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## Meeting Minutes of Yuanta Financial Holdings

### 2024 Annual Shareholders Meeting

Time and Date: 9:00 a.m., Friday, June 7, 2024

Place: No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei, Taiwan, R.O.C.  
(Multi-functional Assembly Hall)

Method of Meeting: Physical shareholders meeting

Attendance: The total number of outstanding common shares is 12,689,082,377. After deducting 167,152 shares without voting rights according to law, the total number of shares is 12,688,915,225. Of those shares, 93.66% or 11,885,423,550 shares, were represented at the meeting either in person or by a representative for the respective shareholders.

Meeting Chair: Ting Chien (Tony) Shen, Chairman

Recorder: Wei-Hsuan Chen

Attending Directors of the Board: Yuanta Chairman Ting-Chien (Tony) Shen, Director Chien Weng (also Chief Executive Officer), Director Chung-Yuan Chen, Director Yaw-Ming (Daniel) Sung, Independent Director Ming-Ling Hsueh (Audit Committee Convener), Independent Director Kuang-Si Shiu (Remuneration Committee Convener), Independent Director Hsing-Yi Chow (Nominating Committee Convener), and Independent Director Sheau-Wen (Sharon) Yang (Risk Management Committee Convener). Eight (8) directors were present, which is more than half of the nine (9) seats of

directors.

Attending as Delegates: Chief Secretary Ya-Pin (Lawrence) Lee, Chief Strategy Officer Wei-Cheng (Bobby) Hwang, Chief Digital Development Officer Mei-Ling Kuo, Chief Corporate Banking Officer Hsiao-Ling Chou, Chief Compliance Officer Wen-Ching Chiu, Chief Human Resources Officer Jing-Fang Lin, Chief Administrative Officer Ching-Sun (Robert) Yang, Chief Financial Officer Hsu-Shu Mai, Chief Operational Support Officer Ming-Lang Liu, Chief Accounting Officer Hui-Jung Lu, Chief Legal Officer Yung-Chu (Bessie) Su, Chief Information Officer Fang-Ming Lo, Chief Information Security Officer Chi-Jung (CR) Huang, Chief Risk Officer Ji-Wei Lai, Senior Vice President Ching-Tang (Allen) Wu, Acting Auditor-General Sung-Shan Chao, Vice President I-Cheng Liao, Assistant Vice President Chien-Wen Chen; Giant Era International Law Office, Hwai-Hsin Liang, Attorney at law; PricewaterhouseCoopers, Puo-Ju Kuo, CPA, Chiao-Sen (Jason) Lo, CPA, Kai-Ling Peng, Assistant Vice President.

I. Chairperson Remarks: (omitted)

II. Report Items

(I) The Company's 2023 Business Report. (Proposed by the Board of Directors)

- ※ Shareholder number 1006577 asked questions about the current situation, reasons, and impact on the Yuanta Financial Holdings of the related enterprise GC Investment Consultant (Shanghai) on page 22 of the 2023 Annual Report.

The Chairman appointed the Chief Financial Officer of Yuanta Financial Holdings, Hsu-Shu Mai, to reply.

The reply of Hsu-Shu Mai, the Chief Financial Officer of Yuanta Financial Holdings, is summarized as follows: GC Investment Consultant (Shanghai) is a company that was previously merged. It has currently ceased operation and has no impact on the operation of Yuanta Financial Holdings.

The Chairman appointed the Chief Legal Officer Yung-Chu (Bessie) Su of Yuanta Financial Holdings to respond on the liquidation procedures.

The reply of Yung-Chu (Bessie) Su, the Chief Legal Officer of Yuanta Financial Holdings, is summarized as follows: GC Investment Consultant (Shanghai) is a Chinese company, and its dissolution and liquidation depend on the consent of the Shanghai Court. The same applies to its reinvestment business, which is currently under review by the Shanghai Court.

