment, demonstrating investors’ confidence in the long-term outlook of Japan. In response to the nationals’ asset allocation needs in USD and JPY, Yuanta Securities Investment Trust is planning to add USD and JPY funds in 2024 to help investors with asset allocation by expanding the investable currencies.

In 2023, Taiwan’s ETF market scale and the number of beneficiaries have increased successively for several years, and most of the products preferred by investors have the characteristics, such as low issue price and high dividend distribution frequency. Yuanta Securities Investment Trust will continue to keep abreast of market dynamics and provide investors with appropriate and high-quality products and investment solutions in order to drive the steady growth of business and profit.

B. Group co-marketing

In order to exert the marketing synergy of the Group and enhance the marketing efficiency among subsidiaries, Yuanta Securities Investment Trust has designed a user-friendly service process and user interface by integrating the co-marketing documents and system specifications within the Group to provide customers with comprehensive and sound financial service experience.

C. Digital financial services

(A) Online AI customer service

In order to serve Yuanta Securities Investment Trust’s customers and ETF beneficiaries, it plans to provide online intelligent customer service this year. Through 24-hour online real-time Q&A, it may help investors with inquiries about personal accounts, funds, and ETF products. The full-time personalized service through intelligent customer service enables more efficient use of manual customer service resources to meet customers’ specific needs, while providing customers with more simplified and faster customer service experience to serve a broader range of investors.

(B) e-payment for funds

Yuanta Securities Investment Trust is the first investment trust service supplier to work with an e-payment service provider to provide e-payment services for fund subscriptions. This service can help increase the number of accounts opened online and reach more investors through different channels. Yuanta Securities Investment Trust will continue to expand its partner e-payment service providers, launch high-quality products, optimize the user experience, and promote fund repurchase services with e-payment, in order to provide customers with more diversified fund trading channels and work toward inclusive financing.

D. Expand the development of quasi-discretionary investment-linked insurance policy

With the advantages residing in low capital threshold, fixed dividend payment, and operation by professional investment institutions, the quasi-investment-linked insurance policy has become an important method for investors’ retirement planning. After 2023, new regulations governing investment-linked insurance policies were put into effect,

such as prohibition of accounts from linking leveraged and inverse ETFs, restriction of the ratio of allocations to non-investment-grade bonds, and no reversal applicable if the account unit net worth is less than 8, which posed specific impact to the development of investment-linked insurance policies. Notwithstanding, Yuanta Securities Investment Trust, with its distinctiveness in the industry and the selection of targets, was in the top half of the business in 2023, which may be helpful for new projects and cooperation with life insurance institutions in following years. In addition to continuing to promote existing products with existing customers, Yuanta Securities Investment Trust will also develop new customers externally and expand its discretionary investment management scale proactively. It will also exert the resonance effect of mutual funds, and continue to negotiate for the high-quality fund launch opportunities to form the quasi-discretionary investment-linked insurance policy ecosystem.

(4) Business plan for the year

Despite the factors, such as inflation, lift rates and balance sheet shrinkage in 2023, which caused the bond market volatility, the bond market was stimulated as the lift rate cycle was expected to stop. Meanwhile, TAIEX may be considered performing amazingly in 2023. Though new challenges arose and uncertain factors still existed, the monitoring indicators have rebounded from 11 points for the blue light at the beginning of the year to 20 points for the yellow and blue light (based on the information available in November 2023). In the meantime, the turnover of the export and wholesale industries turned out to be growing positively, and the retail and catering industries remained booming. This reflects that Taiwan's economy continues to recover. This year, TAIEX is expected to continue its investment advantages and opportunities. In addition to building an ETF ecosystem, Yuanta Securities Investment Trust will also focus on three major development strategies:

A. Planning for offering of new funds:

Recalling the offering of new ETFs in the market in 2023, both stock and bond ETFs followed the model for low issue price and transformation of seasonal distribution to monthly distribution, and the monthly dividend products often tied with high dividend yields and, therefore, the products at low price, with high dividend yield and subject to monthly distribution policy has become the mainstream trend in the market. Therefore, Yuanta Securities Investment Trust will continue to track the market, research, develop and optimize innovative products per investors' needs, and help Taiwanese investors build investment portfolios adopting diversified allocations and risk dispersion based on the market.

B. Promotion of Focus Funds:

(A) Promotion of ETF scale: With more than 20 years' experience in the offering and operation of ETFs, Yuanta Securities Investment Trust provides the most complete ETFs among the 17 ETF issuers currently in Taiwan. Its product line focuses on Taiwan stocks and bonds, and overseas niche ETFs secondarily. In addition to the prototype ETF, it also provides Bull 2X and Inverse -1X products,

so that investors may have investment opportunities for hedging and arbitrage.

- (B) In the field of ETFs for TAIEX, the ETFs for Taiwan's nationals, 0050 and 0056, are favored by Taiwanese investors, and the scale and number of beneficiaries are increasing. Yuanta Securities Investment Trust will continue to communicate and interact with the market investors, coupled with the customer base segment management, to stay with investors to go through different life cycles, e.g. passing on the concepts on the dollar cost average stock saving and fractional stock saving plans to the young customer base who access the market for the first time, in order to work with customers to deposit their first pot of gold; with market value-type ETF combining with compound interest effect, it works with the young and middle-aged group to accumulate assets and add value to help them complete their dream lists; with high-dividend ETFs and ETFs subject to monthly distribution of dividends, it helps investors balance cash flow and asset growth for segment and precision marketing and to earn the recognition from investors constantly, so as to expand the influence of Yuanta's high-quality products.
- (C) Flagship leading ETFs: The series of funds focuses on the leading companies in various industries as the core objects. Through the growth or resilience of the leading companies in the long or short market, it conveys to investors the importance of stable growth and balanced allocation. With this series of flagship funds, Yuanta investors can participate in the three major markets, namely, Taiwan, Japan, and the United States, to achieve asset preservation and wealth growth, and to share the economic growth results of the world's important markets.

C. Deepen the digital financial transformation:

As Yuanta Securities Investment Trust's business is expanding increasingly, in order to provide investors with more sound services, it will continue to optimize the digital channel of Yuanta Securities Investment Trust. In addition to optimizing the webpage structure, user experience and search engine, it will also launch new online communication address and reminder to investors to change the method of sending statements into "via email," and optimize the process of reissuing account and password, through the comprehensive online transformation from accounts, transactions to personal information management, to provide users with more convenient and successful access to the fund services and provide investors with a user-friendly financial service experience.

Further, in consideration of the scale and number of beneficiaries increases year by year, the paperwork operations have been increased significantly. In order to improve operating procedures and implement ESG carbon reduction goals, Yuanta Securities Investment Trust will review its existing processes and redesign and plan them. It will also use automated processes to replace repetitive operations to improve the overall internal operating efficiency.

(5) Industry overview

In 2023, countries around the world were affected by wars and inflation

extensively. The changes in the fiscal and monetary policies of the world's major central banks have been concerned by the market very much. Meanwhile, the political and economic confrontation between the United States and China was persisting, and the order of import and export trade and the supply chain restructuring never stopped. However, although the market was in turmoil and capital was diverted, it also created many investment opportunities at the same time.

As of the end of December 2023, the overall scale of domestic mutual funds reached about NT\$6.76 trillion, with a substantial growth of 38.8%. Among the other things, the bond ETF showed the strongest growth momentum, increasing by NT\$811 billion and reaching NT\$2.02 trillion, with a scale growth rate as high as 66.9%. Notwithstanding, TAIEX ETF, as driven by the emergence of new high-dividend products, increased by NT\$621.2 billion and reaching NT\$1.41 trillion, i.e. the growth rate of 78.6%.

Yuanta Securities Investment Trust will keep noting the monetary policies adopted by the leading central banks in the world, global political and economic development, the emerging technology trend, and subject to the overview of momentum and whereabouts of capital, make dynamic adjustment on the product development, marketing and market education to respond to the latest market claim and satisfy customers' needs for investment return and added value of assets under the circumstance that the customers need to bear adequate risk.

(6) Research and development

A. Deepen the sustainable development strategy

(A) Optimization of risk management mechanism

In 2023, Yuanta Securities Investment Trust established a new mechanism to manage the climate change risk, and changed the existing "ESG Risk Management Guidelines" into the "Regulations Governing ESG and Climate Change Risk Management" in order to continuously expand the risk management framework and scope of Yuanta Securities Investment Trust. Meanwhile, it also disclosed its climate change risk management mechanism in the sustainable development section of the company official website to improve the sustainable development information disclosure of Yuanta Securities Investment Trust. Looking forward to 2024, it continues to optimize the ESG and climate change-related risk management mechanisms, and also intends to keep pace with the times to control and adjust the market risk, operating risk, stress testing and information source management of the funds to continue perfecting its risk management system and framework.

(B) Implement enterprises' engagement at home and abroad proactively

In 2023, Yuanta Securities Investment Trust carried out the four enterprises' engagement, two groups' engagement and three overseas companies' engagement, in order to create a "three wins" situation for investors, investees, and institutional investors and also to improve ESG engagement diverse partnerships. Looking

forward to 2024, Yuanta Securities Investment Trust plans to work with ISS, an international voting proxy agency, to seek analysis and suggestions on motions to be submitted at ESG-related shareholders' meetings of overseas investees, as the reference for investees to carry out the engagement, in order to continue expanding the positive influence.

(C) Practice low-carbon business management

a. Green action

Continue to expand the scope of green procurement, give priority to the purchase of eco-friendly products, increase the green mark and green energy conservation mark procurement projects, and encourage the purchase and use of green products internally, aim to promote green consumption and deepen the employees' awareness toward energy conservation, carbon reduction and environmental protection, from the daily life matters, such as turn-off of lights, no waste of water resources, and increase of the temperature of air-conditioning, and simultaneously implements environmental management policies, such as waste reduction and water resources, to reduce the potential risks caused by carbon emissions from its operations and mitigate the impact posed by the climate change.

b. Green supply chain management

Yuanta Securities Investment Trust prioritizes green procurement and follows the ISO 20400 Sustainable Procurement Guidelines to drive business partners to pay attention to the ESG issues, such as human rights protection, environmental sustainability, and social co-prosperity, while at the same time informing partners about the Yuanta Securities Investment Trust's ethical management best-practice principles and CSR strategies and practices, in order to establish a sustainable business management and service model. Through the Group's green procurement declaration category promotion activities, sustainable procurement consultation operations, supplier database optimization and engagement activities, it implements the supplier management and verification procedures, strengthen the management performance, and continue promoting the integration of ESG practices and supplier management.

c. GHG emission and energy management

Yuanta Securities Investment Trust implemented the ISO 50001 energy management system to improve the energy utilization efficiency proactively, manage energy resources adequately, and reduce GHG emissions. Meanwhile, through the ISO 14064 GHG inventory, it verifies the energy conservation and carbon reduction performance to mitigate the harm caused to the earth by taking physical actions. The concrete plans include

purchasing more than 350,000 kWh of green electricity each year, reducing carbon emissions by approximately 195.78 metric tons per year, continuing to conduct carbon footprint inventories, strengthening operational resilience, and promoting the overall industry for a low-carbon transformation to practice the goal of sustainable finance.

(D) Disclosure of fund carbon emissions information

In order to understand the impact posed by the investments on climate change, Yuanta Securities Investment Trust follows the PCAF methodology and the TCFD to calculate the carbon emissions and carbon intensity of asset management, in order to evaluate the climate risk management of related investments, and post the related disclosures of inventory results on its official website.

B. Implementation of ETF split and reverse ETF split mechanism:

In order to improve the ETF trading system and promote the development of the ETF market, as well as connecting with the international ETF split/reverse ETF split mechanism, Yuanta Securities Investment Trust will include the split/reverse split clauses into the trust contracts for its funds successively, and check the status of various ETFs under its management from time to time. When necessary, the beneficiary meeting can be convened according to the trust contract to start the split/reverse split.

C. Enhanced information security action program:

(A) Enhanced information security control:

In order to enhance information security, Yuanta Securities Investment Trust SIEM has been launched in 2023 to focus on enhanced information security equipment and system logs. In 2024, it will contain important application systems and retain the application system login/logout records to ensure that when an information security incident occurs, the system may retain traces sufficient to conduct the root cause analysis and comply with the requirements about retention of necessary information and retention period under laws.

(B) Implementation of personal data inventory software

In order to verify the personal data of the inventory equipment, Yuanta Securities Investment Trust implemented the personal data inventory system, which may conduct the personal data inventory based on the personal data or sensitive files on the storage centers, such as the employees' PCs (including CD, floppy disk and USG), Windows/Unix/Linux server and SAN/NAS, and then compile and provide the results to the inventory center, where it can conduct real-time or offline data analysis and export reports.

(7) Long and short-term business development plans

A. Short-term business

(A) Improve operational efficiency

As the business scale is expanding and the number of beneficiaries increasing, Yuanta Securities Investment Trust continues to optimize the operational efficiency. When distributing the dividend, it combines multiple distribution notices issued for the same period

into one, so that customers can understand the dividend distribution information at a glance, while at the same time reducing paper consumption and streamlining the operating procedure. Meanwhile, in response to TDCC's ETF income distribution notification service in an electronic form, Yuanta Securities Investment Trust provides its customers with the access to collect the notices in an electronic form, in order to work with the competent authority to move toward the net-zero emission goal by 2050.

Also, Yuanta Securities Investment Trust will also continue to improve operational efficiency through systematization and digitization. For example, the collection, processing, filing, rejection, tracking and inquiry of customers' mailing data are systematized to facilitate data tracking, reduce manual processing cost and improve operational efficiency. For the digitization, the new function allowing customers to update their profile online will also reduce the paper-based printing and mailing, effectively reduce carbon emissions, shorten customers' waiting time and data processing time, in order to improve the operational efficiency and customer experience.

(B) Upgrading of active fund performance

Yuanta Securities Investment Trust provides high-quality and stable products as its core products, in order to seek to preserve and grow customers' assets over the long term. In the current environment suffering prolonged high interest rates, SMEs have limited room for business expansion, and are under heavy refinancing pressure. The default rate is likely to grow accordingly. Therefore, the leading enterprises with sound financial physique will become the mainstream investment objects. The investment research team of Yuanta Securities Investment Trust adopts the Top-Down investment strategy to optimize asset allocation through real-time judgments about the macroeconomic and monetary policies, in order to create better quality fund returns for investors. Meanwhile, Yuanta Securities Investment Trust will also adopt a Down-Top investment strategy that focuses on strengthening the fund's characteristics and grasping market conditions to further improve the fund's performance.

B. Long-term and mid-term business development plans:

(A) Sprout the development of cooperation with the Group's subsidiaries to develop business jointly

In consideration of the significant growth of ETF market scale and number of beneficiaries in Taiwan, ETF trading can be considered as an important role in Taiwan's stock investment. Meanwhile, the ETF stock savings plans also caught the eyes of most investors. Yuanta Securities Investment Trust will continue to work with Yuanta Securities to improve the professionalism of its sales representatives and satisfy customers' needs. For the flagship long-term selling funds, it will continue to work with Yuanta Securities and Yuanta Bank to promote the systematic investment services on a regular basis, to help customers invest in the market stably over the long term, share the fruits of economic growth, and inject stable cash flows to the fund scale.

(B) Implementation of digital banking and inclusive financing

Considering that inclusive financing has become the trend and vision for the global financial development in the future, in order to provide the general public with responsible and sustainable financial services, Yuanta Securities Investment Trust will continue to construct and optimize a barrier-free digital environment while providing the core fund services and information by maintaining information security and investors' rights at the same time, in order to improve the accessibility and utilization of financial services. Meanwhile, Yuanta Securities Investment Trust is planning to automate its paper-based processes to better respond to the high demand and provide customers with a more efficient and convenient financial service experience. This will improve the popularity of its services, benefit more customers, and upgrade customer satisfaction.

(C) International layout

Yuanta Securities Investment Trust keeps sprouting the ETF asset management field and Asian market, and continues to bring high-quality ETF products to Taiwan and from international financial markets. Considering that the international asset management service providers have successfully listed products in different markets in recent years, it reproduced the excellent tools and made them available to investors everywhere. Yuanta Securities Investment Trust hopes to expand the classic TAIEXe ETF outside Taiwan and continue to introduce cross-border ETF products to increase the visibility of Yuanta Securities Investment Trust and high-quality Taiwan ETF products, and solicit capital into Taiwan.

(D) Scholarship for Talent Cultivation in Rural Areas

Based on the overall growth development strategy centering on "core-building and growth driven," Yuanta Securities Investment Trust's talent training program aims at cultivating and reserving talents in integrated management, diversified functions and asset management. This year's talent cultivation and development focus on the following three aspects:

a. Valuing talent leadership inheritance and caring employees' career development

Through diverse talent leadership inheritance and training methods, the management talent training will focus on the young generation successors and financial reserve cadres, while the professional talent training on diversified functions. In the process of recruiting and developing talents, emphasis will be placed on the foundation and practice of their functions, and more employees' risk ethics awareness and obligation of sustainable development will be imposed.

b. Implement a diversified rotation mechanism to continuously cultivate and recruit professional green and digital financial talents.

In response to the digital banking trend and the implementation of Yuanta Securities Investment Trust's driven growth strategy, the Group encourages cross-industry and cross-disciplinary rotation of internal talents, and recruitment of external

outstanding talents, and continues to encourage employees to obtain finance and language proficiency licenses, effectively strengthen the career development of professionals at various job ranks, stimulate the development potentials of employees, and cultivate financial talents with multiple abilities and achievements.

- c. Continue to expand the scope of industry–academia collaboration and cultivate social asset management talents.

In order to build a diverse source of talents, Yuanta Securities Investment Trust continues to sprout the campus and proactively enter into industry–academia collaborations with key universities to cultivate the young generation’s knowledge and experience in the asset management industry while fulfilling its corporate social responsibilities at the same time.

5. Yuanta Futures

(1) Main business services

- A. Futures brokerage services
- B. Futures proprietary trading
- C. Futures consulting services
- D. Futures Settlement and Commissioned Settlement
- E. Concurrent engaging in proprietary trading of securities
- F. Concurrent engaging in securities trading supporting services
- G. Leverage transaction merchant trading system
- H. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT\$1,000; %

Item \ Year	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Brokerage revenue	3,910,451	97.77	3,251,367	94.62
Proprietary trading revenue	80,995	2.02	175,167	5.10
Counseling service revenue	8,352	0.21	9,519	0.28
Total	3,999,798	100.00	3,436,053	100.00

(3) New financial products and services in development

A. Expand leverage transaction business scale:

In 2023, Yuanta Futures' leveraged trading business has accounted for 50% market shares. Focusing on the leveraged trading business growth potential, Yuanta Futures will continue to expand its own sales team, develop the distribution channels, increase active accounts, and develop the CFD trading assistance tools, satisfy the diversified trading needs of customers, and establish a more rigorous risk control mechanism to protect customers' rights and interests, distinguish itself from the peer companies in the industry, and then promote leveraged trading of CFDs to consolidate the diversified profit engine.

B. Improve operational resilience and information security protection strength proactively:

Considering the recent contingencies, such as COVID-19, extreme weather, IT incidents and other emergencies, in order to reduce operational risks and provide uninterrupted financial services, Yuanta Futures is expanding and adding a remote information center computer room proactively. In addition to the existing cabinet area, a backup data center in Banqiao will be constructed this year to provide customers with more stable and rapid trading environment. In consideration of the increasing threat to information security, Yuanta Futures is planning the information security protection strategies and optimization measures proactively. In addition to improving the relevant operating procedures related to the information security management system, it also carries out the regular information security preparation and information security incident drills, continues to improve the information security management protection measures, and implements the information security management compliance operations, in order to maintain its stable operation and protect customers' interests and rights at any cost.

C. Innovate financial development and establish a "customer management digital platform":

In order to enhance customers' digital service experience, it continues to optimize online service functions and integrate various platforms. Yuanta Futures also expects to establish a "customer management digital platform" in 2024 to strengthen digital marketing, and integrate social platforms, media courses, business elite sections and other information, in order to provide potential customers with opportunities to directly interact with business operators, enhance the depth of interactions among digital users and enable them to experience

multi-functional services across different browsers and devices, thereby bringing customers a higher quality service experience.

D. Expand the layout in the Asia Pacific region:

In 2024, Yuanta Futures will continue its preparations for the establishment of Yuanta Global (Singapore), and combine the resources of the head office, Hong Kong and Singapore to develop potential customers in Southeast Asian countries, expand the cross-border business scale, and expand the leveraged foreign exchange business and the physical delivery service for international bulk commodity future and build the international trading platform, while strengthening the resource integration and business development synergy between the parent company and various business locations in the Asia Pacific region, and increasing cooperation opportunities with international institutional investors to sprout the overseas brokerage and B2B operations improve the business diversity.

(4) Business plans for the year

In 2023, Yuanta Futures continued to strengthen various business management policies, adhere to the principle of stable operation, increase the brokerage channel's business momentum, balance the development of various domestic businesses, optimize software and hardware equipment and information carrying capacity, and comprehensively improve the overall operating process to provide traders with the most comprehensive and convenient futures trading experience, thereby increasing the brokerage market share and gross profit margin. In 2023, the futures brokerage market share attained 22.58%, the options brokerage market share 15.55%, and the buy brokerage service 26.67% (as of November 2023). As of the end of December, the customer margin accounted for 30.68% market share, ranking 1s place in the market. The overall business performance led the industry, and it continued to consolidate the foundation of the futures business and grow steadily. In terms of financial performance, it generated a net profit after tax of NT\$1.853 billion, ranking the first place among fourteen professional futures houses and hitting the record historically, with an EPS after tax of NT\$6.39 and a rate of return (ROE) after tax of 13.53%, in 2023, demonstrating its excellent business performance.

Looking forward to 2024, Yuanta Futures will adhere to the core management philosophy of "Building New Opportunities, Forward-Looking and Sustainability." Through continuous innovation and progress, Yuanta Futures is able to face market fluctuations with long-term stability and sustainable operation, strengthen its personnel risk control DNA, uphold the corporate governance core values concurrently, maintain business competitiveness, increase investment in green finance and sustainable operations, and develop products and green finance service processes upholding the spirit of sustainability. Meanwhile, in terms of expanding operations in the Asia Pacific region, Yuanta Global (Singapore) has applied for a capital market service license from the Monetary Authority of Singapore in 2023. It will continue to prepare the establishment of the

subsidiary in Singapore and combine resources of the head office, Hong Kong and Singapore to expand potential customers in Southeast Asian countries and expand the overseas profit engine.

The business plan to be boosted by Yuanta Futures in 2024 is highlighted as follows:

A. Brokerage services:

Take the brokerage as the core business, and for domestic transactions, maintenance of leading market shares and increase in gross profit margin shall be the first priority; in overseas markets, it is necessary to work closely with overseas exchanges and expand the buy business momentum as the focus business of Yuanta Futures. Schedule to plan a number of marketing campaigns at home and abroad, work with the professional research team to stay on top of international current affairs and enhance global business capabilities; in terms of customer service, uphold the customer-oriented and rigorous risk management policies as the first priority, analyze customer patterns in response to the big data, increase the added service value, emphasize the fair dealing policy and customer care, and maintain the quality of fee collection through high-quality and heartwarming brokerage services.

B. Wholesale services:

Strengthen the institutional investors' account opening momentum at home and abroad, and strive to increase the institutional investors' brokerage transaction turnover. Through professional division of labor and in response to the market trends, it will combine Yuanta FHC's resources and overseas business development with diversified products and excellent trading systems to create synergy and increase the institutional investor brokerage market share.

C. Leverage transaction merchant trading system:

Focus on the leveraged traders' growth potential, continue to improve the profitability of Yuanta Futures' leveraged business team, research & develop the leveraged trading aided tools, perfect the experience in trading CDFs, and ensure customers' trading risk control and stability; with the professional service team and excellent digital experience, boost the business development and diversified profitability momentum.

D. Proprietary trading:

Increase the diversity and stability of investment portfolio, arrange the layout and dynamically adjust trading strategies, and pursue the stable growth of return under strict risk controls. In order to expand the sources of gains, it continues to improve the information system, develops diversified trading strategy modules, moves toward a global layout based on the strategy of diversification, and focuses on improving the organization's performance and stabilizing the operating revenue from proprietary trading.

E. Investment business:

In order to promote the layout in the Asia region, and in response to the expansion of international business scale aimed at by Yuanta FHC, it develops the overseas business locations of Yuanta Futures as the global product trading platform, improves the B2B operations, continues to cooperate with the overseas subsidiaries of Yuanta Securities to

establish the brokerage service order placing channel to help the Group's investees, develop new market futures operations and improve the business diversity.

F. Corporate governance and risk control and compliance:

In view of the rapid changes in the financial environment and the increasing financial risks, it will continue to improve its corporate governance and embed the concept of risk control and compliance in the core functions of employees, focus on the core business development under the compliance principles, based on the principles of honesty, trustworthiness, and transparency, improve the products and services, make good use of the operational advantages, establish a good corporate governance culture, and enhance profitability.

G. Sustainable Development:

Yuanta Futures has incorporated the sustainability concept into its overall business policies. In the future, it will continue to monitor international sustainability trends and plan concrete actions to improve the aspects covering green finance, sustainable investment, climate change, social responsibility, and low-carbon transformation. In 2023, Yuanta Futures responded to the government's net-zero policy and planned to purchase carbon solutions from the Taiwan Carbon Solution Exchange. An account was opened at the end of the year. In 2024, it will continue to carry out procurement projects and expand all aspects related to ESG to keep pace with the times to make dynamic adjustment. It will seek business opportunities in the changing market, enhance the brand value of Yuanta Futures, provide customers with high-quality financial service experience, and become a model of sustainable operations among the domestic futures commission merchants.

(5) Industry overview

Recalling 2023, the ongoing Russia-Ukraine and outbreak of conflict between Israel and Palestine have affected energy, interest rates, and economic growth. The global economy has continued to be in turmoil. In addition to geopolitical risks, oil production reduction and other political and economic events, the technology and trade wars, inflation and other factors affected the world's major economies. After the COVID-19 pandemic in Q1, the global digital economy's development was accelerated, triggering the upsurge of the concept of generative AI, and the popularity of related concept stocks soared. Meanwhile, following the Russia-Ukraine War, the largest Israel-Palestine conflict in the past two decades broke out in October. The subsequent drastic fluctuations in international oil prices brought more uncertainty to the world and led to intensified hedging emotion in the futures market, and the increase in hedging and trading demands in the futures market. The turnover of global futures and options in 2023 hit a new high, with the turnover for the year reaching 122.2 billion lots, a 45.6% increase from 83.9 billion lots last year.

In terms of the overview of global futures and options trading, according to the FIA's statistics, the turnover of futures grew by only 8% from last year, while that of options grew by 75% significantly from last year. As far as the product types are concerned, the turnover of stocks and ETFs accounted for

the largest proportion, i.e. 81%, with a YoY of 60%, followed by the foreign exchange rate, accounting for 5%. The turnover of interest rate transactions accounted for 5%, while the turnover of other contracts about agricultural products, energy and metal declined from the same period of last year. In conclusion, in 2023, the world faced diversified dynamics and challenges, and the demand for derivatives such as futures and options increased significantly. It is necessary to pay close attention and respond to the following development carefully.

In the domestic market, the global political and economic turbulence has driven the demand for derivatives to soar. Futures and options play an important role in hedging transactions and stabilization of the financial market. Since 2020, the turnover of TAIEX has exceeded 300 million lots for four consecutive years. However, as the annualized volatility of the TAIEX was only 13%, the turnover decreased slightly from last year. In 2023, the figures turnover attained 324 million lots, showing that Taiwan's futures market was full of momentum, with night trading accounting for more than 30%. Taiwanese traders were further connected with the international market, and their participation in night trading became more active. The hot trading products in 2023 were still concentrated on stock futures, FITX, MTX, US stock price index futures and TXO, with stock futures accounting for 34.86% of the total traded. Futures have increased in popularity, with a growth of 18.4% compared to last year, due to the rising TAIEX index. It can be observed that small-cap and diversified futures products have become the two major development trends in the futures industry, and they are the future potential products of the futures market. Meanwhile, this year, TAIEX has listed US-SOX and a number of new products to provide traders with a variety of product choices. It is expected to include TSMC futures into the night trading in 2024, and establish a customized commodity trading platform (FLEX) and traders' risk detection platform, hoping to increase the trading flexibility of TAIEX and assist traders to carry out optimal risk controls to improve the efficiency of capital utilization.

(6) Research and development

A. After completing the optimization and upgrade of the core account system and hardware in 2021, it will continue the conversion of settlement and proprietary trading systems in 2024, and complete various front-office trading and back-office accounting systems in response to the launch of new instruments and new systems of TAIEX, in order to develop for the night trading the account risk information inquiry service. Meanwhile, in order to ensure uninterrupted operations and provide traders with a faster trading environment, Yuanta Futures planned the expansion of its IT data centers proactively in 2023. Therefore, the expansion of the data center in Banqiao and the construction of a remote control room were completed.

In terms of the information security, in order to protect the customers' security in the trading environment, it continued to strengthen the SIEM, optimized the EDR, and identify, track and patch

security vulnerabilities via implementation of the open source software system and automation of the security testing management to improve the safety and quality of the corporate application system. In 2024, it will continue to conduct ISO 27001 certification, information security health examination and risk assessment, to improve its overall information security defense capability, and to protect it and its customer information assets from network threats and information security vulnerabilities.

- B. In order to provide customers with more comprehensive online services proactively, in 2023, it continued to consolidate and optimize platform functions, and implement the OCR optical character recognition function into the account opening process of futures and leverage, in order to effectively improve the efficiency of account opening for customers. In addition to optimizing customer service, it also implemented emerging technologies such as “RPA” and “digital reporting system” into its internal operating procedures to help improve the overall operating efficiency. In 2023, in response to the cross-subsidiary FIDO and data sharing promoted by Yuanta Group, futures could provide safer and more convenient identity verification, so as to effectively streamline the account opening process and improve account opening efficiency. In the future, it will continue to improve digital financial services, and use FinTech, big data analysis and AI for customer segmentation and precision marketing to improve customer satisfaction.
 - C. Continue to perfect its research report, improve the accessibility to and diversification of the reports, and expand the channels on social network platforms and provide traders with more real-time research information via the network society posts or in the form of audio or video. With respect to the institutional customer service, combine the industrial trends, customize the project presentation for industrial institutional investors, provide strategic hedging and forward-looking analysis, in order to develop the entity economy service for industrial institutional investors.
 - D. Yuanta Futures has implemented the TIPS since 2021. In 2023, it has received TIPS A certification from the Institute for Information Industry for three consecutive years. It continued to review and implement the TIPS to enable the employees to unleash the momentum of innovation under a sound system and create intellectual property business opportunities and value.
 - E. In order to protect customer data safety and privacy, Yuanta Futures has implemented the protection mechanism in terms of the three major aspects, including the information system, management system and education & training. Since 2021, it has continued to implement the BS 10012 PIMS international standard certification each year, in order to protect customers’ interests and rights sufficient by establishing comprehensive personal data protection measures.
- (7) Long and short-term business development plans
- A. Short-term business development plans:
 - (A) Strengthen the core profitability and develop balanced domestic and foreign businesses: Consolidate the core brokerage momentum, continue to sprout the brokerage service and IB channels, and increase the market share of the corporate banking services; and

focus on the promotion of various foreign futures products, combine the professional research team to analyze resources and create market differentiated services; while at the same time strengthening the sales personnel's awareness of risk control, fair dealing policy and risk management, and through more precise marketing strategies, to improve business service satisfaction, consolidate market share and expand the business scale.

- (B) Seize the leveraged business opportunities and secure the profitability of the leveraged business: Improve the momentum of the leveraged business team, and promote diversified CFD products to expand the breadth and depth of the customer base; plan to build a professional trading platform at the same time to satisfy traders' demand for flexible operation and hedging, in order to create diversified sources of income; also continue to work with various colleges and universities to help it develop potential young customers through simulated trading competitions and seminars.
 - (C) Solidify the proprietary trading performance for the layout based on the strategy of diversification: aim to seek stable profit, enhance the spot futures strategic allocation and exposure level controls, and expand the fixed income to increase sources of income and optimize the entire proprietary trading performance.
 - (D) Improve digital financial services and optimize customer's trading experience: optimize the mobile trading APP platform's functions, integrate the resources of futures research reports, and provide customers with more complete services; and construct the big data analysis platform to manage customers by group and engage in the precision marketing based on the business strategies driven by the digital analysis, in order to build a trading platform that focuses on satisfying customers' needs.
 - (E) Expand the layout in the Asia Pacific region and strengthen the synergy of the Group's overseas resources: Yuanta Futures is expanding its international operations proactively and aims to become a large futures commission merchant in Asia by building a cross-border trading platform and strengthening the synergy of the overseas operations of the Yuanta Group. In 2023, Yuanta Global (Singapore) has applied for a capital market service license from the Monetary Authority of Singapore. Yuanta Futures will continue to prepare the establishment of the subsidiary in Singapore and combine resources of the head office, Hong Kong and Singapore to expand potential customers in Southeast Asian countries and expand the overseas profit engine.
 - (F) Implement sustainable development and seize green finance opportunities: Yuanta Futures has incorporated the concept of sustainable development into its business strategies, and has adopted corporate governance and legal compliance, risk management and customer care, fair dealing and friendly service as the foundation of its business activities. It will comprehensively promote green operations and sustainable products, accelerate the digital transformation project, and seize the green finance business opportunities, in order to create the maximum value for employees, customers and shareholders.
- B. Long-term business development plans:

- (A) Transform and upgrade channels to increase diversified income: The brokerage service team engages in improving the organizational quality, and builds the team dedicated to integrating physical and virtue channels by virtue of new products, new thoughts and new models, and uses the best effort to achieve innovation and optimization through the new platforms and inter-departmental marketing.
- (B) Develop the international market to join international securities houses: Develop customers for overseas locations actively in response to the international layout by the Group to practice consolidated effects. Cultivate Yuanta Futures' overseas locations as the global commodity and trading platform to build the complete futures product lines.
- (C) Enhance risk controls and guard customers' assets: Utilize the risk management technologies and expertise accumulated by Yuanta Futures in R&D of FinTech products and services, and combine resources intensively to develop new business lines actively.
- (D) Protect shareholders' equity and pursue ESG development: Uphold the highest ethical management principle and use the best to protect shareholders' equity. Integrate the corporate and social mutual prosperity into its business purposes and service management model, and promote ESG practices and goals through corporate governance, fair dealing, green finance, social participation, and healthy workplace.

6. Yuanta Venture Capital

(1) Main business services

- A. Provide capital to invested enterprises
- B. Provide corporate operation, management, and consulting services to investee enterprises
- C. Commissioned consultation on business administration
- D. Other relevant operations approved by the competent authority

(2) Revenue breakdown

Unit: NTS1,000; %

Item \ Year	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Equity in investee income recognized under the equity method	58,399	46.24	122,740	25.72
Net gain or loss on financial assets at fair value through profit or loss	(218,742)	(173.20)	324,969	68.11
Dividends revenue	34,050	26.96	29,455	6.17
Total	(126,293)	100.00	477,164	100.00

(3) Business plans for the year

- A. Achieve the annual budget objective:

Yuanta Venture Capital has successively disposed of the investees of Yuanta Venture Capital and Yuanta I Venture Capital in 2023 to achieve the objective of budget.

B. Weigh core business and growing business equivalently:

Subject to the conditions, such as markets and industries for the target portfolio, Yuanta Venture Capital's investment business may be divided into two types, namely "Core Business" and "Growing Business." The "Core Business" primarily aims at the industries known better by the investment, or more matured markets, with low risk but stable income. The "Growing Business" aims at pre-matured markets, with higher investment risk but a good chance to seek better returns.

In 2023, the factors, such as international inflation, lift rate pressure, ongoing Russia-Ukraine War, technology dispute between China and the USA, expanding Israel-Hamas conflict, still affected the global economy, causing the economic growth to become sluggish and multiple uncertain factors about the changes in market and industries. Yuanta Venture Capital's investment strategies in 2024 will continue to solidify the "Core Business" and also increase the proportion of the "Growing Business;" notwithstanding, it will select the investment portfolio about leading technology which are also certified as the first priority and also select investment portfolio cautiously, in order to balance risks and returns. The investment strategies are stated as follows:

Investment strategy	Selection strategy	Selected industry	2024 Percentage (%)	2025 Percentage (%)	2026 Percentage (%)
Core business (Existing technology / matured market)	<ol style="list-style-type: none"> 1. Lower P/E ratio 2. Reasonable dividend yield 3. High liquidity (in the case of open trading market) 4. Familiar with the company/team 	<p><u>Internal</u> For example, traditional manufacturing industry, automotive industry, chain store industry (e.g. catering, pharmacy and store), and chemical engineering industry.</p> <p><u>Overseas</u> For example, traditional industries: light assets manufacturing, and agricultural technology. Domestic demand: chain restaurant, consumer goods, recreational industry</p>	60%	55%	50%
Growing business (Existing technology / pre-matured market)	<ol style="list-style-type: none"> 1. Leader in the field or scale of the technology 2. Products or services have already been authenticated by the market. 	For example, electronics and information industry, IC design, AR/VR, FINTECH, e-commerce, AI and big data,	40%	45%	50%

Investment strategy	Selection strategy	Selected industry	2024 Percentage (%)	2025 Percentage (%)	2026 Percentage (%)
	3. Lower risk	Internet of Vehicles, smart factory, smart home, high-end medical materials, medical services, advanced materials, 5G communication, biotechnology and medical care, ESG, and supply chain related to advanced manufacturing processes.			

C. In line with the major changes in the industry, take the local business opportunities:

The global decline in the demand for end products has extended the inventory adjustment time of the industrial chain, thereby affecting Taiwan's export of information and communication electronic components and corporate capital expenditures. As the impact posed by the pandemic became sluggish, the private consumption recovered significantly, and the retail and catering industries recovered stably, the economic growth rate in Q2 turned positive to 1.36%, and with the increase in domestic demand and consumption, the supply chain inventory was replenished. The economic growth rate in Q3 reached 2.32%. However, the monitoring indicators were still in the slump and not stable yet. Therefore, the DGBAS announced that the global economic forecast for 2023 was adjusted downward by 0.19%, becoming 1.42%, at the end of November 2023. In view of the uncertainty of the global economy, Yuanta Venture Capital will evaluate overseas investment projects more carefully. Especially in China, where the information is not transparent and the crisis is too great, it needs to act more vigilant and conservative in evaluation. Taiwan's semiconductor industry has a complete ecological chain. Silicon shield's business opportunities have expanded from local to overseas, and the applications of emerging technologies such as high-performance computing, AI, and automotive electronics continue to expand. Medical biotechnology and smart healthcare have received much attention. Meanwhile, under the trend of 5G, self-driving and IoT, Taiwan's information and communication technology has a place in Taiwan. In the next year, the focus will be on local investment opportunities. Based on the cautious assessment result on regional risks and investment conditions, it is planning the following investment areas to be targeted within next three years:

Scope		2024(F) (Add)	2025(F) (Add)	2026(F) (Add)
Internal	Taiwan	90%	83%	83%
Overseas	Mainland China	0%	0%	0%
	Korea	0%	8.5%	7%
	South East Asia / others	10%	8.5%	10%
Total		100%	100%	100%
Projected total investment amount		NT\$300 million	NT\$350 million	NT\$400 million

(4) Industry overview

According to the 2021 questionnaire survey performed by Taiwan Venture Capital Association on the venture capitals in 2022, the overview of venture capital market in Taiwan is discussed in terms of domestic venture capital's financing status, investment status, invested industry, investment stages and invested territories:

A. Financing Status:

In terms of the venture capital's financing status, 27 new venture capitals were founded in 2021, with the total capital amounted to NT\$1.752 billion. The number of new venture capitals increased by 6 from 21 in 2020, and the total capital also decrease by NT\$2.514 billion from NT\$4.266 billion in 2021.

B. Investment status:

In terms of investment status, there were a total of 444 investment projects by venture capital in Taiwan in 2021, increasing by 84 cases from 415 cases in the previous year (2020). The total investment capital was NT\$24.862 billion in 2021, increasing by NT\$12.389 billion from the total investment capital, NT\$12.473 billion, in the previous year (2020). As a whole, the number of investment projects and total investment capital in 2021 both increased from 2020.

C. Invested industry:

In 2021, Taiwan's venture capital investment amount was NT\$8.991 billion in green energy and environmental protection, NT\$3.995 billion in electronics, NT\$2.995 billion in information technology, NT\$2.618 billion in biotechnology (including new drugs and medical materials), NT\$2.114 billion in service industry, NT\$2.071 billion in manufacturing industry, NT\$620 million in other industries, NT\$441 million in national defense and aerospace industry, NT\$423 million in venture capital industry, NT\$392 million in optoelectronic industry, NT\$118 million in cultural and creative industry, NT\$61 million in communications industry, NT\$19 million in precision agriculture (including smart agriculture), and NT\$4 million in tourism industry.

A comparison of the increase or decrease in the amount of investment between 2021 and 2020 is as follows: Compared to 2020, the green energy and environmental protection industry increased the most by NT\$7.876 billion (NT\$1.115 billion in 2020), followed by the electronics industry, which increased by NT\$2.083 billion (NT\$1.912

billion in 2020), the information technology, which increased by NT\$1.162 billion (NT\$1.833 billion in 2020), the service industry, which increased by NT\$1.004 billion (NT\$1.11 billion in 2020), the national defense/aviation industry, which increased by NT\$353 million (NT\$88 million in 2020), other industries, which increased by NT\$238 million (NT\$382 million in 2020), the optoelectronic industry, which increased by NT\$144 million (NT\$248 million in 2020), the manufacturing industry, which increased by NT\$97 million (NT\$1.974 billion in 2020), and the capital venture industry, which increased by NT\$91 million (NT\$332 million in 2020); the biotechnology industry (including new drugs and medical materials), which decreased the most by NT\$310 million (NT\$2.928 billion in 2020), followed by the communications industry, which decreased by NT\$175 million (NT\$ 236 million in 2020), the cultural and creative industry, which decreased by NT\$89 million (NT\$207 million in 2020), the precision agriculture (including smart agriculture), which decreased by NT\$42 million (NT\$61 million in 2020), and the tourism industry, which decreased by NT\$38 million (NT\$42 million in 2020).

D. Investment stage:

In terms of the number of cases at various investment stages, in 2021, the proportion of investment by the venture capital business in Taiwan at the following various stages is stated as follows: 214 cases during the expansion stage (48.20%), 112 cases during the maturity stage (25.23%), 79 cases during the foundation stage (17.79%), and 39 cases during the seed stage (8.78%). The proportion of investment amount at the following various stages is stated as follows: NT\$16.857 billion during the expansion stage (67.80%), NT\$3.992 billion during the maturity stage (16.06%), NT\$3.463 billion during the foundation stage (13.93%), and NT\$551 million during the seed stage (2.22%), but no investment was made in the reorganization stage. In the past years, the proportion of investment by domestic venture capital business at the earlier stages (Seed and Foundation) was about 30%. Such consequence shall result from the government's policy dedicated to promoting the industrial innovation and creativity that caused massive emerging businesses or startups to be founded and become the focus of the venture capitals. In 2021, the domestic venture capitals' investments were centralized in the middle and late stages. The total number of projects or total investment capital would attain 70% or more at the same stages.

E. Invested territories:

According to the statistics, among the investment behaviors by region in 2021, domestic investment was still the largest, and the proportion of cases was 77.25%, increasing by 5.62% from 71.63% in 2020. The distribution of the number of investment outside the domestic region is as follows: Others in the US and the Americas 8.11%, an increase by 2.57% from 5.54% in 2020; Asia 6.98%, an increase by 0.96% from 6.02% in 2020; the US Silicon Valley region 2.25%, an increase by 0.80% from 1.45% in 2020; other regions (such as the Middle East and Africa) 3.60%, a decrease by 3.39% from 6.99% in 2020; and Europe 1.80%, an increase by 0.84% from 0.96% in 2020.

(5) Research and development

A. Actively seek out and identify quality investment targets:

Yuanta Venture Capital will focus on the investment portfolio in the territories of Taiwan primarily, followed the semiconductor, biotech, smart healthcare, high-performance computing, AI and information and communications industries, control the business opportunities arising locally, and develop overseas markets secondarily.

B. Strengthen employee training:

Yuanta Venture Capital will improve employee training and continue to refine its operational competence.

(6) Long and short-term business development plans

Yuanta Venture Capital's short-term business development plans consist of the following: A. Review the investment portfolio, control risks, and upgrade profitability; B. Deploy mid-term and long-term investment projects; C. Focus on the investment in industries that are likely to be booming in the future, including IC design, information & communications, high-performance computing, AI and smart healthcare. Permanently, Yuanta Venture Capital will work hard to upgrade profit and achieve the objective for ROE more than 10.58%.

7. Yuanta Asset Management

(1) Main business services

- A. Acquisition and disposition of secured NPL by financial institutions
- B. Acquisition and disposition of non-secured NPL by financial institutions
- C. Succession to and auction of real property
- D. Real estate management and maintenance
- E. Urban renewal and dangerous old services
- F. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT\$1,000; %

Item	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Disposition of NPL	277,890	69.48	305,189	73.27
Disposition and lease of real property	48,524	12.13	36,547	8.78
Real estate management and maintenance	72,149	18.04	74,770	17.95
Urban renewal and dangerous old services	1,390	0.35	0	0.00
Total	399,953	100.00	416,506	100.00

(3) New financial products and services in development

Considering that the competent authority has approved and adjusted some business lines that may be undertaken under the amendments to the "Operation Principles of Investment in AMC by Financial Holding Companies and Banks" approved by the competent authority in 2023, Yuanta

Asset Management has started to research the relevant operating model. For the time being, it still focuses on the acquisition, integration and de-stocking of urban renewal, reconstruction, creditor's right and right in rem:

A. Urban renewal and reconstruction cases:

In order to promote the reuse of old buildings, revive urban functions, improve urban landscapes, and provide a high-quality and safe living environment, Yuanta Asset Management will develop urban renewal and reconstruction projects proactively, and provide owners with the full urban renewal and reconstruction professional services to inject capital into the operating revenue of Yuanta Asset Management.

B. Acquisition and integration of creditor's rights:

With Yuanta Asset Management's professional core competency, it will primarily proceed with the integration relying on the completeness of debt and single large debt to create the potential value of integration of credit and debit. For NPL management practical operations, debtors are frequently troubled and restricted by tremendous and complicated debts. If Yuanta Asset Management will, with its expertise and practical attitude, move in the direction of debt integration, under well-founded plan, professional negotiation, and sufficient funding.

C. Acquisition and integration of right of things:

Yuanta Asset Management will start from the integration of creditors' rights secured by real estate valuable for development and make improvements on real estate where appropriate to create gains. Most of the collaterals required by financial organizations refer to real estate. However, it is frequently impossible to dispose of the same amicably subject to different banks or creditors and, therefore, the potential value cannot be exerted or the realized price depreciates drastically. Therefore, if by integrating creditor's rights and then integrating real estate, added value of the real property will be increased accordingly.

(4) Business plans for the year

A. Urban renewal, reconstruction, creditor's right and right in rem business activity plan:

(A) Selected Urban Renewal and Reconstruction Cases

In accordance with the (AMC) operating principles and the amendments and relaxations, diversified urban renewal and reconstruction cases are implemented and promoted, in order to achieve the goal of business diversity. Meanwhile, it selects and evaluates the urban renewal or reconstruction projects in the market with good redevelopment benefits and the owners' high willingness to reconstruct or rebuild, in order to provide professional redevelopment services and create the highest value for the owners.

(B) Sprout and de-stock secured cases

Improve the existing traditional method, and flexibly utilize diversified approaches to seek income, and seek the most advantageous models after reviewing each case carefully. By means of court auction, sale of creditor's rights, bid and debt clearance negotiation.

(C) Fulfill the management of unsecured cases

Given the shrinkage of NPL market and restrictions imposed by the competent authority on NPL, there is almost no new NPL bids offered in the market now. Therefore, Yuanta Asset Management will move forward to delicate management and diversified collection methods to achieve the annual objective. Operate in coordination with objective management, warehousing management, performance management, and audit operation.

(D) Bidding and disposition of real estate

Yuanta Asset Management will select the projects likely to derive remarkable rate of return and added value subject to the real estate market condition, product types and regional difference for evaluation, and take part in the bidding for real property in the auction market in a timely manner. Yuanta Asset Management will evaluate any marketing projects subject to the target price and profitability of the object.

B. Urban renewal and dangerous old cases:

Amend the extend part in accordance with the AMC operating principles, select and evaluate the urban renewal or reconstruction projects in the market with good redevelopment benefits and the owners' high willingness to reconstruct or rebuild, and report the urban renewal and reconstruction cases which may be attended in a timely manner.

C. Diversified business models:

Yuanta Asset Management's plan will be oriented toward multiple developments, transform the traditional one internally and turn to the model of diversified income. Externally, it will contact the competent authority voluntarily, strive to offer domestic and foreign asset management services and research the operating model for new business lines.

(5) Industry overview

Due to the fact that the competent authority requires various banks that unless in the case of NPL more than 3%, sale of NPL will be forbidden, AMC will reduce the sources of acquisition of NPL sharply and the room for profitability will be reduced accordingly. Given this, the competent authority has approved the amendments to allow the business lines related to urban renewal and reconstruction under the AMC operating principles on October 5, 2023. This should be helpful for the promotion of the urban renewal and reconstruction business line of AMC.

For the time being, the domestic leading AMCs are primarily engaged in the bidding for real property in the auction market as one of their business lines. To deal with the sharp shrinkage of NPL release in the financial market, AMCs will tend to develop business in a diversified manner to seek profit in the future.

(6) Research and development

A. Research and evaluation on urban renewal and reconstruction cases:

Yuanta Asset Management will expand the urban renewal and reconstruction cases proactively. In addition to promoting the progress

of contracted projects, it will also update the urban renewal case database to promote business development by group, evaluate the data management and sharing, and submit proposals and briefs to enhance the recognition from high-quality customers to expand the management business based on the spillover effects. Furthermore, it will research and develop related measures for injecting funds from the urban renewal and reconstruction cases, purchase of real estate, and advanced payment, in order to increase the mid-term and long-term income of Yuanta Asset Management.

B. Research and evaluation of bidding for real estate:

Yuanta Asset Management shall participate in the bid for court-auctioned properties and acquire collateral secured under NPLs and real property auctioned by governmental entities in a timely manner, subject to the real property market trend. It bids for investment-linked real property with investment potential, and also enhances the activation and disposal of real estate to increase operating revenue.

C. Debt and collateral consolidation:

Yuanta Asset Management will start from the integration of creditors' rights. It will expand into the improvement of right of thing and create potential value for creditors' rights and property rights so as to generate the best possible profits for the group.

D. Future plans:

Yuanta Asset Management will continue developing bids for court-auctioned properties, public tender invited by government entities, urban renewal cases (including reconstruction cases) and NPL market, keep in touch and communicate with the competent authority fairly, and research any potential products and services as a part of Yuanta Asset Management's long-term and mid-term business development.

For the time being, Yuanta Asset Management is researching extension of peripheral business based on urban renewal and reconstruction, NPL, real estate capital gains and rents, enhanced disposal of real estate, court-auctioned real properties and public tender invited by government entities, in hopes of enhancing the drive for new products and services with its existing experience, technology and human resource and by integrating the Group's abundant resources.

(7) Long and short-term business development plans

A. Short-term business development plans:

- (A) Achieve the annual financial budget objective.
- (B) Selected Urban Renewal and Reconstruction Cases.
- (C) Deepen disposition of existing assets.
- (D) Fulfill management of NPLs.
- (E) Lean assessment on auctioned real property.

B. Long-term business development plans:

- (A) Development and promotion of urban renewal and reconstruction cases

Yuanta Asset Management will develop urban renewal and reconstruction cases proactively. It will update the urban renewal and reconstruction case database and submit proposals and briefs to expand high-quality customer bases, so that it may better understand their needs and provide professional service solutions.

Meanwhile, it will improve the experience and ability in developing urban renewal and reconstruction cases, thereby helpful to inject funds from the urban renewal and reconstruction cases, purchase real estate and provide advanced payment services in the future.

- (B) Support the financial holding group’s need, provide the assessment on real estate and select the best assessment report on real estate:

Yuanta Asset Management has engaged in processing secured NPLs primarily. Therefore, it is very experienced concerning assessment of real estate collateral and disposal of the collateral. With its experience in real estate, it expects to provide various subsidiaries of Yuanta FHC with a consultation platform for bidding, assessment and planning of real estate and activation and management of property, and then participate in development, improvement and addition of value of real estate together.

- (C) Communicate with the competent authority to develop new business lines

In the future, Yuanta Asset Management will continue to communicate with the competent authority to seek the new business lines, which meet AMC, so as to enable Yuanta Asset Management to manage more diversified business lines.

- (D) Be in line with the Group’s entire planning and help participation in new business lines

In recent years, various financial organizations have been in line with the government’s financial liberalized and internationalized policies and promotion of urban renewal, and have provided assistance to meet the need for overseas development. Yuanta Asset Management will also be in line with the Group’s internal business planning, help the Group with development of new business lines overseas, innovation and sale of financial instruments, and verification of the supervision highlights, related laws & regulations and risk control of the supervision authorities in various countries, in order to upgrade Yuanta FHC’ competitiveness overseas.

8. Yuanta Securities Investment Consulting

- (1) Main business services

A. Securities investment consulting services

B. Other relevant operations approved by the competent authority

- (2) Revenue breakdown:

Unit: NT\$1,000; %

Item \ Year	2022		2023	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Consulting fees revenues	261,381	100.00	242,026	100.00
Periodical revenue	3	0.00	3	0.00
Total	261,384	100.00	242,029	100.00

- (3) New financial products and services in development

In response to customer needs, Yuanta Securities Investment Consulting will expand its securities consulting services in various trading markets globally, and apply for approval for futures consulting business as part of its financial development and business diversification strategies, in order to provide more comprehensive services to customers.

(4) Business plans for the year

A. Provide in-depth and well-written research and analysis reports in both Chinese and English:

Yuanta Securities Investment Consulting continues to provide customers with consulting services for securities traded in the Tokyo Stock Exchange, Nagoya Stock Exchange, Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, New York Stock Exchange, NASDAQ Stock Exchange and NYSE Euronext. It also provides customized services through application of an ESG-backed analysis system, including Chinese and English versions of reports on domestic TWSE/TPEX-listed companies and targets traded in overseas securities markets, ETF reports, industry & topical reports, overseas stock review reports, and macroeconomic reports, providing customers with comprehensive data for assessment. It also publishes analysis reports on specific major global events, in order to provide prompt services to domestic and foreign customers.

Meanwhile, Yuanta Securities Investment Consulting has built an asset allocation model, in order to meet demand from various clients, such as helping financial institutional clients to improve the financing quality of their core businesses when it comes to business expansion. It also plans to apply for approval for futures consulting business, in order to provide comprehensive services to customers.

B. Continue to strengthen services and communications with customers:

Yuanta Securities Investment Consulting interacts with customers by organizing speeches, educational training, presentations, and industry forums on a regular basis. It will also continue to strengthen its services and communication and provide customized services to customers with medium trading volume or high turnover through co-organized seminars.

C. Enhancing international presence:

In 2023, Yuanta Securities Investment Consulting won Asiamoney awards for Best Asia Economist, Best Taiwan Strategist, Best Taiwan Economist, Best Regional Quantitative/Technical Analyst, and Best Domestic Research Team. It also won a further 17 individual research analyst awards in Taiwan, evidence of the recognition attained by Yuanta Securities Investment Consulting's research team, on the back of the high-standard and quality of our research reports. We target to maintain this award-winning quality moving forward. Besides further developing Taiwan market services, Yuanta Securities Investment Consulting is also working closely with the Group's overseas subsidiaries to enhance its presence internationally through cross-border cooperation as the Group deepens its domestic and overseas market deployment.

D. Youtube channel program "Yuanta Investment Frontline" :

In response to the sustained innovative FinTech trend, Yuanta Securities Investment Consulting has established the "Yuanta

Investment Frontline” program on Youtube, providing diversified economic and financial information. The program offers a 5-minute market analysis every day and disseminates wealth management knowledge, from simple to advanced, along with professional analysis supported by graphics and interpretation. By doing so, the program broadens investors’ understanding of market trends and various financial products, thereby improving their risk and wealth management skills.

- E. Continuing to optimize the online signing of securities investment consulting service agreements:

In response to the e-commerce development trend, Yuanta Securities Investment Consulting now allows clients to sign contracts online as an alternative to execution in writing as adopted originally, upon FSC approval. It will continue to optimize the contract-signing process to provide clients with faster and more convenient options.

(5) Industry overview

The Securities Investment Trust & Consulting Association of the R.O.C. has a total of 86 members registered as of the end of 2023. Among them, 77 members were from the investment trust industry, trust industry, securities firms, and futures securities concurrently engaged in securities investment consulting business. Categorized by operation, there were 14 investment consulting enterprises engaged in the general agency of offshore funds, and 20 investment consulting enterprises engaged in discretionary investment business.

(6) Research and development

- A. Research team:

Yuanta Securities Investment Consulting is staffed with teams of researchers experienced in analysis of macroeconomics, industries and individual stocks. Apart from continuing to pass on skills to assistant researchers, it also keeps strengthening the competency of the entire research team, and supports the Group’s related business proactively to expand securities investment consulting services.

- B. Digital services:

Following the mobile communication, big data and cloud technology trends, in order to increase convenience and satisfy diversified consumer needs, Yuanta Securities Investment Consulting will continue to provide the latest market information and theme-based investment portfolios via mobile communication software.

(7) Long and short-term business development plans

In order to support the Group’s FinTech transformation endeavors, Yuanta Securities Investment Consulting will implement the following development plans:

- A. Continue to digitalize existing operations to improve the efficiency of services provided for domestic & overseas clients.
- B. Plans to provide a research report database to help clients better understand the contents and make research reports more accessible.
- C. Through the video streaming platform channel show “Yuanta Investment Frontline,” it provides a variety of financial information to

help investors stay on top of market trends and understand various financial investment products, in order to promote financial inclusion.

- D. Continue to integrate ESG into corporate culture and operational strategies.

Looking forward to 2024, Yuanta Securities Investment Consulting will continue to develop FinTech, and plans to apply for approval to offer futures investment consulting services to provide customers with a full range of services. With respect to macroeconomic themes, industrial trends, research reports for TWSE/TPEX-listed companies, and professional training programs, it will uphold the utmost standards of professionalism and diligence as it offers real-time market information for customers and provides sound valuation services, in order to give maximum satisfaction and value to customers. In addition to the Group's existing clientele, Yuanta Securities Investment Consulting will also strive to cooperate with other corporations in order to expand the reach of its services, enhance the quality of client services, and orient itself toward an increasingly diversified client base, as it targets being the first choice securities investment consulting company for domestic & foreign investment institutions.

II. Cross-Selling and Joint Marketing

The subsidiaries of Yuanta FHC include Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures, Yuanta Securities Investment Trust, Yuanta Securities Investment Consulting, Yuanta Venture Capital, and Yuanta Asset Management, etc. Since November 2019, the subsidiary, Yuanta Bank, has set up banking counters in the business places of Yuanta Securities' subsidiaries to provide the service for opening of account in NTD (including conversion of digital securities accounts into the general securities deposit accounts). As of the end of 2023, it has set up the banking counters at 148 subsidiaries and Brokerage Department of Yuanta Securities. Since October 2022, the subsidiary, Yuanta Securities, has offered the account opening service for securities brokerage operations (including overseas sub-brokerage operations) in the business places of Yuanta Bank's branches. Until the end of 2023, it has established the securities service counters in 37 branches of Yuanta Bank. The cross-selling via the Group's own marketing channels accounted for 65.9% of Yuanta Life's insurance premium at the beginning of 2023.

Since Yuanta FHC was incorporated, it has kept sprouting the development of Taiwan and expanding overseas, hoping to become the "Best Financial Services Provider in the Asia Pacific Region." By integration of the Group's resources, it provided complete cross-industry and cross-border financial services, satisfied customers' needs for comprehensive financial services, such as wealth management, and practiced "living locally and managing wealth globally."

III. Market and Business Overview

(I) Territories where the main products (services) of financial market are sold (provided)

Main products (services) of financial market	Territories
Banking services	Taiwan, Hong Kong, Korea, Philippines
Securities services	Taiwan, Hong Kong, Korea, Thailand, Vietnam, Indonesia, Cambodia, Singapore
Securities finance services	Taiwan
Futures services	Taiwan, Hong Kong, Singapore
Investment trust business	Taiwan
Life insurance business	Taiwan

(II) Future supply & demand in the market

In 2024, the global economy still needs to deal with the uncertainties, such as undecided schedule of interest rate cut, continuing geopolitical conflicts, turmoil in the US–China relationship, and the global supply chain’s restructuring. In Taiwan, given the moderate consumption growth, the inventory adjustment of the manufacturing industry is coming to an end, and the end demand is recovering step by step. Besides this, the application of emerging technologies is expanding and expected to increase the growth momentum of export and investment activities, and also drive the continuous economic growth of Taiwan.

For the securities industry, as the global economic growth becomes sluggish, the schedule of monetary policies of the central banks of Europe countries and the USA remains undecided, and Taiwan’s export recovery outlook is still uncertain, the market performance of Taiwan stocks is still challenging. The service providers must utilize their strengths in the capital market, and launch differentiated wealth management products and services to take the opportunities for wealth management transformation, and high-asset customers and institutional investor services.

For the banking industry, although the lift rate cycle is coming to an end, the interest rate still stays at a relatively high level and corporate capital costs increase, thereby posing some impact to the bank’s lending momentum. Besides this, it is still necessary to note the quality of loans to SMEs and overseas loan. The service providers shall deal with the situation with stable capital structure and careful post-loan management policies to mitigate potential bad debt losses. For the non-interest revenue, in consideration of the emerging corruption by sales representatives dedicated to wealth management and deposits and remittance services in recent years, the competent authority has strengthened its supervision on wealth management products and sales. The banks shall take response measures at the same time when they are developing business, in order to mitigate the adverse effect posed to their operations therefor.

For the life insurance industry, the recurring yield is expected to increase in the high interest rate environment. However, the cost of hedging (which remains high) might rise, causing a worry to earnings. By the same token, the product transformation and changes in the regulatory environment also pose continuing effects to the life insurance business and make the insurance recover the essence of insurance protection. In order to be in line with the IFRS 17 successfully, the competent authority released a series of regulatory policy toward finance and business. The relevant reform will slow

down the asset growth speed, but will also help mitigate certain capital needs and risks to ensure the life insurance business's long-term stable operations.

(III) Yuanta FHC' business strategies and objectives

The core values upheld by Yuanta FHC are “Seize opportunities and create client wealth”, “Enhance performance and promote employee welfare”, and “Create value and increase shareholders return”. While developing the financial business thoroughly and creating profit, Yuanta FHC also values the positive development in such areas as corporate governance, customer rights and interests, employee care, environmental sustainability and social welfare, in hope of moving forward in achieving the objective of “Best Financial Services Provider in the Asia Pacific Region” through the concept of sustainable business operation.

In implementation of sustainability, Yuanta FHC will be dedicated to practicing the three major concepts, namely sustainable finance, environment friendly and society's mutual prosperity, into the corporate culture and business practices, by offering more diversified financial products, greener financial services, and better customer care, and urging its business partners to focus on the issue of sustainability, so as to gradually establish a sustainable business management and service model, with the goal of being continuously included by Dow Jones Sustainability Index (DJSI).

Yuanta FHC's long-term and mid-term development strategy will continue to maintain the overall growth development strategy centering on “core- building and growth driven”. In addition to solidifying the core businesses, and continuing to develop its competitiveness, Yuanta FHC will also focus on the setting up and management of businesses, markets and customers with growth potential, as well as to leverage the Group's cross-industry or cross-border integration growth to stabilize and upgrade its profitability effectively.

(IV) Yuanta FHC' development advantages and disadvantages

1. Factors driving growth and competitive strengths:

- (1) The complete financial domain covers securities, banking, life insurance, securities investment trust, futures, investment trust, investment consulting, venture capital and asset management. The dense business locations and about ten thousand financial service attendants throughout the nation may provide customers with omnibus financial services.
- (2) Recognized as the benchmark in corporate governance by professional organizations: it has been selected by the “Dow Jones Sustainability Indices (DJSI) World Index” and “DJSI Emerging Markets Index” for five consecutive years, and received many corporate governance honors and recognitions to become the industry benchmark in corporate governance practices.
- (3) Balanced business and income structure: Yuanta FHC adopts the business model balanced securities, banking, life insurance, securities investment trust and futures businesses. Given the diversified profit structure, Yuanta FHC would be affected less from single-industry events.
- (4) The leading securities brand: Yuanta Securities, Yuanta Securities Investment Trust and Yuanta Futures all secure the relevant market leadership and construct strong research teams capable of winning high brand awareness and recognition from customers, and extensively developing diversified and differentiated products and services to create a higher service value.

- (5) Yuanta Securities has taken the initiative to start its overseas layout among peer companies: It extends its business in China, Hong Kong, Korea, Thailand, Vietnam, Cambodia, Indonesia and Singapore, etc. By integrating the financial services in the various capital markets, it may create more opportunities to promote the cross-border business.
 - (6) Upon consolidation of Yuanta Bank and Ta Chong Bank, the Bank's asset scale amounted to more than one trillion NT dollars. The business carried out by the Bank also reached the economic scale. Apparently, the consolidated effects have been benefited more.
 - (7) With the low liability cost, stable investment and strong capital structure for insurance policy, the protection-type and long-term products as the focus of the product strategy, and additional investment-linked products, Yuanta Life satisfies customers' need for investment and wealth legacy, will be able to effectively grasp the business opportunities of customer investment and wealth inheritance.
2. Obstacles to development and competitive weaknesses:
- (1) Considering that the operating revenue from securities operations is subject to the fluctuation of the securities market of Taiwan and the e-trading proportion is increasing year by year, the commission from brokerage service is declining accordingly. Yuanta Securities will continue to open up new customers and activate dormant customers, develop the wealth management business, increase overseas business operating revenue and control the opportunities brought by the opening of new business lines to diversify the sources of operating revenue and mitigate the fluctuation in earnings.
 - (2) Taiwan's banking industry is affected by increased volatility in the financial market, and the performance of investment positions may be affected. Yuanta Bank will continue to implement prudent and steady risk control policies to balance risk and rate of return.
 - (3) Yuanta Life maintains a small asset scale. Given the few proprietary trading sales representatives and telemarketing specialists, Yuanta Life's sales primarily depends on the financial channels and traditional insurance brokers and agents channels. Yuanta Life Insurance Co., Ltd. works with the channels proactively to provide the differentiated products and services satisfying the target customer bases' requirements, subject to the characteristics of the demand of the channels' customer bases.
 - (4) In the post-epidemic era, affected by geopolitics, severe inflation and strong interest rate hikes, the uncertainty in the global economy remains high and the international exchange and stock markets' fluctuation expanded accordingly. The Group owns the strict risk control organization and system, which help evade or reduce the loss caused by risk incidents effectively.

IV. Employee Information for the Most Recent Two Years Up to the Publication of this Annual Report

(I) Information about the general employees

As of January 31, 2024

Year		2022	2023	Ending January 31, 2024
Number of employees	Yuanta Financial Holding Co., Ltd.	234	245	240
	Yuanta Securities Co., Ltd.	5,134	5,150	5,164
	Yuanta Commercial Bank Co., Ltd.	4,358	4,527	4,544
	Yuanta Life Insurance Co., Ltd.	673	706	716
	Yuanta Futures Co., Ltd.	423	396	396
	Yuanta Securities Investment Trust Co., Ltd.	285	286	290
	Yuanta Securities Investment Consulting Co., Ltd.	84	91	82
	Yuanta Asset Management Co., Ltd.	46	45	24
	Yuanta Venture Capital Co., Ltd.	16	17	17
	Total	11,253	11,463	11,473
Average age (Note 1)		39.58	40.38	41.29
Average years of service (Note 1)		6.69	7.03	7.3
Academic background (Note 1)	Doctorate	1.3%	1.2%	1.3%
	Master degree	58.1%	53.9%	48.3%
	University/college	38.0%	42.9%	47.5%
	Senior high school	2.6%	2.0%	2.5%
	Less than senior high school	0%	0%	0.4%
Professional certificate and license held by employees (Note 1)	Associate Customer Service (ACS)	1	-	-
	Associate, Life Management Institute (ALMI)	1	1	1
	Associate of Society of Actuaries (ASA)	1	-	-
	Azure Microsoft Database Administrator Technician	-	1	1
	BS 10012 Lead Auditor	1	1	1
	BS 10012 Personal Information Management System Constructor	1	1	1
	Certified Anti-Money Laundering Specialist (CAMS)	8	7	8
	Cisco Certified Design Professional (CCDP)	1	1	1
	Cisco Certified Network Associate (CCNA)	1	1	1
	Cisco Certified Network Professional (CCNP)	1	1	1
	Certificated Ethical Hacker (CEH)	2	3	3
	Chartered Financial Analyst (CFA)	2	1	1
	Certified Financial Service Auditor (CFSA)	-	1	1
	Certified Internal Auditor (CIA)	3	2	3
	Certified Information System Auditor (CISA)	2	1	1
	Certified Information Security Manager (CISM)	1	1	1
	CISSP Information Security System Expert	1	1	1
	EC-Council CHFI Cyber Security Assessment & Investment Expert Certification	1	2	2
	Planner of Enterprise Resource Planning	1	-	-
	Fellow, Life Management Institute (FLMI 1)	4	4	4
	Fellow, Life Management Institute (FLMI)	1	-	-
	Financial Risk Manager (FRM)	5	4	4
ISO 27001 Information Security Management Systems Auditor/ Lead Auditor	9	10	9	
ISO 29100 Privacy Framework Leading Auditor	1	1	1	

Year		2022	2023	Ending January 31, 2024
Professional certificate and license held by employees (Note 1)	Juniper Networks JNCSP-ENT	1	1	1
	Juniper Networks JNCSP-SEC	1	1	1
	Microsoft Certified Professional (MCP)	1	1	1
	Microsoft Certified Solutions Associate (MCSA)	2	2	2
	Microsoft Certified Systems Engineer (MCSE)	2	2	2
	Network Security Packet Analysis Class C	-	1	1
	PMI Risk Management Professional (PMI-RMP)	1	-	-
	Project Management Professional (PMP)	3	1	1
	Retirement Financial Advisor (RFA)	1	2	1
	Securities exchange	1	-	-
	Level-B technician for employment service	1	1	1
	Level-B Labor Safety Manager	-	1	1
	Life insurance representative	51	52	51
	Life insurance representative's sale of foreign currency non-investment-oriented insurance products	8	9	9
	Life insurance underwriter	1	-	-
	Professional Civil Engineer	1	1	1
	Estate Agent	1	2	2
	Assistant real estate brokers	-	2	2
	Futures practitioners in China	-	1	-
	Internal Auditor	1	1	2
	Level-C Labor Safety Manager	-	1	1
	Level-A Labor Safety Manager	1	1	2
	Corporate internal controller	5	6	6
	Land administration agent	-	1	1
	Sales representative of margin trading and short sale for the trading of securities	1	2	2
	Investment-linked insurance products	1	1	1
	Investment-linked insurance representative	12	9	9
	Fire fighting management personnel	-	-	1
	Staff dedicated to anti-money laundering/countering of terrorism financing	10	12	12
	Basic proficiency test for international banking personnel	6	9	10
	Basic proficiency test for banking lending personnel	14	18	17
	Compliance officers	13	14	14
	Stock affairs personnel	4	5	5
	Financial Auditor	-	1	2
	Financial Management Associate (FMA)	1	2	1
	Trust operations personnel	65	72	62
	Trust supervising personnel	-	1	1
	Trust management personnel	4	9	8
	LOMA Associate Customer Service (LOMAACS)	1	-	-
	First aid personnel	5	8	5
Derivative foreign exchange products	1	-	-	
Financial derivatives sales personnel	4	6	7	
Hong Kong securities and futures practitioner	-	1	-	
Financial Risk Manager (FRM)	1	1	1	
Property Insurance Representative	21	23	23	

Year		2022	2023	Ending January 31, 2024
Professional certificate and license held by employees (Note 1)	Property Insurance Agent	1	1	1
	Sales representatives of wealth management	7	8	8
	Eldercare Financial Planning Consultant	1	1	1
	Domestic attorney-at-law	7	6	6
	Domestic accountant	5	4	4
	Foreign attorney-at-law	2	1	1
	Financial planner	17	15	16
	Bill finance specialist	1	4	4
	Futures Trading Analyst	1	2	1
	Futures specialist	48	49	44
	Futures Input Clerk	-	1	1
	Sales representative of structured notes	3	6	6
	Bond specialist	3	4	4
	Microsoft Azure Database Administrator Technician	1	-	-
	LOMA Associate, Life Management Institute (LOMAALMI)	1	-	-
	LOMA Fellow, Life Management Institute (LOMAFLMI-Level-1)	1	-	-
	Bank internal controller	17	21	22
	Bank internal controller and internal auditor	45	46	42
	Securities investment trust and consulting professional	31	29	24
	Securities investment analyst	2	2	1
Securities clerk	4	3	3	
Senior securities specialist	62	65	53	
Securities specialist	38	36	34	

Note 1 : Information on average age, average years of service, academic background, and professional credentials held by employees does not include data from Yuanta FHC' subsidiaries.

Note 2 : In consideration of the special business attributes, the basis for calculation of the number of persons of Yuanta Life excluded the contracted insurance sales representatives.

(II) License/certificate acquired by the Company's personnel related to financial transparency

As of January 31, 2024

Certificate Name	Persons	
	Financial Accounting	Auditing
Certified Anti-Money Laundering Specialist (CAMS)	-	3
Certified Internal Auditor (CIA)	1	1
Certified Financial Service Auditor (CFSA)	-	1
ISO 27001 Information Security Management Systems Auditor/ Lead Auditor	-	1
Domestic accountant	2	-
Life insurance representative	1	6
Life insurance representative's sale of foreign currency non-investment-oriented insurance products	1	2
Sales representative of margin trading and short sale for the trading of securities	1	-
Investment-linked insurance representative	-	1
Staff dedicated to anti-money laundering/countering of terrorism financing	-	2
Basic proficiency test for international banking personnel	-	4
Basic proficiency test for banking lending personnel	1	5
Compliance officers	-	3
Trust operations personnel	4	6
Trust supervising personnel	-	1
Trust management personnel	-	5
Financial derivatives sales personnel	-	3
Sales representative of structured notes	-	2
Property Insurance Representative	2	4
Sales representatives of wealth management	1	-
Bill finance specialist	-	2
Financial planner	1	5
Futures specialist	4	5
Bank internal controller	-	7
Bank internal controller and internal auditor	2	-
Financial Auditor	-	2
Internal Auditor	1	1
Securities investment trust and consulting professional	4	3
Senior securities specialist	5	6
Securities specialist	2	1
First aid personnel	-	1
Level-B Labor Safety Manager	-	1
Level-C Labor Safety Manager	-	1

V. Corporate Social Responsibilities and Ethics

Yuanta Cultural and Educational Foundation (hereinafter referred to as “Yuanta Foundation”) was involved in organizing 648 events in 2023, including 218 self-organized events, 394 co-organized events and 36 sponsored events, and honored multiple awards from the public sectors, including the “Enterprise-Aided Charity and Education Business Gold Award” by the Ministry of Education, “10th Art & Education Contribution Awards – Outstanding Group Award” by the Ministry of Education, and “16th Arts & Business Awards – Permanent Bonus Award” by the Ministry of Culture. A total of 2,533 volunteers participated in the events and the events benefited more than 600,000 participants. Aiming at the six major dimensions, including “Involvement in Volunteers Public Welfare Platform,” “Aid for Disadvantaged Group and Caring for Children and Juvenile,” “Educate and Train Youth’s Independence,” “Inclusive Financing/Innovation & Cultivation,” “Healthcare and Care for the Elderly” and “Community Service & Environmental Protection,” it sprouted the rural area education, care for the community, healthcare and various public welfare and education activities in depth and width. The enterprise’s volunteers also joined and responded to activities, included their expertise in finance into the public welfare and care extension activities and invested diversified educational resources proactively, in order to make its public welfare operations more active.

Since Yuanta Foundation was founded 21 years ago, it has insisted on the philosophy for “the public welfare should refer to continuous contribution.” It constructs the “Charity Public Welfare Platform” proactively to build a bridge for caring. It also works with various public welfare partners to innovate the activity types and combines the current trends and integrate resources from multiple parties, in order to make the power of dream become stronger. It devotes itself to thriving and connecting happiness jointly to make love everlasting. “Education” refers to an important path directing to dreams. “Accompanying” is considered as the key principle to warm one’s life. Continuous selfless contribution, communication of warm hope and light to make love and care more powerful, and also make “Yuanta Flower” bloom everywhere!

In the process of construction of the “public welfare platform,” it works with like-minded partners and volunteers to move on. By investing the extensive channels and abundant human resources in the public welfare operations, Yuanta Group uses its best to promote various volunteer services and create the new activity types with its public welfare partners jointly. “Yuanta Happiness Day” refers to a representative self-organized event of Yuanta Foundation. This year, it will continue to visit remote areas and resource weakness areas in Taiwan to increase its strength to extend care with semiconductor applications, AI technology and basic financial management activities and to send the tailor-made “Happiness Gift Bag” to children. Since the activities were started in 2012, it has organized more than 42 charity events inviting more than 7,000 schoolchildren to engage in such educational entertainment activities. Also, it called on 2,042 volunteers inside and outside the Group to provide the escorting services.

It not only provides economic aids but also matches adequate supplies to be donated to the units in need. It initiated the “Love Book Fun” book raising activity and called on colleagues to donate second-hand books in good condition. After cleaning the books, it gave the books to the rural areas with insufficient resources, as a diversified reading resources. It also gathered volunteers dedicated to storytelling, hoping to enrich the life of children with the power of knowledge received from reading. The “Yuanta Wealth Management Day” combined the public welfare and expertise in finance. Since 2018, it has trained professional volunteer trainers to research and develop innovative wealth management teaching materials jointly, practice inclusive finance education goals. By means of the teaching materials,

children are taught about the investment concept and market information to “learn by doing” and managing their own finance from childhood.

