

**YUANTA FINANCIAL HOLDINGS CO., LTD.**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REPORT OF INDEPENDENT ACCOUNTANTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2009 AND 2008**

Yuanta Financial Holdings Co., Ltd. And Its Subsidiaries  
Consolidated Financial Statements of Affiliated Enterprises Declaration

According to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Report and Consolidated Financial Statements of Affiliated Enterprises”, the entities that shall be included in the consolidated financial statements conform to those stipulated in R.O.C. SFAS No. 7 “Consolidated Financial Statements”. In addition, relevant information of consolidated financial statements of affiliated enterprises has been disclosed in the Consolidated Financial Statements; hence, the Company did not prepare Consolidated Financial Statements of Affiliated Enterprises in 2009 (from January 1, 2009 to December 31, 2009).

March 22, 2010

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Yuanta Financial Holdings Co., Ltd.

We have audited the accompanying consolidated balance sheets of Yuanta Financial Holdings Co., Ltd. and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of Yuanta Financial Holdings Co., Ltd.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing the Examination of Financial Statements by Certified Public Accountants", "Rules Governing Audit of Financial Statements of Financial Institutions by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yuanta Financial Holdings Co., Ltd. and its subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Financial Holding Companies", "Regulations Governing the Preparation of Financial Reports by Securities Issuers", "Regulations Governing the Preparation of Financial Reports by Public Banks", "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan

March 22, 2010

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The accompanying consolidated financial statements are not intended to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China and their applications in practice.

Yuanta Financial Holdings Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheets

December 31,

(Expressed in Thousands of New Taiwan Dollars)

	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Cash and cash equivalents (Notes 4(1), 5 and 6)	\$ 24,725,466	\$ 16,457,094	Due to Central Bank and other banks (Note 4(16))	\$ 13,554,760	\$ 11,865,082
Due from Central Bank and call loans to other banks (Note 4(2))	76,234,814	35,999,826	Commercial paper payable – net (Notes 4(17) and 6)	1,529,779	2,876,978
Financial assets at fair value through profit or loss – net (Notes 4(3), 5 and 6)	43,681,736	95,616,294	Financial liabilities at fair value through profit or loss – net (Notes 4(3), (20) and 6)	6,468,442	4,542,348
Investments in bills and bonds under resale agreements (Notes 4(4), 5 and 6)	5,763,931	16,075,318	Bills and bonds payable under repurchase agreements (Notes 4(4), 5 and 6)	15,208,950	36,396,684
Receivables – net (Notes 4(5), (7) and 6)	78,822,370	40,961,300	Payables (Notes 4(18), (24) and 7)	46,252,081	35,948,008
Assets held for sale (Note 4(6))	45,376	40,819	Deposits and remittances (Notes 4(19) and 5)	299,375,413	289,242,436
Bills discounted and loans – net (Notes 4(7) and 5)	234,052,877	232,873,593	Bonds payable (Notes 4(20) and 6)	22,300,000	22,300,000
Available-for-sale financial assets – net (Notes 3, 4(8), 5, 6 and 10)	21,530,609	22,521,541	Other borrowings (Notes 4(21) and 6)	3,193,077	3,506,500
Held-to-maturity financial assets – net (Notes 4(9) and 6)	3,037,942	6,061,721	Accrued pension liabilities (Note 4(23))	1,015,563	925,974
Equity investments accounted for under the equity method – net (Note 4(10))	6,344,547	5,996,309	Other financial liabilities	404,295	1,684,921
Other financial assets – net (Note 4(11))	15,635,177	16,935,241	Reserves for operation and liabilities	894,027	770,160
Fixed assets – net (Notes 4(12), 6 and 7)	8,798,986	7,666,553	Other liabilities (Note 4(22))	<u>13,024,219</u>	<u>1,466,646</u>
Intangible assets – net (Note 4(13))	8,574,465	8,266,121	TOTAL LIABILITIES	<u>423,220,606</u>	<u>411,525,737</u>
Other assets (Notes 4(14) and 6)	9,200,081	11,024,725	<u>STOCKHOLDERS' EQUITY</u>		
Deferred income tax assets (Note 4(24))	2,232,465	3,131,700	Common stock (Note 4(25))	81,021,057	81,021,057
			Additional paid-in capital (Note 4(26))	24,943,557	25,634,097
			Retained earnings		
			Legal reserve (Note 4(27))	768,171	603,717
			Special reserve (Note 4(27))	814,445	101,640
			Unappropriated earnings (Note 4(28))	7,266,869	1,659,290
			Other stockholders' equity		
			Cumulative translation adjustments	6,520	118,266
			Unrealized profit or loss on available-for-sale financial assets	786,212	( 932,711)
			Treasury stock (Note 4(29))	( 332,810)	( 332,810)
			Unrealized loss on accrued pension cost	( 38,848)	-
			Minority interest	<u>225,063</u>	<u>229,872</u>
			TOTAL STOCKHOLDERS' EQUITY	<u>115,460,236</u>	<u>108,102,418</u>
			COMMITMENTS AND CONTINGENCIES (Note 7)		
TOTAL ASSETS	<u>\$ 538,680,842</u>	<u>\$ 519,628,155</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 538,680,842</u>	<u>\$ 519,628,155</u>

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

Yuanta Financial Holdings Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Income  
For the Years Ended December 31,

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	<u>2009</u>		<u>2008</u>	
Interest income	\$ 9,390,466	\$	15,686,123	
Less: Interest expense	( 2,777,109)	(	7,285,692)	
Net interest income	<u>6,613,357</u>		<u>8,400,431</u>	
Net non-interest income				
Net service fee and commission income (Note 5)	10,614,726		9,115,190	
Gain (loss) on financial assets and financial liabilities at fair value through profit or loss (Note 4(3))	3,676,440	(	806,624)	
Realized gain on available-for-sale financial assets	864,253		70,065	
Realized loss on held-to-maturity financial assets	-	(	131,440)	
Investments income accounted for under the equity method (Note 4(10))	588,205		603,033	
Foreign exchange (loss) gain – net	( 2,418)	(	1,059,268)	
Asset impairment losses	( 284,119)	(	1,644,395)	
Net other non-interest income or loss	<u>2,634,878</u>		<u>3,914,137</u>	
Net non-interest income	<u>18,091,965</u>		<u>12,179,234</u>	
Net profit	<u>24,705,322</u>		<u>20,579,665</u>	
Credit losses (Note 4(7))	( 442,609)	(	3,314,450)	
Operating expenses				
Personnel expenses (Note 4(32))	( 9,455,766)	(	8,752,703)	
Depreciation and amortization (Note 4(32))	( 1,049,457)	(	906,782)	
Business expenses and general and administrative expenses	( 4,432,083)	(	5,154,724)	
	<u>( 14,937,306)</u>	(	<u>( 14,814,209)</u>	
Income before income taxes	9,325,407		2,451,006	
Income tax expense (Note 4(24))	( 2,004,499)	(	721,428)	
Net income before extraordinary gain	7,320,908		1,729,578	
Extraordinary gain (Net of income tax of \$0)	-		760	
Consolidated net income	<u>\$ 7,320,908</u>	\$	<u>1,730,338</u>	
Consolidated net income attributable to:				
Parent company	\$ 7,243,804	\$	1,644,537	
Minority interest	<u>77,104</u>		<u>85,801</u>	
	<u>\$ 7,320,908</u>	\$	<u>1,730,338</u>	
<u>Basic earnings per share (Note 4(31))</u>	<u>Before Taxes</u>	<u>After Taxes</u>	<u>Before Taxes</u>	<u>After Taxes</u>
Consolidated net income before extraordinary gain	\$ 1.15	\$ 0.91	\$ 0.30	\$ 0.21
Extraordinary gain	-	-	-	-
Total consolidated income	1.15	0.91	0.30	0.21
Minority interest income	( 0.01)	( 0.01)	( 0.01)	( 0.01)
Consolidated net income	<u>\$ 1.14</u>	<u>\$ 0.90</u>	<u>\$ 0.29</u>	<u>\$ 0.20</u>

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

Yuanta Financial Holding Co. Ltd. And Its Subsidiaries  
Consolidated Statements of Changes in Stockholders' Equity  
For the Years Ended December 31, 2009 and 2008  
(Expressed in Thousands of New Taiwan Dollars)

	<u>Retained earnings</u>						Unrealized (Loss) Gain on Available- for-sale Financial Assets	Treasury Stock	Unrealized Loss on Accrued Pension Cost	Minority Interest	Total
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Retained Earnings	Cumulative Translation Adjustments					
<u>For the year ended December 31, 2008</u>											
Balance, January 1, 2008	\$ 83,530,437	\$ 24,087,880	\$ -	\$ -	\$ 6,051,841	\$ 50,923	(\$ 152,564)	(\$ 4,728,444)	\$ -	\$ 254,971	\$ 109,095,044
Appropriation and distribution of earnings in 2007											
Legal reserve	-	-	603,717	-	( 603,717)	-	-	-	-	-	-
Special reserve	-	-	-	101,640	( 101,640)	-	-	-	-	-	-
Remunerations to Directors and Supervisors	-	-	-	-	( 53,318)	-	-	-	-	( 53,318)	-
Cash dividends	( 167,061)	-	-	-	( 5,262,417)	-	-	-	-	( 5,429,478)	-
Employees' bonuses	-	-	-	-	( 15,996)	-	-	-	-	( 15,996)	-
Parent company's stocks sold by subsidiaries	-	3,531,218	-	-	-	-	-	4,728,444	-	-	8,259,662
Treasury stocks bought back by parent company	-	-	-	-	-	-	-	( 4,700,040)	-	-	( 4,700,040)
Treasury stocks retired by parent company	( 2,509,380)	( 1,857,850)	-	-	-	-	-	4,367,230	-	-	-
Recognition of additional paid-in capital from subsidiaries	-	39,910	-	-	-	-	-	-	-	-	39,910
Recognition of cumulative foreign currency translation adjustments from subsidiaries	-	-	-	-	-	67,343	-	-	-	-	67,343
Recognition of unrealized loss on financial assets from subsidiaries	-	-	-	-	-	-	( 780,147)	-	-	( 780,147)	-
Changes in minority interest	-	-	-	-	-	-	-	-	( 110,900)	( 110,900)	-
Consolidated net income for the year ended December 31, 2008	-	-	-	-	1,644,537	-	-	-	-	85,801	1,730,338
Balance, December 31, 2008	<u>\$ 81,021,057</u>	<u>\$ 25,634,097</u>	<u>\$ 603,717</u>	<u>\$ 101,640</u>	<u>\$ 1,659,290</u>	<u>\$ 118,266</u>	<u>(\$ 932,711)</u>	<u>(\$ 332,810)</u>	<u>\$ -</u>	<u>\$ 229,872</u>	<u>\$ 108,102,418</u>
<u>For the year ended December 31, 2009</u>											
Balance, January 1, 2009	\$ 81,021,057	\$ 25,634,097	\$ 603,717	\$ 101,640	\$ 1,659,290	\$ 118,266	(\$ 932,711)	(\$ 332,810)	\$ -	\$ 229,872	\$ 108,102,418
Appropriation and distribution of earnings in 2008 (Note)											
Legal reserve	-	-	164,454	-	( 164,454)	-	-	-	-	-	-
Special reserve	-	-	-	712,805	( 712,805)	-	-	-	-	-	-
Cash dividends	( 694,373)	-	-	-	( 758,966)	-	-	-	-	( 1,453,339)	-
Recognition of additional paid-in capital from subsidiaries	-	3,833	-	-	-	-	-	-	-	-	3,833
Recognition of cumulative foreign currency translation adjustments from subsidiaries	-	-	-	-	-	( 111,746)	-	-	-	( 111,746)	-
Recognition of unrealized (loss) gain on financial assets from subsidiaries	-	-	-	-	-	-	1,718,923	-	-	-	1,718,923
Recognition of unrealized loss on accrued pension cost from subsidiaries	-	-	-	-	-	-	-	( 38,848)	-	( 38,848)	-
Changes in minority interest	-	-	-	-	-	-	-	-	( 81,913)	( 81,913)	-
Consolidated net income for the year ended December 31, 2009	-	-	-	-	7,243,804	-	-	-	-	77,104	7,320,908
Balance, December 31, 2009	<u>\$ 81,021,057</u>	<u>\$ 24,943,557</u>	<u>\$ 768,171</u>	<u>\$ 814,445</u>	<u>\$ 7,266,869</u>	<u>\$ 6,520</u>	<u>\$ 786,212</u>	<u>(\$ 332,810)</u>	<u>(\$ 38,848)</u>	<u>\$ 225,063</u>	<u>\$ 115,460,236</u>

Note: \$7,673 of remunerations to directors and supervisors and \$767 of bonus to employees were deducted from the consolidated statements of income.

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

Yuanta Financial Holdings Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31,  
(Expressed in Thousands of New Taiwan Dollars)

	2009	2008
<u>Cash Flows From Operating Activities</u>		
Consolidated net income	\$ 7,243,804	\$ 1,644,537
Minority interest income	77,104	85,801
Adjustments to reconcile total consolidated net income to net cash provided by operating activities		
Depreciation and amortization	1,049,457	906,782
Credit losses	442,609	3,314,450
Cash dividends received from the equity investments accounted for under the equity method	318,550	319,434
Investment income accounted for under the equity method	( 588,205)	( 490,294)
Realized gain on available-for-sale financial assets	( 864,253)	( 70,065)
Gain on disposal of financial assets stated at cost	( 123,599)	( 45,769)
Realized loss on held-to-maturity financial assets	-	131,440
Asset impairment losses	284,119	1,644,395
Net gain from sale of assets held for sale	( 1,176)	( 682,323)
(Gain) loss from sale or retirement of fixed assets, intangible assets and other assets	( 28,624)	109,376
Net gain from sale of foreclosed assets	( 13,699)	( 164,555)
Gain from sale of non-performing loans	( 380,266)	( 27,132)
Changes in assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	51,934,558	( 36,827,352)
(Increase) decrease in receivables	( 38,608,116)	58,820,034
Decrease (increase) in other financial assets – net	1,412,332	( 8,489,142)
Decrease (increase) in deferred income tax assets	899,235	( 291,945)
Increase (decrease) in financial liabilities at fair value through profit or loss	1,926,094	( 1,261,455)
Increase in payables	10,304,073	4,410,545
Increase in accrued pension liabilities	50,741	142,104
Increase in reserves for operation and liabilities	123,867	103,408
(Decrease) increase in other financial liabilities	( 1,280,626)	751,644
Net cash provided by operating activities	34,177,979	24,033,918

(Continued)

Yuanta Financial Holdings Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Cash Flows (Continued)  
For the Years Ended December 31,  
(Expressed in Thousands of New Taiwan Dollars)

	2009	2008
<u>Cash Flows From Investing Activities</u>		
(Increase) decrease in due from Central Bank and call loans to other banks	(\$ 40,234,988)	\$ 24,020,597
Decrease (increase) in bill and bond investments under resale agreements	10,311,387	( 5,526,053)
(Increase) decrease in bills discounted and loans	( 1,447,020)	812,955
Decrease (increase) in available-for-sale financial assets	3,276,563	( 5,172,605)
Decrease in held-to-maturity financial assets	3,023,779	2,062,232
Acquisition of non-performing loans	( 5,600)	-
Proceeds from sale of non-performing loans	958,039	27,190
Acquisition of assets held for sale	( 25,061)	( 40,819)
Proceeds from sale of held for sale assets	21,680	3,401,874
Acquisition of fixed assets and other non-operating assets	( 982,524)	( 2,484,995)
Proceeds from disposal of fixed assets and other assets	96,340	103,137
Increase in intangible assets	( 195,763)	( 71,761)
Acquisition of foreclosed assets	( 59,498)	( 541,782)
Proceeds from sale of foreclosed assets	164,435	401,666
Decrease in idle assets	-	1,045
Proceeds from sale of idle assets	840	47,000
Decrease in other assets	288,589	6,550,503
Proceeds from disposal of long-term equity investments accounted for under the equity method	-	759,215
Net cash (used in) provided by investing activities	( 24,808,802)	24,349,399
<u>Cash Flows From Financing Activities</u>		
Increase (decrease) in due to Central Bank and other banks	1,689,678	( 16,399,082)
Decrease in commercial paper payable	( 1,347,199)	( 30,129,534)
(Decrease) increase in bills and bonds payable under repurchase agreements	( 21,187,734)	3,660,503
Increase in deposits and remittances	10,132,977	34,583,152
Increase in bonds payable	-	3,600,000
Decrease in other borrowings	( 313,423)	( 13,513,341)
Increase (decrease) in other liabilities	11,557,573	( 5,825,514)
Distribution of cash dividends	( 1,453,339)	( 5,429,478)
Distribution of bonus to employees and remunerations to Directors	-	( 54,917)
Acquisition of treasury stock	-	( 4,700,040)
Minority interest	( 81,913)	( 110,900)
Net cash used in financing activities	( 1,003,380)	( 34,319,151)
Net effect of foreign exchange rate changes on cash and cash equivalents	( 93,397)	69,264
Net effect of movements on consolidated entities	( 4,028)	( 52,339)
Net increase in cash and cash equivalents	8,268,372	14,081,091
Cash and cash equivalents at beginning of period	16,457,094	2,376,003
Cash and cash equivalents at end of period	\$ 24,725,466	\$ 16,457,094
<u>Supplemental Disclosures of Cash Flow Information</u>		
Cash paid for interest during the period	\$ 3,495,400	\$ 7,359,015
Cash paid for income tax during the period	\$ 3,675,569	\$ 1,898,516

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

Yuanta Financial Holdings Co., Ltd. and Its Subsidiaries  
Notes to Financial Statements  
For The Years Ended December 31, 2009 and 2008  
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Indicated)

1. Organization and business

(1) Yuanta Financial Holdings Co., Ltd.

Yuanta Financial Holdings Co., Ltd. (“Yuanta Financial Holdings” or the “Company”) was incorporated pursuant to the Financial Holding Company Act. In connection with the formation of the Company, the shares of Yuanta Securities Finance Co., Ltd. (“Yuanta Securities Finance”) and Yuanta Securities Co., Ltd. (“Yuanta Securities”) were exchanged for shares of the Company. The regulatory procedure for the share exchange was completed on the exchange date of February 4, 2002 and the Company was listed on the Taiwan Stock Exchange on the same date.

On May 24, 2002, the shareholders of the Company and Asia Pacific Bank during their respective meetings agreed that shares of Asia Pacific Bank would be exchanged for shares in the Company. As a result, Asia Pacific Bank became a wholly owned subsidiary of the Company on August 1, 2002. Furthermore, Asia Pacific Bank was renamed twice as Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”).

On December 28, 2006, both the Company and Yuanta Core Pacific Securities Co., Ltd. (“Yuanta Core Pacific Securities”) had resolved for Yuanta Core Pacific Securities becoming the Company’s subsidiary by share exchange as approved through Explanatory Letter Jin-Guan-Yin (6) No. 09600022230 of SEC dated March 8, 2007, effective from April 2, 2007. The share exchange ratio of Yuanta Core Pacific Securities to the Company is 1:1.615. The Company had issued new common shares totaling 5,150,352,883 shares (with par value of \$10 New Taiwan dollars per share) in exchange for Yuanta Core Pacific Securities’ common shares issued totaling 3,189,072,993 shares (with par value of \$10 New Taiwan dollars per share). Upon capital increase, the Company’s authorized and issued capital was \$83,121,145.

The Company engages in the business of a financial holding company, and the operations of the Company are limited to investing and investment management. According to the Financial Holding Company Act, the businesses in which the Company can invest in are securities, banking, bills finance, credit cards, trusts, insurance, futures, venture capital, foreign financial institutions that are authorized by the government authority, and other related financial businesses that are recognized by the government authority.

(2) The name, type of business, and percentage of shareholdings of subsidiaries invested in by the Company and its subsidiaries are as follows:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Percentage of shareholding (%)</u>		<u>Note</u>
			<u>December 31,</u>		
			<u>2009</u>	<u>2008</u>	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100	100	
"	Yuanta Bank	Commercial banking	100	100	
"	Yuanta Securities Finance	Securities financing and refinancing to securities firms and related business	100	100	
"	Yuanta Venture Capital	Venture capital investments	100	100	
"	Yuanta Asset Management	Providing monetary debt management services for financial institutions	100	100	
"	Yuanta Futures	Futures merchant	100	100	
"	Yuanta Securities Investment Consulting	Investment consulting on marketable securities	100	100	
"	Fuhwa Securities Investment Trust	Raising and management of securities investment trust funds	-	-	Note 1
"	Fuhwa Capital Management	Securities investment consulting and issuance of related publications	-	-	
"	Yuanta Financial Consulting	Operation and management of corporation and investment consulting services	-	-	Note 1
Yuanta Bank and Yuanta Asset Management	Yuanta Lease Co., Ltd.	Purchase, sale and lease of various real estate and movable property	99	99	
"	Yuanta Property Insurance Agency Co., Ltd.	Property insurance agency	100	100	Note 2
"	Yuanta Life Insurance Agency Co., Ltd.	Life insurance agency	100	100	
Yuanta Securities	Yuanta Securities Asia Finance Co., Ltd. ("Yuanta Securities Asia Finance")	Investment holding	100	100	Note 1

Name of investor	Name of subsidiary	Nature of business	Percentage of shareholding (%)		Note
			December 31,		
			2009	2008	
Yuanta Securities	Yuanta International Insurance Agency Co., Ltd. (“Yuanta International Insurance Agency”)	Insurance agency services	100	100	Note 2
"	Yuanta Securities Investment Trust Co., Ltd. (“Yuanta Investment Securities”)	Investment trust	83.19	83.19	
Yuanta Futures	Yuanta Futures Management Co., Ltd.	Futures management services	-	-	Notes 2 and 3
Yuanta Securities Asia Finance	Yuanta Securities (Hong Kong) Limited	Securities brokerage and related services	100	100	Note 1
"	Yuanta Securities Holding (BVI) Co., Ltd.	Investment holding	100	100	Note 1
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd.	Venture capital investments	100	100	

Note 1: On November 26, 2008, the stockholders of Yuanta Financial Consulting resolved to dissolve Yuanta Financial Consulting effective on December 31, 2008 and the Company ceased its operations on the same date. In accordance with the Explanatory Note Ji-Mi-Zhi (88) No. 233 of the Accounting Research and Development Foundation of the R.O.C., Yuanta Financial Consulting will no longer be accounted for under the equity method. The Board of Directors of Fuhwa Securities Investment Trust had resolved to sell Fuhwa Securities Investment Trust to Manulife Asset Management (Hong Kong) Limited (Manulife AM) on August 19, 2008, and was reclassified as subsidiary held for sale and no longer accounted for under the equity method on the same date; the settlement and related administrative procedures were completed on October 24, 2008. Fuhwa Securities (H.K.) completed the dissolution in March 2008. Fuhwa Investment Management (BVI) was renamed as Yuanta Securities Holding (BVI) Co., Ltd. on April 14, 2008 and became the wholly-owned subsidiary of Yuanta Securities Asia Finance Co., Ltd. through a share swap on June 13, 2008.

Note 2: The financial statements of certain subsidiaries which were included in the Company's consolidated financial statements as of and for the years ended December 31, 2008 were not audited by independent accountants as these investees did not meet the requirement threshold for an audit.

Note 3: Yuanta Securities merged with Yuanta Futures Co., Ltd. (a subsidiary of Yuanta Core Pacific Securities) and resold the entire shares obtained from the merger of Yuanta Futures Management Co., Ltd. to Yuanta Futures in line with the Group's reorganization to improve operational efficiency. On September 8, 2008, Yuanta Futures Management Co., Ltd.'s Board of Directors acting on behalf of the stockholders resolved to dissolve Yuanta Futures Management Co., Ltd., effective from October 31, 2008. The liquidation was completed on March 31, 2009. In accordance with the Explanatory Note Ji-Mi-Zhi (88) No. 233 of the Accounting Research and Development Foundation of the R.O.C, investment income or loss should be recognized until the effective date and companies under dissolution are not included in the consolidated financial statements.

- (3) Movement of consolidated entities: Please refer to Note 1(2) for details.
- (4) Investees accounted for as subsidiaries by the Company even though the investees whose voting stock interests are not held over 50% either directly or indirectly by the Company: None.
- (5) The Company does not have control interests over the investee company even though the investees whose voting stock interests or potential voting stock interests are held over 50% either directly or indirectly by the Company:

Even though Yuanta Securities' subsidiary - Yuanta Securities Asia Finance holds 50% ownership of Grand Asia Management, Yuanta Securities Asia Finance does not have more than half number of independent directors and does not have control interests over the investee company. Hence, Grand Asia Management is not included in the consolidated financial statements.

- (6) Name, percentage of ownership, and reasons for subsidiaries not consolidated in the financial statements:

Name of subsidiary	Percentage of shareholding (%)	Reasons for not being consolidated in the financial statements
Fuhwa Securities Investment Consulting	99.99	The board of directors resolved to dissolve Fuhwa Securities Investment Consulting pursuant to Explanatory Note Ji-Mi-Zhi (88) No. 233. Accordingly, Fuhwa Securities Investment Consulting was not included in the consolidated financial statements.
Yuanta Financial Consulting	100	"

- (7) In accordance with the effective date of consolidated financial statements, adjustment on different accounting periods of the subsidiaries, handling method and reasons of difference: None.
- (8) Specific operation risk of the foreign subsidiaries: None.
- (9) Information with respect to the subsidiary's significant restriction to transfer its funds to the parent company: None.
- (10) Information with respect to the subsidiaries' holding of the securities issued by the parent company: None.
- (11) Information with respect to the subsidiaries' issuance of the convertible bonds and new capital stock:

For the years ended December 31, 2009 and 2008, the subsidiaries of the Company did not issue any convertible corporate bonds nor issue any new shares, except for the following:

- A. In order to expand the overseas business of Yuanta Securities, Yuanta Securities Asia Finance Co., Ltd. infused cash capital amounting to \$1,661,650 into Yuanta Securities (Hong Kong) Limited by issuing 390,000 thousand shares in May 2009, which had been filed with the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.
- B. In order to simplify the organizational structures of overseas subsidiaries, Yuanta Securities Holding (BVI) Co., Ltd. became the wholly-owned subsidiary of Yuanta Securities Asia Finance Co., Ltd. through a share swap in May 2008, which had been filed with the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.
- C. On February 26, 2009, Yuanta Bank's Board of Directors resolved to increase its capital by \$2,754,911, effective March 31, 2009, which had been approved by the Financial Supervisory Commission, Executive Yuan. The related registration of the capital increase has been completed.
- D. On June 24, 2008, Yuanta Securities Finance's Board of Directors (acting on behalf of the stockholders) resolved to increase capital by issuing 600 million common shares at \$20 per share (face value is at \$10 per share) via private placement, effective August 5, 2008. The related registration of the capital increase has been completed. The shares are subject to issuance 3 years after the delivery date.
- E. On March 18, 2009, the Board of Directors (acting on behalf of the stockholders) resolved that Yuanta Securities Finance transfer additional paid-in capital amounting to \$1,500,000 to increase capital, which had been approved by the competent authority. The related registration of the capital increase has been completed. 70,000 thousand shares of which belong to stock dividends distributed by shares via private placement.

F. On February 26, 2008, Yuanta Asset Management's Board of Directors (acting on behalf of the stockholders) resolved to increase cash capital by \$1 billion, consisting of 100 million common shares at \$10 per share effective March 3, 2008. After the capital increase, the total issued capital amounted to \$2 billion. The related registration has been completed.