(II) The Audit Committee's Review of the 2023 Business Report, Financial Statements, and Earnings Distribution Plan, and Audit Committee's Communication with the Head of Internal Audit (Proposed by the Audit Committee)

(III) The Company's Distribution of Remuneration for Employees and Directors of the Board in 2023 (Proposed by the Board of Directors)

(IV) The Reasons for the Issuance of the Company's Unsecured Ordinary Corporate Bonds and the Related Matters (Proposed by the Board of Directors)

(V) Awareness-Raising of the Laws and Regulations Related to the Holding of More Than a Certain Percentage of the Total Number of Outstanding Voting Shares of a Financial Holding Company by the Same Person or the Same Concerned Person (Proposed by the Board of Directors)

### III. Items for Approval

#### Item for Approval (I)

*Proposal:* Adoption of the 2023 Business Report and Financial Statements  
(Proposed by the Board of Directors)

*Description:*

(1) The 2023 financial statements were audited by independent auditors, Puo-Ju Kuo and Chien-Hung Chou of PricewaterhouseCoopers Certified Public Accountants, who issued unqualified opinions. The financial statements indicated above and the 2023 business report have been audited by the audit committee and considered correct, and the audit report is issued by the committee.

(2) Adoption of the business report, independent auditors' report, and the financial statements.

※ Shareholder number 1006577 asked that the operating revenue on page 226 of the 2023 Annual Report is about NT\$28.1 billion, and the net income after tax on page 7 of the Handbook for the 2024 Annual Shareholders Meeting is NT\$26.566 billion. The data shows that the Company's profit margin after deducting taxes is 94%. Are these numbers correct? Can you explain this?

The Chairman appointed the Chief Financial Officer of Yuanta Financial Holdings, Hsu-Shu Mai, to reply.

The reply of Hsu-Shu Mai, the Chief Financial Officer of Yuanta Financial Holdings, is summarized as follows: The numbers have all been audited and approved by accountants. Financial holdings' operating revenue is the consolidated revenue of all subsidiaries.

*Resolution:* The proposal was approved, with the voting results as below:

The total number of votes cast was 11,885,423,550 votes.

Vote Type	Votes Cast	Percentage (%)
For	11,187,577,133	94.12
Against	180,307	0
Invalid	0	0
Abstain/Did Not Vote	697,666,110	5.86

## 2023 Business Report

### 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. At the same time, 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-(tw)," 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
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

Item		Total assets (NT\$1,000)	Net income (NT\$1,000)	EPS (NT\$)
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.

## Audit Committee's Report on the Latest Financial Statements

Yuanta Financial Holding Co., Ltd.

### Audit Report from the Audit Committee

Yuanta Financial Holdings' Financial Statements 2023, together with the Business report and Earnings Distribution Plan, were submitted to the Committee for audit. The Statements were audited by independent auditors, Pao-Ju Kuo and Chien-Hung Chou, of PricewaterhouseCoopers Certified Public Accountants, who issued the 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 *Securities and Exchange Act* and Article 219 of the *Company Act* after obtaining the consent of all Audit Committee members.

Submitted by:

2024 Annual General Meeting of Shareholders of Yuanta Financial Holding Co., Ltd.

Audit Committee of Yuanta Financial Holding Co., Ltd.

Convener: Ming Ling Hsueh

March 14, 2024



## 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.

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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.



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
	<b>TOTAL ASSETS</b>		<b>\$ 3,298,659,820</b>	<b>100</b>	<b>\$ 3,016,118,537</b>	<b>100</b>

(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	%	
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
	<b>TOTAL LIABILITIES</b>		<u>2,990,283,674</u>	<u>91</u>	<u>2,738,735,629</u>	<u>91</u>
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	<b>Non-controlling interests</b>		<u>21,369,208</u>	<u>-</u>	<u>21,014,761</u>	<u>1</u>
	<b>TOTAL EQUITY</b>		<u>308,376,146</u>	<u>9</u>	<u>277,382,908</u>	<u>9</u>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>

