TDCC

2024
Annual Report

Taiwan Depository & Clearing Corp.

TDCC

2024

Annual Report

CONTENTS

Letter to the Shareholders

To the shareholders of TDCC:

In 2024, driven by exports and private investment momentum, the economy had an impressive performance. The Directorate-General of Budget, Accounting and Statistics estimated the economic growth rate to be 4.3%. The capital market trading and investment activity remained vibrant, with market prices and volumes rising in tandem. The average daily turnover of stocks listed on TWSE or TPEx and emerging stocks reached NT$ 528.1 billion, a record high, an increase of 46% year-on-year. The profits of the three financial sectors (securities, futures, investment trusts and consulting) surpassed the NT$ 1 trillion mark for the first time. Among them, benefiting from a booming stock market the securities and futures sectors achieved a net profit of NT$ 151.6 billion, marking a 51% increase. By the end of 2024, TDCC's total depository market value exceeded NT$ 100 trillion, reflecting the prosperity of the overall capital market.

The year 2024 marks the 35th anniversary of the TDCC's founding. We have launched a brand-new corporate identity logo. The new logo incorporates Tai Chi imagery with a geometric design to represent the continuity of tradition and innovative thinking. The color scheme features blue to signify innovation and resilience, while green symbolizes inclusion and sustainability. The gradient overlap of blue and green embodies the core spirit of innovation, resilience, inclusion, and sustainability, which showcases our role as a vital back-end hub in the financial market.

Driven by vibrant market momentum, TDCC continues to optimize its core businesses, expand multiple innovative value-added services, enhance investors' digital experience , strengthen information security, and improve cybersecurity resilience, and make forward-looking arrangements to welcome larger trading volumes in the future and ensure stable market operations and sustainable development. In 2024, we demonstrated our strong team capabilities and achieved an impressive performance in fund market services, core business innovation, and financial technology applications.

In strengthening the fund market ecosystem, first of all, the B2B gross payment and receipt of the "Onshore Fund Centralized Clearing Platform" has covered more than half of the domestic funds since its launch in 2023. The B2C payment and receipt service for direct customers of securities investment trusts launched in December 2024 further reduce transaction costs for industry participants and investors. In response to the growing investment momentum in ETFs, and under the guidance of the competent authorities, TDCC established the "ETF Information Hub" in June 2024 to provide investors with one-stop statistical data and cash dividend information services; the ETF's eNotice service sent 3.07 million cash dividend notices, significantly reducing costs for industry participants while enhancing convenience for investors. In addition, in assisting the market supervision part, TDCC has been entrusted by the Financial Supervisory Commission to handle onshore funds eligible for application cases review since 2024. In 2025, it will continue to expand the review of onshore and offshore funds eligible for application cases and take on the audit business of investment trust.

In the core business innovation, TDCC's core business developed around the directions of "integration" and "innovation" in 2024, such as the establishment of a "Settlement Instruction Transmission Platform" between investment trusts and custodian institutions, assisting securities firms in building a "TDCC Back Office Operations Center," and integrating the "SyncOnline" system for real-time settlement information in the bonds and bills market. These initiatives enhanced operational efficiency and resource integration across market participants. TDCC launched its sub-brokerage cross-border custody business in June 2024, signing contracts with 15 sub-brokerage securities firms, representing a 95% market share. Through the "Team Taiwan for Sub-brokerage Services," the operating costs of securities firms were effectively reduced, and automated settlement and standardized stock information improved efficiency and strengthened the management of overseas assets for Taiwanese.

In promoting the development of financial technology applications, we fully embody the spirit of financial inclusion in the ePassbook App. In 2024, the number of App users has exceeded 5.64 million. TDCC continues to optimize the functions of the ePassbook App, promoting open banking 3.0 and open securities 2.0 information, and creating a comprehensive financial information platform to allow investors to integrate and query all financial assets. The eFastChannel Platform service launched at the end of 2024 allows investors to convert all their paper securities passbooks into mobile passbooks without visiting the securities firm counter; in addition, it also adds electronic notification push and query functions for dividends and ETF income distribution, allowing investors to keep track of investment income and cash flow anytime. At the same time, to explore the preparations needed to promote the tokenization of real-world assets (RWA) in Taiwan, we actively assisted the Financial Supervisory Commission in establishing the "RWA Tokenization Task Force," to jointly study the feasibility of financial asset tokenization with industry participants and explore integrated operations between virtual and real-world assets such as financial flows connecting digital and financial assets.

In ESG and sustainable finance, TDCC adheres to the concept of sustainable development and giving back to investors and has made long-term investments in social welfare, expanding care to the disadvantaged, education, arts, and sports, including the "Retirement Preparation Platform" charitable program, social charity organizations, and Financial Literacy for Youth Program. In December 2024, TDCC passed the British Standards Institution (BSI) ISO 14068-1 carbon neutrality verification, becoming the world's first central securities depository (CSD) institution to declare carbon neutrality. In addition, we are the first to respond to and support the concept of indigenous carbon sequestration, draw the financial industry's attention to natural carbon sequestration and afforestation in indigenous regions, promote the sustainable development of carbon removal and carbon trading, and lead sustainable actions.

In promoting international exchanges, in 2024, TDCC jointly organized the "2024 Asian Fund Standardization Forum and Investor Services Task Force Joint Workshop" with the Korea Securities Depository (KSD) and the Indonesia Central Securities Depository (KSEI). TDCC also served as a speaker at the 26th Annual Meeting of the Asia-Pacific Central Securities Depository Group (ACG), sharing TDCC's business development and financial technology innovation achievements and actively assuming the role and function of convener of the ACG Investor Services Task Force, and holding several workshops and exchange activities. In 2024, we continued to expand our participation in international organizations and applied to join the International Capital Market Association (ICMA) and the International Corporate Governance Network (ICGN) to increase the international visibility of Taiwan's capital markets.

Looking ahead to 2025, the global economy continues to face numerous uncertainties. Nevertheless, in reshaping the global economy and trade landscape, the financial market is a key driver in directing capital flows and enabling economic transformation where the resilience of its infrastructure is crucial. TDCC is integral in the front, middle, and back ends of the service value chain of asset management. Guided by the policy of the Asian Asset Management Center of the Financial Supervisory Commission, we are committed to enhancing the quality and efficiency of asset management services. With innovation and intelligence as drivers, we will develop more diversified digital innovation services and deepen AI application scenarios. Reflecting the spirit of our new logo, TDCC will focus on two main development pillars: "Innovation" and "Sustainability," to realize the three visions: "Enhance Depository Platform of Financial Asset," "Lead Digital Innovation in Financial Services," and "Promote the Sustainable Development of Financial Markets," to promote a stable and prosperous financial market.

Taiwan Depository & Clearing Corporation
Chairman

Operational Overview

President / **Daniel Chen**

In accordance with guidance from competent authorities, TDCC is progressively implementing proactive measures such as the adoption of zero-trust network deployments to establish robust cybersecurity resilience. On this basis, TDCC adheres to the mission of serving the market, so we continue to innovate in providing market digital innovation services, such as promoting the Onshore Fund Centralized Clearing Platform, improving the e-services for all types of shareholders, optimizing the clearing and settlement system, and studying the expansion of the Virtual Matching Utility (VMU) service scope, heading for strengthening the back-end foundation of the financial market.

Furthermore, TDCC offers diversified supervisory services to assist competent authorities ,and is entrusted to handle fund raising declaration review work. We align with the business development needs of the financial market by providing comprehensive and convenient digital services to industry participants and investors, thus promoting financial inclusion. We are committed to achieving the policy goal of net-zero emissions in Scope 1 and 2 greenhouse gas emissions by 2030 through practical actions and studies aligning with international sustainability disclosure standards, thus promoting ESG sustainable development. These efforts have yielded tangible results. The 2024 business overview and the 2025 operational plan are described below.

2024 Business Overview

I. Major Business Development Projects

(I) Provide a digital financial environment and strengthen the implementation of financial inclusion

1. Plan the "Taiwan Individual Savings Account" (TISA) information reporting mechanism and query services through the TDCC ePassbook App or TISA website

In order to enable the public to make stable mid- to long-term investments as early as possible to accumulate savings for living expenses, the competent authority has convened TDCC, Securities Investment Trust & Consulting Associations, Taiwan Securities Association, and the Trust Association to jointly study and promote the "Taiwan Individual Savings Account" (hereinafter referred to as TISA). In response to the promotion of this system, TDCC plans to establish a TISA information reporting mechanism for sales agencies, along with providing investors services such as querying aggregated fund information on the project website and querying TISA information on the website through the ePassbook App.

2. Support the Asian Assets Management Center policy and establish a Private Equity Product Investment Platform

In response to the competent authorities' initiative to promote the Asian Assets Management Center policy and improve the development environment of private equity funds, TDCC plans to establish a "Private Equity Product Investment Platform," covering private equity fund functions, such as issuance registration, information disclosure, transaction transmission, and payment settlement. Additionally, our Fund Clear plans to build a "Private Equity Product Query Section" to provide qualified investors with private equity product information. TDCC plans to integrate its services with the existing Fund Order-Routing Platform, Mutual Fund Trading Platform, and Onshore Fund Centralized Clearing Platform to provide onshore and offshore private equity fund-related services and improve the private equity product ecosystem.

3. The Onshore Fund Centralized Clearing Platform introduced payment and settlement services for direct retail investors (B2C) of securities investment trust companies

TDCC offers payment and settlement services for direct retail investors of securities investment trust companies on the "Onshore Fund Centralized Clearing Platform" starting December 23, 2024. This service aims to provide direct retail investors of securities investment trust companies with a convenient and low-cost method for fund subscriptions and payments, reducing fund transaction costs and helping investment trust companies expand their direct retail investors business. Investment trust companies may automatically deduct payments for funds subscriptions through the financial institutions partnered by TDCC, thereby significantly saving foreign currency remittance fees and reducing transaction costs for industry participants and investors.

4. **Establish the "Real-World Assets (RWA) Tokenization Task Force" and advanced its progress**

   To explore the preparations needed to promote the tokenization of real-world assets (RWA) in Taiwan, integrate the resources of various roles in the ecosystem, and study the digital technology and application of financial services, TDCC has established the "RWA Tokenization Task Force" in accordance with the instructions of the competent authorities and invited relevant financial institutions to participate in the RWA tokenization proof of concept (POC) initiative, based on the planning of the competent authorities. Domestic bonds, foreign bonds, and funds were selected as the POC project targets, and the plan of system architecture and application function of the POC were completed in 2024.

5. **Carry out the Fintech Development Roadmap 2.0**

   Assisting the competent authorities in handling the Fintech Development Roadmap 2.0 features 6 items, including 5 main items and 1 co-organized item. The specific promotion items include studying the feasibility of amending the "Financial Technology Development and Innovative Experimentation Act" and evaluating the feasibility of regulatory adjustments, identifying technologies or applications with advantages in Taiwan and providing relevant assistance, and expanding the SupTech Group to the SupTech and Research Application Group. TDCC has completed its three responsibilities as scheduled in 2024.