Based on the “Insistence on Dream and Brave to Move Forward” philosophy, it firmly believes that as long as one embraces his original intent and moves towards the goal and act honestly, he may transform the power of good into greater momentum, like the sun delivering warmth and shining on each corner of the society! On the road to public welfare, it combines Yuanta Group’s vast channels and abundant human resource to promote the public welfare and the recruitment of like-minded volunteer partners to work with it proactively. It also innovates and reforms the activities in line with the trend, and practices the real intent of service, care and contribution. It spreads the seed of hope extensively to reclaim the sustainable forest for the “Deed of Good.”

(I) Involvement in Volunteers Public Welfare Platform

1. Dream Big Yuanta Social Welfare Plan

The “Dream Big Yuanta Social Welfare Plan” was initiated since 2016, which combines the fund of Dream Big and human resources and materials from volunteers inside/outside Yuanta FHC to support schools and social welfare groups, and jointly promote the innovative education plan applicable to the service recipients not limited by specific ethnic group, gender and age.

Yuanta volunteers are the most solid support for the project. Through meticulous and diversified escort, they work with dream fulfillment groups to realize their dreams step by step. The volunteer mission combines professional financial functions. They also impress people with their versatile services such as handicrafts, drama shows, community table hosting, food and agriculture, community painting, literature and history interpretation, and film editing. In the past seven years, it has worked with 45 groups to realize the dreams, combining 7,045 volunteers, and benefited 208,631 persons.

2. Yuanta Public Welfare Platform

(1) Charity Volunteer Platform

In order to practice the spirit of helping the disadvantaged to act independently, Yuanta Public Welfare Platform has donated funds to various sheltered workshops for many years. School-age children with disabilities are given the opportunity for employment and the chance to work at some caring site. The works created by the sheltered children are designed as cultural and creative products, such as eco-friendly shopping bags, folders, account books and piggy banks, etc., in order to provide these children with more substantial opportunities to do what they are good at. In 2023, in cooperation with the Yilan County Autism Association, it selected drawings created by the autistic patients and printed them in piggy banks and back packs, purchased the pen holders from the workshop of the Tobias Social Welfare Foundation in Tainan, as the charity interactive gifts to provide workshops with the operation momentum, hoping to maximize the benefits of the charity platform, introduce the works of these children to more schools and charity partners, and assist the workshop in expanding publicity channels to increase its presence.

(2) Character Education and Training for Children

In order to build children’s awareness toward a good character, Yuanta Foundation worked with Kindergarten to organize the “Professional Navigation and Co-Creat 20” campaign, in order to teach children about

family ethics, stimulate them to care for people and things around them, train them to act empathic and grateful, and make them become a caring person. It sponsored a kindergarten for a charity sale in 2023. All proceeds from the sale were donated to Light Children and the Republic of China Home-Seeking Children Social Welfare Association to contribute to society together with children to expand the idea of good.

(II) Aid for Disadvantaged Group Caring for Children and Juvenile

1. Aid for Disadvantaged Group

(1) Yuanta Happiness Day

“Yuanta Happiness Day” has been initiated since 2012. It insists that “every child should have his own gift.” It was organized once per year at the very beginning. Later, it was expanded and organized in North, Middle and South Taiwan, respectively, once per year. In the past 12 years, it has organized a total of 42 educational entertainment activities to help expand the schoolchildren’s vision. It has called on 2,042 volunteers to provide the escorting service, and sent the tailor-made-concept “Happiness Gift Bag” to 7,768 schoolchildren, which contained brand new sportswear, pants and shoes, in order to provide the children with the happiness exclusive for them.

In the past two years, Yuanta Happiness Day has been affected by COVID-19. In response to the epidemic, the Foundation made some adjustment and streamlined the large-scale event into a small- and medium-size event attended by no more than 100 guests. This year, the Foundation invited school children to visit the National Museum of Natural Science to learn about semiconductor applications through games. The Foundation also worked with Pingtung University to lead the students to experience VAR devices and learn AI technology. It also visited Changhua County Changan Elementary School and Kaohsiung City Jilai Elementary School, with the help of Yuanta volunteers major in finance, through the “Money Steward” activity, they accompanied schoolchildren in remote areas to learn the basics wealth management concepts about bookkeeping, saving, and online shopping fraud prevention.

“Yuanta Happiness Day,” as the starting point of love, links the power from the department of education and department of social welfare of the county/city government to keep the education bright and growing. In 2023, it has given a total of 826 gift packages to 28 different schools and units throughout Taiwan. Yuanta, as the strongest backup for schoolchildren on their way to learning, hopes that all of these children may feel the heartwarming gifts, work hard to learn and act brave to pursue their dreams. Through the warm company by Yuanta volunteers, the “Happiness Gift Bag” was delivered to the schoolchildren in rural areas personally in campus. They kept the warmth persistent with practical actions.

(2) TFCF Outstanding Children and Juvenile Annual Award Ceremony

Taiwan Fund for Children and Families organized the “2022 TFCF Outstanding Children Annual Award Ceremony,” and selected and selected 23 “Outstanding Children” who never gave up pursuing their dream even in the difficult time to accept the commendation. Yuanta Foundation exclusively sponsored the event by offering 23 children the fellowship and desk lamps for study, in order to encourage them to learn persistently.

2. Caring for Children and Juvenile

(1) Train Local Teachers by Kids’ Bookhouse in Taitung

“Kids’ Bookhouse” has set up 10 bases in Taitung so far, in order to aid 200 children from economically disadvantaged families in Taitung and provide diversified learning services. Yuanta Foundation has sponsored “Kids’ Bookhouse” in Taitung for 13 years consecutively to help it hire the local youth to act as the cram school teachers and encourage college graduates to return to their hometown to provide services.

(III) Educate and Train Youth’s Independence

1. Yuanta Dreams Take Flight

To fulfill our corporate social responsibility obligations, Yuanta Foundation actively participates in various cultural, educational and social welfare events. Adhering to the expectations represented by the slogan, “People-Oriented, with the Wish that My Existence Be Another Person’s Blessing”, Fu Jen Catholic University worked with Yuanta Foundation to activate the “Yuanta Dreams Take Flight” program to keep introducing resources into the rural areas stably. Fu Jen Catholic University has worked with Yuanta Foundation for the 13th year on “Yuanta Dreams Take Flight” initiative. Ministry of Education recognized Yuanta Foundation’s long-term concern about the disadvantaged groups in remote areas and extension of the charity events and awarded the Foundation the “Enterprise-Aided Charity and Education Business Gold Award” in 2023.

(1) Scholarship to Train Talents in Rural Areas

Yuanta Foundation worked with Fu Jen Catholic University to boost the “Yuanta Dreams Take Flight Scholarship” Program. A total of 213 students’ applications for the scholarship of college/university students, high school/high vocational school/five-year junior college students were approved in the second semester of the school year 2022 and the first semester of the school year 2023. The students primarily came from 10 schools, including Taoyuan Municipal Luo Fu Senior High School, New Taipei Municipal Qinxian Junior High School, Tzuchi Da-Ai Village in Shan-Lin District of Kaohsiung City, Chiayi Municipal Fu Jen Catholic High School, Keelung Fu Jen Sacred Heart Senior High School, National Jhuo-Lan Senior High School, Taoyuan Municipal Xin Wu Senior High School, Zhudong Station of Rerum Novarum Center, Hualien Yuli Book House and Kaohsiung Huayuan Child Service Center. Until 2023, the “Yuanta Dreams Take Flight” Program has trained 148 excellent undergraduates and 7 graduate students. A total of 2,097 persons have been awarded the scholarship. The Program also encourages “Yuanta Children” to apply for participating public welfare volunteer activities to pass on the heartwarming

power for “cycles of good deeds” by turning palms up to palms down, providing diversified escort and caring services, and training educational seeds. In 2023, students were expected to enrich their growth history through “self-challenge for interchange between body, mind and spirit.” This will help to ensure that the distanceless care extended from the faculty, classmates, Yuanta and Fu Jen Catholic University is maintained.

- (2) Care for rural areas and promotion of tangible activities – Tangible Diversified Courses, Project Kangaroo and Juvenile Career Diversified Program

Yuanta Foundation and Fu Jen Catholic University have worked with each other to offer the Tangible Diversified Courses in the rural area. Among the other things, by upholding and respecting the core cultural value of each region, the Rural Area Education and Care Team of Fu Jen Catholic University had the university students arrange tangible diversified courses per the needs of the service unit or schoolchildren, in order to make the children learn with happiness. The “community juvenile after-school guidance program – Project Kangaroo” trained the children’s identity and respect of their own life and other persons’ life and also help them understand and cherish the learning resources to form their fair attitude and responsible sense, so as to ensure that the community’s children are uninterrupted in their studies in the winter and summer vacation and also mitigated pressure of their parents, so that children in the rural area may enjoy the same chances to study. Until 2023 a total of 18,063 trainees have attended the High School Class in the rural area.

- (3) Online Tutor for Schoolchildren

The Ministry of Education has boosted the “Digital Buddy” program since 2006, under which computers, networks, video devices and online teaching platforms were utilized to train university students on how to direct the learning of children from remote areas and interact with the children in daily life. Upholding the philosophy “life with life, living with living,” it improves the online program design through different training courses, enhances the awareness of online tutorship and establishes the correct teaching attitude. Meanwhile, it applies the digital technology platforms and creative ideas to make teaching more interesting. In 2023, a total of 363 trainees have attended the urban area disadvantaged child student education guidance program as provided by Fu Jen Catholic University

2. Yuanta Excellent Talents Scholarship

For the eight years, “Yuanta Excellent Talents Scholarship” aiming to help the disadvantaged but excellent population and enable students to study without worry, has been awarded to 495 students from poor families who outperform in character and academic achievement. The Scholarship has disbursed more than NT\$90 million in total to train young students to transform their life through education. Among them, nine(9) students joined Yuanta Group to practice their expertise. The Scholarship helps fulfillment of talent training for students from study to employment. It starts from the selection of senior high school students and then

extends to undergraduates and masters of business and law-related departments, as one of the few companies that offer the talent cultivation scholarship for students ranging from senior high school students to masters in the same trade. The excellent students recommended by schools need to pass the documentary review and interview by the examiners consisting of the officials and professors invited by the Group. Students selected will be encouraged at the award ceremony and receive the scholarship amounting to NT\$200,000 as comparable to the “Presidential Award.” Meanwhile, after the ceremony, it will also arrange talent cultivation and professional wealth management forums, in order to provide students with another chance to reserve the wealth management knowledge and money concept which they may enjoy all their lifetime.

In recent years, it has also invited the students once winning the award back to Yuanta to grow and learn together with Yuanta family members, in order to implement the concept about self-awareness and new digital financial trend for students and help them accumulate a richer background and resources. Meanwhile, it also constructs the sound basic foundations for the students’ future brilliant life and encourages the students to keep learning and pursuing their dream bravely. More than 102 students have recognized Yuanta public welfare value and participated in the Foundation’s volunteer activities proactively. It expects that students may realize the intent of contribution and feed back to the society, so as to build the touching “good” cycle.

(IV) Inclusive Financing/Innovation & Cultivation

1. Yuanta Wealth Management Volunteer Activity

In order to mitigate the divide between city and country, and the rich and poor, it practices the inclusive finance concept. Since 2018, it has combined the Group’s expertise in finance and worked with the schools in rural areas and public welfare partners of the Foundation to promote the “Yuanta Wealth Management Day.” In the past six years, it has organized 26 wealth management volunteer activities to share with 851 schoolchildren about the correct concept about money and teach them to plant the seed for wealth management and prepare for transforming their life. It plans to implement the “Yuanta Wealth Management Day” in a total of 852 elementary schools in rural areas of 19 cities/counties throughout Taiwan, in order to practice the targets promoted by the basic wealth management education.

The “Yuanta Wealth Management Day” calls on the Group’s colleagues to form the wealth management volunteer groups to prepare Yuanta’s exclusive wealth management teaching materials and design two wealth management board games, namely “Little Investors” and “Ideal Life,” in order to enable the students to experience investment and transactions and feel the market price increase or decline through the games, and guide students to move their first step to wealth management through online entertainment games. The curriculum teaches schoolchildren to identify what they need and what they want, encourages them to do bookkeeping and savings to avoid impulse buying, and also combines the current affairs and shares with these schoolchildren the philosophy that wealth management and life are inseparable from daily issues. It also adjusts and customizes the teaching materials subject to the local characteristics and cultures of the cooperative unit, and uses different teaching methods for different students, in order to lead these children to become smart consumers.

In 2023, the “Yuanta Wealth Management Camp” was upgraded and founded, which led students to visit the National Taiwan Library and Taiwan Book Hospital to learn about the book restoration technology. It also arranged a guided tour to

Yuanta Bank, Shiu Long Branch to introduce the banking services and explain the mysteries of banks. In response to the rampant fraud cases in recent years, it promoted the anti-fraud instructions proactively, planned break through activities to share the knowledge about savings, insurance, and foreign currency exchange with schoolchildren, and implements finance-friendly idea through the interaction in games. In addition to sharing the wealth management concepts, it also encourages students to dream bravely, use the best effort to complete themselves, read more, make friends, and pursue their dreams.

2. Corporate Governance Summit Forum

The “19th Term Corporate Governance International Summit Forum” sponsored by Yuanta Foundation and organized by Taiwan Corporate Governance Association invited domestic and foreign experts and scholars to share their experiences for reference by the corporate governance in Taiwan. The Forum chose the topic “Create New Governance Era and Upgrade Corporate Value” for the discussion, and focused on the issues on corporate governance and enhanced directors’ function, in order to explore how corporate governance practices the sustainable environment development.

Yuanta FHC has made outstanding achievements in the promotion of environmental, social, and corporate governance sustainability, and has been ranked among the global benchmark companies. In order to implement the best example of corporate governance, Yuanta FHC has been selected by the “DJSI World Index” of the Dow Jones Sustainability Index, (DJSI), and “DJSI Emerging Markets Index” for five consecutive years from more than 13,000 participating companies, and was included in the S&P Global Corporate Sustainability Assessment (CSA) Ranked first among more than 600 peers in the integrated finance group, demonstrating its outstanding achievements in corporate governance.

(V) Healthcare, Care for the Elderly

1. Healthcare

(1) Yuanta Blood Donation Day

The “Yuanta Charity Blood Donation” has been organized since 2011, and is held three times per year. Yuanta Foundation especially invited the colleagues from all of the subsidiaries and branches throughout Taiwan to donate blood at the blood donation stations in various counties/cities. More and more employees have donated their blood or become volunteer workers. Until 2023, Yuanta FHC, together with its subsidiaries, has contributed 26,259 bags of blood, and has been honored by Taipei Blood Center, TBSF as a “Blood Donation Excellent Enterprise” for seven years consecutively. The Group gathers the colleagues throughout Taiwan to respond to the blood donation, amplifies its social influence and works with neighborhood/village chiefs surrounding the business locations to invite the residents from neighborhood communities to join the donation, and extend the charity service together with its suppliers through physical actions.

2. Care for the Aged

(1) Volunteer Workers’ Stay With the Hualien Mennonite Christian Hospital Aged

Yuanta Foundation has worked with Mennonite Christian Hospital for 18 years to care the aged people residing in East Taiwan on the festivals,

such as Mid-Autumn Festival, Double Ninth Festival and year-end parties, and help the permanently hospitalized patients who had no way to return home to have reunion with family members feel a heartwarming festival. A total of 1,150 persons were benefited from the event organized by Yuanta Foundation and Mennonite in 2023.

(VI) Community Service & Environmental Protection

1. Community Service

(1) “Good Neighbor in Child Protection” Campaign Organized by TFCF

Yuanta and Taiwan Fund for Children and Families are long-term public welfare partners in the area of care for children and juveniles. Since 2012, Yuanta has co-organized the “Wraparound Project” and became a “Good Neighbor in Child Protection.” In order to enable the public to better understand the claim for protection of children and enhance the presence of child protection promotions, Yuanta continued to respond to the TFCF’s campaign. In 2023, Yuanta FHC, Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures were invited to join the team dedicated to protecting children and juveniles, promote the idea about child protection at a total of 310 channels/business locations, and call on the voluntary care for children and invite the public to build dense safety networks together, via LED, official websites, social media, ATMs and credit card statements of account.

(2) Assist After-Care's Return to Society

Yuanta has been promoting rehabilitation care for more than 10 years, in order to assist friends and their families in need of social support. For the past 10 years, it has been working with the Department of Corrections, Ministry of Justice, and the Taiwan Rehabilitation and Protection Association to organize the “Sand Painting Workshop” and the “Bronze Sculpture Skills Class” for the learning of skills, train the employability and assist in starting a new business and construct a social reintegration mechanism. In 2023, it was honored by the Ministry of Justice as the “Outstanding Organization Assisting in Promotion of After-Care Service.”

2. Environmental Protection

(1) Yuanta “Love Book Fun” Charity Reading Books

Yuanta Foundation strongly believes that “education” is the best way to improve life and practice dream, therefore, uses the best effort to deliver the educational resources to each corner throughout Taiwan. Notwithstanding, it found that many children from the rural areas or children who could not afford to buy books lacked the channels to learn knowledge. Therefore, it has initiated the “Love Book Fun” book raising activity since 2015, called on colleagues to donate second-hand books in good condition and suitable for children and juvenile, had the Group’s volunteer colleagues select, clean and classify these books, and then gave these books to the schools with insufficient resources, after school programs in rural areas and libraries, as a

diversified reading resources, hoping to enrich the life of children with the power of knowledge received from reading.

Yuanta “Love Book Fun” has raised more than 10,000 books since it was initiated, and provided the abundant reading resources to 55 different entities. In 2021, it started to organize the theme-based activity, “FUN Happy Storytelling Train,” and invited professional story tellers to organize the training activity which formed the storyteller volunteer group systematically to share the joy of reading to the children in rural areas through the vivid performance and signing, lead the children to a world full of books and inspire the children’s interest in reading voluntarily. In 2023, it wrote the wealth management drama plot, “Magic Power of Dreams.” Through the protagonist’s story about dream for shopping, it wished to inspire the students to think and discuss about “demand and wish,” “money allocation,” “anti-fraud,” and “encouragement to pursue dream,” combined financial professional knowledge and character growth education in the show, through the entertaining but educational story, while designing hand-made activities to extend the meaning of the story, deepen the educational connotation, and root the concept about inclusive financing from childhood.

VI. Number of full-time non-managerial employees, average and median salaries of full-time non-managerial employees, and the difference between the aforementioned three and the same numbers of the previous year

	Year	2023	2022	Difference from the previous year (%)
Full-time non-managerial employees				
Number of full-time non-managerial employees (person)		9,480	9,308	1.85
Average salary (NT\$:1,000)		1,368	1,252	9.27
Median salary (NT\$:1,000)		1,160	1,078	7.61

Note : 1. In line with TWSE regulations, non-managerial employees of a financial holding company include the domestic banking, insurance, and securities subsidiaries of the of the merged entity, but exclude overseas branches as stipulated in Article 4 of the Financial Holding Company Act.

2. The above statistical standards are handled in accordance with the instructions for the declaration of salary information for full-time non-managerial employees jointly compiled and released by the Taiwan Stock Exchange and the Taipei Exchange.

VII. Information Technology and Facilities

The information facilities of the Group is mainly composed of Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures, Yuanta Securities Investment Trust and other subsidiaries. The contents are described as follows:

(I) Main Information System Hardware/Software Configuration and Maintenance

The information systems of major subsidiaries Yuanta Securities, Yuanta Bank and Yuanta Life are constructed on system architecture efficiency and business maintenance considerations. In addition to the full-time IT staffs dedicated on system maintenance and operation, the companies also signed the maintenance contract with relevant software and hardware vendors to ensure the systems’ availability. Stated as follows:

1. Yuanta Securities

The main application systems for securities, including Mr. Yuanta, Yeswin,

Golden Spirit, Strategic Platform, Clear Winner, Web Trading, IVR system, sub-brokerage overseas stock trading , official website, performance bonus, wealth management, proprietary warrants market making and hedging, market data, order/trade report, shareholders service agent, securities lending, TWSE/TPEX and emerging stock brokerage trading, emerging stock market making, custodian bank for foreign institutional investors, proprietary trading-equity securities management, proprietary trading-fixed income management, OTC derivatives-related systems and brokerage backoffice system are equipped with the hosts for different operating systems, including AIX, Linux and Windows.

2. Yuanta Bank

Yuanta Bank's NTD deposit/loan, remittance, cross bank service, foreign exchange, trust, accounting, data warehouse, wealth management and credit card authorization, are configured in the various operating system servers, such as IBM p-Series, IBM AS/400 i-Series, Oracle T7, EMC Greenplum, Solaris, Linux, Windows x86.

3. Yuanta Life

Yuanta Life's main information systems, including the life insurance administrative core system (including the administrative support for new contract, conservation, renewal, benefit claim, 080, accounting, finance, actuary and re-insurance) and business development system (including the business support for agency sales channels, Banca & Securities Insurance channels, insurance broker and agent channels, and e-commerce), and accounting, financial and investment systems, are equipped with the security, monitoring and hardware equipment of different level. The operating system servers including IBM i (POWER SYSTEM), AIX (POWER SYSTEM), Linux and Windows x86.

(II) Development and procurement projects in 2024

1. Yuanta Group

- (1) Yuanta FHC Microsoft Software Licensing Procurement Project
- (2) Yuanta FHC Backup Equipment Update and Replacement (Remote) Project
- (3) Yuanta FHC Offline Backup Construction Project
- (4) Yuanta FHC Intrusion Detection Equipment Update and Replacement Project
- (5) Security Information and Event Management (SIEM) System Storage Space Expansion
- (6) Security Information and Event Management (SIEM) Remote Backup Mechanism Construction
- (7) Construction of Situation Center in Yuanta Financial Plaza

2. Yuanta Securities

- (1) Continue new brokerage front-office core system
- (2) E-trading middle-office service expansion
- (3) Continue Mr. Yuanta APP AP version (middle office)
- (4) Continue Mr. Yuanta APP business integration (middle office)
- (5) Continue Customer centralized management platform
- (6) Continue Brokerage back-office transaction related fee calculation function optimization
- (7) Continue Branch companies' customer self-service section
- (8) Continue Shareholders service schedule system

- (9) Bills trading system function optimization
- (10) Automation of overseas bond trading
- (11) Program development certification automation
- (12) Implement the bond RP and derivatives transactions into customers' fund management accounts.
- (13) Digital account opening – credit extension
- (14) Foreign income – customer notice
- (15) TAIEX regular variable investment
- (16) Integration of account opening applications
- (17) Full range of account executive services
- (18) ETF subscription and redemption project
- (19) Revamp webpage for real-time quotes
- (20) E-trading platform (Mr. Yuanta, Yeswin, Golden Spirit) virtual server and storage equipment upgrading
- (21) Securities borrowing (lending)/emerging stock/performance host upgrading project
- (22) Brokerage back-office account system database server upgrading project
- (23) New brokerage trading core system construction
- (24) Yuanta Securities proprietary trading database host upgrading project
- (25) Implementation of cloud-based development environment
- (26) Shareholder service agency system host upgrading project
- (27) Emerging market making trading system upgrading and optimization
- (28) Offline backup setup
- (29) Mobile APP obfuscation protection
- (30) Network Detection and Response (NDR)
- (31) Security Orchestration, Automation, and Response (SOAR)

3. Yuanta Bank

- (1) Offline Backup and Cloud Storage Project
- (2) Emerging Technology Network-based Construction (3rd/4th stage) Project
- (3) Centralized file transmission construction project
- (4) E-payment area parallel load equipment SLB update and replacement project
- (5) Firewall Policy Auditing Software Project
- (6) Branch ATM firewall EOS update and replacement project
- (7) Data center major network equipment Switch/Router EOS update, replacement and expansion project
- (8) NTD core system local active-active framework construction project
- (9) SWIFT System Upgrading Project
- (10) Over-the-counter account opening service paperless function construction project
- (11) Customer Service Platform Upgrading Project
- (12) Message platform construction project
- (13) New credit card review system construction project

- (14) New gold passbook system construction project
- (15) Car loan appropriation module setup project
- (16) Outsourcing appraisal system upgrading project
- (17) House loan appropriation application acceptance platform construction project
- (18) Overdue account collection management platform upgrading project
- (19) New capital-financing review system construction project
- (20) Fund System Host Upgrading Project
- (21) Elder Care Trust Creation Project
- (22) Mobile security construction project
- (23) Interbank FEP database and local active-active framework upgrading project
- (24) DES Host Upgrading Project
- (25) New Capital Requirement (2nd stage) Project
- (26) International Department's regulatory reporting optimization project
- (27) New credit behavior scorecard project in the retail banking scorecard system
- (28) AML customer due diligence (CDD) e-signature integration platform project
- (29) Yuanta Bank's Know Your Employee (KYE) platform construction project
- (30) Addition of NTD short-term notes and bills function to the OM system
- (31) ICB notes and bills clearing and settlement bank construction project
- (32) Information security incident response and automated response
- (33) NDR Network Detection and Response (NDR)

4. Yuanta Life

- (1) Systematic investment-linked insurance policy project
- (2) Implementation of computer auditing software
- (3) Implementation of automatic testing tools and software
- (4) Authority management automation – new employees
- (5) Authority management automation – quarterly inventory of authority
- (6) Insurance product early warning indicator automation project
- (7) EIS Situation Room (administrative/management template)
- (8) Application of AI risk control model (sales representative quality/claims fraud)
- (9) 0800 customer service system update and replacement
- (10) Budget contract management system
- (11) Financial statements self-preparation system
- (12) Message system update and replacement project
- (13) Fund balance allocation platform
- (14) iCare revision (Yuanta Bank foreign currency eDDA/e-Bill)
- (15) Mobile service platform (any pending documents to be completed upon notice)
- (16) AML customer risk management system
- (17) Claims middle office (medical insurance template)
- (18) Security middle office

- (19) Automatic transmission of underwriting and claims AI-based identification system data
 - (20) PowerSystem mainframe hardware replacement
 - (21) Offline backup system framework introduction
 - (22) Ongoing expansion of the BCM remote backup environment
 - (23) Continue information infrastructure network equipment optimization
- 5. Yuanta Securities Investment Trust
 - (1) Yuanta FHC network equipment update and replacement
 - (2) Existing brokerage trading system storage equipment update and replacement
 - (3) Offsite database server purchase
 - (4) Establishment of offline backup mechanism
 - 6. Yuanta Futures
 - (1) Foreign futures core accounting back-office update and replacement project
 - (2) TAIEX 2024 IT Project
 - (3) Enhanced remote backup data center construction project (2nd stage)
 - (4) Yuanta Futures Singapore subsidiary's information system construction project
 - (5) Core system offline backup planning and construction

(III) Emergency Backup and Security Protection Procedure

In order to maintain the high security and availability of the information systems, Yuanta FHC and main subsidiaries planned and created the emergency backup and security protection mechanisms based on their own business needs. The mechanisms are including following items:

- 1. Physical environment in the data center: The standard operating procedures for access control, fire protection, power supply, network and data security, equipment installation and removal, system monitoring, personnel control, system and data backup shall follow the guidelines and manuals of respective companies or the information security standards under ISO27001.
- 2. Business continuity: According to the property and the importance of the application systems, each company created their local and remote systems failover and backup procedures, perform the disaster recovery drill and stress test periodically and retain the relevant records to ensure the validity of the procedures.
- 3. Business continuity backup: In response to the remote/work from home (WFH) model prompt by the epidemic, various companies plan their own remote office or remote access programs, and lift certain restrictions adequately subject to their business attributes, in order to ensure that the backup system may be activated rapidly once any natural calamity occurs simultaneously, so as to strengthen Yuanta FHC's digital resilience and mitigate the impact posed to business thereby.

VIII. Cyber security management

(I) Cyber security risk management framework and mechanism

The Board of Directors is the supreme decision-making unit in charge of Yuanta FHC's information security management. Yuanta FHC already set forth the "Information Security Policy," which should be subject to the authorization of the Board of Directors, in order to build the information security management systems for itself

and its subsidiaries, and also serve as the basis for the enactment of related information security management regulations and procedures. Yuanta FHC' information security policy is based on the protection of shareholders' interests. It aims to "protect the information asset security" and "keep business operating to achieve the corporate sustainability."

In order to improve the strength in making decisions on information security issues, Yuanta FHC and its main subsidiaries have appointed their own chief information security officers to consolidate information security policies and boost coordination and allocation of resources. It also established the information security dedicated or responsible unit to take charge of planning, supervising and executing the information security management operations, and report the information security execution status for the previous year to the Board of Directors to strengthen the information security regulation. Yuanta FHC has assigned 11 information security officers to the information security dedicated unit. Meanwhile, the report on information security management has been submitted at the 23rd meeting of the 9th Board of Directors on January 31, 2024.

In order to coordinate the information security management, Yuanta FHC establishes the cross-department "Information Security Team." The president designates the convener and vice convener to convene the information security meeting and management review meeting periodically (a total of 6 meetings were held in 2023) and research the information security management operations and information security matters, in order to enhance the overall information security protection capability.

(II) Concrete management program and invested resources

1. Implementation of international security management standards and acquisition of certification

In order to improving the governance system with respect to information security continuously, all information operations are required to satisfy domestic and foreign information security laws and regulations. Meanwhile, Yuanta FHC, Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures also implemented the ISO 27001:2013 ISMS standards. Thereafter, they were required to complete the annual review and the recertification every three years. In 2023, they have passed the certification by British Standards Institution (BSI) to maintain the validity of the certificate, and also kept strengthening the information security management and control via the PDCA (Plan-Do-Check-Act) cycle. In view of the the International Standards Organization (ISO) officially released a new version of the standard ISO 27001:2022 on October 25, 2022. Yuanta FHC has also been certified by the British Standards Institution for the new version in November 2023. The certificate is effective from December 2023 to December 2026.

In response to the Financial Supervisory Commission's "Financial Information Security Action Plan" and enhancement of business continuity management momentum, Yuanta Bank, Yuanta Life, Yuanta Securities and Yuanta Securities Investment Trust have implemented the ISO 22301. The certification shall be renewed each year. All of them passed the certification in 2023. The certificate remains effective. On a risk-oriented basis, it combines various resources at the business side and system side, in order to ensure that the business level may be maintained under any circumstance, so as to mitigate the risk over business interruption and enable the organization to possess stronger resilience in recovery.

2. Information security protection mechanism and inspection

In order to upgrade the network and information system protection ability, establish the multi-layer defensive architecture, install systems including network

firewall, web application firewall, intrusion detection system, spam filtering, mail APT, internet behavior management, anti-virus system, anti-phishing website and fraud application monitoring mechanism, and EDR etc. to ensure the security of the information systems.

In order to ensure the stability and safety of information systems, and completeness and effectiveness of the existing control measures, Yuanta FHC and its main subsidiaries periodically complete the vulnerability scanning, penetration test, DDoS drills, social engineering drills and computer system information security assessment via an independent third party.

3. Information security protection and inspection monitoring

In response to the development of FinTech rapidly, information security has become an important risk management issue for the organization. In order to verify the emerging information security data and information security trends, Yuanta FHC and its main subsidiaries join the Financial Information Sharing and Analysis Center (F-ISAC) and participate in the Financial Security Operation Center (F-SOC) cross-border defense and sharing of information security incident, in order to respond the risk threat and enhance the entire information security defense effectively. Meanwhile, they have also implemented SIEM to ensure the effectiveness of the information security protection monitoring.

In order to enhance the immediacy and effectivity of abnormal network behavior detection and warning, and in response to the “Financial Information Security Action Plan” of the FSC, Yuanta FHC and its subsidiaries have commissioned a third-party professional organization to establish the SOC, which, through the 24/7 real-time monitoring maintenance and operation, can provide early warning intelligence before the event, real-time threat warning during the event, and threat analysis and recommendation after the event, so as to improve the information security incident response capability and achieve the joint defense and collaborative performance.

4. Information security education and training

In 2023, Yuanta FHC and its main subsidiaries have completed the 3-hour information security training with respect to the general staff, and 15-hour information security professional training program with respect to dedicated information security personnel, in order to improve their ability of information security. Meanwhile, they also organized the email social engineering drill periodically, in order to raise the whole staff’s awareness toward information security.

(III) Important cyber security incident management

Yuanta FHC and its major subsidiaries have expressly formulated the information security event reporting and resolution procedure, and according to the level of event, and corresponding report and resolve it does. The information unit needs to eliminate and resolve the matter within the limited time, and proceed with analysis upon resolution of the matter to prevent the same from occurring repeatedly.

As the time is of essence for the response to major information security incidents, Yuanta FHC established the “Computer Information Security Incident Response Team.” Yuanta FHC’s President as assume the office of the convener to control and support the response to any important information security incidents suffered by Yuanta FHC and its subsidiaries, in order to mitigate the damages caused by the incidents.

No important cyber security incident was cause impairment to customers' interest and right or affect the organization's robust operation has been found in the most recent year and until the date of publication of the annual report.

IX. Relations between laborers and employer

(I) Employee benefit plans, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee benefit plans and status of the implementation thereof

Yuanta FHC uses its best efforts to build a friendly and high-quality workplace for the employees and provide fine-quality safety and care. By virtue of the fair remuneration and performance appraisal system, diversified educational training, and sound employees' welfare and retirement system, Yuanta FHC builds the professional and responsible enterprise culture, hoping to make all employees enjoy their work and practice what they are good at.

Yuanta FHC pays remuneration under multiple packages, including basic salary, allowances, bonuses, holiday bonus, employee compensation, and shareholding trust, in addition to the benefits such as vacation, insurance, cultural and recreational activities, to construct a complete salary, bonus and remuneration structure. The starting salary offered by Yuanta FHC is higher than the statutory base pay. The salary is authorized per the personnel's expertise, job responsibilities and functions, based on the criteria referred to in the pay roll. The salary will not vary depending on gender. Yuanta FHC uses its best efforts to build a working environment upholding equal pay for equal work, so as to practice the philosophy about the gender equality in employment.

In addition to the labor insurance and national health insurance required under laws, Yuanta FHC also funded employees' enrollment into any group insurance programs and allowed their dependents to enroll into the same insurance at a preferential rate, including term life insurance policy, accident insurance, catastrophic illness insurance, cancer insurance and hospitalization insurance. Meanwhile, Yuanta FHC also provided employees taking business trips with the group insurance. These employees could enjoy the all-risk travel insurance, accident insurance etc., at its expense.

Yuanta FHC has established the Employee Benefits Committee to contribute the Employee Benefit Fund on a monthly basis. The Fund is independently managed and utilized by the Employee Benefits Committee. There are also social subsidy methods to encourage employees to set up various clubs that are beneficial to physical and mental health and promote sharing and communication. The Employee Benefits Committee has reached agreements for discount and special offer benefits with contracting merchants and often provides employees with the most up-to-date information on special offers through Yuanta FHC' internal website, thus providing employees with greater convenience and quality of life. According to the Employee Benefits Committee's subsidy regulations, employees are entitled to bonuses for three major festivals, birthday gift money, marriage subsidy, childbirth subsidy, hospitalization subsidy, funeral subsidy, emergency relief fund, and employee child scholarship, etc.. Additionally, the subsidy for professional licenses (including international financial license and English proficiency certificates, etc.), health checkup and preferential loan rate are also available to the employees to help them achieve a perfect balance between their life and work.

To encourage employees to accumulate long-term savings, Yuanta FHC established an employee shareholders' association in August 2003. When employees set aside a certain amount of money each month for stock purchases, Yuanta FHC will match the employees' contributions, encouraging employees and to be shareholders of Yuanta FHC. Employee shareholding not only helps safeguard employees' lives after retirement or leaving Yuanta FHC, but also boosts solidarity between Yuanta FHC and employees, thereby enhancing their work participation and sense of value to share Yuanta FHC's operating results. According to the statistics gathered by Yuanta FHC and each of its subsidiaries in 2023, the number of employees participating in the employee shareholders' association was 11,128 persons, representing 332,858 thousand shares, The number of shares purchased by employees increased by 18,711 thousand shares, or 5.96% from 314,147 thousand shares in 2022.

2. Pension system and implementation thereof

In order to take care of the laborers' retirement life, Yuanta FHC set forth the Pension Management Guideline requiring the contribution of the pension reserve, equivalent to 2% of the employees' total salary, to the exclusive account at Bank of Taiwan on a monthly basis. Meanwhile, it established the Labor Pension Supervisory Committee responsible for auditing contribution, deposit and disbursement of the pension reserve and payment of pension fund in order to protect laborers' interest and right. Until the end of 2023, Yuanta FHC' pension fund has accumulated until NT\$7,056 thousand. Following the promulgation of the Labor Pension Act on July 1, 2005, Yuanta FHC has made monthly payment of the pension fund equivalent to 6% of the insured value maintained by the individual employee into the employee's personal labor pension account. In 2023, Yuanta FHC contributed a total of NT\$11,853 thousand.

In order to enrich employees' retirement life, Yuanta FHC worked with Yuanta Life to offer the group annuity insurance policy planned for the Group's employees exclusively, which should be paid by employees at their own expenses to save pension reserve for themselves and protect their life after retirement.

3. Status of labor-management agreements and measures for preserving employees' rights and interests

Yuanta FHC agrees and supports various international human rights conventions, including United Nations' Universal Declaration of Human Rights, strictly complies with labor laws and regulations, and establishes its own human right policy and issues the declaration of human rights therefor, in order to protect employee rights and interests. It also organizes the labor-management meeting periodically to provide diversified communication channels and value employees' opinions. The labor-management relationship is maintained harmoniously. Meanwhile, Yuanta FHC is currently negotiating a collective agreement with the labor union.

(II) Losses as a result of labor disputes during the latest fiscal year up to the date of the publication of this annual report

Company	Competent Authority	Date of Decision	Decision No.	Violated Laws & Regulations	Contents of Violation
Yuanta Bank	Tainan City	2023.5.26	Tainan City -Lao-An-Zi No. 1120678607	Article 24 of the Labor Standards Act	No pay for the overtime hours as required.
Yuanta Bank	Tainan City	2023.6.6	Tainan City -Lao-An-Zi No. 1120667544	Article 24 of the Labor Standards Act	No pay for the overtime hours as required.
Yuanta Bank	Keelung City	2023.7.20	Keelung City Government She-Guan-Fa-2: 1120234631	Paragraph 2, Article 32 of the Labor Standards Act	Extend working hours beyond the statutory hours

Company	Competent Authority	Date of Decision	Decision No.	Violated Laws & Regulations	Contents of Violation
Yuanta Life	Bureau of Labor Insurance, MOL	2023.2.20	Bao-Tui-Er-Zi No. 11260014981	Paragraph 2, Article 15 of the Labor Pension Act	The employer failed to verify, report and adjust the wages contributed by labor pension in accordance with the relevant regulations.
Yuanta Life	Bureau of Labor Insurance, MOL	2023.7.26	Bao-Tui-Er-Zi No. 11260081202	Paragraph 2, Article 15 of the Labor Pension Act	The employer failed to verify, report and adjust the wages contributed by labor pension in accordance with the relevant regulations.

(III) Working environment and employee safety

We use the best effort to promote and maintain the workplace safety and employees' health. In order to ensure a healthy and safe workplace environment and facilitate the labor-management communication, we adopt the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the "Occupational Safety and Health Act" and related sub laws.

Yuanta Securities Co., Ltd. and Yuanta Commercial Bank Co., Ltd. both have established the occupational safety and health committees pursuant to laws, which consist of 7-11 members including the employer, workers' representatives and unit heads, and convene at least one meeting each quarter to review the prevention of occupational diseases, occupational safety and health management operations, employees' health and working environment safety-related issues, and follow up the same periodically. The employees may feed back any suggestions about optimization of occupational safety and health issues via the labor union or labor-management meetings.

Meanwhile, in order to construct the gender-equality workplace and protect employees' human rights in the workplace, Yuanta FHC pays attention to gender and workplace diversity issues, formulates gender ratio goals and short-term, medium-term and long-term plans for employees and management, and takes practical actions to promote gender balance. In 2023, the proportion of female employees reached 63.89%, and the proportion of female supervisors was up to 54.51%. Meanwhile, Yuanta FHC has set forth the "Workplace Sexual Harassment Prevention Measures and Guidelines Governing Complaints and Disciplines" to strictly prohibit any sexual harassment, discrimination or violence, threat or intimidation. It will also organize the sexual harassment prevention promotional and educational training program periodically each year. The suppliers include contractors. Yuanta FHC will organize the suppliers meeting in response to the ESG issue each year, in order to provide educational training and communication channels, and improve the maintenance of occupational safety and business competitiveness.

Yuanta Financial Holding Co., Ltd. and its subsidiaries provide the medical specialist's on-site health consulting services pursuant to laws. They hire dedicated professional occupational safety and health management personnel, nurses, and medical specialist by contract. Meanwhile, employees are allowed to seek professional medical consulting service during the working hours. In addition to developing personal skills, employees are also provided with a supportive environment. With respect to the analysis on normal diseases and the top ten abnormal items for the employees' health checkup, Yuanta FHC also provides the healthcare information and health consulting services, promotes preventive medicine and disease prevention, and strengthens employees' health awareness, in order to achieve the purposes of health life and health promotion.

It organizes the regular “Appointment with Health” on a monthly basis, in order to provide employees with blood oxygen, blood pressure, weight and body fat measurement service without charge, and then have nurses assess their health risks and provide health education. Further, it works with the Sports Administration to provide technology-based physical fitness test and sport prescription consulting services, in order to improve the employees’ knowledge about health and perceive the trends about health information.

In order to continue promoting the occupational prevention and health promotion, ensure that the workplace may become a peaceful and healthy work site, and train physically and mentally health employees, we adopt the three-section and five-level concept about public health to execute the workplace health management plan, and also include the Ottawa Charter for Health Promotion to promote the workplace health promotion program and continue to provide the systematic and cyclic quality management employee health protection plan.

The policies for workplace health management and occupational disease prevention are implemented in the following manners:

1. Yuanta FHC and its subsidiaries provide employees with regular health checkup superior than that prescribed by laws, and arrange their management to take a full physical checkup at National Taiwan University Hospital each year, conduct health checkup for all employees once per two years, arrange nighttime and shift workers to take specific health checkup, and provide the consulting service about the health checkup report, care the employees’ health condition, and notify the employees with abnormal results to complete a follow-up visit at the hospital voluntarily.
2. Prevention plan for illness driven by abnormal workload: In response to the annual health checkup analysis result, conduct risk analysis in the form of questionnaire to identify the abnormal workload risk over the colleagues working overtime more than 45 hours a month averagely, and nighttime workers and shift workers, and then grade the risk and adopt related prevention policies.
3. Ergonomic hazard prevention plan: Conduct the conscious musculoskeletal symptoms survey on employees, promote the sore and occupational hazard prevention, respond to the on-site physician’s consulting service, provide colleagues with the suggestions about improvement of the workplace environment and habits.
4. Female employees’ health protection plan: Conduct the comprehensive environmental risk assessment, and complete the “Mother’s Health Risk Assessment Form” upon awareness about any employee’s pregnancy, in order to assess the employees’ workplace environment, the impact to mother’s health rendered by the work and protect the employees’ occupational safety and health during their pregnancy.

The efforts spent by Yuanta FHC and its subsidiaries in the occupational safety and employees’ healthcare are well recognized by various sectors. The awards and certifications already received by Yuanta FHC are stated as following:

1. Yuanta FHC and its subsidiaries including Yuanta Securities, Yuanta Bank and Yuanta Life already received the Peaceful Workplace Certification from the Ministry of Health and Welfare.
2. Yuanta FHC and its subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures already received the Sport Enterprise Certification from Sports Administration, Ministry of Education.
3. Yuanta FHC and its subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta

Life, Yuanta Securities Investment Trust, and Yuanta Futures already received the Health Promotion Mark from Ministry of Health and Welfare.

4. The subsidiaries including Yuanta Venture Capital, Yuanta Asset Management and Yuanta Securities Investment Consulting already received the Health Startup Mark from Ministry of Health and Welfare.
5. The subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life and Yuanta Futures already received the Excellent Breastfeeding Room Certification from Department of Health, Taipei City Government.
6. Yuanta FHC and its subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures worked together to plan the entire occupational safety and health management development, promote fair environment in workplace, and well protect employees' work environment and personal safety.
7. Yuanta FHC and its subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures all passed the renewed (re-issued) certification of ISO 45001 occupational safety and health management system in 2023.
8. The subsidiary Yuanta Bank has been honored the "National Excellent Healthy Workplace" Award by Ministry of Health and Welfare in 2021. The Bank's 149 branches throughout Taiwan also received the Health Workplace Certification-Health Promotion Mark from Health Promotion Administration.
9. In 2023, the subsidiary, Yuanta Bank, was awarded the first "Elderly-Friendly Enterprise for the Middle Age and Elderly People" by the Department of Labor, Taipei City Government.

(IV) Employee Code of Ethics

Yuanta FHC has drafted the Code of Ethics in order to guide employees to act in line with ethical standards and uphold aggressive, serious and responsible attitude, abandon parochialism, value teamwork and strictly comply with the principle of good faith when performing job duties, which are also disclosed in the "Corporate Governance Section" of CSR on the official website. Meanwhile, Yuanta FHC has stepped up its ethics education programs and implementation in order to create a highly self-disciplined and trustworthy business climate.

Yuanta FHC has a comprehensive set of rules and regulation relating to ethics. It also emphasizes the need for professional skills and work ethic at all company's meetings and education and training.

(V) Employee continuing education and training

Yuanta FHC upholds the philosophy of "satisfying the finance industry and group business development needs" to continue training talents specialized in finance. Yuanta FHC has established diversified development system for talents holding management function and professional function, and offered the training courses and provided learning resources by the four major frameworks including the management school, professional school, license school and life school.

The talent training system for Yuanta FHC consists of the following elements:

1. Training and development system for diversified talents holding management function and professional function

The management of Yuanta FHC find out and reserve the management and professional talents needed by the financial industry's and Group's development through talent identification, and train talents through training, project task

assignment, participation in projects, participation in meeting and job rotation. Meanwhile, Yuanta FHC also encourages its employees to access various financial areas of the Group and learn the diversified functions voluntarily to help Yuanta FHC and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time.

2. Share the digital training platform and promote self-learning

Since 2003, Yuanta Financia Holdings has established the digital learning platform, “Yuanta e-Learning.” Yuanta FHC communicates tactic knowledge and transfer practical experience via its self-made courses available on the digital learning platform, “Yuanta e-Learning”. The digital contents released on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, and new knowledge and application of management, as the important knowledge treasury for the Group’s employees to engage in self-learning and develop diversified functions.

Based on the thought about learning curation, in line with the hit subjects in the global financial industry and the Group's business focus, Yuanta FHC periodically releases “Yuanta e-Learning/Learning Weekly” to trigger employees’ learning motive, urge employees to engage in self-learning “anytime, anywhere, on-demand.” to continue enhancing the employees’ professional ability and reserve their competitiveness for their future careers.

Yuanta FHC encourages employees to participate in workshops and training sessions. They may be assigned by Yuanta FHC to attend the programs or workshops or attend the programs or workshops authorized by Yuanta FHC. Yuanta FHC will cover the full expenses. Moreover, Yuanta FHC promulgates the incentive system to encourage employees to attend international financial professional course certification and English proficiency certification so that they may have a chance to enhance their competence or reserve the competence needed in the future.

3. Provide the chance for post transfer in the Group and encourage cross-functional transfer for development

Yuanta FHC makes good use of the strength in diversified financial industry of its subsidiaries to arrange the intracompany post transfer subject to the operating need periodically, and encourages employees to apply for internal job rotation, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and improve efficiency.

Summary of Yuanta FHC’s implementation of 2023 education and training:

Year	2023
Disclosure	
Total Cost of education & training	NT\$63.25 million
Total Number of education & training courses	4,289 courses
Total hours of education & training	633,438 hours
Number of education & training trainees	394,643 attendances

Yuanta FHC upholds the sustainable management philosophy and keeps declaring the important ESG issues and international development trends to directors/supervisors and senior management, communicating the ESG philosophy, trend, contents and benchmarking cases to all employees, and providing various professional personnel with ESG professional skill training programs, including the professional practices on SDGs, such as GHG accounting, climate risk management

and pressure test, internal carbon pricing management, responsible investment, fair dealing, information security, friendly workplace, in order to deepen the sustainable finance knowledge and skills and practice the talent sustainable development. In 2023, it has organized a total of 972 sustainable finance-related courses, and 181,319 persons completed the training, accumulating a total of 211,528 training hours, i.e. 33.4%.

In response to the digital financial trend and continued fulfillment of the Group's driving of growth strategies, Yuanta FHC continued to boost the Group personnel's transformation and diversified functional training programs in 2023, including financial certificate/license qualification training, financial product research, and product sales training, etc. The programs took a total of 219,307 hours, i.e. 34.6% of the total training hours, and were attended by 54,141 persons.

Yuanta FHC periodically organizes the life school's course series, promotes the Employee Assistance Programs (EAPs), and combines the company club activities, in order to help employees maintain a lifestyle balanced physically and mentally and practice comprehensive physical and mental care for employees. In 2023, the life school launched health promotion series, including health seminars, Peaceful Workplace, gender equality programs, sports seminars, physical fitness programs, healthy weight management classes, and periodic health consulting services of medicine specialists by contract on site, attended by a total of 23,000 persons, for 26,129 training hours, i.e. 4.1% of the total training hours.

Yuanta FHC and its eight subsidiaries were awarded the "Health Workplace Certification Mark" by the Health Promotion Administration, Ministry of Health and Welfare. Yuanta FHC and its five subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust were already awarded the "Sports Enterprise Certification" by the Sports Administration, Ministry of Education. Yuanta FHC makes every endeavor to promote a friendly workplace. It passed the Taipei City Workplace Gender Equality certification and won the Gold Award for first place in 2022.

X. Important Contracts

(I) Yuanta FHC

As of January 31, 2024

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Equipment room lease service contract	Data communications branch, Chungwa Telecom Co., Ltd.	Effective from December 1, 2009 to November 30, 2017. Unless either party notifies the other party not to renew the contract by giving a written notice at least 3 months prior to expiration of the contract, the contract shall be renewed for another year automatically, and so on.	Leasing of Xinyi equipment room.	If either party to this contract fails to perform its contractual obligations due to a reason attributable to that party, and it fails to make corrections after being notified by the other party to do so within a limited time period, the non-defaulting party may notify the defaulting party terminate this contract with one month prior written notice, and may request a penalty of NT\$1,000,000.

(II) Yuanta Securities

As of January 31, 2024

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Securities investment consultant appointment	Yuanta Securities Co., Ltd. Yuanta Securities Investment Consulting Co., Ltd.	Effective from January 1, 2023 to December 31, 2023	To appoint Yuanta Securities Investment Consulting Co., Ltd. provide consulting services about the domestic and international issuer of equity securities.	None
Securities investment consultant appointment	Yuanta Securities Co., Ltd. Yuanta Securities Investment Consulting Co., Ltd.	Effective from January 1, 2024 to December 31, 2024	To appoint Yuanta Securities Investment Consulting Co., Ltd. provide consulting services about the domestic and international issuer of equity securities.	None
Endorsement/guarantee contract	Yuanta Securities Co., Ltd. PT Yuanta Sekuritas Indonesia	The contract was signed on June 5, 2018 and indefinite (until PT Yuanta Sekuritas Indonesia pays off all debts owed to PT Bank HSBC Indonesia and all contracts concerned are terminated).	Yuanta Securities Co., Ltd. provides the guarantee only with respect to the debt arising from the facility sought by PT Yuanta Sekuritas Indonesia from PT Bank HSBC Indonesia within the limit of the principal, US\$3.5 million.	None
Endorsement/guarantee contract	Yuanta Securities Co., Ltd. Yuanta International Investment (Hong Kong) Ltd.	The contract was executed on February 25, 2021, and no date of expiration specified for the contract (until termination of the domestic mandatory contract signed between	Yuanta Securities Co., Ltd. acted as the domestic agent and guarantee organization of the offshore structured notes issued by Yuanta International Investment (Hong Kong) Ltd. in Taiwan to provide the corporate guarantee within the	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
		Yuanta Securities Co., Ltd. and Yuanta International Investment (Hong Kong) Ltd.)	limit of US\$50 million.	
Hardware purchase contract	Hwacom Systems Inc.	June 27, 2023 ~	Banqiao remote backup control room backbone network upgrading	None
Information software license agreement	Fortune Information Systems Corp.	January 1, 2022 ~ December 31, 2024	Three-year licensing and maintenance service for VMware	None
Information software license agreement	SYSTEX Software	January 1, 2021 ~ December 31, 2023	Microsoft software three-year licensing purchase project	None
Information software maintenance contract	M-Power Information Co., Ltd.	January 9, 2023 ~ January 8, 2025	Oracle database maintenance and procurement from 2023 to 2024	None
Information security management consulting and counseling service contract	Yuanta Securities Co., Ltd. PwC Smart Risk Management Consulting Service Ltd.	Effective from January 1, 2024 to December 31, 2024	ISO 27001 Information Security Management System Revision and Consulting and Counseling Service Optimization Project	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Financial Holding Co., Ltd.	November 11, 2022 ~ November 10, 2025	10F, 12F & 13F, No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 934.32 ping (landlord)	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Securities Finance Co., Ltd.	November 11, 2022 ~ November 10, 2025	12F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 272.24 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Venture Capital Co., Ltd.	November 11, 2022 ~ November 10, 2025	10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 113.27 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Securities Investment Consulting Co., Ltd.	September 22, 2022 ~ August 31, 2025	A part of 10F., No. 65, Sec. 2, Dunhua S. Rd., Taipei City, occupying an area of about 43.85 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	September 15, 2022 ~ September 14, 2025	12F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 192.71 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	December 16, 2021 ~ December 15, 2024	2F.-1, No. 232, Zhonghe Rd., Zhonghe Dist., New Taipei City, occupying an area of about 66.46 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	July 1, 2021 ~ June 30, 2024	1F& 2F, No. 69, Baoqing Rd., Taipei City, occupying an area of about 189.21 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Life	September 1, 2023 ~ August 31, 2025	7F.-1, 7F.-2 & 7F.-3, No. 55, Zhongzhen 3rd Rd., Kaohsiung City, occupying an area of	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
	Insurance Co., Ltd.		about 431.12 ping (landlord)	
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	November 1, 2021 ~ October 31, 2026	A part of 13F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 54.4 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	February 16, 2023 ~ February 15, 2028	3F.-1, No. 300, Sec. 4, Zhongxiao E. Rd., Taipei City, occupying an area of about 102.94 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Securities Investment Trust Co., Ltd.	September 1, 2020 ~ August 31, 2025	B1, No. 67 & B1, No. 69, Sec. 2, Dunhua S. Rd., Taipei City, occupying an area of about 401.92 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Securities Investment Consulting Co., Ltd.	September 1, 2020 ~ August 31, 2025	A part 10F., No. 65 & 10F., No. 71, Sec. 2, Dunhua S. Rd., Taipei City, occupying an area of about 300.99 pings (landlord)	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	October 16, 2023 ~ October 15, 2025	A part 10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 260.32 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	January 1, 2024 ~ December 31, 2024	2F.-1, No. 210, Sec. 3, Chengde Rd., Taipei City, occupying an area of about 136.06 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	March 1, 2023 ~ February 29, 2028	A part B2, No. 210, Sec. 3, Chengde Rd., Taipei City, occupying an area of about 41.58 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Foundation	April 16, 2021 ~ April 15, 2026	A part 10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, occupying an area of about 2 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	August 1, 2023 ~ January 31, 2025	2F., No. 295, Sec. 4, Zhongxiao E. Rd., Taipei City, occupying an area of about 142.62 ping (landlord).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Life Insurance Co., Ltd.	November 1, 2020 ~ October 31, 2025	A part of 2F, 10F and 11F, and 6F, 7F, 8F, 9F, 12F and 14F. of the new buildings on the two lots of land at Land Nos. 769 & 769-1, Sub-section 2, Jilin Sec., Taipei City, occupying an area of about 2,798.14 ping (tenant).	None
Real estate lease contract	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	January 1, 2024 ~ December 31, 2028	A part 3F, No. 157, Ren'ai Rd., Taipei City, occupying an area of about 136 ping (tenant).	None
Real estate	Yuanta Securities	January 1, 2024 ~	A part 5F, No. 157, Ren'ai Rd.,	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
lease contract	Co., Ltd. Yuanta Commercial Bank Co., Ltd.	December 31, 2028	Taipei City, occupying an area of about 159.03 ping (tenant).	
2nd Addendum to the tenancy agreement	Yuanta Securities Co., Ltd. Yuanta Life Insurance Co., Ltd.	October 10, 2023 ~ October 31, 2025	A part of 2F., 6F., 7F., 8F., 9F., a part of 10F., a part of 11F., 12F. & 14F., No. 77, 79, Sec 2, Nanjing E. Rd., Taipei City, occupying an area of about 2,793.01 pings (tenant)	None
1st Addendum to the tenancy agreement	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	5 years from the next day of receipt of the title deed	3F., No. 157, Ren'ai Rd., Taipei City, occupying an area of about 149.72 ping (tenant).	None
1st Addendum to the tenancy agreement	Yuanta Securities Co., Ltd. Yuanta Commercial Bank Co., Ltd.	5 years from the next day of receipt of the title deed	5F., No. 157, Ren'ai Rd., Taipei City, occupying an area of about 161.98 ping (tenant).	None

(III) Yuanta Bank

As of January 31, 2024

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Equipment room lease service	Corporate Services Office, Chunghwa Telecom Co., Ltd.	December 1, 2023 ~ November 30, 2024 Unless either party notifies the other party not to renew the contract by giving a written notice at least 3 months prior to expiration of the contract, the contract shall be renewed for another year automatically, and so on.	Leasing of Xinyi equipment room.	If either party to this contract fails to perform its contractual obligations due to a reason attributable to that party, and it fails to make corrections after being notified by the other party to do so within a limited time period, the non-defaulting party may notify the defaulting party in writing to terminate this contract after one month, and may request a penalty of NT\$1,000,000.
Contract for creation of superficies of national non-public use land	The R.O.C. (Northern Region Branch, National Property Administration, MOF)	From September 12, 2018 to September 11, 2088	Superficies for the eighteen lots of Land Nos. 114-1, Sub-section 2, Huaisheng Section, Daan District, Taipei City.	No superficies shall be rented or lent to another person for the purpose of construction projects. If the superficies or on-ground buildings are rented or lent to another person for non-construction purpose, the last day for the person's occupation thereof shall be never later than the last day of the valid term of the superficies.
Mandate Contract	Lu Chien-Hsueh Architecture Office	Effective from December 20, 2018 and terminated after the inspection and acceptance is completed	General coordination and integration of architecture planning and design, combination of architecture design and other related consulting and design works, and architecture design-oriented (Head Office Building Construction Project).	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
				breaching party shall bear the relevant damages.
Engineering contract	Chung-Lu Construction, Co., Ltd.	Effective from July 31, 2020 and terminated after the occupation license is obtained and the inspection and acceptance is completed upon completion of the construction project.	New construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Steel structure engineering contract	Tung Kang Steel Structure Corp.	Effective from October 2, 2020 and terminated after the inspection and acceptance are completed upon completion of the construction project.	Steel structure engineering work of the new construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Agreement for purchase and sale of steel structure materials	Tung Kang Steel Structure Corp.	Effective from October 2, 2020 and terminated after the inspection and acceptance are completed upon completion of the construction project.	Trade of steel structure materials in the new construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Building interior decoration design commissioning and engineering contract	RICH HONOUR INTERNATIONAL DESIGNS CO., LTD.	From September 1, 2023 Until: One year upon acceptance of the project.	The interior decoration engineering and design of Yuanta Financial Plaza's "public space."	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Building interior	CHEN-JIA	From: October 27,	The interior	The related data and information

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
decoration_ Design commission and engineering contract (office space A)	INTERIOR DECORATION ENGINEERING CO., LTD.	2023 Until: One year upon acceptance of the project.	decoration engineering and design of Yuanta Financial Plaza's "office space" (1F-3F and 20F).	provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Building interior decoration_ Design commission and engineering contract (office space B)	CHEN-JIA INTERIOR DECORATION ENGINEERING CO., LTD.	From: October 27, 2023 Until: One year upon acceptance of the project.	The interior decoration engineering and design of Yuanta Financial Plaza's "office space" (4F-19F).	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Engineering contract	ENTERPRISE BUSINESS GROUP, CHUNGHWA TELECOM CO., LTD.	From: October 23, 2023 Until: Four years upon acceptance of the project.	Yuanta Financial Plaza new phone exchange construction and Yuanta FHC building upgrade construction project engineering and maintenance and warranty	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.

(IV) Yuanta Life

As of January 31, 2024

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
House lease agreement (Lessee)	Yuanta Life is referred to as the Lessee. Quan Yi Construction Co., Ltd. and Fu Tai Construction Co., Ltd. are referred to as the Lessor	Both parties signed the Agreement on August 25, 2021. The lease shall be effective from September 1, 2021 until August 31, 2026 for five years	Without the Lessor's prior consent, the premises shall not be subleased, sublet or assigned, or otherwise make available, to any third party, in whole or in part. The premises shall be used in accordance with laws and prohibited from being used for illegal purposes or storing any hazardous goods that affect the public safety.	General legal principles.
Engineering	Yuanta Life	Both parties	1. Yuanta Life solicited the tender for	General legal principles.

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
contract	contracted Fu Tsu Construction, Co., Ltd. To complete the building construction project	signed the Engineering contract on February 21, 2022	<p>foundation of Songjiang Building at south and north sides on December 23, 2021. As a result, FU TSU CONSTRUCTION CO., LTD. won the contract with its tender offer amounting to NT\$3,325,800,000.</p> <p>2. Both parties signed the Engineering contract on February 21, 2022.</p> <p>3. The construction period for the north foundation commences from December 30, 2021. The occupation permit is expected to be received on February 29, 2024.</p> <p>4. The construction period for the south foundation commences from February 25, 2022. The occupation permit is expected to be received on May 15, 2025.</p>	
Equipment lease agreement	Data communications branch, Chunghwa Telecom Co., Ltd.	July 1, 2018 ~ (with automatic renewal upon expiration)	Lease agreement for control room (including the remote backup control room) and network equipment of CHT and maintenance thereof.	None
Re-insurance contract	Central Reinsurance Corporation	October 1, 1992 ~	Life re-insurance services.	None
Re-insurance contract	Swiss Re-insurance Company	October 1, 1992 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	Reinsurance Group of America, Incorporated	September 1, 1999 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	Munich Reinsurance Company	March 2, 2015 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	General Reinsurance AG	May 12, 2014 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	SCOR	December 18, 2017 ~	Life reinsurance, health reinsurance and accident reinsurance.	None

Note : Unless it refers to the reinsurance policy for a catastrophe contract, it shall renew automatically each year if neither party raises any objection.

(V) Yuanta Futures

As of January 31, 2024

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Real estate lease agreement (Lessee)	Yuanta Life Insurance Co., Ltd.	From November 10, 2020 to November 9, 2025	A part of 2F, and 3F, 4F and 5F of Yuantai Plaza (tenant)	None
General purchase and sale agreement	Mr. Watt Co., Ltd.	From December 1, 2022 to December 1, 2027	Renewable energy electricity retailing and license contract	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Hardware purchase contract	Sanfran Technologies Inc.	Executed on May 20, 2022, and warranted for five years counted from the day following completion of the inspection and acceptance of the delivery.	Foreign Institutional Investor Dept. switch and firewall equipment procurement project	None

Six. Financial Status

I. Summary Five-Year Balance Sheets and Consolidated Income Statement

(I) Summary Consolidated Balance Sheet of the Company and Its Subsidiaries

Unit: NT\$1,000

Item	Year	Financial data (Note 1)					Financial information of current year ending 01/31/2024
		2019	2020	2021	2022	2023	
Cash and cash equivalents, Due from the Central Bank and call loans to other banks		115,294,258	131,870,754	161,078,978	156,028,324	164,980,100	(Note 2)
Financial assets at fair value through profit or loss		504,031,079	586,592,639	529,242,141	420,057,382	563,701,196	
Financial assets at fair value through other comprehensive income		229,489,904	278,391,203	338,490,662	339,711,553	292,262,818	
Investment in debt instruments measured at amortized cost		386,452,415	430,349,520	508,638,932	540,529,315	539,131,270	
Investments in bills and bonds under resale agreements		47,603,371	58,336,318	46,454,964	94,073,224	99,644,104	
Receivables - net		174,240,497	242,476,446	263,703,360	202,341,992	273,092,919	
Current income tax assets		1,224,071	733,890	48,001	3,026,971	2,623,799	
Assets held for sale - net		533,632	203,730	194,563	81,469	79,099	
Bills discounted and loans - net		773,480,918	793,812,907	884,291,862	995,199,165	1,086,526,760	
Reinsurance contract assets - net		903,608	1,099,457	1,329,521	1,368,195	1,249,093	
Equity investments accounted for under the equity method - net		2,403,248	2,755,402	3,115,594	3,431,913	3,089,373	
Restricted assets - net		2,562,586	2,961,020	2,472,029	2,726,292	3,051,147	
Other financial assets - net		65,378,346	79,034,763	110,953,592	114,480,773	111,816,531	
Investment property - net		4,915,972	11,558,284	10,693,522	10,487,451	11,307,517	
Property and equipment - net		22,242,669	23,930,017	24,468,584	25,503,491	27,352,156	
Right-of-use assets - net		13,343,880	13,181,478	12,443,951	11,515,532	13,011,575	
Intangible assets - net		33,197,460	31,498,648	31,046,281	30,959,908	30,728,678	
Deferred income tax assets		5,976,615	7,095,091	7,484,946	5,552,131	5,246,624	
Other assets - net		31,044,577	61,843,636	86,867,819	59,043,456	69,765,061	
Total Assets		2,414,319,106	2,757,725,203	3,023,019,302	3,016,118,537	3,298,659,820	
Deposits from Central Bank and other banks, Due to Central Bank and other banks		13,107,028	16,087,299	26,463,824	38,607,095	12,387,393	
Financial liabilities at fair value through profit or loss		123,340,228	163,457,505	158,685,739	134,822,676	158,670,714	
Bills and bonds payable under repurchase agreements		198,665,918	216,621,187	183,865,849	224,137,491	251,838,703	
Commercial paper payable - net		38,621,728	27,417,489	49,983,502	47,836,070	83,155,165	
Payables		161,327,046	246,833,686	214,482,994	154,026,563	180,210,063	
Current income tax liabilities		6,221,759	6,616,387	7,892,094	4,052,157	5,366,128	
Deposits and remittances		1,095,506,271	1,211,020,394	1,375,002,383	1,407,441,499	1,548,770,818	
Bonds payable		68,849,634	78,790,127	82,539,085	102,487,542	104,904,691	
Other borrowings		60,847,992	57,796,061	59,998,200	48,460,199	48,439,167	
Liabilities reserve		273,860,901	313,071,935	336,342,258	363,676,625	376,640,823	

Item	Year	Financial data (Note 1)					Financial information of current year ending 01/31/2024
		2019	2020	2021	2022	2023	
Other financial liabilities		76,069,420	88,713,584	126,619,428	140,319,398	135,723,396	(Note 2)
Lease liabilities		5,527,660	6,368,836	5,720,785	4,712,163	6,191,253	
Deferred income tax liabilities		3,883,527	4,878,682	3,825,466	4,914,735	5,341,639	
Other liabilities		38,283,614	46,434,585	102,517,990	63,241,416	72,643,721	
Total Liabilities	Before distribution	2,164,112,726	2,484,107,757	2,733,939,597	2,738,735,629	2,990,283,674	
	After distribution	2,171,698,623	2,498,672,680	2,752,145,751	2,748,736,876	(Note 3)	
Equity attributable to owners of the parent company		232,201,133	253,336,589	269,035,461	256,368,147	287,006,938	
Share capital	Before distribution	116,706,115	121,374,360	121,374,360	125,015,590	126,890,824	
	After distribution	121,374,360	121,374,360	125,015,590	126,890,824	(Note 3)	
Additional paid-in capital		37,402,480	37,885,949	37,885,949	38,010,564	38,188,103	
Retained earnings	Before distribution	69,703,509	81,516,757	101,364,961	100,310,163	116,980,378	
	After distribution	57,449,367	66,951,834	79,517,577	88,433,682	(Note 3)	
Other equity		8,389,029	12,559,523	8,410,191	(6,968,170)	4,947,633	
Non-controlling interests		18,005,247	20,280,857	20,044,244	21,014,761	21,369,208	
Total equity	Before distribution	250,206,380	273,617,446	289,079,705	277,382,908	308,376,146	
	After distribution	242,620,483	259,052,523	270,873,551	267,381,661	(Note 3)	

Note 1 : Data from 2019 to 2023 have been audited and certified by the independent auditors.

Note 2 : No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 3 : Distribution of earnings in 2023 had not yet been resolved by the 2024 shareholders' meeting up to the date of publication of this annual report.

(II) Summary Balance Sheet of Individual Entity

Unit: NT\$1,000

Item \ Year	Financial data (Note 1)					Financial information of current year ending 01/31/2024	
	2019	2020	2021	2022	2023		
Cash and cash equivalents	7,499,264	881,767	841,258	6,508,655	2,819,922	(Note 2)	
Financial assets at fair value through other comprehensive income	24,490	28,483	45,653	66,320	63,875		
Investment in bills and bonds under resale agreements	4,640,737	892,672	-	-	-		
Receivable - net	3,230,724	3,110,877	4,344,257	1,040,134	2,553,463		
Current income tax assets	319,823	196,336	-	2,670,949	2,591,632		
Equity investments accounted for under the equity method - net	251,488,755	283,824,795	301,303,505	290,751,677	321,901,762		
Property and equipment - net	24,623	36,224	47,060	45,973	40,291		
Right-of-use assets - net	103,917	104,957	54,468	127,440	82,425		
Intangible assets - net	4,898	6,156	14,504	17,102	13,643		
Deferred income tax assets	41,833	47,253	50,332	78,612	46,509		
Other assets - net	6,420	11,897	12,007	10,158	20,020		
Total Assets	267,385,484	289,141,417	306,713,044	301,317,020	330,133,542		
Commercial paper payable - net	-	999,866	2,788,125	-	-		
Payable	6,225,431	5,668,801	3,232,641	6,139,991	6,555,791		
Current income tax liabilities	3,916,397	4,088,398	5,657,148	2,132,045	2,861,055		
Bonds payable	24,900,000	24,900,000	25,900,000	36,500,000	33,600,000		
Liabilities reserve	36,116	36,903	37,629	35,069	12,403		
Lease liabilities	104,393	106,690	56,625	131,618	84,893		
Other liabilities	2,014	4,170	5,415	10,150	12,462		
Total Liabilities	Before distribution	35,184,351	35,804,828	37,677,583	44,948,873		43,126,604
	After distribution	42,770,248	50,369,751	55,883,737	54,950,120		(Note 3)
Share capital	Before distribution	116,706,115	121,374,360	121,374,360	125,015,590		126,890,824
	After distribution	121,374,360	121,374,360	125,015,590	126,890,824		(Note 3)
Additional paid-in capital	37,402,480	37,885,949	37,885,949	38,010,564	38,188,103		
Retained earnings	Before distribution	69,703,509	81,516,757	101,364,961	100,310,163		116,980,378
	After distribution	57,449,367	66,951,834	79,517,577	88,433,682		(Note 3)
Other equity	8,389,029	12,559,523	8,410,191	(6,968,170)	4,947,633		
Total equity	Before distribution	232,201,133	253,336,589	269,035,461	256,368,147	287,006,938	
	After distribution	224,615,236	238,771,666	250,829,307	246,366,900	(Note 3)	

Note 1: Data from 2019 to 2023 have been audited and certified by the independent auditors.

Note 2: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 3: Distribution of earnings in 2023 had not yet been resolved by the 2024 shareholders' meeting up to the date of publication of this annual report.

(III) Summary consolidated income statement of Yuanta FHC and its subsidiaries

Unit: NT\$1,000

Item \ Year	Financial data (Note 1)					Financial information of current year ending 01/31/2024
	2019	2020	2021	2022	2023	
Interest income	41,006,443	36,369,194	36,986,068	45,232,088	62,355,083	(Note 2)
Less: Interest expense	14,873,524	9,450,242	7,012,317	14,530,723	32,023,003	
Net interest income	26,132,919	26,918,952	29,973,751	30,701,365	30,332,080	
Net non-interest income	81,475,158	88,709,914	89,266,752	60,800,517	67,757,803	
Net profit	107,608,077	115,628,866	119,240,503	91,501,882	98,089,883	
Provision for bad debt expenses, commitment and guarantee policy reserve	1,352,694	2,152,052	534,256	318,190	472,519	
Net change in provision for insurance liabilities	42,443,850	39,928,431	21,301,277	19,533,972	14,470,939	
Operating expenses	38,270,636	42,782,105	53,263,626	43,235,907	49,160,774	
Consolidated income from continuing operations before income tax	25,540,897	30,766,278	44,141,344	28,413,813	33,985,651	
Income tax expense	3,399,314	4,789,234	6,950,633	5,703,400	5,457,421	
Consolidated net income	22,141,583	25,977,044	37,190,711	22,710,413	28,528,229	
Other comprehensive (loss) income (net of tax)	2,335,038	4,638,864	(6,141,800)	(15,065,715)	13,678,215	
Total comprehensive income	24,476,621	30,615,908	31,048,911	7,644,698	42,206,444	
Consolidated net income attributable to parent company	20,445,508	24,104,576	34,865,957	21,456,327	26,566,198	
Consolidated net income attributable to non-controlling interests	1,696,075	1,872,468	2,324,754	1,254,086	1,962,031	
Consolidated comprehensive income attributable to parent company	23,571,510	28,237,885	30,263,795	5,414,225	40,462,499	
Consolidated comprehensive income attributable to non-controlling interests	905,111	2,378,023	785,116	2,230,473	1,743,945	
EPS	1.68	1.99	2.79	1.69	2.09	

Note 1 : Data from 2019 to 2023 have been audited and certified by the independent auditors.

Note 2 : No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report

(IV) Summary entity income statement of Yuanta FHC

Unit: NT\$1,000

Item	Year	Financial data (Note 1)					Financial information of current year ending 01/31/2024
		2019	2020	2021	2022	2023	
Share of the profit or loss of associates and joint ventures accounted for under the equity method		21,974,067	25,658,736	36,575,675	22,907,800	28,175,994	(Note 2)
Realized gains on financial assets at fair value through other comprehensive income		1,076	1,103	1,453	1,518	1,405	
Other revenues		138,724	40,201	19,817	126,782	91,580	
Operating expenses		836,662	941,174	1,350,334	974,686	1,329,591	
Other expenses and losses		300,438	336,651	282,217	299,464	367,014	
Income from continuing operations before income tax		20,976,767	24,422,215	34,964,394	21,761,950	26,572,374	
Income tax expense		531,259	317,639	98,437	305,623	6,176	
Net income		20,445,508	24,104,576	34,865,957	21,456,327	26,566,198	
Other comprehensive (loss) income (net of tax)		3,126,002	4,133,309	(4,602,162)	(16,042,102)	13,896,301	
Total comprehensive income		23,571,510	28,237,885	30,263,795	5,414,225	40,462,499	
EPS		1.68	1.99	2.79	1.69	2.09	

Note 1 : Data from 2019 to 2023 have been audited and certified by the independent auditors.

Note 2 : No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

(V) Independent auditors over the past five years and their audit opinions

1. 2019: Chien-Hung Chou, CPA, Hsien-I Chen, CPA.
The independent auditors issued an audit report containing unqualified opinions in the 2019 financial statements.
2. 2020: Chien-Hung Chou, CPA, Hsien-I Chen, CPA.
The independent auditors issued an audit report containing unqualified opinions in the 2020 financial statements.
3. 2021: Chien-Hung Chou, CPA, Chiao Sen Lo, CPA.
The independent auditors issued an audit report containing unqualified opinions in the 2021 financial statements.
4. 2022: Puo-Ju Kuo, CPA, Chien-Hung Chou, CPA.
The independent auditors issued an audit report containing unqualified opinions in the 2022 financial statements.
5. 2023: Puo-Ju Kuo, CPA, Chien-Hung Chou, CPA.
The independent auditors issued an audit report containing unqualified opinions in the 2023 financial statements.