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 CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
 (Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent							Non-controlling interests	Total equity	
	Retained earnings			Other equity interest						
	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
<b>For the year ended December 31, 2022</b>										
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 771,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 1,072,737)	(\$ 47,621)	\$ 289,079,705
Consolidated net income for the year	-	-	-	-	21,456,327	-	-	-	-	1,254,086
Other comprehensive income (loss) for the year	-	-	-	-	1,034,054	2,280,219	(15,182,928)	(4,169,850)	(3,597)	976,387
Total comprehensive income (loss) for the year	-	-	-	-	22,490,381	2,280,219	(15,182,928)	(4,169,850)	(3,597)	2,230,473
Appropriation of 2021 earnings:										
Legal reserve	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-
Stock dividend	3,641,230	-	-	-	(18,206,154)	-	-	-	-	(18,206,154)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(3,641,230)	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	124,615	-	-	-	-	-	-	-	124,615
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,259,956)
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)	(\$ 51,218)	\$ 277,382,908
<b>For the year ended December 31, 2023</b>										
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)	(\$ 51,218)	\$ 277,382,908
Consolidated net income for the year	-	-	-	-	26,566,198	-	-	-	-	1,962,031
Other comprehensive income (loss) for the year	-	-	-	-	(505,511)	(841,704)	12,138,322	3,082,940	2,254	(218,086)
Total comprehensive income (loss) for the year	-	-	-	-	26,060,687	(841,704)	12,138,322	3,082,940	2,254	1,743,945
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)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	177,539	-	-	-	-	-	-	-	177,539
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,486,009)	-	(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)	(\$ 48,964)	\$ 308,376,146

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	( 4,231,465 )	( 1,907,548 )
<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	52,917,434	23,886,948
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	206,929,363	167,631,719
Cash and cash equivalents at end of year	\$ 218,948,309	\$ 206,929,363
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	99,644,104	94,073,224
Cash and cash equivalents at end of reporting year	\$ 218,948,309	\$ 206,929,363

The accompanying notes are an integral part of these consolidated financial statements.

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			
			Legal reserve		22,561,044	20,481,785
			Special reserve		13,517,403	6,549,234
			Undistributed earnings		80,901,931	73,279,144
			Other equity		4,947,633	( 6,968,170)
			Total equity		287,006,938	256,368,147
Total assets	<u>\$ 330,133,542</u>	<u>\$ 301,317,020</u>	Total liabilities and equity		<u>\$ 330,133,542</u>	<u>\$ 301,317,020</u>

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
<b>Revenues</b>		
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
	<u>28,268,979</u>	<u>23,036,100</u>
<b>Expenses and losses</b>		
Operating expenses	( 1,329,591)	( 974,686)
Other expenses and losses	( 367,014)	( 299,464)
	<u>( 1,696,605)</u>	<u>( 1,274,150)</u>
Income from continuing operations before income tax	26,572,374	21,761,950
Income tax expense	( 6,176)	( 305,623)
Net income	<u>26,566,198</u>	<u>21,456,327</u>
<b>Other comprehensive income</b>		
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)	<u>13,896,301</u>	<u>( 16,042,102)</u>
Total comprehensive income	<u>\$ 40,462,499</u>	<u>\$ 5,414,225</u>
<b>Earnings per share (in dollars)</b>		
Basic and diluted earnings per share	<u>\$ 2.09</u>	<u>\$ 1.69</u>

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	Exchanges 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
<b>For the year ended December 31, 2022</b>										
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										
Disposal of investments in equity instrument's designated at fair value through other comprehensive income	-	124,615	-	-	-	-	-	-	-	124,615
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
<b>For the year ended December 31, 2023</b>										
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 instrument's 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>

## Item for Approval (II)

*Proposal:* The Distribution of 2023 Earnings (Proposed by the Board of Directors)