2. Summary of significant accounting policies

The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in conformity with the "Regulations Governing the Preparation of Financial Reports by Financial Holding Companies", "Regulations Governing the Preparation of Financial Reports by Securities Issuers", "Regulations Governing the Preparation of Financial Reports by Public Banks", "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and generally accepted accounting principles in the Republic of China. In accordance with the "Regulations Governing the Preparation of Financial Reports by Financial Holding Companies", assets and liabilities in the accompanying financial statements are not classified into current and non-current items. Nevertheless, accounts are properly categorized according to the nature of each account, sequenced by their liquidity of assets and liabilities in the notes to the consolidated financial statements. Historical cost is the basis of measurement in the consolidated financial statements except as otherwise stated. The significant accounting policies are summarized as follows:

(1) Principles for preparation of the consolidated financial statements

The investees whose voting stock interests are held over 50% either directly or indirectly by the Company are included in the consolidated financial statements. The Company shall include the subsidiaries' revenues and expenses in the consolidated financial statements from the date of obtaining the control. All significant inter-office accounts and transactions have been eliminated in the consolidated financial statements.

(2) Foreign currency transactions

A. Except for accounts in the Offshore Banking Unit of Yuanta Bank, the Company's overseas affiliates, and overseas equity investments under the equity method that are maintained in US dollars, accounts in all other subsidiaries are maintained in New Taiwan dollars. Those transactions denominated in foreign currencies are recorded in their original foreign currencies, and all income and expense accounts denominated in original foreign currencies are translated into New Taiwan dollars at the exchange rate assigned on that date.

- B. The Company's overseas affiliates, overseas investments under the equity method, and the Offshore Banking Unit of Yuanta Bank included in the consolidated financial statements use their local currencies as their functional currencies. Foreign financial statements are translated into New Taiwan dollars. The resulting translation differences are accounted for as translation adjustments, and are included in the consolidated financial statements as a component of stockholders' equity. Assets and liabilities are translated at the current exchange rate prevailing at the balance sheet date. Stockholders' equity is translated at the historical rate with the exception of the beginning retained earnings in New Taiwan dollars, which are brought forward. Dividends are translated at the exchange rate prevailing at the declaration date. Income statement accounts are translated at the average exchange rate for the year. The foreign currency translation from financial statements of the Company's overseas subsidiaries are recorded as cumulative foreign currency translation adjustments under the statement of stockholders' equity and will be recognized as gain or loss only upon the sale or liquidation of the company.
- C. In accordance with SFAS No. 14 "The Effects of Changes in Foreign Exchange Rates", monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

(3) Cash and cash equivalents

The Yuanta Group considers cash in banks and short-term investments that are readily convertible to cash and for which interest rate fluctuations have little or no effect on the value to be cash equivalents. The consolidated statements of cash flows were prepared based on cash and cash equivalents.

(4) Deposit reserve

Deposit reserve is calculated by multiplying the monthly average balances of the various deposit accounts by legal reserve ratios promulgated by the Central Bank of China (CBC). The deposit reserve account with the CBC is maintained subject to monthly reserve requirement.

(5) Financial assets and liabilities at fair value through profit or loss

- A. The Yuanta Group recognizes the purchases or sales of such financial assets, including stocks, beneficiary certificates and convertible corporate bonds denominated in New Taiwan dollars and derivative financial instruments, using trade-date accounting and of other financial assets in this category using settlement-date accounting. These financial instruments are initially recognized at fair value plus acquisition or issuance cost.
- B. Financial assets and liabilities at fair value through profit or loss include debt securities, equity shares and derivative instruments held or issued by the Yuanta Group. These financial assets and liabilities can be classified into two subcategories: financial assets and liabilities held for trading purposes and designated financial assets and liabilities at fair value through profit or loss.
- C. Financial instruments with fair value changes recognized in profit or loss should be measured at fair value. The fair value of an asset is the amount at which the asset could be purchased or sold in a current arm's-length transaction between willing parties. A quoted market price, if available, in an active market is the best evidence of fair value; however, if a quoted market price is not available, fair value should be estimated using the best information available in the circumstances or estimated using pricing models. Estimation of fair value is usually based on recent trading prices of such financial instruments and supplemented by related valuation techniques available.
- D. The realized and unrealized gain or loss, including the amortization of discount and premium, of financial assets whose changes in fair value are recognized in earnings should be recognized in current year's net income or loss. Interest income (expense) and cash dividend received during the holding period are recorded under "interest income (expense)" and "gain (loss) on financial instruments at fair value through profit or loss", respectively. Stock dividends are not recognized as income but treated as increases in the number of shares held.
- E. Financial assets at fair value through profit or loss which the Group classified as such on January 1, 2007, in compliance with SFAS No. 34, "Financial Instruments: Recognition and Measurement", cannot be reclassified again thereafter. Similarly, those that do not belong to financial assets at fair value through profit or loss cannot be reclassified to this category either. In accordance with explanatory letter Ji-Mi-Zih No. 296 issued in 2006 by the Accounting Research and Development Foundation, after adopting SFAS No. 34, businesses should reclassify financial assets held for trading purposes as financial assets designated to be valued at fair value with changes in fair value recognized in profit or loss if financial assets held for trading purposes are provided as collateral for loans or refundable deposits.

- F. The main purpose for acquisition or issuance of financial instruments held for trading purposes is to be sold or repurchased within a short period. The criteria used to designate financial assets and liabilities at fair value through profit or loss are as follows:
  - A) Hybrid (combined) instruments;
  - B) The designation can eliminate or significantly reduce the inconsistency of accounting measurement or recognition; or
  - C) The designation is in compliance with the risk management or investment strategy specified by the Group to evaluate the performance of assets or liabilities based on the fair values.
- G. Effective from July 1, 2008, certain stocks listed in the TSE or OTC originally classified as at fair value through profit or loss were reclassified as available-for-sale financial assets in accordance with the revised Paragraph No. 104 of SFAS No. 34.

(6) Derivative financial instruments

- A. Derivative financial instruments are foreign exchange forward contracts, currency swaps, interest rate swaps, currency and interest rate swaps, options, structured notes, stock warrant liabilities, and margin deposits for futures contracts, which are entered into by the Group in foreign exchange, interest rate and capital markets. Derivative financial instruments are for trading purposes except those accounted for under hedge accounting. Trading purposes include market creation, customer services and other relevant activities.
- B. Derivative financial instruments held for trading purposes are evaluated at fair value. Changes in fair value are recorded as current period income or loss. Fair value is the amount at which the asset could be purchased or sold in a current arm's-length transaction between willing parties. A quoted market price, if available, in an active market is the best evidence of fair value; however, if a quoted market price is not available, fair value should be estimated using the best information available in the circumstances or using pricing models. Estimation of fair value is usually based on recent trading prices of similar financial instruments and supplemented by related valuation techniques available.
- C. Derivative financial instruments measured at fair value whose offsetting right has legal effect and are intended to be settled by net balance should be recorded as financial assets and liabilities at their net value.
- D. An embedded derivative should be recognized separately as a derivative and the host contract is recognized based on the related accounting standards depending on the nature of the host contract in the category of financial instruments or non-financial instruments.

(7) Bills and bonds under repurchase or resale agreements

Bills and bonds under resale or repurchase agreements are accounted for under the financing method. Bills and bonds sold under repurchase agreements are recorded as “Bills and bonds payable under repurchase agreements” at the sale date. Bills and bonds invested under resale agreements are recorded as “Investments in bills and bonds under resale agreements” at the purchase date. The difference between the cost and the repurchase price is recorded as interest expense between the sale date and the repurchase date. The difference between the cost and the resale price is recorded as interest income between the purchase date and the resale date.

(8) Margin loans, stock loans and securities borrowed

- A. According to the “Rules Governing Securities Finance Enterprises” (RGSFE), margin loans primarily represent pecuniary financing to investors or refinancing to securities firms. Such loans are secured by the securities purchased by the investors, and the Group records these securities at par value under the memorandum accounts "securities held for collateral" and "liability for holding collateral securities", and they are not included in the balance sheets.
- B. According to Article 10 of the RGSFE, margin loan investors must pay a certain percentage of the related stock market price themselves.
- C. Short sale stock loans represent securities financing affected by lending securities in custody that are received from margin loans, guarantee effects or borrowed securities, to investors. When the securities are lent to investors, the Group records the par value of the securities lent under the memorandum account "short sale stock loans". Additionally, according to Article 10 of the RGSFE, the investors need to deposit an amount equal to a certain percentage of the proceeds from short sale stock financing as collateral with the Group. The proceeds are accounted for as "stock deposits". The Group deals with these securities at par value under the memorandum account "guarantee deposits". The proceeds from sale of securities loaned, less any dealer's commission, financing commission and securities exchange tax, are held by the Group as collateral and recorded under "short sale proceeds payable".
- D. In accordance with the Explanatory Letter Tai-Tsai-Jen (4) No. 03452 of the SEC in 1999, when the securities financed by borrowers terminate trading, are delisted from the stock market, or are the securities of the borrowers' credit accounts which are unable to be disposed of, these margin loans will be recorded as “other receivables” or “overdue receivables” according to the results of negotiation or collection. When the maintenance of secured accounts is less than the regulatory standard and the borrower does not pay a portion of the remaining loans after

offsetting the proceeds from disposal of securities, the related margin loans shall be recorded as overdue receivables.

- E. Securities borrowed represent securities borrowed from one broker/dealer to another, who must eventually return the same security as repayment. When the securities are lent to investors, the Group records the par value of the securities borrowed under the memorandum account "securities borrowed". The borrower needs to deposit an amount equal to a certain percentage of the proceeds from securities borrowed as collateral with the Group. The proceeds are accounted for as "refundable deposits". The Group deals with securities at par value under the memorandum account "refundable collaterals". Additionally, when the securities are lent out, a lender needs to deposit an amount equal to a certain percentage of the proceeds from securities lent as collateral with the Group. The proceeds are accounted for as "deposits received". The Group deals with these securities at par value under the memorandum account "collaterals received".

(9) Accounts receivable - Allowance for bad debts

Allowance for bad debts is based on the past experience of collectibility, margin loans and pecuniary transactions after considering the value of collateral.

(10) Debit (credit) items for securities receivable

- A. When engaging debit (credit) items for securities business, the Group shall record customers' debit (credit) items within the next two working days as "Debit (credit) items receivables – collateralized by the securities that the customers purchase" or "Debit (credit) items receivables – collateralized by the securities that the customers hold" and according to the collectibility of ending balance estimates and records as "Provision for bad debts - debit (credit) items receivables – collateralized by the securities that the customers purchase" or "Provision for bad debts - debit (credit) items receivables – collateralized by the securities that the customers hold".
- B. When engaging debit (credit) items for securities business, the Group is eligible to collect interests and handling fees from customers. Interests receivable from debit (credit) items for securities business are accrued within the next two working days of transaction date and recorded as interest income. The handling fees from debit (credit) items for securities business are recorded as handling fees income from debit (credit) items for securities business. In accordance with Article 28 of "Regulations Governing Borrowing or Lending Money in Connection with Securities Business by Securities Firms", the Group collects financing margin penalty and records as "other operating income – others".

(11) Assets held for sale

- A. Assets held for sale are assets (disposal group) to be disposed of through sale other than those to be used continuously. Assets held for sale are measured at the lower of carrying amount and net fair value. Assets or disposal groups that are classified as held for sale shall not be depreciated.
- B. According to the Paragraph No. 27 of Statement of Financial Accounting Standards No. 38 "Non-current Assets Held for Sale and Discontinued Operations" and EITF 2008-055 of the Accounting Research and Development Foundation of the R.O.C., an entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. As a result, subsidiary classified as held for sale shall no longer be measured using the equity method in the parent company's financial statements, and instead, shall be measured at the lower of their carrying amounts had it not been so classified and fair value less costs to sell at the balance sheet date. Likewise, this shall also apply to the parent company's consolidated financial statements. When a subsidiary meets the criteria to be classified as held for sale, any revenues and expenses shall be excluded from the consolidated financial statements. Assets, liabilities and related equity classified as the subsidiary held for sale shall be separately disclosed on the consolidated balance sheet, and the subsidiary classified as held for sale shall be measured at the lower of their carrying amounts had it been so classified and fair value less costs to sell at the balance sheet date, and liabilities shall be subsequently remeasured in accordance with the applicable Statements of Financial Accounting Standards, to determine the amount of total assets.

(12) Loans and allowance for doubtful accounts

- A. The credit period of short term loans is within one year, the credit period of medium term loans is one to seven years, and the credit period of long term loans is more than seven years. Loans with pledged assets are recorded as secured loans.
- B. All loans are recorded initially at the actual amount lent out and purchase price, and reported at their outstanding principal balances net of any allowance for credit losses. At the period end, an allowance for credit losses is determined by the evaluation of the collectibility of loans and age of receivables (including non-performing loans and interest receivables). According to the amended "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans" and "Regulations Governing Institutions Engaging In Credit Card Business" of the MOF, and the doubtful accounts are written off when the possibility of recovery is remote.

- C. Principal or interest overdue over three months is categorized as non-performing loan. In addition, when principal or interest has not been paid for over six months, the said principal and interest are transferred to “non-accrual loans”. When this occurs, interest is calculated and booked only in the memo account.
- D. In accordance with the Article 11 of “Value-added and Non-value-added Business Tax Act”, the Bank should allocate 3% of sales for writing off non-performing loan or setting aside allowance for bad debts. The aforementioned allocation of 3% of sales should be stopped if the percentage of non-performing loan is lower than 1%. The aforementioned allowance is recognized under “provision for credit losses” and “Allowance for credit losses”.

(13) Available-for-sale financial assets

- A. The Group recognizes the purchase or sale of stocks, funds and beneficiary certificates using trade date accounting and of other financial assets using settlement date accounting. These financial instruments are initially recognized at fair value. The amount recognized includes acquisition or issuance cost.
- B. Available-for-sale financial assets are recorded at fair value, and the change in market value will be recorded in the shareholders' equity adjustment account. Fair value is based on the quoted market price or estimated amount if the quoted market price is not available. When there is an indication of impairment, impairment loss should be recognized. If there is an indication that the impairment loss recognized has decreased in a subsequent period, it should be recorded as gains or losses. Cost is determined by the weighted-average method, and accumulated unrealized gain or loss recorded under the equity account is recognized in current year's income or loss when the Group disposes of those financial assets. Interest income and cash dividend are recorded under "interest income" and "realized gain on available-for-sale financial assets", respectively. Cash dividends are recognized as revenue on the ex-dividend date or the date of the board of directors meeting. However, the dividend amount, if announced before the investment date, will be deducted from the investment cost. Stock dividends are not recognized as income but treated as increases in the number of shares held.

(14) Held-to-maturity financial assets

- A. The Group recognizes the purchase or sale of the financial assets using settlement date accounting. These financial instruments are initially recognized at fair value. The amount recognized includes acquisition or issuance cost.
- B. Amortized cost and interest income or interest expense of held-to-maturity financial assets is evaluated using the effective interest rate. Held-to-maturity financial assets are recorded at amortized cost. If there is objective evidence that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease is clearly attributable to an event which occurred after the impairment loss was recognized, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a carrying amount of the financial asset that exceeds the amortized cost that would have been determined if no impairment loss had been recognized.

(15) Equity investments accounted for under the equity method

- A. Equity investments in which the Group holds more than 20% of the investee company's voting shares or has the ability to exercise significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized, effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous year(s) is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains. However, negative goodwill prior to December 31, 2005 is continuously amortized.
- B. If the Group does not subscribe to new shares based on the percentage of ownership, this causes an increase or decrease in net value of investment shares and is adjusted against "additional paid-in capital". If the balance of additional paid-in capital from equity investments is insufficient, the difference is recorded as "retained earnings".
- C. The cumulative translation adjustment resulting from the financial statement translation of foreign equity investments accounted for under the equity method is recognized proportionately in the stockholders' equity account based on the percentage of the investees' ownership held by the Company.

- D. Equity investments accounted for under the equity method which are highly expected to be on sale within twelve months from the balance sheet date are recorded under “Held-for-sale equity investments”. As the Company has lost the influence over such equity investments, the equity method is no longer used and the equity investments shall be valued at the lower of book value or net fair value. The loss due to valuation or gain from reversal shall be recognized in current profit or loss. The abovementioned investments are considered “highly expected to be on sale” when it meets all the following requirements:
- (A) Management commits to a plan to sell;
  - (B) An active program to locate a buyer has been initiated;
  - (C) An entity has actively negotiated trading based on the fair value of held for sale equity investments;
  - (D) The sale is expected to be completed within one year, and
  - (E) Actions required to complete the sale make it unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- E. The mergers among subsidiaries are in line with the Group’s reorganization. In compliance with the Explanatory Note (2002) No. 244 of the Accounting Research and Development Foundation of the R.O.C., the dissolved company’s book value of net assets and stockholders’ equity which is related to net asset accounts are recorded at original costs. The Group transferred the book value of the dissolved company to investment cost of the surviving company on the effective date. These swaps did not affect the Group’s profit or loss for the current period.

(16) Futures brokerage business / futures trading

- A. Futures commission income resulting from engaging in futures brokerage business and received from the futures commission merchants is recognized as “futures commission income (expenses)” on the transaction date.
- B. Futures dealing department deposits future margin deposits when performing future business and records as “Financial assets at fair value through profit or loss – current - futures margin deposits – self-own capital” and adjusts future margin deposits – self-own capital according to the difference of futures index on cover date and the closing futures index at balance sheet date. At cover date, the Group recognizes realized profit or loss on futures transactions, values uncovered positions at every period end and records as “Gain (loss) on derivative financial instruments – futures – gain (loss) on futures contracts.”

(17) Fixed assets, non-operating assets and related depreciation

- A. Fixed assets are stated at cost, and major purchases, renewals and improvements are capitalized. Interest expense on acquisition of assets is capitalized and is categorized in related asset accounts. Apart from land, depreciation of fixed assets is calculated on a straight-line basis over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the terms of the leases or useful lives of such improvements. Gains or losses on the disposal of fixed assets are recorded as other non-interest income or losses.
- B. Property and equipment under operating leases have been reclassified as non-operating assets – other assets and recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the lease assets, and is recorded as other non-interest losses. Idle assets that are not utilized for operating or any other purpose are transferred as non-operating assets - other assets, and are stated at their net fair value.
- C. Securities foreclosed are recorded under non-operating assets - other assets, and are stated at their net fair value. Any difference from the original value of the loans and advances is recognized as bad debts.
- D. Useful lives for depreciation, which is calculated using the straight-line method, are as follows:
- |                                  |              |
|----------------------------------|--------------|
| Buildings                        | 3 ~ 55 years |
| Machinery and computer equipment | 1 ~8 years   |
| Transportation equipment         | 2 ~5 years   |
| Others                           | 1 ~ 20 years |

(18) Other financial assets

- A. Financial assets carried at cost include unlisted stocks. The Group has no significant influence over the investee. Those financial assets are recorded at cost as their fair values are not measurable. If there is an indication of impairment, impairment loss should be recognized, and this recognized amount is not allowed to be reversed.
- B. Bond investments in a non-active market are recorded at amortized cost, and are those that do not have public quotes in an active market. If there is objective evidence that a financial asset is impaired, a loss is recognized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease is clearly attributable to an event which occurred after the impairment loss was recognized, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a

carrying amount of the financial asset that exceeds the amortized cost that would have been determined if no impairment loss had been recognized.

- C. Cash dividends acquired from the aforementioned financial assets are recorded under "other non-interest income, net". Cash dividends are recognized as revenue on the ex-dividend date or the date of the board of directors meeting. However, the dividend amount, if announced before the investment date, will be deducted from the investment cost. Stock dividends are not recognized as income but treated as increases in the number of shares held. In addition, if fair value is available and reliably measurable, the aforementioned financial assets should be evaluated by using fair value and reclassified as "available-for-sale financial assets".
- D. Customer margin deposit account: Futures department conducts futures brokerage business and requires customers to open margin accounts to receive margin deposits and premiums and to reflect the mark-to-market adjustment.

(19) Intangible assets

- A. Effective January 1, 2007, the Group adopted R.O.C. SFAS No. 37 "Accounting Treatment for Intangible Assets". In accordance with this standard, the Group initially recognizes intangible assets at costs. Subsequently, the intangible assets are measured at cost plus appraisal increment less accumulated amortization and accumulated impairment losses. The resulting residual amount is regarded as book value.
- B. Intangible assets include goodwill, computer software and operating rights.
  - (A) Goodwill arose from the acquisition of The Credit Cooperative of Douliou, The Credit Cooperative of Taidong, The Tainan Seventh Credit Cooperative and The Tainan Sixth Credit Cooperative and was recognized as the purchase price less the market value of tangible assets obtained.
  - (B) Yuanta Financial Holdings merged with Yuanta Core Pacific Securities by share exchange on April 2, 2007. The excess of the acquisition cost over the fair value of tangible and identifiable intangible assets was recognized as goodwill which is in compliance with the accounting treatment for business combination.
  - (C) The Company acquired the shares because Fuhwa Futures merged with Yuanta Futures by share exchange on September 23, 2007. The difference of the investment cost and the net value of investee company accounted for based on the percentage of ownership is recorded as goodwill.
  - (D) The difference of the investment cost that Yuanta Securities invested in Yuanta Securities Investment Trust and the net value of investee

company accounted for based on the percentage of ownership are recorded as goodwill.

The amount of operating rights is the excess of the payments made for such rights of the other securities firms over their net book value and is amortized over ten years. In addition, the operating rights incurred from foreign branches and local trading organizations are amortized over ten years.

- C. Except for goodwill, original cost less residual value is an amortizable amount, starting from held for use status and amortized using the straight-line method over the useful lives. The Company adopted the amendments to R.O.C SFAS No. 1 "Financial Accounting Conceptual Framework and the Preparation of Financial Statements" and No. 5 "Accounting Treatments for Long-Term Equity Investment Under the Equity Method" which discontinued amortization of goodwill.

(20) Other assets – foreclosed assets

Foreclosed assets are recorded at acquisition costs and are assessed at the balance sheet date. If there is any evidence that shows that the net fair value is lower than carrying amount, the difference is recognized as impairment loss; if net fair value is higher than carrying amount, the previously recognized impairment loss can be reversed to the extent of the carrying amounts and recognized as recovery gain. Net gain (loss) on sale of foreclosed assets is recorded under other non-interest income (loss).

(21) Other assets – idle assets

The Group adopted ROC SFAS No. 1 "Conceptual Framework for Financial Accounting and Preparation of Financial Statements", wherein the property, plant and equipment that are idle or have no value in use are reclassified to "other assets - idle assets" at original cost together with their respective accumulated depreciation and accumulated impairment. The idle assets are depreciated continuously. In accordance with ROC SFAS No. 35 "Impairment of Assets", the Group evaluates impairment of the idle assets and performs the impairment test accordingly.

(22) Non-financial asset impairment

- A. The Group adopted R.O.C. No. 35 "Impairment of Assets". In accordance with the standard, the Group assesses at each balance sheet date whether there is any indication that an asset other than goodwill may have been impaired. If any such indication exists, the Group estimates the recoverable amount of the asset, and recognizes impairment loss for an asset whose carrying value is higher than the recoverable amount. The Group assesses the cash-generating unit to which goodwill is allocated on an annual basis and recognizes an impairment loss on the carrying value in excess of the recoverable amount.

- B. The Group may reverse an impairment loss recognized in prior periods for assets other than goodwill if there is any indication that the impairment loss recognized no longer exists or has decreased. The carrying value after the reversal should not exceed the recoverable amount or the depreciated or amortized balance of the assets assuming no impairment loss was recognized in prior periods. Recognized impairment loss for goodwill is not allowed to be reversed.

(23) Financial debentures

Financial debentures are issued and stated at face values. The related interest expenses are calculated at face value multiplied by the stated interest rate every month. The annual fee paid to the Greta Securities Market is recognized as operating expense.

(24) Reserve for guarantee liabilities

Reserve for guarantee liabilities is the estimated potential losses based on the ending balances of guarantees and acceptances. According to the abovementioned regulation, the Group records reserve (reversal) for guarantee liabilities as other non-interest income, net, and reserve for operations and liabilities.

(25) Reserve for default

- A. A securities firm should allocate 0.0028% of the amounts of monthly securities consignment trading as the reserves for losses from default, and such reserves are recorded as other liabilities. When the accumulated reserve balances reach \$200,000, no further reserve provision is required. The futures commission merchants are required to set aside 2% of monthly commission revenues of consignment trading.
- B. The reserves should only be used for recovering the losses caused by default on such consignment trading or for other purposes as approved by the SFB. Under the Explanatory Letter Tai-Tsai-Jeng (7) No.108957 of the SFB in 1999, no reserve provision was required from July 1, 1999 to June 30, 2003. However, reserve for default was restored effective from July 1, 2003.

(26) Reserve for trading losses

- A. According to the RGASF, 10% of the monthly securities trading gains in excess of losses must be provided as a reserve by utilizing the total amount method until the accumulated balance of such provision reaches \$200 million. Such reserve can only be used to offset a loss from trading securities.
- B. According to the RGAFF, 10% of the monthly net income of the trading business must be provided as a reserve until the accumulated balance of such provision reaches the amount of minimum capital or the amount of the funds

for management and operations. Such reserves can only be used to offset a loss from trading securities.

(27) Reserve for bad debts

- A. In accordance with an SFB ruling, the subsidiaries of the Company engaged in securities, futures, and securities investment trust business must provide 3% of operating revenue as reserve for doubtful accounts. The reserve can be used to write off overdue debt; to write off allowance for devaluation, which is reserved for irregular significant loss caused by holding unprofitable company bonds or other types of investments; or for other situations approved by the SFB for the four consecutive years beginning July 1, 1999. If the aforementioned situations do not occur, the allowance provided is recorded as reserve for bad debts.
- B. Effective on July 1, 2003, the abovementioned regulation no longer applied to the Group, and the balance of allowance for doubtful accounts or reserve for bad debts as of June 30, 2003, was required to be retained for writing off nonperforming loans or overdue receivables in the future.

(28) Pension plan

- A. The payment of pension benefits is based on the length of the service period and average monthly compensation in the last six months prior to retirement. Payment of retirement benefits to employees is charged to the pension fund. On July 1, 2005, the Labor Pension Act (the New System), which has a defined contribution scheme, became effective. Under the New System, the Company has an obligation to contribute no less than 6% of monthly paid salary to the pension accounts in the Labor Insurance Bureau individually owned by the Company's existing employees who choose to join the New System and employees hired after the effective date. The contributions are recognized as pension expenses in the current period.
- B. The ending date of the year is the measurement date of the actuarial report for the defined benefit plan. A minimum pension liability is recognized when the accumulated benefit obligation exceeds the fair value of retirement plan assets. According to the regulations, net periodic pension costs are recognized including current service cost, net transaction obligation, the prior service cost and pension gain or loss based on employees' average residual service years over the straight line method. Minimum pension liability usually occurs due to the existence of unrecognized prior service cost and unrecognized transitional net assets or net benefit obligation. If the amount of minimum pension liability does not exceed the sum of unrecognized prior service cost and unrecognized transitional net assets or net benefit obligation, then the difference would be charged to the deferred pension cost account; otherwise, the difference shall be charged to the account "net loss not yet recognized as net pension cost". Deferred pension

cost is classified as an intangible asset; net loss from unrecognized net pension cost is classified as a reduction of stockholders' equity.