II. Financial analysis for the most recent five years

(I) Financial analysis

Analysis Item (Note 2)		Year (Note 1)	Financial analysis					Financial information of current year ending 01/31/2024 (Note 3)
		2019	2020	2021	2022	2023		
Operational ability	Total asset turnover (times)	0.04	0.04	0.04	0.03	0.03	N/A	
	Deposit to loan ratio of subsidiary bank (%)	66.51	62.55	59.36	66.48	66.98		
	NPL ratio of subsidiary bank (%)	0.16	0.14	0.10	0.02	0.05		
	Average revenues per employee (NT\$1,000)	7,601	8,100	8,257	6,202	6,577		
	Average earnings per employee (NT\$1,000)	1,564	1,820	2,575	1,539	1,913		
Profitability	Return on assets (%)	1.45	1.30	1.48	1.14	1.71		
	Return on shareholders' equity (%)	9.09	9.92	13.22	8.02	9.74		
	Profit margin (%)	20.58	22.47	31.19	24.82	29.08		
	Earnings per share (NT\$)	1.68	1.99	2.79	1.69	2.09		
Financial structure	Ratio of liabilities to assets (%)	89.64	90.08	90.44	90.80	90.65		
	Ratio of liabilities to net value (%)	864.93	907.88	945.74	987.35	969.69		
	Double leverage ratio of financial holding companies (%)	108.32	112.05	112.01	113.44	112.18		
Leverage	Operating leverage	4.21	3.76	2.70	3.22	2.89		
	Financial leverage of financial holding companies	1.01	1.01	1.01	1.01	1.01		
Growth rate	Asset growth rate (%)	5.56	14.29	9.62	(0.23)	9.37		
	Profit growth rate (%)	5.54	20.46	43.47	(7.65)	10.46		
Cash flow	Cash flow ratio (%)	7.87	3.50	5.49	1.20	(Note 4)		
	Cash flow adequacy ratio (%)	(Note 4)	(Note 4)	9.91	177.91	108.04		
	Cash flow satisfaction ratio (%)	3,093.60	357.96	2,212.25	415.58	(Note 4)		
Operating scale	Asset market share (%)	4.01	4.19	4.29	4.08	4.23		
	Net-worth market share (%)	5.58	5.58	5.51	6.63	6.09		
	Deposit market share of bank subsidiary (%)	2.64	2.65	2.90	2.69	2.79		
	Loan market share of bank subsidiary (%)	2.32	2.31	2.41	2.51	2.65		
Capital adequacy	Capital adequacy of subsidiaries calculated according to capital adequacy regulations for the industry in question (%)	Yuanta Securities	330.39	319.18	414.07	481.01	487.79	
		Yuanta Bank	15.57	16.98	15.41	14.65	14.82	
		Yuanta Life	300.45	597.29	560.53	502.51	468.82	
	Authorized capital of each subsidiary (NT\$1,000)	Yuanta Securities	52,673,959	64,396,654	86,322,796	85,003,269	90,285,607	
		Yuanta Bank	133,957,094	135,484,353	134,478,132	134,758,411	149,701,013	
		Yuanta Life	11,628,575	27,988,739	28,304,178	30,521,303	31,981,197	
	Authorized net capital of group (NT\$1,000)	178,231,116	199,573,780	221,452,769	217,694,434	240,482,629		
	Statutory capital requirements of each subsidiary (NT\$1,000)	Yuanta Securities	23,914,482	30,263,028	31,271,253	26,507,976	18,508,929	
		Yuanta Bank	90,332,625	83,760,534	91,635,561	96,564,581	1,010,080,677	
		Yuanta Life	7,740,748	9,371,832	10,099,034	12,147,468	6,821,670	

Analysis Item (Note 2)		Financial analysis					Financial information of current year ending 01/31/2024 (Note 3)
		2019	2020	2021	2022	2023	
Capital adequacy	Group's regulatory capital requirement (NT\$1,000)	133,907,284	136,691,245	148,912,046	147,704,174	162,443,539	N/A
	Group's capital adequacy ratio (%)	133.10	146.00	148.71	147.39	148.04	
Total amount (NT\$1,000) of loans, endorsements, or other transactions with the same individual, same related party, or same affiliate of all subsidiaries pursuant to Article 46 of the Financial Holding Company Act.		1,018,067,000	1,409,804,000	1,582,101,000	1,670,323,000	1,832,775,000	
<p>Please explain the reasons for changes in each financial ratio during the most recent two years. (Analysis is not required if the magnitude of increase or decrease is less than 20%).</p> <ol style="list-style-type: none"> The difference in the non-performing loan ratio of Yuanta Bank between the two periods is mainly due to the increase in non-performing loan amount in the current year. The difference in the average profit of employees, ROE, and earnings per share the two periods was primarily due to the increase in net profit after tax from the previous year. The difference in the rate of return on assets between the two periods was primarily due to the increase in the income after tax and interest expenses from the previous year. The difference in assets growth between the two periods was primarily due to the increase in total assets from the previous year. The difference between the two periods of net cash flow adequacy ratio was primarily a result of the decrease in net cash flow from operating activities in the most recent five years. 							

Note 1 : Data from 2019 to 2023 have been audited and certified by the independent auditors.

Note 2 : The following calculation formulas must be listed at the end of the foregoing table:

- Operational ability
 - Total asset turnover = net profit/total assets
 - Deposit to loan ratio of subsidiary bank = total loans made by subsidiary bank/total deposits.
 - NPL ratio of subsidiary bank = total value of NPLs at subsidiary bank/total value of loans.
 - Average revenues per employee = net profit/total number of employees.
 - Average earnings per employee = net earnings after tax/total number of employees.
- Profitability
 - Return on assets = [after -tax income (loss) + interest expense × (1 - tax rate)]/average total assets.
 - Return on shareholders' equity = after -tax income (loss)/average shareholders' equity.
 - Net profit margin = after -tax income (loss)/net profit.
 - EPS = (after -tax income (loss) - preferred stock dividends)/weighted average number of outstanding shares.
- Financial structure
 - Ratio of liabilities to assets = total liabilities/total assets.
 - Ratio of liabilities to net value = total liabilities/shareholders' equity.
 - Double leverage ratio of financial holding company = equity investment made in accordance with Article 36, Paragraph 2 and Article 37 of this Act/net value.
- Leverage
 - Operating leverage = (net profit - variable cost losses) / pre -tax income (loss).
 - Financial leverage of financial holding company = pre -tax income (loss) + interest expense/pre -tax income (loss).
- Growth rate
 - Asset growth rate = (total assets during the current year - total assets during the previous year)/total assets during the previous year.
 - Profit growth rate = (pre -tax income (loss) during the current year - pre -tax income (loss) during the previous year)/pre -tax income (loss) during the previous year.
- Cash flow
 - Cash flow ratio = net cash flow from operating activities/(bank and interbank lending and overdrafts + payable commercial paper + financial liabilities stated as gain (loss) due to change in fair value + RP bill and bond liabilities + accounts payable with a maturity date within one year).
 - Cash flow adequacy ratio = net cash flow from operating activities during the most recent five years/(capital spending + cash dividends during the most recent five years).
 - Cash flow satisfaction ratio = net cash flow from operating activities/net cash flow from investment activities.
- Operating scale
 - Asset market share = total assets/total assets of all financial holding companies.
 - Net-worth market share = net value/total net worth of all financial holding companies.

- (3) Market share of Bank subsidiary savings deposits = savings deposits total/the total amount of deposits for all financial institutions allowed to engage in savings deposits business.
- (4) Market share of Bank subsidiary loans = loan total/the total amount of loans for all financial institutions allowed to engage in the lending business.

8. Capital adequacy

- (1) Net authorized capital of the group = authorized capital of the financial holding company + (financial holding company shareholding ratio \times authorized capital of each subsidiary) - items to be subtracted in accordance with regulations.
- (2) Total group statutory capital requirements = capital requirements specified in the Financial Holding Company Act + financial holding company shareholding ratio \times each subsidiary's statutory capital requirement.
- (3) Group capital adequacy = net value of the group's authorized capital/the group's statutory capital requirement.

Note 3 : No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 4 : This ratio was not calculated because the net cash flow from operating activities was negative.

III. Audit Committee's Report on the Latest Financial Statements

Yuanta Financial Holding Co., Ltd. Audit Report from the Audit Committee

Yuanta FHC's Financial Statements 2023, together with the Business Report and Earnings Distribution Plan, were submitted by the Board of Directors to the Audit Committee for audit. The Financial Statements were audited by independent auditors, Puo-Ju Kuo and Chien-Hung Chou, CPAs of PricewaterhouseCooper Certified Public Accountants, who issued the Audit Report with Unqualified Opinions.

The Audit Committee, after completing the audit of said reports and statements, believes that they are free of material misstatement, and thus has produced this report according to Article 14-4 of the *Securities and Exchange Act* and Article 219 of the *Company Act* after obtaining the consent of all Audit Committee members. The report is hereby attached for review accordingly.

Submitted to:

2024 General Shareholders' Meeting of Yuanta Financial Holding Co., Ltd.

Audit Committee of Yuanta Financial Holding Co., Ltd.

Convener: Ming Ling Hsueh

Dated: March 14, 2024

- IV. The Latest Consolidated Financial Statements of the Company and Its Subsidiaries Audited and Certified by CPAs: See Appendix.**
- V. Any Financing Problems Encountered by the Company or Its Affiliates Which Might Affect the Company's Financial Status: None.**

Seven. Discussion and Analysis of Financial Status and Financial Performance, and Risk Management

I. Comparative Analysis of Financial Conditions

(I) Consolidated Balance Sheet of the Company and Its Subsidiaries

Unit: NT\$1,000

Item	Year	2023/12/31	2022/12/31	Increase/Decrease	
		Amount	Amount	Amount	(%)
Cash and cash equivalents		81,869,960	76,338,164	5,531,796	7
Due from Central Bank and call loans to other banks		83,110,140	79,690,160	3,419,980	4
Financial assets		1,506,911,815	1,414,779,023	92,132,792	7
Investments in bills and bonds under resale agreements		99,644,104	94,073,224	5,570,880	6
Receivable – net		273,092,919	202,341,992	70,750,927	35
Bills discounted and loans – net		1,086,526,760	995,199,165	91,327,595	9
Equity investments accounted for under the equity method – net		3,089,373	3,431,913	(342,540)	(10)
Investment property – net		11,307,517	10,487,451	820,066	8
Property and equipment – net		27,352,156	25,503,491	1,848,665	7
Right-of-use assets – net		13,011,575	11,515,532	1,496,043	13
Intangible assets – net		30,728,678	30,959,908	(231,230)	(1)
Other assets – net		82,014,823	71,798,514	10,216,309	14
Total assets		3,298,659,820	3,016,118,537	282,541,283	9
Deposits from Central Bank and other banks, due to Central Bank and other banks		12,387,393	38,607,095	(26,219,702)	(68)
Financial liabilities		294,394,110	275,142,074	19,252,036	7
Bills and bonds payable under repurchase agreements		251,838,703	224,137,491	27,701,212	12
Commercial paper payable – net		83,155,165	47,836,070	35,319,095	74
Payables		180,210,063	154,026,563	26,183,500	17
Deposits and remittances		1,548,770,818	1,407,441,499	141,329,319	10
Bonds payable		104,904,691	102,487,542	2,417,149	2
Other borrowings		48,439,167	48,460,199	(21,032)	(0)
Liabilities reserve		376,640,823	363,676,625	12,964,198	4
Lease liabilities		6,191,253	4,712,163	1,479,090	31
Other liabilities		83,351,488	72,208,308	11,143,180	15
Total liabilities		2,990,283,674	2,738,735,629	251,548,045	9
Share capital		126,890,824	125,015,590	1,875,234	2
Additional paid-in capital		38,188,103	38,010,564	177,539	0
Retained earnings		116,980,378	100,310,163	16,670,215	17
Other equity		4,947,633	(6,968,170)	11,915,803	(171)
Non-controlling interests		21,369,208	21,014,761	354,447	2
Total equity		308,376,146	277,382,908	30,993,238	11

Explanation of significant changes:

1. The increase in receivables-net from the previous period was primarily a result of the increase in securities lending receivable, securities financing receivable and settlement money receivable.
2. The decrease in deposits from Central Bank and other banks from the previous period was primarily a result of the decrease in interbank lending.
3. The increase in commercial paper payable – net was primarily a result of the increase in the commercial paper payable.

4. The increase in lease liabilities from the previous period was primarily a result of the increase in new lease contracts.
5. The increase in other equity from the previous period was primarily a result of the increase in gain on valuation of financial assets at fair value through other comprehensive income.

(II) Balance Sheet of Individual Entity

Unit: NT\$1,000

Item	Year	2023/12/31	2022/12/31	Increase/Decrease	
		Amount	Amount	Amount	(%)
Cash and cash equivalents		2,819,922	6,508,655	(3,688,733)	(57)
Financial assets at fair value through other comprehensive income		63,875	66,320	(2,445)	(4)
Receivables – net		2,553,463	1,040,134	1,513,329	145
Current income tax assets		2,591,632	2,670,949	(79,317)	(3)
Equity investments accounted for under the equity method – net		321,901,762	290,751,677	31,150,085	11
Property and equipment – net		40,291	45,973	(5,682)	(12)
Right-of-use assets – net		82,425	127,440	(45,015)	(35)
Intangible assets – net		13,643	17,102	(3,459)	(20)
Deferred income tax assets		46,509	78,612	(32,103)	(41)
Other assets – net		20,020	10,158	9,862	97
Total Assets		330,133,542	301,317,020	28,816,522	10
Payables		6,555,791	6,139,991	415,800	7
Current income tax liabilities		2,861,055	2,132,045	729,010	34
Bonds payable		33,600,000	36,500,000	(2,900,000)	(8)
Liabilities reserve		12,403	35,069	(22,666)	(65)
Lease liabilities		84,893	131,618	(46,725)	(36)
Other liabilities		12,462	10,150	2,312	23
Total Liabilities		43,126,604	44,948,873	(1,822,269)	(4)
Share capital		126,890,824	125,015,590	1,875,234	2
Additional paid-in capital		38,188,103	38,010,564	177,539	0
Retained earnings		116,980,378	100,310,163	16,670,215	17
Other equity		4,947,633	(6,968,170)	11,915,803	(171)
Total equity		287,006,938	256,368,147	30,638,791	12

Explanation of significant changes:

1. The increase in cash and cash equivalents from the previous period was primarily a result of the decrease in time deposit for repayment of the corporate bonds matured in 2023.
2. The increase in payables-net from the previous period was primarily a result of the increase in other payables linked tax system.
3. The decrease in right-of-use assets-net and lease liabilities from the previous period was primarily a result of the depreciation of useful years.
4. The decrease in intangible assets-net from the previous period was primarily a result of the amortization of useful years.
5. The decrease in deferred income tax assets-net from the previous period was primarily a result of the decrease in temporary difference.
6. The increase in current income tax liabilities from the previous period was primarily a result of the increase in income tax payable.
7. The decrease in liability reserve from the previous period was primarily a result of the decrease in the employee welfare reserve.
8. The increase in Other liabilities from the previous period was primarily a result of the increase in the retirement refund payable.
9. The increase in other equity from the previous period was primarily a result of the increase in gain on valuation of financial assets at fair value through other comprehensive income.

II. Analysis of Financial Performance

(I) Consolidated income statement of Yuanta FHC and its subsidiaries

Unit: NT\$1,000

Item	Year	2023	2022	Increase/Decrease	
		Amount	Amount	Amount	(%)
Net interest income		30,332,080	30,701,365	(369,285)	(1)
Net non-interest income		67,757,803	60,800,517	6,957,286	11
Net profit		98,089,883	91,501,882	6,588,001	7
Provision for bad debt expenses, commitment and guarantee policy reserve		472,519	318,190	154,329	49
Net change in provisions for insurance liabilities		14,470,939	19,533,972	(5,063,033)	(26)
Operating expenses		49,160,774	43,235,907	5,924,867	14
Consolidated income from continuing operations before income tax		33,985,651	28,413,813	5,571,838	20
Income tax expense		5,457,422	5,703,400	(245,978)	(4)
Consolidated net income		28,528,229	22,710,413	5,817,816	26
Other comprehensive loss (net of tax)		13,678,215	(15,065,715)	28,743,930	(191)
Total comprehensive income		42,206,444	7,644,698	34,561,746	452

Explanation of significant changes:

1. The increase in Provision for bad debt expenses, commitment and guarantee policy reserve from the previous period was primarily a result of increase in bad debt expenses for discount and loan.
2. The decrease in net change in provision for insurance liabilities from the previous period was primarily a result of the decrease in the net changes in provision for liabilities.
3. The increase in other comprehensive income (net after tax) from the previous period was primarily a result of the decrease in profit or loss on valuation of equity instruments at fair value through other comprehensive income and other comprehensive income reclassified by the classification overlay method.

(II) Entity income statement of Yuanta FHC

Unit: NT\$1,000

Item	Year	2023	2022	Increase/Decrease	
		Amount	Amount	Amount	(%)
Revenue					
Share of the profit or loss of associates and joint ventures accounted for under equity method		28,175,994	22,907,800	5,268,194	23
Realized gains on financial assets at fair value through other comprehensive income		1,405	1,518	(113)	(7)
Other revenues		91,580	126,782	(35,202)	(28)
Subtotal		28,268,979	23,036,100	5,232,879	23
Expenses and losses					
Operating expenses		1,329,591	974,686	354,905	36
Other expenses and losses		367,014	299,464	67,550	23
Subtotal		1,696,605	1,274,150	422,455	33
Income from continuing operations before income tax		26,572,374	21,761,950	4,810,424	22
Income tax expense		6,176	305,623	(299,447)	(98)
Net income		26,566,198	21,456,327	5,109,871	24
Other comprehensive loss		13,896,301	(16,042,102)	29,938,403	(187)
Total comprehensive income		40,462,499	5,414,225	35,048,274	647

Explanation of significant changes:

1. The increase in Share of the profit or loss of associates and joint ventures accounted for under equity method from the

- previous period was primarily a result of the increase in subsidiaries' earnings.
2. The decrease in other income from the previous period was primarily a result of the decrease in exchange gains.
 3. The increase in operating expenses was primarily a result of the increase in employee welfare expenses.
 4. The increase in other expenses and losses from the previous period was primarily a result of the increase in the interest expenditure.
 5. The decrease in income tax expenses from the previous period was primarily a result of the decrease in tax levied on undistributed earnings.
 6. The increase in other comprehensive income from the previous period was primarily a result of the decrease in profit or loss on valuation of equity instruments at fair value through other comprehensive income and other comprehensive income reclassified by the classification overlay method.

III. Analysis of Cash Flow

(I) Analysis of liquidity in the previous two years

1. Yuanta FHC and its subsidiaries

Item \ Year	2023	2022	Increase/decrease %
Cash flow ratio (%)	(4.74)	1.20	(495.00)
Cash flow adequacy ratio (%)	108.04	177.91	(39.27)
Cash reinvestment ratio (%)	(5.92)	(1.56)	(279.49)
Explanation of ratio changes:			
1. The variance in cash flow ratios of the two periods was a result of the decrease in net cash flow from operating activities.			
2. The difference between the two periods of cash flow adequacy ratio was primarily a result of the decrease in (net cash flow from operating activities in the most recent five years).			
3. The difference in cash reinvestment ratio between the two periods is mainly due to the increase in (gross fixed assets + long-term investment + equity investment under equity method + other assets + working capital).			

2. Yuanta FHC

Item \ Year	2023	2022	Increase/decrease %
Cash flow ratio (%)	98.49	90.76	8.52
Cash flow adequacy ratio (%)	105.56	107.82	(2.10)
Cash reinvestment ratio (%)	(0.23)	(0.73)	68.49
Explanation of ratio changes:			
1. The variance in cash reinvestment ratios of the two periods was a result of the increase (net cash flow from operating activities-cash dividend).			

(II) Analysis of liquidity in the coming year

1. Analysis of liquidity of Yuanta FHC and its subsidiaries

Unit: NT\$1,000

Initial cash balance	Net cash flow from operating activities for the year	Cash flow for the year	Cash balance	Corrective measures against insufficient cash position	
				Investment plans	Financing plans
218,948,309	42,022,777	(53,650,643)	207,320,443	-	-

(1) Analysis of cash flow in the coming year:

- A. Operating activities: 42,022,777
- B. Investment activities: (11,846,931)
- C. Financing activities: (41,803,712)

(2) Analysis of liquidity and corrective measures against projected insufficient cash position: N/A.

2. Analysis of liquidity of Yuanta FHC

Unit: NT\$1,000

Initial cash balance	Net cash flow from operating activities for the year	Cash flow for the year	Cash balance	Corrective measures against insufficient cash position	
				Investment plans	Financing plans
2,819,922	12,586,209	(12,642,803)	2,763,328	-	-

- (1) Analysis of cash flow in the coming year:
 - A. Operating activities: 12,586,209
 - B. Investment activities: (1,064,766)
 - C. Financing activities: (11,578,037)
- (2) Analysis of liquidity and corrective measures against projected insufficient cash position: N/A.

IV. Major capital expenditures in the most recent year: Yuanta FHC did not have any major capital expenditures in the most recent year.

V. Investment strategies, causes for investment gains and losses, and planned improvements for the most recent year and the investment plan for the coming year

(I) Investment strategies, causes for investment gains and losses, and planned improvements

Yuanta FHC will uphold the stable development policy to plan the Group's reinvestment policy. It will plan the Group's optimal investment strategies and portfolio by taking into consideration the growth potential and complementation of various business lines, as well as such financial factors as financial solidness, funding cost and rate of return on investment, insofar as it complies with related laws and regulations, in hopes of upgrading Yuanta FHC's long-term profit and stability, increasing its ROE, and maximize shareholders' equity.

For the overview of operations and business plan for various subsidiaries of Yuanta FHC, please see "Four. Overview of Operations/1. Operations/(2) Business services of subsidiaries".

(II) Investment plan for the coming year

Upon completion of the acquisition and merger of Polaris Securities and Ta Chong Bank, Yuanta Securities and Yuanta Bank have attained considerable domestic business sales. In the future, the Group's investment plan will focus on construction and expansion of its overseas business in order to continue to move forward toward the objective for the "Best Financial Services Provider in the Asia Pacific Region." Yuanta Life has achieved stable growth in recent years. It will emphasize spontaneous growth in the future.

Yuanta FHC will continue to monitor developments in the domestic and foreign markets, and remain open and flexible to deal with potential M&A opportunities. However, the ultimate goal is to enhance shareholders' value, and comprehensively consider the significance of strategic development, business synergies, asset and liability risks, and future profitability, etc. before proceeding with relevant procedures in accordance with the law. Meanwhile, the Group will also pay close attention to the

development of FinTech and will never rule out the control over emerging technologies and business opportunities through investment or business cooperation.

VI. Risk management

(I) Risk management structure and policy of Yuanta FHC and each of its subsidiaries

1. Risk Management structure

Yuanta FHC's risk management structure consists of the Board of Directors, Audit Committee, Risk Management Committee, senior management, and three lines of defense for risk management.

The Board of Directors shall be supreme decision-making body for Yuanta FHC's risk management, whose functions include approves the risk management policy, important risk management system and annual risk limits as well as supervises the execution of the risk management system.

The Risk Management Committee in supervising the operation mechanism related to risk management and perform the main duties including reviewing risk management policies and systems, reviewing annual risk limits and monitoring indicator thresholds, reviewing risk management implementation reports, supervising the management of existing or potential risks over the Company and assisting the Board of Directors in supervising the implementation of risk management decisions.

The senior management shall review all risks pertaining to operating activities and make sure that Yuanta FHC's risk management system can be completely and effectively executed.

Each business unit shall be responsible for identifying and managing the risk arising from its functions or business scope, and designing and executing the effective internal control procedures subject to the characteristics of the risk to cover the risk management functions of related business activities.

The risk management unit, compliance unit and other risk management risks shall establish the management mechanisms subject to various major risk types, supervise the overall risk tolerance and risk profile, and report the monitoring execution status.

The internal audit unit shall independently audit and assess whether the risk management and related internal control system keep operating effectively, and provide the suggestions about improvement in a timely manner.

2. Risk Management Policies

In order to establish Yuanta FHC's risk management standards and ensure the completeness, validity and reasonableness of the risk management, the "Risk Management Policy" has been formulated as Yuanta FHC's highest guiding principle for risk management. Adequate risk management systems shall be defined based on the policy, attributes of various risks, and effects imposed by the risks to the Yuanta FHC's operating stability and capital safety.

Yuanta FHC's risk management policy has covered the main business risks throughout Yuanta FHC, including financial risk (market risk, credit risk, market liquidity risk, funding liquidity risk, asset and liability matching risk, large exposures concentration risk, insurance risk, operational risk), business risk, legal and compliance risk and climate change risk. Subsidiaries shall establish their own risk management systems that meet their business portfolio, business scale and capital scale, according to Yuanta FHC's risk management policy and the local competent authority's requirements, in order to manage various risks they're

dealing with effectively.

Each subsidiary has set up its adequate risk management policy, subject to its business portfolio, business scale and capital scale. Yuanta FHC will continue to review each subsidiary's risk management policy to ensure that it may manage the various risks effectively.

(II) Methods of risk evaluation and control used by the Company and each of its subsidiaries, and risk exposure information

1. General qualitative disclosures

(1) Yuanta FHC's and subsidiaries' risk management principles are stated as follows:

Yuanta FHC and its subsidiaries has established various risk management mechanisms based on the board-approved risk management policy, which stated as below:

A. Market risk:

Market risk refers to the risk of losses in Yuanta FHC's positions arising from movements in market variables like prices and volatility. The market price includes index, stock price, interest rate, foreign exchange rate, commodity or credit spread. Yuanta FHC's and subsidiaries have set up early warning indicators, risk limits and value at risk (VaR) based on risk tolerance to estimate potential losses in order to control market risk effectively.

B. Credit risk:

Credit risk refers to the risk over loss resulting from the following circumstances:

- (A) Where the bond (bill) issuer, lender, counterparty or custodian breaches contract, goes bankruptcy or is liquidated and fails to perform its obligation pursuant to the terms and conditions as agreed and thereby causes risk.
- (B) Where the bond (bill) issuer, lender, counterparty or custodian breaches contract, goes bankruptcy or is liquidated and fails to fulfill its liability of warranty pursuant to the terms and conditions as agreed and thereby causes risk.
- (C) Where the strength of the financial instrument-linked is weakened, credit rating is degraded, or there is any circumstance constituting breach of the financial instrument contract. Yuanta FHC and its subsidiaries shall define the credit risk management measurement based on business nature:
- (D) Loans and credit business: Classifying the existing credit cases into groups by ratings or rating model. Enhancing quantitative mechanism of credit risk to assure the quality of loan assets. Apply an early warning mechanism integrated with the mid-term management platform to timely conduct the post-loan control over borrowers and take responsive measures as well as reduce the potential loss caused by default.
- (E) Financial position: To monitor and control Yuanta FHC's and its subsidiaries' credit exposures, the internal credit rating system has been established. Meanwhile, the early warning mechanism and reporting procedures have been implemented so as to proactively

response to credit events.

C. Market liquidity risk:

Market liquidity risk arises when assets are sold or unwinded because of consecutive shortages of trading volume in the market or disorder in the market resulting in a significant reduction of the trading volume, if any. To mitigate the risk, Yuanta FHC and its subsidiaries have set up separate standards on limits of liquidity position and potential loss for different business and the nature of financial products to ensure sufficient market liquidity for all positions.

D. Funding liquidity risk;

The funding liquidity risk means the risk arising from the financial structural imbalance caused by inadequate fund-raising planning or the inability to acquire sufficient funds in a timely manner by virtue of sale of assets or applying for loan with another bank and failure to repay the matured debt due to the significant changes in the overall economy or financial market. In order to avoid liquidity risk, Yuanta FHC and its subsidiaries set forth the measurement indicators for liquidity risk, based on the liquidity characteristics of each currency, including business scale, business characteristics, asset/liability structure, capital allocation strategy, and diversity of capital sources, aiming to ensure that Yuanta FHC has sufficient liquidity as a whole.

E. Asset and liability matching risk:

The asset and liability matching risk refers to the risk over disadvantageous changes in Yuanta FHC's overall income, net interest income or net worth caused by the changes in interest rate or foreign exchange rate, if any, due to the difference in the currency denominating assets and liabilities with interest and the method of interest computing or expiry date thereof. Yuanta FHC and its subsidiaries take into account the risk attributes of assets and liabilities and the complexity of the business, and establish appropriate asset and liability management indicators, in order to control the unfavorable factors caused by mismatched asset and liability structures effectively.

F. Concentration risk:

Large exposures arises when a company has its business concentrated on specific risk factors, such as the same person (enterprise), enterprise group, industry and country. It might cause significant loss if unexpected changes occur on those factors. Yuanta FHC and its subsidiaries have set up the large exposure management system to adequately control over the positions of credit, investment and trading.

G. Insurance risk:

It means the risk over claims and expenses made or provided pursuant to the contract suffering loss caused by unexpected changes after collecting the insurance premium to assume the specific risk transferred by the insured. The insurance risk management shall cover the risk over product design and pricing, underwriting, reinsurance, catastrophe, claims and reserve fund.

In order to manage the insurance risk effectively, Yuanta Life has established the standard operating procedures and management mechanisms with respect to various insurance risks to strengthen the risk

control function through a monitoring mechanism.

H. Operational risk:

Operational risk refers to the risk of direct or indirect losses arising from negligence or errors in internal operations, staff or systems, or from external events. Yuanta FHC and its subsidiaries have implemented standard operating procedures and control activities, regularly conducted risk and control self-assessments and reported operational risk incidents.

I. Information security risk:

The Information security risk refers to the risk caused by intention, negligence or natural calamity and resulting in unfair use, breach, tampering or destruction of the information assets, thereby damaging the business-related information system's normal operation. Yuanta FHC and its major subsidiaries have established information security monitoring indicators to manage the information security risk effectively.

J. Human resource risk:

The human resource risk refers to that related to employees' human rights issues and development and management of Yuanta FHC's human resources, such as solicitation for, retention, and development of human resources. Yuanta FHC and its major subsidiaries have established human resources risk monitoring indicators to manage the human resources risk effectively.

K. Emerging risk:

Emerging risk refers to a new business line or new risk type, for which no risk identification or assessment is conducted, thereby causing adverse effects to the future business operations. Yuanta FHC and its major subsidiaries have established emerging risk monitoring indicators to manage the emerging risk effectively.

L. Ethical management risk:

The ethical management risk refers to that caused by the unjustified benefits provided, promised, requested or accepted, or any activities against ethics, laws or fiduciary duties conducted by Yuanta FHC's directors, supervisors, managers, employees, or any persons with substantial controlling interests, directly or indirectly, when engaging in any business conduct, in order to keep or seek interests. Yuanta FHC and its major subsidiaries have established ethical management risk monitoring indicators to manage the ethical management risk effectively.

M. Reputation risk:

The reputation risk refers to the risk over the loss arising from business termination or interruption caused by the negative comments from the media or public. Yuanta FHC and its major subsidiaries have established reputation risk monitoring indicators to manage the reputation risk effectively.

N. Strategic risk:

The strategic risk refers to the risk arising from inadequate strategies or changes in the business environment. Yuanta FHC and its major subsidiaries have established strategic risk monitoring indicators to manage the strategic risk effectively.

O. Compliance risk:

Compliance risk means the risk potentially punished by the competent authority for failure to comply with the related laws and regulations when carrying out various businesses, thereby causing the significant financial or goodwill impairment risk. Yuanta FHC and its major subsidiaries have established compliance risk monitoring indicators to manage the compliance risk effectively.

P. Legal risk:

Legal risk arises when a contract has no binding effect, or the contract involves any act beyond the authority, omits some provisions, or is defective in definitions of the contract and thereby makes the contract invalid, and risk over potential loss arises. Yuanta FHC and its major subsidiaries have established legal risk monitoring indicators to manage the legal risk effectively.

Q. ML/TF risk:

The ML/TF risk refers to that caused by abuse of the business operations in ML or TF activities. Yuanta FHC and its major subsidiaries have established the indicators for monitoring money laundering and financing terrorism risks to manage the money laundering and financing terrorism risks effectively.

R. Climate change risk:

The climate change risk refers to the potential risk arising from climate changes or in order to mitigate the climate changes, including investment and financing climate change risk and self-operation climate change risk. Yuanta FHC and its major subsidiaries have established climate change risk monitoring indicators to manage the climate change risk effectively.

(2) Information covered in risk report and frequency & procedure of risk report

A. The level, contents and frequency of Yuanta FHC's and its subsidiaries' risk report shall be adjusted subject to attributes of the risk and the impact rendered by the risk against Yuanta FHC's business, income and net worth.

B. The Risk Management Department shall report the following (including but not limited to) risk management affairs to the management, Risk Management Committee and Board of Directors periodically:

- (A) Overview of market risk;
- (B) Overview of market liquidity risk;
- (C) Overview of credit risk;
- (D) Overview of funding liquidity risk;
- (E) Overview of interest rate risk;
- (F) Overview of insurance risk;
- (G) Overview of operational risk;
- (H) Overview of large exposure concentration risk;
- (I) Overview of capital adequacy ratio;
- (J) Other significant risks.

(3) The policy for hedging and mitigation of risk, strategy, and procedure for monitoring the persistent effectiveness of the risk hedging and mitigation tools

Yuanta FHC and each of its subsidiaries define the risk limit, hedging tools and hedging operation mechanism based on their risk acceptance, so as to effectively limit the risk to the extent as approved, via the reasonable hedging mechanism.

To execute the hedging, the risk structure and level for the entire position shall be adjusted until the risk is acceptance, by employing adequate financial instruments, subject to the market condition, business strategies, product characteristics, and risk management regulations. Yuanta FHC will also periodically continue to measure and control the validity of the hedging tools dedicated to hedging and mitigating risk.

2. Quantitative information on risk exposure

(1) Yuanta FHC

A. Capital adequacy ratio

	2023/12/31	Average	Lowest	Highest
Capital adequacy ratio	148.04%	145.94%	143.43%	148.40%

B. Value at risk over trading position

Unit: NT\$1,000

Risk category	2023			
	2023/12/31	Average	Lowest	Highest
Interest rate risk	246,892	196,283	128,453	265,593
Equity risk	199,804	211,530	143,425	320,063
Foreign exchange risk	644,043	773,324	552,863	891,842
Commodity risk	19,903	30,279	6,803	123,241
Less: Diversification benefit	(522,283)	(514,958)	-	-
Total VaR	588,359	696,458	506,914	918,871

Note : Under value at risk (VaR) measurement model, the possible maximum potential loss over the exposure on the next trading day should be estimated at a 99% confidence level.

(2) Yuanta Securities

A. Capital adequacy ratio

	2023/12/31	Average	Lowest	Highest
Capital adequacy ratio	488%	448%	397%	488%

B. Ratio of equivalent risk amount

As of December 31, 2023

Item	Ratio of equivalent risk amount
Market Risk	53.02%
Credit Risk	16.51%
Operational risk	30.47%
Total	100.00%

(3) Yuanta Bank

A. Capital adequacy ratio

	2023/12/31	Average	Lowest	Highest
Capital adequacy ratio	14.82%	14.81%	14.54%	14.93%

B. Exposure and accrued capital charge upon risk reduction under credit risk standardized approach

As of December 31, 2023

Unit: NT\$1,000

Type of Risk Exposure	Risk Exposure after Risk Mitigation	Accrued capital charge
Sovereigns	319,900,947	0
Non Central-Government Public Sector Entities	11,882,961	190,127
Banks (Including multilateral development banks and centralized settlement counterparties)	133,763,919	3,587,440
Corporates (Securities firms and insurance companies included)	445,322,724	29,570,946
Retailed credit	100,534,931	6,031,082
Residential Property	687,066,597	30,780,872
Equity-securities investment	10,858,475	1,459,718
Equity securities investment in funds and venture capital businesses	2,028,238	162,259
Other assets	41,725,469	2,734,061
Total	1,753,084,261	74,516,505

C. Market risk – accrual capital charge and risk weighted assets of market risk

As of December 31, 2023

Unit: NT\$1,000

Type of Risk	Accrued capital charge	Risk weighted assets (Note)
Interest rate risk	2,085,292	26,066,150
Equity risk	158,062	1,975,775
Foreign exchange risk	626,030	7,825,375
Commodity risk	0	0
Total	2,869,384	35,867,300

Note : The amount stated is the accrued capital charge multiplied by 12.5.

D. Liquidity risk – asset liability maturity analysis

Structure analysis of time to maturity(NT\$)

As of December 31, 2023

Unit: NT\$1,000

	Balance until maturity					Total
	0 – 30 days	31 days – 90 days	91 days – 180 days	181 days – 1 year	Over 1 year	
Primary funds inflow upon maturity	402,730,288	230,522,727	106,393,485	158,474,128	772,703,177	1,670,823,805
Primary funds outflow upon maturity	212,439,915	304,343,441	269,596,843	412,734,599	829,661,954	2,028,776,752
Gap	190,290,373	(73,820,714)	(163,203,358)	(254,260,471)	(56,958,777)	(357,952,947)

Note : This table only includes NT\$ (not foreign currencies) held by the Head Office, domestic and overseas branches.

Structure analysis of time to maturity (US\$)

As of December 31, 2023

Units: US\$1,000

	Balance until maturity					Total
	0 – 30 days	31 days – 90 days	91 days – 180 days	181 days – 1 year	Over 1 year	
Primary funds inflow upon maturity	2,402,397	371,943	185,393	368,974	3,432,987	6,761,694
Primary funds outflow upon maturity	3,067,035	1,826,537	1,424,193	2,110,789	1,066,569	9,495,123
Gap	(664,638)	(1,454,594)	(1,238,800)	(1,741,815)	2,366,418	(2,733,429)

(4) Yuanta Life

Capital adequacy ratio

	2023 first half of the year	2023
Capital adequacy ratio	497.67%	468.82%

(5) Yuanta Futures

Alternative net capital (ANC)

	2023/12/31	Average	Lowest	Highest
Alternative net capital (ANC)	68.6%	75.9%	68.6%	81.9%

(III) Impact on the Company’s financial standing and business operations due to changes in domestic or foreign policies and laws, and corresponding countermeasures to such changes:

The relevant department staffs of Yuanta FHC and its subsidiaries analyze all major changes to policies and laws at home and abroad before they occur and assess their impact on all business operations; relevant internal business strategies and operational procedures are also adjusted in a timely way to respond to such changes. For example, based on the Financial Supervisory Commission’s 2023 Amendments to (for future reference) “Interpretation Orders Related to the Establishment of Subsidiaries’ Business and Customer Databases by Financial Holding Companies,” “Corporate Governance Best Practice Principles for Financial Holding Companies,” and “Interpretation Orders for Article 44 and Article 45 of the Financial Holding Company Act” etc., Yuanta FHC has reviewed and amended the relevant internal regulations to be followed by various units.

(IV) Impact on the Company’s financial standing due to technological (including communication security risk) or industrial changes, and corresponding countermeasures:

The FinTech develops constantly. The digital transformation of industries based on emerging technologies, such as AI, blockchain, cloud computing, and big data, is accelerated due to the pandemic, to provide financial services through innovative business models. The FSC also released the “FinTech Development Roadmap (2.0)” to guide financial innovation and development, including establishment and deepening of data sharing, establishment of AI guidelines for the financial industry, launch of the financial FIDO V2 plan, continued promotion of open banking services, and development of any other FinTech applications. The constant innovation of FinTech not only brings new opportunities but also causes new risks, such as network security, privacy protection and authentication and authorization. In order to maintain the confidentiality, completeness and availability of the information operations and to prevent the information security issues, such as disclosure of data and hacker’s invasion, from damaging Yuanta FHC’s finance and goodwill, and also customers’ interests and rights, Yuanta FHC continues to enhance the information security control mechanism, cultivate digital and information security talents, and respond to the challenges arising from the FinTech development adequately.

The cyber security protection measures include improvement of internal self-inspection, external voluntary detection, disaster response drills and management. Meanwhile, Yuanta FHC has actively implemented various automated detection and behavior check systems to control the real-time monitoring and blocking of external threats, access control of internal data, operations and segmentation of equipment, in order to prevent any illegal or malicious activities by the multiple separation and filtration mechanism, in order to respond to the cyber security risk threats and improve the entire information security defense abilities.

In response to the development of FinTech rapidly, information security has become an important risk management issue for the organization. In order to verify the emerging information security data and information security trends, Yuanta FHC and its main subsidiaries join the Financial Information Sharing and Analysis Center (F-ISAC) and participate in the Financial Security Operation Center (F-SOC) cross-border defense and sharing of information security incidents, in order to respond the risk threat and enhance the entire information security defense effectively.

Before implementing any emerging technological applications, Yuanta FHC and its main subsidiaries will assess the security of the aspects including framework review, compliance, data protection and access control, and technological applications, in response to the impact posed by changes in technologies (including cyber security risk) and industrial changes to Yuanta FHC’s business and finance.

(V) Impact of changes in the corporate identity of crisis management of the company and its subsidiaries, and corresponding countermeasures:

Yuanta FHC serves its corporate and individual customers under the banner of honesty and conducts all its business operations under the principles of “Security, Liquidity and Profitability”. Yuanta FHC has long enjoyed the trust and support of its customers, and also looks forward to upholding these ideals in serving its customers in the future, while building a good corporate image based on sound and stable management. Should there be unfounded reports about the financial status or other related operations of the Group that are likely to severely affect the Group’s corporate identity, Yuanta FHC will issue a press release or post important information on the website of the Market Observation Post System to clarify the situation and let the truth be known.

(VI) Expected benefit(s), possible risk(s) and response action(s) of merger and acquisitions:

1. Yuanta FHC pursues mergers and acquisitions as part of its overall growth strategy and ultimately for achieving the following four (4) goals:
 - (1) Leverage economies of scale;
 - (2) Create competitive barriers;
 - (3) Expand scope and territories of business;
 - (4) Upgrade the operating performance.
2. Associated risks are detailed below:
 - (1) Because asymmetric information, it might be difficult to control the real operating status of the merged and acquired prior to the merger & acquisition and to reflect the factors to the transaction price and thereby Yuanta FHC had to bear unexpected asset & liability risk;
 - (2) Given that the profitability of the merged and acquired is less than the expectation or certain adverse changes arise, the value of merger & acquisition is overestimated;
 - (3) The integration of enterprise culture and organizational framework results in loss of human resource and business and the declination or deferred production of merger & acquisition benefit;
 - (4) The overseas merger & acquisition projects shall bear the risk over the local economic and political changes and variance in the governing laws.

Yuanta FHC has strictly followed the standard operating procedures for the decision-making process of mergers and acquisitions (Yuanta FHC' Notes to and SOP for Merger & Acquisition). During the valuation process, consultants and lawyers are retained to conduct due diligence and the knowledge and expertise of the Group is enlisted to ensure careful evaluation before the merger & acquisition. Upon merger and acquisition, the Group would reduce the potential risk and loss related to the merger & acquisition through well-founded integration plans and thorough execution to have the merger & acquisition benefit exerted fully. Therefore, the Group's control over the risk related to merger & acquisition shall be considered adequate.

(VII) Risk and response action from concentrated operations:

Yuanta FHC and each of its subsidiaries cover a wide range of activities including securities, banking, insurance, futures, investment trust, venture capital, investment consulting, and asset management. With diversified operations, the concentration risk may lower constantly. Each subsidiary has established and revised large exposure limits on a yearly basis with board approval to appropriately diversify potential risk, which in compliance with relevant regulations and Yuanta FHC's risk management mechanism.

(VIII) Impact or risk associated with large transfers or changes in shareholdings by directors or major shareholders holding over 1%:

Yuanta FHC and each of its subsidiaries are run by professional managers, and have established a full set of regulations on the empowerment of managers as well as the scope of powers at each level of the managerial hierarchy to expressly define the division of labor and responsibilities. Therefore, there will be no significant impact on Yuanta FHC in the event of transfers or changes in shareholdings by a director or major shareholder holding a stake of more than 1%.

(IX) Effect and risk caused by the changes of the right to manage to the Company, and the countermeasures thereof:

Yuanta FHC and each of its subsidiaries are run by professional managers, and have established a full set of regulations on the empowerment of managers as well as the

scope of powers at each level of the managerial hierarchy to expressly define the division of labor and responsibilities. Therefore, there will be no significant impact on Yuanta FHC in the event of the changes of the right to manage.

(X) Litigation and non-litigation matters:

1. Material litigation, non-litigious or administrative court cases, adjudicated or pending, involving Yuanta FHC or its subsidiaries:

As of January 31, 2024

Unit: Dollar (NT\$/KRW/HK\$/US\$/THB)

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
Pentagon City claimed that Yuanta Savings Bank Korea Co., Ltd., a subsidiary of Yuanta Bank, violated the restriction on the threshold (10%) of shareholdings in unlisted companies under the Mutual Savings Bank Act (old) of the Republic of Korea and, therefore, filed the civil action claiming a refund of the unjustified enrichment (KRW 19,599,160 thousand) with respect to the capital reduction amount in excess of the 10% threshold received by Yuanta Savings Bank Korea Co., Ltd. from Pentagon City.	KRW 19,599,160 thousand	September 2018	Plaintiff: Pentagon City Defendant: Yuanta Savings Bank Korea Co., Ltd.	1. Yuanta Savings Bank Korea Co., Ltd. (formerly known as HanShin Bank) granted the loan to Pentagon City from 2006 to 2008 and exercised the pledge several times to acquire 33.3% of the shares in Pentagon City. Given the exceptional nature of the case, the restriction of the threshold (10%) of shareholdings in unlisted companies held by a savings bank under the Mutual Savings Bank Act (old version) of the Republic of Korea shall not apply. Besides this, the relevant regulations under said Mutual Savings Bank Act (old version) of the Republic of Korea served merely as a restriction on	Upon evaluation, no material effect would be produced to Yuanta Bank's operation or shareholders' equity.

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
				<p>certain actions, which would not render the relevant actions void. The related transactions shall still be held effective. Therefore, the claim raised by Pentagon City is groundless.</p> <p>2. The Seoul Central District Court rendered the judgment in favor of Yuanta Savings Bank Korea Co., Ltd. in the first instance on June 20, 2019. Pentagon City disagreed with the judgment and filed an appeal on July 8, 2019. The Seoul High Court dismissed the appeal on November 3, 2020. Yuanta Savings Bank Korea Co., Ltd. won the case in the second instance. Notwithstanding, Pentagon City, still disagreeing to the judgment of the second instance, filed an appeal for the third-instance trial on November 18, 2020. The case is still pending trial in the Korean Supreme Court.</p>	

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
7 Yuanta Futures' leverage transaction merchant customers, including Mr. Li, engaged in the leveraged trading. They attributed their losses to Yuanta Futures' increase in the margin and prohibition of the trading of ZAR products and initiated the civil action against Yuanta Futures to claim compensation.	NT\$36,843,042	March 31, 2022	Plaintiffs: 7 persons including the customer, Mr. Li Defendant: Yuanta Futures	1. The Taiwan Taipei District Court as the court of the first instance rendered the judgment in favor of Yuanta Futures on September 8, 2023. 2. The defendants filed an appeal, which is pending trial by the Taiwan High Court.	Upon evaluation, no material effect would be produced to Yuanta Futures' operation or shareholders' equity.
Due to the drastic market fluctuation on February 6, 2018, the risk indicator of the account of Mr. Li, a customer of Yuanta Futures, was below 25%. The account suffered excessive losses from the settlement. Yuanta Futures reported the customer's breach of contract. Notwithstanding, the customer has not yet repaid the debt. Therefore, a civil action was initiated.	NT\$42,435,140	July 13, 2018	Plaintiff: Yuanta Futures Defendants: Customer Mr. Li, and his agent, Mr. Kuo	1. The Taiwan Ciaotou District Court as the court of the first instance rendered the judgment in favor of Yuanta Futures on July 31, 2020. 2. Yuanta Futures and the defendant have reached the settlement in the second instance trial conducted by the Taiwan High Court, Kaohsiung Branch. The case was concluded on June 19, 2023 accordingly.	Upon evaluation, no material effect would be produced to Yuanta Futures' operation or shareholders' equity.
Anbang Group Holdings Co. Limited and Anbang Life Insurance Co., Ltd. (now known as Dajia Insurance Group Co., Ltd.) filed a counterclaim against Yuanta	About KRW 127,436 million	June 2017	Yuanta Securities (Korea) and the other four parties as respondents, and Anbang Group Holdings Co. Limited and Anbang Life Insurance Co.,	The arbitration tribunal rendered the arbitral award on August 24, 2020, holding that the five parties including Yuanta Securities (Korea) should pay Anbang Group Holdings	Upon evaluation, no material effect would be produced to Yuanta Securities (Korea)'s operation or shareholders' equity for the

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
<p>Securities (Korea) and the other four parties in an arbitration proceeding. A petition for recognition and enforcement of arbitral award was filed subsequently.</p>			<p>Ltd. (now known as Dajia Insurance Group Co., Ltd.) as the claimants, in the counterclaim filed in the arbitration proceeding.</p>	<p>Co. Limited and Anbang Life Insurance Co., Ltd. (now known as Dajia Insurance Group Co., Ltd.) KRW 166,600 million as the compensation, and the related expenses and interests. As a result, Anbang petitioned with the Seoul Central District Court for recognition and enforcement of the arbitral award. On December 17, 2021, Yuanta Securities (Korea) received the Court's judgment that recognized the arbitral award to allow Anbang to enforce its claims no greater than the amount of KRW 131,801 million plus interests accrued thereon. Notwithstanding, both Yuanta Securities (Korea) and Anbang have filed an appeal against the court's judgment. On May 26, 2023, Yuanta Securities (Korea) received the Seoul High Court's judgment that recognized the arbitral award to allow Anbang to enforce its claims for the amount of KRW 127,436 million, and arbitration costs amounting</p>	<p>time being.</p>

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
				to KRW 22,278 million plus interests accrued thereon. Yuanta Securities (Korea) has filed a re-appeal against said judgment. The actual amount of damages to be paid by Yuanta Securities (Korea) for this case might vary depending on the following legal proceedings.	
1,246 investors initiated the class action against Tong Yang Securities (now known as Yuanta Securities (Korea)) for the dispute over sales of financial products.	About KRW 113,007 million	July 2014	1,246 investors and Tong Yang Securities (now known as Yuanta Securities (Korea))	The original claim amounted to about KRW 492,565 million. The plaintiffs petitioned with the first-instance court to reduce the claim to KRW 113,516 million on November 16, 2022. The first-instance court dismissed the plaintiffs' claim on January 19, 2023. Notwithstanding, the plaintiffs were allowed to appeal the judgment, and appealed the judgment on February 9, 2023 with a claim amount of KRW 113,007 million. The court of the second instance dismissed the appeal filed by the Plaintiff on January 24, 2024. Notwithstanding, the Plaintiff has filed appeal the judgment on February 15, 2024.	Upon evaluation, no material effect would be produced to Yuanta Securities (Korea)'s operation or shareholders' equity for the time being.
Yuanta Securities	About HK\$135	June 2017	Yuanta	The court of the	Upon

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
(HK) raised a litigation proceeding against its account executive, claiming the guarantee liability owed by the account executive.	million		Securities (HK) and its former account executive	first instance rendered a summary judgment on February 22, 2021, holding that the account executive should take the full responsibility and the counterclaim brought by the account executive should be dismissed. Notwithstanding, the account executive has appointed an attorney-at-law to file an appeal with the High Court of the Hong Kong Special Administrative Region Court of Appeal.	evaluation, no material effect would be produced to Yuanta Securities (HK)'s operation or shareholders' equity.
The former employee of Yuanta Securities (Thailand) (formerly known as KK Trade Securities Co., Ltd.) was suspected of committing a fraud. The clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for defendants' joint liability to pay the compensation.	About THB 149 million	August 2017	Yuanta Securities (Thailand) and another person on the one side, and Plaintiff Mr. Amnaj ◯◯ and the other four (4) persons on the other side.	The court of the first instance rendered the judgment to dismiss all of the plaintiffs' claims on October 8, 2020. Notwithstanding, both defendants and the plaintiffs filed an appeal to the judgment. The court of the second instance dismissed all of the plaintiffs' claims on April 7, 2022. The plaintiffs filed an appeal for the third-instance trial, and reduced the claim amount from THB 301 million to THB 149 million.	Upon evaluation, no material effect would be produced to Yuanta Securities (Thailand)'s operation or shareholders' equity.
Seventy-Day Adventist Church Taiwan Conference and Taiwan Adventist	NT\$722,378,466	January 2018	Yuanta Securities and the other person as the defendants and	The plaintiffs initiated a mediation procedure on January 9, 2018	Upon evaluation, no material effect would be produced to

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
Hospital claimed the damages against two (2) persons including Yuanta Securities regarding the dispute over the purchase and sale contract of land and parking lots.			Seventy-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital as the plaintiffs.	and expanded the claim amount to NT\$952,511,840 (of which NT\$950,861,840 was claimed on a jointly liable basis) on January 17, 2018. The Taiwan Taipei District Court held that the mediation failed. The plaintiffs then initiated a separate action for the same case on July 11, 2018 with the same claim amount. Taiwan Taipei District Court dismissed all of the plaintiffs' claims (i.e., the two defendants, including Yuanta Securities, won the litigation) on January 27, 2022. The plaintiffs, Seventy-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital, subsequently filed an appeal and claimed NT\$512,454,465 and NT\$209,924,001, respectively, reducing the total claim amount to NT\$722,378,466. Yuanta Securities is responding to the appeal pursuant to laws.	Yuanta Securities' operation or shareholders' equity.

(XI) Other significant risks and response actions:

Yuanta FHC annually evaluates the internal and external risk it may face when operating finance-related businesses, and submits a report and a response plan to the Board of Directors. The internal and external risk factors include changes in the macroeconomy, changes in the financial market, changes in financial management laws and regulations, and changes in market transaction practices. Based on the assessment

result, there were two major risk issues this year (2024), namely “Geopolitical Risk” and “Political and Economic Risks in China and Hong Kong,” listed as follows:

Risk factor	Possibility	Degree of influence	Cause	Response measure
Geopolitical risk	High	High	<p>The raging Israel– Hamas conflict, coupled with the ongoing Russia– Ukraine War, and the geopolitical situation that caused the global energy price to stay high and also pressure to the supply chain all posed some impact on the raw materials & supplies market. Affected by the wars, the costs of agricultural activities and shipping activities keep increasing and thereby cause the inflation problem already existing in Europe and the United States to worsen. According to the IMF and Wall Street, the Israel– Hamas conflict has posed some impact to the economy. If the conflict expands and becomes a war in Middle East, coupled with the Russia– Ukraine war, the future will be “quite scary and unpredictable.”</p> <p>The Israel– Hamas conflict, Russia– Ukraine war, deterioration of US– China relations, and threat from North Korea’s nuclear and missile launch might put the international political and economic situation in danger. Since 2023, the Geopolitical Risk Index (GPR) has hit the second high in the past decade, only lower than that when the Russia– Ukraine war broke out last year. The humanitarian crisis resulting from the war, post-war recovery, and inflationary pressures from soaring energy and food price all place a huge burden on the economy.</p>	<p>In addition to setting the country risk and industry risk limits, Yuanta FHC and its subsidiaries also observe the geopolitical changes regularly and implement the monitoring on sovereign bond CDS discounts, ratings changes and market information, in order to control the impact posed by the geopolitics to a country or industry in a timely manner.</p>
Political and economic risks in Mainland China and Hong Kong	High	High	<p>IMF recently adjusted its forecast for China’s economic growth in 2023 upward from 5.0% to 5.4%, primarily due to better-than-expected economic data in Q3 of this year and Beijing’s economic stimulus measures. Notwithstanding, due to the weakening real estate industry and external demand, IMF expects that the economic growth of China might slow down by 4.6% this year (2024), and also indicates that China’s financial risks are on the rise, due to the low capital buffer of financial institutions and increasing risk over the asset quality.</p> <p>According to the latest report by S&P Global Ratings, China’s real estate sales are expected to drop by 25% and become RMB10 trillion this year from last year, in the context of the downward scenario, such as few construction projects, high inventory in low-county-level cities, and enhanced capital supervision. This might cause China’s economic growth rate to decline until less than 3% in 2024, and a domino effect to the financial and political problems of China’s financial system and local governments. Recently, the contents of real</p>	<p>The exposures of Yuanta FHC and its subsidiaries in China and Hong Kong are declining. In addition to establishing the industry and national grading standards and setting the concentration limits, Yuanta FHC continues to improve its monitoring and follow-up on the impacts posed on China and related industries by China’s political and economic risks, corporate bond crisis, real estate industry’s downward trend and development of the US-China relations.</p>

Risk factor	Possibility	Degree of influence	Cause	Response measure
			<p>estate management was mentioned by the Central Financial Work Conference for the first time. As nearly 40% of bank loans in China are related to real estate, the problems such as non-performing loan ratio and developers' debt crisis cause the systemic real estate risks that might pose some impact to the financial security.</p> <p>According to data from the State Administration of Foreign Exchange, China's foreign direct investment (FDI) declined by US\$11.8 billion in Q3 of last year, due to the intensifying semi-conductor technology tension between China and the US and China's sluggish economic growth. As a result, the FDI became a negative number for the first time. Apparently, China has faced a huge challenge in attracting foreign investment since the Western governments adopted the "de-risk" policy against it.</p>	

VII. Crisis Management and Emergency Response

In order to enable Yuanta FHC to judge the related scenario and integration of personnel organization and resources to deal with related harm effectively and rapidly when facing any crisis, so as to mitigate the damage and loss arising from the crisis and recover the organization's normal operation rapidly, Yuanta FHC has established the "policy and procedural rules for crisis management" as the ultimate guideline upon outbreak of any crisis, which shall be enforced upon approval of the Board of Directors.

Upon outbreak of any crisis, Yuanta FHC shall form a crisis response taskforce as soon as is possible. The Chairman shall serve as the taskforce's convener, and appoint the Vice Chairman or President as the vice convener. Meanwhile, subject to the level and nature of the incident, the taskforce shall consist of, at least, various executive vice presidents, spokesman, Auditing Dept., Risk Management Dept., Compliance Affairs Dept., Legal Affairs Dept., Corporate Planning Dept., related departments' supervisors or heads, and other related personnel, which shall engage in analyzing and evaluating proposed response measures, keeping abreast of the latest developments, or proposing or submitting revised response plans to meet actual needs. In line with the policy and procedural rules, each subsidiary has also established a set of disaster emergency response measures for effective management.

VIII. Other Significant Events: No

Eight. Special Items

I. Information on Affiliates

(I) Consolidated business reports of affiliated enterprises

1. Organizational chart of affiliates: See page 22.

(1) Basic information on affiliates

Units: \$1,000 (including TWD, USD, HKD, CNY, KRW, PHP, IDR, THB, VND)
As of January 31, 2024

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta Securities Co., Ltd. ^{Note 1}	1996.06.26	11F., No. 219, Sec. 3, Nanjing E. Rd., Taipei City	65,924,526	See Yuanta Securities business scope in "Five. Overview of Operations".
Yuanta Commercial Bank Co., Ltd.	1992.01.14	1F.-10F. & 13F., No. 66 and 1F., 2F., 2F.-1, 7F. and 9F., No. 68, Sec. 1, Dunhua S. Rd., Taipei City	73,940,390	See Yuanta Bank business scope in "Five. Overview of Operations".
Yuanta Life Insurance Co., Ltd.	2002.03.21	17F., No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City	23,735,695	See Yuanta Life business scope in "Five. Overview of Operations".
Yuanta Securities Investment Trust Co., Ltd.	1992.08.14	18F., No. 69, and B1F., No. 67, Sec. 2, Dunhua S. Rd., Da an Dist., Taipei City	2,269,235	See Yuanta Securities Investment Trust business scope in "Five. Overview of Operations".
Yuanta Futures Co., Ltd. ^{Note 2}	1997.04.09	2F. (part) -5F., No. 77, Sec. 2, Nanjing E. Rd., Taipei City	2,899,763	See Yuanta Futures business scope in "Five. Overview of Operations".
Yuanta Venture Capital Co., Ltd.	2002.12.13	10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City	2,715,221	See Yuanta Venture Capital business scope in "Five. Overview of Operations".
Yuanta Asset Management Co., Ltd.	2003.04.16	13F., No. 77, Sec. 2, Nanjing E. Rd., Taipei City	3,346,138	See Yuanta Asset Management business scope in "Five. Overview of Operations".
Yuanta Securities Investment Consulting Co., Ltd.	1988.02.11	10F., No. 65 & 10F., No. 71, Sec. 2, Dunhua S. Rd., Taipei City	100,000	See Yuanta Securities Investment Consulting business scope in "Five. Overview of Operations".
Yuanta Securities Asia Financial Services Pte. Ltd.	1996.06.11	7 Temasek Boulevard, #32-01, Suntec Tower 1, Singapore 038987	USD 390,909	Investment holdings
Yuanta International Insurance Brokers Co., Ltd.	2001.07.05	2F., No. 79, Sec. 2, Nanjing E. Rd., Taipei City	5,000	Insurance broker
Yuanta Securities Finance Co., Ltd.	1980.03.10	12F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City	4,000,000	Securities finance services

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta International Leasing Co., Ltd.	2012.11.15	6F-1, No. 171, Sec. 4, Nanjing E. Rd., Taipei City	100,000	Leasing services
Yuanta Savings Bank Philippines, Inc.	1997.11.05	Ground Floor, Chatham House Building, 116 Valero corner Rufino Streets, Salcedo Village, Makati City, Philippines	PHP 2,400,000	Deposit, loan, and foreign exchange
Yuanta Savings Bank Korea Co., Ltd.	1988.06.20	542, Gangnam-daero, Gangnam-gu, Seoul, Korea	KRW 67,580,120	Deposit and loan
Yuanta Futures (Hong Kong) Co., Ltd.	2010.12.02	23F., Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong	USD 34,000	Securities exchange, futures contract trading, advice on securities, advice on futures contract, asset management
SYF Information Co., Ltd.	2012.11.09	2F., No. 895, Sec. 4, Bade Rd., Nangang Dist., Taipei City	350,000	IT management, IT software service, IT software wholesale & retail
Yuanta I Venture Capital Co., Ltd.	2002.12.19	10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City	850,000	Venture capital services
Yuanta Securities (Hong Kong) Co., Ltd.	1992.10.22	23F., Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong	HKD 2,268,133	Securities exchange, futures contract trading, advice on securities, advice on futures contract, advice on corporate finance, asset management
Yuanta Asia Investment (Hong Kong) Limited	1993.07.08	23F., Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong	HKD 293,892	Securities exchange, asset management
Yuanta Hong Kong Holdings (Cayman) Limited	1996.11.05	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	USD 74	Investment holdings
Yuanta Investment Consulting (Beijing) Co., Ltd.	2013.06.17	Rm. 0706, No. 113, Zhichun Str., Haidien District, Beijing 100080, P. R. China	CNY 18,428	Investment management consulting, financial consultation, business management consultation, commercial information consultation, economic and trading consultation, merchandising, technical promotion, technical service
Yuanta Securities (Korea) Co., Ltd.	1962.06.04	Yuanta Securities Bldg. #76, Euljiro, Jung-gu, Seoul, Korea	KRW 1,062,543,940	Investment trading business, investment intermediary business, trust business, investment consulting business, discretionary business, concurrent business and subsidiary business, etc.

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta Securities (Thailand)	1998.10.27	127 Gaysorn Tower, 14th-16th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330	THB 4,500,000	Securities brokerage and proprietary trading, underwriting, investment advisor, mutual fund management, private fund management, securities borrowing/lending, venture capital fund management, financial derivatives brokerage and proprietary trading, etc.
Yuanta Securities Vietnam Limited Company	1999.12.28	4th Floor, Saigon Centre Building, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	VND 2,500,000,000	Brokerage, proprietary trading, underwriting, securities investment consulting business, and financial derivatives
GC Investment Consultant (Shanghai) (in liquidation)	2001.09.10	Suite A & B, 12F., No. 138, Putong Avenue, Putong New District, Shanghai City	CNY 4,138	Investment advisory services
Yuanta Finance (Hong Kong) Ltd.	2014.12.31	23F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, HK	HKD 50,000	Credit loan business
Yuanta International Investment (Hong Kong) Ltd.	2015.01.12	23F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, HK	HKD 50,000	Offering of financial instruments, proprietary trading
PT Yuanta Sekuritas Indonesia	1989.11.22	Equity Tower 10th Floor, Unit EFGH, SCBD Lot 9, Jl. Jendral Sudirman Kav 52-53 Jakarta 12190, Indonesia	IDR 478,816,000	Securities exchange, underwriting
Yuanta Investment Co., Ltd.	1989.04.22	12F, Yuanta Securities Bldg #76 Euljiro, Jung-gu, Seoul, Korea	KRW 32,003,805	Investment business
Yuanta Financial (Hong Kong) Ltd.	2009.04.29	Suite 22D, 24/F., Block D, Mai Luen Industrial Bldg., Kwai Chung, Hong Kong	HKD 189,540	Investment holdings
Yuanta Securities (Cambodia) Plc.	2010.02.24	4th Floor, Emerald Building, No. 64 (corner St. 178), Preah Norodom Blvd, Sangkat Chey Chumneah, Khan Daun Penh, Phnom Penh, Cambodia	USD 12,500	Guidance to underwriting, financial consulting, securities brokerage and proprietary trading, investment advisor

Note 1 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 2 : Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 3 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024.

(2) Information on shareholders presumed to have a controlling and dependent relationship: None.

(3) Information on business scope of the company's affiliates and division of labor

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
Yuanta Securities Co., Ltd. <small>Note 1</small>	Securities services	Yes	<ol style="list-style-type: none"> 1. Yuanta Bank and Yuanta Securities have established an integrated cross-marketing relationship. 2. Yuanta Futures is appointed by Yuanta Securities to act the futures introducing broker of Yuanta Securities. 3. Yuanta Securities is appointed by Yuanta Futures to act as the securities introducing broker for Yuanta Futures. 4. Yuanta Securities sells mutual funds issued by Yuanta Securities Investment Trust. 5. Yuanta Securities sells insurance products of Yuanta International Insurance Brokers. 6. Yuanta Securities Investment Consulting provides research analysis reports and consulting services to Yuanta Securities. 7. Yuanta Securities Finance provides refinancing services for Yuanta Securities.
Yuanta Commercial Bank Co., Ltd.	Commercial Bank	Yes	<ol style="list-style-type: none"> 1. Yuanta Bank and Yuanta Securities cooperate with Taiwan Stocks/Re-entrustment/Wealth Management Trust/Accounting and other securities fund transfer operations and the establishment and management of securities receipt and payment offices. 2. Yuanta Bank sells mutual funds issued by Yuanta Securities Investment Trust. 3. Yuanta Bank sells domestic structured products issued by Yuanta Securities. 4. Yuanta Life insurance products is sold by Yuanta Bank as an agent. 5. Yuanta Bank serves as the custodian of Yuanta Life insurance business.
Yuanta Life Insurance Co., Ltd.	Insurance Services	Yes	<ol style="list-style-type: none"> 1. Yuanta Life insurance business is solicited by Yuanta Bank. 2. Yuanta Life insurance business is solicited by Yuanta International Insurance Brokers. 3. Yuanta Securities handles the domestic stock trading for Yuanta Life. 4. Yuanta Securities (HK) handles Foreign stock trading for Yuanta Life. 5. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta FHC. 6. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities. 7. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Bank. 8. Yuanta Life refers to the insurance company engaged in providing group insurance

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
			<p>products and group annuity products for Yuanta Securities Finance.</p> <p>9. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities Investment Trust.</p> <p>10. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities Investment Consulting.</p> <p>11. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Futures.</p> <p>12. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Venture Capital.</p> <p>13. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Asset Management.</p> <p>14. Yuanta Life refers to the insurance company engaged in providing group insurance products for Yuanta International Insurance Brokers.</p>
Yuanta Securities Investment Trust Co., Ltd.	Securities investment trust services	Yes	<p>1. Yuanta Securities is the fund sales agent and securities firm of fund transactions and fund trader for Yuanta Securities Investment Trust.</p> <p>2. Yuanta Bank is the fund sales agent and fund trader for Yuanta Securities Investment Trust.</p> <p>3. Yuanta Futures is the fund exchange futures firm and futures trust fund sales agent for Yuanta Securities Investment Trust.</p> <p>4. Yuanta Securities Investment Consulting provides research analysis reports and consulting services to Yuanta Securities Investment Trust.</p> <p>5. Yuanta Life provides the policyholders with fund & wealth management services for Yuanta Securities Investment Trust.</p>
Yuanta Futures Co., Ltd. ^{Note 2}	Futures services	Yes	<p>1. Yuanta Futures is appointed by Yuanta Securities to act the futures introducing broker of Yuanta Securities.</p> <p>2. Yuanta Securities is appointed by Yuanta Futures to act as the securities introducing broker for Yuanta Futures.</p> <p>3. Yuanta Futures sells futures trust funds issued by Yuanta Securities Investment Trust.</p>
Yuanta Venture Capital Co., Ltd.	Venture capital services	Yes	<p>Yuanta Venture Capital is a subsidiary wholly owned by Yuanta FHC, which is develop, evaluate, invest and dispose of investment cases.</p>

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
Yuanta Asset Management Co., Ltd.	Financial services	None	None
Yuanta Securities Investment Consulting Co., Ltd.	Securities investment consulting services	Yes	Yuanta Securities Investment Consulting provides securities investment research and analysis reports and information services to Yuanta Securities et al.
Yuanta Securities Asia Financial Services Pte. Ltd.	Holdings	Yes	Yuanta Securities invested in Yuanta Securities Asia Financial Services in order to expand overseas operations and establish overseas branches.
Yuanta International Insurance Brokers Co., Ltd.	Insurance broker services Property insurance broker services	Yes	<ol style="list-style-type: none"> Yuanta Securities is an insurance services sales channel for Yuanta International Insurance Brokers. Yuanta International Insurance Brokers helps sell the insurance products of Yuanta Life. Yuanta Life refers to the insurance company engaged in providing group insurance products for Yuanta International Insurance Brokers.
Yuanta Securities Finance Co., Ltd.	Securities finance services	Yes	<ol style="list-style-type: none"> Yuanta Securities provides refinancing services for Yuanta Securities Finance. Yuanta Securities Investment Consulting provides securities investment research and analysis reports and information services to Yuanta Securities Finance.
Yuanta International Leasing Co., Ltd.	Leasing services	None	None
Yuanta Savings Bank Philippines, Inc.	Banking services	None	None
Yuanta Savings Bank Korea Co., Ltd.	Banking services	None	None
Yuanta Futures (Hong Kong) Co., Ltd.	Financial services	Yes	Futures contract trading, futures contract consultation
SYF Information Co., Ltd.	Computer & IT management	None	None
Yuanta I Venture Capital Co., Ltd.	Venture capital services	Yes	Yuanta I Venture Capital was established by Yuanta Venture Capital to handle development, assessment, investment, and disposal matters in relation to invested projects and wholly owned by Yuanta Venture Capital.
Yuanta Securities (Hong Kong) Co., Ltd.	Securities services	Yes	<ol style="list-style-type: none"> Yuanta Securities handles domestic stock trading for Yuanta Securities (HK). Yuanta Securities (HK) is the Group's securities firm in Hong Kong.

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
Yuanta Asia Investment (Hong Kong) Limited	Securities services	None	None
Yuanta Hong Kong Holdings (Cayman) Limited	Holdings	Yes	To develop its international business, invested in Yuanta HK Holdings (Cayman) to execute its overseas investments.
Yuanta Investment Consulting (Beijing) Co., Ltd.	Investment advisory services	None	None
Yuanta Securities (Korea) Co., Ltd.	Securities services	Yes	1. Yuanta Securities (Korea) is the Group's securities firm engaged in trading securities in Korea. 2. Yuanta Securities handles domestic stock trading for Yuanta Securities (Korea).
Yuanta Securities (Thailand)	Securities services	Yes	Yuanta Securities (Thailand) is the securities firm appointed by the Yuanta Securities (HK).
Yuanta Securities Vietnam Limited Company	Securities services	None	None
GC Investment Consultant (Shanghai) (in liquidation)	Investment advisory services	None	None
Yuanta Finance (Hong Kong) Ltd.	Financial services	None	None
Yuanta International Investment (Hong Kong) Ltd.	Financial services	None	None
PT Yuanta Sekuritas Indonesia	Securities exchange Underwriting	Yes	1. PT Yuanta Sekuritas Indonesia is the securities firm appointed by the Yuanta Securities Investment Trust. 2. PT Yuanta Sekuritas Indonesia is the securities firm appointed by the Yuanta Securities (HK).
Yuanta Investment Co., Ltd.	Venture capital services	None	None
Yuanta Financial (Hong Kong) Ltd.	Holdings	None	None
Yuanta Securities (Cambodia) Plc.	Securities services	None	None

Note 1 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 2 : Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 3 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024.