*Description:*

- (1) The Company's unappropriated earnings at the beginning of 2023 were NT\$52,355,234,393.
- (2) The distributable earnings in this period are NT\$ 85,015,431,357. This number is based on the 2023 net income after tax of NT\$26,566,198,510 adding the net income from disposal of investments in equity instruments measured at fair value through other comprehensive income of NT\$2,486,009,417, and deducting the remeasurement of the defined benefit plans of NT\$505,511,056, which subtotals NT\$28,546,696,871 as the basis of the legal reserve. Its ten percent (10%) legal reserve of \$2,854,669,687 is then deducted. In accordance with Article 41 of the Securities and Exchange Act and Taiwan's Financial Supervisory Commission Letter No. 1090150022, if there is a reversal of the net decrease in other equity, a special reserve of NT\$6,968,169,780 may be reversed in respect of the reversal portion, which, when added to the subtotal after the legal reserve is deducted and the unappropriated earnings of NT\$52,355,234,393 at the beginning of the period, gives rise to the distributable earnings for the period of NT\$85,015,431,357.
- (3) The Company's 2023 earnings distribution table is provided as follows (on page 37). The Company planned to distribute cash dividends of NT\$13,957,990,615 and stock dividends of NT\$2,537,816,480. The total distribution amount is NT\$16,495,807,095. Based on the calculated number of outstanding shares outstanding at the time of the resolution of the 24th meeting of the ninth (9th) board of directors (on March 14, 2024), which were 12,689,082,377 shares, a cash dividend of NT\$1.10 and stock dividend of NT\$0.20, should be distributed per share, a total of NT\$1.30 per share. The capital after the capital increase was NT\$129,428,640,250.
- (4) The earnings distribution in the preceding paragraph comes from the balance of NT\$32,660,196,964 after the 2023 after-tax net income adds the amount of items other than after-tax net income included in the current year's unappropriated earnings, deducts the

- legal reserve, and adds the reversed special reserve.
- (5) The cash dividends allocated to each shareholder shall be calculated up to NT\$1, and all amounts below NT\$1 shall be rounded off. The total of fractional cash dividends less than NT\$1 shall be transferred to the Company's employee benefits committee.
  - (6) For the converting of earnings into capital to issue new shares this time, the issuing basis is according to the shareholding ratio of the shareholders on the distribution base date. When issuing less than one share, shareholders may make up one share by themselves within five days from the capital increase and share distribution base date. If there are still remaining less-than-one shares, the chairperson of the board of directors shall be authorized to negotiate with a specific person to subscribe for the denomination at face value.
  - (7) Because the Company's shares are issued on an immaterial basis in accordance with the law and in conjunction with the registration and the book-entry transfer and allotment operation of securities depository and clearing institutions, the less-than-one shares are used for the handling of the immaterial transfers and other necessary expenses.
  - (8) After the cash dividends stated in the motion for the distribution of 2023 earnings have been ratified by resolution of this shareholders meeting, the chairperson of the board of directors shall be authorized to determine matters related to the distribution such as the setting of the ex-dividend record date. After the stock dividends have been approved by this shareholders meeting and reported to the competent authority for approval, the board of directors shall be authorized to set a date for the stock dividend distribution base date (capital increase and share distribution base date) and other related matters. Dividends are allocated based on the shareholding ratio of shareholders on the ex-dividend record date and stock dividend distribution base date (capital increase and share distribution base date).
  - (9) If the number of outstanding shares changes due to factual needs, changes in laws and regulations, or the instructions of the competent authority, the Company shall propose to this shareholders meeting to authorize the chairperson and the board of directors respectively to recalculate the cash dividend payout ratio and capital increase and share distribution rate based on the

number of outstanding shares on the ex-dividend record date and stock dividend distribution base date (capital increase and share distribution base date), when the chairperson and the board of directors are setting the dates respectively.

- (10) The motion for distribution of 2023 earnings has been reviewed by the audit committee, which considers the motion proper, and the audit report is represented on page 16.
- (11) The adoption of the presentation of the proposal for distribution of 2023 earnings.

*Resolution:* The proposal was approved, with the voting results as below:

The total number of votes cast was 11,885,423,550 votes.