6. **Establish an information disclosure section for open securities TSP companies**

   TDCC is the organizer of promoting public data inquiry business on open securities, which was officially launched in June 2023. To further promote open securities and disclose information about open securities TSP companies, the establishment of the "Open Securities TSP Companies Information Disclosure Section" was completed in October 2024, providing investors with access to public data disclosed by various TSP companies. Securities and futures companies can also collaborate across industries with TSP companies through this website to jointly create financial inclusion.

7. **Establish an "ETF Information Hub" to facilitate investors to access information**

   TDCC has created a single query portal for ETF information on Fund Clear - "ETF Information Hub," integrating various ETF product information from TWSE, TPEx, and SITCA (Securities Investment Trust & Consulting Association).

This platform allows investors to effortlessly search and download various ETF information, statistical data, and dividend information, significantly enhancing information accessibility. The function was launched on June 28, 2024.

To further enhance the user experience, the "ETF Information Hub" launched two more functions, "ETF Statistics" and "ETF Dividend Calendar" on October 29, 2024. With a more intuitive operation interface, investors can choose the ETF products that best meet their investment needs from various perspectives and access accurate ETF product information.

8. **Passed the Asia-Pacific Economic Cooperation (APEC) "Cross Border Privacy Rules (CBPR)" certification**

   In response to the National Development Council's initiative to promote the CBPR system and strengthen the personal data protection of Taiwanese, TDCC, after becoming the first enterprise to introduce TPIPAS in Taiwan's financial industry in 2013, obtained the CBPR international certification on April 12, 2024, becoming the first enterprise in Taiwan to achieve this milestone. This demonstrates that our personal data management capabilities meet international standards, allowing for seamless compliance with local regulations on international data transfers with APEC member economies in the future, thereby effectively reducing compliance costs.

(II) Provide comprehensive services to meet the needs of overall market development

1. **In response to the launch of the securities borrowing system for odd-lot settlement demand by the TWSE, TDCC adjusts the relevant systems**

   Since the implementation of the Settlement-Coverage Securities Borrowing System, lenders has been limited to one trading unit or its integer multiples. To provide odd-lot investors with the opportunity to lend securities and expand the source of securities for settlement lending, TDCC cooperated with the TWSE planning, revised the book-entry transfer operation for securities lending, added odd-lot settlement securities lending, borrowing, calculation logic of securities lending fee, and other related system adjustments. These changes were implemented on December 30, 2024.

2. **Sign agreements with securities firms covering over 95% of the sub-brokerage market and initiate the transfer of foreign securities positions from overseas investments to TDCC's depository**

   In response to the booming business of Taiwanese investment in foreign securities, the competent authority announced an amendment to Article 23 of the "Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities" on May 8, 2024, adding that securities firms may entrust TDCC as the custodian institution for their overseas securities investment positions. In accordance with the policies of the competent authorities and the practical needs of sub-brokerage securities firms, TDCC has added multiple functions to the cross-border custody system. Through establishing standardization and an automated operation environment, this initiative aims to reduce the operating costs of the industry participants, improve operating efficiency, and thus strengthen the security of investors' overseas assets.

On September 24, 2024, TDCC held a press conference titled "Sub-Brokerage x Cross-Border Custody—A Collaborative Win-Win Approach" in partnership with securities firms, demonstrating the determination of securities firms to safeguard investor rights. As of the end of 2024, a total of 15 securities firms had signed contracts with TDCC, collectively accounting for 95% of the market share. On December 23, 2024, KGI Securities became the first sub-brokerage securities firm to initiate large-scale securities transfers, and various securities firms have also begun to operate securities transfers.

3. **Facilitate information transmission for the withholding securities and prepayment related to foreign investors' stock disposal**

   In response to the suggestions from foreign securities firms and custodian institutions in the AmCham Taiwan White Paper and the investment attraction activities in Eastern United States, to avoid foreign investors delaying the opportunity for customers to place orders due to time differences or the cumbersome authorization process of custodian institutions, the competent authority has opened up securities firms and custodian institutions to transmit information of withholding stock prepayment through TDCC's system.

   TDCC has collaborated on developing new systems, such as notification of withholding/ releasing stock prepayment by securities firms and custodian institutions and the transmission of trading systems and automated filing. The system was launched on May 1, 2024, effectively preventing operational risks from errors in funds or securities transferred between securities firms and custodian institutions while enhancing operational efficiency.

4. **In line with the regulatory approval for issuing active ETFs and passive balanced ETFs, and in response to the recommendations from the SITCA, we provide an electronic system functionality for ETF subscription Processing**

   Given the continuous increase in the overall size of the domestic ETF market and the number of investors, the competent authority has opened up securities investment trust enterprises to issue active ETFs and passive balanced ETFs for listing and trading on the TWSE or TPEx to improve the domestic capital market, and requested TDCC to provide book-entry transfer operations for primary market subscription, repurchase and clearing and settlement related operations for transactions by the current operations of passive ETFs, which was implemented on December 31, 2024.

In response to the SITCA's need for electronic ETF subscription operations, TDCC has offered ETF IPO subscription information transmission services since April 30, 2024. This service replaces the cumbersome cross-communication operations between securities firms and investment trust companies, aiming to increase the subscription success rate. In response to securities firms adopting the wealth management trust model to handle small-amount sales, the volume of ETF delivery operations after distribution through trust transfer has surged, affecting investor rights and securities firms' operations, and we have proactively optimized system functions.

5. **Add anti-dilution fee mechanism for securities investment trust funds, enabling industry participants to transmit anti-dilution transaction messages, and establish an anti-dilution fee section for securities investment trust funds on the Fund Clear.**

   To prevent investors from making large consecutive trades in securities investment trust funds that could impact the rights of existing fund beneficiaries, TDCC has been in line with the anti-dilution fee mechanism developed by the SITCA to handle the system adjustments of the fund trading, transmission, and clearing platform file specifications, and implemented on January 1, 2025. In addition, an anti-dilution fee section for securities investment trust funds was established on the Fund Clear to disclose information related to anti-dilution fee to help investors understand the anti-dilution fee mechanism of investment trust funds.

6. **Virtual Matching Utility (VMU) provides automated services related to the transfer of clients between custodian institutions**

   In response to the needs of participants, TDCC has continued to optimize the Virtual Matching Utility (VMU) services between custodian institutions and securities firms, adding the transmission of trading settlement data in authorization media and the collection of authorization from custodian institutions. These updates allow custodian institutions to promptly handle VMU operations for transferred clients, ensuring smooth pre-allocation and settlement of securities on the transfer base date. The relevant functions have been implemented online on August 19, 2024.

7. **Enhance the process for participants to handle clients' relinquishment of ownership for securities without stock affairs units**

   To improve the efficiency of participants in accepting book-entry transfer needs of customer and reduce the risk of document delivery loss, TDCC plans to return the "abandonment of ownership of securities without stock affairs units" to the participants' independent operation, simplifying the process and time of investors' abandonment of securities without stock affairs units. After the participants have reviewed and confirmed the correctness, the transfer to the abandonment account is completed. At the same time, supporting measures such as monitoring reports, audit guidance, and error transfer recovery mechanisms have been added. This case has been implemented on June 24, 2024.

8. **Strengthen the management of depository banks for physical short-term bills to improve settlement efficiency following unscheduled holidays**

   In response to the recent boom in short-term bill trading, to improve the settlement efficiency of the market following unscheduled holidays, TDCC has strengthened the management of the entrusted banks (Taiwan Cooperative Bank) that hold physical short-term bills depository, including adjusting system processing speeds, understanding practical operations, and enhancing its system functions, establishing human backup arrangements and enhancing financial services. Additionally, TDCC will establish a cross-institutional liaison mechanism and set the Operation Directions for Short-term Bill Payment Settlement to definitely regulate the settlement schedule and related management mechanisms for short-term bills.

9. **In coordination with the Taiwan Futures Exchange's rollout of new products in the futures market, TDCC provide secure and reliable clearing system functionalities, effectively contributing to increased market trading volume**

   In response to the launch of new products such as "Micro TAIEX Futures," "Additional Mini ETF Futures Contract Business," "Taiwan Mid-Cap 100 Futures," and "TOPIX Futures, UMC Stock Futures, and Yuanta US Treasury 20+ Year Bond ETFs Futures included in after hour trading eligible products" by the Taiwan Futures Exchange in 2024, TDCC enhanced system function of the futures settlement system and optimized the processing efficiency of various operations, so as to provide more diverse investment opportunities and hedging needs, effectively improving the service quality of the futures market.

(III) Assist the regulatory authority in strengthening corporate governance in the market, and provide digital stockholder e-services to advance sustainable development

1. **Collaborate with competent authorities to resolve issues identified in the CG Watch 2023 report concerning virtual shareholder meetings, thereby helping to uphold the overall evaluation of Taiwan in the report**

   In response to the CG WATCH 2023 report by the Asian Corporate Governance Association (ACGA), which offers suggestions regarding the service of the current pure video shareholder meetings in Taiwan, TDCC has compiled the "Explanation on ACGA's Comments on Pure Video Shareholder Meetings in

Taiwan" based on the comments in the "CG WATCH 2023" report, as well as the latest relevant international regulations on pure video shareholder meetings. It also includes a comparison of the current status of such meetings in various countries with the 2023 ACGA special article to serve as a reference for competent authorities and to support potential policy or legislative revisions.

2. **Oversee shareholder meeting practices of disputed companies to safeguard shareholder rights**

   TDCC has strengthened the auditing of stock affairs-related operations and shareholder meeting operations of contentious companies. TDCC has also irregularly invited relevant units to hold seminars on stock affairs issues to collect opinions and provide references for the competent authorities to promote policies.

   In response to the amendment to the Electronic Signatures Act, we provided practical opinions on excluding the application of the Electronic Signatures Act to proxies, as well as the solicitor can express objections on behalf of the principal at the shareholder meeting, and any restrictions on the solicitation and use of proxies abroad. These suggestions are intended to assist the competent authorities in their review and consideration.

3. **Assist competent authorities in establishing a supervisory framework for ESG rating agencies**

   In alignment with the Sustainable Development Action Plan (2023) for Companies Listed on TWSE or TPEx by the competent authority, TDCC has released the "Code of Conduct for ESG Ratings Providers" at the end of 2023. In 2024, TDCC signed contracts with SinoPac Inv. Service and Taiwan Index Plus to obtain ESG data authorization. Both institutions declared their compliance with TDCC's code of conduct. As for the six international rating agencies including FTSE Russell, have already stated that they follow similar standards in other countries and are also in compliance with TDCC's code of conduct.

   To establish a supervision mechanism for ESG rating agencies, the competent authority has requested TDCC to disclose the opinions of ESG rating agencies and rated companies on the above-mentioned code of conduct and collected practices of international organizations and countries such as the European Union, the United Kingdom, Japan, and Singapore. TDCC has reported the research results to the competent authority in October 2024.