(29) Share-based payment – employee compensation plan

In accordance with the Company's Plan for "buyback of own shares and transfer to employees", eligible employees of the Group are entitled to subscribe to the Company's shares. Treasury stocks transferred to employees as compensation are recognized as expenses using the fair value method pursuant to the Explanatory Note (96) Ji-Mi-Zi No. 266 "Interpretation of accounting treatments for treasury stocks transferring to employees" of the Accounting Research and Development Foundation of the R.O.C. dated October 12, 2007. The service costs are estimated based on the option valuation model on grant date, recorded as service cost expenses and amortized over the vesting period. Acquisition and disposal of treasury stocks should be accounted for according to the R.O.C. SFAS No. 30, "Accounting for Treasury Stock".

(30) Treasury stocks

In accordance with R.O.C. SFAS No. 30, "Accounting for Treasury Stock", the treatment of treasury stock transactions are as follows:

- A. When the Company buys back issued stock, it debits the stockholders' equity account for the amount paid.
- B. When the disposal price of treasury stock is greater than the cost, the difference is credited to capital surplus - treasury stock; otherwise, the cost in excess of the price is debited to capital surplus generated from the same type of treasury stock transactions. If the capital surplus - treasury stock account is insufficient to cover the cost in excess of the price, retained earnings should be debited for the remaining amount.
- C. The book value of each share of treasury stock is calculated by its weighted-average cost.
- D. The Company's stocks held by the subsidiaries are regarded as treasury stocks.
- E. When treasury stock is retired, capital surplus and common stock are debited according to the ratio of retiring treasury stock to total issued stock. When the book value of the retiring treasury stock is higher than the sum of its par value and capital surplus, the difference is debited to capital surplus generated from the same type of treasury stock transactions. If the capital surplus – treasury stock account is insufficient to cover the difference, retained earnings should be debited for the remaining amount. When the book value of the retiring treasury stock is lower than the sum of its par value and capital surplus, the difference is credited to capital surplus generated from similar treasury stock transactions.

(31) Employees' bonuses and directors' and supervisors' remuneration

Effective January 1, 2008, pursuant to EITF 2007-052 of the Accounting Research and Development Foundation, R.O.C., "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year.

(32) Financial institution asset securitization

- A. According to the "Statute for Financial Asset Securitization" and the "Trust Law", in using special purpose trusts, the Company transfers bonds held as well as related rights and obligations to trustees as the basis for the issuance of beneficiary certificates, and accordingly receives funds raised thereon. Under the transaction structure, the transaction is deemed as a sale since the Company loses control over the transferred assets. On the other hand, the transfers of subordinated bonds are not dealt with as a sale and instead as a long-term investment since those bonds are held for the purpose of assuming the risk for all beneficiary certificates.
- B. Due to the lack of market quotes for subordinated bonds or seller-side beneficiary certificates, the Company adopts the expected reset interest rates and residual cash flow discount rate as the basis for estimating fair market values.
- C. Seller-side beneficiary certificates are evaluated based on the discounted future cash flows at the balance sheet date. The loss from revaluation is charged against the book value of available-for-sale financial assets.

(33) Revenue recognition

- A. Revenue from trading securities and rendering services, such as brokerage fees, underwriting commissions and futures commissions, is recognized on the trading date. Profit (loss) from futures contracts and option transactions is recognized through daily evaluation, reversing write-offs, or exercising contracts on the settlement date. Interest revenue and fees and commissions are recognized as income on an accrual basis.
- B. The Company engaged in installment sales transactions and calculated gross profit from installment sales based on the regular accounting method for sales. The regular accounting method for sales recognizes all the gross profit, which is the difference between current selling price of installment sales goods and their costs, immediately at the time of sale. When the selling price

of goods sold under installment sales is higher than its current selling price, the difference is recorded as unrealized interest income at the time of sale and recognized periodically as realized interest income based on the interest method. The Company set the current selling price equal to the cost of goods sold. The difference between the selling price and the cost of goods sold was recorded as unrealized interest income, and the realized portion was transferred to interest income - installment sales.

- C. When a client with installment sales transactions is unable to pay back principal and interest based on the installment contract that exceeds 6 months, the Company should transfer net amount (installments receivable less unrealized interest income) to non-accrual loans. The amount that is not expected to be recovered should be written-off after obtaining claim evidence of the court.

(34) Income tax

- A. Estimation of income tax expense is based on accounting income. Deferred income tax is determined based on differences between the financial statements and tax basis of assets and liabilities, using enacted tax rates in effect during the years in which the differences are expected to reverse. The income tax effects due to taxable temporary differences are recognized as deferred income tax liabilities. The income tax effects due to deductible temporary differences, utilization of loss carryforwards, and income tax credits are recognized as deferred income tax assets. The realization of deferred income tax assets is evaluated, and a valuation allowance is recognized accordingly.
- B. For the Company and its subsidiaries located in the R.O.C., the 10% surtax on undistributed earnings, computed according to the ROC Income Tax Law, is charged to current income tax expense in the year of earnings distribution following a resolution at the shareholders' meeting.
- C. Effective on January 1, 2006, in accordance with the Alternative Minimum Tax Act, the Company should calculate the alternative minimum tax in addition to the regular income tax. If the regular income tax is lower than the alternative minimum tax, the differences should be accrued as an income tax adjustment.
- D. Income tax credits resulting from research and development expenditures and employee trainings are recognized as incurred.
- E. In accordance with the Financial Holding Company Act, Article 49, the Company has adopted the Company as the taxpayer to file a consolidated corporate income tax return and pay the 10% surtax on undistributed earnings from 2003. When the Company prepared its financial statements, the Company accounted for its income tax in conformity with SFAS No. 22,

"Income Taxes". However, the Company also adjusted the related income tax balance in a reasonable and systematic way to reflect the differences computed under filing a consolidated corporate income tax return with the Company as the taxpayer. The adjustments resulting from using the Company as the taxpayer to file a consolidated corporate income tax return are recorded under receivables from (payables to) related parties.

- F. Adjustment of deferred tax liability or asset for enacted changes in tax rate measured by the balance sheet date is recognized as tax benefit or expense in the statement of income for the period.

(35) Earnings per share of common stock

- A. Earnings per share is computed as net income divided by the weighted-average number of issued shares of common stock. The increase in number of issued shares resulting from issuance of stock dividends from retained earnings or capital surplus before the financial statement report date is adjusted retroactively.
- B. The convertible bonds issued by the Consolidated Company are potential common shares. Where the potential common shares have a dilutive effect on earnings per share, both basic earnings per share and diluted earnings per share need to be disclosed, otherwise only basic earnings per share need to be disclosed. Where a company has potential common shares, then the diluted earnings per share need to consider the effect on earnings and on the number of shares issued if the potential common shares are converted into ordinary common shares.

(36) Use of estimates

In preparing the consolidated financial statements in conformity with generally accepted accounting principles in the R.O.C., the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues, costs of revenues, and expenses during the reporting period. Therefore, actual results could differ from those estimates.

3. Changes in accounting principles

- (1) Effective January 1, 2008, the Group adopted R.O.C. SFAS No. 39, "Accounting for Share-based Payment" and EITF 2007-052 of the Accounting Research and Development Foundation, R.O.C. As a result of the adoption of these accounting principles, net income decreased by \$37,072 and earnings per share decreased by \$0.005 for the year ended December 31, 2008.

- (2) Effective from July 1, 2008, the consolidated Company reclassified certain stocks listed on TSE or OTC originally classified as at fair value through profit or loss to available-for-sale financial assets on September 30, 2008 and October 2, 2008 in accordance with the amended Paragraph No. 104 of the Statement of Financial Accounting Standards No. 34 “Financial Instruments: Recognition and Measurement”. As a result of the adoption of these accounting principles, net income increased by \$564,746 and earnings per share increased by \$0.07 for the year ended December 31, 2008.

4. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cash	\$ 1,410,426	\$ 1,134,686
Deposits in bank	<u>22,668,079</u>	<u>14,328,148</u>
Subtotal	24,078,505	15,462,834
Cash equivalents:		
Checks for clearing	<u>646,961</u>	<u>994,260</u>
Total	<u>\$ 24,725,466</u>	<u>\$ 16,457,094</u>

(2) Due from Central Bank and call loans to banks

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Reserve for deposits - account A	\$ 4,910,358	\$ 5,969,308
Reserve for deposits - account B	7,893,764	7,754,605
Reserve for deposits - foreign currency account	32,030	32,860
Reserve for deposits - inter-bank clearing fund	215,692	215,150
Time deposits	57,300,000	18,200,000
Call loans to banks	<u>5,882,970</u>	<u>3,827,903</u>
Total	<u>\$ 76,234,814</u>	<u>\$ 35,999,826</u>

(3) Financial assets and liabilities at fair value through profit or loss - net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial assets held for trading purposes:		
Commercial paper	\$ 49,972	\$ 11,997,605
Beneficiary certificates / beneficiary securities	9,305,819	15,925,315
Listed or OTC stocks	3,359,970	188,023
Government bonds	2,680,979	9,888,664
Corporate bonds	15,375,462	23,768,441
Financial bonds	-	239,302
Convertible corporate bonds	2,736,527	2,330,542
Negotiable certificates of deposits	2,600,000	24,890,000
Derivative financial instruments	5,413,771	5,053,981
Other marketable securities	160,435	-
Valuation adjustment for financial assets for trading purposes	<u>756,407</u>	<u>275,624</u>
Subtotal	<u>42,439,342</u>	<u>94,557,497</u>
Designated financial assets at fair value through profit or loss:		
Convertible corporate bonds	613,961	1,101,858
Corporate bonds	540,743	552,663
Structured notes	594,200	70,000
Valuation adjustment for designated financial assets at fair value through profit or loss	<u>(506,510)</u>	<u>(665,724)</u>
Subtotal	<u>1,242,394</u>	<u>1,058,797</u>
Total	<u>\$ 43,681,736</u>	<u>\$ 95,616,294</u>
	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial liabilities held for trading purposes:		
Derivative instruments	\$ 4,620,876	\$ 4,545,144
Non-derivative instruments	141,305	-
Valuation adjustment for financial liabilities for trading purpose	14,859	(2,796)
Designated financial liabilities at fair value through profit or loss	1,692,100	-
Valuation adjustment for designated financial liabilities at fair value through profit or loss	<u>(698)</u>	<u>-</u>
Total	<u>\$ 6,468,442</u>	<u>\$ 4,542,348</u>

- A. For the years ended December 31, 2009 and 2008, the net gain (loss) on financial assets and financial liabilities for trading purposes and the net realized gain (loss) on designated financial assets and financial liabilities at fair value through profit or loss amounted to \$3,470,323 and (\$97,866), respectively; unrealized gain (loss) amounted to \$206,117 and (\$708,758), respectively.
- B. Financial instruments designated at fair value through profit or losses are for hybrid instruments.
- C. Please refer to Note 6 for details of the above financial assets at fair value through profit or loss pledged as collateral as of December 31, 2009 and 2008.
- D. For stocks listed on the TSE or OTC that were reclassified from financial assets at fair value through profit or loss to available-for-sale financial assets on September 30 and October 2, 2008, please refer to Note 4(8) for details.
- E. The domestic warrants carry an American-option and have six months to one year exercise period from the date of issuance. When the Company issued the warrants, the issuance price prior the maturity of the warrants or default were recognized as “Liabilities for issuance of call (put) warrants”. When warrants were repurchased from the market, the aggregate costs of repurchase were accounted for as “Repurchase of issued call (put) warrants”, a contra-account of “Liabilities for issuance of call (put) warrants”. The issuer has the option to settle either by cash or stock delivery. The details of warrants as of December 31, 2009 are as follows:

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta K9	Acer	20,000	2009/4/10	\$ 4.46	\$ 62.55	\$ 15.80
Yuanta L1	ASUS	20,000	2009/4/10	2.19	46.09	7.80
Yuanta L2(P)	ASUS	20,000	2009/4/10	2.85	33.62	0.01
Yuanta L3	AUO	20,000	2009/4/10	1.93	38.49	0.81
Yuanta L4	MTK	20,000	2009/4/10	5.65	338.37	21.20
Yuanta L5(P)	MTK	20,000	2009/4/10	3.86	251.37	0.01
Yuanta L6	HTC	20,000	2009/4/10	8.59	402.71	0.58
Yuanta L7(P)	HTC	20,000	2009/4/10	7.89	357.08	1.33
Yuanta L8	ACC	20,000	2009/4/13	2.18	36.88	0.29
Yuanta L9	FENC	20,000	2009/4/13	1.84	33.54	3.30
Yuanta M1	CSC	20,000	2009/4/13	1.52	25.70	3.68
Yuanta M2	THS	20,000	2009/4/13	2.09	33.19	1.25
Yuanta M3	ASE	20,000	2009/4/13	2.31	21.48	7.25
Yuanta M4	SPIL	20,000	2009/4/13	3.02	45.91	0.52
Yuanta M5(P)	SPIL	20,000	2009/4/13	2.83	35.40	0.10
Yuanta M6	CFH	20,000	2009/4/13	2.94	40.00	9.75
Yuanta M7(P)	CFH	20,000	2009/4/13	3.62	35.00	0.02
Yuanta M8	CMO	20,000	2009/4/13	2.44	21.00	1.99
Yuanta CN	TAIEX	20,000	2009/6/2	2.85	7,416.61	3.22
Yuanta CP(P)	TAIEX	20,000	2009/6/2	2.92	6,068.15	0.01
Yuanta CY	YMTC	10,000	2009/6/4	2.09	17.77	0.09
Yuanta DJ	TAIEX	20,000	2009/6/10	1.35	6,600.00	3.18
Yuanta DK(P)	TAIEX	20,000	2009/6/10	2.18	6,800.00	0.01
Yuanta EC	MIC	20,000	2009/6/26	1.62	14.58	2.04
Yuanta ED	ACL	10,000	2009/6/26	3.16	45.47	13.50
Yuanta EE	GFRT	10,000	2009/6/26	0.79	436.36	0.03
Yuanta EF	CCET	10,000	2009/6/26	0.67	5.45	0.11
Yuanta EG	Yageo	10,000	2009/6/29	1.01	7.68	4.00
Yuanta EH	Inventec	10,000	2009/6/29	1.26	17.74	0.87
Yuanta UQ	E-Ton solar	5,000	2009/7/1	1.23	84.18	0.20
Yuanta UR	TSMT	5,000	2009/7/1	1.80	58.17	4.90
Yuanta EJ	TAIWANLINE	10,000	2009/7/2	2.07	61.06	0.01
Yuanta EK	Asia Optical	10,000	2009/7/2	1.95	60.03	2.60
Yuanta EL	USI	10,000	2009/7/3	2.40	16.06	4.23
Yuanta EM	SEEC	10,000	2009/7/3	3.34	43.17	0.18
Yuanta EN	Eternal	10,000	2009/7/3	1.91	25.97	3.91
Yuanta EP	Pihsiang	10,000	2009/7/3	3.64	67.52	2.97
Yuanta EQ	SIS	10,000	2009/7/3	1.14	27.61	0.05
Yuanta ER	Young Optics	10,000	2009/7/3	3.78	206.26	5.80
Yuanta ES	YFO	10,000	2009/7/3	0.71	367.40	0.07
Yuanta ET	GMT	10,000	2009/7/3	2.39	155.63	3.12
Yuanta US	CHIPBOND	5,000	2009/7/6	0.96	28.82	0.31
Yuanta UT	ENE	5,000	2009/7/6	2.34	69.03	1.34
Yuanta EU	UPC	10,000	2009/7/7	2.35	15.12	2.25
Yuanta EV	LCYCIC	10,000	2009/7/7	1.96	28.57	5.45
Yuanta EW	YP	10,000	2009/7/7	1.79	12.84	0.50
Yuanta EX	TC	10,000	2009/7/7	2.32	26.78	0.22

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta EY	Kenda	10,000	2009/7/7	3.54	38.03	0.99
Yuanta EZ	SY	10,000	2009/7/7	1.62	15.75	0.06
Yuanta FA	TLGAM	10,000	2009/7/7	2.56	29.48	4.67
Yuanta FB	Wistron	10,000	2009/7/7	2.35	57.32	1.27
Yuanta FC	GENTECH	10,000	2009/7/7	1.96	53.25	11.60
Yuanta FD	YFO	10,000	2009/7/7	0.58	431.60	0.01
Yuanta FE	TAIEX	10,000	2009/7/8	1.98	6,800.00	2.80
Yuanta FF(P)	TAIEX	10,000	2009/7/8	1.69	6,600.00	0.06
Yuanta FG	Financial Industry	10,000	2009/7/8	3.03	850.00	1.37
Yuanta FH(P)	Financial Industry	10,000	2009/7/8	2.05	750.00	0.26
Yuanta FJ	SSFC	10,000	2009/7/9	1.59	9.48	1.80
Yuanta FK	TAINAN SPINNING	10,000	2009/7/9	2.30	13.44	0.27
Yuanta FL	OPTOTECH	10,000	2009/7/9	2.93	31.62	0.21
Yuanta FM	AmTRAN	10,000	2009/7/9	1.62	21.58	8.90
Yuanta FN	NA	10,000	2009/7/9	1.50	10.46	0.34
Yuanta FP	Alpha	10,000	2009/7/9	2.56	28.67	0.60
Yuanta FQ	MIC	10,000	2009/7/9	3.29	48.45	2.47
Yuanta FR(P)	Taiwan EFT 50	20,000	2009/7/14	1.75	38.77	0.01
Yuanta FS	CATCHER	10,000	2009/7/14	2.79	76.42	3.06
Yuanta FT(P)	CFH	20,000	2009/7/14	1.26	42.00	0.02
Yuanta FU(P)	Taishin	10,000	2009/7/14	0.93	11.00	0.08
Yuanta FV	Weichuan	10,000	2009/7/16	3.90	45.00	0.98
Yuanta FW	WANHAI	10,000	2009/7/16	2.15	16.50	1.22
Yuanta FX	ESUNFHC	10,000	2009/7/16	2.23	11.31	2.17
Yuanta FY	Ruentex	10,000	2009/7/16	3.74	42.00	7.75
Yuanta FZ	Darfon	10,000	2009/7/16	3.64	45.00	3.46
Yuanta GA	MTK	10,000	2009/7/20	7.79	465.00	9.25
Yuanta GB(P)	MTK	10,000	2009/7/20	3.28	350.00	0.01
Yuanta GC	LITE-ON IT	10,000	2009/7/20	2.77	25.87	3.24
Yuanta GD(P)	Acer	10,000	2009/7/24	1.64	60.00	0.01
Yuanta GE(P)	FFHC	10,000	2009/7/24	1.32	17.50	0.07
Yuanta GF(P)	CMO	10,000	2009/7/24	3.75	18.40	0.23
Yuanta GG(P)	Richtek	10,000	2009/7/24	3.31	225.00	0.08
Yuanta UU	WaferWorks	5,000	2009/7/28	2.04	70.91	0.22
Yuanta UV(P)	WaferWorks	5,000	2009/7/28	1.49	49.66	0.35
Yuanta UW(P)	QSI	10,000	2009/7/28	1.57	56.00	0.36
Yuanta GH	CMC	10,000	2009/7/29	2.17	24.00	0.55
Yuanta GJ(P)	OPTOTECH	10,000	2009/7/29	1.33	23.00	0.15
Yuanta GK(P)	ABILITY	10,000	2009/7/29	1.73	40.00	0.05
Yuanta GL(P)	Foxlink	10,000	2009/7/29	1.67	60.00	0.51
Yuanta GM(P)	Epistar	10,000	2009/7/31	2.46	78.00	0.05
Yuanta GN	CBF	10,000	2009/7/31	1.13	10.75	0.06
Yuanta GP(P)	MEGA FHC	10,000	2009/7/31	0.74	14.00	0.11
Yuanta GQ	SZS	10,000	2009/7/31	3.41	190.00	0.27

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta GR(P)	Highwealth	10,000	2009/8/3	0.35	30.00	0.01
Yuanta GS	ESMT	10,000	2009/8/3	2.01	66.00	0.47
Yuanta GT(P)	ESMT	10,000	2009/8/3	2.02	52.00	0.56
Yuanta GU	ITE	10,000	2009/8/3	2.21	75.72	0.80
Yuanta GV(P)	ITE	10,000	2009/8/3	1.35	54.09	0.23
Yuanta GW(P)	Unimicron	10,000	2009/8/3	0.90	31.00	0.02
Yuanta UX	Pixart	10,000	2009/8/5	4.08	277.63	2.32
Yuanta UY	Phison	10,000	2009/8/5	5.16	280.00	2.64
Yuanta UZ(P)	Phison	10,000	2009/8/5	5.04	230.00	0.97
Yuanta GX	Greatek	10,000	2009/8/10	2.43	31.59	1.70
Yuanta GY(P)	MTK	10,000	2009/8/10	5.03	420.00	0.31
Yuanta GZ	HTC	50,000	2009/8/10	0.67	350.00	0.35
Yuanta HA(P)	HTC	10,000	2009/8/10	3.65	290.00	0.70
Yuanta HB(P)	Novatek	10,000	2009/8/10	2.93	80.00	0.11
Yuanta HC(P)	PTI	10,000	2009/8/10	1.48	68.00	0.03
Yuanta HD	Macronix	10,000	2009/8/11	1.22	16.54	1.21
Yuanta HE	Largan	10,000	2009/8/11	6.49	460.00	1.59
Yuanta HF	CSRC	10,000	2009/8/17	2.18	32.77	1.54
Yuanta HG	Synnex	10,000	2009/8/17	1.84	64.35	1.72
Yuanta HH(P)	Synnex	10,000	2009/8/17	1.18	49.73	0.09
Yuanta HJ(P)	Asia Optical	10,000	2009/8/17	1.48	48.15	0.07
Yuanta HK	USI	10,000	2009/8/19	1.84	13.14	7.15
Yuanta HL	Ability	10,000	2009/8/19	4.21	63.03	2.86
Yuanta HM	AMBH	10,000	2009/8/19	2.31	32.47	3.82
Yuanta HN(P)	AMBH	10,000	2009/8/19	2.45	26.84	0.08
Yuanta HP	CyberTAN	10,000	2009/8/19	1.27	38.74	2.44
Yuanta HQ	PTI	10,000	2009/8/19	2.39	98.83	2.76
Yuanta VA	IGS	5,000	2009/8/20	5.33	290.00	2.14
Yuanta VB	E-Ton solar	5,000	2009/8/20	2.51	60.75	5.95
Yuanta VC	Etron	5,000	2009/8/20	1.37	15.50	5.70
Yuanta VD	TSC	5,000	2009/8/20	2.32	25.00	2.68
Yuanta VE(P)	TSC	5,000	2009/8/20	1.47	20.00	0.14
Yuanta HR	TCC	10,000	2009/8/24	2.55	38.83	0.65
Yuanta HS	YFY	10,000	2009/8/24	1.61	11.16	3.07
Yuanta HT	FSC	10,000	2009/8/24	1.23	40.53	2.08
Yuanta HU	CMT	10,000	2009/8/24	1.22	93.77	0.66
Yuanta HV	TYG	10,000	2009/8/28	1.81	38.00	4.19
Yuanta HW	ASUSTEK	10,000	2009/8/28	1.48	55.00	1.73
Yuanta HX(P)	ASUSTEK	10,000	2009/8/28	1.16	48.00	0.10
Yuanta HY	QCI	10,000	2009/8/28	2.07	70.00	1.01
Yuanta HZ(P)	QCI	10,000	2009/8/28	1.32	60.00	0.34
Yuanta JA	ALI	10,000	2009/8/28	2.51	60.00	4.04
Yuanta JB(P)	ALI	10,000	2009/8/28	1.64	50.00	0.13
Yuanta JC	Altek	10,000	2009/8/28	1.50	57.00	2.05
Yuanta JD	CFH	10,000	2009/8/31	1.56	52.00	1.86
Yuanta JE	Silitech	10,000	2009/8/31	1.13	83.00	3.23
Yuanta JF	GET	10,000	2009/8/31	0.94	72.97	1.46

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
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Yuanta JG	WPG	10,000	2009/8/31	1.21	45.00	2.26
Yuanta JH(P)	WPG	10,000	2009/8/31	1.12	37.00	0.02
Yuanta JJ	HSHEFT	10,000	2009/9/1	0.18	538.29	0.44
Yuanta JK	GIGABYTE	10,000	2009/9/2	2.47	26.00	3.14
Yuanta JL	CHB	10,000	2009/9/2	2.41	14.80	1.39
Yuanta JM	GUC	10,000	2009/9/2	2.86	165.00	1.96
Yuanta JN(P)	GUC	10,000	2009/9/2	1.31	120.00	0.21
Yuanta JP	RUENTEX DEVELOP	10,000	2009/9/2	2.46	29.20	6.80
Yuanta JQ	ACC	10,000	2009/9/3	2.78	37.00	0.88
Yuanta JR(P)	ACC	10,000	2009/9/3	2.09	31.50	0.72
Yuanta JS	Innolux	10,000	2009/9/3	3.24	45.00	2.83
Yuanta JT(P)	Innolux	10,000	2009/9/3	0.97	35.00	0.09
Yuanta JU	Chicony	10,000	2009/9/4	2.84	82.00	1.21
Yuanta JV	Foxlink	10,000	2009/9/4	2.36	65.00	2.53
Yuanta JW	Transcend	10,000	2009/9/4	2.24	115.00	1.52
Yuanta JX	Fubon Financial	10,000	2009/9/4	2.88	34.50	3.01
Yuanta JY(P)	Fubon Financial	10,000	2009/9/4	2.10	29.00	0.13
Yuanta VF	DynaPack	5,000	2009/9/7	1.43	100.00	1.81
Yuanta VG(P)	DynaPack	5,000	2009/9/7	0.63	80.00	0.08
Yuanta VH(P)	Pixart	5,000	2009/9/7	4.40	244.00	2.09
Yuanta VJ	Ardentec	6,000	2009/9/7	1.70	17.80	2.09
Yuanta VK(P)	Ardentec	6,000	2009/9/7	1.07	15.80	0.16
Yuanta VL	SMP	10,000	2009/9/7	2.11	175.00	2.48
Yuanta VM(P)	MOTECH	5,000	2009/9/7	2.01	93.00	0.12
Yuanta JZ	Uni-president	10,000	2009/9/8	2.33	40.00	1.51
Yuanta KA	Everlight	10,000	2009/9/8	3.86	106.05	3.96
Yuanta KB(P)	Everlight	10,000	2009/9/8	2.50	86.79	0.41
Yuanta KC	MTK	10,000	2009/9/8	7.59	560.00	4.75
Yuanta KD(P)	MTK	10,000	2009/9/8	5.85	470.00	1.61
Yuanta KE	TBB	10,000	2009/9/8	1.32	8.80	0.43
Yuanta KF	FFHC	10,000	2009/9/8	1.50	21.50	0.43
Yuanta KG	HSHEFT	20,000	2009/9/9	1.05	508.55	0.87
Yuanta KH	HSIEFT	20,000	2009/9/9	1.19	879.94	0.77
Yuanta KJ	LTC	10,000	2009/9/9	1.29	46.00	1.11
Yuanta KK(P)	HON HAI	10,000	2009/9/9	1.80	120.00	0.16
Yuanta KL	Compal	10,000	2009/9/9	3.46	37.50	3.92
Yuanta KM(P)	Compal	10,000	2009/9/9	1.54	31.00	0.14
Yuanta KN	HSHEFT	20,000	2009/9/10	0.67	588.33	0.48
Yuanta KP	Yageo	10,000	2009/9/10	1.41	9.55	2.50
Yuanta KQ	Acer	10,000	2009/9/10	2.29	83.50	3.00
Yuanta KR	ROEC	10,000	2009/9/10	1.12	48.00	0.81
Yuanta KS	N.P.C	10,000	2009/9/10	1.82	129.00	0.85
Yuanta KT	HSHEFT	20,000	2009/9/11	1.11	478.64	0.89
Yuanta KU	CST	10,000	2009/9/17	0.99	80.00	0.49
Yuanta KV	TSMC	20,000	2009/9/17	1.54	68.00	0.69
Yuanta KW(P)	TSMC	20,000	2009/9/17	1.00	55.00	0.34