(4) Information on directors, supervisors and presidents of the company's affiliates

Units: 1,000 shares; %
As of January 31, 2024

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))					
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)				
Yuanta Securities Note 1		Representative of Yuanta Financial Holding Co., Ltd.:	6,592,453	100%	-	-				
	Chairman	Hsiu Wei Chen (Vincent)								
	Vice Chairman	Wei Cherng Hwang (Bobby)								
	Director	Yi Ming Wang								
	Director	Ting Chien Shen (Tony)								
	Director	Victor Ma								
	Director	Tien Fu Lin								
	Director	Yueh Tsang Lee								
	Director	Hsien Tao Chiu								
	Director	Rui Chen Ma								
	Director	Ming Hong Ho								
	Director	Pin Cheng Chen								
	Independent Director	Ching Shan Hung					-	-	-	-
	Independent Director	Yu Chun Wu					-	-	-	-
	Independent Director	Hsing Yi Chow					-	-	-	-
Independent Director	An Pin Chen	-	-	-	-					
Independent Director	Chung Chuan Wu	-	-	-	-					
Independent Director	Ya Li Sun	-	-	-	-					
Independent Director	Biing Shen Kuo	-	-	-	-					
President	Yi Ming Wang	-	-	-	-					
Yuanta Commercial Bank Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	7,394,039	100%	-	-				
	Chairman	Ming Hsiu Tsai								
	Vice Chairman	Hsiao Ling Chou								
	Director	Tsai Yu Chang								
	Director	Chien Weng								
	Director	Michael Ma								
	Director	Chung Yuan Chen								
	Director	Yu Feng Ko								
	Director	Daniel Y.M. Song								
	Director	Kuo Yuan Liang								
	Director	Da Jing Li								
	Director	Wen Ching Chiu								
	Director	Yann Deun Deng								
	Independent Director	Ming Ling Hsueh					-	-	-	-
	Independent Director	Ching Shan Hung					-	-	-	-
Independent Director	Kuang Si Shiu	-	-	-	-					
Independent Director	Chuan Li Chang	-	-	-	-					
Independent Director	Chin Ting Pan	-	-	-	-					
Independent Director	Chi Chun Liu	-	-	-	-					
President	Tsai Yu Chang	-	-	-	-					

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)
Yuanta Life Insurance Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	2,373,570	100%	-	-
	Chairman	Chao Kuo Chiang				
	Director	Hsiao Chih Yuan				
	Director	Victor Ma				
	Director	Michael Ma				
	Director	Daniel Y.M. Song				
	Director	Chieh Wu				
	Director	Hsuan Min Kuo				
	Director	Ming Lang Liu				
	Independent Director	Chi Chun Liu	-	-	-	-
	Independent Director	Chung Chuan Wu	-	-	-	-
Yuanta Securities Investment Trust Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	169,538	74.71%	-	-
	Chairman	Tsung Sheng Liu			3	0%
	Vice Chairman	Ting Hsien Huang			0	0%
	Director	Pei Yu Chen			0	0%
	Director	Chien Wen Chen			0	0%
	Director	Da Jing Li			0	0%
	Supervisor	Kun Hong Lai			0	0%
Yuanta Futures Co., Ltd. Note 2		Representative of Yuanta Financial Holding Co., Ltd.:	192,167	66.27%	-	-
	Chairman	Tien Fu Lin			87	0.03%
	Vice Chairman	Pin Cheng Chen			0	0%
	Director	Guo Cun Hsu			0	0%
	Director	Mei Ling Kuo			0	0%
Director	Wei Chen Chang			0	0%	
Director	Wen Ching Chiu			0	0%	
Independent Director	Yu Chun Wu			-	-	
Independent Director	Huei Er Yuan			-	-	
Independent Director	An Pin Chen			-	-	
President	Guo Cun Hsu			0	0%	

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)
Yuanta Venture Capital Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	271,522	100%	-	-
	Chairman	Chi Chang Chen				
	Vice Chairman	Yann Deun Deng				
	Director	Hsiao Ling Chou				
	Director	Chieh Wu				
	Director	Chun Hao Peng				
	Supervisor	Yung Chu Su				
	President	Chun Hao Peng			-	-
Yuanta Asset Management Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	334,614	100%	-	-
	Chairman	Daniel Y.M. Song				
	Vice Chairman	Chien Yu Chou				
	Director	Li Jen Lin				
	Supervisor	Robert C.S. Yang				
	President	Li Jen Lin	-	-	-	-
Yuanta Securities Investment Consulting Co., Ltd.		Representative of Yuanta Financial Holding Co., Ltd.:	10,000	100%	-	-
	Chairman	Jui Han Hu				
	Vice Chairman	Chieh Wu				
	Director	Chien Hung Lai				
	Director	Fu Jung Tu				
	Supervisor	Yi Ju Wei				
	President	Chien Hung Lai	-	-	-	-
Yuanta Securities Asia Financial Services Pte. Ltd.	Chairman	Tien Yi Huang	-	-	-	-
	Director	Pei San Chen				
	Director	Hsiu Wei Chen (Vincent)				
	Director	Wei Cherng Hwang (Bobby)				
	Director	Ai Khim Tay				
	President	Pei San Chen	-	-	-	-
Yuanta International Insurance Brokers Co., Ltd.		Representative of Yuanta Securities Co., Ltd.:	500	100%	-	-
	Chairman	Shih Ya Chang				
	Director	Lieh-hsiung Chen				
	Director	Pao Hui Hsu				
	Supervisor	Hui-Jung Lu				
	President	Shih Ya Chang	-	-	-	-
Yuanta Securities Finance Co., Ltd.		Representative of Yuanta Securities Co., Ltd.:	400,000	100%	-	-
	Chairman	Shao Sing Gong				
	Director	Fang Ming Lo				
	Director	Li Hua Yang				
	Director	Ming Lang Liu				
	Director	Mei Ling Kuo				
	Supervisor	Hsu Shu Mai				
	Supervisor	Shih Chiang Li				
	President	Li Hua Yang	-	-	-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))		
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)	
Yuanta International Leasing Co., Ltd.		Representative of Yuanta Commercial Bank Co., Ltd.:	10,000	100%	-	-	
	Chairman	Hui Kuo Chien					
	Director	Hui Ying Lin					
	Director	Pei Wen Yang					
	Supervisor	Wei Ning Chang					
	President	Pei Wen Yang	-	-	-	-	
Yuanta Savings Bank Philippines, Inc.	Chairman	Allen Wu	-	-	-	-	
	Director	Regina V. Saga					
	Independent Director	ARTURO E. MANUEL, JR.	-	-	-	-	
	Independent Director	CELIA MOJICA ESCAREAL-SANDEJAS	-	-	-	-	
	Independent Director	SENEN L. MATOTO	-	-	-	-	
	President	Regina V. Saga	-	-	-	-	
Yuanta Savings Bank Korea Co., Ltd.	Chairman of Board	Tsai Yu Chang	-	-	-	-	
	Representative director	JUNG, YOUNG-SEOK	-	-	-	-	
	External director	PARK, CHANG-GYUN	-	-	-	-	
	External director	LEE, SANG-WOO	-	-	-	-	
	External director	NAM, JAI-HYUN	-	-	-	-	
		President	JUNG, YOUNG-SEOK	-	-	-	-
Yuanta Futures (Hong Kong) Co., Ltd.	Director	Chun Hsing Jen	-	-	-	-	
	Director	Chun Hao Chang					
	Director	Ching Yi Chang					
		President	Chun Hsing Jen	-	-	-	-
		Chief Operating Officer (COO)	Fu Chi Hsieh				
SYF Information Co., Ltd.		Representative of Yuanta Futures Co., Ltd.:	35,000	100%	-	-	
	Chairman	Ching Jen Chen					
	Director	Ching Yi Chang					
	Director	Hsin Hsien Li					
	Supervisor	Chien Wan Lai					
Yuanta I Venture Capital Co., Ltd.		Representative of Yuanta Venture Capital Co., Ltd.:	85,000	100%	-	-	
	Chairman	Chi Chang Chen					
	Vice Chairman	Yann Deun Deng					
	Director	Hsiao Ling Chou					
	Director	Chieh Wu					
	Director	Chun Hao Peng					
	Supervisor	Yung Chu Su					
	President	Chun Hao Peng	-	-	-	-	
Yuanta Securities (Hong Kong) Co., Ltd.	Director	Yi Ming Wang	-	-	-	-	
	Director	Miao Ju Chen					
	Director	Tsung Hsien Wen					
	Director	Wei Cherng Hwang (Bobby)					
	Director	Yung Chu Su					
	Director	Pei San Chen					
	Director	Shih Chiang Li					
	Director	Hui-Jung Lu					
		CEO	Miao Ju Chen	-	-	-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)
Yuanta Asia Investment (Hong Kong) Limited	Director	Yi Ming Wang	-	-	-	-
	Director	Miao Ju Chen				
	Director	Hsiao Tsui Yu				
	Director	Wei Cherng Hwang (Bobby)				
	Director	Shih Chiang Li				
	Director	Chun Hao Peng				
	Director	Yung Chu Su				
	President	Hsiao Tsui Yu	-	-	-	-
Yuanta Hong Kong Holdings (Cayman) Limited	Director	Yi Ming Wang	-	-	-	-
Yuanta Investment Consulting (Beijing) Co., Ltd.	Executive Director	Ching Wang	-	-	-	-
	Supervisor	Ming Jen Ku				
	CEO	Ching Wang	-	-	-	-
Yuanta Securities (Korea) Co., Ltd.	Director	Ming Cheng Kuo (Frank)	-	-	-	-
	Non-executive Director	Wei Cherng Hwang (Bobby)			79	0.04%
	Independent Director	Seung Hoon LEE	-	-	-	-
	Independent Director	Jung Jin LEE	-	-	-	-
	Independent Director	Joon CHAE	-	-	-	-
	CEO	Ming Cheng Kuo (Frank)	-	-	-	-
Yuanta Securities (Thailand)	Director	Kiattisak Sirirattanakit	-	-	-	-
	Director	Tien Yi Huang				
	Director	Pei San Chen				
	Director	Ai Khim Tay				
	Director	Wei Cherng Hwang (Bobby)				
	Director	Chao Ching Wang				
	Director	Boonporn Boriboonsongsilp				
	Director	Wei Ching Chien				
	Director	I Wen Lai			0.001	0.00000022%
	CEO	Boonporn Boriboonsongsilp	-	-	-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)
Yuanta Securities Vietnam Limited Company	Chairman	Jen Kai Chao	-	-	-	-
	Authorized representative	Ooi Thean Yat Ronald Anthony				
	Authorized representative	Pei San Chen				
	Authorized representative	Feng Hsiang Kuo				
	Authorized representative	Wei Ching Chien				
	Authorized representative	Jen Kai Chao				
	Authorized representative	Wei Cherng Hwang (Bobby)				
	Authorized representative	Yi Ming Wang				
	Authorized representative	Nguyen Thanh Tung				
	Controller	Ong Cheow Kheng				
Controller	Tran Cong Quyen					
	CEO	Nguyen Thanh Tung	-	-	-	-
Yuanta Finance (Hong Kong) Ltd.	Director	Miao Ju Chen	-	-	-	-
	Director	Tsung Hsien Wen				
	Director	Kuei Ling Pan				
	CEO	Tsung Hsien Wen	-	-	-	-
Yuanta International Investment (Hong Kong) Ltd.	Director	Miao Ju Chen	-	-	-	-
	Director	Wu Kuang Yang				
	Director	Chin Huang				
PT Yuanta Sekuritas Indonesia	President	Surya Widjaja	-	-	4	1%
	Director	Luki Suryanto				
	Director	Helda Gunawan				
	Director	Setiawan Darmawidjaja				
	Commissioner	Tien Yi Huang				
	Independent Commissioner	Mohamad Fiscana, Se, Mh				
	Commissioner	Tung Tai Yu				
	CEO	Surya Widjaja	-	-	4	1%
	President Director	Surya Widjaja	-	-	4	1%

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio (%)	Shares (1,000)	Shareholding ratio (%)
Yuanta Investment Co., Ltd.	Director	Ki Suk YANG	-	-	-	-
	Director	Dong Bin Yang				
	Director	Joon Hyuk Choi				
	Supervisor	In sik CHO	-	-	-	-
	CEO	Ki Suk YANG	-	-	-	-
Yuanta Financial (Hong Kong) Ltd.	Director	Sang Eun LEE	-	-	-	-
Yuanta Securities (Cambodia) Plc.	Director	Kyung Tae HAN	-	-	-	-
	Director	Yeo Cheol Yoon				
	Director	Guen Woo LEE				
	Director	Sim Dara				
	CEO	Kyung Tae HAN	-	-	-	-
GC Investment Consultant (Shanghai) (in liquidation)	Executive Director	Yi Ming Wang	-	-	-	-
	Supervisor	Yu Ling Chu	-	-	-	-

Note 1 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 2 : Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 3 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024

(5) Operating profile of affiliated companies

Unit: NT\$1,000
As of December 31, 2023

Company name	Capital	Total Assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Current Profit and Losses (After-tax)	EPS (NT\$) (After-tax)
Yuanta Securities	65,924,526	498,423,232	354,425,741	143,997,491	35,348,362	9,914,888	13,793,474	2.09
Yuanta Bank	73,940,390	1,834,464,451	1,707,645,121	126,819,330	23,182,144 (Note 1)	10,743,834 (Note 1)	8,657,463	1.17
Yuanta Life	23,735,695	433,372,854	404,027,439	29,345,415	48,162,744	1,619,508	2,018,960	0.85
Yuanta Securities Investment Trust	2,269,235	7,659,524	1,493,516	6,166,008	5,189,183	3,090,983	2,547,106	11.22
Yuanta Futures	2,899,763	110,060,069	95,547,360	14,512,709	3,374,548	(319,529)	1,852,719	6.39
Yuanta Venture Capital	2,715,221	3,281,118	179,916	3,101,202	477,164	352,796	361,007	1.33
Yuanta Asset Management	3,346,138	4,186,698	138,991	4,047,707	416,506	166,689	147,022	0.44
Yuanta Securities Investment Consulting	100,000	301,856	158,559	143,297	242,029	2,280	3,981	0.40
Yuanta I Venture Capital	850,000	1,032,016	13,146	1,018,870	130,240	129,777	122,740	1.44
Yuanta International Leasing	100,000	104,949	148	104,801	214	(268)	209	0.02
Yuanta Savings Bank (Korea)	1,602,663	16,397,303	12,672,706	3,724,597	430,096 (Note 1)	50,478 (Note 1)	49,796	3.68
Yuanta Savings Bank (Philippines)	1,331,760	1,386,874	290,935	1,095,939	64,242 (Note 1)	(24,087) (Note 1)	(27,773)	(0.01)
Yuanta Futures (HK)	1,044,861	4,440,717	3,446,247	994,470	84,141	(76,777)	68,552	2.02
SYF Information	350,000	294,113	775	293,338	-	(344)	2,181	0.06
Yuanta Global (Singapore) Note 4	-	6,581	12,309	(5,728)	-	(5,550)	(5,550)	-
Yuanta Securities Asia Financial Services	12,014,592	44,361,874	73,490	44,288,384	(14,076)	(179,679)	1,934,297	4.95
Yuanta International Insurance Brokers	5,000	237,903	60,405	177,498	524,807	207,597	167,008	334.02
Yuanta Securities Finance	4,000,000	57,602,595	40,763,468	16,839,127	1,157,760	315,424	690,353	1.73
Yuanta Wealth Management (Singapore) Note 3	-	1	3,160	(3,159)	(48)	(474)	(474)	-
Yuanta Securities (HK)	8,922,607	34,824,322	26,016,355	8,807,967	1,872,342	(178,832)	392,751	0.17
Yuanta Asia Investment (HK)	1,156,141	1,480,704	64,077	1,416,627	129,882	47,360	63,123	0.21
Yuanta Investment Consulting (Beijing)	79,823	21,143	2,233	18,910	6,804	4,129	4,167	-
Yuanta HK Holdings (Cayman)	2,261	41,595	1,154	40,441	19	(472)	563	7.66
Yuanta Securities (Thailand)	4,041,900	27,359,315	21,287,299	6,072,016	2,150,248	385,434	417,596	0.93

Company name	Capital	Total Assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Current Profit and Losses (After-tax)	EPS (NT\$) (After-tax)
Yuanta Securities Vietnam	3,172,500	7,183,746	3,371,026	3,812,720	590,429	46,118	159,003	-
Yuanta Securities (Korea)	25,198,229	390,296,602	352,317,162	37,979,440	19,342,824	3,096,142	1,620,939	7.55
Yuanta Investment	758,970	2,226,945	201,445	2,025,500	310,513	68,020	(103,531)	(16.17)
Yuanta Financial (HK)	745,631	447,693	106	447,587	913	(478)	(478)	(0.03)
Yuanta International Investment (HK)	196,695	604,691	360,323	244,368	5,670	294	15,036	0.30
Yuanta Finance (HK)	196,695	242,557	545	242,012	438	(436)	11,810	0.24
PT Yuanta Sekuritas Indonesia	956,196	2,398,108	1,814,962	583,146	400,220	68,613	63,425	132.46
GC Investment Consultant (Shanghai) (in Liquidation)	17,922	25,135	818	24,317	-	(250)	(116)	-
Yuanta Securities (Cambodia)	384,188	381,048	7,725	373,323	42,089	16,574	13,401	1.07

Note 1 : Operating revenue for Yuanta Bank refers to net income, and operating profit refers to net profit before tax of the continuing operating departments.

Note 2 : Foreign exchange rate on December 31, 2023

	(P Rate) January~December	End of December
HKD-->TWD	3.980139	3.933900
SGD-->TWD	23.197330	23.313200
USD-->TWD	31.157943	30.73500
CNY-->TWD	4.396147	4.331500
KRW-->TWD	0.023857	0.023715
PHP-->TWD	0.560261	0.554900
IDR-->TWD	0.002047	0.001997
GBP-->TWD	38.730945	39.176400
VND-->TWD	0.001308	0.001269
THB-->TWD	0.895386	0.898200

Note 3 : Yuanta Wealth Management (Singapore) Pte. Ltd. was established by Yuanta Securities on April 29, 2022. Its business license application is under review by the competent authority in Singapore.

Note 4 : Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures on November 23, 2022. Its business license application is under review by the competent authority in Singapore.

Note 5 : SYF Information (Shanghai) completed the dissolution and liquidation on January 30, 2024.

(II) Consolidated financial statements of affiliates: See Appendix for details.

(III) Consolidated business reports of affiliated enterprises

1. Relationship between the subordinate company and the controlling company: Yuanta FHC is a controlling company and not a subsidiary company, so it is not applicable.
2. Information on transactions:
 - (1) Purchase (sales) transactions: None
 - (2) Property transaction: None.
 - (3) Capital financing: None.
 - (4) Assets leasing: None.
 - (5) Other important transactions: None.
3. Endorsements and guarantees: Not applicable to financial companies.
4. Other matters of financial or operational significance: None.

Declaration

It is hereby declared that the Affiliation Report for 2023 (from January 1, 2023 to December 31, 2023) was prepared in accordance with the "Regulations for the Preparation of Related Business Consolidated Financial Statements and Related Business Reports", and there are no significant inconsistencies between the information given above and the supplementary information disclosed in the notes to financial statements for the above period.

Hereby declared by

Company Name: Yuanta Financial Holding Co., Ltd.

Chairman: Ting Chien Shen

Dated: March 14, 2024

Independent Auditors' Review of the Affiliation Report

(113)Zi-Hui-Zong-Zi No. 23009176

To: Yuanta Financial Holding Co., Ltd.

You declare that the Affiliation Report for 2023 was prepared by you pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and that there are no significant inconsistencies between the information given above and the supplementary information disclosed in the financial statements for the above period.

We have compared the Affiliation Report prepared by you pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" with the notes to your financial statements 2023 and found that there were no significant inconsistencies in said declaration.

Pricewaterhouse Coopers Certified Public Accountants

Puo-Ju Kuo

CPA

Chien Hung Chou

Approval Letter from the Financial Supervisory Commission (formerly named) of the Executive Yuan: Jin-Guan-Zheng-Shen-Zi No.1000035997

Approval Letter No. (88) Tai-Cai-Zheng (6) No. 95577 from the Securities and Futures Commission (formerly named) of the Ministry of Finance

Date: March 14, 2024

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PricewaterhouseCoopers Taiwan

27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan

T: +886(2)2729 6666, F: +886(2)2729 6686, www.pwc.tw

II. Status of Securities in Private Placement: None.

III. Shares of the Company Held or Disposed of by Subsidiaries: None.

IV. Other Important Supplementary Information

(I) Key performance indices: capital adequacy and double leverage ratios for the past five years

Unit: NT\$1,000; %

Item		Year	2019	2020	2021	2022	2023
Capital adequacy	Group's net authorized capital		178,231,116	199,573,780	221,452,769	217,694,434	240,482,629
	Group's regulatory capital requirement		133,907,284	136,691,245	148,912,046	147,704,174	162,443,539
	Group's capital adequacy ratio (%)		133.10	146.00	148.71	147.39	148.04
Double leverage ratio (%)			108.32	112.05	112.01	113.44	112.18

(II) Financial information

1. Division (Business Unit):

2023

Unit: NT\$1,000

Business Unit	Banking services	Securities services	Futures services	Insurance services	Other service	Consolidated total
Net interest income (loss)	15,808,424	1,925,701	1,396,114	11,591,332	(389,491)	30,332,080
Net non-interest income	7,604,494	44,122,940	2,196,962	7,781,582	6,051,825	67,757,803
Net profit	23,412,918	46,048,641	3,593,076	19,372,914	5,662,334	98,089,883
Provision for bad debt expenses, commitment and guarantee policy reserve	(302,808)	(207,473)	38,353	(591)	-	(472,519)
Net change in provisions for insurance liabilities	-	-	-	(14,470,939)	-	(14,470,939)
Operating expenses	(12,164,075)	(30,233,996)	(1,626,911)	(1,598,758)	(3,537,034)	(49,160,774)
Net income from continuing operations before income tax	10,946,035	15,607,172	2,004,518	3,302,626	2,125,300	33,985,651
Income tax expense	(2,090,740)	(2,569,011)	(434,021)	324,817	(688,467)	(5,457,422)
Consolidated income, net of tax	8,855,295	13,038,161	1,570,497	3,627,443	1,436,833	28,528,229

(III) Evaluation criteria and basis for assets and liabilities allowances

Net receivables: Yuanta FHC's net receivables provision is calculated based on past collection experience and an assessment on the possibility of collection in the future. At the end of 2023, net receivables stood at approximately NT\$2,553,463 thousand primarily to the Group's use of linked filing of business income tax returns, which generated approximately NT\$ 2,529,708 thousand receivables from affiliates. Since there are no major abnormalities in the collectability of these receivables, an allowance was not made.

(IV) Accounting for asset impairment

According to IAS 36 “Impairment of Assets” and IAS 9 “Financial Instruments: Recognition and Measurement”, Yuanta FHC had no assets that required impairment testing as of December 31, 2023.

(V) Hedge accounting handling and objectives: the Company did not adopt hedge accounting, it was not applicable.

(VI) Earnings per share adjusted for employee stock bonuses (calculated based on market price)

Distribution of earnings for 2023 to be proposed in the upcoming shareholders’ meeting does not include employee stock bonuses.

(VII) Lending funds to other parties, endorsements and guarantees from affiliated companies and transaction information for financial derivative products

The said procedures have been disclosed in the appendix to the annual report, and in this year’s consolidated financial reports page 645 to 646, and page 556 to 567.

V. Significant Issues Which Might Affect Shareholders’ Equity or Price of Shares Pursuant to Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Past Year and Up to the Publication of this Annual Report: None

**Appendix. The Latest Consolidated Financial Statement
Audited and Certified by CPAs**

Yuanta FHC and Its Subsidiaries

Consolidated Financial Report and Auditing Report

2023 and 2022

(Stock Code 2885)

Address: 1F., 6F., 9F., 10F., 12 F., 13F., No. 66, Sec. 1, Dunhua S. Rd., and 10F.,
11F., No. 77, Sec. 2, Nanjing E. Rd., Taipei City

TEL: (02) 2781-1999



Independent Auditors' Report

PWCM23000446

To the Board of Directors and Shareholders of Yuanta Financial Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. (the “Company”) and its subsidiaries (collectively “Yuanta Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yuanta Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and 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 Yuanta 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Yuanta Group’s consolidated financial statements of the current period are stated as follows:

Impairment evaluation of bills discounted and loans

Description

For the accounting policy of the impairment evaluation of bills discounted and loans, please refer to Note 4(10); for the critical accounting estimates and assumption uncertainty of expected credit loss on bills discounted and loans, please refer to Note 5; for the details on bills discounted and loans, please refer to Notes 6(9) and 12(3). Total bills discounted and loans (including adjustment for premium or discount) and the allowance for credit losses, arising from Yuanta Commercial Bank Co., Ltd. of Yuanta Group, as at December 31, 2023 were NTD 1,083,227,619 thousand and NTD 14,247,014 thousand, respectively.

The impairment evaluation of bills discounted and loans arising from Yuanta Commercial Bank Co., Ltd. is conducted in accordance with IFRS 9, ‘Financial Instruments’, “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” and relevant regulations. The management’s considerations on bills discounted and loans impairment appropriation are primarily based on reasonable and supportable information about past events, current conditions, and forecasts of future economics. At each financial reporting date, bills discounted and loans are categorized into one of the following three stages based on whether there has been significant increase in credit risk since initial recognition: no significant increase in credit risk or low credit risk at balance sheet date, significant increase in credit risk and credit-impaired and considered relevant laws and regulations of the allowance for credit losses. Because the amount of bills discounted and loans is material with respect to the total consolidated assets and impairment evaluation involves management’s professional judgment and is highly uncertain, we have thus included the impairment evaluation of bills discounted and loans as one of the key audit matters.

How our audit addressed the matter

We obtained and gained an understanding of Yuanta Commercial Bank Co., Ltd.’s policies, internal controls, and operation procedures in relation to the credit risk management and the impairment evaluation of bills discounted and loans and performed sample tests. We conducted the following procedures on the impairment evaluation of bills discounted and loans as at December 31, 2023: sample examined the stage classification for expected credit losses; sample tested the calculation of the probability of default, loss given default, and exposure at default; sample examined documents regarding management’s individual evaluation of future cash flows and collateral value; and evaluated whether the provision for impairment loss amount complied with the competent authority’s related regulations.

Fair value valuation of unlisted stocks

Description

For the accounting policy of unlisted stocks (accounted under financial assets at fair value through other comprehensive income), please refer to Note 4(7); for the critical accounting estimates and assumption uncertainty of the fair value of unlisted stocks, please refer to Note 5; for the details on unlisted stocks, please refer to Notes 6(4) and 12(2). The carrying amount of the financial assets at fair value through other comprehensive income – unlisted stocks as at December 31, 2023 was NTD 34,665,636 thousand.

Because there are no active market quoted prices for the financial assets at fair value through other comprehensive income – unlisted stocks held by Yuanta Group, the management uses valuation techniques and the assistance of experts to estimate the fair value. The valuation techniques used by Yuanta Group are primarily the market method and the discounted cash flow method. The market method's main assumption is determining similar and comparable companies in order to obtain the related parameters as a reference for calculations. The discounted cash flow method's main assumption is the financial forecast of unlisted companies in order to obtain their related parameters as a reference for calculations. Because models and parameters used in valuation techniques are made by management's professional judgments and estimates, such accounting judgments and estimates are highly uncertain; we have thus included the fair value valuation of unlisted stocks as one of the key audit matters.

How our audit addressed the matter

We obtained and gained an understanding of management's valuation procedures for unlisted equity securities. We sample tested the management authorization procedures for the fair value valuation reports of unlisted equity securities.

In addition, we and our valuation experts discussed with management and sample tested Yuanta Group's valuation data for unlisted stocks, including the valuation documents provided by the management's experts, evaluated whether the valuation methods used by management were commonly used; we and our valuation experts also evaluated the reasonableness of the comparable companies under the market method and sample tested related supporting documents regarding the parameters used in the valuation.

Impairment assessment of goodwill

Description

For the accounting policy of the impairment assessment of goodwill (intangible assets), please refer to Notes 4(12) and 4(19); for the critical accounting estimates and assumption uncertainty of impairment assessment of goodwill, please refer to Note 5; for the details on goodwill, please refer to Note 6(17). Goodwill after accumulated impairment as at December 31, 2023 was NTD 28,490,893 thousand.

Yuanta Group periodically performs impairment assessments on goodwill at the end of each year. Such assessments are based on cash generating units identified through operating segments and Yuanta Group engaged experts to assist in measuring the recoverable amounts of cash generating units based on future cash flows. Because the amount of goodwill is material and the models and parameters used in calculating recoverable amounts are made by management's professional judgments and are critical accounting estimates, such as future cash flows, estimated growth rate and discount rate, we have thus included the impairment assessment of goodwill as one of the key audit matters.

How our audit addressed the matter

Our main audit procedures included obtaining asset impairment evaluation data prepared by management, sample testing the authorization procedures for impairment testing reports, and understanding and assessing management's estimation process for future cash flows. In addition, we and our valuation experts reviewed the management's prior year operation plan execution result; sample assessed the reasonableness of key assumptions used in impairment testing models, such as estimated growth rates and discount rates; and sample tested the parameters and calculation formulas of impairment testing models.

Reserve for policy benefit and adequacy of insurance liabilities

Description

For the accounting policy of reserve for policy benefit and adequacy of insurance liabilities, please refer to Note 4(28); for the critical accounting estimates and assumption uncertainty of adequacy of insurance liabilities, please refer to Note 5; for the details on insurance liabilities, please refer to Note 6(26). Reserve for policy benefit under insurance liabilities as at December 31, 2023 was NTD 357,976,814 thousand.

For long-term insurance contracts, Yuanta Life Insurance Co., Ltd. recognised reserve for policy benefit in accordance with related insurance regulations, the life chart of annuity, and the specified interest rates prescribed within the insurance product statements as approved by the competent authority. The discount rates are the specified interest rates as approved by the competent authority. Liability adequacy testing is required to be conducted on insurance contracts at balance sheet date in accordance with IFRS 4, 'Insurance Contracts,' in order to reflect the current estimate of future cash flows, where various of assumption for discount rate, mortality rate, morbidity rate, lapse rate, and expense rate which involved professional judgement will affect the amount of reserve for policy benefit recognised in the financial statement. Considering that the provision of policy reserves has a material impact on the financial statements, and if insurance liabilities are not adequate, the financial statements will be materially impacted, we have thus included the reserve for policy benefit and adequacy of insurance liabilities as one of the key audit matters.

How our audit addressed the matter

The audit procedures we performed mainly include understanding and assessing the policies, internal controls, and procedures relevant to reserve for policy benefit; sample examining authorization documents for the configuration of new products in order to confirm the accuracy of configurations for the reserves system of new products; sample inspecting the number of effective policies in the policy system and the actuarial system in order to confirm the completeness of the calculations for reserve for policy benefit; sample examining the consistency between policy information of new products and information in the policy system in order to confirm the accuracy of policy information for calculating reserve for policy benefit. Our actuarial experts assisted us in sample testing representative new products in the current period in order to confirm that the method and results of provisioning reserves were consistent with those of the insurance product statement submitted to the competent authority; performing trend analysis (excluding new products) on each insurance type and performed roll analysis on each product type in order to assess the reasonableness of reserve for policy benefit on the balance sheet date.

We also used the work of actuarial expert to assist in assessing the adequacy of insurance liabilities, comparing whether there were significant differences between the current period and the previous period regarding main assumptions other than the discount rate, which are mortality rate, morbidity rate, lapse rate, and expense rate. If there were significant differences, then related documents and explanations with regard to Yuanta Life Insurance Co, Ltd. were obtained; also, current period assumptions were compared to actual experiences in order to examine the reasonableness of each assumptions. Furthermore, the actuarial expert assisted us in referencing current market interest rate information to assess the reasonableness of the elected discount rate for future cash flows from insurance contracts; confirming the accuracy of the cash flow model through independent sample testing; recalculating the current estimates of future cash flows using the overall cash flow and discount rates assumptions provided by Yuanta Life Insurance Co., Ltd.; comparing the carrying amount of insurance liabilities to the current estimate of future cash flows from insurance contracts.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came

into effect as endorsed by the Financial Supervisory Commission, 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 Yuanta 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 Yuanta Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Yuanta 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 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 Yuanta 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 Yuanta 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

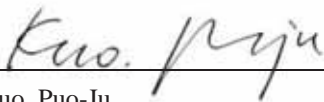
auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Yuanta Group 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 appropriate audit evidence regarding the financial information of the entities or business activities within Yuanta 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Kuo, Puo-Ju



Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 81,869,960	3	\$ 76,338,164	3
11500	Due from Central Bank and call loans to other banks	6(2) and 8	83,110,140	3	79,690,160	3
12000	Financial assets at fair value through profit or loss	6(3), 7 and 8	563,701,196	17	420,057,382	14
12150	Financial assets at fair value through other comprehensive income	6(4) and 8	292,262,818	9	339,711,553	11
12200	Investments in debt instruments at amortised cost	6(5) and 8	539,131,270	16	540,529,315	18
12500	Investments in bills and bonds under resale agreements	6(6)	99,644,104	3	94,073,224	3
13000	Receivables – net	6(7) and 7	273,092,919	8	202,341,992	7
13200	Current income tax assets		2,623,799	-	3,026,971	-
13300	Assets held for sale – net	6(8)	79,099	-	81,469	-
13500	Bills discounted and loans – net	6(9) and 7	1,086,526,760	33	995,199,165	33
13700	Reinsurance contract assets – net	6(10)	1,249,093	-	1,368,195	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,089,373	-	3,431,913	-
15100	Restricted assets – net	8	3,051,147	-	2,726,292	-
15500	Other financial assets – net	6(12)	111,816,531	4	114,480,773	4
18000	Investment property – net	6(13) and 8	11,307,517	-	10,487,451	-
18500	Property and equipment – net	6(14) and 8	27,352,156	1	25,503,491	1
18600	Right-of-use assets – net	6(15)	13,011,575	-	11,515,532	-
19000	Intangible assets – net	6(17)	30,728,678	1	30,959,908	1
19300	Deferred income tax assets	6(45)	5,246,624	-	5,552,131	-
19500	Other assets – net	6(18), 7 and 8	69,765,061	2	59,043,456	2
	TOTAL ASSETS		<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
LIABILITIES AND EQUITY					
21000 Deposits from Central Bank and other banks	6(20)	\$ 12,387,393	-	\$ 38,607,095	1
22000 Financial liabilities at fair value through profit or loss	6(3)(38)	158,670,714	5	134,822,676	5
22500 Bills and bonds payable under repurchase agreements	6(6)(47) and 7	251,838,703	8	224,137,491	7
22600 Commercial paper payable – net	6(21)(47)	83,155,165	3	47,836,070	2
23000 Payables	6(22) and 7	180,210,063	6	154,026,563	5
23200 Current income tax liabilities		5,366,128	-	4,052,157	-
23500 Deposits and remittances	6(23) and 7	1,548,770,818	47	1,407,441,499	47
24000 Bonds payable	6(24)(47)	104,904,691	3	102,487,542	3
24400 Other borrowings	6(25)(47)	48,439,167	2	48,460,199	2
24600 Liabilities reserve	6(26)(27)	376,640,823	11	363,676,625	12
25500 Other financial liabilities	6(28) and 7	135,723,396	4	140,319,398	5
26000 Lease liabilities	6(47)	6,191,253	-	4,712,163	-
29300 Deferred income tax liabilities	6(45)	5,341,639	-	4,914,735	-
29500 Other liabilities	6(29) and 7	72,643,721	2	63,241,416	2
TOTAL LIABILITIES		2,990,283,674	91	2,738,735,629	91
31000 Equity attributable to owners of the parent company					
31100 Share capital					
31101 Common stock	6(30)	126,890,824	4	125,015,590	4
31500 Additional paid-in capital	6(31)	38,188,103	1	38,010,564	1
32000 Retained earnings					
32001 Legal reserve	6(32)	22,561,044	1	20,481,785	1
32003 Special reserve	6(32)	13,517,403	-	6,549,234	-
32011 Undistributed earnings	6(33)	80,901,931	2	73,279,144	2
32500 Other equity					
32500 Other equity interest	6(34)	4,947,633	1	(6,968,170)	-
39500 Non-controlling interests		21,369,208	-	21,014,761	1
TOTAL EQUITY		308,376,146	9	277,382,908	9
TOTAL LIABILITIES AND EQUITY		\$ 3,298,659,820	100	\$ 3,016,118,537	100

The accompanying notes are an integral part of these consolidated financial statements.

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				Changes Percentage (%)	
		2023		2022			
		AMOUNT	%	AMOUNT	%		
41000	Interest income	6(35) and 7	\$ 62,355,083	64	\$ 45,232,088	50	38
51000	Less: Interest expense	6(35) and 7	(32,023,003)	(33)	(14,530,723)	(16)	120
49600	Net interest income	6(35)	<u>30,332,080</u>	<u>31</u>	<u>30,701,365</u>	<u>34</u>	(1)
	Net non-interest income						
49800	Net service fee and commission income	6(36) and 7	25,769,977	26	25,120,057	27	3
49810	Net income from insurance operations	6(37) and 7	8,389,197	9	13,377,691	15	(37)
49820	Gain or loss on financial assets and financial liabilities at fair value through profit or loss	6(38) and 7	19,976,171	20	(8,318,689)	(9)	(340)
49825	Gain on investment property	7	231,607	-	418,705	-	(45)
49835	Realised gain on financial assets at fair value through other comprehensive income		1,508,452	2	1,831,509	2	(18)
49850	Net gain or loss arising from derecognition of financial assets measured at amortised cost	6(5)(9)	(690,387)	(1)	83,436	-	(927)
49870	Foreign exchange gain or loss		2,827,594	3	19,127,589	21	(85)
49880	Loss on asset impairment	6(39)	(12,817)	-	(51,498)	-	(75)
49890	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	(231,099)	-	191,645	-	(221)
49898	Gain or loss on reclassification under the overlay approach		(3,053,977)	(3)	4,151,363	5	(174)
49921	Net gain on sale of non-performing loans		312,780	-	281,525	-	11
49945	Consultation service income		5,364,029	5	4,316,318	5	24
49999	Net other miscellaneous income or loss	6(40) and 7	<u>7,366,276</u>	<u>8</u>	<u>270,866</u>	<u>-</u>	2620
49700	Total net non-interest income		<u>67,757,803</u>	<u>69</u>	<u>60,800,517</u>	<u>66</u>	11
	Net profit		98,089,883	100	91,501,882	100	7
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(472,519)	-	(318,190)	(1)	49
58300	Net change in provisions for insurance liabilities	6(26)	(14,470,939)	(15)	(19,533,972)	(21)	(26)
	Operating expenses						
58501	Employee benefit expense	6(42) and 7	(29,759,901)	(30)	(25,428,255)	(28)	17
58503	Depreciation and amortization	6(43)	(3,269,205)	(3)	(3,162,099)	(3)	3
58599	Other business and administrative expenses	6(44) and 7	(16,131,668)	(17)	(14,645,553)	(16)	10
58500	Total Operating Expenses		<u>(49,160,774)</u>	<u>(50)</u>	<u>(43,235,907)</u>	<u>(47)</u>	14
61000	Consolidated income from continuing operations before income tax		33,985,651	35	28,413,813	31	20
61003	Income tax expense	6(45)	(5,457,422)	(6)	(5,703,400)	(6)	(4)
69000	Consolidated net income		<u>\$ 28,528,229</u>	<u>29</u>	<u>\$ 22,710,413</u>	<u>25</u>	26

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				Changes Percentage (%)					
		2023		2022							
		AMOUNT	%	AMOUNT	%						
Other comprehensive income											
Components of other comprehensive income that will not be reclassified to profit or loss											
69561											
		(\$	700,604)	(	1)	\$	1,388,890	1	(	150)
69563	6(11)										
			734	-	(		352)	-	(	309)
69565	6(34)										
			4,003	-	(		7,848)	-	(	151)
69567	6(4)(34)										
			3,929,273	4			3,454,906	4		14	
69569	6(34)(45)										
			81,709	-	(		336,820)	-	(	124)
Components of other comprehensive income that will be reclassified to profit or loss											
69571	6(34)										
		(	1,245,566)	(	1)		3,014,310	3	(	141)
69585	6(4)(34)										
			8,775,409	9	(19,199,889)	(21)	(146)
69587	6(4)(34)										
		(	16,990)	-	(		17,759)	-	(	4)
69590	6(3)(34)										
			3,053,977	3	(4,151,363)	(5)	(174)
69579	6(34)(45)										
		(	203,730)	-			790,210	1	(	126)
69500											
		\$	13,678,215	14	(\$	15,065,715)	(17)	(191)
69700											
		\$	42,206,444	43		\$	7,644,698	8		452	
Consolidated net income attributable to:											
69901		\$	26,566,198	27		\$	21,456,327	24		24	
69903			1,962,031	2			1,254,086	1		56	
		\$	28,528,229	29		\$	22,710,413	25		26	
Consolidated comprehensive income attributable to:											
69951		\$	40,462,499	41		\$	5,414,225	6		647	
69953			1,743,945	2			2,230,473	2	(	22)
		\$	42,206,444	43		\$	7,644,698	8		452	
Earnings per share (in New Taiwan Dollars)											
70001	6(46)										
				2.09				1.69			

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA FINANCIAL HOLDINGS CO. LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
 (Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent							Change in fair value of financial liability attributable to change in credit risk	Total equity	
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Gains on debt instruments at fair value through other comprehensive income			Other financial assets on reclassification under the overlay approach	Non-controlling interests
For the year ended December 31, 2022										
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	\$ 8,400,123	\$ 17,930,672	\$ (1,072,737)	\$ 20,044,244	\$ 289,079,705
Consolidated net income for the year	-	-	-	-	21,456,327	-	(15,182,928)	(4,169,850)	976,387	22,710,413
Other comprehensive income (loss) for the year	-	-	-	-	1,034,054	2,280,219	(15,182,928)	(4,169,850)	976,387	(15,065,715)
Total comprehensive income (loss) for the year	-	-	-	-	22,490,381	2,280,219	(15,182,928)	(4,169,850)	976,387	(7,644,908)
Appropriation of 2021 earnings:										
Legal reserve	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-
Cash dividend	-	-	-	-	(18,206,154)	-	-	-	-	(18,206,154)
Stock dividend	3,641,230	-	-	-	(3,641,230)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	124,615	-	-	-	-	-	-	-	124,615
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,697,795)	-	1,697,795	-	-	-
Balance, December 31, 2022	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	\$ (6,119,904)	\$ 4,445,539	\$ (5,242,587)	\$ 21,014,761	\$ 277,382,908
For the year ended December 31, 2023										
Balance, January 1, 2023	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	\$ (6,119,904)	\$ 4,445,539	\$ (5,242,587)	\$ 21,014,761	\$ 277,382,908
Consolidated net income for the year	-	-	-	-	26,566,198	-	12,158,322	3,082,940	218,086	1,962,031
Other comprehensive income (loss) for the year	-	-	-	-	(505,511)	(841,704)	12,158,322	3,082,940	(218,086)	13,678,215
Total comprehensive income (loss) for the year	-	-	-	-	26,060,687	(841,704)	12,158,322	3,082,940	(218,086)	42,206,444
Appropriation of 2022 earnings:										
Legal reserve	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-
Special reserve	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-
Cash dividend	-	-	-	(10,001,247)	(10,001,247)	-	-	-	-	(10,001,247)
Stock dividend	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	177,539	-	-	-	-	-	-	-	177,539
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,389,498)	(1,389,498)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,486,009	-	(2,486,009)	-	-	-
Balance, December 31, 2023	\$ 126,890,824	\$ 38,188,103	\$ 22,561,044	\$ 13,517,403	\$ 80,901,931	\$ (6,961,608)	\$ 14,117,852	\$ (2,159,647)	\$ 21,460,208	\$ 308,376,146

The accompanying notes are an integral part of these consolidated financial statements.

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 33,985,651	\$ 28,413,813
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	2,658,900	2,581,439
Amortization	610,305	580,660
Provision for bad debt expense, commitment and guarantee policy reserve	1,436,934	1,098,159
Interest expense	32,023,003	14,530,723
Interest income	(62,355,083)	(45,232,088)
Dividend income	(9,383,053)	(5,760,370)
Impairment loss on asset impairment	12,817	51,498
Gain or loss on reclassification under the overlay approach	3,053,977	(4,151,363)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	231,099	(191,645)
Gain on disposal of assets held for sale	-	(12,330)
Gain on disposal of investment property	(67,997)	(247,533)
Gain on disposal or retirement of property and equipment	(6,218)	(51,093)
Gain on disposal of intangible assets	(3,359)	(1,139)
Intangible assets transferred to expense	-	126
Gain or loss on lease modification	120	(133,135)
Gain on lease concession	-	(97)
Net change in insurance liabilities	11,743,341	23,246,367
Changes in operating assets and liabilities		
Changes in operating assets		
Due to Central Bank and call loans to other banks	(2,503,710)	(3,269,962)
Financial assets at fair value through profit or loss	(143,643,814)	109,184,759
Financial assets at fair value through other comprehensive income	60,151,979	(16,962,992)
Investments in debt instruments measured at amortised cost	1,402,854	(31,904,780)
Receivables	(68,941,163)	63,531,901
Bills discounted and loans	(92,724,831)	112,163,076)
Reinsurance contract assets	104,024	(81,454)
Restricted assets	(324,855)	(254,263)
Other financial assets	3,744,717	(3,740,673)
Other assets	(10,749,932)	27,780,028
Changes in operating liabilities		
Deposits from Central Bank and other banks	(26,219,433)	12,982,971
Financial liabilities at fair value through profit or loss	23,851,275	(23,869,157)
Payables	25,064,721	(61,703,803)
Deposits and remittances	141,329,319	32,439,116
Liabilities reserve	493,599	(358,595)
Other financial liabilities	(5,747,272)	14,071,927
Other liabilities	9,403,633	(39,285,671)
Cash outflow generated from operations	(71,368,452)	(18,881,732)
Interest received	60,339,253	43,400,966
Dividend received	9,442,495	5,876,298
Interest paid	(31,059,071)	(13,365,746)
Income tax paid	(2,821,086)	(9,102,438)
Net cash flows (used in) from operating activities	(35,466,861)	7,927,348

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for under the equity method	(\$ 142,808)	(\$ 267,647)
Proceeds from liquidation of investments accounted for under the equity method	95,834	174,506
Acquisition of investment property	(1,182,115)	(596,869)
Proceeds from disposal of investment property	278,345	1,034,355
Acquisition of property and equipment	(2,962,563)	(2,339,082)
Proceeds from disposal of property and equipment	20,316	300,566
Acquisition of intangible assets	(344,605)	(336,865)
Proceeds from disposal of intangible assets	6,707	3,156
Proceeds from disposal of assets held for sale	-	120,880
Acquisition of right-of-use assets	(576)	(548)
Net cash flows used in investing activities	<u>(4,231,465)</u>	<u>(1,907,548)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	-	(839,700)
Increase in bills and bonds payable under repurchase agreements	27,701,212	40,271,642
Increase (decrease) in commercial paper payable	35,483,710	(2,058,788)
Proceeds from issuance of bonds	12,100,000	16,953,184
Repayments of bonds	(9,500,000)	(4,389,618)
Proceeds from issuance of bank debentures	-	8,500,000
Repayments of bank debentures	-	(2,000,000)
Decrease in other borrowings	(21,032)	(11,538,001)
Principal payment for lease liabilities	(1,455,711)	(1,545,661)
Cash dividends paid	(10,001,247)	(18,206,154)
Decrease in non-controlling interests	(1,389,498)	(1,259,956)
Net cash flows from financing activities	<u>52,917,434</u>	<u>23,886,948</u>
Net effect of foreign exchange rate changes	(1,200,162)	9,390,896
Net increase in cash and cash equivalents	12,018,946	39,297,644
Cash and cash equivalents at beginning of year	<u>206,929,363</u>	<u>167,631,719</u>
Cash and cash equivalents at end of year	<u>\$ 218,948,309</u>	<u>\$ 206,929,363</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 81,869,960	\$ 76,338,164
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	37,434,245	36,517,975
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	<u>99,644,104</u>	<u>94,073,224</u>
Cash and cash equivalents at end of reporting year	<u>\$ 218,948,309</u>	<u>\$ 206,929,363</u>

The accompanying notes are an integral part of these consolidated financial statements.

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

Yuanta Financial Holding Co., Ltd. (“Yuanta Financial Holdings” or the “Company”) was incorporated pursuant to the Financial Holding Company Act. In connection with the formation of the Company, the shares of Yuanta Securities Finance Co., Ltd. (“Yuanta Securities Finance”) and Yuanta Securities Co., Ltd. (“Yuanta Securities”) were exchanged for shares of the Company. The regulatory procedure for the share exchange was completed on the exchange date of February 4, 2002 and the Company was listed on the Taiwan Stock Exchange on the same date.

On August 1, 2002, Asia Pacific Bank became a wholly owned subsidiary of the Company and was renamed as Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”).

On December 28, 2006, both the Company and Yuanta Core Pacific Securities Co., Ltd. (“Yuanta Core Pacific Securities”) had resolved for Yuanta Core Pacific Securities becoming the Company’s subsidiary by share exchange as approved through the stockholders’ meeting effective from April 2, 2007, and merged with Yuanta Securities on September 23, 2007.

On June 28, 2011, both the Company and Polaris Securities Co., Ltd. (“Polaris Securities”) had resolved for Polaris Securities becoming the Company’s subsidiary by share exchange as approved through the stockholders’ meeting effective from October 3, 2011, and merged with Yuanta Securities on April 1, 2012.

On January 1, 2014, the Company acquired 100% of shares of New York Life with cash. New York Life officially became a wholly-owned subsidiary of the Company and was renamed as Yuanta Life Insurance Co., Ltd. (“Yuanta Life”) on February 12, 2014.

The share transfer plan between the Company and Ta Chong Commercial Bank Co., Ltd. (hereon referred to as “Ta Chong Bank”) was resolved by their respective shareholders at the special shareholders’ meeting on October 13, 2015, and was completed on March 22, 2016. Thereafter, Ta Chong Bank officially became a wholly-owned subsidiary of the Company, and merged with Yuanta Bank on January 1, 2018.

The Company engages in the business of a financial holding company and its operations are limited to investing and investment management. According to the Financial Holding Company Act, the businesses in which the Company can invest in are securities, banking, bills finance, credit cards, trusts, insurance, futures, venture capital, foreign financial institutions that are authorised by the government authority, and other related financial businesses that are recognised by the government authority. Additionally, the Company was accredited by the Taiwan Corporate Governance Association with Corporate Governance Assessment Advanced Certification (CG6013) on December 29, 2022.

2. The date of authorisation for issuance of the financial statements and procedures for authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

Except for the following, the above standards and interpretations have no significant impact to the Yuanta Group’s financial condition and financial performance based on the Yuanta Group’s assessment.

Amendments to IAS 12, ‘International tax reform - pillar two model rules’

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Yuanta Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Yuanta Group’s financial condition and financial performance based on the Yuanta Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

Except for the following, the above standards and interpretations have no significant impact to the Yuanta Group's financial condition and financial performance based on the Yuanta Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 17, 'Insurance contracts'

IFRS 17 'Insurance contracts' replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM') representing the unearned profit of the contract. An entity may apply a modified simplified measurement approach (the premium allocation approach) to some insurance contracts. An entity recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately. Entities are required to present separately insurance revenue, insurance service expenses and insurance finance income or expenses and to disclose information about amounts, judgements and risks arising from insurance contracts.

B. Amendments to IFRS 17, 'Insurance contracts'

The amendments to IFRS 17 include the deferral of effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses and other amendments, and they are not intended to change the fundamental principles of the standard.

C. Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS

9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

4. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the “Yuanta Group”) have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (B) Financial assets at fair value through other comprehensive income.
- (C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- (D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

All subsidiaries are included in the Yuanta Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Yuanta Group. The Yuanta Group controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair value, and shares of non-controlling interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio

are directly recognised in the consolidated statements of comprehensive income. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(BLANK)

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	
	Yuanta Bank	Banking	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. ("Yuanta Life")	Life insurance business	100.00	100.00	
	Yuanta Futures Co., Ltd. ("Yuanta Futures")	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	66.27	
	Yuanta Securities Investment Trust Co., Ltd. ("Yuanta Securities Investment Trust")	Securities investment trust	74.71	74.71	
	Yuanta Venture Capital Co., Ltd. ("Yuanta Venture Capital")	Venture capital investments	100.00	100.00	
	Yuanta Asset Management Co., Ltd. ("Yuanta Asset Management")	Management of monetary debts of financial institutions	100.00	100.00	
	Yuanta Securities Investment Consulting Co., Ltd. ("Yuanta Securities Investment Consulting")	Securities investment consultant	100.00	100.00	
Yuanta Securities	Yuanta Securities Asia Financial Services Private Limited ("Yuanta Securities Asia Financial Services")	Investment holding	100.00	100.00	Note 1
	Yuanta International Insurance Brokers Co., Ltd. ("Yuanta International Insurance Brokers")	Insurance brokerage services	100.00	100.00	
	Yuanta Securities Finance Co., Ltd. ("Yuanta Securities Finance")	Securities financing and refinancing to securities firms and related business	100.00	100.00	
	Yuanta Wealth Management (Singapore) Pte. Ltd. ("Yuanta Wealth Management (Singapore)")	Note 2	100.00	100.00	Note 2
Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong) Co., Ltd. ("Yuanta Securities (Hong Kong)")	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions' financing, asset management services	100.00	100.00	
	Yuanta Asia Investment (Hong Kong) Ltd. ("Yuanta Asia Investment (Hong Kong)")	Securities trading, asset management services	100.00	100.00	
	Yuanta Investment Consulting (Beijing) Co., Ltd. ("Yuanta Investment Consulting Beijing")	Investment and management consultancy, financial consultancy, enterprise management consultancy, business information consultancy, economic and trade consultancy, marketing strategy and plan, technique promotion and technique service	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
Yuanta Securities Asia Financial Services	Yuanta Securities Korea Co., Ltd. (“Yuanta Securities (Korea)”) <p>Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”) <p>Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”) <p>Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”) </p></p></p>	Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent operating business and auxiliary business <p>Investment holding <p>Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument <p>Securities brokerage, dealing, underwriting, investment consultation, financial derivatives </p></p></p>	58.54 <p>100.00 <p>99.99 <p>94.10 </p></p></p>	57.89 <p>100.00 <p>99.99 <p>92.62 </p></p></p>	<p>Note 3 </p>
Yuanta Securities (Korea)	Yuanta Investment Co.,Ltd. <p>Yuanta Financial (Hong Kong) Ltd. (“Yuanta Financial (Hong Kong)”) </p>	Investment business <p>Investment holding </p>	58.54 <p>58.54 </p>	57.89 <p>57.89 </p>	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	58.54	57.89	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta International Investment (Hong Kong)”) <p>Yuanta Finance (Hong Kong) Ltd. <p>PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”) <p>Yuanta Securities (Vietnam) </p></p></p>	Issuance of financial instruments and dealing investments <p>Credit loan business <p>Securities trading and underwriting services <p>Securities brokerage, dealing, underwriting, investment consultation, financial derivatives </p></p></p>	100.00 <p>100.00 <p>99.00 <p>5.90 </p></p></p>	100.00 <p>100.00 <p>99.00 <p>7.38 </p></p></p>	<p>Note 3 </p>
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	25.09	24.81	
Yuanta Bank	Yuanta International Leasing Co., Ltd.(“Yuanta International Leasing”)	Leasing business	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
Yuanta Bank	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited (“Yuanta Futures Hong Kong”)	Financial services	66.27	66.27	
	SYF Information Limited (“SYF Information”)	Information service	66.27	66.27	
	Yuanta Global (Singapore) Pte. Ltd.	Note 4	66.27	66.27	Note 4
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd.(“Yuanta I Venture Capital”)	Venture capital investments	100.00	100.00	

Note 1: In March 2022, the Board of Directors approved Yuanta Securities’ capital increase to Yuanta Securities Asia Financial Services and the process was completed in September 2022.

Note 2: On April 29, 2022, Yuanta Wealth Management (Singapore) was established by Yuanta Securities through reinvestment, and its main business activities are currently under approval by Singapore authorities.

Note 3: In September 2022, the Board of Directors approved Yuanta Securities Asia Financial Services’ capital increase to Yuanta Securities (Vietnam) and the process was completed in January 2023.

Note 4: On November 23, 2022, Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures through reinvestment, and its main business activities are currently under approval by Singapore authorities.

(BLANK)

C. The structured entities controlled by Yuanta Securities (Korea) are as follows:

December 31, 2023

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing
Jayonloyal Co., Ltd.	Asset-backing
Perfect-dream the 5th. Co., Ltd.	Asset-backing
YFI yangsan Co., Ltd.	Asset-backing
YK Land the 1st. Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing

December 31, 2022

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Gaon Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
Walkerhill PI the 1st. Co., Ltd.	Asset-backing
YK Manhattan the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YK Merchant Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
YK Saetbyul Co., Ltd.	Asset-backing
YK Mars the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing
Jayonloyal Co., Ltd.	Asset-backing
Mountain Quad the 1st. Co., Ltd.	Asset-backing
Perfect-dream the 5th. Co., Ltd.	Asset-backing
YFI yangsan Co., Ltd.	Asset-backing

Although the Yuanta Group does not hold most of interests in structured entities, structured entities are included in the consolidated financial statements, taking into account the following: when the company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

D. Subsidiaries not included in the consolidated financial statements:

None.

E. Adjustments for subsidiaries with different balance sheet dates:

None.

F. Significant restrictions:

None.

G. Subsidiaries that have non-controlling interests that are material to the Yuanta Group:

As of December 31, 2023 and 2022, the non-controlling interests amounted to \$21,369,208 and \$21,014,761, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

Name of Subsidiary	Principal place of business	Non-controlling interests			
		December 31, 2023		December 31, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)
Yuanta Securities (Korea)	Korea	\$ 15,136,461	41.46%	\$ 15,362,015	42.11%

The comprehensive income attributable to these non-controlling interests were \$277,507 and \$1,332,555 for the years ended December 31, 2023 and 2022, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries	
	December 31, 2023	December 31, 2022
Current assets	\$ 374,120,897	\$ 311,610,272
Non-current assets	16,175,705	15,166,768
Current liabilities	(343,795,784)	(278,270,851)
Non-current liabilities	(8,521,378)	(10,669,569)
Total net assets	\$ 37,979,440	\$ 37,836,620

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2023	2022
Revenue	\$ 19,342,824	\$ 13,375,905
Profit before income tax	2,283,751	1,351,980
Income tax expense	(662,812)	(392,480)
Net income	1,620,939	959,500
Other comprehensive (loss) income (net of tax)	(930,739)	2,244,605
Total comprehensive income for the period	\$ 690,200	\$ 3,204,105

Consolidated statements of cash flows

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities (\$	9,102,376)	\$ 11,959,317
Net cash (used in) provided by investing activities (	342,157)	671,035
Net cash provided by (used in) financing activities	8,380,248	(13,829,526)
Effects of exchange rate changes	78,015	1,600,725
(Decrease) increase in cash and cash equivalents (	986,270)	401,551
Cash and cash equivalents, beginning of period	14,687,558	14,286,007
Cash and cash equivalents, end of period	\$ 13,701,288	\$ 14,687,558

(4) Foreign currency translation

Items included in the financial statements of each of the Yuanta Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Yuanta Group's presentation currency.

A. Foreign currency transactions and balances

- (A) Foreign currency transactions denominated in a foreign currency or required to settle in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (B) Assets denominated in foreign currency are translated at the closing exchange rate at the balance sheet date. When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. Any translation difference is recognised as gain and loss in the period.
- (C) Non-monetary assets and liabilities denominated in foreign currencies:
 - a. Assets and liabilities carried at cost are re-translated at the exchange rates prevailing at the original transaction date.
 - b. Assets and liabilities held at fair value through profit or loss are re-translated at the exchange rates prevailing at the date at which the fair value is determined.

When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income, any translation difference included in the gains and losses are also recognised in other comprehensive income. When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised as gains and losses, any translation difference included in the gains and losses are also recognised as gains and losses.

B. Translation of foreign operations

If an entity has a functional currency (not in an economy with high inflation) that is different from presentation currency in the consolidated statements, its operating results and financial position is translated into presentation currency by the following procedures:

- (A) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.
- (B) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.
- (C) All resulting exchange differences are recognised in other comprehensive income.

(5) Cash and cash equivalents

“Cash and cash equivalents” within the consolidated balance sheet include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. From the perspective of the consolidated statements of cash flows, cash and cash equivalents refer to cash and cash equivalents within the consolidated balance sheet, and cash and cash equivalents that conform to IFRS 7’s definition, as endorsed by the FSC, which are cash and cash equivalents due from Central Bank and call loans to other banks, or bills and bonds purchased under resale agreements.

(6) Bills and bonds under repurchase or resale agreements

In relation to transactions of bills and securities with a condition of repurchase agreement or resale agreement, the interest expense and interest income are recognised as incurred at the date of sale and purchase and the agreed period of sale and purchase. The repo trade liabilities, bond liabilities, reverse repo trade bills and bond investments are recognised at the date of sale or purchase.

(7) Financial assets and liabilities

All financial assets and liabilities of the Yuanta Group including derivatives are recognised in the consolidated balance sheet and are properly classified in accordance with IFRSs as endorsed by the FSC.

A. Financial assets

All financial assets held by the Yuanta Group are classified into the following six categories: “bills discounted and loans”, “receivables”, “financial assets at fair value through profit and loss”, “financial assets at fair value through other comprehensive income”, “investments in debt instruments at amortised cost”, and “other financial assets–purchase of claim receivable”.

(A) Regular way purchase or sale

Financial assets held by the Yuanta Group are all accounted for using trade date accounting.

(B) Bills discounted and loans

Bills discounted and loans consist of export bills negotiation, export bills discount, loans, and overdue receivables arising from loans. Bills discounted and loans are measured at amortised cost using the effective interest method. Measurement at initial investment amount is allowed if effect of discounting is immaterial.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower so that it is required to be derecognised, entirely or partially, in accordance with IFRS 9, the old financial asset is derecognised, and a new financial asset and related gains or losses are recognised.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower, but is not required to be derecognized, or if renegotiations or modification of terms are for reasons other than financial difficulties, which rarely results in the derecognition of the asset, the carrying amount of the asset is recalculated based on the effective interest rate of original contract and the related gains or losses are recognised in profit or loss.

(C) Receivables

Receivables include those that were originated and not originated by the entity. Receivables originated by the entity refer to cash, products or services directly provided to debtors by the Yuanta Group. Receivables not originated by the entity refer to those other than whom were originated by the entity. Receivables shall be measured at amortized cost using the effective interest method. However, short-term receivables without bearing interest are measured at initial invoice amount if the effect of discounting is immaterial.

- (D) Financial assets at fair value through profit or loss
- a. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
 - b. At initial recognition and subsequent measurement, the Yuanta Group measures the financial assets at fair value and recognises the gain or loss in profit or loss.
 - c. The Yuanta Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.
 - d. A financial asset held by subsidiary Yuanta Life is designated as a financial asset measured at fair value through profit or loss using the overlay approach, when the following conditions are met:
 - i. Financial asset is measured at fair value through profit or loss under IFRS 9, but would not have been entirely measured at fair value through profit or loss under IAS 39; and
 - ii. The financial asset is not held for activities unrelated to contracts in the scope of IFRS 4.

For assets to which the overlay approach is applied, the amount that is excluded from profit or loss and recognized in other comprehensive income is the difference between the following two amounts:

 - i. Profit or loss recognized in accordance with IFRS 9; and
 - ii. Profit or loss recognized in accordance with IAS 39.
- (E) Financial assets at fair value through other comprehensive income
- a. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Yuanta Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - ii. The assets' contractual cash flows represent solely payments of principal and interest.
 - b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. The Yuanta Group subsequently measures the financial assets at fair value:
 - i. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.
 - ii. Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.
- (F) Investments in debt instruments at amortised cost
- a. Investments in debt instruments at amortised cost are those that meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved by collecting contractual cash flows.

- ii. The assets' contractual cash flows represent solely payments of principal and interest.
 - b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- (G) Other financial assets
 - Purchase of claim receivable – non-performing loans of financial institutions are measured by fair value of financial asset on initial recognition when being obtained by the Yuanta Group and will be subsequently measured by fair value with changes in fair value recognised as profit and loss in the period.
- B. Financial liabilities
 - Financial liabilities held by the Yuanta Group include financial liabilities at fair value through profit and loss (including financial liabilities designated at fair value through profit and loss) and financial liabilities carried at amortised cost.
 - (A) Financial liabilities at fair value through profit or loss
 - Including financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.
 - Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
 - a. Hybrid (combined) contracts; or
 - b. They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
 - At initial recognition, the Yuanta Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Yuanta Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.
 - (B) Financial liabilities carried at amortised cost
 - Financial liabilities carried at amortised cost include liabilities not classified as financial liabilities at fair value through profit or loss, financial guarantee contracts, loan commitment with a lower-than-market interest rate and the financial liabilities incurred due to continuing engagement or that the transferring of a financial asset does not meet the requirement of derecognition.
- C. Derecognition of financial assets
 - The Yuanta Group derecognises a financial asset when one of the following conditions is met:
 - (A) The contractual rights to receive cash flows from the financial asset expire.
 - (B) The contractual rights to receive cash flows from the financial asset have been transferred and the Yuanta Group has transferred substantially all risks and rewards of ownership of the financial asset.
 - (C) The contractual rights to receive cash flows of the financial asset have been transferred; however, the Yuanta Group has not retained control of the financial asset.

- D. Derecognition of financial liabilities
- (A) A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.
- (B) The Yuanta Group derecognises an original financial liability and recognises a new financial liability if the terms of an existing financial liability have substantial modifications and such modifications make significant differences to the original terms. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.
- (8) Margin loans, short sale stock loans, securities lending and security-based loans
- A. According to the “Rules Governing Securities Finance Enterprises” (RGSFE), margin loans primarily represent pecuniary financing to investors or refinancing to securities firms. The margin loans are accounted for as “Margin loans receivable” (recognised under “Receivables-net”) as incurred and such loans are secured by the securities purchased by the investors, and the Yuanta Group records these securities at par value under the memorandum accounts “securities held for collateral” and “liability for holding collateral securities”, and is not included in the balance sheets.
- B. According to Article 10 of the RGSFE, when providing margin loans to principals, the Yuanta Group shall obtain the margin pursuant to the ratio prescribed by the competent authority.
- C. Short sale stock loans represent securities financing affected by lending securities in custody that are received from margin loans, guarantee effects or borrowed securities, to investors. When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account “short sale stock loans”. Additionally, according to Article 10 of the RGSFE, the investors need to deposit a regulated amount equal to a certain percentage of the proceeds from short sale stock financing or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Short sale stock deposits” (recognised under “Payables”). The Yuanta Group deals with these securities at par value under the memorandum account “Guarantee deposits”. The proceeds from sale of securities lent, less any dealer's commission, financing commission and securities exchange tax, are held by the Yuanta Group as collateral and recorded under “Short sale proceeds payable” (recognised under “Payables”).
- D. Securities borrowed represent securities borrowed from one broker/dealer to another, who must eventually return the same security as repayment. When the securities are lent to investors, the Yuanta Group records the par value of the securities borrowed under the memorandum account “securities borrowed”. The borrower needs to deposit an amount equal to a certain percentage of the proceeds from securities borrowed or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Refundable deposits for securities lending” (recognised under “Other assets-net”). The Yuanta Group deals with securities at par value under the memorandum account “Refundable collaterals”. When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account “Short sale stock loans”. Additionally, a lender needs to deposit an amount equal to a certain percentage of the proceeds from securities lent or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Deposits received for securities lent” (recognised under “Other liabilities”). The Yuanta Group deals with these securities at par value under the memorandum account “Collaterals received”.
- E. “Security-based loans” are loans provided to borrowers by the Yuanta Group in accordance with “Regulations Governing Securities Finance Enterprises”. Upon the occurrence of a loan, “Security-based loans” is recorded (under “Bills discounted and loans – net”) and the borrower pledges securities from margin trading, central government bonds and treasury bills and others that are approved by the competent authority as collateral. For the collateral, the Yuanta Group records it in its memorandum under “Securities in custody” and its contra account “Collateral received”, which is not recorded in the general ledger.

(9) Financial instruments offsetting

Financial assets and liabilities are offset in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, financial assets at amortised cost (including bills discounted and loans and receivables), loan commitments, L/C and financial guarantee contracts at each reporting date, the Yuanta Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition or if asset is already credit impaired after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Yuanta Group recognises the impairment provision for lifetime ECLs.

For credit assets, subsidiary Yuanta Bank assesses the loss allowance at the balance sheet date in accordance with “Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” and other applicable laws as well as IFRS 9 requirements. The loss allowance is provisioned at the higher of the amounts assessed in compliance with the aforementioned domestic regulations and IFRS 9.

(11) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

(12) Impairment of non-financial assets

The Yuanta Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs on disposal to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(13) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Equity investments accounted for under the equity method—associates

- A. Associates are all entities over which the Yuanta Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20%~50% of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Yuanta Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Yuanta Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Yuanta Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Yuanta Group's ownership percentage of the associate, the Yuanta Group recognises change in ownership interests in the associate in capital surplus in proportion to its ownership.
- D. Unrealised gains on transactions between the Yuanta Group and its associates are eliminated to the extent of the Yuanta Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group.
- E. When overseas investments are valued under the equity method, exchange differences arising from the translation of the investee's financial statements are recognised in other comprehensive income and are cumulated under equity as "Exchange differences on translation of foreign financial statements" (and appropriately allocated to non-controlling interests).
- F. When the Yuanta Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Yuanta Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Leasing arrangements (lessor) — lease receivables/operating leases

- A. Operating lease
Payments that the Yuanta Group receives or charges under the operating lease are recognised as gain and loss on a straight-line basis during the contract term, which are recognised under "other business and administrative expenses" and "other net non-interest income", respectively.
- B. Finance lease
The asset is derecognised when the finance leasing contract is signed by the Yuanta Group and the finance lease shall be recorded in the balance sheet as lease receivables at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as unrealised interest income, which is calculated based on remaining lease receivables over the lease term and recognised in profit or loss at the end of the period using the embedded interest rate or incremental borrowing interest rate.

(16) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Yuanta Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate or the interest rate implicit in the lease.

Lease payments are comprised of the following:

- a. Fixed payments, less any lease incentives receivable;
- b. Variable lease payments that depend on an index or a rate;
- c. Amounts expected to be payable by the lessee under residual value guarantees;
- d. The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- e. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Yuanta Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- a. The amount of the initial measurement of lease liability;
- b. Any lease payments made at or before the commencement date;
- c. Any initial direct costs incurred by the lessee; and
- d. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Investment property

The properties held by the Yuanta Group, with an intention to obtain long-term rental profit or capital increase or both and not being used by any other enterprises of the consolidated entities, are classified as investment property. Investment property includes the office building and land rented in a form of operating lease.

Part of the property may be held by the Yuanta Group for self-use purpose and the remaining are used to generate rental income or capital appreciation. If the property held by the Yuanta Group can be sold individually, then the accounting treatment should be made respectively. If each part of the property cannot be sold individually and the self-use proportion is not material, then the property is deemed as investment property in its entirety.

When the future economic benefit related to the investment property is highly likely to flow into the Yuanta Group and the costs can be reliably measured, the investment property shall be recognised as assets. When the future economic benefit generated from subsequent costs is highly likely to flow into the entity and the costs can be reliably measured, the subsequent expenses of the assets shall be

capitalized. All maintenance cost is recognised as incurred in the consolidated statement of comprehensive income.

When there is certain replacement occurring onto the investment property, the replacement cost should be recognised in the carrying amount of the investment property given that the criteria of recognition can be met. The carrying amount of the replaced account should be derecognised.

An investment property is stated initially at its cost and measured subsequently using the fair value model. Depreciated cost is used to calculate amortization expense after initial measurement. The depreciation method, remaining useful life and residual value should apply the same rules as applicable for property and equipment.

The fair value of investment property is disclosed in the financial statements at each consolidated balance sheet date. Valuation of fair value is annually provided by an external valuer. The Company determines the fair value of investment property by examining the characteristics, location and status of investment property along with the external valuation report on each consolidated balance sheet date.

However, the fair value of investment property does not reflect future capital expenditures that improve or benefit the property, nor does it reflect future benefits associated from those expenditures in the future.

(18) Property and equipment

The property and equipment of the Yuanta Group are recognised on the basis of cost less accumulated depreciation and accumulated impairment. Cost includes any cost directly attributable to the acquisition of the asset.

If the future economic benefit generated from subsequent expenses of the asset can be measured reliably and is very likely to flow into the Yuanta Group, the subsequent expenses of property and equipment may be individually recognised as an asset or included in the carrying amount of the asset. Significant renewals and improvements incurred to increase the future economic benefits of the assets are capitalized. Routine maintenance and repairs are charged to expense as incurred.

The property and equipment of the Yuanta Group were initially recognised at the original cost and subsequently measured by cost model.

Land is not depreciated. Depreciation for other assets is provided on a straight-line basis over the estimated useful lives of the assets till residual value. Useful life is as follows:

Buildings (including auxiliary equipment)	3~60 years
Machinery and computer equipment	1~10 years
Transportation equipment	2~6 years
Leasehold improvements	3~6 years
Other equipment	1~21 years

On each consolidated balance sheet date, the Yuanta Group appropriately adjusts the residual value and useful life of the assets.

Any gain or loss on disposal is calculated by the difference between the carrying amounts and proceeds on disposal, which is recognised in “Other non-interest income” in the consolidated statement of comprehensive income.

(19) Intangible assets

A. Computer software and operating rights are initially recognised at the acquisition cost. Intangible assets, with limited useful lives, and other intangible assets are amortised using the straight-line method.

B. Pursuant to IFRS 3, ‘Business Combinations’ as endorsed by the FSC, the excess of the consideration transferred in business combination over the net identifiable assets acquired and the net fair value of liabilities assumed shall be recognised as goodwill. Goodwill acquired in business combination shall be tested for impairment at least once a year. An impairment loss is

recognised when the goodwill is impaired. Impairment loss of goodwill that has been recognised shall not be reversed.

(20) Customer margin deposit account and futures traders' equity recognised (under Other financial assets/ Other financial liabilities)

Customer margin deposit account receives margins, premiums and differences from daily market closing prices, which are all included in the customer margin deposit account.

Futures traders' equity is the margin and premium customers pay for futures trading. The differences of daily market closing prices are accounted for as current liabilities. Accounts cannot be offset except for the same type of accounts of the same customer; if borrower's balance arises from futures traders' equity, the balance shall be recognised as futures trading margin receivable, which shall be recovered from the traders.

(21) Bonds payable

A. Bank debentures payable

Bank debentures payable issued by the Yuanta Group is carried at amortised cost using the effective interest method.

B. Corporate bonds payable

Ordinary corporate bonds issued by the Yuanta Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'interest expense' over the period of bond circulation using the effective interest method.

(22) Provisions, contingent liabilities and contingent assets

A. The Yuanta Group recognises liabilities when all of the following three conditions are met :

(A) Present obligation (legal or constructive) has arisen as a result of past event.

(B) The outflow of economic benefits is highly probable upon settlement.

(C) The amount is reliably measurable.

B. The Yuanta Group does not recognise provisions for the future operating losses. If there are several similar obligations, the outflow of economic benefit as a result of settlement is determined based on the overall obligation. Provisions should be recognised when the outflow of economic benefits is probable in order to settle the obligation as a whole even if the outflow of economic benefits from any one of the obligations is remote.

C. When the time value may have a significant impact on a currency, the reserve is measured by the present value of expense which is required for settling the anticipated obligation. The pre-tax discount rate is used with timely adjustment that reflects the current market assessments on the time value of money and the risks specific to the liabilities.

D. Contingent liability is a possible obligations that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. Or it could be a present obligation as a result of past event but the payment is not probable or the amount cannot be measured reliably. The Yuanta Group did not recognise any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

E. Contingent asset is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. The Yuanta Group did not recognise any contingent assets and made appropriate disclosure in compliance with relevant regulations when the economic inflow is probable.

(23) Financial guarantee contracts and loan commitment

- A. A financial guarantee contract is a contract that requires the Yuanta Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
- B. The Yuanta Group initially recognises financial guarantee contracts at fair value on the date of issuance. The Yuanta Group charges a service fee when the contract is signed and therefore the service fee income charged is the fair value at the date that the financial guarantee contract is signed. Service fee received in advance is recognised in deferred accounts and amortised through straight-line method during the contract term.
- C. The Yuanta Group measures the financial guarantee contract it issues at the greater of the following two amounts:
 - (A) Allowance for losses in accordance with IFRS 9 that came into effect as endorsed by the FSC.
 - (B) The amount initially recognised less, when appropriate, cumulative effect recognized in accordance with IFRS 15.
- D. The Yuanta Group's assessment of provisions for losses for loan commitments and financial guarantee contracts is described in Note 4(10). "Recognizing and measuring expected credit losses". The increase in liabilities due to financial guarantee contracts and loan commitments is recognised in "bad debt expenses, commitments and guaranty policy reserve".
- E. In addition to the assessment of provisions for losses for financial guarantee contract described above, subsidiary Yuanta Bank also assesses provisions for losses in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and other applicable laws. The greater of the two amounts is recognised and included in the guaranty policy reserve.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

- a. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Yuanta Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Yuanta Group uses interest rates of government bonds (at the balance sheet date) instead.
- b. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- c. Past service costs are recognised immediately in profit or loss.

C. Deposits

The Yuanta Group provides preferential interest rate for its employees, including flat preferential savings for current employees. The difference gap compared to market interest rate is deemed as employee benefits.

D. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Yuanta Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Yuanta Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

E. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised as changes in estimates.

(25) Classification of insurance contracts

A. Insurance products should be classified according to IFRS 4. The Company has to identify whether to assume components of an insurance contract including insurance risks and other risks with respect to the insurance products issued and make judgement on whether the components of an insurance contract are unbundled and separately measurable. In addition, the Company has to make judgement on whether the insurance products issued transfer insurance risk, whether transfer of insurance risk has commercial substance, and whether the transferred insurance risk is significant when performing significant insurance risk transfer tests. Result of such judgement will affect the classification of insurance contracts. Identification and unbundling of components of an insurance contract and classification of insurance products can affect the recognition of revenue, measurement of liabilities, and presentation of financial statements.

B. An insurance contract is a contract under which the Yuanta Group accepts significant risk transferred from the policyholder by agreeing to compensate the policyholder if a future insured event adversely affects the policyholder, including reinsurance contracts with a transferrable significant risk held by the Yuanta Group. Non-insurance contracts (also called investment contracts), denote to insurance contracts with a nature of financial instruments that are exposed to financial risks but without significant transferred insurance risks. The definition of significant transferred risks employed by the Yuanta Group here refers to any event or incident that leads to the Yuanta Group's additional significant payment.

C. Insurance policies which meet the definition of insurance contracts on initial recognition shall be classified as insurance contracts before all rights and obligations expire or mature, even if the insurance risks have been significantly reduced during the coverage period. However, insurance contracts with a nature of financial instruments shall be reclassified as insurance contracts, if significant insurance risks have been transferred to the Yuanta Group.

D. Insurance contracts and investment contracts will be further classified depending on the discretionary participation feature. The discretionary participation feature is a contractual right to receive additional benefits rather than guaranteed benefits, and this kind of right will need to meet the following criteria at the same time:

(A) additional benefits that are likely to be a significant portion of the total contractual benefits;

(B) the amount or timing of additional benefits is contractually at the discretion of the Yuanta

Group; and

(C) additional benefits are contractually based on the performance of specified investment portfolio of the Yuanta Group.

(26) Insurance contracts

A. Recognition and measurement

For the Yuanta Group's insurance contracts and financial instruments with discretionary participation features, premium income and commission expense are recognised when premiums are collected and the underwritings are approved for initial policies, and when premiums are collected for renewal policies. Claim and policy benefits are recognised under profit and loss accounts as incurred. In addition, the Yuanta Group shall set aside various insurance liabilities. Please refer to recognition basis for various insurance liabilities set out. Even though certain insurance contracts of the Yuanta Group do have a participation discretion feature and guarantee element, the Yuanta Group did not separately recognise but categorize the whole contract as a liability.

B. Liability adequacy test

The Yuanta Group performs liability adequacy test in accordance with IFRS 4. The liability adequacy test is performed using the gross premium valuation based on the overall contracts of the whole entity in compliance with relevant regulations of The Actuarial Institute of The Republic of China. The test is based on the comparison between carrying amount of insurance liability and current estimate of its future cash flow on each balance sheet date. The aforementioned liability adequacy test is conducted under the best possible assumption and discount the reward of the Yuanta Group's investment portfolio. If the test result shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

C. Reinsurance

With the classification of reinsurance contracts, the Yuanta Group assesses the agreements under the deposit accounting given that the objective insurance risks of reinsurance agreements are not transferred to the reinsured. Calculation of reinsurance standards for inwards and outwards, reinsurance commissions, reinsurance payments and reinsurance premiums should be managed by reinsurance contracts signed by other reinsurance companies and stated on a monthly basis.

The Yuanta Group evaluates whether privileges of reinsured, including reinsurance assets, claims recoverable from reinsurers and due from reinsurance and ceding companies are impaired on a regular basis. When objective evidence indicates that such option being exercised after the initial recognition will possibly lead to the Yuanta Group being unable to collect all receivables on the contract, and the impact of the receivables from reinsured can be reliably measured with regard to the aforementioned event. The provision for impairment loss shall be recognised to the extent that the recovered amounts are no greater than the reinsurance reserve asset of the aforementioned rights. Also, allowance for doubtful debt should be appropriately made for the non-recoverable amounts of claims recoverable from reinsurers, due from reinsurers and ceding companies.

(27) Non-discretionary participation feature investment contracts

Except that processes for insurance contracts are applicable for "investment contracts with a discretionary participation feature", for insurance contracts classified as investment contracts due to non-transferred objective risks, IFRS 9, "Financial Instruments: Recognition and Measurement" should be applied to "investment contract with no discretionary feature" regarding any of its accrued financial assets and liabilities. The consideration received or paid accordingly should be recognised as financial assets or liabilities instead of income or expenses according to what is commonly called "deposit accounting". If no financial assets or liabilities have been created, IFRS 15, "Revenue from contracts with customers" shall be applied.

(28) Provision basis for various insurance liabilities

All reserves of insurance contracts that the Yuanta Group recognised are based on “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. The following various insurance liabilities reserves do not apply discount method other than reserve for policy benefit, liability adequacy reserve, and premium deficiency reserve with a coverage period over one year. Provision basis of various insurance liabilities reserves are as follows:

A. Unearned premium reserve

For effective contracts with a coverage period under one year, unearned premium reserve is provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period; for casualty insurance with coverage period over one year, unearned premium reserve is provided in accordance with Jin-Guan-Bao-Cai-Zi Letter No. 09902503922 “Supplementary Information on the Calculation of Unearned Premium Reserve and Earned Premium for Casualty Insurance with Coverage Period over One Year.”

B. Claims reserve

Claims reserves for health insurance, life insurance, and casualty insurance with a coverage period under one year are provided based on claim experience and expenses of various insurance types and are calculated with actuarial principles. Additionally, reserves are provided for “claims reported but not paid” and “claims incurred but not reported”. For “claims reported but not paid”, a reserve has been provided on an individual claim basis for each type of insurance.

For claims reserves for health insurance, life insurance, and annuity insurance with a coverage period over one year for “claims reported but not paid”, a reserve has been provided on an individual claim basis for each type of insurance.

C. Reserve for policy benefit

Long-term insurance contracts are recognised and calculated in conformity with related insurance regulations and based on the life chart of annuity specified within the calculation instructions when filing to competent authorities for each product, as well as the assumed interest rate for the calculation of policy reserves. The discount rate is based on the assumed interest rate for calculating policy reserves when filing to competent authorities for each insurance product.

D. Special reserve

(A) In particular for retention policies with coverage less than a year, special reserves include “catastrophe reserve” and “risk claim reserve”. Except for some reserves netting aside for regulatory purpose, special reserve, after deducting income tax, shall be recognised as special reserve under equity. Additional provision of special reserve and amounts written-off or recovered with respect to special reserve shall also be written-off or recovered from the special reserve which has been recognised under equity.

Risk claim reserve recovered from equity, net of tax (effective rate), shall all be set aside as special reserve following the resolution adopted at the shareholders’ meeting in the following year. Such special reserve shall neither be distributed as dividends nor used in other ways without proper approval.

(B) Profit and loss before tax (before dividends distribution) for the Yuanta Group’s participating life insurance should be assessed at each annual closing date in compliance with “The Method of Expense and Revenue Allocation to Participating and Non-participating Life Insurance”. “Special reserve-dividend payment reserve” should be recognised and written off at dividend declaration date. With negative balance of “special reserve-dividend payment reserve of participating insurance”, equal amount of “special reserve-dividend liability” should be recognised at the same time.

E. Premium deficiency reserve

Effective from 2001, if the issued premiums of life insurance, health insurance, and annuity insurance contract with a coverage period over one year are less than the net premium in

compliance with regulation, the deficiency of subsequent periods should be recognised as premium deficiency reserve. In addition, potential claims and expenses are estimated for effective contracts yet to mature and injury insurance contracts with a coverage period over one year. If the assessed amount is more than unearned premium reserve and expected premium income, the insufficient amount should be recognised as premium deficiency reserve by product types.

F. Liability adequacy reserve

In accordance with IFRS 4 and the regulations of The Actuarial Institute of The Republic of China, liability adequacy test is performed using the gross premium valuation based on all contracts of the Company. At each balance sheet date, liability adequacy reserve is provided for all deficiency in net carrying amount and recognised in profit or loss, through comparison between the net carrying amounts of insurance liabilities less deferred acquisition cost and related intangible assets and the present value of estimated future cash flows of insurance contracts.

(29) Foreign exchange reserve

In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Yuanta Group set aside foreign exchange reserve under liabilities (recognised as provisions) with regard to the foreign investment assets held (excluding non-investment-linked life insurance product assets denominated in foreign currency). Treatments for accumulation limit of related reserves, method for provision or writing-off, and other binding matters shall be in compliance with “Guidelines for Foreign Exchange Reserve by Life Insurance Enterprises” and relevant regulations.

