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Yuanta Bank Issues 5-Year TWD 2 Billion Sustainability Bonds

In response to Taiwan government's Green Finance Action Plan 2.0, which aims to guide investors into putting emphasis on ESG (Environmental, Social, and Corporate Governance) issues and to create a positive cycle where investments and industries are driven to pursue sustainable development, Yuanta Financial Holdings is expanding its influence in sustainable finance, with its subsidiary Yuanta Bank issuing its first financial debentures for 2022 on March 21, 2022. The debentures are to be used towards loans for green investment programs and investment projects for social benefits and are issued at TWD 10 million per unit with total issuance of TWD 2 billion for a period of five years, maturing on March 21, 2027. The issuance makes it the third sustainability bonds issued in Taiwan this year.

Yuanta Financial Holdings aligns with the United Nations Sustainable Development Goals (SDGs) and has established the "Group Sustainable Development Strategy Blueprint", setting short-, medium- and long-term goals and action plans for the five-year period to create a sustainable business management and service model. Its five subsidiaries follow the group's "Sustainable Finance Guidelines" in formulating their investment and financing strategies for sustainable development and has incorporated ESG factors into daily operation and decision-making processes. Over 3,200 investment and financing cases underwent assessment based on the Sustainable Finance Guidelines last (2021) year, which exceeds our target. Since joining as a member bank of the Equator Principles Association in 2020, Yuanta Bank has followed international frameworks in implementing the spirit of responsible credit into its

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credit business strategy and in managing potential environmental and social risks of credit cases, and has set a medium-term goal of having a total of 10,000 evaluated cases by 2023.

Yuanta Bank's issuance of sustainable development bonds is also a response to Taiwan government's "Five Plus Two" Industry Development Program with its support for key development industries to acquire funding and the provision of financing to other related sustainability-related industries, including solar cell manufacturing, renewable energy power generation, green buildings, electric vehicles, waste recycling equipment, waste power generation construction project and other related loans. Yuanta Bank assists in providing the necessary funding for the development of low-carbon industries and has established guidelines for list of the companies to avoid when making such loans.

In the area of investment projects for social benefits, Yuanta Bank provides healthcare and education-related financing projects and has set a medium-term target of achieving total loan amount of TWD 300 billion in sustainable investment lending in 2023. The investment projects for social benefits provided by the recent sustainability bonds can be broken down into three categories—the category of "affordable housing" includes urban renewal and unsafe and old buildings; the second being the epidemic prevention services for COVID-19 pandemic such as establishment of healthcare institutions and transformation of epidemic prevention quarantine hotels, which fulfills the "requirement of basic services"; and the third being programs to create employment and those which can prevent and reduce unemployment arising from socio-economic crisis to support actual economic transformation. Through responsible investments, Yuanta contributes to the sustainable development of society and mutual prosperity.