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Yuanta KX	ECS	10,000	2009/9/17	1.13	14.50	0.94
Yuanta KY(P)	ECS	10,000	2009/9/17	1.12	12.50	0.21
Yuanta KZ	Wintek Corp.	10,000	2009/9/17	3.08	23.00	3.35
Yuanta LA(P)	Wintek Corp.	10,000	2009/9/17	1.30	18.00	0.11
Yuanta LB	CyberLink	10,000	2009/9/17	2.09	138.00	1.30
Yuanta LC	Kinpo	10,000	2009/9/18	1.01	10.20	0.59
Yuanta LD	ACL	10,000	2009/9/18	1.51	62.00	2.49
Yuanta LE	Zinwell	10,000	2009/9/18	2.09	75.00	0.56
Yuanta LF	CATHAY RED	10,000	2009/9/18	2.76	14.80	0.92
Yuanta LG	SNC	10,000	2009/9/18	1.37	38.00	1.32
Yuanta LH	SINOPACHOL DINGS	10,000	2009/9/18	1.15	13.50	0.49
Yuanta LJ	GEMTEK	10,000	2009/9/18	1.61	51.50	1.79
Yuanta LK	CCI	10,000	2009/9/18	1.24	40.20	1.55
Yuanta LL	CSC	10,000	2009/9/21	1.95	33.00	1.05
Yuanta LM(P)	CST	10,000	2009/9/21	0.77	56.10	0.11
Yuanta LN(P)	YL	10,000	2009/9/21	1.35	33.35	0.44
Yuanta LP	Highwealth	10,000	2009/9/21	1.57	42.87	1.43
Yuanta LQ(P)	Taiwan EFT 50	10,000	2009/9/24	0.95	48.09	0.13
Yuanta LR	PI	10,000	2009/9/24	1.49	53.00	1.69
Yuanta LS	FTC	10,000	2009/9/24	2.35	100.00	5.25
Yuanta LT	AmTRAN	10,000	2009/9/24	0.85	31.50	1.66
Yuanta VN	E-Ton solar	5,000	2009/9/25	1.35	72.00	1.91
Yuanta VP(P)	E-Ton solar	5,000	2009/9/25	2.54	65.00	0.84
Yuanta VQ	VIS	5,000	2009/9/25	2.35	15.50	2.02
Yuanta VR	QSI	5,000	2009/9/25	1.22	66.00	0.49
Yuanta LU	AUO	10,000	2009/9/28	2.70	32.00	3.80
Yuanta LV(P)	AUO	10,000	2009/9/28	1.88	29.00	0.16
Yuanta LW	ELAN	10,000	2009/9/28	1.55	58.00	1.55
Yuanta LX(P)	ELAN	10,000	2009/9/28	1.30	42.00	0.25
Yuanta LY	YMTC	10,000	2009/9/28	1.41	12.00	0.88
Yuanta LZ	GFRT	10,000	2009/9/28	1.03	350.00	0.86
Yuanta MA	YFO	10,000	2009/9/28	0.99	450.00	0.12
Yuanta MB(P)	YFO	10,000	2009/9/28	0.57	360.00	0.44
Yuanta MC	Eternal	10,000	2009/9/30	2.26	35.44	1.28
Yuanta MD	CSBC	10,000	2009/9/30	2.90	33.62	1.28
Yuanta ME	Epistar	10,000	2009/9/30	2.60	110.20	2.13
Yuanta MF	Zinwell	10,000	2009/9/30	2.81	66.99	1.47
Yuanta MG	ESMT	10,000	2009/9/30	1.23	52.18	1.21
Yuanta MH	PCC	10,000	2009/9/30	1.58	22.07	2.16
Yuanta MJ	NK	10,000	2009/10/2	1.51	34.35	1.71
Yuanta MK	FRG	10,000	2009/10/2	1.78	22.26	3.92
Yuanta ML	UMC	10,000	2009/10/2	2.84	16.74	1.84
Yuanta MM(P)	UMC	10,000	2009/10/2	2.03	14.36	0.53
Yuanta MN	ZyXEL	10,000	2009/10/2	1.86	22.60	3.69
Yuanta MP	TXC	10,000	2009/10/2	1.46	46.75	2.80
Yuanta MQ	FOREPI	10,000	2009/10/2	2.35	55.95	1.26

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Yuanta MR(P)	FOREPI	10,000	2009/10/2	1.34	47.56	0.87
Yuanta MS	Forhouse	10,000	2009/10/2	1.85	35.24	2.32
Yuanta MT	Ju Teng	10,000	2009/10/2	1.94	44.73	0.48
Yuanta MU	UNION INS	10,000	2009/10/2	1.54	23.31	1.38
Yuanta MV	Cheng Loong	10,000	2009/10/5	2.05	11.37	1.95
Yuanta MW	Compeq Mfg.	10,000	2009/10/5	1.62	9.19	2.80
Yuanta MX	Sunplus	10,000	2009/10/5	2.23	25.77	4.66
Yuanta MZ	Unity	10,000	2009/10/5	2.38	57.10	2.39
Yuanta NA	T.JOIN	10,000	2009/10/5	2.05	23.35	1.21
Yuanta NB	HSB	10,000	2009/10/5	1.16	30.32	0.98
Yuanta NC	Sonix	10,000	2009/10/5	2.23	66.57	4.53
Yuanta ND	HON CHUAN	10,000	2009/10/5	1.70	51.30	1.06
Yuanta VS	Celxpert	5,000	2009/10/6	1.98	53.55	0.88
Yuanta VT	HU LANE	5,000	2009/10/6	1.76	67.78	0.99
Yuanta VU	AWSC	5,000	2009/10/6	1.02	33.20	1.72
Yuanta VV	Wah Hong	5,000	2009/10/6	1.70	59.94	2.05
Yuanta VW	APEC	5,000	2009/10/6	1.43	31.45	2.54
Yuanta NE	TFC	10,000	2009/10/7	1.96	125.00	1.00
Yuanta NF(P)	TFC	10,000	2009/10/7	1.21	95.00	0.55
Yuanta NG	USI	10,000	2009/10/7	1.61	18.00	2.35
Yuanta NH	MEGA FHC	10,000	2009/10/7	1.72	22.00	0.43
Yuanta NJ	WFH	10,000	2009/10/7	1.73	10.70	0.86
Yuanta NK	Novatek	10,000	2009/10/7	3.13	75.00	6.60
Yuanta NL	Unimicron	10,000	2009/10/7	1.38	40.50	1.73
Yuanta VX	Pixart	10,000	2009/10/8	0.71	265.00	0.44
Yuanta VY(P)	Pixart	10,000	2009/10/8	0.64	282.00	0.50
Yuanta VZ	SAS	10,000	2009/10/8	2.02	92.50	1.87
Yuanta WA(P)	SAS	10,000	2009/10/8	1.04	61.50	0.32
Yuanta WB	WWX	5,000	2009/10/8	1.66	61.41	1.35
Yuanta WC	MOTECH	5,000	2009/10/8	1.98	95.00	6.00
Yuanta WD	Phison	5,000	2009/10/8	5.79	290.00	3.48
Yuanta WE(P)	Phison	5,000	2009/10/8	3.91	220.00	1.57
Yuanta NM	TSRC	10,000	2009/10/9	0.78	45.00	0.37
Yuanta NN	Yulon	10,000	2009/10/9	1.66	43.00	0.58
Yuanta NP	Realtek	10,000	2009/10/9	1.22	78.00	2.14
Yuanta NQ	KYEC	10,000	2009/10/9	0.72	15.00	0.99
Yuanta NR	MTK	10,000	2009/10/9	0.72	525.00	0.79
Yuanta NS(P)	MTK	10,000	2009/10/9	0.73	482.00	0.33
Yuanta NT	U-MING	10,000	2009/10/9	1.54	65.00	1.36
Yuanta NU	Tripod	10,000	2009/10/9	3.17	95.00	4.49
Yuanta NV	KINSUS	10,000	2009/10/9	1.82	88.00	1.13
Yuanta NW	TAIEX	10,000	2009/10/12	1.79	7,900.00	1.39
Yuanta NX(P)	TAIEX	10,000	2009/10/12	1.53	7,300.00	0.45
Yuanta NY	Financial Industry	10,000	2009/10/12	1.64	930.00	0.80
Yuanta NZ(P)	Financial Industry	10,000	2009/10/12	1.05	850.00	0.75

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Yuanta A1(P)	USI	10,000	2009/10/13	2.09	14.50	0.69
Yuanta A2	Inventec	10,000	2009/10/13	1.35	21.20	0.63
Yuanta A3	EITC	10,000	2009/10/13	2.66	35.00	0.82
Yuanta A4(P)	EITC	10,000	2009/10/13	2.19	27.00	1.49
Yuanta A5	CBF	10,000	2009/10/13	1.21	9.50	0.60
Yuanta A6(P)	Acer	10,000	2009/10/14	1.86	74.00	0.40
Yuanta A7	Chinalife	10,000	2009/10/14	1.32	26.99	0.50
Yuanta A8	Getac	10,000	2009/10/14	1.57	35.00	0.51
Yuanta A9	HolyStone	10,000	2009/10/14	3.51	38.00	5.25
Yuanta B1	ACES	10,000	2009/10/14	2.73	130.00	1.73
Yuanta B2(P)	ACES	10,000	2009/10/14	1.66	110.00	0.97
Yuanta B3	Taiwan EFT 50	10,000	2009/10/15	1.54	55.44	0.90
Yuanta B4(P)	Taiwan EFT 50	10,000	2009/10/15	1.01	50.55	0.31
Yuanta B5	OUCG	10,000	2009/10/15	2.39	25.00	1.66
Yuanta B6(P)	Forhouse	10,000	2009/10/15	2.51	30.00	0.52
Yuanta B7	LCYCIC	10,000	2009/10/16	1.09	39.00	0.82
Yuanta B8	FRG	10,000	2009/10/16	1.16	34.00	1.11
Yuanta B9(P)	FRG	10,000	2009/10/16	1.20	27.00	0.62
Yuanta C1	Inventec	10,000	2009/10/16	1.24	22.50	0.49
Yuanta C2	HTC	10,000	2009/10/16	4.77	395.00	3.15
Yuanta C3	HNFHC	10,000	2009/10/16	1.55	21.50	0.71
Yuanta C4	CFH	10,000	2009/10/16	4.62	66.00	1.98
Yuanta C5(P)	CFH	10,000	2009/10/16	4.02	56.00	2.64
Yuanta WF	Soft-World	10,000	2009/10/20	4.19	175.00	4.42
Yuanta WG(P)	Soft-World	10,000	2009/10/20	2.60	150.00	0.80
Yuanta WH	Gamania	5,000	2009/10/20	1.79	55.00	1.65
Yuanta WJ(P)	Gamania	5,000	2009/10/20	1.82	48.50	1.00
Yuanta C6	FENC	10,000	2009/10/22	1.50	40.00	0.91
Yuanta C7	GDC	10,000	2009/10/22	1.60	17.09	0.54
Yuanta C8(P)	GDC	10,000	2009/10/22	1.42	15.63	1.17
Yuanta C9	ESUNFHC	10,000	2009/10/22	2.04	16.00	0.48
Yuanta D1(P)	ESUNFHC	10,000	2009/10/22	1.67	13.00	1.45
Yuanta D2	Pihsiang	10,000	2009/10/26	2.11	80.00	1.13
Yuanta D3	FH	10,000	2009/10/26	1.26	60.00	0.90
Yuanta D4	TSMC	10,000	2009/10/26	1.84	62.00	1.41
Yuanta D5	D-Link	10,000	2009/10/26	1.18	32.00	0.93
Yuanta D6	Fubon Financial	10,000	2009/10/26	2.77	43.00	1.41
Yuanta D7(P)	Fubon Financial	10,000	2009/10/26	2.44	36.50	1.74
Yuanta D8	TWM	10,000	2009/10/26	1.21	61.50	0.96
Yuanta D9	TCB	10,000	2009/10/26	2.25	23.00	0.76
Yuanta E1	CDIBH	10,000	2009/10/27	1.12	10.30	0.98
Yuanta E2	Faraday	10,000	2009/10/27	1.81	62.00	2.47
Yuanta E3	CyberTAN	10,000	2009/10/27	1.27	55.00	1.23
Yuanta E4	Tonyi	10,000	2009/10/27	1.11	13.50	0.73
Yuanta E5	Kenda	10,000	2009/10/28	2.68	50.00	1.09
Yuanta E6	HON HAI	10,000	2009/10/28	2.45	140.00	2.12
Yuanta E7(P)	HON HAI	10,000	2009/10/28	1.86	130.00	0.60

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Yuanta E8	HTC	10,000	2009/10/28	4.87	370.00	4.34
Yuanta E9	HTC	50,000	2009/10/28	0.68	320.00	0.69
Yuanta F1	RUENTEX DEVELOP	10,000	2009/10/28	1.49	44.00	1.04
Yuanta WK	A-DATA	10,000	2009/10/29	3.02	89.60	4.70
Yuanta WL(P)	A-DATA	10,000	2009/10/29	2.45	73.31	0.77
Yuanta WM	Coretronic	10,000	2009/10/29	3.21	39.64	4.73
Yuanta WN	TSC	10,000	2009/10/29	2.46	28.60	2.38
Yuanta WP	CHINE SEGAMER	10,000	2009/11/3	8.16	519.51	3.93
Yuanta WQ(P)	CHINE SEGAMER	10,000	2009/11/3	6.12	383.99	4.75
Yuanta F2	TECO	10,000	2009/11/4	1.57	14.00	1.53
Yuanta F3	ASE	10,000	2009/11/4	2.52	27.50	1.98
Yuanta F4(P)	ASE	10,000	2009/11/4	1.47	24.50	0.66
Yuanta F5(P)	Ruentex	10,000	2009/11/4	2.82	45.00	1.06
Yuanta F6	CCET	10,000	2009/11/4	0.73	5.50	0.70
Yuanta F7	GREATWALL	10,000	2009/11/9	0.99	38.00	0.61
Yuanta F8	MIC	10,000	2009/11/9	2.04	16.50	2.07
Yuanta F9	MSI	10,000	2009/11/9	0.85	26.00	0.62
Yuanta G1	CHT	10,000	2009/11/9	2.10	56.00	2.81
Yuanta G2	FEDS	10,000	2009/11/9	0.68	40.00	0.45
Yuanta G3	Taiwan EFT 50	10,000	2009/11/11	3.87	51.00	3.71
Yuanta G4	USI	10,000	2009/11/11	2.30	20.00	2.33
Yuanta G5(P)	ABILITY	10,000	2009/11/11	0.85	50.00	0.63
Yuanta G6	TAIEX	10,000	2009/11/11	4.89	7,500.00	4.91
Yuanta G7(P)	TAIEX	10,000	2009/11/11	2.62	7,000.00	1.07
Yuanta G8	TE	10,000	2009/11/11	3.12	320.00	4.15
Yuanta G9(P)	TE	10,000	2009/11/11	2.49	290.00	1.31
Yuanta H1	Financial Industry	10,000	2009/11/11	5.36	970.00	3.55
Yuanta H2(P)	Financial Industry	10,000	2009/11/11	2.89	790.00	2.42
Yuanta H3	Delta	10,000	2009/11/12	4.88	97.85	6.40
Yuanta H4	KINDOM	10,000	2009/11/12	5.07	28.52	3.79
Yuanta H5(P)	KINDOM	10,000	2009/11/12	4.13	23.33	2.64
Yuanta H6(P)	Highwealth	10,000	2009/11/12	2.94	40.28	1.64
Yuanta H7	Huaku	10,000	2009/11/12	2.56	88.33	1.58
Yuanta H8(P)	Huaku	10,000	2009/11/12	2.04	72.27	1.24
Yuanta H9	EMC	10,000	2009/11/12	2.37	18.87	1.47
Yuanta J1	Richtek	10,000	2009/11/12	4.43	341.83	4.26
Yuanta J2(P)	Richtek	10,000	2009/11/12	3.52	279.68	2.44
Yuanta J3	TAIWANLINE	10,000	2009/11/13	1.28	49.86	1.03
Yuanta J4	SZS	10,000	2009/11/13	2.12	171.05	1.77
Yuanta J5	ROEC	10,000	2009/11/13	1.01	43.09	1.58
Yuanta J6	NYPCB	10,000	2009/11/13	1.31	116.05	1.77
Yuanta 1A(P)	HTC	10,000	2009/11/16	4.05	327.00	2.77
Yuanta 1B	MEGA FHC	10,000	2009/11/16	1.68	20.00	0.84

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta 1C	LITE-ON IT	10,000	2009/11/16	1.83	33.00	2.08
Yuanta J7	TFC	10,000	2009/11/16	2.14	110.00	1.88
Yuanta J8	HON HAI	10,000	2009/11/16	2.63	125.00	3.18
Yuanta J9	AUO	10,000	2009/11/16	2.90	30.00	4.86
Yuanta 1D	Weichuan	10,000	2009/11/17	3.26	55.00	1.46
Yuanta 1E(P)	LCYCIC	10,000	2009/11/17	2.42	37.00	2.10
Yuanta 1F	AMBH	10,000	2009/11/17	3.07	40.00	2.55
Yuanta 1G(P)	AMBH	10,000	2009/11/17	1.56	32.00	1.10
Yuanta 1H	FTC	10,000	2009/11/18	3.23	125.00	3.30
Yuanta 1J	ASUS TECH	10,000	2009/11/18	3.81	72.00	2.25
Yuanta 1K(P)	ASUS TECH	10,000	2009/11/18	3.35	62.00	3.62
Yuanta 1L	CATCHER	10,000	2009/11/18	2.33	90.00	2.26
Yuanta 1M	SSFC	10,000	2009/11/19	1.39	9.65	2.58
Yuanta 1N	CLEVO CO.	10,000	2009/11/19	1.60	53.00	1.35
Yuanta 1P	FSC	10,000	2009/11/19	1.40	53.00	1.19
Yuanta 1Q	GET	10,000	2009/11/19	1.14	93.00	0.66
Yuanta 1R	Largan	10,000	2009/11/20	6.01	415.00	6.25
Yuanta 1S	Ralink	10,000	2009/11/20	3.37	107.50	4.23
Yuanta 1T(P)	Ralink	10,000	2009/11/20	0.80	81.00	0.43
Yuanta 1U	GMT	10,000	2009/11/20	2.92	160.00	4.50
Yuanta WR	CHIP BOND	5,000	2009/11/23	0.89	27.00	1.14
Yuanta WS	MOTECH	10,000	2009/11/23	4.02	118.00	8.75
Yuanta WT(P)	MOTECH	10,000	2009/11/23	1.44	98.00	0.46
Yuanta 1V	UPC	10,000	2009/11/24	1.28	16.50	1.29
Yuanta 1W	TAINAN SPINNING	10,000	2009/11/24	1.00	13.00	0.82
Yuanta 1X	YFY	10,000	2009/11/24	0.91	15.50	0.62
Yuanta 1Y(P)	AUO	10,000	2009/11/24	1.98	31.00	0.58
Yuanta 1Z	Young Optics	10,000	2009/11/24	3.26	170.00	10.50
Yuanta 2A	OPTOTECH	10,000	2009/11/27	0.83	31.00	0.65
Yuanta 2B(P)	OPTOTECH	10,000	2009/11/27	0.68	25.50	0.49
Yuanta 2C	SIS	10,000	2009/11/27	1.20	25.00	0.83
Yuanta 2D	Largan	10,000	2009/11/27	0.61	420.00	0.61
Yuanta 2E(P)	Largan	10,000	2009/11/27	0.54	375.00	0.34
Yuanta 2F	Innolux	10,000	2009/11/27	0.74	49.00	0.55
Yuanta 2G(P)	Innolux	10,000	2009/11/27	0.53	42.50	0.39
Yuanta 2H	Darfon	10,000	2009/11/27	0.61	63.00	0.41
Yuanta 2J	TC	10,000	2009/12/3	1.52	27.50	1.42
Yuanta 2K	AUO	10,000	2009/12/3	3.96	38.00	4.71
Yuanta 2L	EITC	10,000	2009/12/3	0.80	31.00	0.63
Yuanta 2M	Novatek	10,000	2009/12/3	2.40	100.00	3.79
Yuanta 2N	Alpha	10,000	2009/12/3	0.53	31.00	0.59
Yuanta 2P	Sonix	10,000	2009/12/3	2.59	85.50	2.69
Yuanta 2Q(P)	Sonix	10,000	2009/12/3	1.04	76.50	0.85
Yuanta 2R	TAIEX	10,000	2009/12/4	1.15	8,600.00	1.02
Yuanta 2S(P)	TAIEX	10,000	2009/12/4	0.95	7,000.00	0.70
Yuanta 2T	SYM	10,000	2009/12/4	0.85	17.00	0.53

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta 2U(P)	Pistar	10,000	2009/12/4	3.00	96.70	1.52
Yuanta 2V	FFHC	10,000	2009/12/4	1.29	20.00	1.00
Yuanta 2W	Ruentex	10,000	2009/12/4	1.42	60.00	1.51
Yuanta 2X	ALI	10,000	2009/12/4	1.58	85.00	0.94
Yuanta 2Y	Wistron	10,000	2009/12/4	1.49	64.00	1.27
Yuanta WU	E-Ton solar	5,000	2009/12/7	2.17	91.00	1.74
Yuanta WV	ANPEC	5,000	2009/12/7	2.09	52.00	1.99
Yuanta WX	PEC	5,000	2009/12/7	0.40	260.00	0.53
Yuanta WY(P)	PEC	5,000	2009/12/7	0.39	215.00	0.17
Yuanta 2Z	Taiwan EFT 50	10,000	2009/12/9	2.45	57.59	2.09
Yuanta 3A(P)	Taiwan EFT 50	10,000	2009/12/9	1.88	50.06	1.35
Yuanta 3B	SPI	10,000	2009/12/9	2.82	44.19	2.44
Yuanta 3C	TLI	10,000	2009/12/9	2.53	37.02	3.27
Yuanta 3D	Asia Optical	10,000	2009/12/9	2.31	62.85	2.83
Yuanta 3E	Far EasTone	10,000	2009/12/9	1.54	39.64	1.21
Yuanta 3F	Taiwan EFT 50	10,000	2009/12/10	1.83	61.00	1.80
Yuanta 3G(P)	Taiwan EFT 50	10,000	2009/12/10	0.93	45.00	0.51
Yuanta 3H	TE	10,000	2009/12/10	1.39	400.00	1.38
Yuanta 3J(P)	TE	10,000	2009/12/10	0.73	250.00	0.73
Yuanta 3K	TE	10,000	2009/12/10	1.35	350.00	1.34
Yuanta 3L(P)	TE	10,000	2009/12/10	0.77	280.00	0.77
Yuanta 3M	Financial Industry	10,000	2009/12/10	1.90	1,200.00	1.50
Yuanta 3N(P)	Financial Industry	10,000	2009/12/10	2.72	750.00	2.33
Yuanta 3P	Taiwan EFT 50	10,000	2009/12/11	1.19	65.00	1.19
Yuanta 3Q(P)	Taiwan EFT 50	10,000	2009/12/11	0.53	41.00	0.30
Yuanta 3R	TCC	10,000	2009/12/11	2.40	33.00	2.53
Yuanta 3S(P)	TCC	10,000	2009/12/11	1.69	33.00	1.68
Yuanta 3T	Cheng Loong	10,000	2009/12/11	1.72	13.50	1.13
Yuanta 3U	MTK	10,000	2009/12/11	7.27	545.00	8.00
Yuanta 3V(P)	MTK	10,000	2009/12/11	6.62	502.00	4.90
Yuanta 3W	Global Unichip	10,000	2009/12/11	2.27	172.00	2.67
Yuanta 3X(P)	Global Unichip	10,000	2009/12/11	2.11	150.00	1.70
Yuanta 3Y	TCB	10,000	2009/12/11	1.25	20.00	1.08
Yuanta P1(P)	WWX	10,000	2009/12/14	0.70	58.00	0.74
Yuanta WZ(P)	E-Ton solar	10,000	2009/12/14	1.03	80.00	1.13
Yuanta 3Z	Asia Cement	10,000	2009/12/15	1.88	36.00	1.60
Yuanta 4A(P)	Asia Cement	10,000	2009/12/15	1.48	32.00	1.26
Yuanta 4B	SEEC	10,000	2009/12/15	2.23	42.50	1.93
Yuanta 4C	EVERLIGHT	10,000	2009/12/15	3.37	123.00	2.89
Yuanta 4D	AmTRAN	10,000	2009/12/15	2.15	43.00	2.09
Yuanta 4E	CHB	10,000	2009/12/15	0.89	15.80	0.76
Yuanta 4F	FOREPI	10,000	2009/12/15	0.70	62.00	0.51
Yuanta 4G	WPG	10,000	2009/12/15	1.37	57.00	1.22
Yuanta 4H	TAIEX	10,000	2009/12/16	1.44	8,000.00	1.66
Yuanta 4J(P)	TAIEX	10,000	2009/12/16	1.05	7,500.00	1.09

Warrants	Underlying Securities	Units issued	Issuance date	Warrants (in NT dollar)		
				Issuance price	Strike price	Market value
Yuanta 4K	TAIEX	10,000	2009/12/16	1.06	8,500.00	1.08
Yuanta 4L(P)	TAIEX	10,000	2009/12/16	0.66	7,000.00	0.65
Yuanta 4M	TAIEX	10,000	2009/12/16	0.77	9,000.00	0.78
Yuanta 4N(P)	TAIEX	10,000	2009/12/16	0.38	6,500.00	0.34
Yuanta 4P	TAIEX	10,000	2009/12/16	0.54	9,500.00	0.55
Yuanta 4Q(P)	TAIEX	10,000	2009/12/16	0.20	6,000.00	0.21
Yuanta 4R	Compal	10,000	2009/12/18	1.24	44.50	1.03
Yuanta 4S	FTC	10,000	2009/12/18	1.64	119.00	1.87
Yuanta 4T	Sunplus	10,000	2009/12/18	2.11	33.00	3.12
Yuanta 4U	CATCHER	10,000	2009/12/18	1.29	105.00	1.39
Yuanta 4V	HTC	30,000	2009/12/18	0.57	340.00	0.64
Yuanta 4W(P)	HTC	30,000	2009/12/18	0.71	380.00	0.58
Yuanta 4X	CATHAY RED	10,000	2009/12/18	0.84	14.00	0.92
Yuanta 4Y	Ju Teng	10,000	2009/12/18	1.86	34.00	1.49
Yuanta P2	Pixart	10,000	2009/12/21	3.28	298.00	3.86
Yuanta P3(P)	Pixart	5,000	2009/12/21	4.70	258.00	4.25
Yuanta P4	SMP	10,000	2009/12/21	2.33	185.00	2.88
Yuanta P5	MOTECH	10,000	2009/12/21	1.82	152.00	2.52
Yuanta P6	AWSC	10,000	2009/12/21	0.84	39.50	1.35

F. Types of derivative financial instruments held for trading purpose and related contract information are detailed on Note 10 (1) H. (B).