Vote Type	Votes Cast	Percentage (%)
For	11,202,780,498	94.25
Against	225,360	0
Invalid	0	0
Abstain/Did Not Vote	682,417,692	5.74

## Yuanta Financial Holding Co., Ltd.

**Earnings Distribution Plan****For the Year 2023**

(Expressed in New Taiwan Dollars)

Items	Amount
Initial unappropriated earnings	52,355,234,393
Add: 2023 after-tax net income	26,566,198,510
Add: 2023 net income from disposal of investments in equity instruments measured at fair value through other comprehensive income	2,486,009,417
Deduct: 2023 remeasurement of the defined benefit plans	(505,511,056)
After-tax net income adding the amount of items other than after-tax net income of this period	28,546,696,871
Deduct: Ten percent (10%) legal reserve <sup>(Note 1)</sup>	(2,854,669,687)
Add: Reversed special reserve – reserved amount of the net decrease in other equity <sup>(Note 2)</sup>	<u>6,968,169,780</u>
Distributable earnings	85,015,431,357
Distribution items	
Cash dividends (NT\$1.10 per share) <sup>(Note 3)</sup>	(13,957,990,615)
Stock dividends (NT\$0.20 per share) <sup>(Note 3)</sup>	(2,537,816,480)
Distribution amount	<u>(16,495,807,095)</u>
Final unappropriated earnings	<u><u>68,519,624,262</u></u>

Note 1: In accordance with Taiwan's Ministry of Economic Affairs Letter No. 10802432410 dated January 9, 2020, the legal reserve is based on the "after-tax net income for the period plus the amount of items other than after-tax net income for the period included in the current year's unappropriated earnings."

Note 2: In accordance with Article 41 of the Securities and Exchange Act and Taiwan's Financial Supervisory Commission Letter No. 1090150022, when there is a reversal of a net decrease in other equity, the portion of the reversal may be reversed to a special reserve to be distributed.

Note 3: The year for this earnings distribution is 2023.

Chairperson of the Board: Tony Shen      Manager: Chien Weng      Chief Accountant: Hui Jung Lu

#### IV. Items for Discussion

##### **Item for Discussion (I)**

*Proposal:* The Company's Issuing of New Shares from Converting Earnings to Increase Capital in 2023 (Proposed by the Board of Directors)

*Description:*

- (1) In order to meet the needs of the Company's business development and strengthen its financial structure, it is proposed to withdraw NT\$2,537,816,480 from the distributable earnings in the year of 2023, to process the capital increase and issue new shares of 253,781,648 shares, with a nominal value of NT\$10 per share. Based on the calculated number of outstanding shares outstanding at the time of the resolution of the 24th meeting of the ninth (9th) board of directors (on March 14, 2024), which were 12,689,082,377 shares, 20 shares out of every 1,000 shares were issued without compensation. The capital after the capital increase was NT\$129,428,640,250.
- (2) The capital increase issuance of new shares is subject to the provisions of Article 240 of the Company Act, and has been submitted to the resolution of this annual general shareholders meeting. After reporting to the competent authority for approval, the board of directors shall set a distribution base date (capital increase and share distribution base date). The issuing basis is according to the shareholding ratio of the shareholders on the distribution base date. When issuing less than one share, shareholders may make up one share by themselves within five days from the capital increase and share distribution base date. If there are still remaining less-than-one shares, the chairperson of the board of directors shall be authorized to negotiate with a specific person to subscribe for the denomination at face value.
- (3) Because the Company's shares are issued on an immaterial basis in accordance with the law and in conjunction with the registration and the book-entry transfer and allotment operation of securities depository and clearing institutions, the less-than-one shares are used for the handling of the immaterial transfers and other necessary expenses.
- (4) Regarding the stock dividends in respect of the above earnings distribution, if the number of outstanding shares changes due to factual needs, changes in laws and regulations, or the instructions of the competent authority, the Company shall propose to this shareholders meeting to authorize the board of directors to recalculate the capital increase and share distribution rate based on the number of outstanding shares on the stock dividend distribution base date (capital increase and share distribution base date), when the board of directors is setting the date along with other related matters.
- (5) The rights and obligations of this capital increase to issue new shares are the same as the original ordinary shares.