4. **Actively promote the use of eNotice services by public companies, ETF-issuing investment trust companies, and investors, while also plan a dual-platform eNotice framework**

   TDCC actively promotes the eNotice service. In 2024, the number of public companies that have signed contracts has reached 1,256, a 30% increase from 968 in 2023; 17 investment trust companies issuing ETFs have completed the signing, of which 15 have officially adopted ETF eNotice. The number of investors who have agreed to sign has exceeded 880,000 by the end of 2024, an increase of more than 170% from about 320,000 at the end of 2023.

Considering that some public companies that have signed contracts to entrust other stock affairs electronic notification providers also need to use TDCC's eNotice service, we have planned supporting measures for the eNotice dual platform, which was implemented on November 29, 2024.

5. **Provide fund distributors with access to eVoting for consolidating investor opinions**

   On September 27, 2024, TDCC added fund distributors as users of eVoting to help fund distributors simplify the collection of their investors' voting information. To enable fund distributors to have a full understanding of the application process and regulations of this case, TDCC held an online meeting to explain to the fund distributors how to use it. All institutions participated enthusiastically, with nearly 100 participants. In addition to eliminating the cumbersome paper voting process, reducing the manpower cost of vote counting, and improving accuracy, this service also helps to increase the attendance rate of fund beneficiaries, thereby ensuring the successful convening of beneficiary meetings.

(IV) Assist competent authorities in strengthening market supervision by offering diversified supervisory support services

1. **Conduct the first phase work of review for onshore and offshore fund offering applications, and complete the second phase framework design along with market communication efforts**

   Considering market development, the competent authority has entrusted TDCC with the first phase of "onshore and offshore non-index stock funds" raising cases review from 2024. TDCC will be entrusted with expanding its scope of review since the implementation of the second phase in 2025. Additionally, TDCC will assist the competent authority in conducting a preliminary review for the third phase of "onshore and offshore funds application approval."

   Regarding the second phase of fund review work, TDCC has completed the planning content and revised the "Operation Directions for Entrusted Review of Onshore and Offshore Fund Raise." To help industry participants understand the relevant review procedures, a briefing was held in December 2024 to provide a detailed explanation.

2. **Host SIG workshop on risk supervision data analysis and application**

   Referring to the recommendations on the hackathon final report for the follow-up actions of the SupTech Group of Co-creation Platform, the competent authority has requested TDCC to set up a thematic expert workshop. TDCC commissioned National Yang Ming Chiao Tung University to hold three SIG meetings with a theme on risk supervision information, inviting 99 attendance from 13 units, including the Financial Supervisory Commission, the Central Bank, and various relevant units, to participate in the meetings. The suggestions put forward by the participants were integrated to complete the relevant recommendation report for reference by the competent authority in its policy implementation.

3. **Carry out electronic transmission for shareholding verification and automated reporting processes**

   In response to Article 43-1 of the Securities and Exchange Act, which lowers the threshold for reporting and announcing large-scale shareholdings from 10% to 5%, the competent authority has entrusted the TWSE and TPEx to accept reports from major shareholders jointly. In cooperation with their operations, TDCC provides and transmits shareholding verification data of shareholders who meet the reporting standards and notifies the market supervision authorities when changes in shareholder shareholdings meet the reporting standards.

   Furthermore, to effectively supervise the relevant provisions of the reporting of the same person or same concerned party holding a certain percentage of equity in financial holding companies, banks, and insurance companies by Article 16 of the Financial Holding Company Act, Article 25 of the Banking Act and Article 139-1 of the Insurance Act, the Banking Bureau and the Insurance Bureau have respectively requested TDCC to assist in the establishment of a portal website of shareholding verification operation and to place the historical reporting data of a same person or same concerned party into the system, provide and transmit their relevant shareholding verification data that meet the reporting standards every business day, and immediately report to the competent authority.

(V) Ongoing enhancement of cybersecurity defense capabilities to ensure greater operational safety and resilience

1. **Collaborate with other securities and futures peripheral institutions to establish the "Securities and Futures Bureau Non-Trading Four-in-One Network," improving the connectivity environment between the Bureau and its associated organizations for big data systems and audit application systems**

   To improve the complicated application process for connecting the competent authorities and other securities and futures peripheral institutions accessing big data system and audit application systems, we have collaborated with other peripheral institutions to establish the "Securities and Futures Bureau Non-Trading Four-in-One Network" jointly to facilitate the competent authorities to share lines, routers, firewalls, and other equipment connections, streamline the equipment configuration and maintenance management of the overall network environment, and adopt VPN connection encrypted transmission method to enhance cybersecurity.

2. **Build a cloud-based internet backup connectivity infrastructure for participants to safeguard stable and uninterrupted market operations**

   The "Participant Internet VPN Backup Connection" network environment has been completed to strengthen the resilience of TDCC's core business. If a dedicated network interruption, securities, futures, and bills business can still operate normally. In addition, in conjunction with the system cloud planning schedule, a VPN connection environment has been provided to allow participants to access cloud-based business information systems. This eliminates the need for participants to visit TDCC in person to perform backup operations during network interruptions, saving their round-trip time.

(VI) Assist the competent authorities in hosting the regional training and exchange program of the U.S. Securities and Exchange Commission (SEC), while actively engaging in international conferences and organizations

The competent authority held SEC regional exchange training program in Taiwan from April 22 to 25, 2024. It was jointly organized by TDCC and related units, and invited 331 attendance from the self-regulatory organizations of securities supervisory authorities in South Korea, Indonesia, and other countries to participate in the meeting. During the meeting, the SEC shared its rich experience in topics such as market intermediary supervision, insider trading, and cryptocurrency investigations, promoting the synchronization of markets in various countries with international trends. The event was successfully completed.

TDCC actively participated in international conferences of central depository institutions, served as a speaker, and organized several international exchange activities, sharing its business development and financial technology innovation achievements with representatives from participating countries. In addition, we have joined international organizations such as the International Capital Market Association (ICMA) and the International Corporate Governance Network (ICGN) and actively communicate with institutions in various countries to increase the international visibility of Taiwan's capital markets.

(VII) Demonstrate commitment to corporate social responsibility and embrace ESG principles to promote sustainable development

1. **Implement the ISO14068-1 carbon neutrality standard , marking a milestone as the world's first CSD to declare carbon neutrality**

   In 2023, TDCC set a target of achieving net-zero Scope 1 and 2 greenhouse gas emissions by 2030, actively introduced the ISO14068-1 carbon neutrality standard, and obtained a verification opinion statement issued by a third-party verification agency in December 2024, completing the carbon neutrality declaration and becoming the first CSD to announce the achievement of carbon neutrality in the world.

2. Demonstrate ESG sustainable practices recognized by multiple awards , including the National Brand Yushan Award, and lead in supporting the concept of indigenous carbon sequestration

   TDCC has implemented ESG sustainable development measures and has been recognized by many domestic and international awards, such as the National Brand Yushan Award and the Asian Corporate Social Responsibility Award for many consecutive years. In 2024, in addition to publishing the TCFD report and formulating an internal control system for sustainable information, we also signed an MOU with the Taiwan Successive Indigenous Township Mayor Association (TSITMA), taking the lead in responding to and supporting the concept of Indigenous natural carbon sequestration and studying the feasibility of obtaining carbon sequestration as a way to remove our greenhouse gas emissions, thereby achieving the goal of net-zero emissions by 2030.

3. Consistently advance social welfare initiatives and implement inclusive finance

   TDCC adheres to the philosophy of sustainable development and giving back to investors, and has and has made long-term investments in social welfare, expanding care to the disadvantaged, education, arts, and sports, including the "Retirement Preparation Platform" charitable program, community care centers, and Financial Literacy for Youth Program, Industrial-Academic Cooperation Program, TDCC Contemporary Art Award, sponsorship of rural grassroots schools' sports highlight training program, and hosting of sports events. Through comprehensive public welfare actions, TDCC aims to implement inclusive finance and promote social inclusion.

4. Actively promote various anti-fraud awareness campaigns

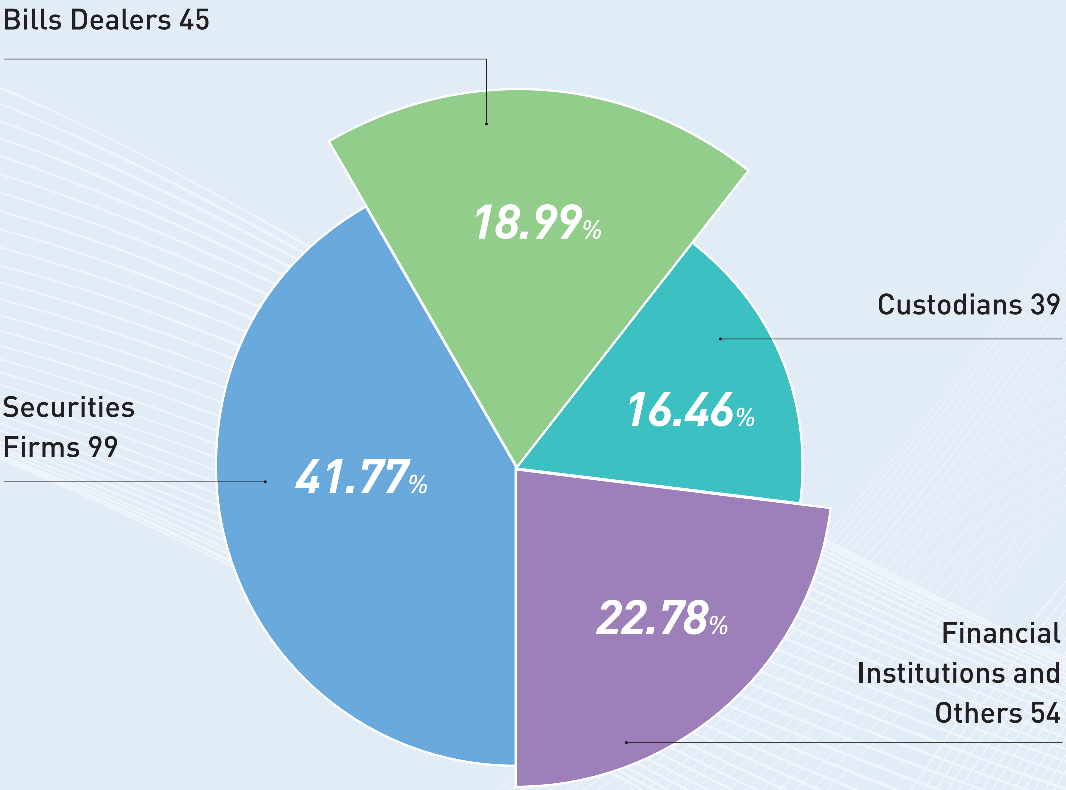
   Given the increasing rampant investment fraud in recent years, which infringes on the property safety of Taiwanese, TDCC cooperates with the competent authorities to implement anti-fraud policies to protect investors' assets. In addition to establishing a "Financial Anti-Fraud Promotion Section" on the official website, producing anti-fraud promotional videos and propaganda, and producing and broadcasting financial knowledge shows on Podcasts, we also use various channels such as the ePassbook App, Taiwan Stock Museum, Fund Clear, financial intelligence education promotion, in-depth campus financial knowledge lectures, military personnel financial management lectures, community care centers, major financial education promotion activities, and sponsorship of sports events to simultaneously promote anti-fraud concepts and the latest information to investors, achieving the triple goals of identifying fraud, blocking fraud, and preventing fraud.