(4) Investments in bills and bonds under resale or bills and bonds payable under repurchase agreements

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Investments in bills and bonds under resale agreement	\$ <u>5,763,931</u>	\$ <u>16,075,318</u>
Interest rate (%)	-0.20% ~ 0.27%	0.45%~2.00%
Contract resale amount	\$ <u>5,764,278</u>	\$ <u>17,301,886</u>
Bills and bonds payable under repurchase agreement	\$ <u>15,208,950</u>	\$ <u>36,396,684</u>
Interest rate (%)	-0.30% ~ 0.45%	0.38% ~1.25%
Contract repurchase amount	\$ <u>15,210,889</u>	\$ <u>36,567,165</u>

Note: To comply with the GreTai Securities Market (GTSM)'s automatic bills and bonds under repurchase agreement (RP) trading of excess long positions by the computerized negotiation trading system, the Group engaged in relevant transactions and generated negative interest rate.

(5) Receivables – net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Credit card receivable	\$ 2,043,789	\$ 2,286,904
Interests receivable	1,238,375	1,493,500
Acceptances receivable	827,425	762,487
Income Tax refundable	723,931	725,665
Margin loans receivable	60,956,669	27,980,106
Spot exchange receivable	8,118,197	3,193,623
Other receivables	<u>5,307,696</u>	<u>4,877,439</u>
Subtotal	79,216,082	41,319,724
Less: allowance for doubtful accounts	( 393,712)	( 358,424)
Net	<u>\$ 78,822,370</u>	<u>\$ 40,961,300</u>

A. For the years ended December 31, 2009 and 2008, the percentage of margin loans for stocks listed on TSE and OTC were 60% and 50%, respectively. Interest rates for pecuniary financing to securities firms and investors were 5.975%~6.65% and 6.65%~6.90% per annum for the years ended December 31, 2009 and 2008, respectively.

B. The stipulated percentage of deposits from the proceeds of short sale stock financing was 90% for the years ended December 31, 2009 and 2008, and was recorded as “securities received on securities lending”. The interest rates on the short sale proceeds payable and deposits from investors were 0.1%~0.5% and 0.5% per annum for the years ended December 31, 2009 and 2008, respectively.

- C. The stipulated percentage of deposits for securities borrowed was 140% for the years ended December 31, 2009 and 2008, and was recorded as “margin deposits from securities borrowed”. The interest rates on deposits from investors were 0.1%~0.5% and 0.5% per annum for the years ended December 31, 2009 and 2008, respectively.
- D. As of December 31, 2009 and 2008, guarantee deposits paid by the Group for borrowing securities from others (recorded as “Refundable guarantee deposits”) was \$163,051 and \$107,990, respectively.
- E. Due to the decline of share price, the margin ratio decreased. Accordingly, the disposal of shares by the Group resulted in additional payments. The above amount and pecuniary and securities financing receivables with low claims were recorded as “non accrual loans” pursuant to the related regulations. As of December 31, 2009 and 2008, non accrual loans recorded by the Group were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Non accrual loans	\$ 18,751	\$ 31,975
Less: allowance for credit loss	( 18,751)	( 31,975)
	<u>\$ -</u>	<u>\$ -</u>

- F. The memorandum accounts for pecuniary and securities financing transactions recorded at face value were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>Memorandum account</u>		
Securities held for collateral	\$ 33,505,060	\$ 32,420,862
Short sale stock loans	3,856,050	2,307,360
Guarantee effects	<u>252,890</u>	<u>-</u>
	<u>\$ 37,614,000</u>	<u>\$ 34,728,222</u>
Liabilities for holding collateral securities	\$ 36,438,383	\$ 27,917,038
Guarantee effects	1,070,647	6,782,334
Securities borrowed	<u>104,970</u>	<u>28,850</u>
	<u>\$ 37,614,000</u>	<u>\$ 34,728,222</u>

G. The memorandum accounts for pecuniary and securities financing transactions recorded at fair value were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>Memorandum account</u>		
Securities held for collateral	\$ 96,995,553	\$ 42,175,734
Short sale stock loans	20,438,200	5,401,557
Guarantee effects	<u>693,577</u>	<u>-</u>
	<u>\$ 118,127,330</u>	<u>\$ 47,577,291</u>
Liabilities for holding collateral securities	\$ 113,945,077	\$ 39,980,911
Guarantee effects	3,647,184	7,526,394
Securities borrowed	<u>535,069</u>	<u>69,986</u>
	<u>\$ 118,127,330</u>	<u>\$ 47,577,291</u>

(6) Assets held for sale

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Foreclosed assets	<u>\$ 45,376</u>	<u>\$ 40,819</u>

(7) Bills discounted and loans - net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Import-export negotiations and bills discounted	\$ 257,601	\$ 449,463
Short-term loans and overdrafts	27,036,849	33,590,753
Short-term loans and overdrafts secured	17,596,850	15,736,406
Medium-term loans	44,603,891	44,516,234
Medium-term loans secured	46,553,974	43,168,409
Long-term loans	7,996,410	8,655,847
Long-term loans secured	92,378,535	88,739,170
Accounts receivable factoring	232,361	554,707
Non-performing loans	<u>1,949,863</u>	<u>3,309,623</u>
Subtotal	238,606,334	238,720,612
Less: allowance for credit losses	( 4,553,457)	( 5,847,019)
Net	<u>\$ 234,052,877</u>	<u>\$ 232,873,593</u>

A. The Group provided allowance for credit losses by considering unrecoverable risks for the specific loans.

B. For the years ended December 31, 2009 and 2008, movements of allowance for doubtful accounts were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Specific provision</u>	<u>General provision</u>	<u>Total</u>
Beginning balance	\$ 5,981,522	\$ 360,434	\$ 6,341,956
Add: Provision for credit losses	354,966	87,643	442,609
Recovery of doubtful accounts and non-accrual loans	541,406	3,561	544,967
Less: Write-offs	( 2,234,910)	( 4,611)	( 2,239,521)
Foreign exchange translation adjustment and others	( 2,320)	( 75,010)	( 77,330)
Ending balance	<u>\$ 4,640,664</u>	<u>\$ 372,017</u>	<u>\$ 5,012,681</u>

	<u>For the year ended December 31, 2008</u>		
	<u>Specific provision</u>	<u>General provision</u>	<u>Total</u>
Beginning balance	\$ 4,669,475	\$ 558,279	\$ 5,227,754
Add: Provision for doubtful accounts	3,201,826	112,624	3,314,450
Recovery of doubtful accounts	589,044	47,080	636,124
Less: Write-offs	( 2,411,789)	( 355,533)	( 2,767,322)
Foreign exchange translation adjustment and others	( 67,034)	( 2,016)	( 69,050)
Ending balance	<u>\$ 5,981,522</u>	<u>\$ 360,434</u>	<u>\$ 6,341,956</u>

C. For the years ended December 31, 2009 and 2008, the provisions for credit losses were \$267,736 and \$2,835,562, respectively; provisions for credit losses for credit cards receivable were \$63,500 and \$311,500, respectively; provisions for credit loss for guarantees were \$17,715 and \$34,146, respectively, and other provision for credit losses were \$93,658 and \$133,242, respectively.

D. As of December 31, 2009 and 2008, loans and advances not accruing interest were \$1,949,863 and \$3,309,623, respectively. As of December 31, 2009 and 2008, the amounts of interest receivables that were not accrued from loans and advances were \$88,546 and \$45,552, respectively.

(8) Available-for-sale financial assets – net

<u>December 31, 2009</u>				
	<u>Amortized cost</u>	<u>Valuation adjustment</u>	<u>Accumulated impairment</u>	<u>Fair value</u>
Listed / OTC stocks	\$ 3,571,950	\$ 557,121	\$ -	\$ 4,129,071
Government bonds	8,558,168	156,667	-	8,714,835
Corporate bonds	6,052,178	77,424	-	6,129,602
Other bonds	983,137	8,948	-	992,085
Asset backed securities	444,849	( 19,554)	-	425,295
Beneficiary certificates / securities	<u>1,398,519</u>	<u>( 15,449)</u>	<u>( 243,349)</u>	<u>1,139,721</u>
Total	<u>\$ 21,008,801</u>	<u>\$ 765,157</u>	<u>(\$ 243,349)</u>	<u>\$ 21,530,609</u>

<u>December 31, 2008</u>				
	<u>Amortized cost</u>	<u>Valuation adjustment</u>	<u>Accumulated impairment</u>	<u>Fair value</u>
Listed / OTC stocks	\$ 5,927,940	(\$ 1,092,241)	\$ -	\$ 4,835,699
Government bonds	7,059,880	72,254	-	7,132,134
Financial bonds	252,093	3,469	-	255,562
Corporate bonds	7,178,770	9,526	-	7,188,296
Other bonds	861,539	( 2,290)	-	859,249
Asset backed securities	724,932	( 79,730)	-	645,202
Beneficiary certificates / securities	<u>1,569,822</u>	<u>35,577</u>	<u>-</u>	<u>1,605,399</u>
Total	<u>\$ 23,574,976</u>	<u>(\$ 1,053,435)</u>	<u>\$ -</u>	<u>\$ 22,521,541</u>

Due to the global financial crisis in 2008, certain stocks listed in the TSE or OTC originally classified as financial assets at fair value through profit or loss were reclassified as available-for-sale financial assets in accordance with the amended Paragraph No. 104 of SFAS No. 34. On September 30 and October 2, 2008, financial assets that were reclassified as available-for-sale amounted to \$2,220,665. The relevant information is as follows:

- (1) Fair value information regarding the reclassified assets which have not been derecognized from the balance sheet as of December 31, 2009 and 2008 was as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Stocks listed in the TSE or OTC	\$ <u>167,842</u>	\$ <u>1,641,619</u>

- (2) Movements on fair value of the reclassified assets for the years ended December 31, 2009 and 2008 were as follows:

	<u>For the years ended December 31,</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Recognized in profit or loss</u>	<u>Recognized in equity</u>	<u>Recognized in profit or loss</u>	<u>Recognized in equity</u>
Stocks listed in the TSE or OTC	\$ <u>122,636</u>	\$ <u>73,815</u>	(\$ <u>320,527</u> )	(\$ <u>564,746</u> )

- (9) Held-to-maturity financial assets – net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Government bonds	\$ 1,625,983	\$ 1,626,497
Financial bonds and corporate bonds	1,370,856	4,330,848
Asset backed securities	<u>41,103</u>	<u>104,376</u>
Total	\$ <u>3,037,942</u>	\$ <u>6,061,721</u>

- (10) Equity investments under the equity method – net

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>Percentage of ownership (%)</u>	<u>Amount</u>	<u>Percentage of ownership (%)</u>
Grand Asia Management	\$ 33,272	50.00%	\$ 30,930	50.00%
KIM ENG HOLDINGS LIMITED	6,241,268	29.19%	5,899,319	29.19%
Fuhwa Securities Investment Consulting (Note)	66,060	99.99%	66,060	99.99%
Yuanta Financial Consulting (Note)	<u>3,947</u>	100.00%	<u>-</u>	-
Total	\$ <u>6,344,547</u>		\$ <u>5,996,309</u>	

The investment income recognized under the equity method was \$588,205 and \$603,033 which was based on the investees' audited financial statements for the years ended December 31, 2009 and 2008, respectively.

Note: The Board of Directors of Fuhwa Securities Investment Consulting and Yuanta Financial Consulting resolved to dissolve the respective companies. Pursuant to Explanatory Note Ji-Mi-Zhi (88) No. 233, Fuhwa Securities Investment Consulting and Yuanta Financial Consulting were not included in the consolidated financial statements.

(11) Other financial assets – net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial assets carried at cost	\$ 6,599,626	\$ 7,024,755
Less: accumulated impairment	( 155 )	( 549,982 )
	<u>6,599,471</u>	<u>6,474,773</u>
Bond investments with no active market	-	447,520
Non-loans reclassified to non-accrual loans	65,512	136,514
Less: provision for credit losses	( 65,512 )	( 136,514 )
	-	-
Customer margin deposit account	<u>8,813,160</u>	<u>9,837,133</u>
Others	<u>222,546</u>	<u>175,815</u>
Total	<u>\$ 15,635,177</u>	<u>\$ 16,935,241</u>

(12) Fixed assets

	<u>December 31, 2009</u>		
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book value</u>
Land	\$ 4,066,203	\$ -	\$ 4,066,203
Buildings	3,031,408	( 464,663 )	2,566,745
Machinery and computer equipment	1,329,028	( 994,461 )	334,567
Transportation equipment	84,621	( 42,232 )	42,389
Miscellaneous equipment	2,919,086	( 1,287,313 )	1,631,773
Construction in progress	182,123	-	182,123
Less: accumulated impairment loss	-	-	( 24,814 )
	<u>\$ 11,612,469</u>	<u>(\$ 2,788,669)</u>	<u>\$ 8,798,986</u>

  

	<u>December 31, 2008</u>		
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book value</u>
Land	\$ 3,336,213	\$ -	\$ 3,336,213
Buildings	1,932,190	( 418,056 )	1,514,134
Machinery and computer equipment	1,273,498	( 907,749 )	365,749
Transportation equipment	79,519	( 30,294 )	49,225
Miscellaneous equipment	2,588,392	( 1,058,231 )	1,530,161
Construction in process	895,885	-	895,885
Less: accumulated impairment loss	-	-	( 24,814 )
	<u>\$ 10,105,697</u>	<u>(\$ 2,414,330)</u>	<u>\$ 7,666,553</u>

(13) Intangible assets

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Goodwill	\$ 8,048,098	\$ 8,048,098
Operating rights	206,646	269,422
Computer software	620,913	249,793
Less: accumulated impairment loss	( 301,192)	( 301,192)
	<u>\$ 8,574,465</u>	<u>\$ 8,266,121</u>

(14) Other assets

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Miscellaneous deposits	<u>\$ 3,541,040</u>	<u>\$ 3,329,313</u>
Non-operating assets		
Leased assets	4,176,426	5,829,447
Less: accumulated depreciation	( 209,589)	( 194,605)
accumulated impairment loss	( 28,211)	( 28,211)
Subtotal	<u>3,938,626</u>	<u>5,606,631</u>
Idle assets	626,458	529,208
Less: accumulated depreciation	( 6,573)	( 1,503)
accumulated impairment loss	( 198,567)	( 168,848)
Subtotal	<u>421,318</u>	<u>358,857</u>
Foreclosed assets	242,831	328,019
Less: accumulated impairment loss	-	( 1,666)
Subtotal	<u>242,831</u>	<u>326,353</u>
Restricted assets	<u>239,149</u>	<u>956,727</u>
Securities brokerage accounts - net	<u>352,338</u>	<u>48,543</u>
Others	<u>464,779</u>	<u>398,301</u>
Total	<u>\$ 9,200,081</u>	<u>\$ 11,024,725</u>

(15) Non-financial asset impairment losses

	For the year ended December 31, 2009				
	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending balance</u>
Consolidated credit items	\$ 284,527	\$ -	\$ -	\$ -	\$ 284,527
Fixed assets – land	14,385	-	-	-	14,385
Fixed assets – buildings	10,429	-	-	-	10,429
Leased assets – land	16,268	-	-	-	16,268
Leased assets – buildings	11,943	-	-	-	11,943
Idle assets	168,848	29,973	( 254)	-	198,567
Foreclosed assets	1,666	-	( 1,666)	-	-
Operating rights	<u>16,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,665</u>
Total	<u>\$ 524,731</u>	<u>\$ 29,973</u>	<u>(\$ 1,920)</u>	<u>\$ -</u>	<u>\$ 552,784</u>

	For the year ended December 31, 2008				
	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending balance</u>
Consolidated credit items	\$ 284,527	\$ -	\$ -	\$ -	\$ 284,527
Fixed assets – land	13,824	-	-	561	14,385
Fixed assets – buildings	4,561	-	-	5,868	10,429
Fixed assets – machinery	2	-	( 2)	-	-
Fixed assets – miscellaneous equipment	92	-	( 92)	-	-
Leased assets – land	16,829	-	-	( 561)	16,268
Leased assets – buildings	17,811	-	-	( 5,868)	11,943
Idle assets	168,848	-	-	-	168,848
Foreclosed assets	2,114	8,020	( 8,468)	-	1,666
Goodwill	212,339	-	( 212,339)	-	-
Assets held for sale	83,600	-	( 83,600)	-	-
Operating rights	<u>-</u>	<u>16,665</u>	<u>-</u>	<u>-</u>	<u>16,665</u>
Total	<u>\$ 804,547</u>	<u>\$ 24,685</u>	<u>(\$304,501)</u>	<u>\$ -</u>	<u>\$ 524,731</u>

(16) Due to Central Bank and other banks

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Due to Central Bank	\$ 15,891	\$ 4,234
Due to other banks	600,667	500,273
Overdrafts from other banks	38,674	6,651
Call loans from other banks	5,386,216	662,669
Redeposits from the directorate general of postal remittance	<u>7,513,312</u>	<u>10,691,255</u>
Total	<u>\$ 13,554,760</u>	<u>\$ 11,865,082</u>

(17) Commercial paper payable - net

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Commercial paper payable	\$ 1,530,000	\$ 2,880,000
Less: discount on commercial paper payable	( 221)	( 3,022)
Net	<u>\$ 1,529,779</u>	<u>\$ 2,876,978</u>

The interest rates on commercial paper were 0.21% to 1.68% and 0.95% to 2.65% per annum for the years ended December 31, 2009 and 2008, respectively.

For the year ended December 31, 2009, the guarantee and acceptance institutions for the above commercial paper payable are Yuanta Commercial Bank Co., Ltd., China Bills Finance Corporation, Mega Bills Finance Co., Ltd., and Tai Shin Bills Finance Corporation.

For the year ended December 31, 2008, the guarantee and acceptance institutions for the above commercial paper payable are China Bills Finance Corporation, Mega Bills Finance Co., Ltd., Tai Shin Bills Finance Corporation, Grand Bills Finance Corp., Tai Shin Commercial Bank Co., Ltd. and Sunny Bank Co., Ltd.

(18) Payables

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Accounts payable	\$ 874,870	\$ 428,900
Demand remittance payable	8,122,817	3,193,972
Bankers' acceptances	834,883	762,757
Interests payable	542,847	1,361,736
Accrued expenses	716,647	587,853
Taxes payable	7,839,970	8,829,493
Collections payable for customers	449,764	273,566
Proceeds payable from underwriting	138,177	156,955
Collateralized proceeds payable from securities lending	8,554,447	3,952,282
Deposits received on securities lending	7,145,254	3,303,399
Futures traders' equity	8,739,881	9,802,424
Other payables	<u>2,292,524</u>	<u>3,294,671</u>
Total	<u>\$ 46,252,081</u>	<u>\$ 35,948,008</u>

(19) Deposits and remittances

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Checking deposits	\$ 2,449,518	\$ 1,927,639
Demand deposits	39,025,483	24,801,167
Time deposits	55,204,662	69,997,957
Demand savings deposits	136,752,928	83,024,787
Time savings deposits	65,829,108	109,471,857
Remittances	<u>113,714</u>	<u>19,029</u>
Total	<u>\$ 299,375,413</u>	<u>\$ 289,242,436</u>

(20) Bonds payable

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial bonds	\$ 9,800,000	\$ 9,800,000
Unsecured corporate bonds	<u>12,500,000</u>	<u>12,500,000</u>
Total	<u>\$ 22,300,000</u>	<u>\$ 22,300,000</u>

#### A. Subordinate financial bonds

In order to increase the regulatory capital ratio and raise medium-term and long-term operating funds, the Board of Directors of Yuanta Bank (the “Bank”) decided to issue subordinate financial debentures on August 22, 2002, December 22, 2005, and September 21, 2006. The issuances of subordinate financial debentures were approved by the Bureau of Monetary Affairs in Ministry of Finance Ruling Tai-Tsai-Rong No. 0910042863 on September 24, 2002, the Financial Supervisory Commission in Executive Yuan Ruling Jin-Guan-Yin (6) No. 09500034970 on February 15, 2006, and the Financial Supervisory Commission in Executive Yuan Ruling Jin- Guan-Yin (6) No. 09500480850 on November 2, 2006.

In accordance with the original issuance plan, the Company issued the 2002 and 2006 first series of subordinate financial debentures on November 4, 2002 and February 24, 2006, respectively, at par value.

The second series of general financial debentures and subordinate financial debentures both within the quota of \$5,000,000 was approved on November 2, 2006. The first issuance of the second series of subordinate financial debentures and the second issuance of the second series of accumulated subordinate financial debentures with no maturity date were made on December 22 and 27, 2006, respectively. The total issued amounts were \$1,800,000 and \$3,000,000, respectively, which were also issued at par value. However, general financial debentures with the quota of \$5,000,000 and subordinate financial debentures with the quota of \$200,000 had expired as these were not issued within 1 year after approval date.

The details were as follows:

##### First series of subordinate financial debentures in 2002 (Note)

	<u>Floating interest rate</u>	<u>Fixed interest rate</u>
Par value	\$ 3,100,000	\$ 1,400,000
Stated interest rate	6.15% less Libor (Note 1)	3.5%
Period	Five years and three months	Five years and three months
Interest payment date	Payable every half-year	Payable every half-year
Term of principal payment	Repaid on maturity	Repaid on maturity
Issue price	Priced at face value on issue date	Priced at face value on issue date

Note: The First series of subordinate financial debentures in 2002 matured on February 4, 2008.

First series of subordinate financial debentures in 2006

Par value	\$ 5,000,000
Stated interest rate	Fixed interest rate at 2.55%
Period	Five years and six months
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

First issuance of second series of subordinate financial debentures in 2006, first series

Par value	\$ 1,800,000
Stated interest rate	Fixed interest rate at 2.50%
Period	Six years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity (Note 2)
Issue price	Priced at face value on issue date

Second issuance of second series of subordinate financial debentures in 2006, second series

Par value	\$ 3,000,000
Stated interest rate	Fixed interest rate at 3.25%, the interest rate will be increased to 4.25% if the Bank does not call back after five years
Period	No maturity date
Interest payment date	Payable annually
Term of principal payment	(Note 3)
Issue price	Priced at face value on issue date

Note 1: The stated interest rates are recalculated semi-annually according to the average six-month US dollar Libor rate.

Note 2: The redemption right of the issuer: If its post-redemption capital adequacy ratio meets the minimum required consolidated capital adequacy ratio and is approved by the supervising authority, the Bank may redeem the debentures in whole at par value on the second anniversary after the issue date or on every subsequent anniversary until maturity. Purchasers or holders of the debentures cannot raise any objection to this resolution. The Bank will announce the resolution 15 days prior to redemption date, and the debentures will stop accruing interest on and after the declaration date.

Note 3: The redemption right of the issuer: If its post-redemption capital adequacy ratio meets the minimum required consolidated capital adequacy ratio and is approved by the supervising authority, the Bank may redeem the debentures in whole or in part at par value plus accrued and unpaid interest on the fifth anniversary after the issue date or on every subsequent anniversary. Purchasers or holders of the debentures cannot raise any objection to this resolution. The Bank will announce the resolution 15 days prior to redemption date, and the debentures will stop accruing interest on and after the declaration date.

B. Unsecured corporate bonds

For the repayment of secured corporate bonds, short-term borrowings and investee companies, Yuanta Financial Holdings raised domestic unsecured corporate bonds on August 18, 2008. The main issuance clauses of this placement are as follows:

(A) Issue amount:

\$5,000,000, consisting of Bond A and Bond B based on issuance conditions

(B) Issue price:

Issued at par, \$1,000 per share

(C) Rate of interest:

Bond A: 2.95% per annum at fixed interest rate

Bond B: 3.30% per annum at fixed interest rate

(D) Maturity period:

Bond A: 3 years

Bond B: 7 years

(E) Interests

Interest is based on the interest rate on the issuance date which is payable annually. Interest is paid on every one million with NT 1 dollar as the basis unit; less than NT 1 dollar is to be rounded up or down.

(F) Repayment terms:

Bond A and B: The principal is paid based on face value at maturity.

To generate operating capital, Yuanta Securities Finance issued domestic unsecured corporate bonds on May 30, 2007. The main issuance clauses of this placement are as follows:

(A) Issue amount:

\$7,500,000, consisting of Bond A and Bond B based on issuance periods.

(B) Issue price:

Issued at par, \$1,000 per share

(C) Rate of interest:

Bond A: 2.05% per annum at fixed interest rate

Bond B: 2.13% per annum at fixed interest rate

(D) Repayment terms:

Bond A: The principal is paid based on face value at maturity.

Bond B: 50% is repaid at the 4th and 5th years, respectively.

(E) Maturity period:

Bond A: 3 years

Bond B: 5 years

(F) Interests

Interest is based on interest rate on the issuance date which is payable annually. Interest is paid on every one million with NT 1 dollar as the basis unit; less than NT 1 dollar is to be rounded up or down.

(21) Other borrowings

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Short-term borrowings and overdrafts		
Unsecured bank borrowings	\$ 3,193,077	\$ 2,540,000
Long-term borrowings		
Secured bank borrowings	<u>-</u>	<u>966,500</u>
Total other borrowings	<u>\$ 3,193,077</u>	<u>\$ 3,506,500</u>
Interest rate-short-term (%)	<u>0.50%~0.62%</u>	<u>1.57%~2.02%</u>
Interest rate-long-term (%)	<u>-</u>	<u>1.635%</u>

(22) Other liabilities

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Reserve for land appraisal incremental taxes	\$ 31,285	\$ 31,285
Refundable deposits	32,691	52,917
Collection in advance	256,522	119,053
Guarantee deposit-in and margin deposits	12,374,486	918,193
Others	<u>329,235</u>	<u>345,198</u>
Total	<u>\$ 13,024,219</u>	<u>\$ 1,466,646</u>

(23) Accrued pension liabilities

A. The Company has a defined benefit pension plan set up in accordance with the Labor Standards Law of the R.O.C., covering all regular employees whose services are prior to the implementation of the Labor Pension Act on July 1, 2005 and are after the implementation of the Labor Pension Act that employees choose to be continuously applicable to the Labor Standards Law. The payment of pension benefits is based on the length of the service period and average monthly compensation of the last six months prior to retirement. Under the defined benefit plan, employees are granted two points for each year of service for the first 15 years and are granted one point for each additional year of service from the 16th year, but it is subject to a maximum of 61 points.

B. Except for Yuanta Venture Capital, Yuanta Asset Management, Yuanta I Venture Capital, Yuanta Lease, Yuanta Property Insurance Agency, Yuanta Securities Asia Finance, Yuanta Securities Holding (BVI), the Group has established a defined benefit retirement plan providing for lump-sum retirement benefits to employees who meet retirement requirements. The plan is funded by Yuanta Securities Finance at 8% of basic salaries, and the contribution is deposited with the Trust Department of Bank of Taiwan. For

Yuanta Financial Holdings, Yuanta Securities and Yuanta Bank's pension plan, contributions to the retirement fund equal to 2% of salaries and wages paid. Yuanta Futures contributes at 2.55% of monthly salaries. Yuanta Securities Investment Consulting contributes at 2% of monthly salaries and wages paid and deposited in the Bank of Taiwan. The pension plan of Yuanta Life Insurance Agency is funded by at 6% of basic salaries from July 2006 and was adjusted to 2% of basic salary from June 2007, and contribution is deposited in the designated account with the Bank of Taiwan. Other domestic subsidiaries of Yuanta Securities contribute at 2% of monthly salaries and wages paid and deposited in the Bank of Taiwan. As of December 31, 2009 and 2008, the Group adopted the abovementioned pension plans and has recognized net pension cost of \$143,229 and \$224,046, respectively.