(30) Income tax

A. Current income tax

Income tax payable (refundable) is calculated on the basis of the tax laws enacted in the countries where a company operates and generates taxable income. Except that the transactions or other matters are directly recognised in other comprehensive income or equity, and that related income taxes in the period are recognised in other comprehensive income or directly derecognised from equity, all the others should be recognised as income or expense and recorded as gain and loss in the period. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

B. Deferred income tax

(A) Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.

(B) The land revaluation appraisal due to the revaluation assessment in compliance with relevant regulations, deemed as taxable temporary difference, is recognised as deferred income tax liabilities.

(C) If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realised in the future, the proportion of realization is deemed as deferred income tax asset.

C. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on

a net basis or realise the asset and settle the liability simultaneously. The Yuanta Group does not offset deferred income tax assets against liabilities taxed by different tax authorities.

(31) Share capital

Common stocks are classified as equity. If the date of dividends declared is later than the consolidated balance sheet date, common stocks are disclosed in the subsequent events.

(32) Interest income and expense

Other than those classified as financial assets and liabilities at fair value through profit and loss, all the interest income and interest expense generated from interest-bearing financial assets are calculated by effective interest rate according to relevant regulations and recognised as “interest income” and “interest expense” in the consolidated statement of comprehensive income.

(33) Net service fee and commission income

Income is recognised when the economic benefits are probable to flow into the Yuanta Group and can be reliably calculated. Details are as follows:

- A. Brokerage service fee income and other related expenses are recognised at the date of securities transaction.
- B. Underwriting service fee income and expenses are recognised on an accrual basis under the agreed terms.
- C. Stock agency income is recognised monthly based on the contract terms.
- D. Futures commission income is the commission charged to the assigned futures merchants for the assistance provided during futures trading and recognised on an accrual basis during the trading period.

(34) Investment-linked products

- A. In accordance with the Insurance Law and “Regulations Governing Investment-linked Products”, premiums from these products are deposited to a separate and independent account, net of expenses, and invested as stipulated under the contracts. This separate and independent account is managed independently from other assets of the Yuanta Group.
- B. The assets and liabilities of this independent account are classified under other assets and liabilities for investment-linked products, respectively, and revenues and expenses are classified under operating revenues and costs for investment-linked products, respectively. Revenues and expenses from investment-linked product, which meet the definition of insurance contracts under IFRS 4 should be recognised.
- C. The value of this independent account’s assets is determined based on the market price at the balance sheet date.
- D. The sales commission and fee income including pre-sale charge, policy and investment related charges received from the investment from the investment-linked life products are recognised as handling fee revenue. Service income derived from relevant expenses from policy holders, which belong to investment contracts and are classified as non-discretionary participation feature products, are the consideration of services provided by the Company during the specified period. If the service is not rendered during the period the premium is received, then the service income shall be recognised as “deferred handling fee income” and amortised using the straight-line method over the period the service is provided. Relevant additional costs, such as commission expenses and sales compensation, shall also be recognised as “deferred acquisition cost” and are amortised using the straight-line method to “Other non-interest income” based on the matching principle.

(35) Business combinations

- A. The Yuanta Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration

arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Yuanta Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(36) Operating segments

The Yuanta Group's operation segment reports are consistent with the internal reports provided to the chief operating decision-maker ("CODM").

Inter-segmental transactions are arm's length transactions, and gain and loss arising from such transactions are eliminated by the Yuanta Group upon the preparation of consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

5. Critical accounting judgements, estimates and key sources of assumption uncertainty

The accounting policies, accounting assumptions and estimates have an impact on the Yuanta Group's consolidated financial statements. Thus, when applying significant accounting policies as described in Note 4, management needs to make appropriate judgements for the information that cannot be easily obtained through other sources and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Yuanta Group's assumptions and estimates are the best assumptions based on IFRSs, and are continually evaluated and adjusted based on historical experience and other factors. Certain accounting policies and management's judgements have significant impact on the recognised amounts in the consolidated financial statements are outlined below:

(1) Expected credit losses of bills discounted and loans

At each reporting date, the Yuanta Group assesses expected credit losses of bills discounted and loans after taking into consideration all reasonable and verifiable information (including forecasts.) Measurement of expected credit losses involves determining whether there is significant increase in credit risk on the assets since initial recognition, or whether the asset is credit-impaired, calculating probability of default, loss given default, and exposure at default of the credit loss model, and adjusting parameters of the model after forecastable assessments of the probability of default. Please refer to Note 6(9) for the details of the total amount of discount and loans (including discount and premium adjustment) and allowance for accounts receivable as of December 31, 2023.

(2) Fair value valuation of unlisted stocks

Financial instruments with no active market or quoted price use valuation techniques to determine the fair value. Under such condition, fair value is assessed through the observable information or models of similar financial instruments. If there is no observable input available in the market, the fair value of financial instrument is assessed through appropriate assumptions. When valuation models are adopted to determine the fair value, all the models should be calibrated to ensure that the output can actually reflect actual information and market price. Models should try to use only observable information as much as possible. Please refer to Note 12(2) for details of the carrying amount of unlisted financial assets at fair value through other comprehensive income as of December 31, 2023.

(3) Impairment assessment of goodwill

The Yuanta Group assesses regularly the impairment of goodwill at the end of year. The recoverable amounts of related cash-generating units are determined based on value-in-use calculations. The calculations use estimate of expected future cash flows and discount rate. Please refer to Note 6(17) for details of the assessment of goodwill impairment as of December 31, 2023.

(4) Insurance contract liabilities

The Company evaluates long-term insurance contract liabilities in compliance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. The assumptions of mortality rate, lapse rate, and discount rate are as follows: The mortality rate is based on Taiwan Standard Ordinary Experience Mortality Table. The lapse rate is based on the Company’s past experience, industry experience, and experience obtained from reinsurers. The discount rate is based on the interest rate of reserve for policy benefit from newly issued contracts and treated in compliance with calculation basis for insurance products and relevant regulations as approved by the competent authority. The above assumptions are locked-in during price setting in accordance with related regulations.

However, it is reasonably possible that changes in assumption from the competent authority may have an impact on gains, losses, or equity. The liability adequacy testing is conducted by discounting the Company’s overall return on investment under the best estimate on valuation date. If the test result shows that the liability is inadequate, the entire deficiency is recognised in expenses and losses in the period. If there is a change in the future best estimate assumption, incremental reserve for adverse movement in such assumption shall be made. Please refer to Note 6(26), for details of reserves of insurance liabilities as of December 31, 2023.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 7,031,300	\$ 8,717,834
Deposits in banks	71,111,899	63,687,758
Futures excess margin and cash equivalents	2,088,601	2,403,832
Checks for clearance	1,638,160	1,528,740
Total	<u>\$ 81,869,960</u>	<u>\$ 76,338,164</u>

(2) Due from Central Bank and call loans to other banks

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Reserve for deposits - account A	\$ 15,405,956	\$ 10,967,640
Reserve for deposits - account B	45,217,980	42,591,672
Deposits by foreign subsidiary to designated accounts of respective local central banks	2,232,294	3,192,805
Reserve for deposits	13,246,331	10,224,932
Call loans to banks	7,007,579	12,713,111
Total	<u>\$ 83,110,140</u>	<u>\$ 79,690,160</u>

A. Reserves for deposits placed with the Central Bank are calculated monthly at prescribed rates on the average daily balances of various deposit accounts and structured accounts and then lodged into reserve for deposits account of Central Bank. The reserve for deposits - account A is non-interest bearing and call on demand. Reserve for deposits - account B is interest bearing and its use is restricted to monthly adjustment in the reserve for deposits only according to relevant regulations.

B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of December 31, 2023 and 2022.

C. Information relating to credit risk is provided in Note 12(3).

(3) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Commercial paper	\$ 87,992,496	\$ 46,433,021
Beneficiary certificates / securities	75,751,386	41,201,887
Listed stocks	31,213,329	29,243,102
Emerging stocks	1,893,718	1,206,148
Government bonds	40,585,060	24,965,814
Bank debentures	116,349,322	88,580,934
Corporate bonds	34,934,285	37,739,641
Convertible corporate bonds	63,236,850	63,351,719
Derivative financial instruments	17,922,423	19,629,863
Structured products	15,241,899	10,662,464
Reserve for claims of customers' deposits with KSFC (Note 1)	54,827,303	52,617,228
Other marketable securities	22,482,956	17,674,966
Valuation adjustment	1,270,169	(13,249,405)
Total	<u>\$ 563,701,196</u>	<u>\$ 420,057,382</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial liabilities held for trading		
Derivative financial instruments	\$ 31,418,104	\$ 27,683,180
Non-derivative financial instruments	41,966,169	34,600,597
Valuation adjustment of non- derivative financial instruments	2,518,776	(1,233,298)
Liabilities for issuance of ETNs	892,156	1,648,324
Financial liabilities designated as at fair value through profit or loss		
Structured products (Note 2)	57,804,859	48,482,434
Convertible bond asset swap not qualifying for derecognition (Note 2)	<u>24,070,650</u>	<u>23,641,439</u>
Total	<u>\$ 158,670,714</u>	<u>\$ 134,822,676</u>

Note 1: KSFC stands for Korea Securities Finance Corporation.

Note 2: Financial instruments designated as at fair value through profit or loss at initial recognition is for hybrid instruments, and in order to eliminate accounting inconsistency.

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged to others as collateral as of December 31, 2023 and 2022.

B. Financial assets to which the overlay approach is applied are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity instruments		
Domestic stocks	\$ 1,122,201	\$ 8,857,480
Domestic beneficiary certificates	22,465,016	12,405,800
Overseas beneficiary certificates	684,115	1,069,798
	<u>\$ 24,271,332</u>	<u>\$ 22,333,078</u>

C. For financial assets to which the overlay approach is applied, the amounts of profit or loss reclassified to other comprehensive income are as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Profit (loss) recognised in accordance with IFRS 9	\$ 6,703,232	(\$ 3,854,480)
Less: Profit that would have been recognised under IAS 39	(3,649,255)	(296,883)
Profit (loss) from adopting the overlay approach	<u>\$ 3,053,977</u>	<u>(\$ 4,151,363)</u>
Effects on income tax	<u>\$ 28,963</u>	<u>(\$ 18,487)</u>

D. Please refer to Note 6(38) for the amounts recognised in profit or loss in relation to the financial assets and liabilities at fair value through profit or loss.

(4) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Debt instruments		
Government bonds	\$ 51,723,187	\$ 66,141,036
Bank debentures	63,494,452	69,146,868
Corporate bonds	144,189,952	169,249,746
Commercial paper	772	27,282
Others	1,891,952	1,507,887
Valuation adjustment	(11,461,127)	(20,358,290)
Subtotal	249,839,188	285,714,529
Equity instruments		
Listed stocks	\$ 5,542,753	\$ 18,307,697
Unlisted stocks/Emerging stocks	4,582,490	4,614,049
Others	2,648,611	2,659,126
Valuation adjustment	29,649,776	28,416,152
Subtotal	42,423,630	53,997,024
Total	\$ 292,262,818	\$ 339,711,553

- A. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of December 31, 2023 and 2022, the fair value of such investments were \$42,423,630 and \$53,997,024, respectively.
- B. The Yuanta Group disposed equity instruments at fair value through other comprehensive income for purposes of investment portfolio adjustment and asset allocation. For the years ended December 31, 2023 and 2022, the fair value of such equity investments sold amounted to \$29,194,182 and \$11,938,177, and accumulated gains (losses) on disposal were \$2,571,700 and (\$1,737,950), respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 3,929,273	\$ 3,454,906
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 2,486,009	(\$ 1,697,795)
Dividend income recognised in profit or loss		
Held at end of period	\$ 1,176,739	\$ 2,184,882
Derecognised in the current period	3,306,136	522,203
	\$ 4,482,875	\$ 2,707,085

	For the years ended December 31,	
	2023	2022
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,799,548	(\$ 20,072,583)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 15,552)	(\$ 20,641)
Reclassified due to derecognition	2,974,423	875,576
	<u>\$ 2,958,871</u>	<u>\$ 854,935</u>
Interest income recognised in profit or loss	<u>\$ 5,171,631</u>	<u>\$ 3,820,155</u>

D. Details of the above financial assets at fair value through other comprehensive income pledged to others as collateral as of December 31, 2023 and 2022, are provided in Note 8.

E. Information relating to credit risk is provided in Note 12(3).

(5) Investments in debt instruments at amortised cost

Items	December 31, 2023	December 31, 2022
Government bonds	\$ 109,776,649	\$ 118,653,300
Time deposits	142,692,828	173,075,000
Bank debentures	119,849,038	108,753,511
Corporate bonds	170,532,824	143,771,283
Subtotal	542,851,339	544,253,094
Less: Accumulated impairment	(159,669)	(163,379)
Statutory deposits	(3,560,400)	(3,560,400)
Total	<u>\$ 539,131,270</u>	<u>\$ 540,529,315</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2023	2022
Interest income	\$ 13,550,989	\$ 11,551,810
Reversal gain (impairment loss)	3,751	(14,397)
(Losses) gains on disposal	(690,387)	83,436
	<u>\$ 12,864,353</u>	<u>\$ 11,620,849</u>

B. The Yuanta Group sold certain financial assets at amortised cost for the years ended December 31, 2023 and 2022, due to factors such as considering pay back, mandatorily redeemed by the issuer, increase in credit risk, or individual and aggregated sales amount that is non-significant. The (loss) gain on disposal of investments in debt instruments at amortised cost were (\$690,387) and \$83,436, respectively.

C. Pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. As of December 31, 2023 and 2022, Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$3,560,400 in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.

D. Details of the above financial assets at amortised cost pledged to others as collateral as of December 31, 2023 and 2022, are provided in Note 8.

E. Information relating to credit risk is provided in Note 12(3).

(6) Bills and bonds purchased under resale or bills and bonds sold under repurchase agreements

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills and bonds purchased under resale agreement	\$ 99,644,104	\$ 94,073,224
Interest rate range	0.92% ~ 6.65%	0.56% ~ 5.90%
Contract resale amount	<u>\$ 100,042,588</u>	<u>\$ 94,442,928</u>
Bills and bonds sold under repurchase agreement	\$ 251,838,703	\$ 224,137,491
Interest rate range	0.50% ~ 5.80%	0.45% ~ 4.85%
Contract repurchase amount	<u>\$ 257,448,903</u>	<u>\$ 229,074,828</u>

(7) Receivables – net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Interest receivable	\$ 11,708,251	\$ 9,692,421
Receivable of securities business money lending	71,687,248	50,876,971
Factoring receivable	5,025,112	6,749,712
Margin loans receivable	98,783,527	84,058,674
Spot exchange receivable	828,096	2,006,360
Credit card receivable	9,189,343	8,883,926
Net exchange clearing receivable	8,718,790	6,110,052
Settlement receivable	53,217,175	26,035,305
Securities sold receivable	9,638,023	4,511,972
Other receivables	<u>6,227,378</u>	<u>5,426,681</u>
Subtotal	275,022,943	204,352,074
Less: Allowance for credit losses	(1,930,024)	(2,010,082)
Total	<u>\$ 273,092,919</u>	<u>\$ 202,341,992</u>

A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the years ended December 31, 2023 and 2022, details are provided in Note 12(3).

B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of December 31, 2023 and 2022, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were 6.90%~10.20% and 7.00%~10.40%, respectively; the annual interest rates range of Yuanta Securities (Hong Kong) were 2.68%~13.75% and 0.25%~13.50%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were all 16.00%~18.00%; the annual interest rates range of Yuanta Securities (Thailand) were 5.56%~5.90% and 4.13%~4.50%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 8.00%~13.50% and 6.79%~15.51%, respectively.

(8) Assets held for sale

In order to enhance the efficiency of asset utilization, the Yuanta Group approved the sale of its own real estate by those authorised, and expected to complete the sale within a year therefore, the relevant assets were reclassified to “assets held for sale”. After remeasuring, the original assets at the lower of its carrying amount or fair value less costs to sell, the balance of assets held for sale is \$ 79,099 and

\$81,469 as of December 31, 2023 and 2022, respectively. The fair value of the assets held for sale is based on the valuation results by independent valuation experts, which was categorised as level 2 of the fair value hierarchy. For the year ended December 31, 2022, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal all amounted to \$120,880, and gain on disposal amounted to \$12,331, respectively. For the year ended December 31, 2023, there were no sales transaction. For the years ended December 31, 2023 and 2022, the Yuanta Group recognised related impairment loss were \$2,370 and \$4,545, respectively.

(9) Bills discounted and loans - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills discounted	\$ 34,373	\$ 10,663
Overdrafts	3,820	3,634
Short-term loans	148,164,186	130,844,368
Short-term loans secured	110,824,956	90,689,357
Medium-term loans	162,900,732	141,328,962
Medium-term loans secured	228,608,660	228,098,646
Long-term loans	5,350,960	4,823,525
Long-term loans secured	435,462,856	404,064,697
Export-import bills negotiated	8,454	37,855
Accounts receivable financing	318,491	489,648
Automatic policy loans	1,670,455	1,601,933
Life insurance policy loans	6,451,096	6,049,114
Overdue loans	2,017,089	1,513,972
Subtotal	<u>1,101,816,128</u>	<u>1,009,556,374</u>
Less: Allowance for credit losses	(15,266,124)	(14,367,092)
Less: Adjustment for discount or premium	(23,244)	9,883
Total	<u>\$ 1,086,526,760</u>	<u>\$ 995,199,165</u>

A. The Yuanta Group recognised the appropriate allowance for credit losses for the bills discounted and loans. For the details of changes in allowance for credit losses in relation to bills discounted and loans for the years ended December 31, 2023 and 2022, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills discounted and loans including adjustment for premium		
Yuanta Bank	\$ 1,083,227,619	\$ 990,145,956
Yuanta Securities	10,443,714	11,769,254
Yuanta Life	8,121,551	7,651,047
Subtotal	<u>\$ 1,101,792,884</u>	<u>\$ 1,009,566,257</u>
Allowance for credit losses		
Yuanta Bank	(\$ 14,247,014)	(\$ 13,400,050)
Yuanta Securities	(1,019,110)	(967,042)
Subtotal	<u>(15,266,124)</u>	<u>(14,367,092)</u>
Total	<u>\$ 1,086,526,760</u>	<u>\$ 995,199,165</u>

C. For the year ended December 31, 2022, the Yuanta Group has recognised gain of \$5,985, when derecognising credit assets measured at amortised cost. There was no derecognition for the year

ended December 31, 2023.

(10) Reinsurance contract assets

	December 31, 2023	December 31, 2022
Claims recoverable from reinsurers	\$ 472,208	\$ 640,013
Due from reinsurers and ceding companies	119,616	153,324
Reinsurance reserve assets		
Ceded unearned premium reserve	456,271	436,945
Ceded claims reserve	88,959	123,363
Overdue receivables	112,039	14,550
Total	<u>\$ 1,249,093</u>	<u>\$ 1,368,195</u>

(11) Investments accounted for under the equity method

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Associates:				
CR Yuanta Fund Management Company Limited	\$ 341,109	24.50%	\$ 346,416	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	22,299	100.00%	22,324	100.00%
Woori Asset Management Corp.	810,967	27.00%	793,797	27.00%
TONGYANG AGRI-FOOD INVESTMENT FUND II	-	-	72,028	40.74%
KVIC-Yuanta 2015 Overseas Advance Fund	77,480	44.00%	162,026	44.00%
IBKC-TONGYANG Growth 2013 Private Equity Fund	47,978	10.71%	67,762	10.71%
2016 KIF-Yuanta ICT Venture Fund	44,596	16.67%	74,120	16.67%
Yuanta Secondary No.2 Fund	150,990	12.28%	212,851	12.28%
Yuanta Secondary No.3 Private Equity Fund	663,043	15.26%	810,130	15.26%
SJ-ULTRA V 1st FUND	28,500	34.48%	29,014	34.48%
Yuanta-HPNT Private Equity Fund	4,703	0.09%	4,838	0.09%
Kiwoom-Yuanta 2019 Scale-up Fund	404,998	15.20%	410,896	15.20%
Yuanta SPAC VIII	-	-	480	0.15%
Yuanta Innovative Job Creation Fund	186,835	22.73%	189,764	22.73%
Yuanta Quantum Jump No.1 Fund	80,731	12.50%	86,292	12.50%
Yuanta Great Unicorn No.1 Fund	67,570	17.65%	116,684	17.65%
Yuanta Innovative Growth MPE Fund	154,168	14.02%	30,950	14.02%
Yuanta SPAC IX	479	0.19%	480	0.19%
Yuanta SPAC X	479	0.17%	528	0.17%
Yuanta SPAC XI	469	0.19%	24	4.17%
Yuanta SPAC XII	469	0.21%	21	3.70%

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Yuanta SPAC XIII	\$ 453	0.10%	\$ 244	0.81%
Yuanta SPAC XIV	464	0.22%	244	1.85%
Yuanta SPAC XV	237	1.96%	-	-
Yuanta SPAC XVI	356	4.17%	-	-
	<u>\$ 3,089,373</u>		<u>\$ 3,431,913</u>	

The Yuanta Group's shares of the operating results in all individually immaterial associates are summarised below:

	For the years ended December 31,	
	2023	2022
Net (loss) profit for the period from continuing operations	(\$ 231,099)	\$ 191,645
Other comprehensive income (loss) (net of tax)	742	(681)
(12) <u>Other financial assets - net</u>		

	December 31, 2023	December 31, 2022
Overdue receivable	\$ 895,372	\$ 899,922
Less: Allowance for credit losses	(894,533)	(898,458)
	<u>839</u>	<u>1,464</u>
Purchase of claim receivable	1,790,773	1,814,911
Valuation adjustment on purchase of claim receivable	(25,072)	(22,158)
	<u>1,765,701</u>	<u>1,792,753</u>
Customer margin accounts	78,039,576	81,222,971
Investment-linked insurance product assets	31,504,281	30,353,012
Receivables from security lending	234,920	846,335
Others	271,214	264,238
Total	<u>\$ 111,816,531</u>	<u>\$ 114,480,773</u>

A. Information relating to credit risk is provided in Note 12(3).

B. The Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of December 31, 2023 and 2022, as well as for the years ended December 31, 2023 and 2022, details about the investment insurance products - separate accounts were as follows:

	December 31, 2023	December 31, 2022
Investment – linked insurance product assets		
Financial assets at fair value through profit or loss	\$ 31,437,073	\$ 30,324,039
Other receivables	67,208	28,973
	<u>\$ 31,504,281</u>	<u>\$ 30,353,012</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investment – linked insurance product liabilities		
Reserve for investment linked insurance product		
– insurance contract	\$ 7,322,624	\$ 6,694,344
– investment contract	24,127,964	23,636,016
Other payables	<u>53,693</u>	<u>22,652</u>
	<u>\$ 31,504,281</u>	<u>\$ 30,353,012</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue on investment – linked insurance products		
Premium income	\$ 267,215	\$ 2,245,009
Gain (loss) on financial assets at fair value through profit or loss	1,103,680	(1,063,657)
Exchange loss	(150)	(3,902)
Interest income	5,681	5,177
Other income	<u>1,073</u>	<u>4,706</u>
	<u>\$ 1,377,499</u>	<u>\$ 1,187,333</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 455,568	\$ 256,216
Net change in reserve for investment-linked insurance product-insurance contract	628,129	604,504
Administrative expenses and other expenses	<u>293,802</u>	<u>326,613</u>
	<u>\$ 1,377,499</u>	<u>\$ 1,187,333</u>

(13) Investment property - net

	<u>December 31, 2023</u>			
<u>Assets</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land and land improvements	\$ 1,918,238	\$ -	(\$ 198,897)	\$ 1,719,341
Buildings	1,707,854	(780,365)	(35,347)	892,142
Right-of-use assets	6,471,964	(382,993)	-	6,088,971
Investment property under construction	<u>2,607,063</u>	<u>-</u>	<u>-</u>	<u>2,607,063</u>
Total	<u>\$ 12,705,119</u>	<u>(\$ 1,163,358)</u>	<u>(\$ 234,244)</u>	<u>\$ 11,307,517</u>

Assets	December 31, 2022			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,113,291	\$ -	(\$ 201,558)	\$ 1,911,733
Buildings	1,926,328	(814,205)	(37,574)	1,074,549
Right-of-use assets	6,472,693	(278,194)	-	6,194,499
Investment property under construction	<u>1,306,670</u>	<u>-</u>	<u>-</u>	<u>1,306,670</u>
Total	<u>\$ 11,818,982</u>	<u>(\$ 1,092,399)</u>	<u>(\$ 239,132)</u>	<u>\$ 10,487,451</u>
Change in investment property of the Yuanta Group:				
	For the years ended December 31,			
	2023		2022	
Cost				
At January 1	\$ 11,818,982	\$	12,185,874	
Additions	1,301,449		729,114	
Disposals	(252,462)	(	1,107,928)	
Transferred out to property and equipment	(205,160)	(	244,192)	
Transferred in from property and equipment	83,491		213,183	
Others	-	(	16,799)	
Foreign exchange adjustment and others	(41,181)		59,730	
At December 31	<u>\$ 12,705,119</u>	\$	<u>11,818,982</u>	
	For the years ended December 31,			
	2023		2022	
Accumulated depreciation				
At January 1	(\$ 1,092,399)	(\$	1,240,700)	
Depreciation	(58,839)	(	68,848)	
Disposals	42,114		318,005	
Transferred out to property and equipment	26,083		21,735	
Transferred in from property and equipment	(1,509)	(	13,336)	
Others	-		2,687	
Foreign exchange adjustment and others	(78,808)	(	111,942)	
At December 31	<u>(\$ 1,163,358)</u>	(\$	<u>1,092,399)</u>	
	For the years ended December 31,			
	2023		2022	
Accumulated impairment				
At January 1	(\$ 239,132)	(\$	251,652)	
Reversal of impairment loss	4,888		10,901	
Disposals	-		3,101	
Transferred in from property and equipment	-	(	1,482)	
At December 31	<u>(\$ 234,244)</u>	(\$	<u>239,132)</u>	

- A. The fair value of the investment property held by the Yuanta Group as of December 31, 2023 and 2022, were \$13,161,957 and \$12,524,213, respectively, according to the result of valuation by an independent valuation expert using the income approach, comparison approach, cost approach and land development analysis approach. As of December 31, 2023, the fair value included the amounts of \$2,930,651 and \$10,231,306; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2022, the fair value included the amounts of \$3,252,372 and \$9,271,841; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the years ended December 31, 2023 and 2022, rental income from the lease of the investment property were \$161,129 and \$169,032, respectively.
- C. Please refer to Note 8 for details of the above investment property pledged to others as collateral.

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(14) Property and equipment - net
Change in property and equipment of the Yuanta Group:

Cost	2023						
	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659
Additions	-	1,512	617,301	12,357	127,888	2,203,505	2,962,563
Disposals	(2,798)	(9,189)	(313,506)	(22,432)	(206,219)	-	(554,144)
Transferred in from investment property	(72,395)	(11,096)	-	-	-	-	(83,491)
Transferred out to investment property	156,704	48,456	-	-	-	-	205,160
Others	-	-	446,290	1,700	86,595	(529,730)	4,855
Translation difference	(7,268)	(24,958)	(46,712)	20	(376)	66	(79,228)
At December 31	\$ 15,070,429	\$ 7,074,907	\$ 4,985,702	\$ 199,203	\$ 1,814,817	\$ 5,438,316	\$ 34,583,374
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	\$ -	(\$ 6,434,820)
Depreciation	-	(203,227)	(675,621)	(22,853)	(288,374)	-	(1,190,075)
Disposals	-	4,768	311,823	19,490	203,965	-	540,046
Transferred in from investment property	-	1,509	-	-	-	-	1,509
Transferred out to investment property	-	(26,083)	-	-	-	-	(26,083)
Others	-	-	2	-	(2)	-	-
Translation difference	-	10,718	38,258	7	(220)	-	48,763
At December 31	\$ -	(\$ 2,550,615)	(\$ 3,182,173)	(\$ 147,183)	(\$ 1,180,689)	\$ -	(\$ 7,060,660)
<u>Accumulated impairment</u>							
At January 1	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)
Reversal of impairment loss	11,683	7,107	-	-	-	-	18,790
At December 31	(\$ 119,057)	(\$ 51,203)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 170,558)
Net carrying amount	\$ 14,951,372	\$ 4,473,089	\$ 1,803,529	\$ 52,020	\$ 633,830	\$ 5,438,316	\$ 27,352,156

Note: A trust in Chang Hwa Bank was set up in relation to the land, with a book value of \$3,447,759, due to the city renovation.

2022

Cost	Land and land improvements (Note)		Buildings		Machinery and computer equipment		Transportation equipment		Miscellaneous equipment		Construction in progress and prepayments for business facilities		Total
At January 1	\$ 15,095,745	\$ 7,241,243	\$ 4,033,225	\$ 209,637	\$ 1,738,942	\$ 2,420,243	\$ 30,739,035						
Additions	-	462	553,427	9,898	176,964	1,598,331	2,339,082						
Disposals	(127,000)	(228,253)	(527,235)	(13,973)	(274,209)	(19,941)	(1,190,611)						
Transferred in from investment property	196,614	47,578	-	-	-	-	244,192						
Transferred out to investment property	(180,708)	(32,475)	-	-	-	-	(213,183)						
Others	-	-	108,045	1,449	132,015	(235,413)	6,096						
Translation difference	11,535	41,627	114,867	547	33,217	1,255	203,048						
At December 31	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659						
Accumulated depreciation													
At January 1	\$ -	(\$ 2,223,653)	(\$ 2,681,768)	(\$ 128,225)	(\$ 1,024,589)	(\$ -)	(\$ 6,058,235)						
Depreciation	-	(203,589)	(607,332)	(26,099)	(311,447)	-	(1,148,467)						
Disposals	-	115,296	525,609	10,954	267,893	-	919,752						
Transferred in from investment property	-	(21,735)	-	-	-	-	(21,735)						
Transferred out to investment property	-	13,336	-	-	-	-	13,336						
Others	-	-	3,491	-	1,403	-	4,894						
Translation difference	-	(17,955)	(96,635)	(457)	(29,318)	-	(144,365)						
At December 31	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	(\$ -)	(\$ 6,434,820)						
Accumulated impairment													
At January 1	(\$ 149,649)	(\$ 62,269)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 212,216)						
Disposals	18,919	2,467	-	-	-	-	21,386						
Transferred out to investment property	(10)	1,492	-	-	-	-	1,482						
At December 31	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)						
Net carrying amount	\$ 14,865,446	\$ 4,673,572	\$ 1,425,694	\$ 63,731	\$ 710,573	\$ 3,764,475	\$ 25,503,491						

Note: A trust in Chang Hwa Bank was set up in relation to the land, with a book value of \$3,447,759, due to the city renovation. Please refer to Note 8 for details of property and equipment pledged to others as collateral.

(15) Leasing arrangements – lessee

A. The Yuanta Group leases various assets including land, buildings, machinery and equipment, transportation equipment and miscellaneous equipment. Rental contracts are typically made for periods of 1 to 15 years. In addition, superficies bid from National Property Administration, Ministry of Finance are made for periods of 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,511,019	\$ 8,642,912
Buildings	4,367,284	2,701,303
Machinery and equipment	47,479	92,732
Transportation equipment	28,006	33,979
Others	57,787	44,606
	<u>\$ 13,011,575</u>	<u>\$ 11,515,532</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 20,072	\$ 19,925
Buildings	1,322,516	1,277,386
Machinery and equipment	45,227	45,334
Transportation equipment	13,678	13,539
Others	8,493	7,940
	<u>\$ 1,409,986</u>	<u>\$ 1,364,124</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets amounted to \$3,120,392 and \$1,617,259, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 79,263	\$ 62,313
Expense on short-term lease contracts	84,622	86,575
Expense on leases of low-value assets	5,469	6,070
Gain on sublease of right-of-use assets	13,376	11,891
(Loss) gain on lease modification	(120)	133,135

E. For the years ended December 31, 2023 and 2022, the Yuanta Group's total cash outflow for leases amounted to \$1,625,065 and \$1,700,619, respectively.

(16) Leasing arrangements – lessor

A. The Yuanta Group leases various assets including buildings, equipment, parking lot and investment property under operating leasing. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased

assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

- B. The Yuanta Group leases the equipment under a finance lease. Based on the terms of the lease contract, the ownership of the equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Finance income from the net investment in the finance lease	\$ 214	\$ 596

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2022</u>
2023	\$ 8,463

As of December 31, 2023, the Yuanta Group had no undiscounted lease payments in the finance lease.

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2022</u>
Undiscounted lease payments	\$ 8,463
Unearned finance income	(214)
Net investment in the lease	<u>\$ 8,249</u>

As of December 31, 2023, the Yuanta Group had no undiscounted lease payments in the finance lease.

- E. For the years ended December 31, 2023 and 2022, the Yuanta Group recognised rent income in the amounts of \$161,210 and \$169,073, respectively, based on the operating lease agreement, which does not include variable lease payments.

- F. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>
2024	\$ 100,707	2023	\$ 107,402
2025	67,060	2024	63,395
2026	18,070	2025	35,402
2027	8,887	2026	7,555
2028	3,611	2027	5,113
After 2029	<u>2,442</u>	After 2028	<u>3,917</u>
Total	<u>\$ 200,777</u>	Total	<u>\$ 222,784</u>

(17) Intangible assets - net

2023

Cost	Goodwill (Note 1)		Operating rights		Computer software		Customer relationship		Others		Total
At January 1	\$ 31,496,813	\$ -	\$ 385,472	\$ -	\$ 5,079,715	\$ -	\$ 3,045,314	\$ 4,367,806	\$ -	\$ 44,375,120	
Additions	-	-	-	-	312,909	-	-	31,696	-	344,605	
Disposals	-	-	-	-	(141,236)	-	-	(3,340)	-	(144,576)	
Reclassifications	-	-	-	-	97,254	-	-	-	-	97,254	
Translation difference	(2,848)	(16)	(16)	(16)	(98,619)	-	-	(23,541)	-	(125,024)	
At December 31	\$ 31,493,965	\$ -	\$ 385,456	\$ -	\$ 5,250,023	\$ -	\$ 3,045,314	\$ 4,372,621	\$ -	\$ 44,547,379	
<u>Accumulated amortisation</u>											
At January 1	\$ -	(\$ -)	(\$ 374,975)	(\$ -)	(\$ 4,152,345)	(\$ -)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ -)	(\$ 10,141,836)	
Amortisation	-	-	-	-	(349,434)	(3,438)	(3,438)	(232,394)	(-)	(585,266)	
Disposals	-	-	-	-	141,228	-	-	-	-	141,228	
Translation difference	-	-	5	5	89,592	-	-	1,479	-	91,076	
At December 31	\$ -	(\$ -)	(\$ 374,970)	(\$ -)	(\$ 4,270,959)	(\$ -)	(\$ 3,045,314)	(\$ 2,803,555)	(\$ -)	(\$ 10,494,798)	
<u>Accumulated impairment</u>											
At January 1	(\$ 2,956,649)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ -)	(\$ 3,273,376)	
Impairments (Note)	(48,966)	(4,586)	(4,586)	(4,586)	-	-	-	-	(-)	(53,552)	
Translation difference	2,543	53	53	53	-	-	-	429	-	3,025	
At December 31	(\$ 3,003,072)	(\$ 4,533)	(\$ 4,533)	(\$ -)	\$ -	\$ -	\$ -	(\$ 316,298)	(\$ -)	(\$ 3,323,903)	
Net carrying amount	\$ 28,490,893	\$ -	\$ 5,953	\$ -	\$ 979,064	\$ -	\$ -	\$ 1,252,768	\$ -	\$ 30,728,678	

Note : Goodwill impairment loss of Yuanta Securities' investment segment-Yuanta Securities (Vietnam) amounting to \$48,966 was recognized due to its recoverable amount being less than its carrying amount after assessment.

2022

Cost	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,483,298	\$ 384,009	\$ 4,574,763	\$ 3,045,314	\$ 4,317,864	\$ 43,805,248
Additions	-	-	332,568	-	4,297	336,865
Disposals	-	-	(120,707)	-	(1,276)	(121,983)
Reclassifications	-	-	105,663	-	-	105,663
Translation difference	13,515	1,463	187,428	-	46,921	249,327
At December 31	\$ 31,496,813	\$ 385,472	\$ 5,079,715	\$ 3,045,314	\$ 4,367,806	\$ 44,375,120
Accumulated amortisation						
At January 1	\$ -	(\$ 373,041)	(\$ 3,807,101)	(\$ 3,038,126)	(\$ 2,338,021)	(\$ 9,556,289)
Amortisation	-	(1,504)	(298,183)	(3,750)	(232,175)	(535,612)
Disposals	-	-	119,960	-	6	119,966
Reclassifications	-	-	334	-	-	334
Translation difference	-	(430)	(167,355)	-	(2,450)	(170,235)
At December 31	\$ -	(\$ 374,975)	(\$ 4,152,345)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ 10,141,836)
Accumulated impairment						
At January 1	(\$ 2,886,663)	\$ -	\$ -	\$ -	(\$ 316,015)	(\$ 3,202,678)
Impairments (Note)	(64,077)	-	-	-	-	(64,077)
Translation difference	(5,909)	-	-	-	(712)	(6,621)
At December 31	(\$ 2,956,649)	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ 3,273,376)
Net carrying amount	\$ 28,540,164	\$ 10,497	\$ 927,370	\$ 3,438	\$ 1,478,439	\$ 30,959,908

Note : Goodwill impairment loss of Yuanta Securities' investment segment-Yuanta Securities (Vietnam) amounting to \$64,077 was recognized due to its recoverable amount being less than its carrying amount after assessment.

1. The Yuanta Group's goodwill all arose from business combination. According to the accounting treatment of the acquisition method, the acquisition costs exceeding the fair value of tangible and identifiable intangible assets after deducting the fair value of the liabilities assumed is recognized as goodwill.
2. Goodwill is allocated to cash-generating units identified according to operating segments, and experts are entrusted to assist in assessing the recoverable amount based on value-in-use, which is calculated based on management's estimate of future cash flows for future periods. For cash flows that exceed the aforementioned future periods, the following estimated growth rates are used for calculations. The goodwill of the Yuanta Group is regularly tested for impairment at the end of each year. In 2023 and 2022, the cash-generating unit of Yuanta Securities' investment segment-Yuanta Securities (Vietnam), after evaluation, the recoverable amount was lower than its carrying amount, therefore goodwill impairment losses of \$48,966 and \$64,077 were recognized in 2023 and 2022, respectively; the recoverable amounts of the remaining cash-generating units after evaluation are higher than their carrying amounts.

The key assumptions used for value in use calculations are as follows:

	Bank subsidiaries				
	Corporate finance	Personal finance	Financial management	Financial market	
2023					
Growth rate	2.00%	2.00%	2.00%	2.00%	
Discount rate	9.30%	9.30%	9.40%	9.20%	
	Securities subsidiaries				
	Brokerage Segment	Investment Banking Segment	Investment Segment	Futures	Securities Investment Trust
2023					
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%
Discount rate	8.20%	8.20%	19.00%~22.40%	8.00%	13.00%
	Bank subsidiaries				
	Corporate finance	Personal finance	Financial management	Financial market	
2022					
Growth rate	2.00%	2.00%	2.00%	2.00%	
Discount rate	8.80%	8.70%	9.10%	8.80%	
	Securities subsidiaries				
	Brokerage Segment	Investment Banking Segment	Investment Segment	Futures	Securities Investment Trust
2022					
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%
Discount rate	8.00%	8.00%	19.30%~23.00%	8.00%	12.70%

(18) Other assets - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Refundable deposits - net	\$ 5,149,361	\$ 6,313,415
Deposits on securities borrowed	35,199,050	25,663,435
Operating guarantee deposits and settlement and clearing fund	4,911,907	5,188,796
Prepayments	1,114,769	1,013,577
Bank deposits - amounts held for settlement	22,849,175	20,495,962
Others	540,799	368,271
Total	<u>\$ 69,765,061</u>	<u>\$ 59,043,456</u>

Please refer to Note 8 for details of the above other assets pledged to others as collateral.

(19) Impairment of non-financial assets

Accumulated impairment on various non-financial assets were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investment property	\$ 234,244	\$ 239,132
Property and equipment	170,558	189,348
Intangible assets - goodwill	3,003,072	2,956,649
Intangible assets - operating rights	4,533	-
Intangible assets - other	316,298	316,727

(20) Deposits from Central Bank and other banks

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdrafts with other banks	\$ 5,935,763	\$ 1,923,082
Call loans from other banks	6,451,630	36,684,013
Total	<u>\$ 12,387,393</u>	<u>\$ 38,607,095</u>

(21) Commercial paper payable - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial paper payable	\$ 83,446,921	\$ 47,963,211
Less: Discount on commercial paper payable	(291,756)	(127,141)
Total	<u>\$ 83,155,165</u>	<u>\$ 47,836,070</u>

As of December 31, 2023 and 2022, the annual interest rate of commercial paper payable was 1.528%~5.590% and 0.950%~5.990%, respectively.

The commercial promissory notes mentioned above are all underwritten and issued by bill finance companies or banks.

(22) Payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	\$ 76,177,280	\$ 76,475,038
Spot exchange payable	828,284	2,009,705
Accrued expenses	12,261,577	10,136,916
Deposit payable for short sales	7,081,301	10,153,978
Net exchange clearing payable	3,777,723	3,335,104
Securities purchased payable	2,659,924	3,133,408
Settlement payable	58,070,615	28,080,026
Guarantee deposit received from short sales	6,351,449	11,091,743
Other payables	13,001,910	9,610,645
Total	<u>\$ 180,210,063</u>	<u>\$ 154,026,563</u>

(23) Deposits and remittances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Checking deposits	\$ 5,820,328	\$ 6,041,755
Demand deposits	181,485,255	180,320,808
Time deposits	404,594,380	380,133,262
Negotiable certificates of deposit	12,180,900	4,694,000
Savings deposits	944,529,272	836,179,477
Remittances	160,683	72,197
Total	<u>\$ 1,548,770,818</u>	<u>\$ 1,407,441,499</u>

(24) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank debentures	\$ 28,700,000	\$ 28,700,000
Unsecured corporate bonds	76,204,691	73,787,542
Total	<u>\$ 104,904,691</u>	<u>\$ 102,487,542</u>

A. The details of bank debentures as of December 31, 2023 were as follows:

	<u>First issue of subordinate bank debentures in 2014(B)</u>
Par value	\$4,700,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Third issue of perpetual non-cumulative subordinate bank debentures in 2015
Par value	\$5,550,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	Fourth issue of subordinate bank debentures in 2015
Par value	\$3,000,000
Stated interest rate	Fixed interest rate at 2.10%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Fifth issue of perpetual non-cumulative subordinate bank debentures in 2015
Par value	\$1,450,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	First issue of subordinate bank debentures in 2021
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.67%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Second issue of general bank debentures in 2021
Par value	\$500,000
Stated interest rate	Fixed interest rate at 0.45%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2020
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.59%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2022
Par value	\$5,300,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured ordinary corporate bond in 2022
Par value	\$8,200,000
Stated interest rate	Fixed interest rate at 1.55%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the fourth and fifth years
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2023(A)
Par value	\$1,850,000
Stated interest rate	Fixed interest rate at 1.65%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2023(B)
Par value	\$4,750,000
Stated interest rate	Fixed interest rate at 1.80%
Period	ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(A)
Par value	\$2,200,000
Stated interest rate	Fixed interest rate at 1.25%
Issuance date	June 6, 2019
Maturity date	June 6, 2026
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(B)
Par value	\$6,300,000
Stated interest rate	Fixed interest rate at 1.40%
Issuance date	June 6, 2019
Maturity date	June 6, 2029
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(A)
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	October 20, 2020
Maturity date	October 20, 2027
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(B)
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 0.95%
Issuance date	October 20, 2020
Maturity date	October 20, 2030
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(A)
Par value	\$4,800,000
Stated interest rate	Fixed interest rate at 0.82%
Issuance date	May 17, 2021
Maturity date	May 17, 2031
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(B)
Par value	\$5,200,000
Stated interest rate	Fixed interest rate at 1.02%
Issuance date	May 17, 2021
Maturity date	May 17, 2036
Issuance area	Taiwan

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2023(A)
Par value	\$950,000
Stated interest rate	Fixed interest rate at 1.62%
Issuance date	August 15, 2023
Maturity date	August 15, 2028
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2023(B)
Par value	\$4,550,000
Stated interest rate	Fixed interest rate at 1.82%
Issuance date	August 15, 2023
Maturity date	August 15, 2033
Issuance area	Taiwan
	Yuanta Securities Finance first issue of unsecured ordinary corporate bond in 2020(A)
Par value	\$2,300,000
Stated interest rate	Fixed interest rate at 0.63%
Issuance date	May 6, 2020
Maturity date	May 6, 2025
Issuance area	Taiwan
	Yuanta Securities Finance first issue of unsecured ordinary corporate bond in 2020(B)
Par value	\$2,700,000
Stated interest rate	Fixed interest rate at 0.67%
Issuance date	May 6, 2020
Maturity date	May 6, 2027
Issuance area	Taiwan
	Yuanta Securities (Korea) 87th issue of unsecured ordinary corporate bond
Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 1.707%
Issuance date	April 8, 2021
Maturity date	April 8, 2024
Issuance area	Korea
	Yuanta Securities (Korea) 88th issue of unsecured ordinary corporate bond
Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 4.215%
Issuance date	April 12, 2022
Maturity date	April 11, 2025
Issuance area	Korea

Yuanta Futures first issue of unsecured subordinate ordinary
corporate bond in 2021

Par value	\$1,500,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	November 12, 2021
Maturity date	November 12, 2028
Issuance area	Taiwan

(25) Other borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Short-term borrowings		
Unsecured bank borrowings	\$ 7,257,098	\$ 8,457,322
Secured bank borrowings	2,282,866	4,930,967
KSFC secured borrowings	24,522,128	22,144,885
Asset-backed short-term bonds	14,377,075	12,927,025
	<u>\$ 48,439,167</u>	<u>\$ 48,460,199</u>
Interest rate range	<u>0.712% ~ 8.450%</u>	<u>1.690% ~ 10.400%</u>

The Yuanta Group has provided certain assets as pledged assets for the above borrowings, please refer to Note 8 for details.

(26) Provisions

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Insurance liabilities	\$ 364,806,930	\$ 350,428,059
Reserve for foreign exchange fluctuation	1,273,406	3,988,784
Employee benefit provisions	5,302,863	4,553,279
Guaranteed policy reserve	190,232	177,637
Loan commitment reserve and letters of credit	45,551	37,202
Reserve for insurance with nature of financial instrument	186,286	130,855
Other reserves (Note)	4,835,555	4,360,809
Total	<u>\$ 376,640,823</u>	<u>\$ 363,676,625</u>

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately \$16.5 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately \$1.6 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of December 31, 2023, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, with the claim amount of KRW492,565 million (approximately \$11.7 billion) (which claim amount was reduced to KRW113,007 million (approximately \$2.7 billion) by the plaintiffs) and KRW50,000 million (approximately \$1.2 billion), respectively, demanding compensations totaling KRW163,007 million (approximately \$3.9 billion); both litigations were class actions. For the class action with the claim amount of KRW492,565

million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance. The plaintiffs reduced the claim amount to KRW113,516 million (approximately \$2.7 billion) on November 16, 2022. The Seoul Central District Court dismissed the plaintiffs' claim on January 19, 2023. The plaintiffs appealed the case on February 9, 2023 with the claim amount of KRW113,007 million. Later, the Seoul High Court dismissed the plaintiffs' claim on January 24, 2024. The plaintiffs filed an appeal on February 15, 2024. For the class action with the claim amount of KRW50,000 million, the Seoul Central District Court and the Seoul High Court had dismissed the case based on procedural reasons. Subsequently, Yuanta Securities (Korea) received a judgment rendered by the Supreme Court on June 26, 2023 dismissing the appeal and the case is closed.

Former TongYang Securities Inc. has recognised liability reserve for the aforementioned sales dispute with adjustments made for actual compensation payments. As of December 31, 2023, the balance of the liability reserve related to the aforementioned financial product selling disputes and class action was KRW4,102 million (approximately \$0.1 billion).

In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, "Anbang") filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW166,600 million (approximately \$4 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW57,843 million as of December 31, 2023 (approximately \$1.4 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above results. Anbang then applied to Seoul Central District Court for recognising and enforcing the arbitration award. Yuanta Securities (Korea) received the court's decision on December 17, 2021 which recognised the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW131,801 million (approximately \$3.1 billion) plus subsequent interests payable. Yuanta Securities (Korea) and Anbang both filed an appeal against such decision. Yuanta Securities (Korea) received the ruling from the Seoul High Court on May 26, 2023 recognising such arbitration award. Anbang is entitled to file an enforcement for approximately KRW127,436 million (approximately \$3 billion), arbitration fees for approximately KRW22,278 million (approximately \$0.5 million) and subsequent interest payable. Yuanta Securities (Korea) has filed an appeal against the Seoul High Court's ruling. Yuanta Securities (Korea) has recognised provision liabilities in the amount of approximately KRW178,061 million (approximately \$4.2 billion). However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions.

Furthermore, for the delay in redeeming certain funds sold by Yuanta Securities (Korea), Yuanta Securities (Korea) has made provisions about KRW12,525 million (approximately \$0.3 billion). The amount of provisions is estimated and referred to cases that the Financial Dispute Settlement Committee has granted in relevant fund sales, this amount will be adjusted once the actual compensatory payments is made. As of December 31, 2023, after reflecting the current status of actual compensatory payments, the remaining amount of provisions is about KRW6,984 million (approximately \$0.2 billion).

A. The components of insurance liabilities are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unearned premium reserve	\$ 1,091,461	\$ 1,053,928
Claims reserve	1,604,402	1,489,530
Reserve for policy benefit	357,976,814	343,632,568
Special reserve	453,004	235,057
Premium deficiency reserve	507,295	691,773
Other reserves	<u>3,173,954</u>	<u>3,325,203</u>
Total	<u>\$ 364,806,930</u>	<u>\$ 350,428,059</u>

(A) Unearned premium reserve and ceded unearned premium reserve

a. Details of unearned premium reserve and ceded unearned premium reserve are as follows:

	<u>December 31, 2023</u>		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,430	\$ -	\$ 1,430
Personal accident insurance	336,086	-	336,086
Personal health insurance	553,231	-	553,231
Group insurance	197,986	-	197,986
Investment-linked insurance	<u>2,728</u>	-	<u>2,728</u>
	<u>\$ 1,091,461</u>	<u>\$ -</u>	<u>\$ 1,091,461</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 274,622	\$ -	\$ 274,622
Personal accident insurance	375	-	375
Personal health insurance	180,200	-	180,200
Group insurance	551	-	551
Investment-linked insurance	<u>523</u>	-	<u>523</u>
	<u>\$ 456,271</u>	<u>\$ -</u>	<u>\$ 456,271</u>

December 31, 2022			
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,581	\$ -	\$ 1,581
Personal accident insurance	308,611	-	308,611
Personal health insurance	544,039	-	544,039
Group insurance	196,716	-	196,716
Investment-linked insurance	2,981	-	2,981
	<u>\$ 1,053,928</u>	<u>\$ -</u>	<u>\$ 1,053,928</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 260,583	\$ -	\$ 260,583
Personal accident insurance	392	-	392
Personal health insurance	174,198	-	174,198
Group insurance	1,127	-	1,127
Investment-linked insurance	645	-	645
	<u>\$ 436,945</u>	<u>\$ -</u>	<u>\$ 436,945</u>

b. Change in unearned premium reserve and ceded unearned premium reserve are as follows:

	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Unearned premium reserve		
At January 1	\$ 1,053,928	\$ 979,625
Provision	1,091,461	1,053,928
Recovery	(1,053,928)	(979,625)
At December 31	<u>\$ 1,091,461</u>	<u>\$ 1,053,928</u>
Ceded unearned premium reserve		
At January 1	\$ 436,945	\$ 457,017
Current net change	19,503	(21,744)
(Loss) gain on foreign exchange	(177)	1,672
At December 31	<u>\$ 456,271</u>	<u>\$ 436,945</u>

(B) Claims reserve and ceded claims reserve

a. Details of claims reserve and ceded claims reserve are as follows:

	December 31, 2023		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 744,555	\$ -	\$ 744,555
Personal accident insurance	10,699	26,140	36,839
Personal health insurance	497,655	289,068	786,723
Group insurance	1,967	28,328	30,295
Investment-linked insurance	5,990	-	5,990
	<u>\$ 1,260,866</u>	<u>\$ 343,536</u>	<u>\$ 1,604,402</u>
Ceded claims reserve			
Personal life insurance	\$ 46,699	\$ -	\$ 46,699
Personal accident insurance	16	-	16
Personal health insurance	42,244	-	42,244
	<u>\$ 88,959</u>	<u>\$ -</u>	<u>\$ 88,959</u>
	December 31, 2022		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 634,012	\$ 976	\$ 634,988
Personal accident insurance	7,400	22,259	29,659
Personal health insurance	515,668	206,599	722,267
Group insurance	2,844	94,305	97,149
Investment-linked insurance	5,467	-	5,467
	<u>\$ 1,165,391</u>	<u>\$ 324,139</u>	<u>\$ 1,489,530</u>
Ceded claims reserve			
Personal life insurance	\$ 43,135	\$ -	\$ 43,135
Personal accident insurance	3	-	3
Personal health insurance	80,225	-	80,225
	<u>\$ 123,363</u>	<u>\$ -</u>	<u>\$ 123,363</u>

	December 31, 2022		
	Financial instruments with discretionary participation features		Total
	Insurance contract		
Life insurance	\$ 312,022,943	\$ -	\$ 312,022,943
Health insurance	31,050,423	-	31,050,423
Annuity insurance	4,377	384,754	389,131
Investment-linked insurance	66,116	-	66,116
	<u>\$ 343,143,859</u>	<u>\$ 384,754</u>	<u>343,528,613</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			53,672
Total			<u>\$ 343,632,568</u>

b. Changes in reserve for policy benefit:

	For the years ended December 31,	
	2023(Note 1)	2022(Note 2)
At January 1	\$ 343,618,651	\$ 318,611,643
Provision	35,728,394	39,802,038
Recovery	(21,373,250)	(20,577,862)
(Gain) loss on foreign exchange	(11,025)	5,782,832
At December 31	<u>\$ 357,962,770</u>	<u>\$ 343,618,651</u>

Note 1: As of December 31, 2023, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$14,044. As of December 31, 2023, adding the abovementioned payables, the reserve for policy benefit amounted to \$357,976,814.

Note 2: As of December 31, 2022, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$13,917. As of December 31, 2022, adding the abovementioned payables, the reserve for policy benefit amounted to \$343,632,568.

For the years ended December 31, 2023 and 2022, the interest expense, reflecting on the contract liabilities over a period of time, were \$8,734,990 and \$8,398,948, respectively.

(D)Special Reserve

a. Details of special reserve are as follows:

	December 31, 2023	December 31, 2022
Dividend payment reserve	<u>\$ 453,004</u>	<u>\$ 235,057</u>

b. Change in special reserve:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 235,057	\$ -
Dividend provision for participation policies	303,214	235,057
Reversal of dividend provision for participation policies	(85,267)	-
At December 31	<u>\$ 453,004</u>	<u>\$ 235,057</u>

(E) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	December 31, 2023		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 486,447	\$ -	\$ 486,447
Personal health insurance	20,848	-	20,848
Total	<u>\$ 507,295</u>	<u>\$ -</u>	<u>\$ 507,295</u>

	December 31, 2022		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 671,073	\$ -	\$ 671,073
Personal health insurance	20,700	-	20,700
Total	<u>\$ 691,773</u>	<u>\$ -</u>	<u>\$ 691,773</u>

b. Change in premium deficiency reserve:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 691,773	\$ 819,935
Provision	(88,533)	(37,676)
Recovery	(97,368)	(137,925)
Loss on foreign exchange	1,423	47,439
At December 31	<u>\$ 507,295</u>	<u>\$ 691,773</u>

(F) Other reserves

Pursuant to IFRS 3, 'Business combinations', other reserves are set aside for reflecting the fair value of insurance policies assumed while recognising the individual identifiable assets acquired and liabilities assumed at fair value. Changes in aforesaid other reserves are as follows:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 3,325,203	\$ 3,520,237
Recovery	(151,249)	(195,034)
At December 31	<u>\$ 3,173,954</u>	<u>\$ 3,325,203</u>

B. Reserve for foreign exchange fluctuation

(A) In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Yuanta Group set aside foreign exchange reserve under liabilities. Details are as follows:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 3,988,784	\$ 333,427
Provision		
Compulsory provision	460,106	323,370
Additional provision	1,296,366	5,653,869
Subtotal	5,745,256	6,310,666
Recovery	(4,471,850)	(2,321,882)
At December 31	\$ 1,273,406	\$ 3,988,784

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31, 2023		
	Ineligible amount	Eligible amount	Impact
Net income	(\$ 153,342)	\$ 2,018,960	\$ 2,172,302
Earnings per share (in dollars)	(0.06)	0.85	0.91
Reserve for foreign exchange fluctuation	-	1,273,406	1,273,406
Total equity	30,379,447	29,345,415	(1,034,032)

	For the year ended December 31, 2022		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 4,300,802	\$ 1,376,517	(\$ 2,924,285)
Earnings per share (in dollars)	1.81	0.58	(1.23)
Reserve for foreign exchange fluctuation	-	3,988,784	3,988,784
Total equity	26,059,838	22,853,504	(3,206,334)

C. Reserves for insurance contract with the nature of financial products

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance contract with the nature of financial products recognised on December 31, 2023 and 2022. and the movements are listed below:

	December 31, 2023	December 31, 2022
Investment-linked insurance	\$ 186,286	\$ 130,855

	For the years ended December 31,	
	2023	2022
At January 1	\$ 130,855	\$ 58,139
Net provision of statutory reserve	55,431	72,716
At December 31	\$ 186,286	\$ 130,855

(27) Employee benefit provisions

A. Defined benefit plans:

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45~61 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Yuanta Group also established a special retention compensation plan applicable to certain employees. Except for Yuanta Securities Finance contributing retirement fund by 8% of the employees' monthly salaries and wages, the Yuanta Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Yuanta Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected qualify for retirement in the following year, the Yuanta Group will make contributions to cover the deficit by next March. Yuanta Securities (Korea) and its subsidiaries have a defined benefit plan or a defined contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no. 1106083936, no. 1116069917 and no. 1126042800 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2024.

(B) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 7,950,297	\$ 7,547,604
Faire value of plan assets	(2,915,352)	(3,247,439)
	5,034,945	4,300,165
Prepaid pension cost	58,968	59,486
Net defined benefit liabilities	<u>\$ 5,093,913</u>	<u>\$ 4,359,651</u>

(C) Movement in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2023			
Balance at January 1,	\$ 7,547,604	(\$ 3,247,439)	\$ 4,300,165
Current service cost	334,990	-	334,990
Interest expense (income)	197,311	(47,924)	149,387
Past service cost	31,010	-	31,010
Settlement loss	-	893	893
	<u>8,110,915</u>	<u>(3,294,470)</u>	<u>4,816,445</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	1,921	(12,832)	(10,911)
Change in demographic assumptions	(45,362)	-	(45,362)
Change in financial assumptions	231,920	-	231,920
Experience adjustment	529,000	(81)	528,919
	<u>717,479</u>	<u>(12,913)</u>	<u>704,566</u>
Pension fund contribution	-	(162,735)	(162,735)
Paid pension	(800,240)	549,344	(250,896)
Translation difference	(77,857)	5,422	(72,435)
Balance at December 31,	<u>\$ 7,950,297</u>	<u>(\$ 2,915,352)</u>	<u>\$ 5,034,945</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2022			
Balance at January 1,	\$ 8,797,853	(\$ 2,295,805)	\$ 6,502,048
Current service cost	353,722	-	353,722
Interest expense (income)	103,001	(16,885)	86,116
Settlement loss	-	905	905
	<u>9,254,576</u>	<u>(2,311,785)</u>	<u>6,942,791</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	4,788	(143,597)	(138,809)
Change in demographic assumptions	41,897	-	41,897
Change in financial assumptions	(411,226)	-	(411,226)
Experience adjustment	(852,997)	(1,379)	(854,376)
	<u>(1,217,538)</u>	<u>(144,976)</u>	<u>(1,362,514)</u>
Pension fund contribution	-	(1,215,696)	(1,215,696)
Paid pension	(614,013)	434,009	(180,004)
Translation difference	124,579	(8,991)	115,588
Balance at December 31,	<u>\$ 7,547,604</u>	<u>(\$ 3,247,439)</u>	<u>\$ 4,300,165</u>

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenue, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in

domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make contributions to cover the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The operating status of Yuanta Securities (Korea)'s defined benefit plan's assets is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 16,129	\$ 13,352
Debt instruments	42,496	43,139
Beneficiary certificates	1,562	2,325
Others	<u>141,323</u>	<u>147,786</u>
	<u>\$ 201,510</u>	<u>\$ 206,602</u>

(E) The principal actuarial assumptions used were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	<u>1.20%~4.31%</u>	<u>1.20%~5.18%</u>
Future salary increases	<u>2.00%~5.28%</u>	<u>2.00%~5.29%</u>

The assumptions for future mortality are estimated based on published statistics and experience of countries.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of the Yuanta Group (except for Yuanta Securities (Korea)) was as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023				
Effect on present value of defined benefit obligation	<u>(\$ 84,592)</u>	<u>\$ 87,038</u>	<u>\$ 73,735</u>	<u>(\$ 72,137)</u>
December 31, 2022				
Effect on present value of defined benefit obligation	<u>(\$ 90,131)</u>	<u>\$ 92,870</u>	<u>\$ 79,628</u>	<u>(\$ 77,795)</u>

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of Yuanta Securities (Korea) was as follows:

	Discount rate		Future salary increase rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 246,755)	\$ 281,709	\$ 282,358	(\$ 251,775)
	Discount rate		Future salary increase rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 218,672)	\$ 250,095	\$ 253,616	(\$ 225,372)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. There is no change in the assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

- (F) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year 2024 amounted to \$52,527. Yuanta Securities (Korea) and its subsidiaries for the year 2024 amounts to \$10,426.
- (G) As of December 31, 2023, the weighted average duration of the retirement plan of the Company and its domestic subsidiaries, Yuanta Securities (Korea) and its subsidiaries, are 6~12 and 9.45~11.13 years, respectively.

B. Defined contribution plans:

- (A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (B) Under the defined contribution plan, the Company and its domestic subsidiaries recognized pension expense of \$543,389 (recorded as “employees’ benefit expenses” of \$540,226 and “net income other than interest” of \$3,163) and \$547,577 (recorded as “employees’ benefit expenses” of \$544,360 and “net income other than interest” of \$3,217) for the years ended December 31, 2023 and 2022, respectively.
- (C) The pension plans for the consolidated foreign subsidiaries are as follows:
The pension plan for Yuanta Securities Asia Finance is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) Ltd. does not have compulsory pension plans according to local regulations. The pension plans for other foreign subsidiaries are in compliance with local regulations.
Yuanta Securities Asia Finance, Yuanta Securities (Hong Kong), Yuanta Investment Consulting Beijing and Yuanta Securities (UK) recognised pension expense of \$12,838 and \$12,262 for the years ended December 31, 2023 and 2022, respectively, based on the abovementioned pension plan and local regulations. Under the defined contribution

plan, Yuanta Securities (Korea) and its subsidiaries recognised pension expense of \$102,047 and \$35,230 for the years ended December 31, 2023 and 2022, respectively.

In accordance with the local regulations, Yuanta Securities (Indonesia) and Yuanta Securities (Thailand) and its subsidiaries recognised pension liabilities of \$200,386 and \$184,570 as of December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, pension expenses were recognised amounting to \$32,399 and \$29,446, respectively. Additionally, losses on remeasurements of defined benefit plans were \$5,519 and \$19,538, respectively.

In accordance with the local regulations, Yuanta Savings Bank (Philippines) has recognised employee benefit liabilities of \$4,142 and \$4,570, respectively, as of December 31, 2023 and 2022, and recognised pension expense of \$998 and \$1,091 under other comprehensive income, respectively, for the years ended December 31, 2023 and 2022. Additionally, (losses) gains on remeasurements of defined benefit plans were \$573 and \$1,110, respectively.

In accordance with the above-mentioned pension plan, Yuanta Savings Bank (Korea) has recognised the employee benefit liabilities are both \$0, as of December 31, 2023 and 2022, and recognised pension expenses of \$6,208 and \$8,578 in comprehensive income statements, respectively, for the years ended December 31, 2023 and 2022. Additionally, gains on remeasurements of defined benefit plans were (\$2,130) and \$5,728, respectively.

For the aforementioned pension plan, Yuanta Futures Hong Kong and SYF Information (Shanghai) recognised pension expenses of \$1,511 and \$1,354 for the years ended December 31, 2023 and 2022, respectively.

(28) Other financial liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Futures traders' equity	\$ 101,851,341	\$ 107,388,229
Structured deposit	2,232,061	2,578,157
Investment-linked products liabilities	31,504,281	30,353,012
Others	<u>135,713</u>	<u>-</u>
Total	<u>\$ 135,723,396</u>	<u>\$ 140,319,398</u>

(29) Other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee deposit received on security lent	\$ 56,969,769	\$ 47,820,314
Underwriting share proceeds collected on behalf of customers	231,930	1,922,946
Collections in advance	2,425,845	1,778,009
Retention compensation payable	1,896,150	1,562,058
Refundable deposits	600,030	981,795
Refundable deposits-derivative transactions	2,830,074	3,595,746
Equity for each customer in the account	6,632,447	4,651,913
Others	<u>1,057,476</u>	<u>928,635</u>
Total	<u>\$ 72,643,721</u>	<u>\$ 63,241,416</u>

(30) Share capital

As of December 31, 2023 and 2022, the Company's total authorised capital were both \$180,000,000 and total paid-in capital were \$126,890,824 and \$125,015,590, respectively. The aforementioned total paid-in capital were 12,689,082 and 12,501,559 thousand shares of common stock, each with a par value of \$10 dollars per share.

(31) Capital surplus

As required by the Company Act, capital reserve of premiums exceeding the face value on issuance or the donation is to be used to offset any accumulated deficit. Alternatively, it may be used to increase capital by issuing new shares or to distribute cash to shareholders in proportion to their share ownership provided that the Company has no accumulated deficit. In addition, as required by Securities and Exchange Act, only 10% of the aforementioned paid-in capital reserve shall be capitalized annually in total. Unless the earnings reserve is insufficient to offset the deficit, the capital reserve shall not be used.

However, according to Securities and Futures Bureau (SFB) regulations, capital surplus resulting from undistributed earnings absorbed from subsidiaries after share exchange of the Company is permitted to be transferred to capital or used to distribute cash dividends in the current period. In addition, the amount of capital surplus to be transferred to capital or used to distribute cash dividends is not subject to the aforementioned limitations.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Post 1998	\$ 4,036,443	\$ 4,036,443
Source and details of the capital surplus of the Company are as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Additional paid-in capital	\$ 33,573,790	\$ 33,573,790
Treasury share transactions	3,479,710	3,479,710
Others	1,134,603	957,064
	<u>\$ 38,188,103</u>	<u>\$ 38,010,564</u>

(32) Legal reserve and special reserve

As required by the Company Act, 10% of the current year's earnings, after paying all taxes and offsetting any accumulated deficit, are set aside as a legal reserve until the reserve balance equals the total amount of capital. The legal reserve is to be used exclusively to offset any accumulated deficit or to increase capital by issuing new shares or to distribute cash to shareholders in proportion to their share ownership and is not to be used for any other purposes. For legal reserve used in issuing new shares or distributing cash dividends, the amount of the legal reserve shall not exceed 25% of paid-in capital.

According to the SFB, upon the distribution of earnings, other than the setting aside of legal reserve, an equivalent amount of special reserve should be set aside from earnings after tax of the current year and the undistributed earnings of the prior period based on the decreased amount of stockholders' equity. For the cumulative decrease in stockholders' equity of the prior period, the equal amount of special reserve set aside based on the undistributed earnings should not be distributed. If there is any reversal of the decrease in stockholders' equity, the earnings may be distributed based on the reversal proportion.

According to Jin-Guan-Yin-Fa Letter No. 10310006310 dated December 30, 2014, in order to maintain the stability of the Company's financial structure, the retained earnings arising from bargain purchase benefits of the acquisition by financial holding company or its subsidiaries shall be set aside as special reserve, and shall not be reversed within one year. After a year, the value of acquired assets are certified to be in likelihood of value at acquisition date without any sign of

unexpected impairment by a certified public accountant, and the special reserve could be used in recovering accumulated deficit, or increasing the Company's capital.

(33) Undistributed earnings

A. According to the Company's Articles of Incorporation, the annual net income will be distributed as follows:

- (A) Pay income tax;
- (B) Offset prior years' deficits;
- (C) Provide legal reserve and special reserve; and
- (D) The remaining amount and prior years' undistributed earnings shall be resolved by the stockholders during their meeting.

B. In order to continuously expand operation scale and enhance the profitability, the Company follows its long-term financial planning and relevant Articles of Incorporation to adopt a dividend surplus policy. In principle, the dividend appropriation is based on annual earnings calculated based on the above Articles of Incorporation. After the retention of capital required according to the operation scheme, the remainder shall be distributed in the form of cash dividends. However, the cash dividends shall not be less than 40% of the annual earnings to be distributed.

C. Details of the earnings distribution for 2022 resolved by the stockholders' meeting on June 9, 2023 and the earnings distribution for 2021 resolved by the stockholders' meeting on June 10, 2022 are as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Cash dividends	\$ 10,001,247	\$ 0.80	\$ 18,206,154	\$ 1.50
Stock dividends	1,875,234	0.15	3,641,230	0.30

The status of the distribution of earnings approved by the Board of Directors and resolved by stockholders is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

D. The earnings distribution for 2023 of the Company has been resolved by the Board of Directors on March 14, 2024. Details are as follows:

	2023	
	Amount	Dividend per share (in dollars)
Cash dividends	\$ 13,957,991	\$ 1.10
Stock dividends	2,537,816	0.20

E Please refer to Note 6(42) for the details of the compensation to employees and remuneration to directors and supervisors.

(34) Other equity items

	2023				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in own credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	(\$ 6,968,170)
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	-	9,457,014	-	-	9,457,014
- Revaluation transferred to profit or loss	-	2,958,871	-	-	2,958,871
- Revaluation transferred to retained earnings	- (	2,486,009)	-	- (	2,486,009)
Other comprehensive income on reclassification under the overlay approach	-	-	-	3,053,977	3,053,977
Changes in translation difference of foreign operating entities	(821,525)	-	-	- (	821,525)
Effects on income tax	(20,179)	(257,563)	(462)	28,963	(249,241)
Evaluation of credit risk	-	-	2,716	-	2,716
Balance, December 31	(\$ 6,961,608)	\$ 14,117,852	(\$ 48,964)	(\$ 2,159,647)	\$ 4,947,633
	2022				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in own credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 8,400,123)	\$ 17,930,672	(\$ 47,621)	(\$ 1,072,737)	\$ 8,410,191
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	- (	16,795,154)	-	- (	16,795,154)
- Revaluation transferred to profit or loss	-	854,934	-	-	854,934
- Revaluation transferred to retained earnings	-	1,697,795	-	-	1,697,795
Other comprehensive income on reclassification under the overlay approach	-	-	- (	4,151,363)	(4,151,363)
Changes in translation difference of foreign operating entities	2,251,891	-	-	-	2,251,891
Effects on income tax	28,328	757,292	1,045	(18,487)	768,178
Evaluation of credit risk	-	-	(4,642)	-	(4,642)
Balance, December 31	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	(\$ 6,968,170)

(35) Net interest income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 25,736,250	\$ 18,355,887
Financing interest income	5,911,317	6,134,506
Interest income on securities investment	18,789,620	15,403,992
Interest income from placement and call loan to other banks	4,823,146	2,056,473
Interest income on bills and bonds purchased under resale agreements	3,023,415	1,076,350
Credit cards revolving interest	171,910	171,764
Interest income on securities business money lending	1,498,741	1,146,917
Interest income on bills	216,420	43,927
Other interest income	<u>2,184,264</u>	<u>842,272</u>
Subtotal	<u>62,355,083</u>	<u>45,232,088</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 16,000,396)	(\$ 6,897,711)
Interest expense of Central Bank and other banks' deposit	(352,710)	(188,189)
Interest expense on due to the Central Bank and other banks	(2,342,579)	(1,632,428)
Interest expense on bills and bonds sold under repurchase agreements	(7,575,599)	(2,956,889)
Interest expense of structured products	(159,231)	(84,972)
Coupon rate of bank debenture	(653,534)	(511,667)
Coupon rate of corporate bonds	(884,488)	(765,007)
Coupon rate of commercial papers	(1,086,579)	(467,868)
Interest expense from short sales	(26,295)	(31,199)
Lease liabilities interest expense	(79,263)	(62,313)
Financial costs on guarantee deposits received from security leadings	(2,072,564)	(667,572)
Other interest expense	<u>(789,765)</u>	<u>(264,908)</u>
Subtotal	<u>(32,023,003)</u>	<u>(14,530,723)</u>
Total	<u>\$ 30,332,080</u>	<u>\$ 30,701,365</u>

(36) Net service fee and commission income

	For the years ended December 31,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 25,181,551	\$ 23,686,914
Service fee income on insurance brokerage and transfer-agent	769,934	991,147
Service fee on credit cards	1,175,315	888,465
Service fee income on trust business	2,842,425	2,808,112
Service income on credit extension	480,769	438,560
Underwriting service income	899,829	959,341
Service income from short sales	113,369	165,851
Commission – reinsurance allowance	84,564	137,298
Service income on foreign exchange	79,961	85,995
Service fee income on consigned settlement	35,363	37,221
Deposits and remittance and other service income	1,067,524	1,343,312
Subtotal	<u>32,730,604</u>	<u>31,542,216</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 1,598,590)	(\$ 1,213,314)
Service expense on trust business	(1,092)	(1,391)
Service expense on brokerage	(2,615,426)	(2,480,497)
Service expense on proprietary trading	(150,584)	(143,185)
Service fee expense on credit cards	(1,016,465)	(905,327)
Service expense on clearing and settlement	(522,550)	(673,581)
Futures commission expense	(426,432)	(446,383)
Underwriting service expense	(5,801)	(7,992)
Service expense on foreign exchange	(57,444)	(43,186)
Service expense on credit extension	(41,283)	(34,231)
Deposits and remittance and other service expense	(524,960)	(473,072)
Subtotal	<u>(6,960,627)</u>	<u>(6,422,159)</u>
Total	<u>\$ 25,769,977</u>	<u>\$ 25,120,057</u>

(37) Net income from insurance operations

	For the years ended December 31,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 34,765,773	\$ 38,591,694
Less: Reinsurance premium ceded	(776,410)	(822,461)
Net changes of unearned premium reserve	(18,029)	(96,047)
Retention earned premium income	33,971,334	37,673,186
Investment-linked product income (Note)	1,377,499	1,187,333
Subtotal	<u>35,348,833</u>	<u>38,860,519</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 26,130,973)	(\$ 24,991,863)
Less: Claims recovered from reinsurers	<u>626,577</u>	<u>757,013</u>
Retention claims and policy benefits payments	(25,504,396)	(24,234,850)
Underwriting expenses	(2,526)	(4,033)
Expense from guaranty fund	(75,215)	(56,612)
Investment-linked product expenses (Note)	(1,377,499)	(1,187,333)
Subtotal	(26,959,636)	(25,482,828)
Total	<u>\$ 8,389,197</u>	<u>\$ 13,377,691</u>

Note: Details about the investment insurance products - separate accounts are provided in Note 6(12).

(38) Gain or loss on financial assets and liabilities at fair value through profit or loss

	For the years ended December 31,	
	2023	2022
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 1,343,146	\$ 456,396
Bonds	5,456,304	2,467,195
Stocks	13,714,884	224,583
Beneficiary certificates	4,344,663	(111,931)
Interest-linked instrument	684,809	(89,300)
Exchange rate-linked instrument	(6,909,177)	(8,153,639)
Other financial derivative instruments	(1,103,565)	(8,806,517)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(3,035,215)	6,964,880
Loss from issuing call warrants (put)	(4,236,582)	(22,662,201)
Issuing call warrants (put) expense	(634,485)	(564,223)
Others	(1,000,352)	383,728
Subtotal	<u>8,624,430</u>	<u>(29,891,029)</u>

	For the years ended December 31,	
	2023	2022
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	(\$ 16,614)	\$ 19,505
Bonds	6,627,650	(1,988,856)
Stocks	6,118,890	(13,689,236)
Beneficiary certificates	1,368,383	(2,436,360)
Interest-linked instrument	(6,053,284)	7,928,442
Exchange rate-linked instrument	848,243	(4,446,640)
Other financial derivative instruments	(1,422,439)	1,506,222
Valuation (loss) gain on borrowed securities and bonds with resale agreements	(3,415,550)	6,699,901
Gain on changes in fair value of liabilities for issuance of call (put) warrants	5,439,510	26,936,174
Others	<u>1,856,952</u>	<u>1,043,188</u>
Subtotal	<u>11,351,741</u>	<u>21,572,340</u>
Total	<u>\$ 19,976,171</u>	<u>(\$ 8,318,689)</u>

- A. The realised gains or losses on the financial assets and liabilities at fair value through profit and loss of the Yuanta Group for the years ended December 31, 2023 and 2022, including the gain (loss) on disposal, were (\$2,151,196) and (\$36,044,734), respectively, and the issuing call (put) warrants expense, were \$634,485 and \$564,223, respectively, and the dividends income were \$4,900,178 and \$3,053,286, respectively, and the interest income were \$6,509,933 and \$3,664,642, respectively.
- B. The Yuanta Group recognised net (loss) gain amounted to (\$6,829,739) and \$1,979,009, respectively, on financial liabilities designated as at fair value through profit or loss for the years ended December 31, 2023 and 2022.
- C. Net income on the exchange rate-linked instruments includes realised and unrealised gains and losses on forward exchange contracts, FX options, and currency futures.
- D. Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.
- E. Any change in fair value of the derivatives together managed with the financial instruments designated at fair value through profit and loss is listed under “gain and loss on financial assets and liabilities at fair value through profit and loss”.