II. Operational Performance

(I) Participants

TDCC conducted the book-entry transfer operation with a total of 237 participants, including 99 securities firms, 45 bills dealers, 39 custodians, and 54 financial institutions. Additionally, we carried out the issuance registration operation with a total of 8,178 participants, including 3,057 dematerialized registration issuers and 5,121 short-term bills issuers, bringing the total number of participants to 8,415.

237 Participants of Book-entry Transfer Operation



Note: The dematerialized registration issuers are not included.

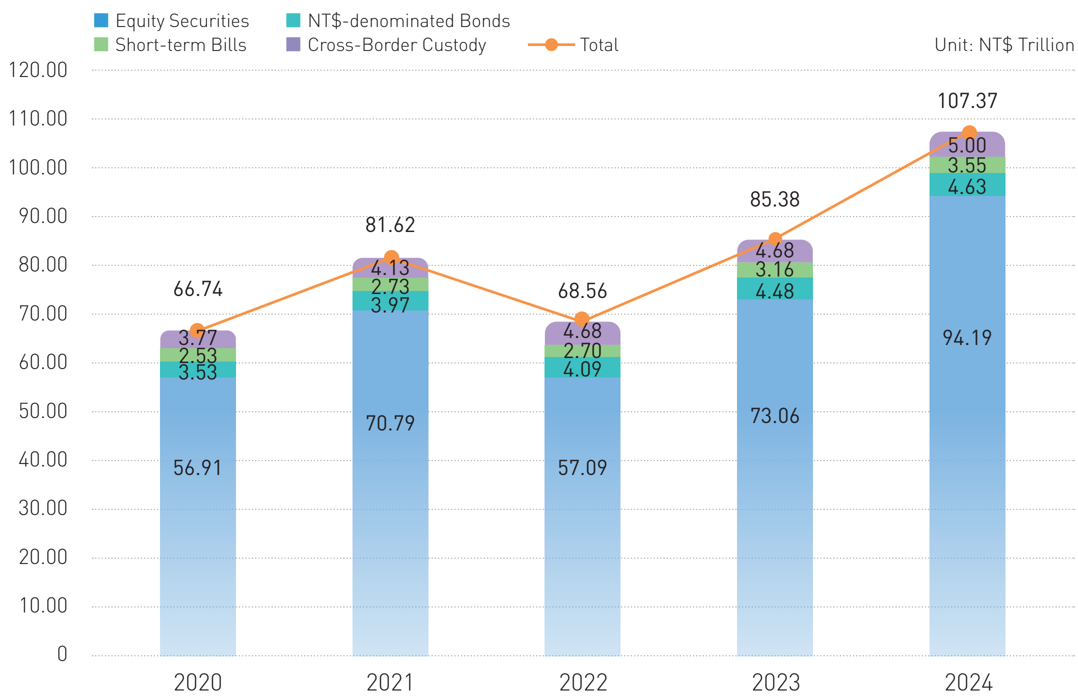
(II) Clearing and Settlement Business

In 2024, the volume of clearing and settlement operations for equity securities was approximately NT$ 127.8 trillion, fixed income products amounted to about NT$ 111.7 trillion, cross-border custody reached around NT$ 1.5 trillion, and mutual fund business were approximately NT$ 0.4 trillion. The total reached NT$ 241.4 trillion, showing a growth of 33.5% compared to NT$ 180.8 trillion in 2023. Additionally, the number of futures entrusted for processing also reached 395 million lots, an increase of 21.9% from 324 million lots in 2023.

	Equity Securities Market	Fixed Income Products		Cross-border Custody	Fund Market	Futures Market
		Bonds	Bills			
Volume of Total Transaction	NT$127.8 trillion	NT$9.69 trillion	NT$102 trillion	NT$1.5 trillion	NT$364.8 billion	395 million lots
Volume of Average Daily Transactions	NT$528.1 billion	NT$40 billion	NT$423.3 billion	NT$6.2 billion	NT$1.5 billion	1.63 million lots
Number of Daily Transactions	1.98 million	608	1,704	156	85,000	1.32 million

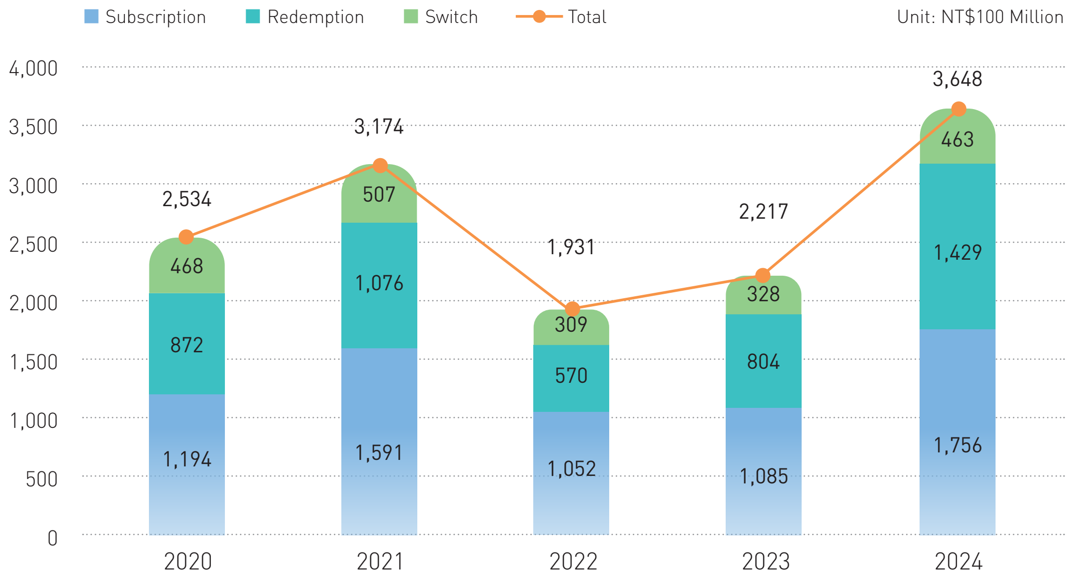
(III) Custody Business

In 2024, the balance of equity securities held in custody was approximately NT$ 94.19 trillion, while NTD-denominated bonds totaled NT$ 4.63 trillion, short-term bills amounted to NT$ 3.55 trillion, and cross-border custody reached NT$ 5 trillion. The total custody balance increased approximately 25.7% as NT$ 107.37 trillion, compared to 2023 as NT$ 85.38 trillion.



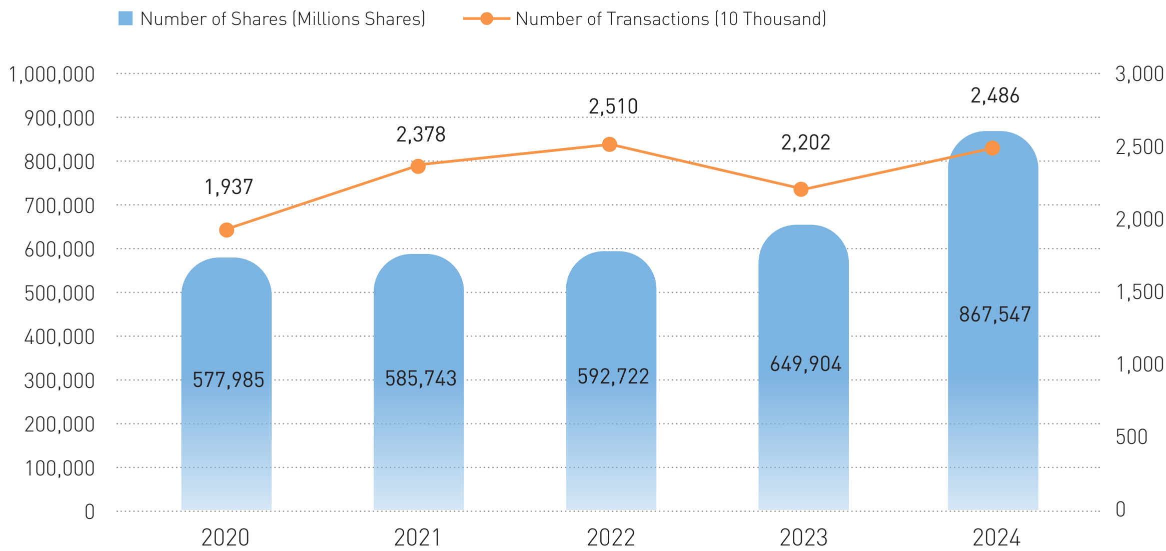
(IV) Fund Business

In 2024, the amount of the payment and receipt operations of the fund trading platform was approximately NT$ 364.8 billion, including NT$ 175.6 billion for subscription, NT$ 142.9 billion for redemption, and NT$ 46.3 billion for switch, which represents a 64.5% increase compared to 2023 as NT$ 221.7 billion.



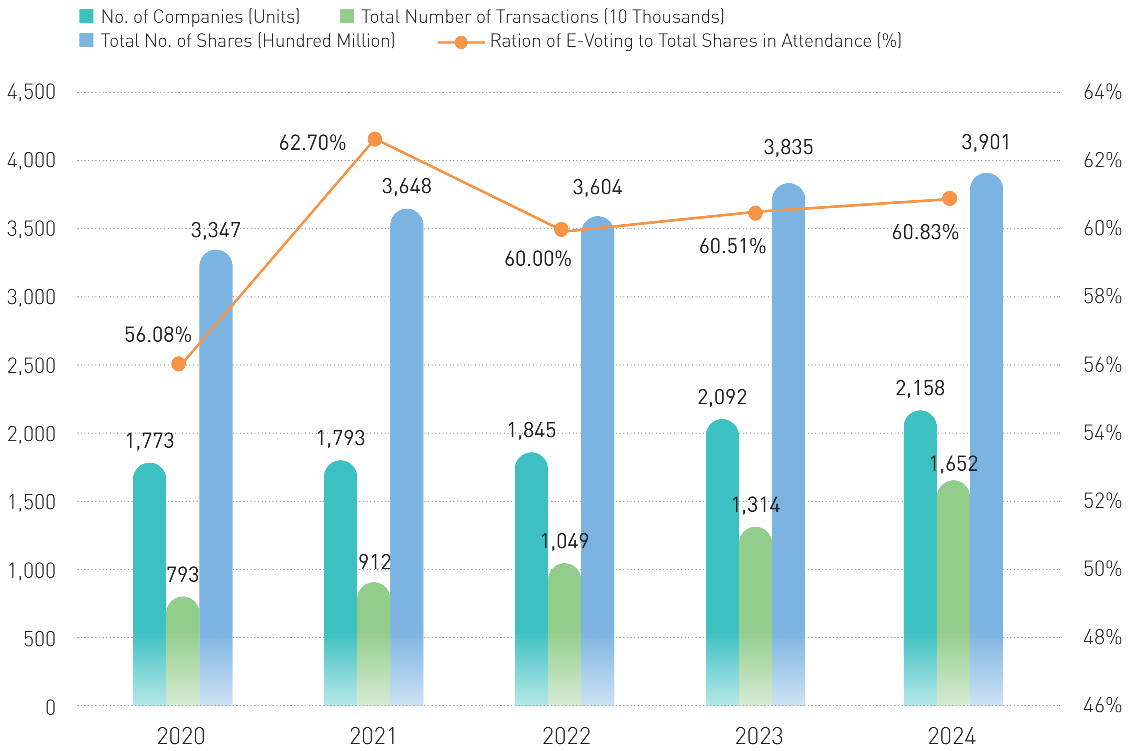
(V) Book-Entry Distribution Business

In 2024, 24.86 million entries were processed for the book-entry distribution of equity securities in the ledger, totaling 867,547 million shares.