*Resolution:* The proposal was approved, with the voting results as below:  
The total number of votes cast was 11,885,423,550 votes.

Vote Type	Votes Cast	Percentage (%)
For	11,201,808,523	94.24
Against	1,210,576	0.01
Invalid	0	0
Abstain/Did Not Vote	682,404,451	5.74

## Item for Discussion (II)

**Proposal:** Amendments to the Articles of Incorporation of Yuanta Financial Holding Co., Ltd. (Proposed by the Board of Directors)

**Description:**

- (1) In accordance with the amendments to the laws and regulations, the Company's Articles of Incorporation is hereby proposed to be amended.
- (2) The main points of these amendments are as follows:
  - i. In accordance with Article 4, Paragraph 3 of the "Key Points to Be Observed in the Establishment of Boards of Directors of Listed Companies and the Exercise of Their Functions and Powers" of the Taiwan Stock Exchange Corporation, it is stipulated that the number of independent directors shall not be less than one-third of the board of directors of listed companies with a capitalization of more than NT\$10 billion or those listed companies in the financial and insurance sectors from 2024 onwards, and a new provision to this effect in Article 16-1 of the Articles of Incorporation is hereby added.
  - ii. The remaining amendments are Chinese text revisions.
- (3) The comparison table of the amendments to the Articles of Incorporation of the Company is attached.

**Resolution:** The proposal was approved, with the voting results as below:  
The total number of votes cast was 11,885,423,550 votes.

Vote Type	Votes Cast	Percentage (%)
For	11,202,626,640	94.25
Against	250,149	0
Invalid	0	0
Abstain/Did Not Vote	682,546,761	5.74

Comparison Table of the Amendments to the Articles of Incorporation of Yuanta Financial Holding Co., Ltd.

Revised Article	Current Version	Explanation
<p>Article 16-1</p> <p>The Company has established three (3) to five (5) independent directors from among the directors in the preceding article, <u>and the number of independent directors shall not be less than one-third of the number of directors.</u></p> <p>In the election of directors, each share shall have the same number of votes as the number of directors to be elected, and shareholders may give all of such votes to one candidate or distribute them among several candidates. The persons receiving the largest numbers of votes represented on the recovered ballots shall be elected directors. Independent directors and non-independent directors shall be elected together, but the number of elected seats shall be calculated separately.</p>	<p>Article 16-1</p> <p><u>In accordance with the provisions of Articles 14-2 of the Securities and Exchange Act,</u> the Company has established three (3) to five (5) independent directors from among the directors in the preceding article.</p> <p>In the election of directors, each share shall have the same number of votes as the number of directors to be elected, and shareholders may give all of such votes to one candidate or distribute them among several candidates. The persons receiving the largest numbers of votes represented on the recovered ballots shall be elected directors. Independent directors and non-independent directors shall be elected together, but the number of elected seats shall be calculated separately.</p>	<p>In accordance with Article 4, Paragraph 3 of the “Key Points to Be Observed in the Establishment of Boards of Directors of Listed Companies and the Exercise of Their Functions and Powers” of the Taiwan Stock Exchange Corporation, it is stipulated that the number of independent directors shall not be less than one-third of the board of directors of listed companies with a capitalization of more than NT\$10 billion or those listed companies in the financial and insurance sectors from 2024 onwards, a new relevant provision is hereby added and the text amended as appropriate.</p>
<p>Article 19 (Omitted)</p> <p>The board of directors shall be authorized to determine the remuneration of the independent directors on the basis of the prevailing standards in the industry. However, independent directors may not participate in the <u>distribution</u> of directors’ remuneration in Article 33.</p>	<p>Article 19 (Omitted)</p> <p>The board of directors shall be authorized to determine the remuneration of the independent directors on the basis of the prevailing standards in the industry. However, independent directors may not participate in the <u>distribution</u> of directors’ remuneration in Article 33.</p>	<p>A Chinese character is edited as appropriate, but this amendment does not affect the English translation.</p>