(39) Reversal gain on asset impairment

	For the years ended December 31,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 15,552	\$ 20,641
Reversal gain (impairment loss) on investments in debt instruments at amortised cost	3,751 (	14,397)
Impairment loss on intangible assets	(53,552) (	64,077)
Reversal gain on investment property	4,888	10,901
Reversal gain on property and equipment	18,790	-
Impairment loss on assets held for sale	(2,370) (	4,545)
Reversal gain (impairment loss) on other assets	124 (	21)
Total	<u>(\$ 12,817)</u>	<u>(\$ 51,498)</u>

(40) Net other miscellaneous income (loss)

	For the years ended December 31,	
	2023	2022
Borrowed stock revenue	\$ 3,082,054	\$ 2,549,595
Net change of reserve for foreign exchange fluctuation	2,715,377 (	3,655,357)
Loss on litigation reserves	(614,560) (	312,382)
Loss on sales fund compensation reserves	(50,008) (	163)
Sub-brokerage income	1,080,673	322,583
Fund management fee	384,191	339,986
Other net income	768,549	1,026,604
Total	<u>\$ 7,366,276</u>	<u>\$ 270,866</u>

(41) Provision for bad debt expense, commitment and guarantee policy reserve

	For the years ended December 31,	
	2023	2022
Bad debt expense (reversal of bad debt expense) for accounts receivable	\$ 20,005	(\$ 56,840)
Bad debt expense of bills discounted and loans	1,395,313	1,114,524
Provision for guarantee reserve	12,500	43,100
Provision for commitments and other reserve (reversal of provision)	9,116 (	2,625)
Recovery of bad debt expense	(964,415) (	779,969)
Total	<u>\$ 472,519</u>	<u>\$ 318,190</u>

(42) Employee benefit expense

	For the years ended December 31,	
	2023	2022
Wages and salaries	\$ 25,937,579	\$ 21,564,553
Labor and health insurance fees	1,097,696	1,296,806
Pension costs	1,212,507	1,073,064
Termination benefits	49,426	49,978
Other employee benefit expenses	1,462,693	1,443,854
Total	<u>\$ 29,759,901</u>	<u>\$ 25,428,255</u>

The numbers of employees of the Yuanta Group were 14,913 and 14,753 for the years ended December 31, 2023 and 2022, respectively.

A. After covering accumulated deficit with the year-end earnings (that is income before taxes less income before employees' compensation provisions), 0.01% to 0.5% was appropriated as employees' compensation and an amount less than 0.9% was appropriated as directors' and supervisors' remuneration.

B. For the the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$4,631 and \$4,261, respectively; directors' and supervisors' remuneration were accrued at \$215,186 and \$173,796, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

	For the years ended December 31,	
	2023	2022
Investment property depreciation	\$ 58,839	\$ 68,848
Property and equipment depreciation	1,190,075	1,148,467
Right-of-use asset depreciation	1,409,986	1,364,124
Intangible asset amortisation	585,266	535,612
Deferred asset amortisation	25,039	45,048
Total	<u>\$ 3,269,205</u>	<u>\$ 3,162,099</u>

(44) Other business and administrative expenses

	For the years ended December 31,	
	2023	2022
Tax	\$ 5,299,578	\$ 4,594,757
Computer science expense	1,623,977	1,550,938
Security borrowing expenses	1,569,258	1,224,933
Commission expense	740,672	891,072
Miscellaneous expenses	796,264	850,943
Postage and telephone costs	832,619	769,560
Others	5,269,300	4,763,350
Total	<u>\$ 16,131,668</u>	<u>\$ 14,645,553</u>

(45) Income tax

The details of the Yuanta Group's income tax expense are as follows:

A. Income tax expense

(A) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 5,383,084	\$ 1,998,846
Income tax on unappropriated earnings	2,694	456,642
Adjustments in respect of prior years	(356,191)	(298,771)
Total current tax	<u>5,029,587</u>	<u>2,156,717</u>
Deferred tax:		
Origination and reversal of temporary differences	318,191	3,468,146
Impact of change in tax rate	<u>109,644</u>	<u>78,537</u>
Total deferred tax	<u>427,835</u>	<u>3,546,683</u>
Income tax expense	<u>\$ 5,457,422</u>	<u>\$ 5,703,400</u>

(B) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	\$ 212,514	(\$ 780,369)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	65,087	52,367
Other comprehensive income or loss on reclassification under the overlay approach	(28,963)	18,487
Share of profit or loss of associates and joint ventures accounted for under the equity method	1,476	(1,033)
Gain or loss on remeasurements of defined benefit plans	(149,039)	287,240
Change in fair value of financial liability attributable to change in own credit risk	767	(1,754)
Translation gain and loss on the financial statements of foreign operating entities	<u>20,179</u>	<u>(28,328)</u>
Total	<u>\$ 122,021</u>	<u>(\$ 453,390)</u>

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Income tax from pretax income calculated at regulated tax rate	\$ 13,012,102	\$ 10,768,994
Additional tax payment levied on undistributed earnings	2,694	456,642
Alternative minimum tax effects	16,596	91,470
Temporary differences not recognized under deferred tax	(389,598)	(309,182)
Adjustments in respect of prior years	(324,073)	(298,771)
Use of prior years' unrealized tax losses in the current year	(7,378)	(39,566)
Effects of items not recognized under relevant regulations, exemption and other income	(6,852,921)	(4,966,187)
Income tax expense	<u>\$ 5,457,422</u>	<u>\$ 5,703,400</u>

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C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	For the year ended December 31, 2023				
	<u>January 1,</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Others (Note)</u>	<u>December 31,</u>
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	\$ 189,605	(\$ 189,004)	\$ -	\$ -	\$ 601
Allowance for doubtful accounts in excess of tax limitation	591,012	5,688	-	(30)	596,670
Unrealized loss on litigation loss	14,986	(1,163)	8	-	13,831
Unrealized losses on financial instruments	1,520,397	(242,194)	(262,686)	(270)	1,015,247
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,229,767	46,660	134,287	(185,074)	1,225,640
Deferred income on credit card	1,525	131	-	-	1,656
Others	1,682,105	635,771	(56,255)	(549)	2,261,072
Tax loss carryforwards	<u>322,734</u>	<u>(299,933)</u>	<u>105,748</u>	<u>3,358</u>	<u>131,907</u>
Subtotal	<u>5,552,131</u>	<u>(44,044)</u>	<u>(78,898)</u>	<u>(182,565)</u>	<u>5,246,624</u>
-Deferred tax liabilities:					
Unrealised exchange gain	(\$ 1,377,662)	(\$ 321,864)	\$ 5,851	(\$ 14)	(\$ 1,693,689)
Reserve for land value increment tax	(26,767)	-	-	-	(26,767)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(5,939)	136	(1,746)	-	(7,549)
Unrealized gain on financial instruments	(1,194,551)	24,111	(48,827)	16	(1,219,251)
Goodwill amortization	(2,042,392)	(165,548)	-	-	(2,207,940)
Others	<u>(267,424)</u>	<u>79,374</u>	<u>1,598</u>	<u>9</u>	<u>(186,443)</u>
Subtotal	<u>(4,914,735)</u>	<u>(383,791)</u>	<u>(43,124)</u>	<u>11</u>	<u>(5,341,639)</u>
Total	<u>\$ 637,396</u>	<u>(\$ 427,835)</u>	<u>(\$ 122,022)</u>	<u>(\$ 182,554)</u>	<u>(\$ 95,015)</u>

Note: Impact of foreign exchange rate difference included.

For the year ended December 31, 2022

	<u>January 1,</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Others (Note)</u>	<u>December 31,</u>
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	\$ 3,000,597	(\$ 2,810,992)	\$ -	\$ -	\$ 189,605
Allowance for doubtful accounts in excess of tax limitation	600,176	(9,189)	-	25	591,012
Unrealized loss on litigation loss	14,853	55	78	-	14,986
Unrealized losses on financial instruments	142,042	619,802	694,497	64,056	1,520,397
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,504,772	(16,903)	(258,122)	20	1,229,767
Deferred income on credit card	1,592	(67)	-	-	1,525
Others	2,183,916	(568,467)	75,331	(8,675)	1,682,105
Tax loss carryforwards	<u>36,998</u>	<u>267,343</u>	<u>17,858</u>	<u>535</u>	<u>322,734</u>
Subtotal	<u>7,484,946</u>	<u>(2,518,418)</u>	<u>529,642</u>	<u>55,961</u>	<u>5,552,131</u>
-Deferred tax liabilities:					
Unrealised exchange gain	(\$ 265,920)	(\$ 1,096,153)	(\$ 15,579)	(\$ 10)	(\$ 1,377,662)
Reserve for land value increment tax	(26,767)	-	-	-	(26,767)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(5,637)	(174)	(128)	-	(5,939)
Unrealized gain on financial instruments	(1,477,004)	366,405	(56,771)	(27,181)	(1,194,551)
Goodwill amortization	(1,919,297)	(165,549)	-	42,454	(2,042,392)
Others	(130,841)	(132,794)	(3,774)	(15)	(267,424)
Subtotal	<u>(3,825,466)</u>	<u>(1,028,265)</u>	<u>(76,252)</u>	<u>15,248</u>	<u>(4,914,735)</u>
Total	<u>\$ 3,659,480</u>	<u>\$ 3,546,683</u>	<u>\$ 453,390</u>	<u>\$ 71,209</u>	<u>\$ 637,396</u>

Note: Impact of foreign exchange rate difference included.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023					
<u>Year incurred</u>	Amount filed/assessed/ Estimated	<u>Unused amount</u>	Unrecognised <u>deferred tax assets</u>		<u>Usable until year</u>
	2014					Assessed	$ 74,275	$ 74,275		2024
2018	Assessed	8,736	8,736		2028
2019	Assessed	14,328	14,328		2029
2020	Assessed	6,731	6,731		2030
2021	Assessed	9,418	9,418		2031
December 31, 2022					
<u>Year incurred</u>	Amount filed/assessed/ Estimated	<u>Unused amount</u>	Unrecognised <u>deferred tax assets</u>		<u>Usable until year</u>
	2012					Assessed	$ 107,596	$ 107,596		2022
2014	Assessed	74,275	74,275		2024
2018	Assessed	8,736	8,736		2028
2019	Assessed	14,328	14,328		2029
2020	Assessed	6,731	6,731		2030
2021	Filed	9,418	9,418		2031

There were no expiration dates for the tax losses pursuant to local laws. As of December 31, 2023, Yuanta Investment Consulting Beijing's unused tax losses were \$20,816, respectively; of which unrecognised deferred tax assets were \$20,816, respectively. The validity period for the tax losses pursuant to local laws was before 2026.

The Yuanta Group has not estimated deferred tax liabilities for related taxes that may be payable due to Yuanta Securities Asia Financial Services' unrepatriated earnings, which as of December 31, 2023 were \$6,286,020. The above-mentioned unrepatriated earnings are expected to be used for reinvestment. As of December 31, 2023, Yuanta Securities Asia Financial Services' unrepatriated earnings were \$32,006,765. As of December 31, 2023, the unrecognized deferred income tax asset (liability) of Yuanta Securities (Korea) for taxable temporary differences associated with equity method were \$195,800 and (\$1,266,530), respectively.

As of December 31, 2023, Yuanta Savings Bank (Philippines)'s unused loss deductions was \$185,749; the validity period for the loss deductions pursuant to local laws was before 2026. As of December 31, 2023, Yuanta Savings Bank (Korea)'s unused loss deductions was \$22,072; the validity period for the loss deductions pursuant to local laws was before 2026.

E. As of December 31, 2023, the information on the Yuanta Group's income tax returns that have been assessed by the Tax Authority are as follows:

	<u>Assessment Information</u>
Yuanta Financial Holdings	Assessed through 2017
Yuanta Securities	Assessed through 2017
Yuanta Bank	Assessed through 2017
Yuanta Securities Finance	Assessed through 2021(Note)
Yuanta Venture Capital	Assessed through 2017
Yuanta Asset Management	Assessed through 2017
Yuanta Securities Investment Consulting	Assessed through 2017
Yuanta Futures	Assessed through 2019
Yuanta Securities Investment Trust	Assessed through 2021
Yuanta Life	Assessed through 2017
Yuanta International Insurance Brokers	Assessed through 2021
Yuanta International Leasing	Assessed through 2021
Yuanta I Venture Capital	Assessed through 2021

Note: Income tax returns of Yuanta Securities Finance of 2018 have not been assessed.

F. The Yuanta Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in Korea and Vietnam, the jurisdiction in which foreign subsidiaries (branches) is incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of December 31, 2023.

G. The Yuanta Group has applied the exception on recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(46) Earnings per share

	<u>For the year ended December 31, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,566,198	12,689,082	\$ 2.09
	<u>For the year ended December 31, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 21,456,327	12,689,082	\$ 1.69

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 19, 2023 (the effective date of stock grants). Basic earnings per share before the adjustment was 1.72 for the year ended December 31, 2022, which were calculated according to the ratio of capital increase from retained earnings (the

effective date of stock grants) on August 20, 2022.

(47) Changes in liabilities from financing activities

	2023				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$224,137,491	\$ 47,836,070	\$102,487,542	\$ 48,460,199	\$ 4,712,163
Changes in cash flow from financing activities	27,701,212	35,483,710	2,600,000	(21,032)	(1,455,711)
Impact of changes in foreign exchange rate	-	-	(191,400)	-	(197,246)
Amortisation of a premium or a discount on interest expense	-	(164,615)	8,549	-	-
Changes in other non-cash items	-	-	-	-	3,132,047
At December 31	<u>\$251,838,703</u>	<u>\$ 83,155,165</u>	<u>\$104,904,691</u>	<u>\$ 48,439,167</u>	<u>\$ 6,191,253</u>
	2022				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$183,865,849	\$ 49,983,502	\$ 82,539,085	\$ 59,998,200	\$ 5,720,785
Changes in cash flow from financing activities	40,271,642	(2,058,788)	19,063,566	(11,538,001)	(927,250)
Impact of changes in foreign exchange rate	-	-	880,052	-	(50,761)
Amortisation of a premium or a discount on interest expense	-	(88,644)	4,839	-	-
Changes in other non-cash items	-	-	-	-	(30,611)
At December 31	<u>\$224,137,491</u>	<u>\$ 47,836,070</u>	<u>\$102,487,542</u>	<u>\$ 48,460,199</u>	<u>\$ 4,712,163</u>

7. Related party transactions

Any related party transactions amongst the Yuanta Group are eliminated upon consolidation and therefore no disclosure is made. Except for Note 7(2) and other additional notes provided, significant transactions with the related parties and the relationships to the Company are summarized below:

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
SYF Information (Shanghai)	Associate of Yuanta Futures (Note 1)
Yuanta-Polaris Research Institute (Yuanta-Polaris Research)	Related party in substance (Note 2)
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Greatness Trading Co., Ltd.	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Yuanta Diamond Funds SPC	" (Note 3)
Securities Investment Trust & Advisory Association of Taipei, R.O.C. (SITCA)	The group management is its main management level (Has become a related party since July 1, 2022.)
Yuanta Diamond Funds SPC's Funds	Funds managed by Yuanta Securities (Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment (Hong Kong)
Yuanta Asia Growth Investment, L.P.	"
IBKC-TONGYANG Growth 2013 Private Equity Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta Secondary No.3 Private Equity Fund	"
Yuanta SPAC V	"
	(No longer a related party since March 30, 2022.)
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta SPAC VII	"
	(No longer a related party since November 23, 2022.)
Yuanta SPAC VIII	"
	(No longer a related party since August 23, 2023.)
Yuanta Secondary No.2 Fund	"
Yuanta Innovative Growth MPE Fund	"
Polaris Ocean Private Equity Fund	"
	(No longer a related party since July 22, 2022.)
Yuanta SPAC X	"
	(Has become a related party since June 8, 2022.)
Yuanta SPAC IX	"
	(Has become a related party since May 4, 2022.)
Yuanta SPAC XI	"
	(Has become a related party since September 14, 2022.)

Names of related parties	Relationship with the Group
Yuanta SPAC XII	Investments accounted for under the equity method of Yuanta Securities (Korea) (Has become a related party since September 23, 2022.)
Yuanta SPAC XIII	" (Has become a related party since November 4, 2022.)
Yuanta SPAC XIV	" (Has become a related party since December 9, 2022.)
Yuanta SPAC XV	" (Has become a related party since November 20, 2023.)
Yuanta Quantum Jump No.1 Fund	"
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group.

Note 1: On June 30, 2022, the Board of Directors of SYF Information Co., Ltd. approved the dissolution and liquidation of SYF Information (Shanghai) Limited. The record date for the liquidation was June 30, 2022. And the liquidation was completed on January 30, 2024.

Note 2: On September 14, 2023, Ministry of Economic Affairs approved the dissolution and liquidation of Yuanta-Polaris Research Institute. The record date for the liquidation was September 14, 2023. The relevant procedures are currently in progress.

Note 3: Yuanta Diamond Funds SPC is a segregated portfolio company registered in the Cayman Islands, under the laws of the Cayman Islands. There can be one or multiple segregated portfolios under SPC (hereinafter called funds). Between each fund, assets and liabilities are separated.

Yuanta International Investment (Hong Kong) holds the management shares issued by Yuanta Diamond Funds SPC. The rights of management shares include maintaining the functions of a SPC, but excluding participating in profit sharing and asset and earnings distribution.

(2) Significant transactions and balances with related parties

A. Deposits

December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 10,712,470	0.69	0.00~6.56
December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 14,767,836	1.05	0.00~6.44

Apart from an interest rate limit on staff demand savings deposits of 6.44% ~ 6.56% and 5.80%~6.44%, respectively, for the years ended December 31, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.60% and 0.00%~5.82%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2023 and 2022, interest expense on the above deposits were \$115,944 and \$85,416, respectively.

B. Loans
Yuanta Bank and its subsidiaries

December 31, 2023

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts	
Consumer loans	315	\$ 1,39,320	\$ 77,632	\$ 77,632	-	Collateral Small and medium enterprise credit guarantee fund, movables, deposits and credit loans None
Residential mortgage loans	511	4,800,423	4,117,848	4,117,848	-	Real estate None
Other loans	Greatness Trading Co., Ltd. 101	20,000 536,894	20,000 317,180	20,000 317,180	-	Real estate Deposits, stock, real estate, policy and credit loans None
Total			\$ 4,532,660	\$ 4,532,660	\$ -	

Unit: In thousands of NT dollars

December 31, 2022

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts	
Consumer loans	352	\$ 1,39,870	\$ 65,334	\$ 65,334	-	Collateral Small and medium enterprise credit guarantee fund, movables, deposits and credit loans None
Residential mortgage loans	525	4,852,383	3,913,037	3,913,037	-	Real estate None
Other loans	Greatness Trading Co., Ltd. 98	20,000 412,338	20,000 267,757	20,000 267,757	-	Real estate Deposits, stock, real estate and policy None
Total			\$ 4,266,128	\$ 4,266,128	\$ -	

Unit: In thousands of NT dollars

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.90%~2.15% and 1.89%~1.90% for the years ended December 31, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.97% for the years ended December 31, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2023 and 2022, interest income resulting from the above loans amounted to \$88,025 and \$64,188, respectively.

C. Property transactions

(A) The details of the Yuanta Group investments in funds and beneficiary certificates were as follows (recorded as “Financial assets at fair value through profit or loss”):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 19,670,991	\$ 7,843,409
Global Growth Investment, L.P.	17,486	19,176
Yuanta Asia Growth Investment, L.P.	<u>309,586</u>	<u>266,127</u>
	<u>\$ 19,998,063</u>	<u>\$ 8,128,712</u>
Proceeds on disposal		
For the years ended December 31,		
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 378,832,165	\$ 392,905,701
Yuanta Asia Growth Investment, L.P.	<u>18,452</u>	<u>7,391</u>
	<u>\$ 378,850,617</u>	<u>\$ 392,913,092</u>
Realised gain or loss		
For the years ended December 31,		
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 1,244,862	(\$ 4,808)
Yuanta Asia Growth Investment, L.P.	<u>12,343</u>	<u>3,731</u>
	<u>\$ 1,257,205</u>	<u>(\$ 1,077)</u>

(B) The Yuanta Group has bills and bonds transactions under repurchase agreements with the related parties (recorded as “Bills and bonds sold under repurchase agreements”)

	<u>December 31, 2023</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Foreign currency ending balance</u>
Key management personnel:				
Others	\$ 50,009	\$ 50,000	0.55	
Others	33,901	27,355	4.70~4.95 (Note : USD)	USD 890
Other related parties:				
Others	1,525,200	<u>359,868</u>	0.35~0.55	
		<u>\$ 437,223</u>		

		December 31, 2022			
		Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:					
Others	\$	50,000	\$ -	0.20	
Others		29,783	10,441	0.20~3.60 (Note : USD)	USD 340
Other related parties:					
Others		1,475,275	947,905	0.20~0.50	
		<u>\$ 958,346</u>			

Note: For foreign currency repo trade.

D. Futures traders' equity

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 39,128,798	\$ 37,679,405
Others	68,659	89,347
	<u>\$ 39,197,457</u>	<u>\$ 37,768,752</u>

E. Accounts receivable

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust (Note)	\$ 10,263	\$ 18,375
Yuanta Construction Development	1,645	2,038
	<u>\$ 11,908</u>	<u>\$ 20,413</u>

Please refer to Note 7(2)P for management fee receivables.

F. Other payables

	December 31, 2023	December 31, 2022
Key management personnel:		
Others	\$ 100	\$ 11
Other related parties:		
SITCA	50	55
Others	-	89
	<u>\$ 150</u>	<u>\$ 155</u>

G. Deposits on securities borrowed, receivables from deposits on securities borrowed, security borrowing expenses payable and security borrowing expenses

		Deposits on securities borrowed	
		December 31, 2023	December 31, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ -	\$ 133,346

	Receivables from deposits on securities borrowed	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>41,242</u>	\$ <u>590,054</u>
	<u>Security borrowing expenses</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>58,153</u>	\$ <u>116,770</u>
<u>H. Receivable of securities business money lending</u>		
	<u>December 31, 2023</u>	
Key management personnel:		
Others	\$ 50	
Other related parties:		
Others	<u>40,220</u>	
	<u>\$ 40,270</u>	
<u>I. Receivables from loans to employees</u>		
	<u>Receivables from loans to employees</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel:		
Others	\$ 948	\$ 1,283
Other related parties:		
Others	<u>163,134</u>	<u>158,265</u>
	<u>\$ 164,082</u>	<u>\$ 159,548</u>
<u>J. Income from distribution fee</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Key management personnel:		
Others	\$ 1,059	\$ 918
Other related parties:		
Others	<u>349</u>	<u>322</u>
	<u>\$ 1,408</u>	<u>\$ 1,240</u>
<u>K. Income from transfer-agent services</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Others	\$ <u>121</u>	\$ <u>124</u>

L. Investment refund receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
IBKC-TONGYANG Growth 2013 Private Equity Fund	\$ 48,856	\$ 50,066
Kiwoom-Yuanta 2019 Scale-up Fund	12,161	12,031
SYF Information (Shanghai)	85,526	118,159
Others	-	1,544
	<u>\$ 146,543</u>	<u>\$ 181,800</u>

M. Other financial liabilities

Customers' deposits of Yuanta Securities and its subsidiaries recorded as other financial liabilities were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel:		
Others	\$ 25,983	\$ 4,772
Other related parties:		
Others	10	11
	<u>\$ 25,993</u>	<u>\$ 4,783</u>

N. Holding the securities issued by fellow subsidiary (recorded as "Financial assets at fair value through profit or loss")

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta SPAC VIII	\$ -	\$ 24,110
Yuanta SPAC IX	23,478	24,110
Yuanta SPAC X	23,478	24,110
Yuanta SPAC XI	23,478	24,110
Yuanta SPAC XII	18,735	19,240
Yuanta SPAC XIII	23,478	24,111
Yuanta SPAC XIV	23,478	24,111
Yuanta SPAC XV	23,478	-
Other	16,244	-
	<u>\$ 175,847</u>	<u>\$ 163,902</u>
	<u>Proceeds on disposal</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC IV	<u>\$ -</u>	<u>\$ 15,423</u>

O. Credit transaction between the Yuanta Group and related parties

	<u>December 31, 2023</u>		
	<u>Guarantee deposit receivable from short sales</u>	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:			
Others	\$ 4,913	\$ 971	\$ 117,381
Other related parties:			
Others	<u>1,054</u>	<u>1,127</u>	<u>35,630</u>
	<u>\$ 5,967</u>	<u>\$ 2,098</u>	<u>\$ 153,011</u>
	<u>December 31, 2022</u>		
	<u>Guarantee deposit receivable from short sales</u>	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:			
Others	\$ 11,459	\$ 81,828	\$ 82,757
Other related parties:			
Others	<u>1,048</u>	<u>57,506</u>	<u>22,206</u>
	<u>\$ 12,507</u>	<u>\$ 139,334</u>	<u>\$ 104,963</u>

P. Fund management fee income and fund management fee receivables

	<u>Fund management fee income</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 4,981,594	\$ 3,784,559
Yuanta Asia Growth Investment, L.P.	37,997	33,685
Yuanta Diamond Funds SPC's funds	12,704	24,459
Global Growth Investment, L.P.	<u>401</u>	<u>560</u>
	<u>\$ 5,032,696</u>	<u>\$ 3,843,263</u>
	<u>Fund management fee receivables</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 496,518	\$ 365,843
Yuanta Asia Growth Investment, L.P.	9,929	8,919
Global Growth Investment, L.P.	<u>572</u>	<u>582</u>
	<u>\$ 507,019</u>	<u>\$ 375,344</u>

Q. Details on the performance fee and management fee receivable for fund investments accounted for under the equity method and receipts of performance fee and fund management fee are as follows:

	Receivables from performance fee and management fee income	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta Secondary No.2 Fund	\$ -	\$ 18,311
Yuanta Secondary No.3 Private Equity Fund	36,944	7,638
Yuanta Innovative Growth MPE Fund	8,122	9,778
Yuanta Quantum Jump No.1 Fund	161,593	1,461
Others	27,744	26,154
	<u>\$ 234,403</u>	<u>\$ 63,342</u>

	Performance fee and management fee income	
	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Innovative Growth MPE Fund	\$ 36,906	\$ 37,081
Polaris Ocean Private Equity Fund	-	136,864
Yuanta Quantum Jump No.1Fund	166,855	5,541
Others	122,923	114,709
	<u>\$ 326,684</u>	<u>\$ 294,195</u>

R. Premium income

	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
	Other related parties:	
Others	<u>\$ 369,415</u>	<u>\$ 359,468</u>

S. The details of commissions from sales of mutual funds and insurance and fiduciary affiliated services from the Yuanta Group and its related parties

	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
	Other related parties:	
Yuanta Construction Development	\$ 25	\$ -
Others	6	-
	<u>\$ 31</u>	<u>\$ -</u>

<u>T. The details of the brokerage service fee income from the Yuanta Group and its related parties</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Key management personnel:		
Others	\$ 22,795	\$ 24,617
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	294,672	315,011
Others	26,488	30,619
	<u>\$ 343,955</u>	<u>\$ 370,247</u>
<u>U. Rental income from leasing the Yuanta Group's own assets to related parties</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta-Polaris Research	\$ 84	\$ 846
Yuanta Construction Development	7,956	8,044
Yuanta Foundation	64	64
	<u>\$ 8,104</u>	<u>\$ 8,954</u>
<u>V. The details of the real estate management and maintenance income engaged by the Yuanta Group and its related parties</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Foundation	<u>\$ -</u>	<u>\$ 6</u>
<u>W. Refundable deposits - rental deposit from leasing the Yuanta Group's own assets to related parties</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta-Polaris Research	\$ -	\$ 17
Yuanta Foundation	11	10
Yuanta Construction Development	1,527	1,510
	<u>\$ 1,538</u>	<u>\$ 1,537</u>
<u>X. Gain on investment property</u>		
<u>(A) Imputed interest on rental deposits</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 22</u>	<u>\$ 12</u>
<u>(B) Other income</u>		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 2,332</u>	<u>\$ 2,072</u>

Y. Revenue from funds managed by related parties of the Yuanta Group

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 601,045	\$ 160,497
Yuanta Asia Growth Investment,L.P.	96	-
	<u>\$ 601,141</u>	<u>\$ 160,497</u>

Z. Other operating income — revenue from underwriting securities on a firm commitment basis

(A) Revenue from underwriting securities on a firm commitment basis

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC V	\$ -	\$ 4,526
Yuanta SPAC VII	-	3,515
Yuanta SPAC IX	-	3,463
Yuanta SPAC X	-	3,810
Yuanta SPAC XI	3,579	-
Yuanta SPAC XII	3,221	-
Yuanta SPAC XIII	6,083	-
Yuanta SPAC XIV	2,863	-
	<u>\$ 15,746</u>	<u>\$ 15,314</u>

(B) Borrowed stock revenue

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 8,667	\$ 11,204

AA. Operating expenses

	<u>For the years end</u>	
	<u>2023</u>	
<u>Name of related parties</u>	<u>Nature</u>	
Other related parties:		
Yuanta Foundation	Donation expenditure	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	23,000
		<u>\$ 103,000</u>

BB. Other operating expenses

(A) ETF redemption fees

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 52,438	\$ 41,250

(B) Financial costs

	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 207,972	\$ 38,027

(C) Miscellaneous expenses

	For the years ended December 31,	
	2023	2022
Other related parties:		
SITCA	\$ 2,893	\$ 2,900

CC. Information on compensations to the Yuanta Group's key management

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	\$ 6,660,827	\$ 5,469,831
Termination benefits	13,201	19,828
Other long-term benefits	11,692	11,659
Post-employment benefit	158,037	160,252
Total	\$ 6,843,757	\$ 5,661,570

(3) Transactions and balances with related parties exceeding \$100 million:

A. Yuanta Bank and its subsidiaries

(A) Deposits

December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 83,919,145	5.19	0.00~6.56

December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 98,990,338	6.65	0.00~6.44

Apart from an interest rate limit on staff demand savings deposits of 6.44%~6.56% and 5.80%~6.44%, respectively, for the years ended December 31, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.86% and 0.00%~5.82%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2023 and 2022, interest expense on the above deposits were \$1,373,246 and \$657,174, respectively.

(B) Loans

December 31, 2023

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	315	\$ 139,320	\$ 77,632	\$ 77,632	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	511	4,800,423	4,117,848	4,117,848	-	Real estate	None
Other loans	Yuanta Securities	4,049,921	-	-	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	101	536,894	317,180	317,180	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,532,660	\$ 4,532,660	\$ -		

Unit: In thousands of NT dollars

December 31, 2022

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	352	\$ 139,870	\$ 65,334	\$ 65,334	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	525	4,852,383	3,913,037	3,913,037	-	Real estate	None
Other loans	Yuanta Securities	1,450,000	-	-	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	98	412,338	267,757	267,757	-	Deposits, stock, real estate and policy	None
Total			\$ 4,266,128	\$ 4,266,128	\$ -		

Unit: In thousands of NT dollars

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.75%~2.15% and 1.89%~1.90% for the years ended December 31, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.97% for the years ended December 31, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2023 and 2022, interest income resulting from the above loans amounted to \$88,495 and \$64,246, respectively.

(C) Service fee income

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 1,369,766	\$ 1,093,739
Yuanta Securities Investment Trust	112,962	64,768
Yuanta Securities (Hong Kong)	84,234	50,165
Yuanta Securities	18,140	21,517
	<u>\$ 1,585,102</u>	<u>\$ 1,230,189</u>

Resulting from the above-mentioned brokerage of funds, insurances and trusts, the related receivables were as follows:

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Life	\$ 107,519	\$ 56,052
Yuanta Securities Investment Trust	11,832	8,510
Yuanta Securities (Hong Kong)	12,986	1,592
	<u>\$ 132,337</u>	<u>\$ 66,154</u>

(D) Rental expense

Name of related parties	Usage	For the years ended December 31,	
		2023	2022
Fellow subsidiary:			
Yuanta Securities	Office / place	<u>\$ 205,378</u>	<u>\$ 197,117</u>

(E) Current income tax assets/liabilities

	December 31, 2023	December 31, 2022
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	<u>\$ 54,209</u>	<u>\$ 99,119</u>
Consolidated income tax return payable	<u>\$ 872,906</u>	<u>\$ 351,059</u>

(F) Property transactions

Futures trading with related parties of Yuanta Bank and its subsidiaries are as follows:

Name of related parties	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Futures		
Futures Margin	<u>\$ 513,893</u>	<u>\$ 105,310</u>

(G) Others (recorded as "Bank debentures payable")

For the year ended December 31, 2022, Yuanta Securities purchased 2022 first general bank debentures in the amount of \$1,400,000 which was issued by Yuanta Bank.

B. Yuanta Securities and its subsidiaries

(A) Futures transactions

a. Futures margins arising from future transactions are as follows:

	<u>December 31, 2023</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,093,798	\$ 1,449,854
Others	18,713	70,743
	<u>\$ 1,112,511</u>	<u>\$ 1,520,597</u>
	<u>December 31, 2022</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 717,219	\$ 2,232,615
Others	24,089	128,210
	<u>\$ 741,308</u>	<u>\$ 2,360,825</u>
	<u>Handing charges - proprietary trading</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Futures	\$ 95,733	\$ 115,485
Others	2,424	2,816
	<u>\$ 98,157</u>	<u>\$ 118,301</u>

b. Commission income receivable (recorded as “accounts receivable – related parties”) and commission income -futures arising from futures introducing broker transactions on behalf of related parties are as follows:

	<u>Commission income - futures</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Futures	<u>\$ 238,351</u>	<u>\$ 292,413</u>

(B) Bank deposits, loans and interest income

a. Details of deposits of Yuanta Securities and its subsidiaries with related parties are as follows:

	<u>Ending balance of Bank deposits</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 29,619,224</u>	<u>\$ 34,431,718</u>

	Other gains and losses – interest income (Note)	
	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>721,568</u>	\$ <u>318,684</u>
Note: Including the interest of demand deposits, time deposits and operating guarantee deposits.		
b. As of December 31, 2023 and 2022, the certificates of deposit that Yuanta Securities and its subsidiaries provided to Yuanta Bank (recorded as “other current assets”) as collateral for credit facility and guarantee deposits of structured products and guarantee deposits on money lending amounted to \$393,383 and \$521,408, respectively.		
(C) Consolidated income tax return - receivables/ payables (recorded as “current income tax assets/liabilities”)		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivables	\$ <u>66,009</u>	\$ <u>-</u>
Consolidated income tax return payables	\$ <u>1,617,979</u>	\$ <u>377,277</u>
(D) Operating guarantee deposits		
Yuanta Securities and its subsidiaries provided time deposits to a related party as operating guarantee deposits for engaging in securities and futures business. Details were as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>1,290,000</u>	\$ <u>1,275,000</u>
(E) Refundable deposits for securities lending auction		
Yuanta Securities and its subsidiaries made refundable deposits with related parties for securities lending auction. Details were as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>304,000</u>	\$ <u>204,000</u>
(F) Deposits on securities borrowed, receivables from deposits on securities borrowed, security borrowing expenses payable and security borrowing expenses		
	<u>Deposits on securities borrowed</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>-</u>	\$ <u>133,346</u>

	<u>Receivables from deposits on securities borrowed</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 41,242	\$ 590,054
	<u>Security borrowing expenses</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Others	\$ 4,265	\$ -
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	58,153	116,770
	<u>\$ 62,418</u>	<u>\$ 116,770</u>
(G) Receivables from loans to employees		
Please refer to Note 7(2)I.		
(H) Commission income		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 372,869	\$ 595,267
(I) Trust income		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	\$ 205,573	\$ 104,411
(J) Amounts held for settlement		
As of December 31, 2023 and 2022, Yuanta Securities and its subsidiaries had amounts held for settlement of \$261,247 and \$831,936, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.		
(K) Property transactions		
a. Bonds transactions under repurchase agreements (recorded as "liabilities for bonds with repurchase agreements")		
Please refer to Note 7(2)C(B).		
b. Bonds sold and purchased (recorded as "financial assets at fair value through profit or loss")		
	<u>For the year ended December 31, 2023</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	\$ 5,000,000	\$ -
Fellow subsidiary:		
Yuanta Futures	-	2,992,322
	<u>\$ 5,000,000</u>	<u>\$ 2,992,322</u>

	<u>For the year ended December 31, 2022</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	\$ 7,900,000	\$ -
Fellow subsidiary:		
Yuanta Bank	<u>1,400,000</u>	<u>-</u>
	<u>\$ 9,300,000</u>	<u>\$ -</u>
 (L) Lease transactions—Lessee		
a. Yuanta Securities and its subsidiaries lease buildings from related parties. Rental contracts are typically made for periods of 3 to 5 years and rental payments are made at the beginning of each month.		
b. Lease liabilities		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 193,358	\$ 301,588
Yuanta Bank	<u>23,703</u>	<u>16,391</u>
	<u>\$ 217,061</u>	<u>\$ 317,979</u>
 (M) Customer margin accounts		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Futures	\$ 274,639	\$ 282,877
Others	<u>1,174</u>	<u>1,188</u>
	<u>\$ 275,813</u>	<u>\$ 284,065</u>
 (N) Brokerage fee revenue		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Others	\$ 36,455	\$ 43,401
Key management personnel:		
Others	22,795	24,617
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	222,271	179,427
Others	<u>21,537</u>	<u>20,799</u>
	<u>\$ 303,058</u>	<u>\$ 268,244</u>

These securities brokerage transactions mentioned above were made in the ordinary course of business and carried out at arms-length commercial terms.

(O) Other operating expense—Professional fee				
The transaction details of Yuanta Securities and its subsidiaries’ professional fee from investment strategies and recommendations provided by related parties are as follows:				
	<u>For the years ended December 31,</u>			
	<u>2023</u>		<u>2022</u>	
Fellow subsidiary:				
Yuanta Securities Investment Consulting	\$	<u>188,649</u>	\$	<u>208,057</u>
(P) Other operating income—dividend income				
	<u>Rebate income</u>			
	<u>For the years ended December 31,</u>			
	<u>2023</u>		<u>2022</u>	
Other related parties:				
Funds managed by Yuanta Securities Investment Trust	\$	<u>225,055</u>	\$	<u>91,619</u>
(Q) Rebate income				
The rebate income received from related parties for using Yuanta Securities and its subsidiaries’ facilities (rebate income is recorded as other gains and losses) is as follows:				
	<u>Rebate income</u>			
	<u>For the years ended December 31,</u>			
	<u>2023</u>		<u>2022</u>	
Fellow subsidiary:				
Yuanta Bank	\$	<u>227,076</u>	\$	<u>230,122</u>
(R) Funds and beneficiary certificates managed by fellow subsidiary (recorded as “financial assets at fair value through profit or loss”)				
	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Other related parties:				
Funds managed by Yuanta Securities Investment Trust	\$	<u>9,598,907</u>	\$	<u>4,753,291</u>
	<u>For the years ended December 31,</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Proceeds on disposal</u>	<u>Realised gain</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:				
Fund managed by Yuanta Securities Investment Trust	\$	<u>376,968,505</u>	\$	<u>1,307,224</u>
	<u>\$</u>	<u>390,576,896</u>	<u>\$</u>	<u>120,904</u>

(S) Securities issued by fellow subsidiary (recorded as “financial assets at fair value through profit or loss”)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta SPAC VIII	\$ -	\$ 24,110
Yuanta SPAC IX	23,478	24,110
Yuanta SPAC X	23,478	24,110
Yuanta SPAC XI	23,478	24,110
Yuanta SPAC XII	18,735	19,240
Yuanta SPAC XIII	23,478	24,111
Yuanta SPAC XIV	23,478	24,111
Yuanta SPAC XV	23,478	-
Others	16,244	-
	<u>\$ 175,847</u>	<u>\$ 163,902</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Parent subsidiary:		
Yuanta Financial Holdings	\$ 1,396,087	\$ 334,941
Other related parties:		
Others	-	15,423
	<u>\$ 1,396,087</u>	<u>\$ 350,364</u>

(T) Credit transaction

Please refer to Note 7(2)O.

(U) Others

- a. As of December 31, 2023 and 2022, the credit facilities granted by fellow subsidiary - Yuanta Bank to Yuanta Securities and its subsidiaries with land and buildings as collateral were \$11,500,000. The carrying amounts of land and building amounting to \$ 3,393,960 and \$3,426,627, respectively, were designated as collateral.
- b. The fund balances held by Yuanta Securities and its subsidiaries (recorded as “financial assets at fair value through profit or loss”).

	<u>The balance of fund</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta Asia Growth Investment, L.P.	\$ 154,793	\$ 133,063
Global Growth Investment, L.P.	17,486	19,176
	<u>\$ 172,279</u>	<u>\$ 152,239</u>

- c. Details on the performance fee and management fee receivable for fund investments accounted for under the equity method and receipts of performance fee and fund management fee are as follows:

Please refer to Note 7(2)Q.

C. Yuanta Futures and its subsidiaries

(A) Cash and cash equivalents / operating guarantee deposits / customer margin deposits

	<u>December 31, 2023</u>		
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 4,454,633	\$ 140,000	\$ 22,468,952
Yuanta Securities (Korea)	-	-	24,063
Yuanta Securities (Vietnam)	-	-	209,670
	<u>\$ 4,454,633</u>	<u>\$ 140,000</u>	<u>\$ 22,702,685</u>
			<u>December 31, 2022</u>
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 6,098,095	\$ 140,000	\$ 25,549,016
Yuanta Securities (Korea)	-	-	4,501
Yuanta Securities (Vietnam)	-	-	279,988
	<u>\$ 6,098,095</u>	<u>\$ 140,000</u>	<u>\$ 25,833,505</u>

Yuanta Futures and its subsidiaries purchased book-entry central government securities (CGS) through Yuanta Securities for \$2,985,744 and \$0 for the years ended December 31, 2023 and 2022, respectively.

(B) Customer margin accounts for leverage contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 266,264</u>	<u>\$ 123,367</u>

(C) Equity of futures traders

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 2,567,422	\$ 2,989,090
Yuanta Bank	513,843	105,315
Yuanta Securities (Hong Kong)	55,577	101,689
Yuanta Securities (Korea)	286,651	290,990
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	39,128,798	37,679,405
Others	68,659	89,347
	<u>\$ 42,620,950</u>	<u>\$ 41,255,836</u>

(D) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 2,260	\$ 4,663
Yuanta Life	73,705	113,561
Yuanta Securities (Hong Kong)	<u>6,269</u>	<u>13,013</u>
	<u>\$ 82,234</u>	<u>\$ 131,237</u>

(E) Investment refund receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
SYF Information (Shanghai)	\$ 85,526	\$ 118,159

(F) Brokerage fee revenue

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 85,230	\$ 100,975
Yuanta Bank	2,034	725
Yuanta Securities (Hong Kong)	13,640	19,275
Yuanta Securities (Korea)	2,369	1,929
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	72,401	135,584
Others	<u>4,951</u>	<u>9,820</u>
	<u>\$ 180,625</u>	<u>\$ 268,308</u>

(G) Futures commissions expense

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 238,351	\$ 292,413
Yuanta Securities(Vietnam)	<u>1,234</u>	<u>953</u>
	<u>\$ 239,585</u>	<u>\$ 293,366</u>

(H) Interest income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 473,843	\$ 254,472

Interest income includes the interest from demand deposits, time deposits, customer margin deposits, and operating guarantee deposits.

(I) Financial cost

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 9,546	\$ 3,956
Yuanta Bank	1,028	103
Yuanta Securities (Korea)	2,397	539
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	207,972	38,027
	<u>\$ 220,943</u>	<u>\$ 42,625</u>

(J) Property transactions

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 292,896	\$ 159,540

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of December 31, 2023 and 2022, Yuanta Securities Investment Consulting deposited \$242,005 and \$246,731, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were both \$5,000, and annual interest rates were 1.53% and 1.03%, respectively.

(B) Operating income

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 181,809	\$ 201,217
Yuanta Bank	30,000	30,000
Yuanta Securities Investment Trust	18,000	18,000
Yuanta Futures	3,600	3,600
Yuanta Securities Finance	6,840	6,840
	<u>\$ 240,249</u>	<u>\$ 259,657</u>

The above-mentioned operating income includes consulting income, journal income and lecture income, etc. It is calculated according to the contract signed by both parties, and is settled and collected on a monthly basis.

E. Yuanta Securities Investment Trust

(A) Bank deposits

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Bank	\$ 4,671,246	\$ 4,254,024

(B) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 1,465	\$ 1,543
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>506,781</u>	<u>384,218</u>
	<u>\$ 508,246</u>	<u>\$ 385,761</u>

(C) Management fee income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 16,769	\$ 16,262
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>4,981,594</u>	<u>3,784,559</u>
	<u>\$ 4,998,363</u>	<u>\$ 3,800,821</u>

(D) Fund transactions

Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Yuanta Securities Investment Trust	\$ 295,662	\$ 229,318
Fellow subsidiary:		
Yuanta Life	2,344,521	1,034,914
Others	<u>373,258</u>	<u>289,968</u>
	<u>\$ 3,013,441</u>	<u>\$ 1,554,200</u>

(E) Sales fee

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 252,040	\$ 147,710
Yuanta Bank	<u>108,916</u>	<u>60,272</u>
	<u>\$ 360,956</u>	<u>\$ 207,982</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank (Note)	<u>\$ 1,700,100</u>	<u>\$ 1,245,595</u>

Note: Including other financial assets.

(B) Current income tax assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	\$ 5,215,483	\$ 4,962,290

(C) Holding the funds and beneficiary certificates being managed by related parties (recognised as financial asset at fair value through profit or loss)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 9,453,315	\$ 2,570,829
Yuanta Asia Growth Investment, L.P.	154,793	133,064
	<u>\$ 9,608,108</u>	<u>\$ 2,703,893</u>

For the year ended December 31, 2023

	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain or loss</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 7,227,188	\$ 963,915	(\$ 66,313)
Yuanta Asia Growth Investment, L.P.	23,263	18,452	12,343
	<u>\$ 7,250,451</u>	<u>\$ 982,367</u>	<u>(\$ 53,970)</u>

For the year ended December 31, 2022

	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 1,446,000	\$ -	-
Yuanta Asia Growth Investment, L.P.	8,980	7,391	3,731
	<u>\$ 1,454,980</u>	<u>\$ 7,391</u>	<u>\$ 3,731</u>

Dividends income from investments in open-end funds were as follows (recorded as “profit or loss on financial assets at fair value through profit or loss”):

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 375,516	\$ 67,647

(D) Payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings	\$ 548	\$ 4,098
Fellow subsidiary:		
Yuanta Bank	89,751	57,406
Yuanta International Insurance Brokers	43,730	20,813
	<u>\$ 134,029</u>	<u>\$ 82,317</u>

(E) Premium income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Parent company:		
Yuanta Financial Holdings	\$ 1,769	\$ 1,560
Fellow subsidiary:		
Yuanta Bank	30,407	30,001
Yuanta Securities	41,345	40,365
Yuanta Securities Investment Trust	2,030	1,880
Yuanta Futures	2,674	2,825
Other related parties:		
Others (Note)	369,415	359,468
	<u>\$ 447,640</u>	<u>\$ 436,099</u>

Note: The balance of individual related parties does not exceed 10% of the transaction balance.

(F) Commission expense

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 1,350,859	\$ 1,093,258
Yuanta International Insurance Brokers	372,869	595,267
	<u>\$ 1,723,728</u>	<u>\$ 1,688,525</u>

(G) Information on investments entrusted to related parties

Yuanta Life entered into a discretionary investment agreement with Yuanta Securities Investment Trust to entrust Yuanta Securities Investment Trust to serve as the trustee of discretionary investment-linked insurance. The entrusted investment items are mainly funds, beneficiary certificates and ETFs. The amount of investments as of December 31, 2023 and 2022 were \$29,435,070 and \$28,486,717, respectively; the trustee's compensation for the commissioned services during the years ended December 31, 2023 and 2022 amounted to \$16,769 and \$16,262, respectively. In addition, Yuanta Life entrusted Yuanta Bank to serve as the custody institution of discretionary investment-linked insurance. The custody institution's compensation for the commissioned services during the years ended December 31, 2023 and 2022 amounted to \$28,969 and \$29,582, respectively.

(H) Rental income

Yuanta Life leases buildings and parking spaces to related parties. Rental contracts are typically made for periods of 5 years. Rents are collected monthly according to the contracts.

	For the years ended December 31,	
	2023	2022
Parent company:		
Yuanta Financial Holdings	\$ 5,175	\$ 5,223
Fellow subsidiary:		
Yuanta Securities	92,805	92,777
Yuanta Futures	35,398	35,353
Yuanta Bank	12,668	12,583
Yuanta Asset Management	4,096	4,070
Yuanta Securities Investment Trust	1,065	1,064
Other related parties:		
Yunta Development	7,956	7,922
	<u>\$ 159,163</u>	<u>\$ 158,992</u>

G. Yuanta Ventures and its subsidiary

Bank deposits

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Bank	\$ 1,142,708	\$ 739,988
Yuanta Securities (Hong Kong)	5,622	5,627
	<u>\$ 1,148,330</u>	<u>\$ 745,615</u>

H. Yuanta Asset Management

(A) Bank deposits

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Bank	<u>\$ 367,521</u>	<u>\$ 446,218</u>

(B) Property transactions—Beneficiary certificates (recorded as financial assets at fair value through profit or loss)

	December 31, 2023	December 31, 2022
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Other related parties:

Funds managed by Yuanta Securities Investment Trust	<u>\$ 30,211</u>	<u>\$ 130,431</u>
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For the year ended December 31, 2023	
Proceeds on disposal	Realised gain

Other related parties:

Funds managed by Yuanta Securities Investment Trust	<u>\$ 180,928</u>	<u>\$ 928</u>
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For the year ended December 31, 2022	
Proceeds on disposal	Realised gain

Other related parties:

Funds managed by Yuanta Securities Investment Trust	<u>\$ 151,945</u>	<u>(\$ 28,055)</u>
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8. Pledged assets

The Yuanta Group's assets pledged as collateral are as follows:

Items	December 31, 2023	December 31, 2022	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 260,865	\$ 121,770	Operating guarantee deposits
Financial assets at fair value through profit or loss	188,992,362	133,515,082	Bonds and bills under repurchase agreement, collateral for securities lending, OTC trading and compensation for mutual fund
	54,827,303	52,617,228	Brokerage business
	50,051	50,260	Guarantee deposits for notes
	699,472	967,891	Compensation for mutual fund
Financial assets at fair value through other comprehensive income	4,411,695	4,441,970	Claim reserve from trust business, collateral for securities lending business and guarantees on asset disposal
	59,341,062	70,950,144	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve
Investments in debt instruments at amortised	3,622,439	3,622,836	Operating guarantee deposits
	207,858	209,857	Deposits for guarantees in the Central Bank
	223,758	182,600	Claim reserve from trust business
	10,000,000	10,000,000	Overdraft guarantee for foreign currency settlement
	107,369	108,092	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	53,684	54,046	Deposit guarantees of bills merchants
	279,159	286,767	Collateral for provisional seizure
	6,120	5,837	VISA international card payment reserves
	207,128	54,046	Settlement reserves for Taiwan Futures Exchange
Restricted assets—net	2,551,751	2,004,543	Collateral for settlement limit, short-term loans, payable short-term bills, securities lending and OTC derivative transactions
	473,000	696,307	Operating guarantee deposits-exchange, structured products, interest rate swap account, repo trade and money lending refundable liquidation and settlement
	937	962	Overdraft guarantee
	25,459	24,480	Dividends to be paid for transfer-agent services business
Other assets—net	295,392	569,146	Operating guarantee deposits
	2,487,522	4,228,069	Performance bond and rental deposits
	76,550	12,551	Underwriting share proceeds collected on behalf of customers
	10,000	-	Claim reserve from trust business
Property and equipment and investment property	2,468,502	2,506,252	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	417,265	402,462	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

- (1) As of December 31, 2023 and 2022, capital expenditure contracted for at the balance sheet date but not yet incurred were \$8,041,524 and \$8,634,777, respectively.
- (2) As of December 31, 2023, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was USD 1,885 thousand dollars.
- (3) Stocks entrusted to custody
As of December 31, 2023 and 2022, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were both 7,483 thousand shares. The market value of these entrusted stocks was approximately \$78,808 and \$78,133, respectively.
- (4) Transactions on behalf of customers
Yuanta Securities had several proxy delivery agreements with certain securities companies. In accordance with these agreements, these securities companies have agreed to be Yuanta Securities' first and second proxy. If Yuanta Securities is unable to fulfil its settlement obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.
- (5) Other lawsuits- Yuanta Securities
 - A. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the claimants raised its claim to \$952,511 thousand (the amount of \$950,861 thousand of which was claimed on a jointly-liable basis). The mediation failed before the Taiwan Taipei District Court. On July 11, 2018, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a separate suit for the same matter and claimed the same compensation. The Taiwan Taipei District Court ruled to reject all the plaintiffs' claims on January 27, 2022 (i.e., Yuanta Securities and another party won the lawsuit). The plaintiffs appealed and reduced the claim amount to \$722,378 thousand (the amount of \$512,454 thousand of which is claimed by Seventh-Day Adventist Church Taiwan Conference and the amount of \$209,924 thousand of which is claimed by Taiwan Adventist Hospital). Yuanta Securities is responding to the lawsuit in accordance with the law.
 - B. As of December 31, 2023, of the total 14 litigations against Yuanta Securities (Korea) and its subsidiaries, a litigation was related to the financial product selling disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 13 litigations were compensation claims totaling KRW20,161 million (approximately \$500 million). As of December 31, 2023, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW189 million (approximately \$4 million) for the abovementioned 13 litigations that were unrelated to the financial product selling disputes. Also, please refer to the explanation in Note 6(26) for an arbitration result which Yuanta Securities (Korea) is subject to. Separately, Yuanta Securities (Korea) filed 9 lawsuits as the plaintiff with a total claimed amount of KRW81,292 million (approximately \$1.9 billion).
 - C. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB301 million (approximately \$300 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022. The plaintiffs appealed the case to the court of the third instance for review and reduced the claim amount from THB301 million to THB149 million (approximately \$100 million).

- D. As of December 31, 2023, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD147,504 thousand (approximately \$600 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee against all losses incurred by Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) had exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD68,552 thousand (approximately \$300 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD44 thousand (approximately \$170 thousand), the remaining loss of HKD78,908 thousand (approximately \$300 million) has been recognised. Yuanta Securities (Hong Kong) has raised a litigation proceeding against the account executive claiming the full amount of the debt owed by those margin clients based on the Guarantee Agreement. The claim amount is HKD135,191 thousand (approximately \$500 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.
- E. As of December 31, 2023, Yuanta Securities (Korea) had issued commitment letters, with a total amount not exceeding KRW28,500 million (approximately \$700 million), for the purpose of providing merger and acquisition financial services. Yuanta Securities (Korea) has fulfilled the commitment amount of KRW28,500 million (approximately \$700 million) and acquired a fund position of KRW22,200 million (approximately \$500 million). The commitment letter will expire after the reporting period.
- (6) Other lawsuits- Banks
- Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of December 31, 2023, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.
- (7) Other lawsuits- Yuanta Life Insurance
- As of December 31, 2023, Yuanta Life Insurance still has several insurance claim litigations in process. Yuanta Life Insurance handled these cases by itself or with assistance of legal counsels and has provisioned an appropriate amount of claim reserves.

(8) Others

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commitment of the securities under a repurchase agreement	\$ 257,448,903	\$ 229,074,828
Commitment of the securities under a resale agreement	100,042,588	94,442,928
Unused loan commitments	28,671,871	17,517,117
Credit commitment on credit card	123,735,821	121,431,714
Unused L/C balance	2,189,074	2,378,257
Other guarantees	12,335,000	9,236,552
Consignment collection for others	13,626,512	14,667,670
Trust assets	346,068,957	308,923,240
Book-Entry Central Government Securities	96,757,000	117,452,000
Items under custody	76,077,941	61,309,258

(9) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Bank discloses its trust balance sheet, trust income statement and schedule of trust property as follows:

<u>December 31, 2023</u>			
<u>Trust Balance Sheet</u>			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 6,542,474	Payable - Customers' securities	\$ 47,638,762
Stocks	8,495,098	Pecuniary trust	197,604,040
Funds (Note)	129,746,809	Securities trust	1,634,354
Bonds	50,748,812	Real estate trust	21,061,457
Structured products	7,952,970	Net income	305,458
Real estate-Land	12,179,119	Retained earnings	1,599,687
-Construction in progress	6,539,714		
Customers' securities under custody	<u>47,638,762</u>		
Total trust assets	<u>\$ 269,843,758</u>	Total trust liabilities	<u>\$ 269,843,758</u>

December 31, 2022

Trust Balance Sheet

Trust assets		Trust liabilities	
Bank deposits	\$ 6,171,056	Payable - Customers' securities	\$ 37,104,555
Stocks	7,737,858	Pecuniary trust	180,916,214
Funds (Note)	128,043,073	Securities trust	1,281,753
Bonds	36,926,891	Real estate trust	19,768,603
Structured products	6,510,700	Net income	457,205
Real estate-Land	12,606,605	Retained earnings	1,326,390
-Construction in progress	5,753,982		
Customers' securities under custody	37,104,555		
Total trust assets	<u>\$ 240,854,720</u>	Total trust liabilities	<u>\$ 240,854,720</u>

Note : Includes mutual funds in money market.

Trust Income Statement

	For the years ended December 31,	
	2023	2022
Trust revenue		
Dividend income	\$ 294,389	\$ 468,150
Interest income	45,051	17,665
Gains on property exchange	35	-
Investment income (Fund)	-	14
	<u>339,475</u>	<u>485,829</u>
Trust expenses		
Management fees	(20,991)	(15,395)
Insurance expense	(6,184)	(9,231)
Tax expense	(3,214)	(3,134)
Investment loss (Fund)	(1,429)	(326)
Investment loss (Stock)	-	(43)
	<u>(31,818)</u>	<u>(28,129)</u>
Income before income tax	307,657	457,700
Income tax expense	(2,199)	(495)
Net income	<u>\$ 305,458</u>	<u>\$ 457,205</u>

Trust Property List

Invested items	December 31, 2023	December 31, 2022
	Book value	Book value
Bank deposits	\$ 6,542,474	\$ 6,171,056
Bonds	50,748,812	36,926,891
Stocks	8,495,098	7,737,858
Structured products	7,952,970	6,510,700
Funds (Note)	129,746,809	128,043,073
Real estate-Land	12,179,119	12,606,605
-Construction in progress	6,539,714	5,753,982
Customers' securities under custody	47,638,762	37,104,555
	<u>\$ 269,843,758</u>	<u>\$ 240,854,720</u>

Note : Includes mutual funds in money market.

The trust balance sheet and schedule of trust property as at December 31, 2023 and 2022 include foreign currency non-discretionary money trusts and foreign currency money trusts operated by the offshore banking unit of the Yuanta Bank.

- (10) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Securities discloses its trust balance sheet, trust income statement and trust property list are as follows:

December 31, 2023			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,908,710	Payables	\$ 42,340
Bonds	26,192	Income tax payable	266
Stocks	4,422,753	Trust capital-pecuniary trust	65,594,866
Fund	68,238,768	Trust capital-securities trust	3,415,439
Structured products	849,697	Net income	2,536,109
Accounts receivable	779,079	Retained earnings	6,386,478
		Deferred carryforwards	(1,750,299)
Total trust assets	<u>\$ 76,225,199</u>	Total trust liabilities	<u>\$ 76,225,199</u>
December 31, 2022			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,434,976	Payables	\$ 29,015
Bonds	26,169	Income tax payable	264
Stocks	3,520,211	Trust capital-pecuniary trust	58,373,206
Fund	62,196,327	Trust capital-securities trust	3,260,292
Structured products	714,085	Net income	1,370,845
Accounts receivable	176,752	Retained earnings	5,480,745
		Deferred carryforwards	(445,847)
Total trust assets	<u>\$ 68,068,520</u>	Total trust liabilities	<u>\$ 68,068,520</u>

Trust Income Statement

	For the years ended December 31,	
	2023	2022
Trust revenue		
Interest income	\$ 837,579	\$ 1,657,736
Realized investment income	1,215,944	-
Unrealized investment income	747,395	-
Foreign exchange gain	-	1,488,378
Rental income	29,460	30,878
Dividend revenue	140,355	171,035
	<u>2,970,733</u>	<u>3,348,027</u>
Trust expenses		
Management fees	(56,258)	(23,371)
Fees (Service charges)	(194,490)	(157,095)
Realized investment loss	-	(614,529)
Unrealized investment loss	-	(1,176,020)
Foreign exchange loss	(173,467)	-
Insurance expense	(2,466)	(2,355)
Others	(5)	(5)
	<u>(426,686)</u>	<u>(1,973,375)</u>
Income before income tax	2,544,047	1,374,652
Income tax expense	(7,938)	(3,807)
Net income	<u>\$ 2,536,109</u>	<u>\$ 1,370,845</u>

Trust Property List

Invested items	December 31, 2023	December 31, 2023
	Book value	Book value
Bank deposits	\$ 1,908,710	\$ 1,434,976
Bonds	26,192	26,169
Stocks	4,422,753	3,520,211
Funds	68,238,768	62,196,327
Structured products	849,697	714,085
Others	779,079	176,752
	<u>\$ 76,225,199</u>	<u>\$ 68,068,520</u>

(11) According to Ministry of Finance, Ruling No.1030026386, disclose the information as follows:

Offshore Securities Unit of Yuanta Securities engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on December 31, 2023 and 2022 were USD5,558 thousand dollars and USD5,996 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

None.

(2) Subsidiaries:

- A. Yuanta Securities (Korea) had issued a commitment letter with a total amount no exceeding KRW28,500 million (approximately \$700 million). Yuanta Securities (Korea) has fulfilled the commitment amount of KRW28,500 million (approximately \$700 million) and acquired a fund position to KRW22,200 million (approximately \$500 million). After the reporting period, the performance obligation was completed. Please refer to Note 9 for the details of significant contingent liabilities and unrecognised contract commitments.
- B. On January 31, 2024, the Board of Directors of Yuanta Securities (Korea) resolved to issue unsecured ordinary corporate bonds in the amount of KRW200 billion (approximately \$4.7 billion). Yuanta Securities (Korea) completed its 89th issuance of KRW160 billion (approximately \$3.8 billion) unsecured ordinary corporate bonds on February 15, 2024, of which KRW100 billion (approximately \$2.4 billion) mature 2 years from the issue date and the remaining KRW60 billion (approximately \$1.4 billion) mature 3 years from the issue date.
- C. On January 31, 2024, the Board of Directors of Yuanta Securities resolved to fully sell the equity interest in Woori Asset Management Corp held by Yuanta Securities (Korea). The sale will be conducted after reporting to the competent authority of Taiwan.
- D. Yuanta Futures invested USD5 million in Yuanta Global (Singapore) Pte. Ltd. on January 24, 2024.

12. Others

(1) Capital risk management

A. The objectives of capital management of the Yuanta Group:

- (A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.
- (B) In order to process sufficient capital to assume various risks, the Company assesses the required capital with consideration of the risk portfolio it faces and the risk characteristic, and manages risk through capital allocation to realise utilization of capital allocation.

B. Capital management procedure:

- (A) The Company regularly monitors the overall capital adequacy ratio, which is maintained and reported to the competent authorities every 6 or 12 months in compliance with the regulations from both competent authorities and internal requirements.
- (B) Calculation and control procedures related to capital adequacy of the financial group are all in compliance with “Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies” and “Regulations Governing the Capital Adequacy management for the Yuanta Financial Holding Company., Ltd.”.
- (C) The objective of capital management of the Company shall be agreed by the Board of Directors, of which an appropriate capital projection is scheduled by the finance management according to the long-term developing strategies, operating plan and characteristics of assets and liabilities. The consolidated capital adequacy ratio of the Yuanta Group is assessed and calculated by month. The Risk Management Department regularly monitors the overall capital adequacy and analyses the impact to the capital adequacy arising from the Company’s

business development and the change of regulations. The Business Departments shall consider the impact of each transaction or task on the capital adequacy when conducting such transaction or task according to the annual risk limits authorised by the Company.

(D) The Company also sets up a warning indicator in relation to above managing objectives, that is, when the capital adequacy ratio drops to the warning indicator, the risk management shall call a meeting to discuss a responding solution which is handed to the finance management for the following executive operations.

(2) Fair value information of financial instruments

A. Information on fair value of financial instruments and fair value hierarchy

(A) Outline

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments are initially recognised at fair value. For subsequent measurements, except for those measured at amortised cost, financial instruments are measured at fair value. For active markets, fair value is measured according to quoted prices. For non-active markets, the Yuanta Group utilises valuation techniques or references quoted prices from Reuters, Bloomberg or counterparties to determine the fair value of financial instruments.

(B) Definition for the hierarchy classification of financial instruments measured at fair value

a. Level 1

Level 1 refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date. An active market refers to market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the investments of the Yuanta Group, such as listed stocks investment, beneficiary certificates, popular Taiwan government bonds and the derivatives with a quoted price in an active market, are deemed as Level 1.

b. Level 2

Level 2 refers to prices in active markets other than quoted market prices that are observable, including direct (e.g. prices) or indirect (i.e. derived from prices) observable inputs from active markets. Investment of the Yuanta Group such as non-popular government bonds, corporate bonds, bank debentures, convertible corporate bonds, most derivatives and bank debentures issued by the Yuanta Group are all classified within Level 2.

c. Level 3

Level 3 refers to situations that measures fair value by using the unobservable inputs for assets and liabilities with very few (occasional) market activities. However, it has the same fair value measurement purpose which is the exit price at the measurement date for a market participant who holds the assets or owes the liabilities. Thus, the unobservable inputs reflect the assumptions (including assumptions in relation to risks) used by the market participant during the pricing of assets and liabilities.

B. Financial instruments measured at fair value

(A) Hierarchy of fair value estimation of financial instruments:

Recurring fair value measurements	December 31, 2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 37,665,667	\$ 35,633,825	\$ 9,146	\$ 2,022,696
Liability instruments	346,595,401	108,814,593	237,489,244	291,564
Others	161,517,705	69,780,205	87,634,286	4,103,214
Financial assets at fair value through other comprehensive income				
Equity instruments	42,423,630	7,757,994	-	34,665,636
Liability instruments	249,839,188	117,208,267	132,630,921	-
Other financial assets				
Purchase of claim receivable	1,765,701	-	-	1,765,701
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 44,484,945	\$ 44,392,533	\$ 92,412	\$ -
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 17,922,423	\$ 6,529,518	\$ 8,150,557	\$ 3,242,348
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 114,185,769	\$ 3,556,773	\$ 59,331,721	\$ 51,297,275

Recurring fair value measurements	December 31, 2022			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 30,704,236	\$ 28,301,431	\$ -	\$ 2,402,805
Liability instruments	256,124,753	69,349,109	185,999,107	776,537
Others	113,598,530	32,818,232	76,129,285	4,651,013
Financial assets at fair value through other comprehensive income				
Equity instruments	53,997,024	18,548,658	-	35,448,366
Liability instruments	285,714,529	128,391,252	157,282,929	40,348
Other financial assets				
Purchase of claim receivable	1,792,753	-	-	1,792,753
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 33,367,298	\$ 33,367,298	\$ -	\$ -
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 19,629,863	\$ 7,344,343	\$ 9,869,773	\$ 2,415,747
Liabilities				
Financial liabilities at fair value through profit or loss	\$101,455,378	\$ 3,846,440	\$ 42,091,538	\$ 55,517,400

(B) When quotes of financial instruments are obtained from the Stock Exchange, Reuters, Bloomberg, dealers or competent authorities and the prices represent arm's length transactions with sufficient frequency, the financial instruments are regarded as active market quotes. If the aforementioned requirements are not met, then the financial instruments are regarded as quotes without an active market. Large bid-ask spreads or low trade volumes are features of quotes without an active market. Whenever the financial instruments held by the Yuanta Group have active market quotes, the active market quotes are regarded as fair value. Publicly listed and over-the-counter traded equity instruments of primary stock exchanges along with central government bonds that are popular securities all regard active market quotes as the basis of fair value. Excluding the above-mentioned financial instruments with active market quotes, the fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the balance sheet date, and utilises the fair values derived from the calculations of financial valuation models (for example referencing the yield curve from the Taipei Exchange, Reuters' average commercial paper interest, etc.).

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

Financial valuation techniques do not necessarily completely reflect all relevant elements of financial instruments held by the Yuanta Group. Thus, the outputs of financial valuation models may need necessary adjustments in line with important relevant elements. For example, adjustments on model risk or adjustments on liquidity risk etc. In accordance with the Yuanta Group's financial valuation model management policy, management believes in order to fairly present the fair value of financial instruments within the consolidated balance sheet, valuation adjustments are pertinent and appropriate.

b. Credit risk valuation adjustment

The credit risk valuation adjustment is included in the computation of fair value of financial instruments in order to reflect counterparty's credit risk and the Yuanta Group's credit quality.

(D) Transfer between Level 1 and Level 2

As of December 31, 2023 and 2022, certain foreign debt held by the Yuanta Group, totaling, USD 0 thousand and USD1,744 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stockbrokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of December 31, 2023 and 2022, certain foreign debt held by the Yuanta Group, totaling USD 0 thousand and USD8,467 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

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(E) Movements of financial instruments classified into Level 3 of fair value are as follows:

a. Movements of financial assets classified into Level 3 of fair value are as follows:

Items	For the year ended December 31, 2023				Ending balance		
	Gain and loss on valuation	Addition		Reduction			
	Beginning balance	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	Ending balance
Financial assets at fair value through profit or loss	\$ 10,246,102	\$ 458,769	\$ 35,976,251	\$ 52,933	(\$ 36,054,687)	(\$ 1,082,399)	\$ 9,659,822
Financial assets at fair value through other comprehensive income	35,488,714	(152,106)	-	-	(43,894)	-	34,665,636
Other financial assets-purchase of claim receivable	1,792,753	(3,488)	-	-	(23,564)	-	1,765,701
Total	\$ 47,527,569	\$ 303,175	\$ 35,976,251	\$ 52,933	(\$ 36,122,145)	(\$ 1,082,399)	\$ 46,091,159
	For the year ended December 31, 2022						
	Beginning balance	Gain and loss on valuation	Addition		Reduction		Ending balance
Items	Beginning balance	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	Ending balance
Financial assets at fair value through profit or loss	\$ 10,762,239	(\$ 2,588,825)	\$ 18,274,750	\$ -	(\$ 15,564,028)	(\$ 524,559)	\$ 10,246,102
Financial assets at fair value through other comprehensive income	26,862,390	239,289	57,722	-	(106,332)	-	35,488,714
Other financial assets-purchase of claim receivable	1,813,266	(570)	-	-	(19,943)	-	1,792,753
Total	\$ 39,437,895	(\$ 2,350,106)	\$ 18,332,472	\$ -	(\$ 15,690,303)	(\$ 524,559)	\$ 47,527,569

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net losses belonging to assets as of December 31, 2023 and 2022 were \$657,071 and \$3,128,968, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net (losses) gains belonging to assets as of December 31, 2023 and 2022 were (\$563,544) and \$8,318,571, respectively.

b. Movements of financial liabilities classified into Level 3 of fair value are as follows:

Items	For the year ended December 31, 2023					
	Gain and loss on valuation		Addition		Reduction	
	Beginning balance	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)
Financial liabilities at fair value through profit or loss	\$ 55,517,400	\$ 667,480	\$ 62,054,661	\$ -	(\$ 66,938,506)	\$ -
						\$ 51,297,275

Items	For the year ended December 31, 2022					
	Gain and loss on valuation		Addition		Reduction	
	Beginning balance	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)
Financial liabilities at fair value through profit or loss	\$ 42,151,097	\$ 611,430	\$ 7,996	\$ 50,637,512	\$ 1,641,488	(\$ 39,398,438)
						(\$ 133,685)
						\$ 55,517,400

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains (losses) belonging to liabilities as of December 31, 2023 and 2022 were \$454,653 and \$3,183,588, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of December 31, 2023 and 2022 were \$4,277 and (\$7,355), respectively.

Note: For the years ended December 31, 2023 and 2022, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

(F) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value.

The fair value measurement that the Yuanta Group made onto the financial instruments is deemed reasonable; however, different valuation input could result in different valuation result. The effects on gain and loss in the period or the effects on other comprehensive income are as follows:

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
December 31, 2023				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 106,835	(\$ 105,710)	\$ -	\$ -
Derivative instruments	16,744	(16,744)	-	-
Financial assets at fair value through other comprehensive income	-	-	418,985	(327,780)
Other financial assets- purchase of claim receivable	84,309	(84,309)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 57,625)	\$ 57,625	\$ -	\$ -
Derivative instruments	(80,437)	80,437	-	-
December 31, 2022				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 155,334	(\$ 151,467)	\$ -	\$ -
Derivative instruments	25,035	(25,035)	-	-
Financial assets at fair value through other comprehensive income	-	-	488,359	(378,093)
Other financial assets- purchase of claim receivable	89,815	(89,815)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 98,600)	\$ 98,600	\$ -	\$ -
Derivative instruments	(158,284)	158,266	-	-

Favorable and unfavorable movements of the Yuanta Group refer to the favorable and unfavorable movements of fair value. Movements in fair value are derived from financial valuation techniques on different unobservable valuation parameters. If the fair value of financial instruments is affected by more than one input, the above table will only reflect the impact resulting from changes in the single input without considering the correlations and variability between inputs.

(G) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

December 31, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,022,696	1. Market method 2. Income method 3. Equity Model by L. Anderson and D. Buffum 4. Discounted Cash Flow	Discount for marketability Discount rate Stock price volatility Credit Spread Recovery rate	<=40% 13.31%~14.52% 22.20%~64.25% 5.87%~75.73% 20.00%~20.00%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 291,564	1. Hybrid Model 2. Discounted cash flow	Stock price volatility Credit Spread Recovery rate Discount rate	59.16%~61.16% 77.67%~77.69% 20.00%~20.00% 2.41%~7.85%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	3,242,348	1. Option Model 2. FDM 3. Monte Carlo Simulation	Stock price volatility Correlation coefficient Probability of Default (PD) Recovery rate	17.58%~25.11% 0.15~0.97 0.03%~100% 0.55~0.55	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value

December 31, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Others	4,103,214	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability	<=10%	The higher the discount for marketability, the lower the fair value
			Stock price volatility	17.58%~25.11%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,765,701	Recoverable amount	Contact rate	6.44%~38.25%	The higher the contact rate, the higher the fair value
			Payment rate	4.22%~34.88%	The higher the payment rate, the higher the fair value
			Discount rate	5.47%~39.76%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	34,665,636	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0%~1%	The higher the growth rate, the higher the fair value
			Discount rate	12.74%~12.74%	The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 51,297,275	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation	Stock price volatility	0.46%~74.37%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

December 31, 2022	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,402,805	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum 4.Discounted Cash Flow	Discount for marketability Discount rate Stock price volatility Credit Spread Recovery rate	<=40% 11.85%~15.54% 19.25%~97.79% 5.39%~26.50% 20.00%~20.00%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value
Liability instruments	776,537	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility Credit Spread Recovery rate Discount rate	35.61%~40.59% 77.67%~77.69% 20.00%~20.00% 3.05%~8.44%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value The higher the discount rate, the lower the fair value
Financial assets at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 2,415,747	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility Correlation coefficient Probability of Default (PD) Recovery rate	18.08%~25.14% 0.15~0.97 0.03%~100% 0.55~0.55	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
Others	4,651,013	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility Correlation coefficient Probability of Default (PD) Recovery rate	<=10% 18.08%~25.14% 0.15~0.97 0.03%~100% 0.55~0.55	The higher the discount for marketability, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value

December 31, 2022	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Other financial assets					
Purchase of claim receivable	1,792,753	Recoverable amount	Contact rate	6.61%~43.20%	The higher the contact rate, the higher the fair value
			Payment rate	4.99%~38.00%	The higher the payment rate, the higher the fair value
			Discount rate	4.90%~39.94%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,448,366	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0.00%~1.00%	The higher the growth rate, the higher the fair value
			Discount rate	0.1126~0.1126	The higher the discount rate, the lower the fair value
Liability instruments	40,348	Discounted cash flow	Discount rate	3.05%-8.44%	The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	55,517,400	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	0.46%~85.87%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

(H) Valuation procedure of financial instruments classified into Level 3

The Yuanta Group established the unobservable inputs by taking into account all information in relation to market participants assumption which is reasonably available to meet the purpose of fair value measurement, and analyzed changes in fair value measurement periodically in accordance with the internal valuation management policy and procedure to ensure that valuation procedure and results meet International Accounting Standards.

The Yuanta Group adjusted the valuation parameters of certain underlying companies in the second quarter of 2023 to reflect the observable market information and the operations of the underlying companies at the measurement date.

C. Financial instruments not measured at fair value

(A) Fair value information:

Except for those listed in the table below, the carrying amounts of the Yuanta Group's financial instruments not measured at fair value are approximate to their fair values.

		December 31, 2023			
<u>Book value</u>	<u>Fair value</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 399,998,842	\$ 350,419,053	\$ 17,650,496	\$ 332,758,307	\$ 10,250
<u>Financial liabilities</u>					
Bonds payable	104,904,691	99,486,525	-	99,486,525	-
		December 31, 2022			
<u>Book value</u>	<u>Fair value</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 371,014,715	\$ 313,929,993	\$ 6,383,759	\$ 307,531,304	\$ 14,930
<u>Financial liabilities</u>					
Bonds payable	102,487,542	95,557,208	-	95,557,208	-

Note 1: Including the statutory deposits of \$3,560,400 of Yuanta Life of the Yuanta Group as of December 31, 2023 and 2022.

Note 2: The government bonds, corporate bonds, and bank debentures which are classified as debt instruments without active market.