(VI) E-Voting Business

In 2024, a total of 2,158 listed on TWSE or TPEx and emerging market companies implemented electronic voting for shareholders' meetings, achieving a participation rate of approximately 60.83% of the outstanding shares, thereby reaching the goal of exceeding 60% within three years.



2025 Operational Plan

In 2025, TDCC will continue to focus on financial technology, promoting information integration and digital transformation, deepening diversified services, and creating maximum value in the financial market through cross-category, cross-industry, and cross-border data integration. In response to rapid market changes, TDCC will continue to deepen our expertise in digital and cybersecurity fields, and actively promote the development of digital financial services, adhering to the concept of mutual benefit with market participants and assisting competent authorities in promoting financial development, and helping financial security and development to advance simultaneously. Our 2025 Operational Plan is structured around five major strategic directions as follows:

I. Building a critical hub for financial infrastructure

In response to the policy direction of the competent authority to expand the asset management business of securities firms and to open up overseas customers to handle non-restricted purpose loan for funds at OSU, TDCC will actively study the planning of related operations and systems. To strengthen digital services for securities firms and to improve the functionality of TDCC back-end operation centers, TDCC's digital book-entry transfer operation platform will complete the comprehensive conversion of commonly used book-entry transfer transactions in 2025. TDCC will continue to optimize related operations and audit procedures to meet the challenges for efficiency of various new businesses and settlement operations.

In 2024, TDCC partnered with major domestic securities firms to jointly form Team Taiwan for Sub-brokerage Cross-border Custody Services to promote local cross-border custody services. 15 securities firms with market share exceeding 95% have initiated the transfer of securities. In 2025, TDCC will continue to promote cross-border custody services to securities firms, and through standardization and automated processing, integrating cross-international operations with custody institutions will expand Taiwan's sub-brokerage market and effectively ensure the safety of investors' assets.

II. Developing an all-encompassing service framework for the fund ecosystem

In response to the Financial Supervisory Commission's promotion of the Asian Asset Management Center policy, TDCC will establish a fund declaration and investor inquiry mechanism for Taiwan Individual Savings Account (TISA) in 2025. In the future, investors can use electronic certificates to complete their identity authentication or log in to the TISA project website through the ePassbook App link to check personal TISA-level fund transaction records and balances. To improve the transparency and integrity of information disclosure, TDCC will continue to improve the Fund Clear and ETF Information Hub, expand and promote the retirement financial reserve platform through our subsidiary FundRich Securities, improve the accessibility and convenience of financial services for Taiwanese, and realize financial inclusion.

To further improve the ecosystem of private equity fund products, a private equity fund investment platform will be planned in 2025, and a private equity fund service chain will be built in three years, providing issuance registration, information disclosure, transaction transmission, and payment settlement services, to achieve the policy goal of "retaining capital and attracting investment" of the Asian Asset Management Center.

In addition, in response to the expansion of entrustment by the competent authority, TDCC established the SITE Services in 2025 to review "onshore and offshore non-index stock funds" eligible for application raising cases and audit and guide on the business, finance, and personnel of the investment trust companies, to assist the competent authority to improve the management of investment trust industry.

III. Driving the expansion of Fintech innovations

In response to the policy of the Fintech Development Roadmap 2.0 of the competent authority, TDCC actively plans to master the ePassbook App to include futures assets, and at the same time promote cooperation with banks to handle open banking 3.0 transaction services. In addition, TDCC will continue to participate in the case of the RWA Tokenization Task Force of the Financial Supervisory Commission and the Central Bank Digital Currency (CBDC) POC project, establish a blockchain platform, assist in the integrated operations between virtual and real-world assets such as financial flows connecting digital and financial assets, and actively explore new forms of financial asset circulation.

In cooperation with the amendment to the Electronic Signature Act, the "eCounter of Stock Affairs" (eCounter) will provide a one-stop service in 2025, and investors can handle affairs with the issuing company through digital signature and seal, such as shareholder account opening and basic information changes, which greatly saves shareholders' time and transportation costs for handling at the counter of the stock affairs units and expands financial innovation application scenarios.

To strengthen services for market and effectively improve internal operation efficiency and knowledge inheritance, TDCC continues to deepen the innovative application of AI, and will use the construction and operation of local AI models to actively introduce AI technology into intelligent customer service, smart office, and enterprise knowledge center, and will gradually discuss employing AI technology to simplify business processes.

IV. Establishing a resilient and intelligent information fortress

To strengthen the preservation of key market data and protection of investors' rights, TDCC continues to optimize the functions of the Security Operations Center (SOC) and will expand to an intermediate security level system in the future. It will also plan to build a Security Orchestration, Automation and Response (SOAR) mechanism. By integrating logs from more sources, it will fully grasp the system operation status and detect abnormal behaviors as soon as possible, aiming to shorten the processing time of security personnel and strengthen incident response management.

In addition, in conjunction with the reference guide for introducing zero trust architecture in the financial industry issued by the Financial Supervisory Commission on July 15, 2024, TDCC plans to select some high-risk areas, implementation methods, and phased introduction of relevant control measures in 2025 and will complete the Level 1 standard.

V. Leveraging ESG to accelerate sustainable transformation

In assisting the sustainable development of the market, in addition to cooperating with the Bills Finance Association to promote the ESG of the bill market, TDCC provides information declaration and disclosure services for sustainable development bills; in addition, TDCC cooperates with the "Sustainable Development Action Plan (2023) for Companies Listed on TWSE or TPEx" of the Financial Supervisory Commission to improve the ESG IR Platform, provide information and functional optimization required for digital Stewardship Reports for institutional investors, and provide voting recommendation reports for international voting consultants, to provide reference for listed companies in Taiwan and promote communication between domestic listed companies and international voting consultants.

In implementing corporate social responsibility, in addition to long-term investment in social welfare, assisting vulnerable youth on financial careers, promoting financial education, caring for the disadvantaged and social welfare institutions with practical actions, and responding to the government's call for enterprises to support sports development, TDCC is committed to implementing internal sustainable development, actively cooperating with the government's net zero emission target in 2050, continuously introducing ISO 14068-1 carbon neutrality standards, formulating short, medium, and long-term carbon reduction pathways and implementing carbon neutrality management plans. In addition, TDCC will follow the IFRS Sustainability Disclosure Standards in 2025 and complete the trial compilation of the sustainability information chapter in annual report, demonstrating its actions and efforts in the sustainability field and enhancing the transparency of Sustainability Reports.

Outlook

To continue to serve the market and promote financial development, TDCC will continue to work hard to optimize core businesses and strengthen the back-end infrastructure of the financial market. In addition to supporting the Asian Asset Management Center policy of the Financial Supervisory Commission and promoting financial inclusion services such as open securities and open banking, it will also create a comprehensive book-entry transfer service, deepen various fund platforms and core businesses of payment and receipt, and improve innovative applications such as ePassbook App and e-services for shareholders.

Looking forward to the new year, TDCC upholds three key visions and will take concrete actions to implement five major strategies, including "Building a critical hub for financial infrastructure" "Developing an all-encompassing service framework for the fund ecosystem" "Driving the expansion of Fintech innovations" "Establishing a resilient and intelligent information fortress," and "Leveraging ESG to accelerate sustainable transformation," we will work closely with competent authorities, other securities and futures peripheral institutions and participants to jointly shape a new era for Taiwan's capital market.

Company
Profile

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

Given that financial products are increasingly diversified, to improve the process synergies of back-end operation for cross-product investment by market participants, prevent duplicate resource investment, and follow the trend of back-office institutions integration in major international securities markets, the competent authority resolved to merge TSCD with Debt Instruments Depository and Clearing Co., Ltd. Taiwan (DIDC), which handled short-term bills and reported to Ministry of Finance, in July 2005. Through the integration of clearing, settlement, and depository platforms, the new entity aims to leverage the benefits of integration by effectively reducing the cost of investment, increasing operational efficiency, expanding the scope of service, and stimulating market development. The merger of the two companies was completed on March 27, 2006, and the new entity was named Taiwan Depository & Clearing Corporation (TDCC).