- C. Effective from July 1, 2005, the Group established a defined contribution plan pursuant to the Labor Pension Act, which covers employees with R.O.C. nationality and those who chose or are required to apply the Labor Pension Act. The contributions are made monthly based on not less than 6% of the employees' salaries and are deposited in the employees' individual pension fund accounts at the Bureau of Labor Insurance. The payment of pension benefits is based on the employees' individual pension fund accounts and the cumulative profit in such accounts, and the employees can choose to receive such pension benefits monthly or in lump sum. Under the defined contribution plan, the Group recognized pension expenses of \$234,886 and \$261, 651 for the years ended December 31, 2009 and 2008, respectively.
- D. The pension plans for the consolidated foreign subsidiaries are as follows:
- (A) The pension plan for Yuanta Securities (H.K.) is a defined contribution pension plan in compliance with Hong Kong's regulations.
  - (B) Yuanta Securities Asia Finance and Yuanta Holding (BVI) do not have compulsory pension plans according to local regulations.
  - (C) Yuanta Securities (H.K.) recognized pension cost of \$3,520 and \$687 based on the abovementioned pension plan for the years ended December 31, 2009 and 2008, respectively. Other foreign subsidiaries did not recognize related pension cost as they have no employee.
  - (D) Except for those mentioned in (A) and (B) above, others do not have pension plans.

E. The following sets forth the pension information based on the actuarial report.

A. Funded status of the pension plan

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Benefit obligation		
Vested benefit obligation	(\$ 309,144)	\$ 93,799
Non-vested benefit obligation	( 1,598,248)	( 635,883)
Accumulated benefit obligation	( 1,907,392)	( 542,084)
Effect of future salary increments	( 769,606)	( 43,897)
Projected benefit obligation	( 2,676,998)	( 585,981)
Fair value of plan assets	<u>1,209,788</u>	<u>195,691</u>
Funded status	( 1,467,210)	( 390,290)
Unrealized net transaction obligation	( 19,639)	( 54,443)
Unrealized service cost in prior period	26,351	( 228,325)
Unrealized gain or loss on plan assets	496,985	( 269,490)
Additional minimum pension liabilities	( 49,236)	<u>-</u>
Accrued pension liabilities	<u>(\$ 1,012,749)</u>	<u>(\$ 942,548)</u>
Vested benefit	<u>\$ 391,933</u>	<u>\$ 536,016</u>

B. Net pension cost comprises the following:

	<u>2009</u>	<u>2008</u>
Service cost	\$ 96,637	\$ 135,201
Interest cost	60,493	89,878
Actual return on plan assets	( 18,895)	( 32,841)
Amortization	<u>3,805</u>	<u>25,995</u>
Net pension cost	<u>\$ 142,040</u>	<u>\$ 218,233</u>

C. Actuarial assumption

	<u>2009</u>	<u>2008</u>
Discounted rate	2.25%	2.75%
Expected rate of return on plan assets	2.00%~3.00%	1.50%~3.00%
Rate of compensation increase	2.25%	1.50%~2.00%

(24) Income tax

The details of the Group's income tax expense are as follows:

A. Income tax expense and income tax payable are reconciled as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Income tax expense	\$ 2,004,499	\$ 721,428
Add: Net changes in deferred income tax assets	( 344,477)	294,233
Income taxes levied separately	( 102,506)	( 246,468)
Prior years' income tax payable, net	6,261,447	8,130,331
Prior years' warrant tax payable	-	29,948
Over (under) provisions of prior years' income tax expenses	( 43,191)	189,270
Effect on deferred tax assets of change in income tax rate	( 554,759)	-
Under provisions of prior years' adopting the consolidated income tax return system	( 134)	( 119,453)
Others	( 84)	1,468
Prepaid and withheld income taxes	( <u>275,853</u> )	( <u>312,981</u> )
Income tax payable	<u>\$ 6,944,942</u>	<u>\$ 8,687,776</u>

B. Deferred income tax assets (liabilities):

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>Tax effect</u>	<u>Amount</u>	<u>Tax effect</u>
Deferred income tax assets				
Temporary differences				
Increase in allowance for credit losses in excess of tax limitation	\$ 2,364,201	\$ 472,840	\$ 3,986,231	\$ 996,559
Loss carryforwards	7,599,491	1,519,898	8,041,631	2,010,408
Impairment losses	582,202	116,542	466,861	116,716
Reserves for trading, default and bad debt losses	637,042	127,408	416,813	104,203
Pension cost in excess of legal limitation	1,012,473	202,495	977,349	244,337
Book-Tax difference - goodwill amortization	738,002	147,600	883,385	220,846
Unrealized exchange losses	96,151	19,230	-	-
Unrealized valuation loss on financial instruments	94,663	18,932	-	-
Unrealized expense	147,210	29,442	375,480	93,870
Others	<u>22,231</u>	<u>4,446</u>	<u>11,834</u>	<u>5,050</u>
	<u>13,293,666</u>	<u>2,658,833</u>	<u>15,159,584</u>	<u>3,791,989</u>
Deferred income tax liabilities				
Temporary differences				
Unrealized revaluation gains on derivatives	-	-	( 74,519)	( 18,629)
Recognition of capital reduction on investees	( 5,060)	( 1,012)	( 5,059)	( 1,265)
Unrealized exchange gains	-	-	( 496,194)	( 124,048)
Gain from warrants before maturity	( 335,865)	( 67,173)	-	-
Difference of financial statement and tax return basis for fixed assets	( 256,054)	( 51,210)	( 288,980)	( 72,245)
	( 596,979)	( 119,395)	( 864,752)	( 216,187)
Investment tax credits		<u>19,505</u>		<u>21,144</u>
Valuation allowance		( 326,478)		( 465,246)
Net deferred income tax assets		<u>\$ 2,232,465</u>		<u>\$ 3,131,700</u>

- C. According to the Income Tax Law, the losses could be carried forward for 10 years to offset against the future years' taxable income. As of December 31, 2009, the details of the Group's losses available to be carried forward were as follows:

<u>Year loss was incurred</u>	<u>Declared amount of losses</u>	<u>Year of expiration</u>	<u>Assessed by tax authorities</u>
2004	\$ 31,395	2014	Not yet assessed
2005	33,754	2015	Not yet assessed
2006	4,918,848	2016	Not yet assessed
2007	2,451,506	2017	Not yet assessed
2008	163,772	2018	Not yet assessed
2009	216	2019	Estimate
	<u>\$ 7,599,491</u>		

- D. The Group is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of December 31, 2009 are as follows:

<u>Year</u>	<u>Amount of tax credit</u>	<u>Year of expiration</u>	<u>Assessed by tax authorities</u>
2006	\$ 7,912	2010	Not yet assessed
2007	8,522	2011	Not yet assessed
2008	10,214	2012	Not yet assessed
2009	2,333	2013	Estimate
	<u>\$ 28,981</u>		

- E. Imputation credit account for stockholders and its related information

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Balances of the imputation credit account for stockholders	<u>\$ 1,653,749</u>	<u>\$ 986,323</u>
	<u>2009</u>	<u>2008</u>
Estimated / actual imputation credit ratio for earnings distribution (%)	<u>14.42%</u>	<u>33.33%</u>

- F. Unappropriated earnings

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Prior 1997 (including 1997)	\$ -	\$ -
Post 1998	<u>7,266,869</u>	<u>1,659,290</u>
	<u>\$ 7,266,869</u>	<u>\$ 1,659,290</u>

The income tax returns for all fiscal years through 2005 of Yuanta Financial Holdings, Yuanta Securities, Yuanta Bank, Yuanta Securities Finance, Yuanta Venture Capital, Yuanta Asset Management and Yuanta Investment Trust have been examined by the tax authority. The income tax returns for all fiscal years through 2007 of Yuanta Securities Investment Consulting, Yuanta Futures, Yuanta Futures Management, Yuanta Property Insurance Agency, Yuanta International Insurance Agency, Yuanta Leasing, Yuanta Life Insurance Agency and Yuanta I Venture Capital have been examined by the tax authority.

Income tax lawsuits of the Yuanta Group are as follows:

(A) Yuanta Financial Holdings:

Yuanta Financial Holdings' ROC income tax return for 2002 was examined by the National Tax Administration of Taipei (NTAT) on November 3, 2006. NTAT decided that the securities trading expense and the amortization of interest expense amounting to \$89,120 should be adjusted as investment revenue which resulted to a decrease in Yuanta Financial Holdings' accumulated deficit by \$89,120. As a result, Yuanta Financial Holdings applied for a reexamination in January 2007.

Yuanta Financial Holdings' ROC income tax returns for 2003 to 2005 were examined by the NTAT and received assessment reports on December 12, 2006, May 15, 2009 and July 15, 2009, respectively. NTAT decided that the securities trading expense and the amortization of interest expense should be adjusted as investment revenue which resulted to a decrease in Yuanta Financial Holdings' accumulated deficit by \$2,571,523. As a result, Yuanta Financial Holdings applied for a reexamination in March 2007, July 2009 and October 2009, respectively. The Yuanta Financial Holdings adjusted the income tax benefits for conservatism purpose.

(B) Yuanta Securities

With respect to the income tax returns of Yuanta Securities for the fiscal years 2002 and 2005, the tax authorities assessed to increase income tax payable by \$566,235. However, Yuanta Securities disagreed with the assessments and had filed for administrative litigation. For conservatism purposes, Yuanta Securities had recognized the income tax expense relating to the increase in income tax payable.

For the income tax returns of dissolved company - Yuanta Core Pacific Securities (1999, 2001 and 2003 to 2005), the tax authorities assessed to increase income tax payable by \$6,678,383. However, Yuanta Securities disagreed with the assessments and had filed for administrative litigation. For conservatism purposes, Yuanta Securities had recognized the income tax expense relating to the above increase in income tax payable.

(C) Yuanta Bank

Yuanta Bank's annual income tax return through 2005 has been assessed by the Tax Authority. For Yuanta Bank's annual income tax returns for 2003 to 2005, the previous trader taxes were assessed to be \$127,759, which has been settled as 65% of the taxable income based on the NTAT's settlement conditions. Yuanta Bank adjusted the income tax benefits for conservatism purposes.

Yuanta Bank's 10% surtax on undistributed earnings for 1998 has been examined by the tax authorities. The ROC tax authorities determined that the unrealized exchange gains from 1997 accounted for in taxable income in 1998 cannot be offset against unappropriated earnings in 1998. Yuanta Bank prevailed in the lawsuit decided by the Taichung High Administrative Court on July 17, 2007. The National Tax Administration of Central Taiwan Province reassessed the case and returned the tax paid on May 5, 2008.

Yuanta Bank's annual income tax returns for 2003 to 2005 were assessed by the Tax Authority, Taipei City and received assessment reports on December 12, 2006, May 15, 2009 and July 16, 2009, respectively. The Tax Authority, Taipei City denied the amortization on goodwill and bond investments, the Bank disagreed with the assessment and has filed petition for a reexamination in March 2007, July 2009 and October 2009, respectively.

(D) Yuanta Securities Finance

The tax authorities assessed to increase income tax payable by \$16,255. However, Yuanta Securities Finance disagreed with the assessments and had filed for administrative litigation. For conservatism purposes, Yuanta Securities Finance had recognized the income tax expense relating to the increase in income tax payable.

(25) Common stock

The Company merged with Yuanta Core Pacific Securities and Yuanta Core Pacific Securities became the Company's subsidiary by share exchange which was approved per Explanatory Letter Jin-Guan-Yin (6) No. 09600022230 of the FSC dated March 8, 2007, effective on April 2, 2007. The share exchange ratio of Yuanta Core Pacific Securities to the Company is 1:1.615. The Company had issued new common shares totaling 5,150,353 thousand shares (with par value of \$10 New Taiwan dollars per share) in exchange of Yuanta Core Pacific Securities' issued common shares totaling 3,189,073 thousand shares (with par value of \$10 New Taiwan dollars per share). As of December 31, 2007, the Company issued new shares amounting to 40,929 thousand shares in response to bondholders' conversion rights. On December 11, 2008, the Company retired 250,938 thousand shares which was approved by the competent authority; hence, the Company's authorized and issued capital was \$81,021,057 at December 31, 2009.

(26) Capital surplus

The ROC Company Act requires that capital surplus shall only be used to offset an accumulated deficit or be transferred to capital and not be used to distribute cash dividends. Realized capital surplus mentioned above includes the proceeds received in excess of the par value of common stock issued and any amounts donated to the Company. The amount of capital surplus capitalized each year may not exceed a certain percentage of the Company's issued share capital. Issuance of new stock from capital surplus of cash subscription in excess of par value of common stock can be made only once per year, and cannot be made in the same year as cash subscription.

However, according to SFB regulations, capital surplus resulting from undistributed earnings absorbed from subsidiaries after share exchange of the Company is permitted to be transferred to capital or used to distribute cash dividends in the current period. In addition, the amount of capital surplus to be transferred to capital or used to distribute cash dividends is not subject to the aforementioned limitations.

As of December 31, 2009 and 2008, the components of capital surplus were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Post 1998	<u>\$ 4,201,196</u>	<u>\$ 4,895,569</u>

(27) Legal reserve and special reserve

In accordance with the ROC Company Act, 10% of annual net income after offsetting prior years' losses and paying tax liabilities must be retained as a legal reserve. Legal reserve can only be used to offset losses and cannot be distributed as cash dividends. Up to one-half of legal reserve can be converted to capital when it reaches an amount equal to one-half of issued capital.

In accordance with SFB regulations, in addition to the legal reserve retained, the Company should provide a special reserve of equal amount for any current year shareholders' equity contra account from the current year's earnings after tax or prior years' unappropriated earnings. However, the special reserve of equal amounts for prior years' accumulated shareholders' equity contra accounts should only be provided from prior years' unappropriated earnings. If a reversal of shareholders' equity contra account occurs, the reversed portion of the special reserve could be distributed.

(28) Unappropriated earnings

According to the Company's articles of incorporation, the annual net income will be distributed as follows:

- A. Payment of income tax;
- B. Offset prior years' deficits;
- C. Provide legal reserve; and
- D. Appropriate 1% as remuneration to directors and supervisors, and 0.1% to 0.5% as bonus to employees. The remaining amount and prior years' unappropriated earnings shall be resolved by the stockholders during their meeting. When the bonus to employees is distributed in the form of stocks, the distribution includes employees of affiliated companies under certain conditions.

In order to continuously expand its operations and increase earning capacity, and to maintain the capital adequacy ratio, the Company has adopted the following dividend policy: 80% of the Company's annual net income, after paying all taxes as required by the law, offsetting prior years' losses, and retaining legal reserve and employees' bonus, shall be distributed as dividends. Cash dividends shall be no less than 50% of the distributed amount, while stock dividends shall be no greater than 50% of the distributed amount. Therefore, the Company will determine an appropriate dividend distribution policy for the current year based on the aforementioned principles. The appropriation of earnings is subject to the resolutions adopted during the directors' and stockholders' meetings.

The Board of Directors and stockholders during their meeting approved the distribution of 2008 and 2007 earnings, as follows:

	2008 earnings		2007 earnings	
	Amount	Dividend per share (In NT dollar)	Amount	Dividend per share (In NT dollar)
Legal reserve	\$ 164,454		\$ 603,717	
Special reserve	712,805		101,640	
Cash dividends	758,966	\$ 0.094	5,429,478	\$ 0.650
Remunerations to directors and supervisors			53,318	
Employees' cash bonuses			15,996	

As of report date, the distribution of 2009 earnings has not been approved by the Board of Directors. The status of the resolved earnings distribution is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

The Group recognized the estimated costs for remunerations to directors and supervisors of \$7,673 and employees' bonuses of \$767 for the year ended December 31, 2009 which, after taking net earnings after tax and legal reserve into account, is based on the ratio stipulated in the Company's Articles of Incorporation. Information on the appropriation of the Company's earnings as resolved by the Board of Directors, which will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange, was consistent with the amount recognized in the financial statements for the year ended December 31, 2008.

(29) Treasury stocks

The changes in the Company's treasury stocks held by the Company and its subsidiaries for the years ended December 31, 2009 and 2008 were as follows (shares are expressed in thousands):

For the year ended December 31, 2009						
Reason for buyback of shares	Beginning balance of shares	Share increase	Share decrease	Number of shares due to change in reason for buyback of shares	Ending balance of shares	Ending balance amount
Treasury stock transferred to employees	28,000	=	=	=	28,000	\$ 332,810

For the year ended December 31, 2008

Reason for buyback of shares	Beginning balance of shares	Share increase	Share decrease	Number of shares due to change in reason for buyback of shares	Ending balance of shares	Ending balance amount
Treasury stock transferred to employees	-	28,000	-	-	28,000	\$ 332,810
To secure the Company's credit and stockholders' equity	-	250,938	250,938	-	-	\$ -
The Company's stocks held by Yuanta Securities (formerly known as Yuanta Core Pacific Securities)	295,528	-	295,528	-	-	\$ -

From April 2, 2007, Yuanta Core Pacific Securities is included in Yuanta Financial Holdings; thus, the Company's stocks held by Yuanta Core Pacific Securities are regarded as treasury stocks. For the year ended December 31, 2008, Yuanta Core Pacific Securities sold the Company's shares totaling to 295,528 thousand shares, resulting to a gain on disposal amounting to \$3,531,218 which was recorded as additional paid-in capital – treasury stocks.

Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital reserve. Based on the Company's financial statements as of December 31, 2009, the maximum number of shares that the Company can repurchase was 810,211 thousand shares, and the maximum amount of the Company's repurchase was \$32,978,597. For the year ended December 31, 2009, the maximum number of shares that the Company can repurchase was 28 million shares, and the maximum amount of repurchase was \$332,810.

Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.

Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(30) Share-based payment – employee compensation plan

A. As of December 31, 2009, the Group's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Actual resignation rate in the current period	Estimated future resignation rate
Treasury stock transferred to employees	Note	1,123	2009.1.21~2010.3.31	1.189 years' service	0.85%	0%
Treasury stock transferred to employees	Note	1,178	2009.1.21~2010.3.31	2.189 years' service	0.81%	0%
Treasury stock transferred to employees	Note	750	2009.4.1~2010.3.31	0.9973 year's service	0%	0%
Treasury stock transferred to employees	Note	52	2009.4.30~2010.9.30	1.4192 years' service	0%	0%
Treasury stock transferred to employees	Note	52	2009.4.30~2011.9.30	2.4192 years' service	0%	0%
Treasury stock transferred to employees	Note	54	2009.4.30~2012.9.30	3.4219 years' service	0%	0%
Treasury stock transferred to employees	Note	164	2009.7.7~2010.9.30	1.2329 years' service	9.55%	0%
Treasury stock transferred to employees	Note	164	2009.7.7~2011.9.30	2.2329 years' service	9.55%	0%
Treasury stock transferred to employees	Note	170	2009.7.7~2012.9.30	3.2356 years' service	9.21%	0%
Treasury stock transferred to employees	Note	71	2009.10.20~2010.3.31	0.4438 year's service	0%	0%
Treasury stock transferred to employees	Note	71	2009.10.20~2011.3.31	1.4438 years' service	0%	0%
Treasury stock transferred to employees	Note	73	2009.10.20~2012.3.31	2.4466 years' service	0%	0%
Treasury stock transferred to employees	Note	38	2009.10.20~2010.9.30	0.9452 year's service	0%	0%
Treasury stock transferred to employees	Note	38	2009.10.20~2011.9.30	1.9452 years' service	0%	0%
Treasury stock transferred to employees	Note	40	2009.10.20~2012.9.30	2.9479 years' service	0%	0%

Note: The grant date was in 2009. The stocks are granted during the contract period in batches.

B. Details of the employee stock options are set forth below:

	<u>December 31, 2009</u>	
	<u>No. of shares (in thousand shares)</u>	<u>Weighted-average exercise price (in dollars)</u>
Options outstanding at beginning of year	\$ -	\$ -
Options granted	4,038	11.89
Options outstanding at end of year	4,038	11.89
Options exercisable at end of year	-	-

C. For the stock options granted on or after January 1, 2009 with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The weighted-average parameters used in the estimation of the fair value are as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected vesting period	Expected dividend yield rate	Risk-free interest rate	Fair value per unit
Treasury stock transferred to employees	2009.1.21~2010.3.31	12.2	11.89	59.83%	1.1890	5.33%	0.74%	2.8061
Treasury stock transferred to employees	2009.1.21~2011.3.31	12.2	11.89	53.70%	2.1890	5.33%	1.09%	3.1048
Treasury stock transferred to employees	2009.4.1~2010.3.31	16.1	11.89	60.60%	0.9973	4.04%	0.36%	5.3536
Treasury stock transferred to employees	2009.4.30~2010.9.30	19.4	11.89	60.14%	1.4192	0.93%	0.48%	8.8868
Treasury stock transferred to employees	2009.4.30~2011.9.30	19.4	11.89	54.74%	2.4192	0.93%	0.80%	9.4396
Treasury stock transferred to employees	2009.4.30~2012.9.30	19.4	11.89	49.27%	3.4219	0.93%	1.03%	9.6658
Treasury stock transferred to employees	2009.7.7~2010.9.30	23.4	11.89	62.76%	1.2329	0.77%	0.30%	12.3252
Treasury stock transferred to employees	2009.7.7~2011.9.30	23.4	11.89	57.25%	2.2329	0.77%	0.59%	12.9063
Treasury stock transferred to employees	2009.7.7~2012.9.30	23.4	11.89	50.65%	3.2356	0.77%	0.89%	13.1091
Treasury stock transferred to employees	2009.10.20~2010.3.31	24.3	11.89	49.20%	0.4438	0.74%	0.26%	12.3732
Treasury stock transferred to employees	2009.10.20~2011.3.31	24.3	11.89	56.78%	1.4438	0.74%	0.57%	13.0971
Treasury stock transferred to employees	2009.10.20~2012.3.31	24.3	11.89	54.60%	2.4466	0.74%	0.74%	13.7072
Treasury stock transferred to employees	2009.10.20~2010.9.30	24.3	11.89	56.03%	0.9452	0.74%	0.45%	12.6937
Treasury stock transferred to employees	2009.10.20~2011.9.30	24.3	11.89	56.68%	1.9452	0.74%	0.67%	13.4810
Treasury stock transferred to employees	2009.10.20~2012.9.30	24.3	11.89	52.27%	2.9479	0.74%	0.79%	13.8549

(31) Earnings per share

The basic earnings per share is as follows (shares are expressed in thousands):

	For the years ended December 31,			
	2009		2008	
	After tax	Pre tax	After tax	Pre tax
Basic earnings per share:				
Net consolidated income before extraordinary gains	\$ 9,325,407	\$ 7,320,908	\$ 2,451,006	\$ 1,729,578
Extraordinary gains	<u>-</u>	<u>-</u>	<u>760</u>	<u>760</u>
Total consolidated income	9,325,407	7,320,908	2,451,766	1,730,338
Minority interest income	( <u>100,809</u> )	( <u>77,104</u> )	( <u>97,775</u> )	( <u>85,801</u> )
Net consolidated income	<u>\$ 9,224,598</u>	<u>\$ 7,243,804</u>	<u>\$ 2,353,991</u>	<u>\$ 1,644,537</u>
Outstanding shares - weighted average	<u>8,074,106</u>	<u>8,074,106</u>	<u>8,185,908</u>	<u>8,185,908</u>
Basic earnings per share				
Net consolidated income before extraordinary gain	\$ 1.15	\$ 0.91	\$ 0.30	\$ 0.21
Extraordinary gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total consolidated income	1.15	0.91	0.30	0.21
Minority interest income	( <u>0.01</u> )	( <u>0.01</u> )	( <u>0.01</u> )	( <u>0.01</u> )
Net consolidated income	<u>\$ 1.14</u>	<u>\$ 0.90</u>	<u>\$ 0.29</u>	<u>\$ 0.20</u>

(32) Personnel, depreciation, and amortization expenses

Personnel, depreciation, and amortization expenses incurred for the years ended December 31, 2009 and 2008 are summarized as follows:

	For the years ended December 31,	
	2009	2008
Personnel expenses	\$ 9,455,766	\$ 8,752,703
Salaries	8,186,727	7,487,194
Labor and health insurance	403,086	407,281
Pension	381,635	493,281
Others	484,318	364,947
Depreciation	801,954	706,534
Amortization	247,503	200,248
Depreciation for non-operating assets	50,940	29,538

(33) Asset securitization

A. Summary of major terms

On September 5, 2005, the Yuanta Core Pacific Securities sold bonds totaling \$9,562,268 to a financial institution under asset securitization for issuance of beneficiary certificates in the amount of \$10,000,000. Details of beneficiary certificates issued are as follows:

- (A) Principal only pass-through beneficiary certificates – type A: Par value of \$7,300,000, with a maturity date of September 5, 2009.
- (B) Principal only pass-through beneficiary certificates – type B: Par value of \$1,300,000, with a maturity date of September 16, 2010.
- (C) Principal only pass-through beneficiary certificates – type C: Par value of \$1,000,000, with a maturity date of March 15, 2011.
- (D) Subordinated beneficiary certificates: Par value of \$400,000, with a maturity date of March 15, 2011.
- (E) Seller’s beneficiary securities: the interests from the underlying bonds are sources of the interest of repayment, taking interests collected on every interest payment date and repaying to the investors, to eliminate possible interest rate risk. The amount recorded was \$397,019.

All of the above beneficiary certificates are zero-coupon.

Yuanta Core Pacific Securities acquired a subordinated beneficiary certificate listed above at a cost of \$366,107 to enhance the credit of the beneficiary certificates. In the event of default, the investors and the trustees have no recourse against Yuanta Core Pacific Securities except for the bonds security. The principal of the retained interests is repaid after the investor’s interests and its value is affected by the credit risk and interest risk of the transferred assets.

B. Major assumptions used to measure rights retained:

As of December 31, 2009 and 2008, the major assumptions used to measure the interests retained are as follows:

	<u>December 31, 2009 (per annum)</u>		<u>December 31, 2008 (per annum)</u>	
	<u>Subordinated beneficiary certificates</u>	<u>Seller’s beneficiary certificates</u>	<u>Subordinated beneficiary certificates</u>	<u>Seller’s beneficiary certificates</u>
Expected weighted -average years	1.2 years	0.38 years	2.2 years	0.8 years
Expected credit loss rate	-	-	-	-
Discount rate	0.74%	0.57%	1.08%	1.08%

C. Sensitivity analysis:

As of December 31, 2009 and 2008, the sensitivity of fair value of the residual cash flows is as follows if the discount rates change unfavorably (10%~20%):

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Subordinated beneficiary certificates</u>	<u>Seller's beneficiary certificates</u>	<u>Subordinated beneficiary certificates</u>	<u>Seller's beneficiary certificates</u>
Book value of right kept	\$ 396,472	\$ 20,303	\$ 390,609	\$ 166,317
Expected weighted -average years	1.2 years	0.38 years	2.2 years	0.8 years
Discount rate	0.74%	0.57%	1.08%	1.08%
Impact results of 10% unfavorable change	( 350)	( 4)	( 921)	( 141)
Impact results of 20% unfavorable change	( 699)	( 9)	( 1,839)	( 282)

D. Expected loss rates of static groups:

During the years ended December 31, 2009 and 2008, the expected and actual credit loss rates were 0%.