(B) Financial valuation technique:

The assumptions and methods used to estimate the financial instruments not measured by fair value:

- a. The financial instruments such as cash and cash equivalents, due from Central Bank and call loans to other banks, investments in bills and bonds under resale agreements, receivables - net, other financial assets - net (not including debt instruments without active market), refundable deposits, due to Central Bank and other banks, payables, short-term borrowings and deposits received. As the short maturities or future payment or receipt is close to the carrying amount, the carrying amount at the consolidated balance sheet date is used to estimate the fair value.
- b. Bills discounted and loans (including non-performing loans): The effective interest rates of loans are generally based on the benchmark interest rate plus or minus certain adjustment (equivalent to floating rate) to reflect the market interest rate. As a result, it is reasonable to assume that the carrying amount, after adjustments of estimated recoverability, approximates the fair value. Fair values for long-term loans with fixed interest rates shall be estimated using their discounted values of expected future cash flows. However, as such loans account for only a small portion of all loans, book value was used to estimate the fair value.
- c. Investments in debt instruments at amortised cost: When there is a quoted market price available in an active market, the fair value is determined using the market price. If there is no quoted market price for reference, a valuation technique or quoted price offered by the counterparties will be adopted to measure the fair value.

- d. Deposits and remittances: The duration between the commencement date and maturity date for deposits and remittances are usually within one year. As a result, the carrying amount is a reasonable basis to estimate the fair value. The fair value of long-term fixed rate deposits should be estimated by discounting expected future cash flows; however, since the duration between the commencement date and the maturity date is within three years, it is reasonable to use the carrying amount to estimate the fair value.
- e. Bonds payable: The coupon rate for bank debentures issued by the Yuanta Group is approximate to the market interest rate. Thus, the present value of its expected future cash flows for estimating fair value is approximate to carrying value.

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

(A) The Yuanta Group's risk management organization structure includes the Board of Directors, the Audit Committee, the Risk Management Committee, senior management, other business departments, the Risk Management Department, the Legal Compliance Department, other Risk Management departments and Internal Auditing Department. The Board of Directors is the highest decision-making unit for risk management. Its primary responsibilities include approving the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, monitoring the indicator threshold, as well as supervising the enforcement of the risk management system. The Audit Committee should assist the Board of Directors in implementing its risk management responsibilities. Its primary responsibilities include deliberating the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, monitoring the indicator threshold, as well as assisting the Board of Directors in supervising the management of the Company's existing or potential risk. The Risk Management Committee should assist the Audit Committee and Board of Directors in implementing their risk management responsibilities. Its primary responsibilities include negotiating the annual risk limits, monitoring the indicator threshold, reviewing risk monitor execution reports, coordinating common risk management issues between subsidiaries, and promoting important risk management issues. Senior management should examine risks involved in operating activities and ensure the Yuanta Group's risk management system can thoroughly and effectively control related risks. The Risk Management Department is an independent department subordinated under the Board of Directors. The Risk Management Department's primary responsibilities includes developing the risk management system, establishing a method to effectively measure risk, establishing the risk management system, monitoring and analyzing risk and alerting and reporting significant risks in a timely manner. The Legal Compliance department should implement legal compliance risk management. It should ensure that all businesses and management regulations are updated in time in accordance with the relevant laws and regulations, supervise Legal Compliance Management of all units to carry out introduction, establishment and implement of related internal measurements, as well as assist in evaluating possible legal compliance risks that all business units may be involved with. The Legal Department should implement legal risk management. It should assist in evaluating possible legal risk that business units, legal documents and contracts may be involved with. The Information Department's primary responsibilities are to implement information security risk control and assist in preventing damage to the related information system and impact on information security risk of normal operations caused by external deliberate cyber-attack or internal improper use, leakage, tampering and destruction of information assets.

The risk management responsibilities of business departments are to comprehensively examine all risk management regulations before conducting their respective tasks and

certainly comply with all risk management regulations.

Each subsidiary has built a risk management organization with appropriate levels and scale based on its business portfolio, operating scale and capital scale. The Yuanta Group constantly examines each subsidiary's risk management structure to ensure that it can manage its assumed risks effectively.

(B) Risk management policy

In order to establish the Yuanta Group's risk management standard, ensuring the completeness, effectiveness and reasonableness of risk management, the risk management policy was devised to act as the highest guiding principle for the Yuanta Group's risk management. All risk management systems should comply with the risk management policy and consider the attributes of all risk and its impact degree on the Yuanta Group's operating stability capital soundness to respectively establish appropriate risk management systems.

The Yuanta Group's risk management system covers market risk, credit risk, market liquidity risk, asset liability matching risk (including capital liquidity risk and interest risk), significant amount exposure risk, insurance risk, operating risk, legal compliance risk, legal risk and other risks related with operations, laws and compliance and environment (including climate risk). Subsidiaries should establish a risk management system which matches its business portfolio, operating scale and capital scale in accordance with the Yuanta Group's risk management policy and local regulations, in order to effectively manage the risks, it endures.

B. Methods for risks measurement and controlling and exposure quantitative information

(A) Credit risk

a. Source and definition of credit risk

Credit risks occur when the bond issuer, borrower or counterparty fails to fulfil its obligation and results in a loss of default. Credit risk may happen due to accounts on and off the balance sheet. For accounts on the balance sheet, credit risk exposure of the Yuanta Group mainly comprises of bills discounted and loans and credit card business, debt instrument and derivatives and call loans from banks, etc. Off-balance-sheet accounts include financial guarantee, acceptance bill, letter of credit and loan commitments that could give rise to credit risk exposure to the Yuanta Group.

b. Principle of credit risk management

In order to effectively consolidate credit distribution and control change in credit exposure, except for establishment of internal credit rating system and implementation of credit risk rating system, the Yuanta Group also establishes credit pre-warning program, carries out escalation procedures and effectively improves the time efficiency of credit incidence. Secondly, to benefit the control of credit risk concentration, the Yuanta Group has developed information system for significant amount exposure, which covers credit risks of credit and investment transactions, cross-analyses and cross-consolidates by issuer and trading counterparty and monitors overall credit exposure. In addition, the Yuanta Group also conducts research and development of various credit risk model to strengthen quantitative mechanism of the Yuanta Group's credit rating. As such, the credit limits of the subsidiaries can be dynamically and reasonably allocated and transferred according to different business risks and asset characteristics.

The measurement of credit risks, risk limits, limit exceeding response and exception regulation should be treated in compliance with related credit risk regulations. Business units, before the underwriting of a transaction, should assess internal credit rating, credit limit and current limit usage ratio of a company upon the receipt of executed transaction.

c. Methods used in credit risk management

Procedures and methods used in credit risk management for the core businesses of the Yuanta Group are as follows:

(a) Credit business (including loan commitment and guarantees)

Credit assets are classified into five types. Other than normal credit assets shall be classified as Category One, the remaining non-performing loans are assessed based on the collateral provided and the time period of overdue payment as follows: Category Two for assets requiring special mention. Category Three for assets deemed recoverable. Category Four for assets that are doubtful. Category Five for assets that are not recoverable.

In response to the characteristics and scale of business, the Yuanta Group sets up credit quality rating for risk management purposes (such as implementing internal evaluation model of credit risk, setting up credit rating table or other relevant regulations).

The Yuanta Group, mainly based on the statistics and professional judgement of experts and consideration of client information, developed a business credit rating model for the purpose of evaluating the credit risk of corporate clients. The model is regularly reviewed to check if the calculation result is consistent with the actual situation. And adjustment on various inputs should be calibrated to optimize the calculation result.

Credit rating of corporate finance is categorised into 11 levels upon underwriting according to the risks assessment on each credit extension case. When a loan is granted, in addition to the credit quality of the client, fund purpose, repayment source, protection of claims and credit prediction should be considered, credit risk by credit account and facility should also be respectively assessed and rated based on the corporate or consumer risk rating referencing standards.

Credit risk rating of the consumer finance is categorised by client superiority, client profession and the rating of collateral threshold.

(b) Debt instruments investment and derivatives

The Yuanta Group manages the credit risk of debt instruments through consolidating external credit rating and internal credit rating model to establish internal credit rating system and sets up credit limits for issuers and counterparties accordingly. Credit risk exposure of related business is consolidated for calculation to ensure that the overall credit risks are in compliance with limits as approved by the Yuanta Group. In addition to the establishment of credit risk management and procedures, the credit risk model is also used to quantify credit risk so that credit risk can be reasonably and effectively controlled and evaluated, so the overall credit risk will be within reasonable bearable capacity of the Yuanta Group's capital.

(c) Margin purchase and short sale

Other than the compliance with regulations governing the margin sale and short sale business from SEC and the decreased ratio or allocated securities for warning of abnormal individual stock as defined by OTC, the Yuanta Group also sets up risk management structure such as quota allocation, pre-warning indicators and process standards and credit diversification standards with specific associate being responsible for related risk control. In addition, the comprehensively computerized risk information system can help assist with enhancing the pre-warning function of margin sale and short sale credit so that awareness of market movement at an early stage may be achieved.

d. Analysis on credit quality and overdue impairment of financial assets held by the Yuanta Group

(a) Credit risk rating is categorised into Excellent, Acceptable, Weak, and Credit-impaired, and the definitions are illustrated below:

- I. Excellent: This level shows that the counterparty or the underlying asset is equipped with strong capability of fulfilling financial commitments, even under significantly uncertain or adverse conditions.
- II. Acceptable: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is weak. Any adverse operation, financial or economic conditions will reduce its capability.
- III. Weak: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is extremely low. The counterparty is able to fulfill financial commitments only when the operating circumstances and its financial condition are favorable.
- IV. Credit-impaired: This level shows that the financial asset has been impaired or there has been a significant increase in the credit risk since initial recognition.

The comparison between internal credit risk ratings and external credit ratings is provided below. However, these two credit risk ratings do not have any direct relation. The comparison chart is just for disclosing approximate level of credit risk ratings.

Credit quality	Corporate finance	Consumer finance	Debt instruments and others	
	Internal and external credit rating	Credit rating	Taiwan Ratings	Standard & Poor's Ratings
Excellent	Level 1~6	Excellent	twAAA ~ twBBB-	AAA ~ BBB-
Acceptable	Level 7~8	Acceptable	twBB+ ~ twBB	BB+ ~ BB
Weak	Level 9~11	Weak	twBB- ~ twC	BB- ~ C
Credit impaired	Level D	Credit impairment	Credit impairment	Credit impairment

(b) Expected credit losses calculation

Impairment assessment is based on the calculation of expected credit losses, taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, which is available without undue cost or effort, including forecastable information. The Yuanta Group determines at the balance sheet date whether there has been a significant increase in credit risk since initial recognition or whether credit impairment has occurred, and recognises expected credit losses according to which stage the asset belongs: no significant increase in credit risk or low credit risk at balance sheet date (Stage 1), significant increase in credit risk (Stage 2), and credit-impaired (Stage 3). 12-month expected credit losses are recognised for assets in Stage 1, and lifetime expected credit losses are recognised for assets in Stage 2 and Stage 3.

The definition of and expected credit losses recognised for each stage are as follows:

	Stage 1	Stage 2	Stage 3
Definition	Financial assets with no significant increase in credit risk since initial recognition or low credit risk on balance sheet date	Financial assets with significant increase in credit risk since initial recognition	Financial assets that became credit-impaired after initial recognition
Recognition of expected credit losses	12-month expected credit losses are recognized	Lifetime expected credit losses are recognized	Lifetime expected credit losses are recognized

The Yuanta Group uses the following key judgements and assumptions when estimating expected credit losses in accordance with IFRS 9:

I. Determining whether there has been a significant increase in credit risk since initial recognition.

At every balance sheet date, the Yuanta Group and its subsidiaries assess the change in default risk over the lifetime of each financial asset to determine whether there has been a significant increase in credit risk since initial recognition.

(I) Credit business

The Yuanta Group considers reasonable and supportable information (including forecastable information) when determining whether there has been significant increase in credit risk. The main indicators taken into account are as follows:

- i. The borrower is over 30 days past due.
- ii. Significant deterioration in credit quality and placed on the Yuanta Group's warning list.
- iii. Deterioration in credit rating:
Credit rating: The Yuanta Group's internal credit rating of the asset is equivalent to a non-investment grade rating by an external agency, and the rating has dropped by more than two scales since initial recognition.
- iv. Records of bad credit are confirmed after assessment.

(II) Investments in debt instruments

At the balance sheet date, a debt instrument is considered to have significant increase in credit risk when the internal credit ratings of the credit reference subject is of non-investment grade and any one of the following conditions is met:

- i. The internal ratings of the credit reference subject has dropped by more than one scale since initial recognition.
- ii. The implied credit spread of the debt instrument has increased by a certain number of basis points since initial recognition.

(III) Other financial assets

Except for credit business and debt instruments investment, the criteria that the Yuanta Group uses to determine that there has a significant increase in credit risk at balance sheet date is as follows:

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the

- terms recorded in the contract, unless the contractual terms specify it.
- ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
 - iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, receivables have been transferred to overdue receivables or have been provided the bad debt expense, or the number of past-due days is not over the days recorded in the contract but it meets the terms of default.
- II. Definitions of financial assets in default and credit-impaired financial assets
According to the definition stated in IFRS 9, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
- (I) Credit business
- i. Principal or interest payments over 3 months (90 days) past due, or the bank has begun collection procedures or liquidation of collateral.
 - ii. New payment schedule is negotiated so that loan is not classified as non-performing.
 - iii. Non-performing loans in negotiation according to the rules of the Debt Negotiation Mechanism issued by the Bankers Association in 2006 (including pre-mediation).
 - iv. Loans that have gone through pre-mediation and have signed agreements in accordance with the Consumer Debt Clearance Act (excluding secured loans where the original terms of the loans are enforced).
 - v. Cases where the court has initiated reorganization or liquidation proceedings.
 - vi. Declaration of bankruptcy in court.
 - vii. Reclassified as non-accrual.
 - viii. Special criterion for credit card products: credit card accounts closed by the issuer.
 - ix. Debtor's loans from other banking institutions have been recognised as non-performing, and reclassified as non-accrual or written off as bad debt.
 - x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.
 - xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.
 - xii. Non-performing loans where a payment installment plan has been negotiated.
 - xiii. Loans classified as "in default" according to the Yuanta Group's internal credit rating model.
- (II) Investments in debt instruments
An investment in a debt instrument by the Yuanta Group is considered credit-impaired if any of the following conditions apply:
- i. Both internal and external credit ratings of the instrument are "in default."
 - ii. Principal or interest payments are not made in accordance with the agreement.

- iii. Bankruptcy, reorganization, or other debt clearance proceedings has been filed.
 - iv. Other breaches of contract by the debtor as assessed on a case-by-case basis.
- (III) Other financial assets
- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is in line with the days recorded in the contract.
 - ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
 - iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, and receivables have been transferred to overdue receivables or have been provided the bad debt expense.

(IV) Definition of default

When assessing whether the borrower is in default, the Yuanta Group selects among the multiple loans held by the borrower the one with the lowest credit quality. The borrower is considered in default if the principal and interest payments on this selected loan is over 90 days past due or if the selected loan is reclassified as non-accrual or bad debt during the observation period.

III. Write off policy

If any of the following conditions apply, the Yuanta Group writes off its non-performing and non-accrual loans as bad debt, less the estimated recoverable amount:

- (I) The loan cannot be fully or partially recovered due to the dissolution of, disappearance of, settlement with, or declaration of bankruptcy by the debtor.
- (II) The collateral and assets of the primary and secondary debtors cannot be used to recover the loan due to low appraisal value, liquidity preference, or high administrative costs associated with seizure and liquidation.
- (III) The collateral and assets of the primary and secondary debtors could not be auctioned off after multiple attempts.
- (IV) The non-performing and non-accrual loans are two years past due, and could not be recovered from collection procedures.

IV. Measurement of expected credit losses

The model of expected credit losses (ECL) is based on the following three parameters: probability of default (PD), loss given default (LGD), and exposure at default (EAD).

(I) Credit business

i. Probability of default

The estimation of PD is based on the product type and internal credit ratings of the Yuanta Group, with the one-year PD and multi-year PD estimated separately.

- (i) One-year PD: Calculate the actual one-year PD from historical data and use it to estimate the one-year PD parameter.
- (ii) Multi-year PD: The multi-year PD is estimated using historical data on annual marginal default rates. Applying the multi-year PD to each loan

requires selecting the corresponding lifetime. The lifetime of the loan is estimated based on the length of the remaining contract.

ii. Loss given default

Loans are grouped according to type (corporate or consumer) and whether they are secured with collateral, and the LGD of each group is calculated based on historical recovery experience.

iii. Exposure at default (EAD)

(i) On balance sheet—Loans and loan receivables: calculated from credit balance.

(ii) Off balance sheet—Loan commitments and financial guarantees: off balance sheet figures multiplied by the credit conversion factor (CCF). The CCF is estimated according to the rules described in the “Calculation Method of Equity Capital and Risky Assets and Accompanying Forms—Credit Risk Standard Rules.”

(II) Investments in debt instruments

i. Probability of default: Calculated based on the internal credit ratings of the credit reference subject determined using external credit rating which has taken into consideration the forecastability, such as macroeconomics, incorporating default rates published by external credit rating agencies.

ii. Loss given default: Calculated based on the collateral and order of compensation of the debt instrument, incorporating the average recovery rate disclosed by external credit rating agencies.

iii. Exposure at default: Total carrying amount, including interest receivable. Total carrying amount is the amortised cost of the financial asset before any adjustment to the loss allowance.

V. Consideration of forecastable information

The Yuanta Group incorporates forecastable information when determining whether there has been a significant increase in credit risk in relation to the credit reference subject since initial recognition and measuring expected credit losses.

(I) For determining significant increase in credit risk

i. The Yuanta Group’s credit approval process includes evaluation of forecastable information such as business potential, financial condition, industry outlook, loan collateral, and ability to repay.

ii. Identify customers with potential risk using the early warning list of the Yuanta Group. The early warning system of the Yuanta Group involves the assessment of the credit risk of the customer by reviewing the following five factors: management, financial statements, cash flows, source of repayment, and past performance.

(II) For measuring expected credit losses

At least reflected in the forecastable adjustments of PD and LGD: In order to predict future probabilities of default, historical performances of PD, current trends in PD, the correlation between PD and macroeconomic factors, and other relevant information is considered by experts to give an overall assessment of forecastable scenarios of PD. The PD parameters are then adjusted accordingly to produce the forecastable PD parameters.

(III) Other

Forecastable adjustments are not made if the results from such adjustments are not expected to differ significantly from the original results, assuming there are no significant changes in current economic conditions and the future macroeconomic environment. However, if significant changes in the future macroeconomic environment are predicted, the loss rates have to be adjusted accordingly; for example, adjusting the loss rate by a certain percentage according to expected changes in GDP.

e. Hedging or mitigation of credit risk

(a) Collateral

The Yuanta Group adopts a series of policies and measures to mitigate credit risk in relation to credit extension business. Amongst those, requesting borrowers to provide collateral is one of the most usual means. The Yuanta Group has specific criteria for acceptable collateral and collateral valuation, management and disposing procedures regarding the collateral valuation management, collateral assessment for credit facility in order to protect the credit right. In addition, protection of creditor's right, collateral terms and offsetting terms are all addressed in the credit extension contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, or various types of deposits can be used to offset its liabilities to mitigate credit risks.

(b) Credit risk limit and credit risk concentration control

The Yuanta Group controls the concentration risk of various assets in order to avoid high risk concentration. The Yuanta Group has set up credit extension limits for a single counterparty or a single group, and set up investment standards and risk controlling regulations for stock investment for a single person (entity) or affiliated enterprises' (group) various investment limit. In addition, in order to control concentration risk of various assets, the Yuanta Group has also set up credit limits based on the industry, enterprise of group, country, pledged stocks for credit extension and monitored risk concentration of each asset. Through the system consolidation, single counterparty, group's enterprises, affiliated enterprise, industry, nationality, ultimate risk and various credit risk concentration can be monitored.

(c) Net-settled general agreement

The transactions of the Yuanta Group are usually gross-settled. However, net-settled agreements are signed with certain counterparties to further mitigate credit risk in case of any default and all transactions shall be terminated with the counterparties and settled by net amount.

(d) Others

The Yuanta Group regularly assesses the credit status in relation to the issuers or the counterparties and hedges or mitigates its credit risks through the following procedures:

I. Additional credit exposure limit;

II. Credit limits reduction;

III. Hedging through credit derivatives;

IV. Credit enhancement, such as guarantee from qualifying bank or obtaining collateral.

f. Maximum risk exposure of the Yuanta Group

The maximum risk exposure of assets on the consolidated balance sheet, without consideration of the collateral or other credit enhancements, is equivalent to the carrying amount. Please see Note 9(8) for the maximum credit risk exposure of the consolidated

balance sheet.

The management of the Yuanta Group believes that through a series of stringent evaluation procedures and follow-up reviews, credit risk exposure off the balance sheet of the Yuanta Group can be minimized and continuously controlled. The total carrying value of the Yuanta Group's financial assets with the maximum credit risk exposed is as follows:

Bills discounted and loans

December 31, 2023	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings— excellent	\$ 816,121,091	\$ 1,025,140	\$ -	\$ -	\$ 817,146,231
Internal ratings— acceptable	213,229,826	3,416,948	-	-	216,646,774
Internal ratings— weak	53,215,582	2,005,844	-	-	55,221,426
Internal ratings— not rated	3,803,287	3,860,806	-	-	7,664,093
Internal ratings— credit impairment	-	863,421	5,874,409	-	6,737,830
The total carrying amount	1,086,369,786	11,172,159	5,874,409	-	1,103,416,354
Allowance for credit losses	(2,081,442)	(754,225)	(2,537,982)	-	(5,373,649)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(9,916,163)	(9,916,163)
Total (Note)	<u>\$1,084,288,344</u>	<u>\$10,417,934</u>	<u>\$ 3,336,427</u>	<u>(\$ 9,916,163)</u>	<u>\$1,088,126,542</u>

Note: Including interest receivable and temporary payments for others amounting to \$1,600,226. In addition, allowance for doubtful receivables was \$23,688.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised

cost”) are \$213,356,151 and \$804,151,654, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

December 31, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings – excellent	\$ 710,921,062	\$ 1,192,067	\$ -	\$ -	\$ 712,113,129
Internal ratings – acceptable	243,423,036	4,269,264	-	-	247,692,300
Internal ratings – weak	45,050,252	1,400,174	-	-	46,450,426
Internal ratings – not rated	153,369	-	-	-	153,369
Internal ratings – credit impairment	-	62,936	4,308,988	-	4,371,924
The total carrying amount	999,547,719	6,924,441	4,308,988	-	1,010,781,148
Allowance for credit losses	(1,682,978)	(453,410)	(2,370,871)	-	(4,507,259)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(9,878,100)	(9,878,100)
Total (Note)	\$ 997,864,741	\$ 6,471,031	\$ 1,938,117	(\$ 9,878,100)	\$ 996,395,789

Note: Including interest receivable and temporary payments for others amounting to \$1,224,774. In addition, allowance for doubtful receivables was \$18,267.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$174,010,115 and \$850,325,913, respectively, and 12-month expected credit losses (Stage 1)

are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

The financial impact related to maximum amount exposed to credit risk arises from collaterals pledged for assets on the balance sheets and items off the balance sheets of Yuanta Bank and master netting arrangements. The table summarizes the relevant information:

December 31, 2023	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 19,322	\$ -	\$ 19,322
Bills discounted and loans	788,506,493	-	788,506,493
Financial assets at fair value through profit or loss	938,750	2,112,033	3,050,783
<u>For off-balance sheet accounts</u>			
Unused loan commitments	4,308,121	-	4,308,121
Unused credit commitment	77,052	-	77,052
Guarantees (including for non-performing loans)	2,549,431	-	2,549,431
December 31, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 18,166	\$ -	\$ 18,166
Bills discounted and loans	731,753,219	-	731,753,219
Financial assets at fair value through profit or loss	1,122,407	1,863,544	2,985,951
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,091,118	-	5,091,118
Unused credit commitment	102,140	-	102,140
Guarantees (including for non-performing loans)	2,848,121	-	2,848,121

Note: The value of collaterals, except for cash items, is at present value, the others are allocated based on amount of loans.

g. Credit risk concentration

The credit risks are deemed significantly concentrated when the financial instrument transactions significantly concentrate on a single person, or when there are multiple trading counterparties engaging in similar business activities with similar economic characteristics making the effects on their abilities of fulfilling the contractual obligation due to economy or other forces similar.

The credit risks of the Yuanta Group concentrate on accounts on and off balance sheet that occurs through obligation fulfilling or implementation of transactions (either product or service), or through trans-type exposure portfolio, including cash and cash equivalents, loans, placements and call loan from the banks, securities investment, receivables and derivatives. The Yuanta Group does not significantly carry out transactions with single client or single counterparty, and the credit risk concentration by industry and location are shown as follows:

(a) Industry:

Industry	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Privately owned businesses	\$ 844,738,049	27.48	\$ 782,691,868	27.95
Natural person	818,702,648	26.64	704,215,983	25.15
Financial institutions	873,718,233	28.43	777,788,781	27.78
Governmental institutions	489,928,818	15.94	493,309,142	17.62
Government-owned businesses	44,099,834	1.43	39,010,527	1.39
Others	2,373,785	0.08	3,061,140	0.11
Total	<u>\$ 3,073,561,367</u>	<u>100.00</u>	<u>\$ 2,800,077,441</u>	<u>100.00</u>

(b) Geographic location:

Geography location	December 31, 2023	December 31, 2022
Taiwan	\$ 2,195,066,668	\$ 1,990,532,604
Asia	526,917,085	467,593,310
America	232,780,801	219,048,787
Europe	73,121,354	79,246,441
Oceania	45,541,559	43,449,731
Africa	133,900	206,568
Total	<u>\$ 3,073,561,367</u>	<u>\$ 2,800,077,441</u>

h. Changes in the Yuanta Group's allowance for credit losses and accumulative impairment

(a) Credit business

For the years ended December 31, 2023 and 2022, the reconciliation of the balance of allowance for bad debt are as follows:
Bills discounted and loans

	For the year ended December 31, 2023	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Beginning balances	\$ 1,679,718	\$ 453,321	\$ 2,362,164	\$ 4,495,203	\$ 9,871,889	\$ 14,367,092	
Changes from financial instruments recognised at the beginning:							
-Transferred to lifetime expected credit losses	(33,532)	38,240	(4,708)	-	-	-	
-Transferred to credit-impaired financial asset	(10,760)	(11,750)	22,510	-	-	-	
-Transferred to 12-month expected credit losses	63,913	(3,324)	(60,589)	-	-	-	
-Financial assets derecognised in the current period	(626,628)	(78,912)	(110,313)	(815,853)	-	(815,853)	
Impairment allowance for purchased or originated financial assets	968,396	5,679	106,874	1,080,949	-	1,080,949	
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	42,744	42,744	
Write-off as bad debt	(32,840)	(4,952)	(432,660)	(470,452)	-	(470,452)	
Change in exchange and others	67,574	355,657	638,413	1,061,644	-	1,061,644	
Ending balances	\$ 2,075,841	\$ 753,959	\$ 2,521,691	\$ 5,351,491	\$ 9,914,633	\$ 15,266,124	

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
For the year ended December 31, 2022						
Beginning balances	\$ 1,595,241	\$ 380,510	\$ 3,026,002	\$ 5,001,753	\$ 8,241,645	\$ 13,243,398
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(19,292)	21,343	(2,051)	-	-	-
-Transferred to credit-impaired financial asset	(5,758)	(463)	6,221	-	-	-
-Transferred to 12-month expected credit losses	57,079	(4,087)	(52,992)	-	-	-
-Financial assets derecognised in the current period	(599,067)	(1,591)	(398,734)	(999,392)	-	(999,392)
Impairment allowance for purchased or originated financial assets	755,228	2,148	49,982	807,358	-	807,358
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	1,630,244	1,630,244
Write-off as bad debt	(28,239)	(6,585)	(131,353)	(166,177)	-	(166,177)
Change in exchange and others	(75,474)	62,046	(134,911)	(148,339)	-	(148,339)
Ending balances	\$ 1,679,718	\$ 453,321	\$ 2,362,164	\$ 4,495,203	\$ 9,871,889	\$ 14,367,092

For the year ended December 31, 2023, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 998,354,115	\$ 6,909,422	\$ 4,292,837	\$ 1,009,556,374
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(7,109,735)	7,126,976	(17,241)	-
-Transferred to credit-impaired financial asset	(1,169,675)	1,080,842	2,250,517	-
-Transferred to 12-month expected credit losses	621,036	(450,610)	(170,426)	-
-Financial assets derecognised in the current period	(382,080,450)	1,134,510	(306,395)	(383,521,355)
Impairment allowance for purchased or originated financial assets	525,604,814	50,776	191,965	525,847,555
Write-off as bad debt	(32,840)	(4,952)	(432,660)	(470,452)
Change in exchange and others	(49,375,385)	260,991	40,382	(49,595,994)
Ending balances	\$ 1,084,811,880	\$ 11,155,269	\$ 5,848,979	\$ 1,101,816,128

For the year ended December 31, 2022, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 887,776,383	\$ 4,373,695	\$ 5,361,977	\$ 897,512,055
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(3,306,543)	3,319,846	(13,303)	-
-Transferred to credit-impaired financial asset	(487,895)	24,546	512,441	-
-Transferred to 12-month expected credit losses	522,166	(368,009)	(154,157)	-
-Financial assets derecognised in the current period	(292,815,957)	1,175,113	(1,184,465)	(295,175,535)
Impairment allowance for purchased or originated financial assets	454,151,336	469,165	116,837	454,737,338
Write-off as bad debt	(28,239)	(6,586)	(131,353)	(166,178)
Change in exchange and others	(47,457,136)	320,970	215,140	(47,351,306)
Ending balances	\$ 998,354,115	\$ 6,909,422	\$ 4,292,837	\$ 1,009,556,374

(b) Receivables and other financial assets

I. The Yuanta Group applies the simplified approach to estimate expected credit loss for certain accounts receivable (including trading securities receivable and settlement price). Expected credit loss rate is determined by assessing historical information and examining whether a significant changes in past events, current conditions and future economic conditions are incurred. As of December 31, 2023 and 2022, the carrying amount of accounts receivable amounted to \$61,666,792 and \$30,341,959, respectively. For the years ended December 31, 2023 and 2022, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	For the years ended December 31,	
	2023	2022
January 1	(\$ 193)	(\$ 544)
Reversal of impairment loss	91	351
December 31	<u>(\$ 102)</u>	<u>(\$ 193)</u>

(BLANK)

II. For the years ended December 31, 2023 and 2022, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	Total
For the year ended December 31, 2023	\$ 110,438	\$ 60,315	\$ 2,669,689	\$ 2,840,442	\$ 75,089	\$ 2,915,531
The beginning balances						
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(6,431)	8,364	1,933	-	-	-
-Transferred to credit-impaired financial asset	(126,993)	1,324	128,317	-	-	-
-Transferred to 12-month expected credit losses	39,649	(24,333)	(15,316)	-	-	-
-Financial assets derecognised in the current period	(26,654)	487	7,687	(34,828)	-	(34,828)
Impairment allowance for purchased or originated financial assets	12,644	6,739	14,483	33,866	-	33,866
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	8,678	(8,678)
Write-off as bad debt	(31,947)	(10,283)	(215,086)	(257,316)	-	(257,316)
Change in exchange and others	135,439	27,533	22,954	185,926	-	185,926
The ending balances	\$ 106,145	\$ 66,524	\$ 2,595,421	\$ 2,768,090	\$ 66,411	\$ 2,834,501

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
For the year ended December 31, 2022						
The beginning balances	\$ 251,559	\$ 56,746	\$ 2,599,027	\$ 2,907,332	\$ 92,961	\$ 3,000,293
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(223)	2,623	(2,400)	-	-	-
-Transferred to credit-impaired financial asset	(47,247)	(733)	47,980	-	-	-
-Transferred to 12-month expected credit losses	43,131	(26,555)	(16,576)	-	-	-
-Financial assets derecognised in the current period	(9,473)	(603)	(1,125)	(11,201)	-	(11,201)
Impairment allowance for purchased or originated financial assets	15,755	6,410	13,140	35,305	-	35,305
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	(17,872)	(17,872)
Write-off as bad debt	(21,329)	(6,924)	(149,870)	(178,123)	-	(178,123)
Change in exchange and others	(121,735)	29,351	179,513	87,129	-	87,129
The ending balances	\$ 110,438	\$ 60,315	\$ 2,669,689	\$ 2,840,442	\$ 75,089	\$ 2,915,531

For the years ended December 31, 2023 and 2022, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
For the year ended December 31, 2023						
The beginning balances	\$ 29,264	\$ 12,275	\$ 85,263	\$ 126,802	\$ 88,037	\$ 214,839
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(509)	531 (22)		-	-	-
-Transferred to credit-impaired financial asset	(13)	73 (86)		-	-	-
-Transferred to 12-month expected credit losses	9,286 (	8,176) (	1,110)	-	-	-
-Financial assets derecognised in the current period	(8,017) (	1,653) (	20,101) (	29,771)	- (	29,771)
Impairment allowance for purchased or originated financial assets	19,577	544	16,518	36,639	-	36,639
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	16,690	16,690
Change in exchange and others	(10,312)	9,327 (	1,629) (	2,614)	- (	2,614)
The ending balances	\$ 39,276	\$ 12,775	\$ 79,005	\$ 131,056	\$ 104,727	\$ 235,783

For the year ended December 31, 2022	12-month expected credit losses (Stage 1)		Lifetime expected credit losses (Stage 2)		Lifetime expected credit losses (Stage 3)		Impairment recognised in accordance with IFRS 9		Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans		Total	
	\$		\$		\$		\$		\$			
The beginning balances	\$	47,636	\$	11,888	\$	58,566	\$	118,090	\$	64,014	\$	182,104
Changes from financial instruments recognised at the beginning:												
-Transferred to lifetime expected credit losses	(	769)		805	(	36)		-		-		-
-Transferred to credit-impaired financial asset	(	115)	(	73)		188		-		-		-
-Transferred to 12-month expected credit losses		8,159	(	7,893)	(	266)		-		-		-
-Financial assets derecognised in the current period	(	15,315)	(	1,725)	(	19,860)	(	36,900)		-	(	36,900)
Impairment allowance for purchased or originated financial assets		10,213		487		18,905		29,605		-		29,605
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans		-		-		-		-		24,023		24,023
Change in exchange and others	(	20,545)		8,786		27,766		16,007		-		16,007
The ending balances	\$	29,264	\$	12,275	\$	85,263	\$	126,802	\$	88,037	\$	214,839

(1) Information relating to credit risk is provided in Note 12(3).

(d) Bills and bonds investments

For the years ended December 31, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$62,053 and \$81,595; the ending balances were \$45,063 and \$62,053, respectively. For the years ended December 31, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$163,379 and \$148,842; the ending balances were \$159,669 and \$163,379, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

Market risks refer to the losses on and off the balance sheet as a result of the change in market price, such as interest rate, exchange rate, equity securities and instrument price. Market risk management is there to identify, evaluate, monitor and report the risks for a purpose of ensuring that market risk of all kinds should be controlled within certain bearable level.

The market risks that the Yuanta Group faces mainly are equity securities, interest rate and exchange rate risk. Market risk position of equity securities mainly include domestic listed stocks, emerging stocks, domestic stock index options and stock index futures, etc. Positions of interest rate risk mainly include bonds and interest-derivative instruments, such as interest swap and bond option, etc. Exchange rate risk are investment position denominated in foreign currency mainly including spot exchange, FX exchange, foreign exchange options and other derivatives business.

b. Risk management principle

The risk management principle of the Yuanta Group is to establish efficient and completed risk managing program, including the setting up of risk limits, duty segregation, completed risk managing execution procedure and timely risk monitor, etc. Risk limits are set up in order to effectively control the market risk under the capital capacity and the duty segregation can help regulate management and approval authorisation of various risks. Risk management conducts all kinds of evaluation and monitoring over all kinds of market risk and, at the same time, uses VaR model to coordinate quantification management of market risks together with timely monitoring during trading hours and after trading hour analysis to actually control any abnormal signal of trading risks. Risk management regularly provides risk management reports to managers of each line to ensure that the entity's market risk can be timely and completely controlled in depth.

c. Market risk assessment

- (a) The Yuanta Group adopts the Value at risk (VaR) valuation model for the trading position as a major instrument to monitor market risk. In a 99% confidence interval, the estimated possible maximum loss of the trading position in one day is the benchmark for market risk assessment.

VaR for a trading purpose:

Instrument type	For the year ended December 31, 2023			
	December 31, 2023	VaR Average	VaR Minimum	VaR Maximum
Interest rate	246,892	196,283	128,453	265,593
Equity securities	199,804	211,530	143,425	320,063
Foreign exchange	644,043	773,324	552,863	891,842
Commodity	19,903	30,279	6,803	123,241
Less: diversification effects	(522,283)	(514,958)	-	-
Total VaR	588,359	696,458	506,914	918,871

Instrument type	For the year ended December 31, 2022			
	December 31, 2022	VaR Average	VaR Minimum	VaR Maximum
Interest rate	137,036	150,662	103,874	211,805
Equity securities	213,011	284,584	122,786	501,653
Foreign exchange	676,012	433,725	219,145	762,623
Commodity	12,846	73,561	9,256	204,720
Less: diversification effects	(420,766)	(406,849)	-	-
Total VaR	618,139	535,683	442,301	701,826

(b) Non-trading purpose

Sensitivity analysis on interest rate:

	Interest rate shift	December 31, 2023	December 31, 2022
		Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds			
Yuanta Bank	Increase of 1 basis point	(\$ 27,676)	(\$ 37,488)
Yuanta Life	Increase of 1 basis point	(43,093)	(28,240)

- d. As of December 31, 2023 and 2022, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	December 31, 2023		December 31, 2022	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets				
Cash and cash equivalents	\$ 1,012,449	\$ 31,117,618	\$ 1,360,789	\$ 41,787,094
Financial assets at fair value through profit or loss	684,734	21,045,291	670,049	20,575,871
Financial assets at fair value through other comprehensive income	3,641,593	111,924,349	3,853,642	118,337,628
Financial assets at amortised cost	8,620,743	264,958,538	8,057,761	247,437,727
Bills discounted and loans	1,334,350	41,011,247	1,501,188	46,098,466
Foreign currency denominated financial liabilities				
Bills and bonds payable under repurchase agreements	1,625,019	49,944,954	1,902,413	58,419,305
Deposits and remittances	6,208,073	190,805,132	5,589,245	171,634,525
Other liabilities	1,693,085	52,036,979	1,830,527	56,211,838

Note: As of December 31, 2023 and 2022, USD to TWD exchange rates were 30.735 and 30.708, respectively.

- e. As of December 31, 2023 and 2022, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	December 31, 2023		December 31, 2022	
	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)
<u>Effect on profit or loss</u>				
Financial assets				
Cash and cash equivalents	\$ 524,623,207	\$ 12,441,439	\$ 570,912,905	\$ 13,904,013
Financial assets at fair value	10,101,996,478	239,568,846	7,303,285,224	177,864,208
Financial assets at fair value through other	505,059,500	11,977,486	226,325,293	5,511,926
Accounts receivable	310,454,714	7,362,434	194,579,155	4,738,781
Other financial assets	390,184,706	9,253,230	436,282,547	10,625,225
Other current assets	205,502,549	4,873,493	117,390,736	2,858,934
Financial liabilities				
Short-term borrowings	1,660,278,431	39,373,503	1,470,088,286	35,802,530
Financial liabilities at fair value through profit or	2,622,462,299	62,191,693	1,904,511,237	46,382,467
Bonds sold under repurchase	5,806,189,906	137,693,794	3,771,448,650	91,849,860
Guarantee deposit-in and margin deposits	68,476,873	1,623,929	51,359,250	1,250,803
Other financial liabilities	2,226,431,785	52,799,830	2,211,438,271	53,857,368
<u>Effect on profit or loss and equity</u>				
Financial assets				
Equity investments accounted	114,946,891	2,725,966	125,777,011	3,063,173

Note: As of December 31, 2023 and 2022, the KRW to TWD exchange rates were both 0.024.

(C) Liquidity risk

a. Source and definition of liquidity risk

Liquidity risk includes market liquidity risk and funding liquidity risk. Market liquidity risk refers to risk arising from inadequate market depth or market disruptions, which prevent settlement or closing of positions at normal market prices within a reasonable time frame and therefore necessitate buying at a much higher price or selling at a discount. Funding liquidity risk refers to risk arising from the inability to obtain sufficient capital within the expected time leading to a failure of fulfilling the capital required as maturity comes due.

b. Liquidity risk management principle

To mitigate the market liquidity risk, the Yuanta Group has set up separate standards on position liquidity limits for different operations and different securities to ensure sufficient market liquidity for all positions. For funding liquidity risk management, the Yuanta Group has set appropriate limits and ratios on liquidity supply and demand according to the nature of each operational sector, and evaluates in advance the potential capital gaps of each time period to effectively control overall liquidity risk. Pre-established capital transferring plan is also ready in case of systematic risk event and abnormal capital liquidity to sufficiently respond to overall liquidity risk and enhance overall funding liquidity risk management.

c. Assessment on liquidity risk

(a) Set up liquidity risk indicator and warning in order to control adverse element to the liquidity. At the same time, analysis and appropriate measures are made to mitigate the extent of effects.

- (b) Assessments are regularly made to the assets and liabilities denominated in major currencies on the balance sheet and the cash inflow, cash outflow and liquidity gap off the balance sheet by different time period.
- d. Maturity analysis for the financial assets and non-derivative liabilities held for liquidity risk management:
 - (a) Financial assets held for liquidity risk management

In order to fulfil the payment obligation and potential emergent fund demand in the market, as well as manage the liquidity risk at the same time, sound earning assets with high liquidity were held by the Yuanta Group, including cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, bills discounted and loans, financial assets at fair value through other comprehensive income and financial assets at amortised cost, etc..
 - (b) Maturity analysis on non-derivative assets and liabilities

The following table illustrates the analysis made on cash outflow of non-derivative financial assets and liabilities of the Yuanta Group by the remaining maturity from the consolidated balance sheet date to the contract expiration date. While the amounts disclosed in the table are not made based on the consolidated cash flow, certain accounts may differ from the responding accounts in the balance sheet.
 - (c) Maturity analysis on derivative financial assets and financial liabilities by date
 - I. Derivative financial instruments settled on a net basis

Derivative financial instruments of the Yuanta Group settled on a net basis include: options, non-delivery forward, interest swap settled by net cash flow and other interest contract.
 - II. Derivative financial instruments settled on a gross basis

Derivative financial instruments of the Yuanta Group settled on a gross basis include: FX options, foreign exchange forward contract, cross currency swaps, and foreign exchange swaps.

The following table illustrates the analysis made on cash inflow and outflow of financial assets and financial liabilities held by the Yuanta Group for liquidity risk management of major currencies by the remaining maturity from the financial reporting date to the contract expiration date.

(BLANK)

December 31, 2023

	Financial assets			Total
	0-90 days	91 days-1 year	Over 1 year	
Non-derivative financial instruments				
Cash and cash equivalents	\$ 71,211,604	\$ 10,358,356	\$ 300,000	\$ 81,869,960
Due from Central Bank and call loans to other banks	46,990,617	15,277,253	20,842,270	83,110,140
Financial assets at fair value through profit or loss	426,985,109	41,369,131	94,922,780	563,277,020
Financial assets at fair value through other comprehensive income	28,976,502	25,603,680	230,875,278	285,455,460
Investments in bills and bonds under resale agreements	99,644,104	-	-	99,644,104
Receivables	200,756,177	52,297,300	20,276,416	273,329,893
Bills discounted and loans	310,027,512	190,343,543	600,425,963	1,100,797,018
Reinsurance contract assets	427,319	821,774	-	1,249,093
Financial assets at amortised cost	115,468,356	38,390,258	385,065,550	538,924,164
Restricted assets	-	-	3,051,147	3,051,147
Other financial assets	78,591,004	33,090	33,536,378	112,160,472
Other assets	20,626,734	12,720,680	11,912,922	45,260,336
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	135,419,599	24,801,655	8,083	160,229,337
Cash outflow	(132,798,866)	(23,237,890)	-	(156,036,756)
Net settlement	1,242,709	1,289,374	486,539	3,018,622
Total	\$ 1,403,568,480	\$ 390,068,204	\$ 1,401,703,326	\$ 3,195,340,010
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 12,387,393	\$ -	\$ -	\$ 12,387,393
Financial liabilities at fair value through profit or loss	37,036,519	-	8,340,582	45,377,101
Bills and bonds payable under repurchase agreements	194,011,095	22,559,389	35,268,219	251,838,703
Commercial paper payable	61,433,540	21,721,625	-	83,155,165
Payables	128,340,812	17,413,326	33,862,735	179,616,873
Deposits and remittances	388,048,088	528,866,130	631,856,600	1,548,770,818
Bonds payable	13,644	12,187,475	90,558,900	102,760,019
Other borrowings	36,963,755	1,586,257	9,889,155	48,439,167
Other financial liabilities	96,153,745	2,677,123	36,892,528	135,723,396
Other liabilities	66,607,488	2,975	1,693,759	68,304,222
Lease liabilities	285,495	1,039,952	6,274,036	7,599,483
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(175,002,272)	(21,661,041)	(2,949,708)	(199,613,021)
Cash outflow	179,103,165	22,775,212	3,753,548	205,631,925
Net settlement	(405,780)	(940,359)	(392,573)	(1,738,712)
Total	\$ 1,024,976,687	\$ 608,228,064	\$ 885,047,781	\$ 2,488,252,532

	December 31, 2022			
	0-90 days	91 days-1 year	Over 1 year	Total
Financial assets				
Non-derivative financial instruments				
Cash and cash equivalents	\$ 72,897,831	\$ 3,390,333	\$ 50,000	\$ 76,338,164
Due from Central Bank and call loans to other banks	45,699,051	14,887,498	19,103,611	79,690,160
Financial assets at fair value through profit or loss	320,444,256	51,875,782	79,986,427	452,306,465
Financial assets at fair value through other comprehensive income	40,211,587	23,954,186	274,166,635	338,332,408
Investments in bills and bonds under resale agreements	94,073,224	-	-	94,073,224
Receivables	140,085,745	50,292,288	12,333,095	202,711,128
Bills discounted and loans	241,491,698	198,684,721	568,412,913	1,008,589,332
Reinsurance contract assets	492,061	876,134	-	1,368,195
Financial assets at amortised cost	65,504,307	107,386,915	367,429,035	540,320,257
Restricted assets	-	-	2,726,292	2,726,292
Other financial assets	82,346,688	26,558	32,449,072	114,822,318
Other assets	15,151,595	541,570	21,472,623	37,165,788
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	63,961,180	19,324,561	6,643,934	89,929,675
Cash outflow	(62,550,991)	(17,669,486)	(5,440,950)	(85,661,427)
Net settlement	654,834	1,429,610	1,051,014	3,135,458
Total	\$ 1,120,463,066	\$ 455,000,670	\$ 1,380,383,701	\$ 2,955,847,437
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 38,607,095	\$ -	\$ -	\$ 38,607,095
Financial liabilities at fair value through profit or loss	32,758,909	-	2,256,712	35,015,621
Bills and bonds payable under repurchase agreements	165,145,273	32,733,638	26,258,580	224,137,491
Commercial paper payable	43,276,548	4,559,522	-	47,836,070
Payables	108,362,439	16,100,155	29,191,749	153,654,343
Deposits and remittances	352,297,313	492,555,499	562,588,687	1,407,441,499
Bonds payable	28,668	18,095,935	82,606,350	100,730,953
Other borrowings	36,461,503	517,003	11,481,693	48,460,199
Other financial liabilities	99,360,116	1,841,150	39,118,132	140,319,398
Other liabilities	58,025,844	32,679	1,489,032	59,547,555
Lease liabilities	257,627	1,036,334	4,847,745	6,141,706
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(74,784,126)	(17,836,384)	(8,612,554)	(101,233,064)
Cash outflow	75,988,914	18,746,111	9,826,560	104,561,585
Net settlement	1,809,664	2,197,142	1,533,288	5,540,094
Total	\$ 937,595,787	\$ 570,578,784	\$ 762,585,974	\$ 2,270,760,545

Maturity analysis for above deposits and remittances are amortised to each period based on historical experience. Given that all the deposits and remittances have to be paid in the shortest possible time, as of December 31, 2023 and 2022, expenses on period of 0-90 days will increase by \$742,401,069 and \$658,355,590, respectively.

e. Maturity analysis for items off the balance sheet and capital expense commitment

Items off the balance sheet, while the client may choose when to make a payment, are classified into the earliest time category.

Capital expenditure commitment of the Yuanta Group refers to the capital expenses spent on the contract commitment in order to acquire the building and equipment.

Please refer to the below table for maturity analysis on off balance sheet items and capital expenditure commitment of the Yuanta Group:

	December 31, 2023			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 28,671,871	\$ -	\$ -	\$ 28,671,871
Unused credit commitment	2,189,074	-	-	2,189,074
Guarantees	12,335,000	-	-	12,335,000
Capital expenditure commitment	3,503,972	4,537,552	-	8,041,524
	December 31, 2022			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 17,517,117	\$ -	\$ -	\$ 17,517,117
Unused credit commitment	2,378,257	-	-	2,378,257
Guarantees	9,236,552	-	-	9,236,552
Capital expenditure commitment	3,449,360	5,185,417	-	8,634,777

(D) Insurance risk

a. Measurement and management of insurance risk

Insurance risks refer to insufficient estimates over the frequency, severity and lapse rate of the insured incidents, such as death rate, morbidity rate, lapse rate, interest rate, expense rate and so on. These ratios could be influenced by random variable risks and therefore lead to the risks of additional payment exceeding the original estimated values. The Yuanta Group engages in business of life insurance, variable life insurance, accident insurance, and health insurance. The risks and management for the above products are as follows:

(a) Life insurance

The main risk of life insurance comprises of death rate and interest rate. The Yuanta Group assesses the premium rate of main insurance product on the market, makes related statistical measurement and analysis of death rate, such as cash flow test and experience test. Inspections are used to determine whether the death rate is higher than pricing basis in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product.

As for interest risks, the interest rates of long-term contracts were all locked-in before sales in compliance with regulation. If there is an objective gap of fluctuation between long-term interest rate and the estimated policy interest rate, and the investment income fails to reach the promised policy interest rate, the Yuanta Group will then face a problem of negative spread. Therefore, the Yuanta Group evaluates the investment income in various committees on a regular basis to further evaluate

investment portfolios. The Yuanta Group shall review investment allocation, insurance combination and (or) preset interest rates to mitigate risks of negative spread if there is obvious adverse development in the problem of negative spread.

(b) Variable life insurance

The main risk of variable life insurance mainly comprises of death rate. Explanation of death rate risks shall be the same as the life insurance.

(c) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise of the occurrence of the accident rate and the morbidity rate. The Yuanta Group tracks loss rate of each insurance type, assesses the premium rate of main insurance products on the market, and makes related statistical measurement of occurrence of the accident rate and the morbidity rate, such as cash flow test and experience test in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product. The Yuanta Group could also arrange reinsurance ceded to mitigate overall potential risk of loss from claims in the future.

(d) Management of insurance risk

I. Risk management of policy underwriting

Underwriting risk refers to the risk of unexpected losses arising from soliciting insurance policies, assessing policy underwritings and related expenses etc. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy and timeliness of policy underwritings.

II. Risk management of payment of claims

Risk arising from payment of claims refers to the risk of unexpected losses arising from improper assessment of claims or negligence when handling policy claims. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy, timeliness, policy claim rate and rate of actual policy payments of policy claims.

III. Risk of product designing and pricing

Risk of product designing and pricing refers to risks arising from the improper or inconsistent design of a product’s content, stipulated terms or cited fees, or unexpected changes etc. The Yuanta Group has established related operation procedures pursuant to “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, complying with the operation procedures in each developing phase of an insurance product and controlling product designing and pricing by putting in place quantitative mechanisms such as probability testing.

b. Insurance risk concentration

The insurances covered by the Yuanta Group are distributed over the country and have no specific concentration over any specific location, target client, age group, or type of occupation. Reinsurance arrangement is still made after assessment in order to mitigate the covered insurance risks and avoid the overall cumulative risks exceeding the Yuanta Group's risk capacity. Additionally, through catastrophe reinsurance, the Yuanta Group transfers concentrated risks to highly secure reinsurance companies to further mitigate the risks of large claims and catastrophe claims.

c. Liability adequacy test

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience as time goes by. Pursuant to IFRS 4, 'Insurance contracts', the Yuanta Group should perform liability adequacy test accordingly to determine whether or not the recognised insurance liability is adequate. In respect of overall insurance contracts of the Yuanta Group as of December 31, 2023 and 2022, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

If the discount rate of the liability adequacy test decreases by 10 basis points, the liability recognised is still deemed to be adequate and should not influence income before tax and other comprehensive income. If the discount rate of the adequacy test decreases significantly, the change would impact income before tax and other comprehensive income.

d. Credit risk, liquidity risk and market risk of insurance contracts

(a) Credit risk

Credit risks primarily refer to the risk of a reinsurer's failure to fulfil its obligations on the ceded business, which leads to its inability to share its stake of the premiums, claims and other expenses. To manage this risk, the Yuanta Group will, all conditions being equal, foremost consider the distribution to different reinsurers to mitigate the concentration risk. The reinsurers will be selected prudently in accordance with the reinsurance risk management plan as set by the Yuanta Group. To mitigate the credit risk, the reinsurance agreement will require that reinsurance fees shall be paid on a net basis by deducting any receivables or share of payments recoverable from the reinsurer. In addition, the Yuanta Group will demand the inclusion of a special termination clause in the reinsurance agreement, allowing the Yuanta Group to terminate the agreement in the circumstances that the reinsurer defaults on its obligations to limit further credit risk.

After ceding the business, the Yuanta Group will review the credit rating of the reinsurers regularly in accordance with its reinsurance risk management plan. In the event of a credit rating downgrade of a reinsurer leading to its failure to meet the minimum requirement of being an eligible reinsurer as stipulated by the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms", the Yuanta Group will disclose reinsurance reserve as required to monitor the adverse impacts from the downgraded reinsurer on the Yuanta Group.

Currently, the credit ratings of all reinsurance counterparties of the Yuanta Group have met the eligibility standards as stipulated by the regulations.

(b) Liquidity risk

The liquidity risk of the insurance contract arises mainly from the Yuanta Group's failure to realise the assets or to obtain sufficient funding in time to fulfil its obligations on insurance benefits payment. To manage the risk, the Yuanta Group regularly conducts maturity analysis on the insurance contracts and reviews the matching of assets and liabilities.

The table below shows the net liability cash flow analysis on the insurance portfolio of the Yuanta Group by maturity (excluding net cash flow from investing activities). The figures reflect, for the in-force policies as at the valuation date, the estimation of undiscounted total insurance benefit payments, expense and other outflows, net of insurance premiums and other income at each future time point. The future actual amounts may vary as the actual experience may be different from the expected amounts.

Net cash flows used in (provided by) the insurance contracts:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Less than 1 year	(\$ 3,254,664)	(\$ 2,003,722)
1 ~5 years	19,518,829	23,126,077
6 ~15 years	119,923,760	105,179,714
More than 15 years	<u>581,877,003</u>	<u>570,041,728</u>
Total	<u>\$ 718,064,928</u>	<u>\$ 696,343,797</u>

The Yuanta Group has insurance contracts that are classified as investment-linked product liabilities. However, such liabilities are repaid based on investment-linked product assets. Therefore, the Yuanta Group has no significant liquidity risk.

(c) Market risk

Pursuant to the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations, the Yuanta Group calculates and sets aside statutory reserves in accordance with assumed interest rate and incidence rate regulated by the supervisors. As the assumed interest rate is pre-determined as at policy issuance, the statutory reserves will not change with market interest rate fluctuations. The regulator will regularly review the discount rate assumption, which however may not necessarily correspond to the market risk factors (e.g. market interest rate) in terms of time, amount, or direction, and it is only applicable to the new policies. Therefore, the impact of probable changes in market risks on the statutory reserves of the Yuanta Group’s in-force insurance policies is negligible. In case the regulator changes the discount rate assumption, its impact on profit/loss or equity will vary depending on the range of the change and the Yuanta Group’s overall product mix. Furthermore, reasonable and probable variations in market risks may affect the liability adequacy test, which requires the future cash flows for insurance contracts and financial instruments with discretionary participation features to be estimated based on the current information as at the balance sheet date to assess whether recognised insurance liabilities are adequate. Please refer to the liability adequacy test for the impact of market risk variables on the current liability adequacy of the Yuanta Group.

C. Climate-related Risk Management:

The Yuanta Group has established three lines of defense for risk management and an Enterprise Risk Management (ERM) mechanism. Each line of defense has clear organization, responsibilities, and functions to ensure the effective operation of the risk management mechanism. The assessment and management of transition risk or physical risk related to climate risk are integrated into the existing risk management framework, including qualitative and quantitative analysis.

The climate risk and opportunity management process of our group mainly consists of four steps, from risk and opportunity identification, measurement, monitoring to reporting, and the responsibilities and management actions of each step are described as follows:

(A) Risk and opportunity identification:

- a. Each subsidiary conducts climate risk and opportunity identification annually based on its business characteristics.
 - b. The Risk Management Department of the Yuanta Financial Holdings integrates overall risk and opportunity identification.
 - c. Refers to international organizations' climate risk reports.
- (B) Risk and opportunity measurement:
- a. Each subsidiary evaluates the impact and influence of each risk and opportunity based on its business characteristics.
 - b. The scope of measurement includes impact pathways, impact time and geographical scope, the position of the impact value chain, and financial impact.
 - c. The Risk Management Department of the Yuanta Financial Holdings establishes a climate risk value measurement model to enhance quantitative management of climate risk.
- (C) Risk and opportunity monitoring:
- a. Include environmental and social risk factors of each industry in the industry risk level assessment mechanism.
 - b. Establish quantifiable indicators and limits for climate risk, and conduct analysis, monitoring, and reporting monthly.
- (D) Risk and Opportunity Reporting:
- a. Develop response strategies for each risk and opportunity and report to the Sustainability Committee and the Board of Directors.
 - b. Regularly report on the use of various risk indicators or limits at the Risk Management Committee and the Board of Directors.
 - c. Report climate risk-related information to the Risk Management Committee and the Board of Directors on an irregular basis.
- D. Transfer of financial assets
- Transferred financial assets not fully derecognised
- (A) The Yuanta Group has financial assets that are fully or partially derecognised through transactions of transfer of financial assets to others. When the Yuanta Group receives the contract right of cash flow from the financial assets, or retains the above rights but bears obligation to pay the cash flow to one or more recipients and the risks and compensation of rights are mostly transferred, the assets should be derecognised. If the Yuanta Group still retains most of the risks and compensation of rights, the Yuanta Group should continue recognises the financial assets. If the Yuanta Group does not transfer or retains most of the risks and compensation of rights and maintains control over the assets, the Yuanta Group should continue recognise the part of financial assets that are involved.
- (B) Financial assets that do not meet the derecognition conditions are mainly: (1) convertible bonds transferred to counterparties during transactions of exchanging assets and (2) bills and bonds sold under repurchase agreements. The targeted assets exchanged in the transactions are either acquired through public subscription, book building, auctions or others by the Yuanta Group or owned by the Yuanta Group for proprietary trading, and are sold to counterparties in order to receive consideration. During the contract period, the contracted interest compensation is exchanged for bond interest and interest refund arising from the convertible bonds held by the counterparties. The Yuanta Group obtains rights to repurchase the convertible bonds before the end of contract expiration date. As the options are neither deep-in-the-money nor deep-out-of-the-money at transactions, the Yuanta Group must further assess whether to retain the control over the convertible bonds. Since the convertible bonds cannot be easily obtained in markets, the Yuanta Group still keeps its control over the assets and continuing involvement. Because transactions in respect to the repurchase agreements of debt instruments and bills had transferred their receivable contractual cash flows to other parties, and are reflected in the Yuanta Group's related liabilities, which

indicate the obligation to repurchase transferred financial assets in a specified future period within a fixed price, the Yuanta Group, within the effective period of the transaction, cannot use, sell or pledge the already transferred financial asset, but must still bear interest risk and credit risk. Thus, such financial assets were not derecognised in its entirety.

Financial assets that do not meet the derecognition conditions and related financial liabilities are analysed as below:

December 31, 2023		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 27,938,215	\$ 24,070,650
Bonds sold under repurchase agreements	237,010,478	233,986,894
Bills sold under repurchase agreements	15,959,969	16,001,688
Securities Lending Agreement	125,653	-
December 31, 2022		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 25,532,094	\$ 23,641,439
Bonds sold under repurchase agreements	214,155,002	212,822,398
Bills sold under repurchase agreements	11,294,413	11,315,093

E. Offsetting financial assets and financial liabilities

The Yuanta Group has transactions that are or are similar to net settled master netting arrangements but do not meet the offsetting criteria. The above transactions are settled on a net basis after offsetting financial assets with financial liabilities if both parties of the transaction choose to use net settlement; the above transactions are settled on a gross basis if both parties do not choose to use net settlement. However, if one party breaches the contract, the counterparty can choose to use net settlement.

The offsetting of financial assets and financial liabilities are set as follows:

(A) Financial assets

December 31, 2023

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received		
Derivative instruments	\$ 11,581,472	\$ -	\$ 11,581,472	\$ 8,026,854	\$ 1,065,991		\$ 2,488,627
Bonds purchased under resale agreements	82,077,165	-	82,077,165	76,922,165	5,097,748		57,252
Bills under resale agreements	17,566,939	-	17,566,939	17,422,164	-		144,775

December 31, 2022

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received		
Derivative instruments	\$ 12,444,763	\$ -	\$ 12,444,763	\$ 8,984,759	\$ 1,467,786		\$ 1,992,218
Bonds purchased under resale agreements	72,876,818	-	72,876,818	69,671,818	3,153,146		51,854
Bills under resale agreements	21,196,406	-	21,196,406	20,946,600	-		249,806

(B) Financial liabilities

December 31, 2023

Description	Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements					
	Related amounts not set off in the balance sheet(d)(Note 1)					
	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 18,760,265	\$ -	\$ 18,760,265	\$ 11,569,562	\$ 2,621,821	\$ 4,568,882
Bonds sold under repurchase agreements	235,837,015	-	235,837,015	235,802,332	34,683	-
Bills sold under repurchase agreements	16,001,688	-	16,001,688	15,959,969	-	41,719

December 31, 2022

Description	Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements					
	Related amounts not set off in the balance sheet(d)(Note 1)					
	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 20,624,935	\$ -	\$ 20,624,935	\$ 14,631,689	\$ 4,011,072	\$ 1,982,174
Bonds sold under repurchase agreements	212,822,398	-	212,822,398	212,485,262	337,136	-
Bills sold under repurchase agreements	11,315,093	-	11,315,093	11,294,413	-	20,680

Note 1: The related offsetting amount shall not exceed the recognised financial assets or liabilities.

Note 2: Including net settled master netting arrangements and non-cash collaterals.

Note 3: Including net settled master netting arrangements.

F. Interest Rate Benchmark Reform

The Yuanta Group's financial instruments which were affected by the interest rate benchmark reform included derivative instruments, discounts and loans and debt instruments. The primarily linked exit interest index was US LIBOR. SOFR was expected to replace US LIBOR and with reference to the public announcement of the Financial Conduct Authority on March 5, 2021, the pricing date of interest rate spread adjustment was March 5, 2021.

In order to effectively control the risk of interest rate benchmark reform, Yuanta Group has a LIBOR transition plan, including the governance framework for top-down and cross segment, internal training and continuous evaluating and identifying the effects of contract remediation, communicating with trading counterparty, risk management and valuation model, operating process and system, accounting and tax. As of December 31, 2023, the Group has completed all the transition and has no relevant exposure.

(4) Capital adequacy ratio:

Expressed In Thousands of New Taiwan Dollars
December 31, 2023

Financial Holding Company	<hr/>		
	<u>Shareholding Ratio</u>	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	-	\$ 286,946,786	\$ 324,661,836
Bank subsidiaries	100.00%	149,701,013	106,058,468
Securities subsidiaries	100.00%	90,285,607	27,763,394
Insurances subsidiaries	100.00%	31,981,197	13,643,340
Futures subsidiaries	66.27%	9,617,572	5,490,505
Venture capital subsidiaries	100.00%	3,101,202	1,622,750
Securities Investment Trust subsidiaries	74.71%	4,606,721	2,861,275
Other subsidiaries	100.00%	4,191,004	2,243,733
Deduction items		(339,948,473)	(321,901,762)
Subtotal		<u>\$ 240,482,629</u>	<u>\$ 162,443,539</u>
Capital adequacy ratio of the Consolidated Company			148.04%

Expressed In Thousands of New Taiwan Dollars
December 31, 2022

Financial Holding Company	<hr/>		
	<u>Shareholding Ratio</u>	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	-	\$ 256,272,433	\$ 292,041,702
Bank subsidiaries	100.00%	134,758,411	96,564,581
Securities subsidiaries	100.00%	85,003,269	26,507,976
Insurances subsidiaries	100.00%	30,521,303	12,147,468
Futures subsidiaries	66.27%	8,529,512	4,892,338
Venture capital subsidiaries	100.00%	2,747,844	1,420,846
Securities Investment Trust subsidiaries	74.71%	4,531,441	2,673,586
Other subsidiaries	100.00%	4,164,175	2,207,354
Deduction items		(308,833,954)	(290,751,677)
Subtotal		<u>\$ 217,694,434</u>	<u>\$ 147,704,174</u>
Capital adequacy ratio of the Consolidated Company			147.39%

As of December 31, 2023, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 126,890,824
Additional paid-in capital	38,188,103
Legal reserve	22,561,044
Special reserve	13,517,403
Accumulated earnings	80,901,931
Other equity	4,947,633
Less: goodwill and other intangible assets	(13,643)
Less: deferred assets	(46,509)
Total net eligible capital	<u>\$ 286,946,786</u>

As of December 31, 2022, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 125,015,590
Additional paid-in capital	38,010,564
Legal reserve	20,481,785
Special reserve	6,549,234
Accumulated earnings	73,279,144
Other equity	(6,968,170)
Less: goodwill and other intangible assets	(17,102)
Less: deferred assets	(78,612)
Total net eligible capital	<u>\$ 256,272,433</u>

(5) In accordance with Article 46 of the Financial Holding Company Act, the following table represents the Company and its subsidiaries' provision of business credit or endorsements to, or other transactions with, the same individual, the same related party, or the same affiliated company.

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2023		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Securities Korea_Korea_Finance and Insurance Industry	\$ 146,265	50.96
Central Bank, R.O.C	141,719	49.38
Central Government, R.O.C	95,222	33.18
Securities Korea_Korea_Public Administration and National Defense	41,439	14.44
Agricultural Bank of Taiwan	34,311	11.95
U.S. Government	21,519	7.50
CPC Corporation, Taiwan	18,500	6.45
Taiwan Semiconductor Manufacturing Co., Ltd.	18,455	6.43
Taiwan Depository & Clearing Corporation	14,458	5.04
China Steel Corporation	13,316	4.64
Taiwan Cooperative Bank	12,884	4.49
Taiwan Cement Corporation	11,207	3.90
Cathay Financial Holding Co., Ltd.	10,704	3.73
Taiwan Power Company	10,191	3.55
Chunghwa Telecom Co., Ltd.	10,140	3.53
Uni-President Enterprises Group	10,049	3.50
SinoPac Securities Corporation	9,808	3.42
Nan Ya Plastics Corporation	9,784	3.41
Delta Electronics, Inc.	9,323	3.25
Mega Financial Holding Company Ltd.	9,290	3.24
Taiwan High Speed Rail Corporation	8,772	3.06
Taiwan Water Corporation	7,997	2.79
National Australia Bank Ltd.	7,875	2.74
Fubon Securities Investment Trust Co., Ltd	7,787	2.71
Taiwan Futures Exchange	7,641	2.66
ASE Technology Holding Co., Ltd.	7,538	2.63
Taiwan Stock Exchange	7,287	2.54
Asia Cement Corporation	7,135	2.48
Taiwan Mobile Co., Ltd.	7,090	2.47
Far Eastern New Century Corporation	6,974	2.43
IBF Securities Co., Ltd.	6,772	2.36
DING SHUAI Development Co., Ltd.	6,720	2.34
Capital Securities Investment Trust Co., Ltd	6,517	2.27
Federal National Mortgage Association	6,439	2.24
BNP Paribas	6,350	2.21
Federal Home Loan Mortgage CORPORATION	6,319	2.20
CTBC Financial Holding Co., Ltd.	6,149	2.14
Formosa Plastics Corporation	6,007	2.09
Taichung City Government	6,000	2.09
JPMorgan Chase & Co.	5,795	2.02
TSMC Global Ltd.	5,768	2.01
GlobalWafers Co., Ltd.	5,760	2.01
STATE OF ISRAEL	5,710	1.99
Commonwealth Bank of Australia	5,628	1.96
Catcher Technology Co., Ltd.	5,591	1.95
Cathay Securities Investment Trust Co., LTD.	5,421	1.89
Westpac Banking Corporation	5,339	1.86

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Formosa Chemicals & Fibre Corporation	\$ 5,300	1.85
Far Eastone Telecommunications Co., Ltd.	5,233	1.82
CTBC Investments	5,211	1.82
Apple Inc.	5,203	1.81
ABU DHABI GOVT INTL	5,085	1.77
Bank Korea Branch_Korea_Real Estate Industry	5,052	1.76
Hotai Finance Co., Ltd.	4,969	1.73
New Taipei City Government	4,809	1.68
The Bank of Tokyo-Mitsubishi UFJ	4,737	1.65
Formosa Group (Cayman) Limited	4,581	1.60
Shanghai Commercial and Savings Bank	4,552	1.59
TATUNG CO.	4,457	1.55
Grand Bills Finance Corp.	4,405	1.53
Synnex Technology International Corporation	4,347	1.51
China Bills Finance Corporation	4,309	1.50
United Microelectronics Corporation	4,272	1.49
Dragon Steel Corporation	4,246	1.48
UNITED OVERSEAS BANK LTD.	4,244	1.48
Lien-Jade Construction Co.,Ltd.	4,243	1.48
President Chain Store Corporation	4,063	1.42
Aerospace Industrial Development Corporation	4,013	1.40
EXPORT-IMPORT BANK KOREA	4,005	1.40
MEGA BILLS FINANCE CO., LTD.	3,971	1.38
AUSTRALIAN GOVERNMENT	3,961	1.38
ADCB Finance Cayman Ltd	3,848	1.34
Crédit Agricole Corporate and Investment Bank	3,841	1.34
Bank Korea Branch_Korea_Finance and Insurance Industry	3,841	1.34
FIRST ABU DHABI BANK PJSC	3,826	1.33
IBM	3,814	1.33
Wistron Corporation	3,807	1.33
FORMOSAN CHEMICAL IND. CORP	3,783	1.32
Hua Nan Commercial Bank, Ltd.	3,761	1.31
STATE OF QATAR	3,741	1.30
Wan Hai Lines Limited	3,682	1.28
Quanta Computer Inc.	3,600	1.25
BANK OF AMERICA CORP	3,574	1.25
YO JI CONSTRUCTION CO., LTD.	3,565	1.24
Taishin International Bank Co., Ltd.	3,563	1.24
BARCLAYS BANK PLC	3,539	1.23
Shuohe Development Co., Ltd.	3,537	1.23
Mitsubishi Corporation	3,527	1.23
COMCAST CORP	3,506	1.22
Hotai Insurance Co., Ltd.	3,500	1.22
Ta Ching Bills Finance Corporation	3,497	1.22
THE GOLDMAN SACHS GROUP INC	3,476	1.21
European Investment Bank	3,458	1.20
VISA INC	3,433	1.20
SUNPOWER CONSTRUCTION CO., LTD.	3,395	1.18
Leofoo Development Co.,Ltd.	3,385	1.18
FORMOSA HA TINH (CAYMAN) LIMITED	3,381	1.18
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	3,370	1.17

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Masterlink Securities Corp.	\$ 3,367	1.17
Australia and New Zealand Banking Group	3,351	1.17
CITIGROUP INC	3,335	1.16
CTBC Bank Co., Ltd.	3,316	1.16
Wells Fargo & Company	3,298	1.15
KEB Hana Bank	3,282	1.14
RABO BANK NEDERL-ANDS	3,240	1.13
VEDAN Enterprise Corporation	3,217	1.12
Sumitomo Mitsui Financial Group Inc	3,189	1.11
Bank Sinopac Company Limited	3,187	1.11
Credit Agricole S.A.	3,183	1.11
Fu Yu Construction	3,177	1.11
E.SUN COMMERCIAL BANK, LTD.	3,155	1.10
Compal Electronics, Inc	3,143	1.10
Land Bank of Taiwan	3,133	1.09
China Airlines Ltd.	3,081	1.07
Securities Korea_Ireland_Finance and Insurance Industry	3,038	1.06
UBS Taiwan	3,028	1.06
Alphabet Inc.	3,021	1.05
Total	1,094,224	381.25
Same related party:		
Mr. Jin and its related parties	\$ 18,239	6.35
Mr. Lin and its related parties	11,633	4.05
Mr. Chen and its related parties	11,176	3.89
Mr. Wang and its related parties	9,817	3.42
Mr. Li and its related parties	9,325	3.25
Mr. Wu and its related parties	7,191	2.51
Mr. Chen and its related parties	6,902	2.41
Mr. Huang and its related parties	6,575	2.29
Mr. Hsu and its related parties	6,085	2.12
Mr. Yu and its related parties	5,807	2.02
Mr. Chen and its related parties	5,432	1.89
Mr. Xu and its related parties	5,058	1.76
Mr. Hsu and its related parties	4,643	1.62
Mr. Yang and its related parties	4,375	1.53
Mr. Li and its related parties	3,759	1.31
Mr. Ding and its related parties	3,670	1.28
Mr. Chang and its related parties	3,243	1.13
Mr. Chang and its related parties	3,171	1.11
Mr. Wu and its related parties	3,048	1.06
Total	129,149	45.00
Same affiliated company:		
Formosa Plastic Group	\$ 40,076	13.96
Taiwan Semiconductor Group	28,758	10.02
Far Eastern Group	27,777	9.68
Uni-President Enterprises Group	25,125	8.75
China Steel Corporation Group	24,970	8.70
Taiwan Stock Exchange	21,761	7.58

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Yong Feng Yu Group	\$ 21,559	7.51
Taiwan Cooperative Financial Holding Co., Ltd.	20,545	7.16
CTBC Financial Holding Group	20,114	7.01
Cathay Holdings Group	19,953	6.95
Mega Financial Holdings Group	18,325	6.39
Fubon Group	16,232	5.66
Taiwan Cement Group	13,711	4.78
Hotai Motor Group	13,019	4.54
ASE Group	13,001	4.53
MAW DER Property Development Group	10,197	3.55
Chunghua Telecom Company, Ltd.	10,190	3.55
National Australia Bank	9,863	3.44
Taishin Financial Holdings Group	9,708	3.38
Delta Electronics, Inc.	9,335	3.25
IBF Financial Holdings Group	9,046	3.15
China Development Group	8,882	3.10
Hua Nan Financial Holdings Group	8,387	2.92
Union Group	8,129	2.83
MiTAC-SYNNEX Group	7,955	2.77
SINO-AMERICAN SILICON PRODUCTS INC.	7,481	2.61
Shin Kong Group	7,120	2.48
Crédit Agricole Group	7,024	2.45
First Financial Holdings Group	6,891	2.40
Commonwealth Bank of Australia	6,739	2.35
JPMorgan Chase & Co.	6,686	2.33
KINPO Group	6,525	2.27
Wistron Corporation	6,214	2.17
UBS Taiwan	5,899	2.06
ADCB Group	5,529	1.93
Westpac Banking Corporation	5,524	1.92
Foxconn Technology Group	5,324	1.86
Four Union Group	5,167	1.80
LIEN JADE Construction Group	5,098	1.78
Macquarie Taiwan	5,088	1.77
Mitsubishi UFJ Financial Group	5,066	1.77
E.SUN Financial Holding Co., Ltd.	5,002	1.74
Yulon Group	4,639	1.62
The Shanghai Commercial & Savings Bank, Ltd.	4,632	1.61
Kingtown & Construction Co., Ltd	4,565	1.59
United Microelectronics Group	4,563	1.59
Berkshire Hathaway Group	4,490	1.56
Tatung Company	4,469	1.56
O-Bank Group	4,361	1.52
WAH LEE INDUSTRIAL CORP.	4,229	1.47
Evergreen Group	4,115	1.43
Aerospace Industrial Development Corp	4,051	1.41
Sumitomo Mitsui Financial Group	3,956	1.38
Australia and New Zealand Banking Group	3,912	1.36
Fu Yu Construction Group	3,905	1.36
Bank of America Group	3,903	1.36
USI Group	3,869	1.35

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2023		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Quanta Computer Group	\$ 3,869	1.35
Foxlink Group	3,638	1.27
Wells Fargo & Company	3,484	1.21
BenQ Group	3,339	1.16
Lealea Group	3,221	1.12
China Airlines Group	3,097	1.08
Saudi Arabian Oil Co	3,078	1.07
Walsin Lihwa Group	3,022	1.05
Total	<u>609,402</u>	<u>212.33</u>
	<u>\$ 1,832,775</u>	<u>638.58</u>

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2022		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	\$ 172,775	67.39
Securities Korea_Korea_Finance and Insurance Industry	118,672	46.29
Central Government, R.O.C	116,162	45.31
Agricultural Bank of Taiwan	34,729	13.55
Taiwan Cement Corporation	19,540	7.62
U.S. Government	19,533	7.62
Taiwan Semiconductor Manufacturing Co., Ltd.	16,671	6.50
Taiwan Depository & Clearing Corporation	15,011	5.86
Securities Korea_Korea_Public Administration and National Defense	11,797	4.60
ASE Technology Holding Co., Ltd.	10,875	4.24
CPC Corporation, Taiwan	10,771	4.20
Nan Ya Plastics Corporation	10,022	3.91
Chunghwa Telecom Co., Ltd.	9,610	3.75
Uni-President Enterprises Group	9,505	3.71
China Steel Corporation	8,790	3.43
Cathay Financial Holding Co., Ltd.	8,756	3.42
Quanta Computer Inc.	8,416	3.28
GlobalWafers Co., Ltd.	8,333	3.25
Taiwan Cooperative Bank	8,150	3.18
Taiwan Stock Exchange	8,079	3.15
Taiwan Water Corporation	7,949	3.10
National Australia Bank Ltd.	7,719	3.01
Far Eastern New Century Corporation	7,320	2.86
Taiwan Futures Exchange	7,220	2.82
First Financial Holding Co. Ltd.	6,806	2.65
TSMC Global Ltd.	6,451	2.52
JPMorgan Chase & Co.	6,373	2.49
Federal National Mortgage Association	6,343	2.47
SinoPac Securities Corporation	6,330	2.47
China Bills Finance Corporation	6,303	2.46
DING SHUAI Development Co., Ltd.	6,294	2.45
Federal Home Loan Mortgage CORPORATION	6,209	2.42
ASUSTEK COMPUTER INCORPORATION	6,143	2.40
CTBC Financial Holding Co., Ltd.	5,964	2.33

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Asia Cement Corporation	\$ 5,778	2.25
Commonwealth Bank of Australia	5,773	2.25
YO JI CONSTRUCTION CO., LTD.	5,700	2.22
Westpac Banking Corporation	5,644	2.20
Formosa Chemicals & Fibre Corporation	5,642	2.20
STATE OF ISRAEL	5,431	2.12
BNP Paribas	5,320	2.08
Far Eastone Telecommunications Co., Ltd.	5,316	2.07
Fubon Securities Investment Trust Co., Ltd	5,260	2.05
ABU DHABI GOVT INTL	5,122	2.00
Mega Financial Holding Company Ltd.	5,041	1.97
Taiwan Mobile Co., Ltd.	4,985	1.94
Taiwan Power Company	4,949	1.93
Capital Securities Investment Trust Co., Ltd	4,808	1.88
Aerospace Industrial Development Corporation	4,773	1.86
ASE Technology Holding Co., Ltd.	4,699	1.83
Bank Korea Branch_Korea_Real Estate Industry	4,676	1.82
Apple Inc.	4,612	1.80
Shanghai Commercial and Savings Bank	4,517	1.76
Formosa Plastics Corporation	4,486	1.75
Chang Chun Petrochemical Co., Ltd.	4,472	1.74
Formosa Group (Cayman) Limited	4,458	1.74
Yuan Ding Investment Corp.	4,393	1.71
Formosa Petrochemical Corp	4,364	1.70
TATUNG CO.	4,301	1.68
CTBC Bank Co., Ltd.	4,301	1.68
Wan Hai Lines Limited	4,212	1.64
BANK OF THAILAND	4,197	1.64
Taiwan High Speed Rail Corporation	4,118	1.61
Taishin International Bank Co., Ltd.	4,041	1.58
Synnex Technology International Corporation	4,009	1.56
STATE OF QATAR	3,927	1.53
Bank Korea Branch_Korea_Finance and Insurance Industry	3,926	1.53
The Bank of Tokyo-Mitsubishi UFJ	3,851	1.50
Taiwan Railways Administration	3,824	1.49
ADCB Finance Cayman Ltd	3,711	1.45
FIRST ABU DHABI BANK PJSC	3,705	1.45
BANK OF AMERICA CORP	3,648	1.42
RABO BANK NEDERL-ANDS(New York)	3,523	1.37
SUNPOWER CONSTRUCTION CO., LTD.	3,523	1.37
Lien-Jade Construction Co.,Ltd.	3,494	1.36
Shuohe Development Co., Ltd.	3,484	1.36
UNITED OVERSEAS BANK LTD.	3,421	1.33
THE GOLDMAN SACHS GROUP INC	3,417	1.33
Wells Fargo & Company	3,400	1.33
RUN LONG CONSTRUCTION CO., LTD.	3,390	1.32
Compal Electronics, Inc	3,386	1.32
FORMOSA HA TINH (CAYMAN) LIMITED	3,378	1.32
AUSTRALIAN GOVERNMENT	3,368	1.31
VISA INC	3,358	1.31
Sumitomo Mitsui Financial Group Inc	3,337	1.30
Bank Korea Branch_Korea_Natural Person	3,320	1.30

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
IBF Securities Co., Ltd.	\$ 3,316	1.29
CITIGROUP INC	3,308	1.29
IBM	3,304	1.29
Securities Korea_U.S._Public Administration and National Defense	3,262	1.27
KEB Hana Bank	3,212	1.25
UBS Taiwan	3,201	1.25
Crédit Agricole Corporate and Investment Bank	3,195	1.25
Leofoo Development Co.Ltd.	3,150	1.23
Hua Nan Commercial Bank, Ltd.	3,143	1.23
Alphabet Inc.	3,134	1.22
VEDAN Enterprise Corporation	3,133	1.22
FORMOSA HA TINH STEE	3,132	1.22
The Export-Import Bank of the Republic of China	3,131	1.22
BARCLAYS BANK PLC	3,091	1.21
SAUDI ARABIAN OIL CO	3,088	1.20
Wistron Corporation	3,087	1.20
Australia and New Zealand Banking Group	3,073	1.20
COMCAST CORP	3,027	1.18
Total	1,000,397	390.19
Same related party:		
Mr. Jin and its related parties	\$ 25,427	9.92
Mr. Lin and its related parties	19,902	7.76
Mr. Liao and its related parties	16,688	6.51
Mr. Chen and its related parties	11,326	4.42
Mr. Wu and its related parties	7,452	2.91
Mr. Hsu and its related parties	6,535	2.55
Mr. Wang and its related parties	6,340	2.47
Mr. Huang and its related parties	5,917	2.31
Mr. Chang and its related parties	4,349	1.70
Mr. Yang and its related parties	4,188	1.63
Mr. Yang and its related parties	4,181	1.63
Mr. Hsu and its related parties	4,155	1.62
Mr. Li and its related parties	3,851	1.50
Mr. Chang and its related parties	3,667	1.43
Mr. Chang and its related parties	3,615	1.41
Mr. Yang and its related parties	3,461	1.35
Mr. Kuo and its related parties	3,351	1.31
Mr. Chang and its related parties	3,279	1.28
Mr. Yang and its related parties	3,237	1.26
Mr. Yen and its related parties	3,144	1.23
Mr. Ding and its related parties	3,074	1.20
Mr. Lin and its related parties	3,063	1.19
Mr. Chen and its related parties	3,032	1.18
Total	153,234	59.77
Same affiliated company:		
Formosa Plastic Group	\$ 38,772	15.12
Far Eastern Group	30,485	11.89
Taiwan Semiconductor Group	27,634	10.78
Taiwan Stock Exchange	23,106	9.01
Taiwan Cement Group	21,464	8.37
CTBC Financial Holding Group	16,967	6.62
ASE Group	15,575	6.08

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Uni-President Enterprises Group	\$ 15,397	6.01
China Steel Corporation Group	15,226	5.94
Taiwan Cooperative Financial Holding Co., Ltd.	13,229	5.16
Cathay Holdings Group	13,182	5.14
Yong Feng Yu Group	13,010	5.07
First Financial Holdings Group	12,390	4.83
Fubon Group	11,309	4.41
Chunghwa Telecom Company, Ltd.	9,701	3.78
Quanta Computer Group	9,351	3.65
MAW DER Property Development Group	9,074	3.54
SINO-AMERICAN SILICON PRODUCTS INC.	8,461	3.30
Mega Financial Holdings Group	8,167	3.19
KINPO Group	7,907	3.08
MiTAC-SYNNEX Group	7,726	3.01
China Development Group	7,515	2.93
JPMorgan Chase & Co.	6,979	2.72
O-Bank Group	6,803	2.65
Commonwealth Bank of Australia	6,676	2.60
Wistron Corporation	6,433	2.51
Taishin Financial Holdings Group	6,254	2.44
Crédit Agricole Group	6,183	2.41
ASUS Group	6,157	2.40
Hua Nan Financial Holdings Group	5,981	2.33
BNP Paribas S.A.	5,883	2.29
Foxconn Technology Group	5,829	2.27
Evergreen Group	5,420	2.11
IBF Financial Holdings Group	5,342	2.08
ADCB Group	5,334	2.08
Shin Kong Group	5,320	2.08
Four Union Group	5,262	2.05
Macquarie Taiwan	4,900	1.91
Mitsubishi UFJ Financial Group	4,786	1.87
Kingtown & Construction Co., Ltd	4,680	1.83
Union Group	4,638	1.81
Tatung Company	4,303	1.68
Wan Hai & Shihlin Paper Group	4,292	1.67
Vedan Group	4,183	1.63
Berkshire Hathaway Group	4,176	1.63
LIEN JADE Construction Group	4,130	1.61
Lealea Group	4,074	1.59
Australia and New Zealand Banking Group	3,891	1.52
Yulon Group	3,843	1.50
Tung Ho Steel Group	3,800	1.48
HIGHWEALTH Group	3,706	1.45
Hotai Motor Group	3,702	1.44
Foxlink Group	3,650	1.42
Sumitomo Mitsui Financial Group	3,625	1.41
Fu Yu Construction Group	3,581	1.40
United Overseas Bank Group	3,574	1.39
Wintech Microelectronics Group	3,531	1.38
AURORA Group	3,412	1.33
BenQ Group	3,389	1.32
USI Group	3,322	1.30
Total	516,692	201.50
	\$ 1,670,323	651.46

(6) Significant impact arising from changes in government laws and regulations:

None.