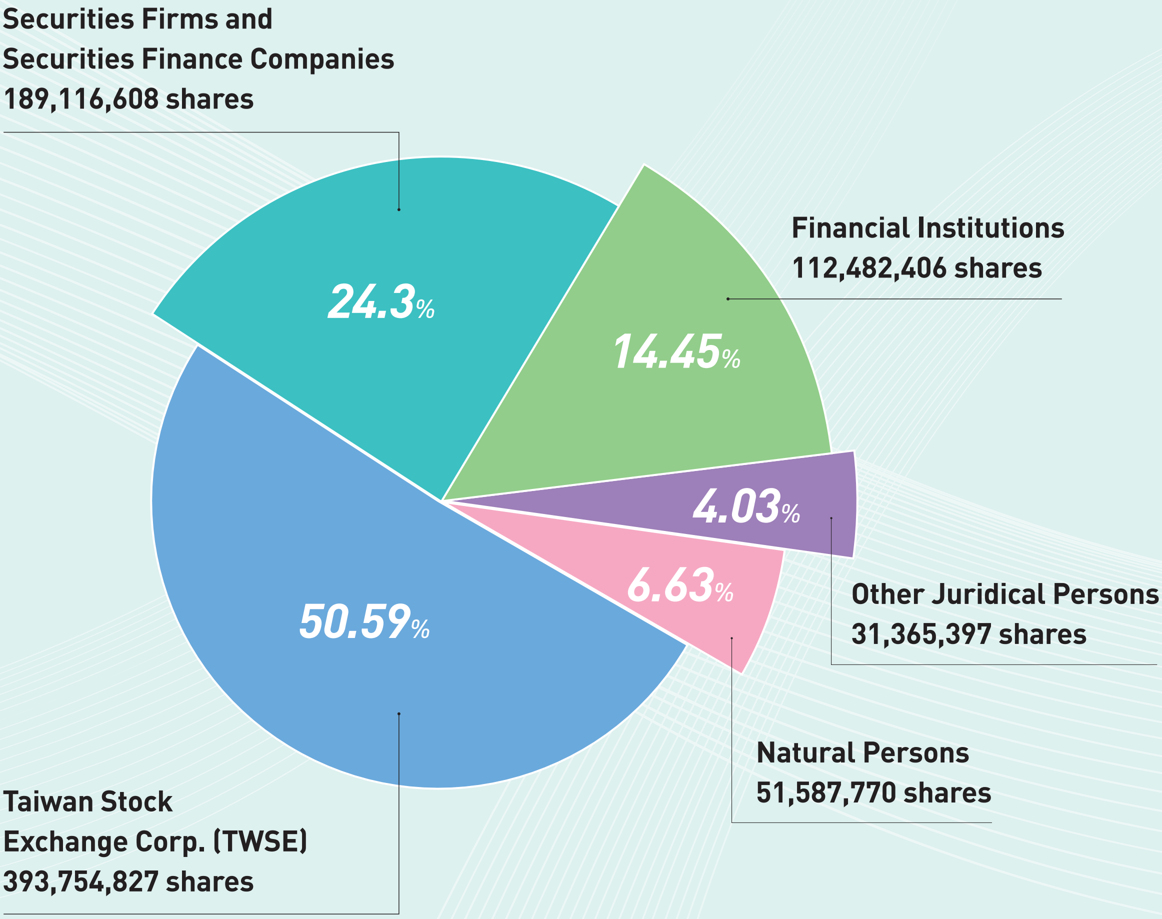
In the face of the digital development trend in shareholders' meetings in the global securities market, TDCC and Taiwan Integrated Shareholder Service Company (TISSC) resolved to promote the merger of the two companies in November 2013. The merger was completed on March 24, 2014, with TDCC as the surviving company. Through the mergers with the above back-end organizations, TDCC has become the critical back-end organization in Taiwan's financial market, acting as a diversified financial services platform that provides equity securities, bills and bonds, mutual funds, futures, and corporate action services.

In alignment with competent authorities in promoting financial technology innovation and financial inclusion policies, TDCC reinvested in and established "FundRich Securities Co., Ltd." in 2015 to provide a fund subscription channel to investors with a reasonable, low-cost, and transparent fee schedule. The main institutions invested by TDCC are as follows:

Invested Institution	Investment Date	Shareholding Percentage
Taiwan Ratings Corporation	1997.01.30	19%
TAIWAN-CA Inc.	1999.11.30	18.08%
FundRich Securities	2015.11.06	57.10%

Shareholder Structure

As of the end of 2024, TDCC has 1,885 shareholders, comprising 114 institutional investors and 1,771 individual shareholders. The Taiwan Stock Exchange holds the largest shareholding of 393,754,827 (about 50.59%), and securities firms and securities finance companies hold 189,116,608 (about 24.3%) of the shares. Followed by 112,482,406 shares held by financial institutions (about 14.45%), 31,365,397 shares held by other juridical persons (about 4.03%) and 51,587,770 shares held by natural persons (about 6.63%). The shareholding structure is as follows:



December 31, 2024

Board of Directors and Supervisors

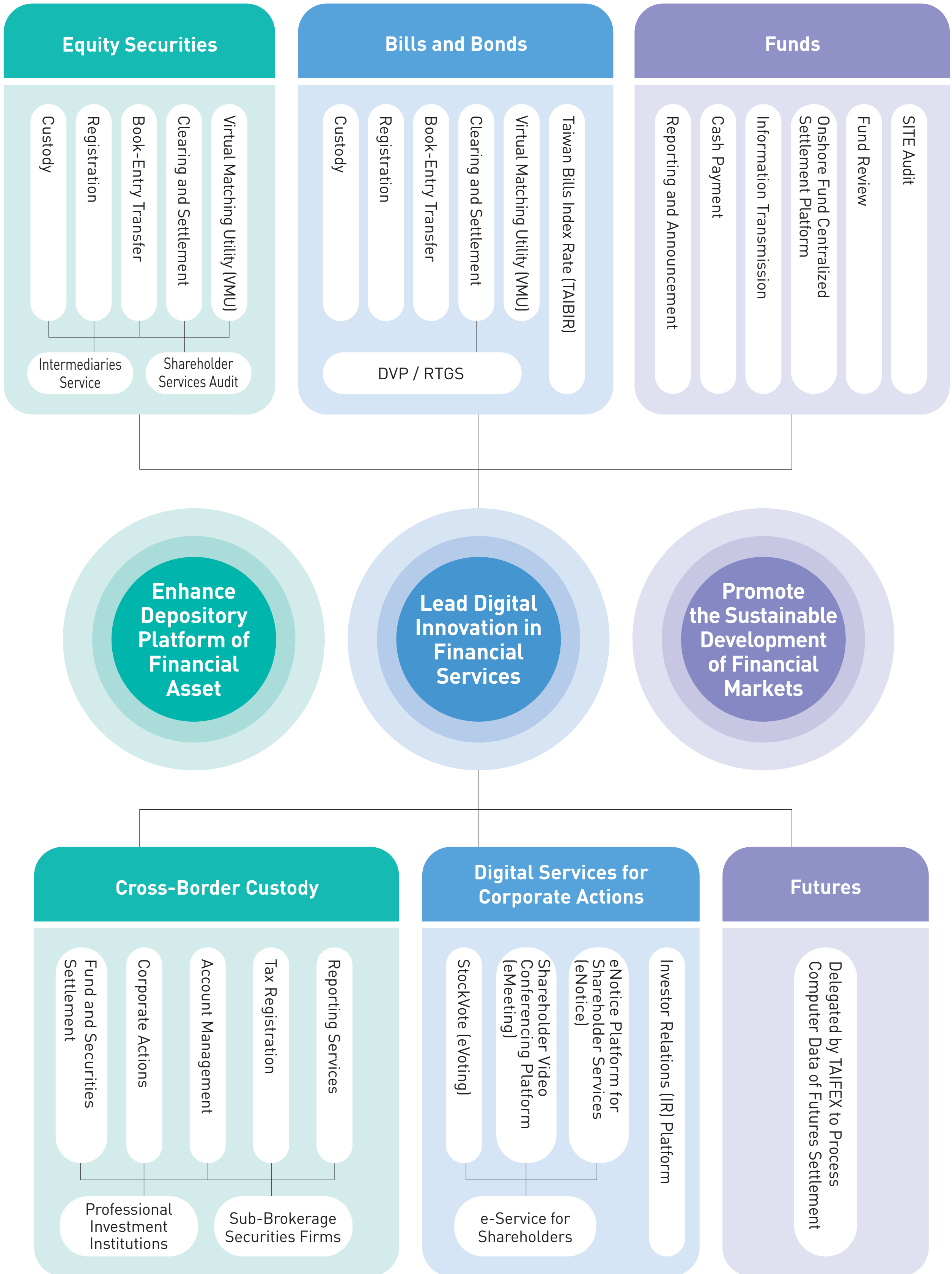
The Board of Directors is comprised of seven directors, representing the Taiwan Stock Exchange, Yuanta Securities Finance Co., Ltd., and KGI Securities Co., Ltd. There are three supervisors, including one standing supervisor. The directors, supervisors, and shareholder representatives of TDCC are as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

December 31, 2024

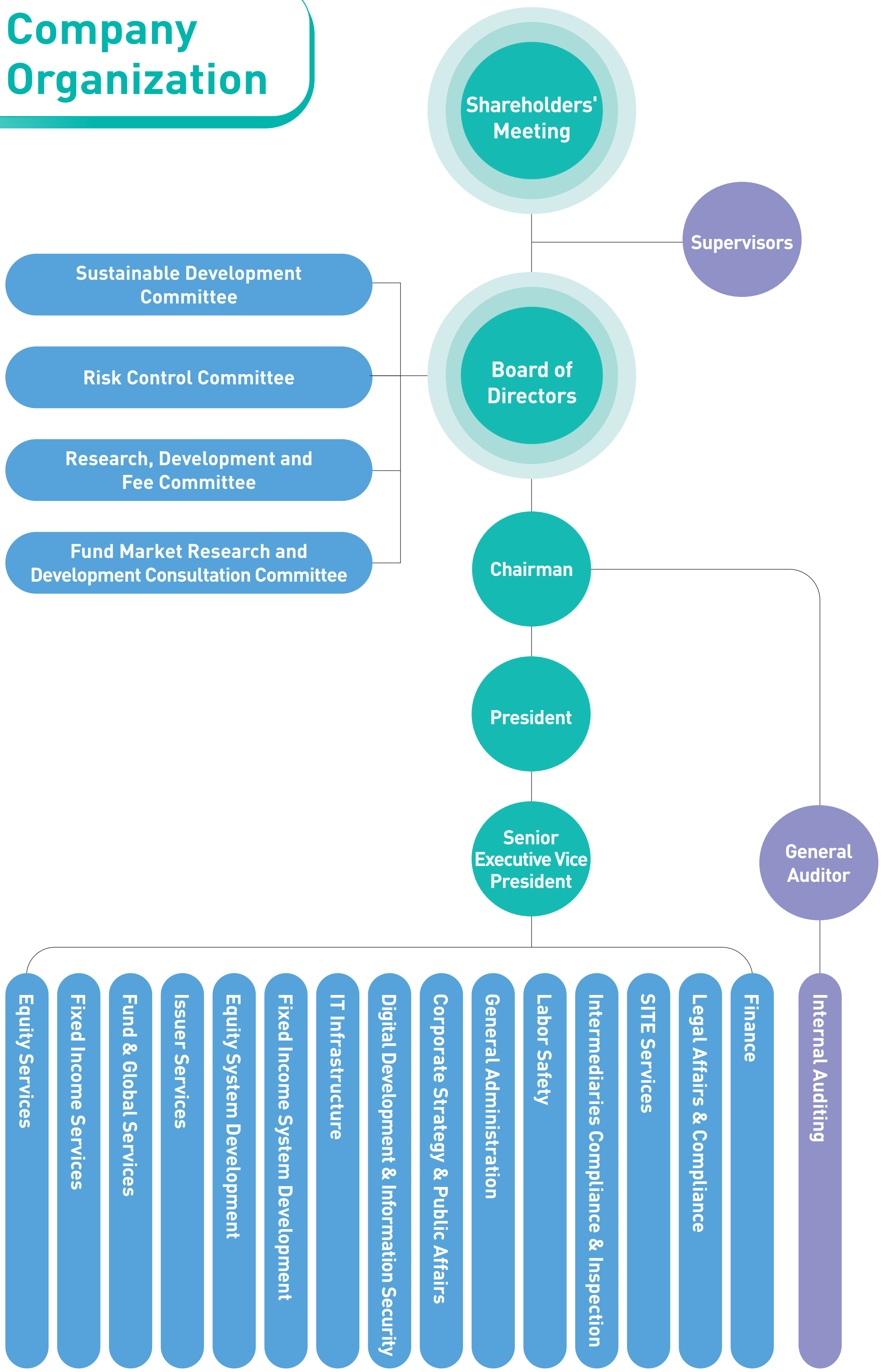
Title	Name	Shareholder Represented
Chairman	Bing-Huei Lin	Taiwan Stock Exchange Corporation (TWSE)
Director	Sherman Lin	Taiwan Stock Exchange Corporation (TWSE)
Director	Daniel Chen	Taiwan Stock Exchange Corporation (TWSE)
Director	Chao-Liang Kuo	Taiwan Stock Exchange Corporation (TWSE)
Director	Hung-Tu Liao	Taiwan Stock Exchange Corporation (TWSE)
Director	Yi-Ming Wang	Yuanta Securities Finance Co., Ltd. (YSFC)
Director	Falco Mi	KGI Securities Co., Ltd.
Standing Supervisor	Cheng-En Chan	Taiwan Securities Association
Supervisor	Chung-Che Huang	Taiwan Securities Association
Supervisor	Hsiu-Fen Hung	Taiwan Futures Exchange Corporation