Revised Article	Current Version	Explanation
<p>Article 20</p> <p>Internally, the chairperson is the chairperson of the shareholders meeting and board of the directors, and externally the chairperson represents the Company. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson; <u>if there is no vice chairperson or if the vice chairperson also is on leave or for any reason is unable to exercise the powers of the chairperson, the chairperson shall designate a director to represent him or her; if the chairperson does not make such a designation, the directors shall nominate among themselves one director to exercise the powers of the chairperson.</u></p>	<p>Article 20</p> <p>Internally, the chairperson is the chairperson of the shareholders meeting and board of the directors, and externally the chairperson represents the Company. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, <u>if there is a vice chairperson, the vice chairperson shall do so in place of the chairperson.</u> <u>If the vice chairperson also is on leave or for any reason is unable to exercise the powers of the chairperson, the chairperson shall designate a director to represent him or her.</u> If the chairperson does not make such a designation, the directors shall nominate among themselves one director to exercise the powers of the chairperson.</p>	<p>In accordance with Article 208 of the <i>Company Act</i>, the text is revised as appropriate.</p>
<p>Article 23</p> <p>The powers of the board of directors are as follows: (Subparagraphs 1 to 5 are omitted)</p> <p>6. Drafting of proposals on the Company's <u>distribution</u> of earnings or <u>makeup</u> of losses. (Subparagraphs 7 to 13 are omitted)</p>	<p>Article 23</p> <p>The powers of the board of directors are as follows: (Subparagraphs 1 to 5 are omitted)</p> <p>6. Drafting of proposals on the Company's <u>distribution</u> of earnings or <u>makeup</u> of losses. (Subparagraphs 7 to 13 are omitted)</p>	<p>Some Chinese text is edited as appropriate, but this amendment does not affect the English translation.</p>
<p>Chapter 7: Final Accounting and <u>Distribution</u> of Earnings</p>	<p>Chapter 7: Final Accounting and <u>Distribution</u> of Earnings</p>	<p>A Chinese character is edited as appropriate, but this amendment does not affect the English translation.</p>

Revised Article	Current Version	Explanation
<p>Article 33</p> <p>If the Company has profit at the year's final accounting (namely, the earnings before tax prior to deduction of employees' and directors' remuneration), it shall reserve an amount sufficient to cover losses, if any. The employees' remuneration is <u>reserved</u> at the range from decimal zero one percent (0.01%) to decimal five percent (0.5%), and the directors' remuneration no more than decimal nine percent (0.9%), from the remainder, if any. The distribution of employees' remuneration and directors' remuneration shall be handled in accordance with the relevant distribution standards set by the board of directors. When remuneration to employees is distributed in the form of stock or in cash, it shall also be distributed to employees of affiliated companies that meet certain conditions.</p> <p>The board of directors shall determine the certain conditions referred to in the preceding paragraph.</p>	<p>Article 33</p> <p>If the Company has profit at the year's final accounting (namely, the earnings before tax prior to deduction of employees' and directors' remuneration), it shall reserve an amount sufficient to cover losses, if any. The employees' remuneration is <u>allocated</u> at the range from decimal zero one percent (0.01%) to decimal five percent (0.5%), and the directors' remuneration no more than decimal nine percent (0.9%), from the remainder, if any. The distribution of employees' remuneration and directors' remuneration shall be handled in accordance with the relevant distribution standards set by the board of directors. When remuneration to employees is distributed in the form of stock or in cash, it shall also be distributed to employees of affiliated companies that meet certain conditions.</p> <p>The board of directors shall determine the certain conditions referred to in the preceding paragraph.</p>	<p>A Chinese character is edited as appropriate.</p>