(7) Information for discontinued operations:

None.

(8) Major operating assets or liabilities transferred from (or to) other financial institutions:

None.

(9) Allocation of expenses between the Company and its subsidiaries and among subsidiaries

According to Article 7 of the Yuanta Group's Cross-Marketing Management System, contracts regarding legal responsibility and the allocation method for expenses arising from the mutual use of business facilities and cross-sales between the Company's subsidiaries should be formulated and signed.

(10) Information for private placement securities:

None.

(BLANK)

(11) Financial information by business segments

Information by business segments for the year ended December 31, 2023 is as follows:

Item	(Expressed in Thousands of New Taiwan Dollars)					
	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 15,808,424	\$ 1,925,701	\$ 1,396,114	\$ 11,591,332	\$ 389,491	\$ 30,332,080
Net non-interest income	7,604,494	44,122,940	2,196,962	7,781,582	6,051,825	67,757,803
Net profit	23,412,918	46,048,641	3,593,076	19,372,914	5,662,334	98,089,883
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(302,808)	(207,473)	38,353	(591)	-	(472,519)
Net change in provisions for insurance liabilities	-	-	-	(14,470,939)	-	(14,470,939)
Operating expenses	(12,164,075)	(30,233,996)	(1,626,911)	(1,598,758)	(3,537,034)	(49,160,774)
Net income from continuing operations before income tax	10,946,035	15,607,172	2,004,518	3,302,626	2,125,300	33,985,651
Income tax expense	(2,090,740)	(2,569,011)	(434,021)	324,817	(688,467)	(5,457,422)
Consolidated income, net of tax	\$ 8,855,295	\$ 13,038,161	\$ 1,570,497	\$ 3,627,443	\$ 1,436,833	\$ 28,528,229

Information by business segments for the year ended December 31, 2022 is as follows:

Item	(Expressed in Thousands of New Taiwan Dollars)					
	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 14,940,545	\$ 4,962,464	\$ 671,191	\$ 10,464,790	\$ 337,625	\$ 30,701,365
Net non-interest income	5,284,415	35,225,968	2,172,494	13,970,301	4,147,339	60,800,517
Net profit	20,224,960	40,188,432	2,843,685	24,435,091	3,809,714	91,501,882
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(361,604)	40,861	2,795	(242)	-	(318,190)
Net change in provisions for insurance liabilities	-	-	-	(19,533,972)	-	(19,533,972)
Operating expenses	(11,227,465)	(26,289,744)	(1,462,433)	(1,568,172)	(2,688,093)	(43,235,907)
Net income from continuing operations before income tax	8,635,891	13,939,549	1,384,047	3,332,705	1,121,621	28,413,813
Income tax expense	(1,574,463)	(2,662,434)	(277,117)	(289,553)	(899,833)	(5,703,400)
Consolidated income, net of tax	\$ 7,061,428	\$ 11,277,115	\$ 1,106,930	\$ 3,043,152	\$ 221,788	\$ 22,710,413

(12) Financial statements of the Company and condensed financial statements of its subsidiaries:

A. Financial statements of the Company

Yuanta Financial Holding Co., Ltd.

Yuanta Financial Holding Co., Ltd.

Individual Balance Sheets

December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 2,819,922	\$ 6,508,655	Payables	\$ 6,555,791	\$ 6,139,991
Financial assets at fair value through other comprehensive income	63,875	66,320	Current income tax liabilities	2,861,055	2,132,045
Receivables - net	2,553,463	1,040,134	Bonds payable	33,600,000	36,500,000
Current income tax assets	2,591,632	2,670,949	Provisions	12,403	35,069
Equity investments accounted for under the equity method - net	321,901,762	290,751,677	Lease liability	84,893	131,618
Property and equipment - net	40,291	45,973	Other liabilities	12,462	10,150
Right-of-use assets - net	82,425	127,440	Total liabilities	43,126,604	44,948,873
Intangible assets - net	13,643	17,102	Equity		
Deferred income tax assets	46,509	78,612	Common stock	126,890,824	125,015,590
Other assets - net	20,020	10,158	Additional paid-in capital	38,188,103	38,010,564
			Retained earnings	22,561,044	20,481,785
			Legal reserve	13,517,403	6,549,234
			Special reserve	80,901,931	73,279,144
			Undistributed earnings	4,947,633	(6,968,170)
			Other equity	287,006,938	256,368,147
			Total equity	\$ 330,133,542	\$ 301,317,020
Total assets	\$ 330,133,542	\$ 301,317,020	Total liabilities and equity	\$ 330,133,542	\$ 301,317,020

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,	
	2023	2022
Revenues		
Share of the profit or loss of associates and joint ventures accounted for under the equity method	\$ 28,175,994	\$ 22,907,800
Realised gain on financial assets at fair value through other comprehensive income	1,405	1,518
Other revenues	91,580	126,782
	28,268,979	23,036,100
Expenses and losses		
Operating expenses	(1,329,591)	(974,686)
Other expenses and losses	(367,014)	(299,464)
	(1,696,605)	(1,274,150)
Income from continuing operations before income tax	26,572,374	21,761,950
Income tax expense	(6,176)	(305,623)
Net income	26,566,198	21,456,327
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Loss on remeasurements of defined benefit plans	23,046	2,707
Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	(2,445)	20,667
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	3,101,088	4,263,944
Components of other comprehensive income that will be reclassified to profit or loss (net of tax)		
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss	10,774,612	(20,329,420)
Other comprehensive income (loss)	13,896,301	(16,042,102)
Total comprehensive income	\$ 40,462,499	\$ 5,414,225
Earnings per share (in dollars)		
Basic and diluted earnings per share	\$ 2.09	\$ 1.69

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Retained Earnings			Other equity			Total equity			
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements		Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach
For the year ended December 31, 2022										
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	\$ 8,400,123	\$ 17,930,672	\$ 47,621	\$ 1,072,737	\$ 269,035,461
Appropriation of 2021 earnings										
Legal reserve	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-
Cash dividend	-	-	-	-	(18,206,154)	-	-	-	-	(18,206,154)
Stock dividend	3,641,230	-	-	(3,641,230)	-	-	-	-	-	-
Net income for the year	-	-	-	-	21,456,327	-	-	-	-	21,456,327
Other comprehensive income (loss) for the year	-	-	-	-	1,034,054	2,280,219	(15,182,928)	(3,597)	(4,169,850)	(16,042,102)
Total comprehensive income (loss) for the year	-	-	-	-	22,490,381	2,280,219	(15,182,928)	(3,597)	(4,169,850)	5,414,225
Changes in equity of associates and joint ventures accounted for using equity method	-	124,615	-	-	-	-	-	-	-	124,615
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,697,795)	-	1,697,795	-	-	-
Balance, December 31, 2022	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	\$ 6,119,904	\$ 4,445,539	\$ 51,218	\$ 5,242,587	\$ 256,368,147
For the year ended December 31, 2023										
Balance, January 1, 2023	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	\$ 6,119,904	\$ 4,445,539	\$ 51,218	\$ 5,242,587	\$ 256,368,147
Appropriation of 2022 earnings										
Legal reserve	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-
Special reserve	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-
Cash dividend	-	-	-	-	(10,001,247)	-	-	-	-	(10,001,247)
Stock dividend	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-
Net income for the year	-	-	-	-	26,566,198	-	-	-	-	26,566,198
Other comprehensive income (loss) for the year	-	-	-	-	505,511	841,704	(12,158,322)	2,254	3,082,940	13,896,301
Total comprehensive income (loss) for the year	-	-	-	-	26,060,687	841,704	(12,158,322)	2,254	3,082,940	40,462,499
Changes in equity of associates and joint ventures accounted for under equity method	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	177,539	-	-	-	-	-	-	-	177,539
Balance, December 31, 2023	\$ 126,890,824	\$ 38,188,103	\$ 22,561,044	\$ 13,517,403	\$ 80,901,931	\$ 6,961,608	\$ 14,117,852	\$ 48,964	\$ 2,159,647	\$ 287,006,938

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2023	2022
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 26,572,374	\$ 21,761,950
Adjustment items		
Income and expense item		
Depreciation	62,503	64,158
Amortisation	5,222	4,164
Interest expense	366,681	299,288
Interest income	(80,066)	(38,623)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(28,175,994)	(22,907,800)
Gain on lease modification	(122)	(2)
Gain from disposal or retirement of property and equipment	(83)	(200)
Intangible assets transferred to expense	-	126
Changes in operating assets and liabilities		
Receivables	1,693	(30,244)
Other assets	(7,992)	1,850
Payables	169,924	(351,896)
Provisions	380	148
Other liabilities	2,312	4,735
Interest received	81,316	33,689
Dividend received	11,079,148	17,518,766
Interest paid	(402,712)	(251,675)
Income tax (paid) refunded	(400,109)	21,853
Net cash flows generated from operating activities	<u>9,274,475</u>	<u>16,130,287</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property and equipment	(15,197)	(18,888)
Proceeds from disposal of property and equipment	360	510
Acquisition of intangible assets	(1,763)	(4,313)
Acquisition of right-of-use assets	(1)	(71)
Net cash flows used in investing activities	<u>(16,601)</u>	<u>(22,762)</u>
<u>Cash Flows From Financing Activities</u>		
Commercial paper payable	-	(2,789,000)
Proceeds from issuance of bonds	6,600,000	13,500,000
Repayments of bonds	(9,500,000)	(2,900,000)
Cash dividends paid	(10,001,247)	(18,206,154)
Principal payment for lease liabilities	(45,360)	(44,974)
Net cash flows used in financing activities	(12,946,607)	(10,440,128)
Net (decrease) increase in cash and cash equivalents	(3,688,733)	5,667,397
Cash and cash equivalents at beginning of year	6,508,655	841,258
Cash and cash equivalents at end of year	<u>\$ 2,819,922</u>	<u>\$ 6,508,655</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 2,819,922	\$ 6,508,655
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	-	-
Cash and cash equivalents at end of reporting year	<u>\$ 2,819,922</u>	<u>\$ 6,508,655</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 24,216,374	\$ 20,068,692	Deposits from Central Bank and other banks	\$ 12,359,648	\$ 38,607,095
Due from Central Bank and call loans to other banks	80,877,846	76,497,355	Financial liabilities at fair value through profit or loss	6,541,033	3,811,451
Financial assets at fair value through profit or loss	131,678,271	89,187,683	Bills and bonds payable under repurchase agreements	31,643,984	36,546,046
Financial assets at fair value through other comprehensive income	179,623,811	212,621,110	Payables	11,568,726	8,849,401
Investments in debt instruments at amortised cost	252,933,385	254,722,768	Current income tax liabilities	1,696,277	1,098,841
Investments in bills and bonds under resale agreements	42,202,925	33,014,468	Deposits and remittances	1,605,258,719	1,473,530,937
Receivables- net	20,873,566	20,635,484	Bank debentures payable	28,700,000	28,700,000
Current income tax assets	54,209	99,119	Other financial liabilities	2,367,774	2,578,157
Assets held for sale- net	79,099	81,469	Provisions	964,799	859,981
Bills discounted and loans- net	1,056,720,210	962,259,898	Lease liabilities	2,444,389	2,331,706
Equity investments accounted for under the equity method- net	4,925,337	4,931,796	Deferred income tax liabilities	1,154,368	634,313
Other financial assets- net	140,783	2,582	Other liabilities	2,945,404	2,707,920
Property and equipment- net	16,459,753	14,823,963	Total liabilities	1,707,645,121	1,600,255,848
Right-of-use assets- net	9,981,731	9,976,030	Common stock	73,940,390	73,940,390
Investment property- net	1,023,487	946,386	Additional paid-in capital	25,960,441	25,960,441
Intangible assets- net	8,524,043	8,799,242	Retained earnings	33,545,319	24,990,852
Deferred income tax assets	1,163,885	1,120,560	Other equity	(6,626,820)	(13,011,726)
Other assets - net	2,985,736	2,347,200	Total equity	126,819,330	111,879,957
Total assets	\$ 1,834,464,451	\$ 1,712,135,805	Total liabilities and equity	\$ 1,834,464,451	\$ 1,712,135,805

Yuanta Commercial Bank

Individual Condensed Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Interest income	\$ 32,527,938	140	\$ 21,860,546	107
Less: Interest expense	(18,557,206)	(80)	(8,093,263)	(40)
Net interest income	13,970,732	60	13,767,283	67
Net non-interest income	9,211,412	40	6,597,156	33
Net profit	23,182,144	100	20,364,439	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(197,201)	(1)	(346,441)	(2)
Operating expenses	(12,241,109)	(53)	(11,177,383)	(54)
Income from continuing operations before income tax	10,743,834	46	8,840,615	44
Income tax expense	(2,086,371)	(9)	(1,552,227)	(8)
Net income	8,657,463	37	7,288,388	36
Other comprehensive income (loss) (net of tax)	6,281,910	27	(13,428,946)	(66)
Total comprehensive income (loss)	\$ 14,939,373	64	\$ 6,140,558)	(30)
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 1.17		\$ 0.99	

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 402,044,325	\$ 334,793,432	Current liabilities	\$ 322,028,099	\$ 267,543,455
Financial assets at fair value through profit or loss-non-current	-	50,260	Bonds payable	29,000,000	23,500,000
Financial assets at fair value through other comprehensive income -non-current	13,485,275	14,538,468	Provisions- non-current	64,125	65,326
Equity investments accounted for under the equity method	60,258,512	58,014,091	Lease liabilities- non-current	416,556	468,953
Property and equipment	5,313,769	5,327,266	Deferred income tax liabilities	1,480,694	1,501,202
Right-of-use assets	685,069	724,514	Other non-current liabilities	1,436,267	1,105,551
Investment property	1,950,035	2,012,153	Total liabilities	354,425,741	294,184,487
Intangible assets	11,574,551	11,574,551	Common stock	65,924,526	65,924,526
Deferred income tax assets	549,556	671,887	Additional paid-in capital	1,282,594	1,105,055
Other non-current assets	2,562,140	2,363,429	Retained earnings	61,500,029	54,459,661
Total assets	<u>\$ 498,423,232</u>	<u>\$ 430,070,051</u>	Other equity	15,290,342	14,396,322
			Total equity	143,997,491	135,885,564
			Total liabilities and equity	<u>\$ 498,423,232</u>	<u>\$ 430,070,051</u>

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 35,348,362	100	\$ 29,976,467	100
Service fee expense	(1,418,684)	(4)	(1,207,414)	(4)
Employee benefit expense	(9,790,377)	(28)	(7,884,256)	(26)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	2,791,274	8	2,240,943	8
Operating expenses	(11,565,436)	(33)	(9,094,414)	(31)
Income from continuing operations before income tax	15,365,139	43	14,031,326	47
Income tax expense	(1,571,665)	(4)	(1,979,822)	(7)
Net income	13,793,474	39	12,051,504	40
Other comprehensive income (net of tax)	2,779,962	8	5,055,877	17
Total comprehensive income	<u>\$ 16,573,436</u>	<u>47</u>	<u>\$ 17,107,381</u>	<u>57</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 2.09</u>		<u>\$ 1.83</u>	

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 42,448,823	\$ 48,401,970	Current liabilities	\$ 134,068,831	\$ 126,691,235
Financial assets at fair value through profit or loss-non-current	246,503,412	187,300,865	Bonds payable	183,932,401	132,090,107
Financial assets at fair value through other comprehensive income			Provisions- non-current	4,582,548	4,018,548
-non-current	12,004,160	5,540,954	Lease liabilities- non-current	1,838,397	592,197
Equity investments accounted for under the equity method	2,389,584	2,475,720	Other non-current liabilities	18,040,514	14,086,310
Property and equipment	1,157,273	1,149,159	Total liabilities	342,462,691	277,478,397
Right-of-use assets	1,967,314	616,592	Common stock	25,198,229	25,877,195
Investment property	812,944	1,110,270	Additional paid-in capital	(1,342,984)	(1,378,562)
Intangible assets	1,023,915	948,228	Retained earnings	9,760,091	8,846,113
Deferred income tax assets	1,234,799	718,865	Other equity	3,336,991	3,344,077
Other non-current assets	69,872,794	65,904,597	Total equity	36,952,327	36,688,823
Total assets	<u>\$ 379,415,018</u>	<u>\$ 314,167,220</u>	Total liabilities and equity	<u>\$ 379,415,018</u>	<u>\$ 314,167,220</u>

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 67,237,810	100	\$ 57,090,838	100
Service fee expense	(388,374)	-	(381,972)	(1)
Employee benefit expense	(5,880,597)	(9)	(4,905,809)	(9)
Operating expenses	(58,717,983)	(87)	(50,384,809)	(88)
Income from continuing operations before income tax	2,250,856	4	1,418,248	2
Income tax expense	(536,799)	(1)	(525,676)	(1)
Net income	1,714,057	3	892,572	1
Other comprehensive income (net of tax)	74,574	-	551,465	1
Total comprehensive income	<u>\$ 1,788,631</u>	<u>3</u>	<u>\$ 1,444,037</u>	<u>2</u>
Earnings per share (in dollars)				
Basic earnings per share - ordinary share	<u>\$ 7.99</u>		<u>\$ 4.11</u>	
Diluted earnings per share - ordinary share	<u>\$ 7.99</u>		<u>\$ 4.11</u>	
Basic earnings per share - preferred share	<u>\$ 13.48</u>		<u>\$ 7.80</u>	
Diluted earnings per share - preferred share	<u>\$ 13.48</u>		<u>\$ 7.80</u>	

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 104,956,727	\$ 104,902,918	Current liabilities	\$ 93,917,064	\$ 95,316,184
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,630,296	1,691,647
-non-current	2,276,213	2,155,716	Total liabilities	95,547,360	97,007,831
Equity investments accounted for under the equity method	1,282,080	1,218,760			
Property and equipment	708,583	649,159	Common stock	2,899,763	2,899,763
Right-of-use assets	73,265	113,172	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	97,515	74,012	Retained earnings	6,605,703	5,209,388
Deferred income tax assets	23,772	27,643	Other equity	1,936,759	1,691,214
Other non-current assets	641,914	737,300	Total equity	14,512,709	12,870,849
Total assets	<u>\$ 110,060,069</u>	<u>\$ 109,878,680</u>	Total liabilities and equity	<u>\$ 110,060,069</u>	<u>\$ 109,878,680</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 3,374,548	100	\$ 3,921,823	100
Service fee expense	(608,147)	(18)	(801,046)	(20)
Employee benefit expense	(901,352)	(26)	(799,901)	(20)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	65,183	2	(27,264)	(1)
Operating expenses	<u>356,508</u>	<u>10</u>	<u>(871,745)</u>	<u>(23)</u>
Income from continuing operations before income tax	2,286,740	68	1,421,867	36
Income tax expense	<u>(434,021)</u>	<u>(13)</u>	<u>(276,519)</u>	<u>(7)</u>
Net income	1,852,719	55	1,145,348	29
Other comprehensive income (net of tax)	<u>514,082</u>	<u>15</u>	<u>42,548</u>	<u>1</u>
Total comprehensive income	<u>\$ 2,366,801</u>	<u>70</u>	<u>\$ 1,187,896</u>	<u>30</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 6.39</u>		<u>\$ 3.95</u>	

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 13,925,875	\$ 9,876,325	Payables	\$ 1,945,346	\$ 1,387,264
Receivables	3,430,762	2,802,445	Current income tax liabilities	20,452	30,829
Current income tax assets	5,230,867	4,979,572	Financial liabilities at fair value through profit or loss	2,403,364	4,454,436
Financial assets at fair value through profit or loss	43,272,538	35,530,502	Insurance liabilities	361,632,976	347,102,856
Financial assets at fair value through other comprehensive income	21,414,552	20,608,078	Reserve for insurance contract with the nature of financial products	186,286	130,855
Financial assets at amortised cost	284,296,137	280,777,815	Foreign exchange reserve	1,273,406	3,988,784
Other financial assets	1,300,000	300,000	Provisions	53,883	54,877
Right-of-use assets	186,600	257,082	Lease liabilities	1,003,220	1,076,693
Investment property	14,136,557	13,004,627	Deferred income tax liabilities	1,361,123	1,383,398
Loans	8,121,551	7,651,046	Other liabilities	2,643,102	2,238,152
Reinsurance contract assets	1,249,093	1,368,195	Investment-linked insurance products liabilities	31,504,281	30,353,012
Property and equipment	103,780	54,819	Total liabilities	404,027,439	392,201,156
Intangible assets	152,132	142,655	Common stock	23,735,695	23,735,695
Deferred income tax assets	385,864	1,067,637	Retained earnings	9,120,286	7,105,328
Other assets	4,662,265	6,280,850	Other equity	(3,510,566)	(7,987,519)
Investment-linked insurance products assets	31,504,281	30,353,012	Total equity	29,345,415	22,853,504
Total assets	<u>\$ 433,372,854</u>	<u>\$ 415,054,660</u>	Total liabilities and equity	<u>\$ 433,372,854</u>	<u>\$ 415,054,660</u>

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 48,162,744	100	\$ 51,389,606	100
Operating costs	(44,882,644)	(93)	(48,078,814)	(94)
Operating expenses	(1,660,592)	(4)	(1,638,101)	(3)
Net operating income	1,619,508	3	1,672,691	3
Non-operating revenues and expenses	74,635	-	(6,621)	-
Income from continuing operations before income tax	1,694,143	3	1,666,070	3
Income tax benefit (expense)	324,817	1	(289,553)	-
Net income	2,018,960	4	1,376,517	3
Other comprehensive income (loss) (net of tax)	4,472,951	9	(7,757,879)	(15)
Total comprehensive income (loss)	<u>\$ 6,491,911</u>	<u>13</u>	<u>(\$ 6,381,362)</u>	<u>(12)</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.85</u>		<u>\$ 0.58</u>	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 5,714,650	\$ 5,218,988	Current liabilities	\$ 1,293,020	\$ 878,111
Financial assets at fair value through other comprehensive income	394,858	377,739	Deferred income tax liabilities	158,395	159,026
Equity investments accounted for under the equity method	341,109	346,416	Lease liability- non-current	8,664	21,643
Property and equipment	292,545	295,882	Other non-current liabilities	33,437	33,059
Intangible assets	768,551	768,551	Total liabilities	1,493,516	1,091,839
Prepaid pension cost	28,839	30,193	Common stock	2,269,235	2,269,235
Deferred income tax assets	552	675	Additional paid-in capital	296,729	296,729
Right-of-use assets	20,920	34,626	Retained earnings	3,428,094	3,338,452
Other non-current assets	97,500	84,015	Other equity	171,950	160,830
Total assets	<u>\$ 7,659,524</u>	<u>\$ 7,157,085</u>	Total equity	6,166,008	6,065,246
			Total liabilities and equity	<u>\$ 7,659,524</u>	<u>\$ 7,157,085</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 5,189,183	100	\$ 3,995,132	100
Operating expenses	(2,098,200)	(41)	(1,558,058)	(39)
Operating income	3,090,983	59	2,437,074	61
Non-operating revenues and expenses	89,355	2	(125,766)	(3)
Income from continuing operations before income tax	3,180,338	61	2,311,308	58
Income tax expense	(633,232)	(12)	(490,674)	(12)
Net income	2,547,106	49	1,820,634	46
Other comprehensive income (net of tax)	9,699	-	53,870	1
Total comprehensive income	<u>\$ 2,556,805</u>	<u>49</u>	<u>\$ 1,874,504</u>	<u>47</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 11.22</u>		<u>\$ 8.02</u>	

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 3,039,615	\$ 2,930,335	Current liabilities	\$ 121,034	\$ 88,554
Financial assets at fair value through other comprehensive income	46,854	47,865	Non-current liabilities	17,957	17,631
Property and equipment	6,228	7,303	Total liabilities	138,991	106,185
Right-of-use assets	7,380	11,284	Common stock	3,346,138	3,346,138
Investment property	1,081,771	1,120,879	Additional paid-in capital	1,047	1,047
Deferred income tax assets	4,016	3,116	Retained earnings	671,698	638,418
Other non-current assets	834	842	Other equity	28,824	29,836
Total assets	\$ 4,186,698	\$ 4,121,624	Total equity	4,047,707	4,015,439
			Total liabilities and equity	\$ 4,186,698	\$ 4,121,624

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 416,506	100	\$ 399,953	100
Operating expenses	(249,817)	(60)	(219,369)	(55)
Operating income	166,689	40	180,584	45
Non-operating revenues and expenses	15,802	4	(18,936)	(4)
Income from continuing operations before income tax	182,491	44	161,648	41
Income tax expense	(35,469)	(9)	(35,269)	(9)
Net income	147,022	35	126,379	32
Other comprehensive (loss) income (net of tax)	(1,012)	-	8,023	2
Total comprehensive income	\$ 146,010	35	\$ 134,402	34

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 2,135,779	\$ 1,829,803	Current liabilities	\$ 169,011	\$ 153,344
Financial assets at fair value through other comprehensive income	45,678	60,604	Lease liability- non-current	3,305	7,087
Equity investments accounted for under the equity method	1,018,870	948,689	Other non-current liabilities	7,600	5,400
Property and equipment	675	2,038	Total liabilities	179,916	165,831
Right-of-use assets	7,112	10,823	Common stock	2,715,221	2,715,221
Deferred income tax assets	72,359	61,073	Additional paid-in capital	918	918
Other non-current assets	645	645	Retained earnings	326,647	(34,360)
Total assets	<u>\$ 3,281,118</u>	<u>\$ 2,913,675</u>	Other equity	58,416	66,065
			Total equity	3,101,202	2,747,844
			Total liabilities and equity	<u>\$ 3,281,118</u>	<u>\$ 2,913,675</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 477,164	100	(\$ 126,293)	(100)
Operating expenses	(124,368)	(26)	(40,793)	(32)
Operating income (loss)	352,796	74	(167,086)	(132)
Non-operating revenues and expenses	8,491	2	3,518	3
Income (loss) from continuing operations before income tax	361,287	76	(163,568)	(129)
Income tax expense	(280)	-	(33,704)	(27)
Net income (loss)	361,007	76	(197,272)	(156)
Other comprehensive loss (net of tax)	(7,649)	(2)	(12,402)	(10)
Total comprehensive income (loss)	<u>\$ 353,358</u>	<u>74</u>	<u>\$ 209,674</u>	<u>(166)</u>

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 242,966	\$ 248,925	Current liabilities	\$ 142,267	\$ 135,695
Property and equipment	10,808	13,721	Non-current liabilities	16,292	23,441
Right-of-use assets	13,631	21,703	Total liabilities	158,559	159,136
Intangible assets	8,859	586	Common stock	100,000	100,000
Deferred income tax assets	10,474	2,894	Additional paid-in capital	6,017	6,017
Other non-current assets	15,118	20,043	Retained earnings	37,280	42,719
			Total equity	143,297	148,736
Total assets	<u>\$ 301,856</u>	<u>\$ 307,872</u>	Total liabilities and equity	<u>\$ 301,856</u>	<u>\$ 307,872</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 242,029	100	\$ 261,384	100
Operating costs	(1,001)	-	(1,133)	-
Operating expenses	(238,748)	(99)	(248,212)	(95)
Operating income	2,280	1	12,039	5
Non-operating revenues and expenses	2,679	1	1,406	-
Income from continuing operations				
before income tax	4,959	2	13,445	5
Income tax expense	(978)	(1)	(2,595)	(1)
Net income	3,981	1	10,850	4
Other comprehensive income (net of tax)	1,610	1	1,406	1
Total comprehensive income	<u>\$ 5,591</u>	<u>2</u>	<u>\$ 12,256</u>	<u>5</u>

(13) Profitability, asset quality, management information, and liquidity and market risk sensitivity of the Yuanta Group and its subsidiaries:

A. Profitability

(A) Yuanta Financial Holdings

Unit: %

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	8.42	7.16
	After tax	8.41	7.06
Return on equity	Before tax	9.78	8.28
	After tax	9.78	8.17
Net profit margin ratio		95.21	94.37

(B) Yuanta Financial Holdings and its subsidiaries

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	1.08	0.94
	After tax	0.90	0.75
Return on equity	Before tax	11.60	10.03
	After tax	9.74	8.02
Net profit margin ratio		29.08	24.82

(C) Yuanta Bank

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	0.61	0.53
	After tax	0.49	0.43
Return on equity	Before tax	9.00	7.53
	After tax	7.25	6.21
Net profit margin ratio		37.35	35.79

(D) Yuanta Securities

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	3.31	2.90
	After tax	2.97	2.49
Return on equity	Before tax	10.98	10.61
	After tax	9.86	9.11
Net profit margin ratio		37.56	38.86

(E) Yuanta Life

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	0.40	0.41
	After tax	0.48	0.34
Return on equity	Before tax	6.49	6.40
	After tax	7.74	5.29
Net profit margin ratio		60.18	41.66

Note 1: Return on total assets = Income (loss) before (after) income tax / average total assets.

Note 2: Return on equity = Income (loss) before (after) income tax / average equity.

Note 3: Net profit margin ratio = Income (loss) after income tax / net revenues.

Note 4: The term "Income (loss) before (after) income tax" represents net income (loss) from January 1 to the balance sheet date of the reporting period.

Note 5: The profitability of Yuanta Financial Holdings, Yuanta Financial Holdings and its subsidiaries, Yuanta Bank, Yuanta Securities, and Yuanta life insurance agency shall be respectively specified in the said table.

B. Information of Yuanta Bank is as follows:
(A) Non-performing loans and non-performing loan asset quality

Unit: In thousands of NT Dollars

Month / Year	December 31, 2023						December 31, 2022					
	Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio	Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio		
Corporate banking	241,373	260,965,746	0.09%	3,589,102	1,486.95%	44,240	249,381,318	0.02%	3,348,360	7,568.63%		
Residential mortgage loans	131,363	291,198,837	0.05%	3,781,480	2,878.65%	69,642	257,327,057	0.03%	3,783,660	5,433.01%		
	62,475	289,629,863	0.02%	4,341,424	6,949.06%	32,894	267,848,793	0.01%	4,016,169	12,209.43%		
Cash card services	-	13,512	-	242	-	-	20,979	-	465	-		
Small amount of credit loans	10,760	20,994,788	0.05%	227,035	2,109.99%	8,335	16,138,446	0.05%	179,089	2,148.64%		
Consumer banking	118,224	216,039,122	0.05%	2,262,721	1,913.93%	63,644	195,324,184	0.03%	2,030,509	3,190.42%		
	1,284	4,408,995	0.03%	45,010	3,505.45%	1,217	4,095,296	0.03%	41,798	3,434.51%		
Gross loan business	565,479	1,083,250,863	0.05%	14,247,014	2,519.46%	219,972	990,136,073	0.02%	13,400,050	6,091.71%		

Month / Year	December 31, 2023						December 31, 2022					
	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio		
Credit card services	7,204	9,210,750	0.08%	112,674	1,564.05%	6,915	8,906,268	0.08%	109,709	1,586.54%		
Without recourse factoring	-	5,025,112	-	66,950	-	-	6,749,712	-	79,350	-		

Note 1: The amount recognised as non-performing loans is in compliance with the "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans". The amount included in overdue accounts for credit cards is in compliance with Jin-Guan-Yin (4) Letter No. 0944000378 dated July 6, 2005.

Note 2: Non-performing loan ratio=non-performing loans/gross loans. Overdue account ratio for credit cards=overdue accounts/balance of accounts receivable.

Note 3: Coverage ratio for loans=allowance for doubtful accounts of loans/non-performing loans. Coverage ratio for accounts receivable of credit cards=allowance for doubtful accounts for accounts receivable of credit cards/overdue accounts.

Note 4: For residential mortgage loans, the borrower provides his/her (or spouses) house as collateral in full and mortgages it to the financial institution for the purpose of obtaining funds to purchase or add improvements to a house.

Note 5: Small amount of credit loans apply to the norms of Jin-Guan-Yin (4) Letter No. 09440010950 dated December 19, 2005, excluding credit card and cash card services.

Note 6: Other consumer banking is specified as secured or unsecured consumer loans other than residential mortgage loan, cash card services and small amount of credit loans, and excluding credit card services.

Note 7: Pursuant to Jin-Guan-Yin-Wai Letter No. 09850003180 dated August 24, 2009, the amount of without recourse factoring will be recognised as overdue accounts within three months after the factor or insurance company resolves not to compensate the loss.

(B) Non-performing loans and overdue receivables exempted from reporting to the competent authority

Unit: In thousands of NT Dollars

	December 31, 2023		December 31, 2022	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Amounts exempted from reporting to the competent authority under debt negotiation (Note 1)	10,508	10,646	19,451	15,438
Perform in accordance with debt liquidation program and restructuring program (Note 2)	516,367	249,489	627,342	281,906
Total	526,875	260,135	646,793	297,344

Note 1: The additional disclosure requirement pertaining to way and information disclosure of the total amount of non-performing loan is in accordance with the Explanatory Jin-Guan-Yin (1) Letter No. 09510001270 of the FSC dated April 25, 2006.

Note 2: The additional disclosure requirement pertaining to the way and information disclosure of loan in the process of debt liquidation and restructuring program is in accordance with the Explanatory Jin-Guan-Yin (1) Letter No. 09700318940 of the FSC dated September 15, 2008 and Jin-Guan-Yin-Fa Letter No. 10500134790 of the FSC dated September 20, 2016.

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(C) Contract amounts of significant credit risk concentration are as follows:

Unit: In thousands of NT Dollars, %

December 31, 2023			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Other Plastic Products Manufacturing	\$ 18,352,831	14.47
2	Group B–Convenience Store	10,868,000	8.57
3	Group C–Real Estate Development	10,196,530	8.04
4	Group D–Packaging and Testing of Semi-conductors	8,947,000	7.05
5	Group E–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,823,430	6.17
6	Group F–Financial Holding Companies	7,200,720	5.68
7	Group G–Mold and Die Manufacturing	5,500,000	4.34
8	Group H–Real Estate Development	5,097,601	4.02
9	Group I–Financial Holding Companies	5,090,000	4.01
10	Group J–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.39

Unit: In thousands of NT Dollars, %

December 31, 2022			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Real Estate Development	\$ 9,074,350	8.11
2	Group B–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,707,500	6.89
3	Company C–Packaging and Testing of Semi-conductors	7,280,000	6.51
4	Group D–Financial Holding Companies	6,800,000	6.08
5	Group E–Quarrying of Stone and Sand and Other Mining	6,299,790	5.63
6	Group F–Financial Holding Companies	5,800,000	5.18
7	Company G–Real Estate Development	5,700,000	5.09
8	Group H–Manufacture of Other Computer Peripheral Equipment	5,000,000	4.47
9	Group I–Financial Holding Companies	4,550,000	4.07
10	Group J–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.84

Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If an outstanding loan belongs to an enterprise group, the outstanding loan of enterprise group should be categorised and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A–Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

Note 2: Definition of enterprise group is based on the Article 6 of “Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Reviews of Securities Listings”.

Note 3: Total amounts of credit extensions were various loans (including import negotiations, export negotiations, bills discounted, overdrafts, short-term loans, short-term loans secured, securities financing receivable, mid-term loans, mid-term loan secured, long-term loans, long-term loans secured, and overdue accounts), remittances purchased, advance accounts for factoring receivable, acceptances receivable, and guarantees receivable.

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(D) Structure analysis of time to maturity
a. Structure analysis of time to maturity (NTD)

December 31, 2023

		(Expressed in Thousands of New Taiwan Dollars)					
		0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
	Total						
Primary funds inflow upon maturity	1,670,823,805	222,166,838	180,563,450	230,522,727	106,393,485	158,474,128	772,703,177
Primary funds outflow upon maturity	2,028,776,752	67,095,199	145,344,716	304,343,441	269,596,843	412,734,599	829,661,954
Gap	(357,952,947)	155,071,639	35,218,734	(73,820,714)	(163,203,358)	(254,260,471)	(56,958,777)

December 31, 2022

		(Expressed in Thousands of New Taiwan Dollars)					
		0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
	Total						
Primary funds inflow upon maturity	1,538,163,531	192,484,952	88,943,571	179,819,096	159,284,501	173,261,491	744,369,920
Primary funds outflow upon maturity	1,796,483,109	73,518,921	112,929,281	267,798,728	240,447,609	350,410,602	751,377,968
Gap	(258,319,578)	118,966,031	(23,985,710)	(87,979,632)	(81,163,108)	(177,149,111)	(7,008,048)

b. Structure analysis of time to maturity (USD)

December 31, 2023

		(Expressed in Thousands of US Dollars)					
		Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity		6,761,694	2,402,397	371,943	185,393	368,974	3,432,987
Primary funds outflow upon maturity		9,495,123	3,067,035	1,826,537	1,424,193	2,110,789	1,066,569
Gap	(	2,733,429)	(664,638)	(1,454,594)	(1,238,800)	(1,741,815)	2,366,418

December 31, 2022

		(Expressed in Thousands of US Dollars)					
		Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity		6,539,868	1,643,965	908,961	180,233	305,433	3,501,276
Primary funds outflow upon maturity		8,413,008	2,780,634	1,892,420	1,134,298	1,596,003	1,009,653
Gap	(	1,873,140)	(1,136,669)	(983,459)	(954,065)	(1,290,570)	2,491,623

(E) Sensitivity analysis of interest rate for assets and liabilities

a. Sensitivity analysis of interest rate for assets and liabilities (NTD)

December 31, 2023

Item	(Expressed in Thousands of New Taiwan Dollars, %)				
	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	1,164,622,633	69,501,119	35,664,100	230,463,903	1,500,251,755
Interest-rate-sensitive liabilities	421,754,021	831,292,475	130,384,241	28,915,295	1,412,346,032
Interest-rate-sensitive gap	742,868,612 (	761,791,356) (	94,720,141)	201,548,608	87,905,723
Total equity					135,594,778
Ratio of interest-rate-sensitive assets to liabilities					106.22
Ratio of interest-rate-sensitive gap to equity					64.83

December 31, 2022

Item	(Expressed in Thousands of New Taiwan Dollars, %)				
	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	963,146,182	128,437,641	62,485,337	236,034,078	1,390,103,238
Interest-rate-sensitive liabilities	421,883,323	759,456,536	107,445,638	32,616,705	1,321,402,202
Interest-rate-sensitive gap	541,262,859 (	631,018,895) (	44,960,301)	203,417,373	68,701,036
Total equity					121,626,066
Ratio of interest-rate-sensitive assets to liabilities					105.20
Ratio of interest-rate-sensitive gap to equity					56.49

Note 1: The above amounts include only New Taiwan Dollars held by Yuanta Bank, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those interest earned assets and interest bearing liabilities, revenues and costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities.

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to NTD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities).

b.Sensitivity analysis of interest rate for assets and liabilities (USD)

December 31, 2023

Item	(Expressed in Thousands of US Dollars, %)			
	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Interest-rate-sensitive assets	3,027,704	102,423	225,288	2,702,628
Interest-rate-sensitive liabilities	3,797,631	822,845	1,562,722	1,028,226
Interest-rate-sensitive gap	(769,927)	(720,422)	(1,337,434)	(1,674,402)
Total equity				(259,687)
Ratio of interest-rate-sensitive assets to liabilities				84.01
Ratio of interest-rate-sensitive gap to equity				444.14

December 31, 2022

Item	(Expressed in Thousands of US Dollars, %)			
	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Interest-rate-sensitive assets	2,925,595	133,863	135,506	2,589,367
Interest-rate-sensitive liabilities	3,753,148	728,751	1,173,959	1,074,852
Interest-rate-sensitive gap	(827,553)	(594,888)	(1,038,453)	(1,514,515)
Total equity				(287,743)
Ratio of interest-rate-sensitive assets to liabilities				85.94
Ratio of interest-rate-sensitive gap to equity				328.90

Note 1: The above amounts include only US Dollars amounts held by Yuanta Bank, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those earning assets, interest bearing liabilities, revenues or costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities.

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to USD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities).

(14) Information with respect to the subsidiary holding the capital share of parent company

None.

13. Other disclosure items

(1) Related information on material transaction items

- A. Information regarding stock of long-term equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: None.
- B. Information on the acquisition and disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- C. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.
- D. Information regarding receivables from related parties exceeding \$300 million or 10% of the Company's paid-in capital:

Creditor	Counterparty	Relationship	Accounts receivable from related party as December 31, 2023	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	\$ 1,629,758 (Note 1)	-	\$ -	-	\$ -	-
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	878,370 (Note 1)	-	-	-	-	-

Note1: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

- E. Information regarding selling non-performing loans: None.
- F. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.
- G. Other material transaction items which were significant to the users of the financial statements: None.

(2) Supplementary disclosure regarding investee companies:

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Total	
										Share ownerships of the Company and related parties	Percentage of ownership (%)
Yuanta Financial Holdings Co., Ltd.	Yuanta Securities Co., Ltd.	R.O.C	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100	\$ 144,421,589	\$ 13,793,263	6,592,453	-	6,592,453	100	
"	Yuanta Commercial Bank Co., Ltd.	"	Banking	100	126,857,629	8,638,286	7,394,039	-	7,394,039	100	
"	Yuanta Futures Co., Ltd.	"	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	10,173,925	1,226,461	192,167	-	192,167	66.27	
"	Yuanta Life Insurance Co., Ltd.	"	Life insurance business	100	26,754,526	2,102,991	2,373,570	-	2,373,570	100	
"	Yuanta Asset Management Co., Ltd.	"	Management of monetary debts of financial institutions	100	3,975,390	147,021	334,614	-	334,614	100	
"	Yuanta Venture Capital Co., Ltd.	"	Venture capital investments	100	3,101,202	361,007	271,522	-	271,522	100	
"	Yuanta Securities Investment Consulting Co., Ltd.	"	Securities investment consultant	100	143,297	3,982	10,000	-	10,000	100	
"	Yuanta Securities Investment Trust Co., Ltd.	"	Securities investment trust	74.71	6,474,204	1,902,983	169,538	-	169,538	74.71	
Yuanta Commercial Bank Co., Ltd.	Yuanta International Leasing Co., Ltd.	"	Leasing business	100	104,801	-	10,000	-	10,000	100	
"	Yuanta Savings Bank (Philippines) Inc.	Philippines	Deposits and loans of savings bank	100	1,095,939	-	2,400,000	-	2,400,000	100	
"	Yuanta Savings Bank (Korea) Inc.	Korea	Deposits and loans of savings bank	100	3,724,597	-	13,516	-	13,516	100	

(Expressed In Thousand of New Taiwan Dollars)

Share ownerships of the Company and related parties

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Total	
										Percentage of ownership (%)	Shares (In thousands)
Yuanta Securities Co., Ltd.	Yuanta Securities Asia Financial Services Private Limited	Singapore	Investment holding	100	\$ 44,268,395	\$ -	390,909	-	390,909	100	
"	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance brokerage services	100	177,498	-	500	-	500	100	
"	Yuanta Securities Finance Co., Ltd.	"	Securities financing and refinancing to securities firms and related business	100	15,815,778	-	400,000	-	400,000	100	
"	Yuanta Wealth Management (Singapore) Pte. Ltd.	Singapore	-	100	(3,159)	-	-	-	-	100	
Yuanta Securities Asia Financial Services Limited	Yuanta Securities (Hong Kong) Co., Ltd.	Hong Kong	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions' financing, asset management services	100	8,807,967	-	2,268,133	-	2,268,133	100	
"	Yuanta Asia Investment (Hong Kong) Ltd.	"	Securities trading, asset management services	100	1,416,627	-	293,892	-	293,892	100	
"	Yuanta Securities Korea Co., Ltd.	Korea	Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent operating business and auxiliary business	58.54	23,322,976	-	116,843	-	116,843	58.54	

(Expressed In Thousand of New Taiwan Dollars)

Share ownerships of the Company and related parties

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Total	
										Percentage of ownership (%)	Shares (In thousands)
Yuanta Securities Asia Financial Services Limited	Yuanta Hong Kong Holdings (Cayman) Ltd.	Cayman Islands	Investment holding	100	\$ 40,441	\$ -	74	-	74	100	
"	Yuanta Securities Thailand Co., Ltd.	Thailand	Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument	99.99	6,111,127	-	450,000	-	450,000	99.99	
"	Yuanta Securities Vietnam Limited Company	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	94.10	3,788,401	-	-	-	-	100	
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Investment business	100	1,333,449	-	6,401	-	6,401	100	
"	Yuanta Financial (Hong Kong) Ltd.	Hong Kong	Investment holding	100	410,835	-	18,954	-	18,954	100	
"	Woori Asset Management Corp.	Korea	Asset management	27	810,967	-	1,080	-	1,080	27	
Yuanta Financial (Hong Kong) Limited	Yuanta Securities (Cambodia) Plc.	Cambodia	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	100	381,654	-	12,500	-	12,500	100	

(Expressed In Thousand of New Taiwan Dollars)
Share ownerships of the Company and related parties

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Total			
							Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities (Hong Kong) Co., Ltd.	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Issuance of financial instruments and dealing investments	100	\$ 244,368	\$ -	50,000	-	50,000	100
"	Yuanta Finance (Hong Kong) Ltd.	"	Credit loan business	100	242,012	-	50,000	-	50,000	100
"	Yuanta Securities (Vietnam)	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	5.90	245,157	-	-	-	-	100
"	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	577,315	-	474	-	474	99
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital investments	100	1,018,870	-	85,000	-	85,000	100
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	994,470	-	34,000	-	34,000	100
"	SYF Information Limited	R.O.C	Information service	100	293,338	-	35,000	-	35,000	100
"	Yuanta Global (Singapore) Pte. Ltd. (Note3)	Singapore	Applying	100	(5,728)	-	-	-	-	100

Note 1: The amounts under the column of the investment income (loss) presented as zero is for the subsidiary and second-tier subsidiary described in the consolidated financial statements.

Note 2: Yuanta Future's investment in incorporating Yuanta Global (Singapore) Pte. Ltd. has been approved by the FSC through Gin-Gwen-Zheng-Qi Letter No.1110357536 on October 20, 2022, as well as approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) through Jing-Shen-Er-Zi Letter No.11100198340 on December 26, 2022. The case was approved by the Singapore Accounting and Corporate Regulatory Authority (ACRA) on November 23, 2022, and the incorporation registration has been completed. In addition, the case has been approved by the FSC through Gin-Gwen-Zheng-Qi Letter No.1120355060 on September 19, 2023 which agrees to extend its starting period until April 19, 2024.

Note 3: The case concerning Yuanta Securities Co., Ltd. applying for reinvesting established Yuanta Capital had been approved by the FSC, Jin-Guan-Cheng-Quan-Zi Letter No.1100351895 on November 4, 2021. However, the case had been terminated as resolved by the Company's Board of Directors on November 30, 2023 after the Company assessed the environmental change and adjusted the strategy.

(3) Significant transactions regarding investee companies

- A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities industry. Not applicable for all the other subsidiaries and indirect subsidiaries.
- B. Information on the acquisition of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- C. Information on the disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- D. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.
- E. Information regarding receivables from related parties for which the amount exceeding \$300 million or 10% of Company's paid-in capital:

Creditor	Counterparty	Relationship	Accounts receivable from related party as of December 31, 2023	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Life	The Company	Parent Company	\$ 5,216,352 (Note)	-	-	-	\$ -	-

Note: Income tax refundable arising from filing consolidated income tax returns.

(BLANK)

F. Information regarding selling non-performing loans:

(A) Summary of selling non-performing loans:

Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	2023/4/26	KACMO	Loans and Advance	\$ 3	\$ 9	\$ 6	None	None	Note 2
Yuanta Savings Bank (Korea)	2023/5/26	KACMO	Loans and Advance	\$ 10	\$ 6	(\$ 4)	None	None	Note 3
Yuanta Savings Bank (Korea)	2023/6/28	KACMO	Loans and Advance	\$ 2	\$ 3	\$ 1	None	None	Note 4
Yuanta Savings Bank (Korea)	2023/6/28	ICL Loan Coporation	Loans and Advance	\$ 10,922	\$ 15,004	\$ 4,082	None	None	Note 5
Yuanta Savings Bank (Korea)	2023/8/4	KACMO	Loans and Advance	\$ 3	\$ 3	\$ -	None	None	Note 6
Yuanta Savings Bank (Korea)	2023/9/2	KACMO	Loans and Advance	\$ 4,281	\$ 4,310	\$ 29	None	None	Note 7
Yuanta Savings Bank (Korea)	2023/11/27	KACMO	Loans and Advance	\$ 20	\$ 9	(\$ 11)	None	None	Note 8

Note 1: Book value is the balance after deducting the amount of the allowance for doubtful debts to the original creditor's right.

Note 2: The carrying amount and the sale price of the loan was KRW106 thousand and KRW360 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 3: The carrying amount and the sale price of the loan was KRW423 thousand and KRW255 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 4: The carrying amount and the sale price of the loan was KRW75 thousand and KRW135 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 5: The carrying amount and the sale price of the loan was KRW457,787 thousand and KRW628,902 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 6: The carrying amount and the sale price of the loan was KRW144 thousand and KRW139 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 7: The carrying amount and the sale price of the loan was KRW179,438 thousand and KRW180,635 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 8: The carrying amount and the sale price of the loan was KRW837 thousand and KRW368 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

(B) Sale of non-performing loans for which the amount exceeding NT \$1 billion (excluding sale to related parties): None.

G. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.

H. Other material transaction items which were significant to the users of the financial statements: None.

I. Funds lent to other: Not applicable to subsidiaries in a financial or securities industries. For non-financial and non-securities subsidiaries, no fund has been lent except for the following:

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	\$ 1,536,750	\$ 922,050	\$ 614,700	6.10%	Short-term loans	\$ -	Fulfill operating cost and working capital	\$ -	-	\$ -	\$ 44,288,384 (Note 1)	\$ 44,288,384 (Note 1)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,536,750	-	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,458,800	2,458,800	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	922,050	922,050	-	-	Short-term loans	-	Working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
5	Yuanta Securities Asia Finance Service	Yuanta Securities Korea Co., Ltd.	Accounts receivable-related party	Yes	2,151,450	2,151,450	-	-	Short-term loans	-	Working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)

Note 1: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities Asia Financial Services should not exceed the net worth of its latest audited/reviewed financial statements.

Note 2: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 dated December 2, 2020 of the FSC in Taiwan and has obtained the approval of the Securities and Futures Commission in Hong Kong on July 27, 2021. The loan was repaid on July 26, 2023.

J. Endorsements and guarantees provided for others:

Number	Endorsing and guarantee company	Endorsed and guaranteed company		Limit for endorsement and guarantee for single enterprise	Maximum outstanding endorsements and guarantee amount during the year ended December 31	Ending balance of endorsement and guarantee	Actual used amount	Property-backed endorsement and guarantee	The ratio of accumulated guarantee amount and the net value of the latest financial statement	Maximum limit	Provision of endorsements and guarantees by parent company to subsidiary	Provision of endorsements and guarantees by subsidiary to parent company	Provision of endorsements and guarantees to the party in Mainland China
		Name of company	Relationship										
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	\$ 28,799,498 (Note 1)	\$ 107,573	\$ 107,573	\$ 97,897	-	0.07%	\$ 57,598,996 (Note 1)	Yes	No	No
2	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	28,799,498 (Note 1)	1,536,750	1,536,750	61,470	-	1.07%	57,598,996 (Note 1)	Yes	No	No
3	Yuanta Securities Asia Financial Service	Yuanta Sekuritas (Thailand)	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	1,329,336	269,460	-	-	0.61%	44,288,384 (Note 3)	Yes	No	No
4	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	510,170	295,025	43,029	-	0.67%	44,288,384 (Note 3)	Yes	No	No
5	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	868,500	406,080	279,180	-	0.92%	44,288,384 (Note 3)	Yes	No	No

Note 1: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", the ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities should not exceed 40% and 20% of net worth of the company's latest audited/reviewed financial statements, respectively.

Note 2: To become a local agent and guarantee institution of foreign structure instruments which are issued by the reinvested company, Yuanta Investment (Hong Kong), on September 24, 2020, Yuanta Securities' Board of Directors resolved to provide a guarantee with a limit of USD50 million. On December 16, 2020, Yuanta Securities obtained the approval from Gin-Gwen-Zheng-Quan-Zi Letter No. 1090372253 of the FSC in Taiwan. On February 25, 2021, both parties finished signing the guarantee contract after the relating process has been completed.

Note 3: According to the Company's "Procedures for Provision of Endorsements and Guarantees", total endorsements and guarantees provided to others cannot exceed the net assets value in Yuanta Securities Asia Financial Services's latest financial statements audited or reviewed by an independent auditor.

K. Engagement in derivatives trading: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities industry. Not applicable for all the other subsidiaries and indirect subsidiaries.

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)
December 31, 2023

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta/P-shares Taiwan Top 50 ETF	The managing company of the fund	Financial assets at fair value through profit or loss	34	\$ 4,570	-	\$ 4,570	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	7	495	-	495	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	23	1,665	-	1,665	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	22	542	-	542	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	35	1,312	-	1,312	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	25	412	-	412	
	Yuanta S&P500	"	"	11	483	-	483	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	18	365	-	365	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	13	840	-	840	
	Yuanta/P-shares SSE50 ETF	"	"	19	514	-	514	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	210	-	210	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	1	10	-	10	
	Yuanta EURO STOXX 50 ETF	"	"	8	269	-	269	
	Yuanta Nikkei 225 ETF	"	"	-	21	-	21	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	9	279	-	279	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	4	-	4	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	8	285	-	285	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	18	930	-	930	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	6	184	-	184	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	11	385	-	385	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	1	29	-	29	
	Yuanta DICI Silver ER Futures ETF	"	"	-	2	-	2	
	Yuanta MSCI China A ETF	"	"	9	178	-	178	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	10	352	-	352	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	7	350	-	350	

December 31, 2023

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Beneficiary certificates:								
Yuanta Securities Investment Trust	Yuanta S&P U.S. High Yield Preferred Stock ETF	The managing company of the fund	Financial assets at fair value through profit or loss	1	\$ 13	-	\$ 13	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	6	189	-	189	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	455	-	455	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	5	172	-	172	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	9	311	-	311	
	Yuanta Global NexGen Communications ETF	"	"	20	686	-	686	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	1	21	-	21	
	Yuanta Global 5G & NexGen Telecommunication Components ETF	"	"	22	727	-	727	
	Yuanta De-Bao Money Market Fund	"	"	8,184	101,043	-	101,043	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund-(I)	"	"	7,471	77,359	-	77,359	
	Yuanta Japan Leaders Equity Fund-(I)	"	"	9,970	100,000	-	100,000	
					<u>\$ 295,662</u>		<u>\$ 295,662</u>	
	Stocks:							
Yuanta Asset Management	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	4,803	\$ 377,947	0.88	\$ 377,947	
	FundRich Securities Co. Ltd.	-	"	819	16,911	1.36	16,911	
					<u>\$ 394,858</u>		<u>\$ 394,858</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	\$ 341,109	24.50	\$ 341,109	
Beneficiary certificates:								
Yuanta Asset Management	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	17,566	\$ 244,920	-	\$ 244,920	
	Taishin Ta Chong Money Market Fund	-	"	3,457	50,499	-	50,499	
	Franklin Templeton Sinoam Money Market Fund	-	"	9,485	100,789	-	100,789	
	Hua Nan Phoenix Money Market Fund	-	"	6,032	100,875	-	100,875	
	JIH SUN MONEY MARKET FUND	-	"	3,296	50,275	-	50,275	
	Yuanta Japan Leaders Equity Fund-(A)	-	"	3,021	30,211	-	30,211	
					<u>\$ 577,569</u>		<u>\$ 577,569</u>	

December 31, 2023

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership		Note
					Book value	Market value	
Yuanta Asset Management	Stocks:						
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 6,645	0.16	\$ 6,645
	Sunsino Venture Co., Ltd.	-	"	443	5,151	0.93	5,151
	Da Yeh Development Co., Ltd.	-	"	333	233	2.22	233
	Chung Yi Development Co., Ltd.	-	"	2,278	91	6.63	91
	China Investment and Development Co., Ltd	-	"	1,980	22,018	1.23	22,018
	China Trade And Development Corporation	-	"	500	12,716	0.76	12,716
					<u>\$ 46,854</u>		<u>\$ 46,854</u>
Yuanta Venture Capital	Stocks:						
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 5,874	0.03	\$ 5,874
	Taiwan Cheltec Corp. Ltd.	-	"	500	30,250	0.72	30,250
	Eurocharm Holdings Co., Ltd	-	"	624	113,568	0.94	113,568
	Ever Fortune AI Co., Ltd.	-	"	300	28,950	0.30	28,950
	Tot Biopharm International Company Limited	-	"	15,606	120,939	2.02	120,939
	Apollomics Inc.	-	"	117	3,492	0.13	3,492
	Gorilla Technology Group Inc.	-	"	100	1,654	0.14	1,654
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	61,093	2.35	61,093
	Saulitech Technology Co., Ltd.	-	"	438	33,242	1.44	33,242
	Taiwan Microloops Co., Ltd.	-	"	475	32,737	0.93	32,737
	Pharmosa Biopharm Co., Ltd.	-	"	1,908	167,236	1.63	167,236
	Taiwan Speciality Chemicals Corporation	-	"	235	20,399	0.17	20,399
	Shine-On BioMedical Co., Ltd.	-	"	300	20,801	0.60	20,801
	Mega Union Technology Incorporated	-	"	1,051	171,809	1.73	171,809
	OYTEC Co., Ltd.	-	"	739	56,320	4.44	56,320
	CGK International Co., Ltd (Cayman)	-	"	877	10,400	2.00	10,400
	Apivent Medical Inc.	-	"	1,808	15,094	8.30	15,094 Preferred stock B

December 31, 2023

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership		Note
					Book value	Market value	
Yuania Venture Capital	Stocks:						
	Li Ling Film Co., Ltd.	-	Financial assets at fair value through profit or loss	1,666	\$ 666	2.78	666
	Bioflag International Corporation	-	"	1,870	40,833	3.12	40,833
	Bioflag Nutrition Corporation Ltd.	-	"	1,530	38,672	3.12	38,672
	GRAID Technology Inc.	-	"	682	39,447	2.63	39,447 Preferred stock A
	YU-CHEN SYSTEM Technology Corp.	-	"	1,260	93,605	7.33	93,605
	Certain Micro Application Technology Inc.	-	"	1,200	20,760	6.48	20,760
	Song Chuan Precision Co., Ltd.	-	"	1,475	151,084	2.03	151,084
	Apavent Medical, Inc.	-	"	394	-	1.81	-
	Veden Dental Group	-	"	246	-	0.50	-
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	6.47	-
	GenePharm Biotech Corp.	-	"	2,667	-	10.03	-
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-
	Asia Pacific Venture Invest II L.P.	-	"	-	727	10.00	727
	GCT Semiconductor Inc.	-	"	1,991	-	1.54	- Preferred stock G
					\$ 1,279,652		\$ 1,279,652
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,808	0.50	\$ 9,808
	Prudence Capital Management	-	"	596	12,860	9.00	12,860
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	3,308	4.80	3,308
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	259	10.00	259
	Hwa Lu Venture Capital Co., Ltd.	-	"	43	10,004	8.70	10,004
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	3,081	9.88	3,081
	Qi Ding Venture Capital Co., Ltd.	-	"	168	333	4.35	333
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	207	2,688	10.00	2,688
	Huiyang Venture Capital Co., Ltd.	-	"	67	3,337	2.46	3,337
					\$ 45,678		\$ 45,678
	Yuania I Venture Capital Co., Ltd.		Investee company accounted for under the equity method	85,000	\$ 1,018,870	100.00	\$ 1,018,870
			Investee company accounted for under the equity method				

(4) Investments in Mainland China

A. Information of investment in Mainland China

Yuanta Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 4)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 8,532,036 (USD 277,600)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 164,620	\$ -	\$ -	\$ 164,620	Note 5	-	-	\$ -	-
JhongShan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	245,880 (USD 8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	5,599	-	-	5,599	Note 5	2.00%	-	5,599	-
Orient Optical Crystal Mfg. Co	Protection glass grinding and sales	19,670 (HKD 5,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	452	-	-	452	Note 5	2.00%	-	452	-
Veden Dental Labs Inc.	Manufacturing dental restoration	326,514 (HKD 83,000)	(2) CAYMAN ISLANDS VEDED DENTAL GROUP	22,762	-	-	22,762	Note 5	0.50%	-	22,762	-

Yuanta I Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 4)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,708,264 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.24%	\$ -	\$ 27,112	\$ 26,029

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 17,922 (CNY 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	(\$ 116)	100.00%	In liquidation	\$ 22,299	\$ -
Yuanta Securities Investment Consultant (Beijing)	Investment management consulting service, financial consulting service, business administration consulting service, business information consulting service, economic and trade consulting service, marketing and planning, technical promotion and services	79,823 (CNY 18,428)	(2) Yuanta Securities Asia Financial Service	\$ -	\$ -	\$ -	\$ -	4,167	100.00%	(2)B	18,910	\$ -

Yuanta Securities Investment Trust

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,598,900 (CNY 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 2,854	24.50%	\$ 692	\$ 341,109	\$ -

Yuanta Futures

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2), (2/C)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai) (Note 7)	Computer software services	\$ 157,209 (CNY 33,080)	(3)	\$ 157,209	\$ -	\$ 32,634	\$ 124,575	\$ 661	100.00%	\$ (2/C)	\$ 85,525	\$ 32,634

B. Limitation on investment in Mainland China (Expressed in thousands of dollars)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note)
Yuanta Venture Capital and its subsidiaries	\$ 234,168	\$ 234,021	\$ 1,860,721
GC Investment Consultant (Shanghai)	-	-	Note 6
Yuanta Investment Consulting Beijing	-	91,973	95,483,870
Yuanta Securities Investment Trust	705,666	705,666	3,699,605
Yuanta Futures	124,575	174,000	8,707,625

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,101,202.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$159,139,783.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$6,166,008.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$14,512,709.

Note 1: Investment methods are classified into the following three categories; fill in the number of the category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

- a. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
- b. The financial statements that are audited and attested by R.O.C. parent company's CPA.
- c. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The investment targets are Yuanta Venture Capital and Yuanta I Venture Capital's information of investment in Mainland China and are recognised as financial assets at fair value through profit or loss, therefore, there was no investment income (loss) recognised.

Note 5: The Company's subsidiary does not have significant influence over the investee. Thus, financial information on the investee is unattainable.

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired USD16 million capital of GC Investment Consultant (Shanghai) Co., Ltd., a subsidiary of GC Investment Consultant (Asian) Co., Ltd. (renamed as Polaris Capital afterwards), being reinvested by Polaris Holdings (Cayman) Ltd., the direct overseas investment of Polaris Securities. GC Investment Consultant (Shanghai) Co., Ltd. was approved to liquidate, the Yuanta Group has no significant influence over the company, therefore, the equity method was no longer applicable.

Note 7: Please refer to Note 7 (1) for details on the SYF Information Limited liquidation matters.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of December 31, 2023.

(9) Related party transactions of subsidiaries amounting to at least \$100 million

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	1,617,979	No significant difference from general customers	0.05%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	872,906	"	0.03%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	5,215,483	"	0.16%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	1,434,345	"	0.04%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	1,065,434	"	0.03%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	176,645	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	191,139	"	0.01%
1	Yuanta Securities	Yuanta Securities Investment Trust	3	Net service fee and commission income	205,573	"	0.21%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	238,351	"	0.24%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	181,809	"	0.19%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income	205,301	"	0.21%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Net other miscellaneous income	111,981	"	0.11%
2	Yuanta Bank	Yuanta Futures	3	Cash and cash equivalents	236,226	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	376,955	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	16,136,793	"	0.49%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,477,385	"	0.04%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	976,652	"	0.03%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	175,461	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	151,413	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	201,041	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	7,037,147	"	0.21%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	4,243,600	"	0.13%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
2	Yuanta Bank	SYF Information	3	Deposits and remittances	174,900	No significant difference from general customers	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	4,665,000	"	0.14%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	231,300	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	647,500	"	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	418,800	"	0.01%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	357,600	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	12,165,099	"	0.37%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	344,232	"	0.01%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	5,852,494	"	0.18%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	6,549,377	"	0.20%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	1,600,000	"	0.05%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	4,149,225	"	0.13%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	832,919	"	0.03%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Net service fee and commission income	108,916	"	0.11%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	1,385,257	"	1.41%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	471,281	"	0.48%
2	Yuanta Bank	Yuanta Securities	3	Interest expense	380,973	"	0.39%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Interest expense	229,377	"	0.23%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial assets – net	367,855	"	0.01%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial liabilities	497,589	"	0.02%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	285,470	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	372,869	"	0.38%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	615,161	"	0.02%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Receivables – net	159,761	"	0.00%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Payables	153,543	"	0.00%
7	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	209,670	"	0.01%

Note 1: The numbers in the No. column represent as follows:

1. 0 for the parent company.
2. According to the sequential order, subsidiaries are numbered from 1.

Note 2: There are three types of relationships with the counterparties and they are labeled as follows (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transactions with a subsidiary, then the subsidiary is not required to disclose the transactions; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transactions, then the other is not required to disclose the transactions) :

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation basis of the trading amount accounting for the total consolidated net revenues or assets is that the account ending balance is divided by the total consolidated assets if it is attributed to the balance sheet accounts, and the accumulated trading amount of the interim period is divided by the total consolidated net revenues if it is attributed to the profit or loss accounts.

Note 4: The transactions disclosed are those over \$100,000.

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14. Segment information

(1) General information

A. Recognition elements of reporting segment

The Yuanta Group is mainly engaged in the investment and management of its investees; therefore, the management reports are provided to the Chief Operating Decision-Maker (“CODM”) to allocate resources to operating segments and evaluate their performance. The Yuanta Group’s management recognised reporting segments based on the policies adopted by the CODM.

B. The income sources and service types of each reporting segment

The management has recognised reporting segments based on the reporting information used by the CODM. The Yuanta Group has five reporting segments according to the types of income sources: banking, securities, futures, insurance and others. The products and types of service of the income sources are as follows:

- (A) Banking: corporate banking, personal banking and wealth management in accordance with the Banking Act.
- (B) Securities: securities dealing or consignment trading, underwriting securities, registration and transfer agency service for securities, assistance of futures trading, futures dealing, and issuing call (put) warrants, derivative financial instrument transactions including interest rate swap, asset swap and structured notes.
- (C) Futures: domestic and foreign futures merchant business, self-operating business, futures consultation business, futures agency, self-operating securities business and other futures relating business as approved by authorities.
- (D) Insurance: the main activities comprise life insurance enterprises and provision of life, medical, accident injury and investment-oriented insurance products.
- (E) Others: includes those not mentioned above, for example, investment trust, investment consulting, venture capital and asset management businesses.

(2) Measurement of segment information – measurement of the profit and loss of operating segments

The Yuanta Group’s measurement principles for profit and loss of operating segments is consistent with the significant accounting policies stated in Note 4, and the measurement of profit and loss performance is based on pre-tax profit and loss.

Inter-segmental transactions are arm’s-length transactions, and the gain and loss arising from such transactions are eliminated by the parent company in the consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

Expressed in Thousands of New Taiwan Dollars
For the year ended December 31, 2023

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 23,412,918	\$ 46,048,641	\$ 3,593,076	\$ 19,372,914	\$ 5,662,334	\$ -	\$ 98,089,883
Revenue (loss) from transactions with other operating segments of the same entity	242,023	1,664,037	339,521	(1,426,213)	638,689	(1,458,057)	-
Net revenues (Note)	23,654,941	47,712,678	3,932,597	17,946,701	6,301,023	(1,458,057)	98,089,883
Provision for bad debt expenses, commitment and guarantee policy reserve	(302,808)	(207,473)	38,353	(591)	-	-	(472,519)
Net change in provisions for insurance liabilities	-	-	-	(14,591,938)	-	120,999	(14,470,939)
Operating expenses	(12,603,930)	(30,470,555)	(1,684,210)	(1,660,029)	(4,041,187)	1,299,137	(49,160,774)
Income from continuing operations before income tax	\$ 10,748,203	\$ 17,034,650	\$ 2,286,740	\$ 1,694,143	\$ 2,259,836	\$ 37,921	\$ 33,985,651

For the year ended December 31, 2022

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 20,224,960	\$ 40,188,432	\$ 2,843,685	\$ 24,435,091	\$ 3,809,714	\$ -	\$ 91,501,882
Revenue (loss) from transactions with other operating segments of the same entity	525,513	1,454,938	92,316	(1,440,917)	494,744	(1,126,594)	-
Net revenues (Note)	20,750,473	41,643,370	2,936,001	22,994,174	4,304,458	(1,126,594)	91,501,882
Provision for bad debt expenses, commitment and guarantee policy reserve	(361,604)	40,861	2,795	(242)	-	-	(318,190)
Net change in provisions for insurance liabilities	-	-	-	(19,689,999)	-	156,027	(19,533,972)
Operating expenses	(11,526,017)	(26,585,099)	(1,516,331)	(1,637,863)	(3,041,478)	1,070,881	(43,235,907)
Income from continuing operations before income tax	\$ 8,862,852	\$ 15,099,132	\$ 1,422,465	\$ 1,666,070	\$ 1,262,980	\$ 100,314	\$ 28,413,813

Note: Net revenues include gain and loss on financial assets and liabilities at fair value through profit or loss, realised gain and loss on financial assets at fair value through other comprehensive income, foreign exchange gains and losses, and other non-interest income.

(3) Information on products and services

Information on products and services of Yuanta Group is consistent with the measurement of segment information.

(4) Geographical information

Geographical revenue information of Yuanta Group is as follows:

	For the years ended December 31,	
	2023	2022
R.O.C.	\$ 81,435,070	\$ 77,385,770
South Korea	12,354,420	10,267,024
Others	4,300,393	3,849,088
	<u>\$ 98,089,883</u>	<u>\$ 91,501,882</u>

(5) Major customer information

There is no requirement for additional disclosure because no single customer accounted for 10% or more of the Yuanta Group's operating revenues.

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