Core Business and Diversified Development

Central depository and book-entry settlement services for securities are the foundation of the TDCC's business. On this basis, TDCC has gradually extended its service scope to various financial products, covering equity securities, bills and bonds, futures, cross-border custody, and funds. It has become a diversified service platform that integrates the securities flow, capital flow, and information flow of various types of securities. In recent years, with the increasing international emphasis on digital applications, information, and data security, TDCC has also actively used financial technology to provide various value-added data and open financial services to competent authorities and investors. These efforts promote the digital transformation of Taiwan's financial market. The stability and integrity accumulated by TDCC over the past decades have also led the TDCC to become a regulatory supplementary institution for the competent authority. Committed to cooperating in promoting national financial policies, TDCC supports the steady development of the financial market. Together with financial industries and investors, we are striving towards the common good.


Equity Securities
Custody
Registration
Book-Entry Transfer
Clearing and Settlement
Virtual Matching Utility (VMU)
Intermediaries Service
Shareholder Services Audit
Bills and Bonds
Custody
Registration
Book-Entry Transfer
Clearing and Settlement
Virtual Matching Utility (VMU)
Taiwan Bills Index Rate (TAIBIR)
DVP / RTGS
Funds
Reporting and Announcement
Cash Payment
Information Transmission
Onshore Fund Centralized Settlement Platform
Fund Review
SITE Audit
Enhance Depository Platform of Financial Asset
Lead Digital Innovation in Financial Services
Promote the Sustainable Development of Financial Markets
Cross-Border Custody
Fund and Securities Settlement
Corporate Actions
Account Management
Tax Registration
Reporting Services
Professional Investment Institutions
Sub-Brokerage Securities Firms
Digital Services for Corporate Actions
StockVote (eVoting)
Shareholder Video Conferencing Platform (eMeeting)
eNotice Platform for Shareholder Services (eNotice)
Investor Relations (IR) Platform
e-Service for Shareholders
Futures
Delegated by TAIFEX to Process Computer Data of Futures Settlement

Company Organization



Note: The SITE Services were established on March 14, 2025.

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

Note: The SITE Services were established on March 14, 2025, and the Senior Vice President of Finance is concurrently served by Stephanie Lin, Senior Vice President of SITE Services.

Management Team

Chairman / **Bing-Huei Lin**

President / **Daniel Chen**

Senior Executive Vice President / **Li-Chung Wu**

Senior Executive Vice President / **Kuang-Hui Chen**

Senior Executive Vice President / **Gloria Ching**

General Auditor of Internal Auditing / **Olivia Chang**

Senior Vice President of Fund & Global Services / **Eric Hsu**

Executive Vice President of Issuer Services / **Chen-Chen Huang**

Senior Vice President of Fixed Income Services / **Yuan-Hua Hsiao**

Senior Vice President of Equity Services / **Victor Wang**

Senior Vice President of IT Infrastructure /
Win-Cheng Wang

Senior Vice President of Equity System Development /
Jeff Yang

Executive Vice President of Fixed Income System Development /
Feng-Chung Chen

Vice President of Digital Development & Information Security /
Ming-Chang Lin

Senior Vice President of Corporate Strategy & Public Affairs /
Julie Wang

Executive Vice President of General Administration and Labor Safety /
Jennifer Chen

Senior Vice President of Intermediaries Compliance & Inspection /
Tzu-Ting Chen

Vice President of Legal Affairs & Compliance /
Hui-Hua Pai

Senior Vice President of SITE Services & Finance /
Stephanie Lin

SUPERVISORS' REPORT

To the 2025 Annual Shareholders' Meeting,
Taiwan Depository & Clearing Corporation

The Board of Directors has compiled and submitted to us for examination the 2024 balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows, consolidated financial statements, operations report and proposal for earning distribution for year 2024, etc. The undersigned Supervisors, accompanied by Deloitte & Touche, CPAs have completed our examination and found them correct. This report is hereby prepared in accordance with Article 219 of the Company Act and submitted for your approval.

Taiwan Depository & Clearing Corporation

Standing Supervisor
Cheng-En Chang

Supervisors
Hank Huang

Shiu-Feng Hung

April 23, 2025

TDCC

Internal Control Statement

Based on self-assessment, the following declarations are made regarding the Taiwan Depository & Clearing Corporation (hereinafter referred to as TDCC) internal control system for year 2024.

1. TDCC is fully aware that the establishment, implementation and maintenance of the company's internal control system are the responsibility of the board of directors and of the company's management. TDCC has already established an internal control system. The objective of the system's establishment was to provide a reasonable level of assurance that the company's goals for the efficiency and effectiveness of the company's operations (including profitability, performance and asset protection, etc.), the reliability, timeliness, transparency of its reports and adherence to relevant laws and regulations can be met.
2. Any internal control system has certain pre-ordained limitations. No matter how carefully designed the system may be, even the most effective internal control system can only provide a reasonable level of assurance for the three objectives noted above. In addition, the effectiveness of the internal control system is liable to be affected at changes in the environment and circumstances. However, TDCC's internal control system has a self-monitoring function; as soon as any failing in the system comes to light, the company will immediately take steps to improve it.
3. TDCC has evaluated the result of the design and implementation of the internal control system in accordance with the criteria items from the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinafter referred to as "these Regulations"). The criteria items adopted by these Regulations are classified into five components in line with the management control procedures: (1) Control environment; (2) Risk assessment; (3) Control activities; (4) Information and communication; (5) Monitoring activities. Each components in turn contains a number of items. Please refer to these Regulations for details of these items.
4. The above-mentioned internal control criteria items have been used by TDCC to assess the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the assessment, TDCC believes that the design and implementation of the company's internal control system(including Supervision and management over subsidiaries, overall implementation of information security) on December 31, 2024 are acceptable in terms of the efficiency and effectiveness of the company's operations, the reliability, timeliness, transparency of its reports and adherence to relevant laws and regulations, except for the items listed in the appendix, and can therefore provide a reasonable degree of assurance for the achievement of the above objectives.
6. Any false, hidden or illegal matters of this Declaration will lead to lawsuit responsibility according to the Article 174 of the Securities Exchange Act.
7. This Declaration was approved by TDCC's Board of Directors on February 19, 2025.

Taiwan Depository & Clearing Corporation

Chairman:	President:	Chief Internal Auditor:	Information Security Officer:
	Daniel Chen	Tzu-Wei Chang	Andy Wu

February 19, 2025

Enhancement and Improvements of Internal Control System

(Baseline Date: December 31, 2024)

Items needs Improvement	Improvement Measures	Estimated Time for Completion of Improvement
subsidiary： Fundrich Securities Co., Ltd Due to the incomplete internal control system over information security, Fundrich Securities was fined by the regulatory authorities on September 4, 2024.	The related operational procedures and workflows have been enhanced and implemented accordingly, and business operations are carried out in compliance with company's various regulations.	Improvements were completed.

Note: Please list in detail the sanctions imposed by the competent authority including warnings, disciplinary actions, administrative fines of greater than or equal to NT$240,000, and the improvement of information security deficiencies inspected by the competent authority.

Financial Reports

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Depository & Clearing Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Depository & Clearing Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of each key audit matter of the consolidated financial statements for the year ended December 31, 2024 are as follows:

Accuracy of Operating Revenues

The operating revenues of Taiwan Depository & Clearing Corporation and subsidiaries mainly include securities settlement revenue, securities recording revenue, transfer processing services revenue and bills and bonds clearing and custodial services revenue. These revenues are recorded on the books based on the related laws and contracts. In 2024, the Group's principal operating revenues amounted to $8,144,788 thousand, which is material to the financial statements. We considered the accuracy of operating revenues as key audit matter.

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

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

Existence and Classification of Bank Deposit

As stated in Notes 6 and 11, as of December 31, 2024, the Group had cash and cash equivalents of $5,570,777 thousand, other financial assets (time deposits with original maturities of more than 3 months) of $11,885,995 thousand, and default damage fund of $4,083,418 thousand. Because of the significance of the accounts, we considered the existence and classification of the bank deposits as key audit matter.

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

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

Other Matter

We have also audited the parent company only financial statements of Taiwan Depository & Clearing Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tung-Ju Hsieh and Jr-Shian Ke.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 19, 2025

Notice to Readers

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TAIWAN DEPOSITORY & CLEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents	$ 5,570,777	11	$ 3,371,943	7
Financial assets at fair value through profit or loss - current	6,049,910	12	5,753,668	13
Financial assets at amortized cost - current	1,852,166	4	2,552,428	6
Other financial assets - time deposits with original maturities of more than 3 months	11,885,995	23	11,075,595	25
Notes and accounts receivable, net				
Unrelated parties	695,527	1	587,583	1
Related parties	382,680	1	314,734	1
Other financial assets - others	1,139,207	2	1,837,729	4
Other current assets	293,754	1	144,814	–
Total current assets	27,870,016	55	25,638,494	57
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent	2,268,297	5	2,346,814	5
Financial assets at amortized cost - noncurrent	14,395,713	28	11,059,169	25
Default damage fund	4,083,418	8	3,731,787	8
Investments accounted for using the equity method	124,463	-	111,094	–
Property and equipment	728,324	1	709,601	2
Right-of-use assets	331,228	1	197,285	–
Investment properties	205,476	-	208,754	1
Intangible assets	222,659	1	202,490	1
Goodwill	237,545	1	237,545	1
Deferred tax assets	21,870	-	18,098	–
Refundable deposits	157,370	-	154,586	–
Operation guarantee deposits	70,000	-	70,000	–
Other noncurrent assets	16,382	-	31,136	–
Total noncurrent assets	22,862,745	45	19,078,359	43
TOTAL	$ 50,732,761	100	$ 44,716,853	100