E. Cash flows

The cash flows received from and used in securitization trust are summarized as follows:

	<u>For the years ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash received from securitization	\$ -	\$ -
Cash received from other cash flows of interests retained	<u>148,587</u>	<u>70,714</u>
	<u>\$ 148,587</u>	<u>\$ 70,714</u>

5. Related party transactions

(1) Names and relationship of related parties

<u>Name of related party</u>	<u>Relationship</u>
Walsin Technology Corporation	Yuanta Securities Investment Trust president's spouse is Walsin Technology's president (until May 1, 2009)
Walsin Color Corporation (Walsin Color)	"
International Trade Building Corp.	Yuanta Securities Investment Trust president's first-degree relative is International Trade Building's president (until May 1, 2009)
HannStar Display Co., Ltd. (HannStar Display)	Yuanta Securities Investment Trust president's spouse is HannStar Display's president
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
Funds managed by Fuhwa Securities Investment Trust	Security investment trust fund raised by the Fuhwa Securities Investment Trust which was not a related party since October 24, 2008.
Land Bank of Taiwan	Yuanta Bank director is Land Bank of Taiwan's vice deputy general manager (resigned on December 19, 2008)
Kim Eng Finance Pte. Ltd. (Kim Eng Finance)	Investee company (of Yuanta Securities) accounted for under the equity method
Grand Asia Management	Related party in substance
Grand Asia Services (Singapore)	"
Brightpro Resources Limited Corp. (Brightpro Resources) (Note 1)	"
Jing Cai Yue Xin	"
Hanns. G Inc. (Hanns. G)	"
Yao Hua Enterprise Management Advisor Co., Ltd.	"
Sintek Photronic Corp. (Sintek Photronic)	"
MassMutual Mercuries Life	"
Tsun Chueh Investment	"
Modern Investment	"
Hsu Tong Investment	"
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Yuan Ding International Construction Co., Ltd. (Yuan Ding Construction)	"

<u>Name of related party</u>	<u>Relationship</u>
Yuanta Foundation (formerly known as Fuhwa Cultural & Educational Foundation)	Related party in substance
Others (each related party's deposits and loans are not over 1% of total deposits and loans)	The Company's affiliated companies and directors, independent directors, managers, and their relatives

Note: Brightpro Resources was no longer the Group's related party since December 2009.

(2) Significant transactions and balances with related parties

A. Deposits

<u>December 31, 2009</u>			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
Others (Deposits by each related party not over 1% of total deposits)	<u>\$ 5,597,849</u>	<u>1.87</u>	0.00~5.85

  

<u>December 31, 2008</u>			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
Others (Deposits by each related party not over 1% of total deposits)	<u>\$ 10,647,923</u>	<u>3.68</u>	0.00~13.00

Apart from an interest rate limit on staff demand savings deposits of 5.85% and 13%, for the years ended December 31, 2009 and 2008, the range of interest rate on other related parties' demand savings deposits was 0.00%~5.20% and 0.00%~5.88%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2009 and 2008, interest expense on the above deposits were \$22,708 and \$124,313, respectively.

B. Loans

December 31, 2009

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	359	\$ 16,825	\$ 8,917	\$ 8,917	\$ -	None and movables	None
Home mortgage loans	118	1,011,069	912,040	912,040	-	Real estate	None
Other loans	HannStar Display	1,700,000	1,226,170	1,226,170	-	Movables	None
	22 (Note)	39,095	22,246	15,597	6,649	Real estate and deposits	None
Total			2,169,373	2,162,724	6,649		

December 31, 2008

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans for employees	1	\$ 581	\$ 513	\$ 513	\$ -	None	None
Home mortgage loans	42	337,641	249,177	249,177	-	Real estate	None
Other loans	2 (Note)	899	150	150	-	None	None
Total			249,840	249,840	-		

Note: None of the ending balances of individual borrowers exceeded 1% of the total ending balance. Hence, the transactions are not listed individually.

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies, ranging from 1.72% to 3.19% and 2.40% to 3.60%, and on loans to bank staff, ranging from 0.80% to 10.90% and 1.65% to 4.74% for the years ended December 31, 2009 and 2008, respectively. Other terms and conditions of the related party transactions are not significantly different from those of transactions with third parties.

For the years ended December 31, 2009 and 2008, interest income resulting from the above loans was \$46,739 and \$33,503, respectively.

C. Property transactions

- a. For the years ended December 31, 2009 and 2008, the details of the Group investments in open-end funds were as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Funds managed by Fuhwa		
Securities Investment Trust	\$ -	\$ 835,514
Funds managed by Yuanta		
Securities Investment Trust	<u>7,980,189</u>	<u>11,403,525</u>
	<u>\$ 7,980,189</u>	<u>\$ 12,239,039</u>

- b. For the years ended December 31, 2009 and 2008, the details of the Group's engaging in purchase-without-recourse transactions with affiliates in the open market were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Type</u>	<u>Purchase price</u>	<u>Selling price</u>
Funds managed by Yuanta			
Securities Investment Trust	Bond	<u>\$ 2,457,652</u>	<u>\$ 567,436</u>
	<u>For the year ended December 31, 2008</u>		
	<u>Type</u>	<u>Purchase price</u>	<u>Selling price</u>
Land Bank of Taiwan	Bond	\$ 552,210	\$ 746,895
Funds managed by Fuhwa			
Securities Investment Trust	Bond	-	49,202
Funds managed by Yuanta			
Securities Investment Trust	Bond	<u>2,874,734</u>	<u>4,632,803</u>
		<u>\$ 3,426,944</u>	<u>\$ 5,428,900</u>

D. Bills and bonds transactions under repurchase and resale agreement

For the year ended December 31, 2009				
	Highest balance	Ending balance	Interest rate (%)	Interest income (expense)
Repurchase agreement:				
Funds managed by Yuanta				
Securities Investment Trust	\$ 5,104,653	\$ 2,539,636	0.11~0.60	\$ 6,699
Tsun Chueh Investment	355,000	<u>355,000</u>	0.25~1.1	<u>14</u>
		<u>\$ 2,894,636</u>		<u>\$ 6,713</u>

For the year ended December 31, 2008				
	Highest balance	Ending balance	Interest rate (%)	Interest income (expense)
Repurchase agreement:				
Funds managed by Fuhwa				
Securities Investment Trust	\$ 1,357,287	\$ 100,280	0.85~2.15	(\$ 12,357)
Funds managed by Yuanta				
Securities Investment Trust	7,382,770	3,406,252	0.35~2.15	( 73,486)
Yuanta Construction Development	370,062	<u>-</u>	1.70~1.85	( <u>449</u> )
		<u>\$ 3,506,532</u>		<u>(\$ 86,292)</u>

E. Available-for-sale financial assets

Ending balance and gain (loss) from disposal of investments of shares of related party held by the Group are as follows:

For the year ended December 31, 2009			
Name	Ending balance	Gain from disposal	
		of investments	Gain on valuation
HannStar Display	\$ -	\$ 11,427	\$ -

F. Ending balance and gain (loss) from disposal of investments of shares of related party held by the Group are as follows: (For the year ended December 31, 2009: None.)

For the year ended December 31, 2008			
Name	Ending balance	Loss on disposal	
		of investments	Gain on valuation
HannStar Display	\$ -	\$ 4,501	\$ -

G. The Group made donations amounting to \$15,000 and \$40,000 to Yuanta Foundation for the years ended December 31, 2009 and 2008, respectively, which were recorded under other business and administrative expenses.

- H. For the years ended December 31, 2009 and 2008, the details of the service fees arising from brokerage commissions engaged by the Company and related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Funds managed by Yuanta Securities Investment Trust	\$ 3,512	\$ 34,072
Funds managed by Fuhwa Securities Investment Trust	-	3,399
Yuanta Construction Development	269	1,490
Others	<u>220</u>	<u>3,765</u>
	<u>\$ 4,001</u>	<u>\$ 42,726</u>

The terms of the above securities brokerage transactions are not significantly different from those to third parties.

- I. Information on remunerations to the Group's directors, supervisors, general managers and vice general manager:

	<u>For the years ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Salaries	\$ 275,344	\$ 279,761
Bonus	468,997	419,078
Service execution	26,401	23,991
Earnings distribution	82,156	34,392
Total	852,898	757,222

- (a) Salaries include salary, extra pay for duty, pension and severance pay.
- (b) Bonus includes bonus and reward.
- (c) Service execution fee includes transportation allowance, special expenditures, various allowances, dormitory, housing and vehicle benefits, etc..
- (d) Earnings distribution includes estimated remunerations to be paid to supervisors and directors and bonus to be paid to employees in 2009.
- (e) Please refer to the Group's annual report for relevant information.

(3) Transactions and balances with related parties exceeding \$100 million:

A. Yuanta Bank

(A) Deposits

<u>December 31, 2009</u>			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
Others (Deposits by each related party not over 1% of total deposits)	<u>\$ 8,801,981</u>	<u>2.91</u>	0.00~5.85

  

<u>December 31, 2008</u>			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
Others (Deposits by each related party not over 1% of total deposits)	<u>\$ 15,000,022</u>	<u>5.09</u>	0.00~13.00

Apart from an interest rate limit on staff demand savings deposits of 5.85% and 13%, the range of interest rate on other related parties' demand savings deposits was 0.00%~5.20% and 0.00%~5.88% for the years ended December 31, 2009 and 2008, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2009 and 2008, interest expense on the above deposits were \$122,371 and \$330,784, respectively.

## (B) Loans

December 31, 2009

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	359	\$ 16,825	\$ 8,917	\$ 8,917	\$ -	None and movables	None
	Yuanta Securities	408	-	-	-	None	None
Home mortgage loans	118	1,011,069	912,040	912,040	-	Real estate	None
Other loans	Yuanta Securities	3,371	1,720	1,720	-	Real estate and securities	None
	HannStar Display	1,700,000	1,226,170	1,226,170	-	Movables	None
	22 (Note)	39,095	22,246	15,597	6,649	Real estate and deposits	None
Total			2,171,093	2,164,444	6,649		

December 31, 2008

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	1	\$ 581	\$ 513	\$ 513	\$ -	None	None
Home mortgage loans	42	337,641	249,177	249,177	-	Real estate	None
Other loans	Yuanta Asset Management	480,000	-	-	-	Stocks listed on TSE or OTC	None
	Yuanta Securities	30,000	-	-	-	Real Estate and other beneficiary certificates	None
	2 (Note)	899	150	150	-	None	None
Total			\$ 249,840	\$ 249,840	-		

Note: None of the ending balances of individual borrowers exceeded 1% of the total ending balance. Hence, the transactions are not listed individually.

Apart from a range of interest rate loans to legal persons of 1.72%~3.19% and 2.40%~3.60% and loans to employees of 0.80%~10.90% and 1.65%~4.74% for the years ended December 31, 2009 and 2008, respectively, the interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2009 and 2008, interest income on the above deposits were \$45,739 and \$37,138, respectively

(C) Handling fee income

<u>Name</u>	<u>For the year ended December 31, 2009</u>	
	<u>Handling fee income</u>	<u>Receivables</u>
Yuanta Life Insurance Agency	\$ 96,831	\$ 8,517
Yuanta Properties Insurance Agent	7,448	566
Yuanta Securities Investment Trust	<u>10,369</u>	<u>1,690</u>
Total	<u>\$ 114,648</u>	<u>\$ 10,773</u>

<u>Name</u>	<u>For the year ended December 31, 2008</u>	
	<u>Handling fee income</u>	<u>Receivables</u>
Yuanta Life Insurance Agency	\$ 118,141	\$ 3,354
Yuanta Properties Insurance Agent	8,301	-
Yuanta Securities Investment Trust	11,334	1,103
Fuhwa Securities Investment Trust	<u>622</u>	<u>-</u>
Total	<u>\$ 138,398</u>	<u>\$ 4,457</u>

Represents handling fee income incurred from acting as an agent for sale of funds and insurance.

(D) Rent expenses

<u>Name</u>	<u>Lease purpose</u>	<u>For the years ended December 31,</u>	
		<u>2009</u>	<u>2008</u>
Yuanta Securities	Rent for offices / operation office	\$ 300,176	\$ 450,087
Yuanta Asset Management	Rent for offices	7,698	27,947
Yuanta Securities Finance	Rent for offices	6,820	12,907
Yuanta Futures	Rent for operation office	<u>206</u>	<u>3,779</u>
Total		<u>\$ 314,900</u>	<u>\$ 494,720</u>

(E) Other receivables

<u>Name</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Yuanta Financial Holdings	<u>\$ 2,006,512</u>	<u>\$ 1,686,397</u>

Represents due from parent company for consolidated income tax return system.

(F) Property transactions

- a. For the years ended December 31, 2009 and 2008, the details of Yuanta Bank investments in open-end funds were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Purchase</u>	<u>Ending balance</u>	<u>Gain on redemption</u>
Funds managed by Yuanta Securities Investment Trust	<u>\$ 1,315,000</u>	<u>\$ 1,225,000</u>	<u>\$ 17,805</u>

  

	<u>For the year ended December 31, 2008</u>		
	<u>Purchase</u>	<u>Ending balance</u>	<u>Gain (loss) on redemption</u>
Funds managed by Yuanta Securities Investment Trust	<u>\$ 430,000</u>	<u>\$ 120,000</u>	<u>\$ 2,558</u>
Funds managed by Fuhwa Securities Investment Trust	<u>175,005</u>	<u>275,085</u>	<u>( 4,189)</u>
Total	<u>\$ 605,005</u>	<u>\$ 395,085</u>	<u>(\$ 1,631)</u>

- b. For the years ended December 31, 2009 and 2008, the details of Yuanta Bank's engaging in outright purchase and sell transactions with affiliates in the open market were as follows:

	<u>For the year ended December 31, 2009</u>		
		<u>Purchase price</u>	<u>Selling price</u>
Yuanta Securities	<u>Bond</u>	<u>\$ 4,179,949</u>	<u>\$ 1,683,074</u>

  

	<u>For the year ended December 31, 2008</u>		
		<u>Purchase price</u>	<u>Selling price</u>
Yuanta Securities	<u>Bond</u>	<u>\$ 3,470,961</u>	<u>\$ 3,943,560</u>
Land Bank of Taiwan	<u>Bond</u>	<u>552,210</u>	<u>746,895</u>
Total		<u>\$ 4,023,171</u>	<u>\$ 4,690,455</u>

- c. For the years ended December 31, 2009 and 2008, the details of Yuanta Bank's engaging in beneficiary certificates with affiliates in the open market were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Ending balance</u>	<u>Highest balance</u>	<u>Interest income</u>
Yuanta Securities	<u>\$ 91,338</u>	<u>\$ 138,922</u>	<u>\$ 3,571</u>

	For the year ended December 31, 2008		
	<u>Ending balance</u>	<u>Highest balance</u>	<u>Interest income</u>
Yuanta Securities	\$ 138,922	\$ 138,922	\$ -

- d. On May 6, 2009, Yuanta Bank and Yuanta Asset Management entered into a real estate buying/selling contract totaling to \$635,067. As of December 31, 2009, the contract amount was paid-off and the transfer of ownership was completed.

(G) Others

a. Bills and bonds transactions under repurchase and resale agreement

	For the year ended December 31, 2009			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%) (Note)</u>	<u>Interest income (expense)</u>
Resale agreement:				
Yuanta Securities	\$ 421,734	\$ -	0.05~0.11	\$ 1
Repurchase agreements:				
Funds managed by Yuanta Securities Investment Trust				
-Yuanta Wan Tai Bond Fund	400,000	-	0.12	14
-Yuanta Securities	2,109,351	209,596	-1.00~0.00	(296)
		<u>209,596</u>		<u>(282)</u>
		<u>\$ 209,596</u>		<u>(\$ 281)</u>
For the year ended December 31, 2008				
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%) (Note)</u>	<u>Interest income (expense)</u>
Resale agreement:				
Yuanta Securities	\$ 220,000	\$ -	-10.00~1.80	(\$ 9)
Repurchase agreements:				
Funds managed by Yuanta Securities Investment Trust				
-Yuanta Wan Tai Bond Fund	150,452	-	0.55~1.95	(187)
Funds managed by Fuhwa Securities Investment Trust				
-Fuhwa Wan Li Bond	391,321	-	1.70~1.95	(1,006)
-Fuhwa Selected China Bond	100,000	-	1.73~1.75	(60)
Yuanta Securities	1,950,000	-	2.15~2.25	(3,607)
		-		(4,860)
		<u>\$ -</u>		<u>(\$ 4,869)</u>

Note: To comply with the GreTai Securities Market (GTSM)'s automatic bills and bonds under repurchase agreement (RP) trading of excess long positions by the computerized negotiation trading system, the Group engaged in relevant transactions and generated negative interest rate.

b. Sale of financial bonds

Financial bonds sold to related party were as follows: (For the year

ended December 31, 2009: None.)

	<u>For the year ended December 31, 2008</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest expense</u>
First issue, 2002				
Yuanta Securities Finance	<u>\$ 966,000</u>	<u>\$ -</u>	0.79~1.30	<u>\$ 1,173</u>

As of December 31, 2008, no interests incurred from the above transaction.

B. Yuanta Securities

- (A) Futures commission income, futures trading guarantees – self capital and commissions receivable at period end (recorded under receivables) arising from Yuanta Securities' engaging in brokerage of futures transactions with affiliates were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Commission income</u>	<u>Commissions receivable at period end</u>	<u>Futures trading guarantees – self capital</u>
Yuanta Futures	<u>\$ 212,703</u>	<u>\$ 14,979</u>	<u>\$ 457,719</u>

	<u>For the year ended December 31, 2008</u>		
	<u>Commission income</u>	<u>Commissions receivable at period end</u>	<u>Futures trading guarantees – self capital</u>
Yuanta Futures	<u>\$ 235,855</u>	<u>\$ 22,343</u>	<u>\$ 141,660</u>

Yuanta Securities conducted the transactions and collected the amounts based on the contract.

- (B) Bank deposits, interest income and interests receivable

Savings deposited with the related party as of December 31, 2009 and 2008 were as follows:

	<u>For the year ended December 31, 2009</u>		
	<u>Bank deposits ending balance</u>	<u>Non operating income and gain - interest income (Note)</u>	<u>Other receivables – interests receivable (Note)</u>
Yuanta Bank	<u>\$ 96,062</u>	<u>\$ 11,102</u>	<u>\$ 131</u>

	<u>For the year ended December 31, 2008</u>		
	Non operating income and gain - Bank deposits ending balance	interest income (Note)	Other receivables - interests receivable (Note)
Yuanta Bank	<u>\$ 1,456,919</u>	<u>\$ 25,817</u>	<u>\$ 2,712</u>

Note: Interests for demand deposits and time deposits were inclusive.

- (C) Income arising from Yuanta Securities' engaging in brokerage of margin loans and stock loans ( recorded as "other operating income", brokerage income receivable at period end recorded as "receivables" ) were as follows:

	<u>For the year ended December 31, 2009</u>	
	Brokerage of margin loans and stock loans	Brokerage income receivable at period end
Yuanta Securities Finance	<u>\$ 993,782</u>	<u>\$ 109,387</u>

	<u>For the year ended December 31, 2008</u>	
	Brokerage of margin loans and stock loans	Brokerage income receivable at period end
Yuanta Securities Finance	<u>\$ 1,345,654</u>	<u>\$ 52,188</u>

Terms and conditions of the above transactions were the same as those of general transactions. Yuanta Securities Finance acted as agent for Yuanta Securities Finance in conducting the above transactions.

- (D) Extension compensation arising from Yuanta Securities' selling of margin loans and stock loans ( recorded as "other operating income", compensation receivable at period end recorded as " other receivables" ) for the year ended December 31, 2008 were as follows:  
(For the year ended December 31, 2009: None.)

	<u>For the year ended December 31, 2008</u>	
	Extension compensation Revenues	Compensation receivable at period end
Yuanta Securities Finance	<u>\$ 314,854</u>	<u>\$ -</u>

- (E) Payable - consolidated income tax return system (recorded as other payables)

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Payable - consolidated income tax return system				
Yuanta Financial Holdings	<u>\$ 1,434,876</u>	<u>99</u>	<u>\$ 1,386,613</u>	<u>99</u>

- (F) Open-end fund and money market instrument transactions

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Funds managed by Yuanta Securities Investment Trust	\$ 4,901,624	91	\$ 4,201,625	46
Funds managed by Fuhwa Securities Investment Trust	<u>-</u>	<u>-</u>	<u>533,821</u>	<u>6</u>
	<u>\$ 4,901,624</u>	<u>91</u>	<u>\$ 4,735,446</u>	<u>52</u>

- (G) Ending balance and gain (loss) from disposal of investments of shares of related party held by Yuanta Securities are as follows: (For the year ended December 31, 2009: None.)

<u>Name</u>	<u>For the year ended December 31, 2008</u>		
	<u>Ending balance</u>	<u>Income(loss) on disposal of investments</u>	<u>Gain on valuation</u>
HannStar Display	\$ -	(\$ 4,501)	\$ -
Yuanta Financial Holdings	-	2,009,249	-
	<u>\$ -</u>	<u>\$ 2,004,748</u>	<u>\$ -</u>

- (H) Performance guarantee deposits (For the year ended December 31, 2009: None.)

Yuanta Securities and Yuanta Bank transferred negotiable certificate of deposits and general certificate of deposits to performance guarantee deposits for issuing warrants (recorded as “restricted assets – current”) amounting to \$481,000 on December 31, 2008.

- (I) Operating guarantee deposits

Yuanta Securities provided certificate of deposits to related party to be operating guarantee deposits in engaging in securities and futures business, details were as follows:

<u>Name</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Yuanta Bank	<u>\$ 840,000</u>	<u>\$ 805,000</u>

- (J) Refundable deposits for securities lending (For the year ended December 31, 2008: None.)

Yuanta Securities deposits cash with related party as guarantee deposits for securities lending, details were as follows:

<u>Name</u>	<u>December 31, 2009</u>
Yuanta Securities Finance	<u>\$ 145,198</u>

- (K) Property transactions

For the years ended December 31, 2009 and 2008, the details of Yuanta Securities' engaging in bonds transactions under repurchase and resale agreement with affiliate were as follows:

- a. Bonds transactions under resale agreement

	<u>For the year ended December 31, 2009</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest expense</u>
Yuanta Bank	\$ 2,109,351	<u>\$ 209,596</u>	0%~-1.0%	<u>(\$ 296)</u>

  

	<u>For the year ended December 31, 2008</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest income</u>
Yuanta Bank	\$ 1,950,000	<u>\$ -</u>	2.20%	<u>\$ 3,607</u>

- b. Bonds transactions under repurchase agreement

	<u>For the year ended December 31, 2009</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest expense</u>
Funds managed by Yuanta				
Securities Investment Trust	\$ 4,704,653	\$ 2,539,636	0.11%~0.6%	\$ 6,685
Yuanta Bank	421,734	-	0.11%	1
Yuanta Futures	150,064	-	0.40%	64
Tsun Chueh Investment	355,000	<u>355,000</u>	0.25%~1.1%	<u>14</u>
		<u>\$ 2,894,636</u>		<u>\$ 6,764</u>

  

	<u>For the year ended December 31, 2008</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest expense</u>
Funds managed by Yuanta				
Securities Investment Trust	\$ 7,232,318	\$ 3,406,252	1.65%~2.15% -10.00%	\$ 73,299
Yuanta Bank	220,000	-	~-1.57%	( 11)
Yuanta Futures	155,098	150,028	0.60%~1.95%	379
Funds managed by Fuhwa				
Securities Investment Trust	1,357,287	100,280	0.85%~2.15%	11,291
Yuanta Construction Development Co., Ltd.	370,062	<u>-</u>	1.70%~1.85%	<u>449</u>
		<u>\$ 3,656,560</u>		<u>\$ 85,407</u>

c. Bonds sold and purchased:

	<u>For the year ended December 31, 2009</u>	
	<u>Bonds Purchased</u>	<u>Bonds Sold</u>
Yuanta Bank	\$ 1,683,074	\$ 4,179,949
Funds managed by Yuanta Securities Investment Trust	<u>2,457,652</u>	<u>567,436</u>
	<u>\$ 4,140,726</u>	<u>\$ 4,747,385</u>

	<u>For the year ended December 31, 2008</u>	
	<u>Bonds Purchased</u>	<u>Bonds Sold</u>
Yuanta Financial Holdings	\$ 2,200,000	\$ -
Yuanta Bank	3,943,560	3,470,961
Fuhwa Securities Investment Trust	82,025	-
Funds managed by Yuanta Securities Investment Trust	2,874,734	4,632,803
Funds managed by Fuhwa Securities Investment Trust	-	<u>49,202</u>
	<u>\$ 9,100,319</u>	<u>\$ 8,152,966</u>

The above bond transactions were matched by the Electronic Bond Trading System of GreTai Securities Market.

- d. In May 2009, Yuanta Securities purchased fixed assets amounting to \$272,935 from affiliate – Yuanta Asset Management. which was recorded as land of \$190,397 and buildings of \$82,538. The above prices were based on appraisal reports issued by XinYi real estate appraisers.

(L) Rebate income

Allowance (recorded as non operating income and gain, allowance receivables at period end were recorded as receivables) paid to Yuanta Securities as an affiliate used Yuanta Securities' operating offices, details were as follows:

	<u>For the year ended December 31, 2009</u>	
<u>Name</u>	<u>Rebate income</u>	<u>Allowance receivables at period end</u>
Yuanta Bank	<u>\$ 162,884</u>	<u>\$ 3,835</u>

	<u>For the year ended December 31, 2008</u>	
<u>Name</u>	<u>Rebate income</u>	<u>Allowance receivables at period end</u>
Yuanta Bank	<u>\$ 358,541</u>	<u>\$ 25,174</u>

The terms of the above transactions are not significantly different from those to third parties.

(M) Other non operating income – rental income

Rental income from Yuanta Securities’ leasing self assets – Yuanta Financial Holdings Building to affiliate; details of the transaction were as follows:

Name	For the years ended December 31,	
	2009	2008
Yuanta Financial Holdings	\$ 43,490	\$ 28,476
Yuanta Bank	158,767	120,201
Yuanta Securities Finance	23,179	12,144
Yuanta Properties Insurance Agent	669	348
Yuanta Life Insurance Agency	3,021	1,572
Yuanta Asset Management	4,345	2,272
Yuanta Leasing	163	85
Yuanta Venture Capital	2,438	1,326
	<u>\$ 236,072</u>	<u>\$ 166,424</u>

Rent was based on the rental of office buildings in the surrounding area and agreed to by the both parties.

(N) Operating expense – service fees

Service fees incurred from affiliate’s providing investment strategies and recommendations to Yuanta Securities; details of the transaction were as follows:

Name	For the years ended December 31,	
	2009	2008
Yuanta Securities Investment Consulting	<u>\$ 209,459</u>	<u>\$ 230,034</u>

Service fees were determined based on the contract agreed to by both parties.

(O) Others

Yuanta Securities pledged beneficiary certificates (recorded under “financial assets at fair value through profit or loss - current”) of \$2,641,024 and \$2,633,577, and land and buildings of \$805,593 and \$810,935 to Yuanta Bank for the borrowing facility of \$2,174,000 and \$2,396,000, for the years ended December 31, 2009 and 2008, respectively.

C. Yuanta Securities Finance

(A) Agency services

	<u>For the years ended December 31,</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Securities	<u>\$ 993,782</u>	<u>77</u>	<u>\$ 1,345,654</u>	<u>80</u>

Agency fees paid to Yuanta Securities were based on the amount agreed to by the both parties. Terms and conditions of the transactions were the same as those of securities firms at the same level of average financing balance.

(B) Operating costs / operating expenses

For the year ended December 31, 2008, Yuanta Securities Finance recognized extension compensations (recognized as operating costs) due to purchase of margin loans and stock loans, details were as follows: (For the year ended December 31, 2009: None.)