Revised Article	Current Version	Explanation
<p>Article 33-1</p> <p>If the Company has earnings in the current year's final accounts, it shall first be subject to income tax of profit-seeking enterprise and make up for prior years' losses, and then <u>set aside</u> legal reserve, reserve or reverse special reserve. And the remaining balance, together with undistributed earnings from prior years, shall be submitted by the board of directors as distribution proposals to the regular shareholders meeting for resolution of shareholders' dividend distribution.</p> <p>When the legal reserve in the preceding paragraph has reached the amount of the Company's paid-in capital, it may no longer be set aside.</p>	<p>Article 33-1</p> <p>If the Company has earnings in the current year's final accounts, it shall first be subject to income tax of profit-seeking enterprise and make up for prior years' losses, and then <u>set aside</u> legal reserve, reserve or reverse special reserve. And the remaining balance, together with undistributed earnings from prior years, shall be submitted by the board of directors as distribution proposals to the regular shareholders meeting for resolution of shareholders' dividend distribution.</p> <p>When the legal reserve in the preceding paragraph has reached the amount of the Company's paid-in capital, it may no longer be set aside.</p>	<p>A Chinese character is edited as appropriate, but this amendment does not affect the English translation.</p>
<p>Article 34</p> <p>In order to continuously expand the scale and increase profitability, the Company adopts the residual dividend policy in line with the Company's long-term financial planning and takes into account relevant regulations. Dividends are distributed in accordance with the principle that after the annual final earnings has been calculated in accordance with the provisions of the preceding article, the Company will retain the necessary funds in accordance with the Company's operating plan. The remainder will be distributed as cash dividends, provided that the</p>	<p>Article 34</p> <p>In order to continuously expand the scale and increase profitability, the Company adopts the residual dividend policy in line with the Company's long-term financial planning and takes into account relevant regulations. Dividends are distributed in accordance with the principle that after the annual final earnings has been calculated in accordance with the provisions of the preceding article, the Company will retain the necessary funds in accordance with the Company's operating plan. The remainder will be distributed as cash dividends, provided that the</p>	<p>A Chinese character is edited as appropriate, but this amendment does not affect the English translation.</p>

Revised Article	Current Version	Explanation
<p>cash dividends are not less than forty percent (40%) of the <u>distributable</u> amount of the current year's earnings.</p>	<p>cash dividends are not less than forty percent (40%) of the <u>distributable</u> amount of the current year's earnings.</p>	
<p>Article 37            These Articles of Incorporation were established on December 10, 2001, and implemented after passage by the founders' conference or shareholders meeting, likewise in the case of revisions.            (Paragraphs 2 to 18 are omitted)  <u>Eighteenth revision on June 7, 2024</u></p>	<p>Article 37            These Articles of Incorporation were established on December 10, 2001, and implemented after passage by the founders' conference or shareholders meeting, likewise in the case of revisions.            (Paragraphs 2 to 18 are omitted)</p>	<p>The number and date of this amendment are added.</p>

V. Extemporaneous Motions: None

The Chairman appointed the Chief Accounting Officer Hui-Jung Lu of Yuanta Financial Holdings to provide additional explanation regarding the question raised by shareholder number 1006577 in the Proposal (I) regarding the ratio or figure of the operating revenue of approximately NT\$28.1 billion recorded on page 226 of the 2023 Annual Report and the net income after tax of NT\$26.566 billion recorded on page 7 of the Handbook for the 2024 Annual Shareholders Meeting.

The reply of Hui-Jung Lu, Chief Accounting Officer Hui-Jung Lu of Yuanta Financial Holdings, is summarized as follows: The individual financial statements of Yuanta Financial Holdings show that revenue comes from the profits of all subsidiaries, while expenses and interest are only charged to Yuanta Financial Holdings. If the net profit margin is calculated based on Yuanta Financial Holdings' individual financial statements, the number will be very high; therefore, shareholders can refer to the consolidated financial statement data.

VI. Adjournment: 9:47 AM

Meeting Chair: Ting-Chien (Tony) Shen

Recorder: Wei-Hsuan Chen

- ※ This English version of the AGM Minutes has been translated from the Chinese version of the AGM Minutes, in which the meeting's content and procedures were audio-video recorded.