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2024 Amount	2024 %	2023 Amount	2023 %
CURRENT LIABILITIES				
Accrued expenses	$ 629,912	1	$ 601,685	1
Lease liabilities - current	141,562	-	99,332	-
Current tax liabilities	1,224,697	3	718,957	2
Receipts under custody	990,933	2	1,724,315	4
Other current liabilities	111,673	-	104,864	-
Total current liabilities	3,098,777	6	3,249,153	7
NONCURRENT LIABILITIES				
Lease liabilities - noncurrent	194,825	1	101,413	1
Deferred tax liabilities	35,673	-	35,673	-
Guarantee deposits	188,138	-	80,296	-
Net defined benefit liabilities	371,603	1	417,009	1
Total noncurrent liabilities	790,239	2	634,391	2
Total liabilities	3,889,016	8	3,883,544	9
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Capital stock	7,783,070	15	6,540,395	15
Capital surplus	478,821	1	478,821	1
Legal reserve	5,085,752	10	4,541,220	10
Special reserve	22,889,047	45	21,124,763	47
Unappropriated earnings	7,993,344	16	5,510,355	12
Other equity - unrealized gain on financial assets at fair value through other comprehensive income	2,126,937	4	2,205,429	5
Total equity attributable to owners of the Corporation	46,356,971	91	40,400,983	90
NON-CONTROLLING INTERESTS	486,774	1	432,326	1
Total equity	46,843,745	92	40,833,309	91
TOTAL	$ 50,732,761	100	$ 44,716,853	100

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TAIWAN DEPOSITORY & CLEARING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
		Amount	%		Amount	%
OPERATING REVENUES						
Securities settlement	$	2,655,752	21	$	1,796,912	20
Securities recording		3,431,141	28		2,338,605	25
Maintenance services		415,495	3		384,266	4
Transfer processing services		872,995	7		619,128	7
Bills and bonds clearing and custodial services		2,057,895	17		1,891,919	21
Futures clearing services		462,836	4		382,163	4
Registration, distribution, and shareholder digitalization services		376,480	3		319,933	3
Mutual fund services		1,004,266	8		602,410	7
Brokerage fee		654,381	5		489,697	5
Others		436,307	4		334,855	4
Total operating revenues		12,367,548	100		9,159,888	100
OPERATING EXPENSES						
Personnel		1,357,331	11		1,281,205	14
General and administrative		2,062,378	17		1,891,831	21
Total operating expenses		3,419,709	28		3,173,036	35
OPERATING INCOME		8,947,839	72		5,986,852	65
NONOPERATING INCOME AND EXPENSES						
Interest income		516,665	4		382,957	4
Net gain arising on financial assets at fair value through profit or loss		261,893	2		276,140	3
Share of profit or loss of associates accounted for using equity method		40,470	-		31,320	1
Dividend income		68,612	1		83,333	1
Other income		19,170	-		18,176	-
Expected credit loss	(	804)	-	(	1,195)	-
Other expenses	(	27,243)	-	(	21,058)	-
Total nonoperating income and expenses		878,763	7		769,673	9

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

	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	$ 9,826,602	79	$ 6,756,525	74
INCOME TAX EXPENSE	(1,894,385)	(15)	(1,273,215)	(14)
NET INCOME FOR THE YEAR	7,932,217	64	5,483,310	60
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) / gain on investment in equity instruments at fair value through other comprehensive income	(78,517)	(1)	102,986	1
Remeasurement of defined benefit plans	78,206	1	30,409	-
Share of the other comprehensive income/(loss) of associates accounted for using equity method	1,225	-	(188)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(240)	-	42	-
Other comprehensive income for the year, net of income tax	674	-	133,249	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 7,932,891	64	$ 5,616,559	61
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 7,852,029	63	$ 5,415,081	59
Non-controlling interests	80,188	1	68,229	1
	$ 7,932,217	64	$ 5,483,310	60
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 7,852,703	63	$ 5,548,330	60
Non-controlling interests	80,188	1	68,229	1
	$ 7,932,891	64	$ 5,616,559	61
EARNINGS PER SHARE				
Basic earnings per share	$ 10.09		$ 6.96	

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Depository & Clearing Corporation

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Depository & Clearing Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of each key audit matter of the parent company only financial statements for the year ended December 31, 2024 are as follows:

Accuracy of Operating Revenues

The operating revenues of Taiwan Depository & Clearing Corporation mainly include securities settlement revenue, securities recording revenue, transfer processing services revenue and bills and bonds clearing and custodial services revenue. These revenues are recorded on the books based on the related laws and contracts. In 2024, the Corporation's principal operating revenues amounted to $8,144,788 thousand, which is material to the financial statements. We considered the accuracy of operating revenues as key audit matter.

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

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

Existence and Classification of Bank Deposit

As stated in Notes 6 and 11, as of December 31, 2024, the Corporation had cash and cash equivalents of $5,474,573 thousand, other financial assets (time deposits with original maturities of more than 3 months) of $11,120,795 thousand, and default damage fund of $4,083,418 thousand. Because of the significance of the accounts, we considered the existence and classification of the bank deposits as key audit matter.

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

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financia Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tung-Ju Hsieh and Jr-Shian Ke.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 19, 2025

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TAIWAN DEPOSITORY & CLEARING CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

ASSETS	2024 Amount	2024 %	2023 Amount	2023 %
CURRENT ASSETS				
Cash and cash equivalents	$ 5,474,573	11	$ 3,276,527	7
Financial assets at fair value through profit or loss - current	6,029,024	12	5,733,081	13
Financial assets at amortized cost - current	1,852,166	4	2,552,428	6
Other financial assets - time deposits with original maturities of more than 3 months	11,120,795	22	10,395,395	24
Notes and accounts receivable, net				
Unrelated parties	553,819	1	478,826	1
Related parties	388,052	1	318,378	1
Other financial assets - others	1,138,643	2	1,837,245	4
Other current assets	270,210	1	127,517	-
Total current assets	26,827,282	54	24,719,397	56
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent	2,268,297	5	2,346,814	5
Financial assets at amortized cost - noncurrent	14,395,713	29	11,059,169	25
Default damage fund	4,083,418	8	3,731,787	8
Investments accounted for using the equity method	772,385	2	686,542	2
Property and equipment	689,977	1	701,976	2
Right-of-use assets	270,097	1	186,955	-
Investment properties	205,476	-	208,754	1
Intangible assets	174,443	-	157,518	-
Goodwill	237,545	-	237,545	1
Deferred tax assets	21,870	-	18,098	-
Refundable deposits	152,963	-	147,169	-
Other noncurrent assets	372	-	372	-
Total noncurrent assets	23,272,556	46	19,482,699	44
TOTAL	$ 50,099,838	100	$ 44,202,096	100

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2024 Amount	2024 %	2023 Amount	2023 %
CURRENT LIABILITIES				
Accrued expenses	$ 585,439	1	$ 571,894	1
Lease liabilities - current	127,047	–	92,318	–
Current tax liabilities	1,197,696	3	690,436	2
Receipts under custody	990,933	2	1,724,315	4
Other current liabilities	106,128	–	101,362	–
Total current liabilities	3,007,243	6	3,180,325	7
NONCURRENT LIABILITIES				
Lease liabilities - noncurrent	147,352	–	97,799	1
Deferred tax liabilities	35,673	–	35,673	–
Guarantee deposits	180,996	–	70,307	–
Net defined benefit liabilities	371,603	1	417,009	1
Total noncurrent liabilities	735,624	1	620,788	2
Total liabilities	3,742,867	7	3,801,113	9
EQUITY				
Capital stock	7,783,070	16	6,540,395	15
Capital surplus	478,821	1	478,821	1
Legal reserve	5,085,752	10	4,541,220	10
Special reserve	22,889,047	46	21,124,763	48
Unappropriated earnings	7,993,344	16	5,510,355	12
Other equity - unrealized gain on financial assets at fair value through other comprehensive income	2,126,937	4	2,205,429	5
Total equity	46,356,971	93	40,400,983	91
TOTAL	$ 50,099,838	100	$ 44,202,096	100

TAIWAN DEPOSITORY & CLEARING CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES				
Securities settlement	$ 2,655,752	23	$ 1,796,912	20
Securities recording	3,431,141	29	2,338,605	27
Maintenance services	415,495	4	384,266	4
Transfer processing services	872,995	7	619,128	7
Bills and bonds clearing and custodial services	2,057,895	17	1,891,919	22
Futures clearing services	462,836	4	382,163	4
Registration, distribution, and shareholder digitalization services	376,480	3	319,933	4
Mutual fund services	1,105,924	9	672,747	8
Others	465,141	4	336,840	4
Total operating revenues	11,843,659	100	8,742,513	100
OPERATING EXPENSES				
Personnel	1,245,045	10	1,179,012	14
General and administrative	1,875,138	16	1,762,596	20
Total operating expenses	3,120,183	26	2,941,608	34
OPERATING INCOME	8,723,476	74	5,800,905	66
NONOPERATING INCOME AND EXPENSES				
Interest income	503,024	4	371,113	4
Net gain arising on financial assets at fair value through profit or loss	261,594	2	275,880	3
Share of profit or loss of subsidiaries and associates accounted for using equity method	147,205	1	122,137	2
Dividend income	68,612	1	83,333	1
Other income	18,741	-	18,007	-
Expected credit loss	(804)	-	(1,195)	-
Other expenses	(22,405)	-	(20,032)	-
Total nonoperating income and expenses	975,967	8	849,243	10

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

	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	$ 9,699,443	82	$ 6,650,148	76
INCOME TAX EXPENSE	(1,847,414)	(16)	(1,235,067)	(14)
NET INCOME FOR THE YEAR	7,852,029	66	5,415,081	62
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss)/gain on investment in equity instruments at fair value through other comprehensive income	(78,517)	(1)	102,986	1
Remeasurement of defined benefit plans	78,206	1	30,409	-
Share of the other comprehensive income/(loss) of subsidiaries and associates accounted for using equity method	1,225	-	(188)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(240)	-	42	-
Other comprehensive income for the year, net of income tax	674	-	133,249	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 7,852,703	66	$ 5,548,330	63
EARNINGS PER SHARE				
Basic earnings per share	$ 10.09		$ 6.96	

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TAIWAN DEPOSITORY & CLEARING CORPORATION

EARNINGS DISTRIBUTION TABLE

FOR YEAR 2024

(In New Taiwan Dollars)

	Amount	Amount
Earnings, beginning of year		$ 62,149,152
After-tax net income in 2024	7,852,029,393	
Add：Remeasurement of defined benefit plans	78,206,025	
Investments accounted for using the equity method	958,978	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period		7,931,194,396
Reserved items：		
Legal reserve（10%）	(793,119,440)	
Special reserve（31.13%）	(2,468,980,815)	(3,262,100,255)
Earnings available to appropriation in 2024		4,731,243,293
Appropriation of earnings：		
Stockholder's cash dividends （NT$3.0 per share）	(2,334,921,024)	
Stockholder's stock dividends（NT$3.0 per share）	(2,334,921,030)	(4,669,842,054)
Unappropriated retained earnings at end of 2024		$ 61,401,239

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