<u>Name</u>	<u>2008</u>
Yuanta Securities	<u>\$ 314,854</u>

(C) Other payables

	<u>Type</u>	<u>December 31,</u>	<u>December 31,</u>
		<u>2009</u>	<u>2008</u>
Yuanta Securities	Commission	\$ 109,387	\$ 52,188
	Securities borrowing & lending	32,045	-
	Others	<u>16</u>	<u>16</u>
		<u>141,448</u>	<u>52,204</u>
Yuanta Financial Holdings	Consolidated income tax return system	351,453	335,630
	Others	<u>1,566</u>	<u>300</u>
		<u>353,019</u>	<u>335,930</u>
Others		<u>742</u>	<u>735</u>
		<u>\$ 495,209</u>	<u>\$ 388,869</u>

- (D) The following sets out guarantee deposits received because of the securities financing transactions between the Yuanta Securities Finance and the related parties:

<u>Name</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Yuanta Securities	\$ 145,198	\$ 578
Yuanta Securities (Hong Kong)	154,791	-
	<u>\$ 299,989</u>	<u>\$ 578</u>

- (E) Property transactions

- a. Open-end fund and money market instrument transactions

<u>Name</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Funds managed by Fuhwa Securities Investment Trust	\$ -	\$ 14,159
Funds managed by Yuanta Securities Investment Trust	1,000,076	270,098
	<u>\$ 1,000,076</u>	<u>\$ 284,257</u>

- b. For the year ended December 31, 2008, Yuanta Securities Finance held subordinate financial bonds issued by Yuanta Bank (recorded as “financial assets at fair value through profit or loss - current”, details were as follows: (For the year ended December 31, 2009: None.)

	<u>For the year ended December 31, 2008</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest income</u>
91 Fuhwa Bank 1E	<u>\$ 966,000</u>	<u>\$ -</u>	1.30%	<u>\$ 1,173</u>

As of December 31, 2008, interest receivable arising from the above transactions (recorded under “other receivables”) was \$0.

- c. In November 2008, the Company purchased 11,904 thousand shares of Taiwan Depository & Clearing Corporation in the amount of \$395,816 from Yuanta Securities based on experts’ appraisal report. As of December 31, 2008, the Company had paid the total amount.
- d. In December 2008, the Company sold the shares of nine companies, which were recognized as financial assets carried at cost, to Yuanta Venture Capital Co. Ltd. in the amount of \$563,790 based on experts’ appraisal report. The disposal gain was \$14,959. As of December 31, 2008, the total contract amount had been received.

D. Yuanta Futures

(A) Cash and cash equivalents / customer margin deposits / other receivables

<u>December 31, 2009</u>				
	<u>Bank deposits</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>	<u>Interest income</u>
Yuanta Bank	\$ 379,387	\$ 105,000	\$ 539,668	\$ 81,020

  

<u>December 31, 2008</u>				
	<u>Bank deposits</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>	<u>Interest income</u>
Yuanta Bank	\$ 1,285,662	\$ 105,000	\$ 5,463,354	\$ 170,805

Interest income includes interest income from demand deposits, time deposits and operating guarantee deposits.

(B) Futures trader's equity

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Securities	\$ 935,019	10	\$ 141,660	1

(C) Futures commission expenses – futures introducing broker business

	<u>For the years ended December 31,</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Securities	\$ 212,704	84	\$ 235,855	85

Yuanta Futures entered into a contract with Yuanta Securities for futures introducing broker business, providing brokerage services to customers for futures and option contracts. The commission paid and terms provided to the above related party were the same as the terms offered to non-related parties.

(D) Property transactions

For the years ended December 31, 2009 and 2008, the details of Yuanta Futures' engaging in bonds transactions under repurchase agreements (recorded under cash and cash equivalents) with Yuanta Securities were as follows:

	<u>For the year ended December 31, 2009</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest income</u>
<u>Bonds transactions under repurchase agreements</u> Yuanta Securities	\$ 150,064	-	0.36%~0.54%	\$ 76

  

	<u>For the year ended December 31, 2008</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Interest income</u>
<u>Bonds transactions under repurchase agreements</u> Yuanta Securities	\$ 155,098	\$ 150,028	0.60%~1.95%	\$ 379

E. Yuanta Securities Investment Consulting

(A) Bank deposits

Yuanta Securities Investment Consulting deposited \$154,673 and \$322,085 with Yuanta Bank, of which \$15,000 and \$25,000 were the operating guarantee deposits with an interest of 0.77 % and 2.07% per annum for the years ended December 31, 2009 and 2008, respectively.

(B) Operating income

	For the years ended December 31,			
	2009		2008	
	Amount	%	Amount	%
Yuanta Securities	\$ 203,213	85	\$ 223,461	87
Yuanta Bank	9,524	4	12,000	5
Yuanta Securities Finance	8,400	4	8,400	3
Yuanta Securities Investment Trust	-	-	4,571	2
Yuanta Futures	2,406	1	1,806	-
	<u>\$ 223,543</u>	<u>94</u>	<u>\$ 250,238</u>	<u>97</u>

The above operating income comprises income arising from consulting, periodical publications and lectures and was determined based on the contract agreed to by both parties. The above operating income was payable on a monthly basis.

F. Yuanta Asset Management

(A) Property transactions

In order to strengthen efficiency of capital usage, Yuanta Asset Management sold its own real estate to Yuanta Bank and Yuanta Securities. Yuanta Asset Management entered into contracts with Yuanta Bank and Yuanta Securities on May 6, 2009 for selling its real estate amounting to \$635,066 and \$271,770, respectively; of which \$46,787 and \$25,531 were gain from disposal of real estate and recorded as non-operating income – other income. As of December 31, 2009, the contract amounts were fully paid.

(B) Financing

For the year ended December 31, 2009: None.

Yuanta Asset Management borrowed loans (recorded under short-term borrowings) from Yuanta Bank for the year ended December 31, 2008, details were as follows:

	For the year ended December 31, 2008			
	Highest balance	Ending balance	Interest rate (%)	Interest income
Yuanta Securities	<u>\$ 480,000</u>	<u>\$ -</u>	2.5%~2.6%	<u>\$ 3,624</u>

Note: Please refer to Note 6 for pledged assets.

## G. Yuanta Venture Capital

### (A) Available-for-sale financial assets – current

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Wan Tai Bond Fund	<u>\$ 171,205</u>	<u>57</u>	<u>\$ 289,339</u>	<u>95</u>

Gains arising from disposal of the certain available-for-sale financial assets-current above were \$707 and \$699 for the years ended December 31, 2009 and 2008, respectively.

### (B) Property transactions

#### Financial assets stated at costs

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Securities	\$ -	-	\$ 1,210,441	64
Yuanta Securities Finance	-	-	563,790	29
	<u>\$ -</u>	<u>-</u>	<u>\$ 1,774,231</u>	<u>93</u>

## H. Yuanta I Venture Capital

### Available-for-sale financial assets – current

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Funds managed by Yuanta Securities Investment Trust	<u>\$ 130,110</u>	<u>100</u>	<u>\$ -</u>	<u>-</u>

## I. Yuanta Life Insurance Agent

### Operating expenses – commission expenses

	<u>For the years ended December 31,</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Bank	\$ 96,831	63	\$ 118,141	66
Yuanta Securities	26	-	980	1
Total	<u>\$ 96,857</u>	<u>63</u>	<u>\$ 119,121</u>	<u>67</u>

J. Yuanta Securities Investment Trust

(A) Bank deposits

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Yuanta Bank				
Time deposits	\$ 198,000	35	\$ 104,000	15
Demand deposits and checking account	2,205	-	2,035	-
	<u>\$ 200,205</u>	<u>35</u>	<u>\$ 106,035</u>	<u>15</u>

(B) Fund transactions

<u>Name of related party</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Yuanta Securities Investment Trust	\$ 184,444	\$ 104,528
Yuanta Securities	5,006,318	4,301,960
HannStar Display	615,406	6,549,266
Yuanta Securities Finance	1,000,076	270,097
Yuanta Bank	-	119,565
Sintek Photronic	202,925	-
Yuanta Securities Investment Consulting	30,082	-
Yuanta International Insurance Broker	5,829	5,812
Yuanta Venture Capital	171,205	-
Yuanta I Venture Capital	130,110	-
Hanns. G	480,585	-
Yuan Ding Construction	27,602	-
International Trade Building Corp.	125,607	15,416
Walsin Color Corporation	-	10,007
MassMutual Mercuries Life	-	24,238
Brightpro Resources	-	2,636
	<u>\$ 7,980,189</u>	<u>\$ 11,403,525</u>

## 6. Pledged assets

As of December 31, 2009 and 2008, the details of pledged assets were as follows:

<u>Items</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>Pledged purpose</u>
Short-term bills, beneficiary certificates, government bonds, corporate bonds and financial bonds (recorded as financial assets at fair value through profit or loss - net, available-for sale financial assets –net, investments in bills and bonds under resale agreements, held-to-maturity financial assets and other assets)	\$ 15,092,360	\$ 35,369,560	Bills and bonds payable under repurchase agreement and bid guarantee deposits for government bonds
	910,706	4,299,699	Credit lines of long-term and short-term loans
	529,326	-	Financial Restructuring Fund with Central Deposit Insurance Corporation
	75,492	261,686	Provisional seizure
	53,384	54,443	Trust fund reserve
	74,740	85,181	Operating guarantee deposits for bills and bonds – proprietary
	1,678,832	1,949,974	Operating guarantee and security for sale of assets' deposits
	823,892	748,856	Securities financing deposit in CBC
	157,249	167,256	Stock borrowings
	-	18,387	Petition to the National Tax Administration for a certificate of non-violation of tax filing rules
	3,108,770	3,100,004	Credit facility for settlement
	3,780	-	VISA international card payment reserves
Time deposits (recorded as other assets)	960,000	948,300	Operating guarantee deposits
	144,567	62,090	Guarantee deposits for reporting lost and stopping payment, provisional seizure and notes
	48,149	56,727	Structured notes account

Items	December 31, 2009	December 31, 2008	Pledged purpose
	-	656,000	Performance deposits for issuing warrants
	197,000	460,000	Settlement account
Land and buildings (recorded as property and equipment and other assets)			Credit lines of long-term and short-term loans and guarantee for short-term bills payable
	<u>2,883,247</u>	<u>3,198,084</u>	
	<u>\$ 26,741,494</u>	<u>\$ 51,436,247</u>	

## 7. Commitments and contingencies

### (1) Significant purchase agreements

As of December 31, 2009 and 2008, the Group entered into agreements for asset acquisitions amounting to \$399,704 and \$1,104,537, respectively. The unpaid amounts of those agreements were \$161,794 and \$329,864, respectively.

### (2) Stocks entrusted to custody

As of December 31, 2009 and 2008, the stocks entrusted to the custody of Yuanta Securities Finance by clients totaled 7,491 and 7,493 thousand shares, respectively. The market value of these entrusted stocks as of December 31, 2009 and 2008 was approximately \$78,835 and \$76,182, respectively.

### (3) Operating leases

The Group entered into certain operating lease agreements for its branches. As of December 31, 2009, the estimated future lease contract commitments were as follows:

Fiscal year	Rental amount
2010	\$ 639,204
2011	422,687
2012	233,220
2013	127,420
2014 and hereafter	<u>230,644</u>
	<u>\$ 1,653,175</u>

- (4) One of Yuanta Investment Trust's client – Shi Chang Zhang brought a civic action to Taipei District Court on May 22, 2008 against Yuanta Investment Trust for his investment losses arising from negligence of Yuanta Investment Trust during private placement funding consigned by the offshore fund institution, claiming for compensation amounting to US\$2,000,000 with interest at 5% per annum starting from the next day the indictment was delivered. The Taipei District Court rejected all the client's petitions on October 2009. The client disagreed with the judgments and subsequently filed on appeal to the Taiwan High Court. As of December 31, 2009, the lawsuit is still pending with

the Taiwan High Court. Yuanta Investment Trust believes that it is not liable for the loss and believes it will prevail in the case; accordingly, no provision is made for the contingent liability in the financial statements.

- (5) Several of the Yuanta Securities Investment Trust's clients – Bao Hwa Gao, Jin Ting Wu, Yi Kuan Zhou, etc. brought a civil action to Taipei District Court on November 17, 2008 against the Company for their investment losses arising from negligence of the Company during private placement funding consigned by the offshore fund institution, claiming for compensation from Yuanta Securities Investment Trust and Fuhwa Securities Investment Trust Co., Ltd. (renamed as Manulife Asset Management (Taiwan) Company Ltd.) amounting to US\$900,000 with interest at 5% per annum starting November 12, 2008. As of December 31, 2009, the lawsuit is still pending with the Taipei District Court. Yuanta Investment Trust believes that it is not liable and the judgment may favor Yuanta Investment Trust, so the Company did not recognize any contingent loss for the year ended December 31, 2009.

(6) Operating plan

In order to build the operations headquarters of the Company, Yuanta Securities purchased land located in Dun Hwa Rd. Song Shan District, Taipei City which was owned by Taiwan Conference of Seventh-Day Adventists for the amount of \$2,000,000 on January 17, 2003. Both parties also agreed that Yuanta Securities will resell the partial parking space in the underground of the building to Taiwan Conference of Seventh-Day Adventists in the amount of \$420,000 and provide bonds amounting to \$210,000 as a guarantee of the sale of asset. The headquarters of the Company was completed, but ownership transfer of the partial parking space resold to Taiwan Conference of Seventh-Day Adventists is still under process.

(7) Others

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Consignment collection for others	\$ 11,638,977	\$ 12,811,086
Traveler's checks held on consignment for sale	83,931	161,861
Consignment securities, underwriting goods, custodial goods, and others	10,782,666	9,235,822
Trust assets	<u>78,955,582</u>	<u>58,617,495</u>
	<u>\$ 101,461,156</u>	<u>\$ 80,826,264</u>
Credit lines provided but not used	<u>\$ 3,043,607</u>	<u>\$ 5,058,995</u>
Credit commitment on credit card	<u>\$ 64,427,351</u>	<u>\$ 62,541,212</u>
Other guarantees	<u>\$ 15,908,157</u>	<u>\$ 6,884,989</u>
Unused L/C balance	<u>\$ 3,254,698</u>	<u>\$ 2,314,733</u>

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Securities commitment under repurchase agreement	\$ <u>15,210,889</u>	\$ <u>36,567,165</u>
Securities commitment under resale agreement	\$ <u>5,764,278</u>	\$ <u>17,301,886</u>

- (8) In accordance with Article 17 of the Trust Enterprise Law, the disclosures of the trust balance sheet and trust property list are as follows:

<u>Trust Balance Sheet</u>			
<u>December 31, 2009</u>			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,537,212	Payable-Customers' securities under custody	\$ 11,653,960
Stocks	10,672,094	Pecuniary trust	54,847,027
Funds (Note)	46,792,549	Securities trust	9,437,118
Bonds	6,409,314	Real estate trust	1,992,931
Real estate	1,890,453	Co-Trust Fund	885,348
Customers' securities under custody	11,653,960	Total net income	44,706
		Retained earnings	<u>94,492</u>
Total trust assets	<u>\$ 78,955,582</u>	Total trust liabilities	<u>\$ 78,955,582</u>

<u>Trust Balance Sheet</u>			
<u>December 31, 2008</u>			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 485,550	Payable-Customers' securities under custody	\$ 3,668,069
Stocks	2,260,296	Pecuniary trust	49,236,897
Funds (Note)	38,618,137	Securities trust	1,141,289
Bonds	10,349,590	Real estate trust	1,358,149
Real estate	1,350,399	Pecuniary creditors' right and its collateral right trust	1,885,454
Customers' securities under custody	3,668,069	Co-Trust Fund	1,191,647
Others	<u>1,885,454</u>	Total net loss	( 4,143)
		Retained earnings	<u>140,133</u>
Total trust assets	<u>\$ 58,617,495</u>	Total trust liabilities	<u>\$ 58,617,495</u>

Note: Includes mutual funds in money market.

Trust Income Statement

For the year ended December 31, 2009		For the year ended December 31, 2008	
Trust revenue:		Trust revenue:	
Interest income	\$ 4,390	Interest income	\$ 783,640
Rental income	12,625	Investment income	7,156
Dividend income	21,838	Dividend income	2,700
Investment income	<u>23,088</u>	Reserves	<u>( 752)</u>
	<u>61,941</u>		<u>792,744</u>
Trust expenses:		Trust expenses:	
Management fees	10,561	Management fees	6,149
Supervisory directors' fees	60	Tax expenses	11,154
Tax expenses	1,622	Interest expenses	74,164
Handling fees	25	Handling fees	1,375
Loss on investment	4,657	Audit fees	110
Land registration charges	<u>29</u>	Lawyer fees	50
	<u>16,954</u>	Loss on investment	14,776
		Return of trust principal	<u>688,848</u>
Income before income tax	44,987		<u>796,626</u>
Income tax expense	<u>( 281)</u>	Loss before income tax	<u>( 3,882)</u>
Income after income tax	<u>\$ 44,706</u>	Income tax expense	<u>261</u>
		Loss after income tax	<u>( \$ 4,143)</u>

Schedule of investment for trust business

December 31, 2009		December 31, 2008	
Invested items	Book value	Invested items	Book value
Bank deposits	\$ 1,537,212	Bank deposits	\$ 485,550
Bonds	6,409,314	Bonds	10,349,590
Stocks	10,672,094	Stocks	2,260,296
Funds	46,792,549	Funds	38,618,137
Real estate- land	1,890,453	Real estate-land	1,350,399
Customers' securities		Customers' securities	
under custody	11,653,960	under custody	3,668,069
Others	<u>-</u>	Others	<u>1,885,454</u>
	<u>\$ 78,955,582</u>		<u>\$ 58,617,495</u>

Foreign currency pecuniary trust operated by the Offshore Banking Unit (OBU) as of December 31, 2009 and 2008 was included in the trust balance sheet and schedule of investment for trust business.

- (9) The Limited Partner Agreement contract period of Yuanta Venture Capital's venture fund - Asia Pacific Venture Invest II L.P. accounted for under the cost method is 7 years. Yuanta Venture Capital agrees to invest US\$3,500 thousand during the contract period, and the first investment of US\$875 thousand was paid in December 2009. When 70% of first investment is injected into the underlying investment target, General Partner of the limited partnership can make capital calls within 4 years of first investment date (December 16, 2009) according to fund management strategies.

8. Significant losses from disasters

- (1) The Company: None.
- (2) Subsidiaries: None.

9. Significant subsequent events

- (1) The Company: None.
- (2) Subsidiaries:

In order to increase the regulatory capital ratio and raise medium-term and long-term operating funds, the Board of Directors of Yuanta Bank decided to issue first series of subordinate financial debentures in 2009 amounting to \$5 billion on March 4, 2010. The issuance terms of subordinate financial debentures have not been decided yet and will be bulletined after obtaining approval from the Financial Supervisory Commission, Executive Yuan.

On October 12, 2009, Yuanta Securities Finance signed a contract with Entie Securities Finance Co. for the purchase of operating rights of margin loans and short sales in the amount of \$2,521,873. Such transactions have been approved by the Financial Supervisory Commission, Executive Yuan on January 18, 2010. The effective date of the operating rights transfer was set on February 1, 2010. All of the debts, tax obligations, disagreements with clients, and compensation caused by lawsuits before the effective date are the responsibility of Entie Securities Finance Co., whereas, those after the effective date are the responsibility of Yuanta Securities Finance.

Yuanta Asset Management's Board of Directors agreed to enter into a contract with Hwa-Hsia Leasing & Financial Corp. for the purchase/sale of real estate totaling \$2,300,000 on February 26, 2010. The above amount is determined based on the valuation report issued by Lu-Te Real Estate Appraisers Joint Firm and Zhan Ji Real Estate Appraisers Joint Firm.

## 10. Others

### (1) Disclosure of financial instruments

#### A. Fair value of financial instruments

	December 31, 2009		
	<u>Book value</u>	<u>Fair value</u>	
		<u>Quoted market value</u>	<u>Amount determined by a valuation technique</u>
<u>Non-derivative financial instruments</u>			
Assets			
Financial assets with fair value equal to book value	\$ 194,582,287	\$ -	\$ 194,582,287
Financial assets at fair value through profit or loss	38,267,965	7,056,028	31,211,937
Bills discounted and loans – net	234,052,877	-	234,052,877
Available-for-sale financial assets	21,530,609	13,894,543	7,636,066
Held-to-maturity financial assets	3,037,942	-	3,078,243
Liabilities			
Financial liabilities with fair value equal to book value	\$ 102,442,942	\$ -	\$ 102,442,942
Deposits and remittances	299,375,413	-	299,375,413
Financial liabilities at fair value through profit or loss	1,847,566	-	1,847,566

<u>Derivative financial instruments</u>	December 31, 2009		
	<u>Book value</u>	<u>Fair value</u>	
		<u>Quoted market value</u>	<u>Amount determined by a valuation technique</u>
<b>Assets</b>			
<b>Non-hedge</b>			
FX contracts (FX swaps and forwards)	\$ 358,055	\$ -	\$ 358,055
Non-delivery forwards	5,127	-	5,127
Exchange rate options purchased	253,681	-	253,681
Interest rate related contracts (asset swap, interest rate swap and general interest rate swap)	2,800,074	-	2,800,074
Future margin deposits	1,737,025	1,737,025	-
Options purchased – futures	8,843	8,843	-
Asset swap options purchased	49,326	-	49,326
Interest rate futures	41,879	-	41,879
Convertible bond options	11,610	-	11,610
Derivative financial instrument assets – OTC	142,493	-	142,493
Credit default swaps purchased	818	-	818
Warrants purchased	4,840	-	4,840
<b>Liabilities</b>			
<b>Non-hedge</b>			
FX contracts (FX swaps, forwards and cross currency swap)	\$ 477,096	\$ -	\$ 477,096
Non-delivery forwards	5,004	-	5,004
Exchange rate options written	251,640	-	251,640
Equity options written	76,320	-	76,320
Liabilities for options written – futures	4,574	923	3,651
Asset swap options written	368	-	368
Derivative financial instrument liabilities – OTC	502,347	-	502,347
Liabilities for issuance of call warrants	8,640,306	8,640,306	-
Repurchase of issued call warrants	( 8,190,216)	( 8,190,216)	-
Interest rate related contracts (asset swap, interest rate swap and general interest rate swap)	2,853,437	-	2,853,437

	December 31, 2008		
		Fair value	
		Book value	Quoted market value
<b>Non-derivative financial instruments</b>			
<b>Assets</b>			
Financial assets with fair value equal to book value	\$ 119,506,486	\$ -	\$ 119,506,486
Financial assets at fair value through profit or loss	90,562,313	53,166,922	37,395,390
Bills discounted and loans – net	232,873,593	-	232,873,593
Available-for-sale financial assets	22,521,540	14,668,674	7,852,866
Held-to-maturity financial assets	6,061,721	-	6,054,690
Other financial assets – bond investments in non active market	447,520	-	529,530
<b>Liabilities</b>			
Financial liabilities with fair value equal to book value	\$ 114,578,173	\$ -	\$ 114,578,173
Financial liabilities at fair value through profit or loss	64,066	64,066	-
Deposits and remittances	289,242,436	-	289,242,436

December 31, 2008

<u>Derivative financial instruments</u>	<u>Book value</u>	<u>Fair value</u>	
		<u>Quoted market value</u>	<u>Amount determined by a valuation technique</u>
<b>Assets</b>			
<b>Non-hedge</b>			
FX contracts (FX swaps and forwards)	\$ 220,312	\$ -	\$ 220,312
Exchange rate options purchased	95,947	-	95,947
Interest rate related contracts (asset swap, interest rate swap and general interest rate swap)	3,719,422	-	3,719,422
Future margin deposits	863,991	863,991	-
Options purchased – futures	1,483	1,483	-
Asset swap options purchased	12,634	-	12,634
Derivative financial instrument assets – OTC	93,986	-	93,986
Fixed-rate commercial paper commitments	1,864	-	1,864
Interest rate futures	44,342	-	44,342
<b>Liabilities</b>			
<b>Non-hedge</b>			
FX contracts (FX swaps and forwards)	\$ 60,038	\$ -	\$ 60,038
Exchange rate options written	96,931	-	96,931
Equity options written	12,741	-	12,741
Bond options written	81	-	81
Liabilities for options written – futures	10,686	10,686	-
Derivative financial instrument liabilities – OTC	203,196	-	203,196
Asset swap options written	250	-	250
Liabilities for issuance of call warrants	4,181,543	4,181,543	-
Repurchase of issued call warrants	( 3,997,557 )	( 3,997,557 )	-
Interest rate related contracts (asset swap, interest rate swap and general interest rate swap)	3,880,645	-	3,880,645
Fixed-rate commercial paper commitments	719	-	719
Credit default swaps written	29,009	-	29,009

B. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

(A) The book value of the financial instruments which have a short maturity period will be considered as their fair value. This assumption is used in evaluating the following accounts: cash and cash equivalents, due from Central Bank and call loans to other banks, investments in bills and bonds under resale agreements, receivables, other financial assets (not including financial assets stated at cost and bond investments in non-active markets), due to Central Bank and other banks, commercial paper payable, bills and bonds sold under repurchase agreements, payables, financial debentures, long-term and short-term borrowings and other financial liabilities.

(B) If financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity financial assets have quoted prices in an active market, the quoted prices are regarded as fair values. If there is no quoted market price for reference, a valuation technique will be adopted to measure the fair value. The estimations and assumptions of the valuation technique are consistent with those used by market participants for the pricing of financial instruments. The discounted rates used are consistent with the expected rates of returns of financial instruments with the same terms and conditions. The terms and conditions include debtor's credit rating, the remaining period of the fixed interest rate contract, the remaining period for principal repayment, and the currency paid, etc.

Among the derivative instruments, options are valued using the Black-Scholes model; stock options embedded in convertible bonds and currency and interest rate swaps are evaluated using quotes from the Bloomberg system; forward contracts, currency swaps and cross currency swaps are evaluated using the rates from the Bloomberg system by discounting future cash flows to their present values.

(C) Since bills discounted and loans are interest-earning assets, the fair values of bills discounted and loans are approximated as their book values.

(D) There is no quoted market price in an active market for the unlisted stocks under the financial assets carried at cost, and their variability in the range of reasonable fair value estimates is not insignificant and their probability of the various estimates within the range can not be reasonably assessed, so the fair value of the unlisted stocks is not reliably measurable. As a result, information of the book value and the fair value with respect to these financial assets is not disclosed.

(E) Other financial assets: If there is an actual transaction price or a quoted market price for bond investments with no active market, the fair value of such bond investments will be determined by the latest actual transaction price or quoted market price. Moreover, if there is no quoted market price for reference, a valuation technique will be adopted to measure the fair value, and the valuation technique used is the discounted values of expected future cash flows.

- (F) Deposits and remittances are financial liabilities bearing interests; therefore, the book values approximate the fair values.
- C. Yuanta Bank and its subsidiaries recognized net profits on changes in fair value arising from valuation technique amounting to \$568,017 and \$203,845 for the years ended December 31, 2009 and 2008, respectively.
- D. As of December 31, 2009, the Group had financial assets and financial liabilities with fair value risk arising from interest rate changes amounting to \$205,986,194 and \$50,217,667, respectively.
- E. As of December 31, 2009, the Group had financial assets and financial liabilities with cash flow risk arising from interest rate changes amounting to \$210,504,109 and \$7,730,623, respectively.
- F. For the years ended December 31, 2009 and 2008, the Group recognized interest income from the financial assets or financial liabilities not at fair value through profit or loss amounting to \$9,390,466 and \$15,686,123, respectively; and interest expense from the financial assets or financial liabilities not at fair value through profit or loss amounting to \$2,777,109 and \$7,285,692, respectively. The Group recognized the change in fair value of available-for-sale financial assets and has recorded as an adjustment account in the stockholders' equity amounting to \$2,583,176 and \$(710,082), and the amount of the gain on fair value change reclassified from the stockholders' equity into the statement of income was \$864,253 and \$70,065 for the years ended December 31, 2009 and 2008, respectively.
- G. Risk management and hedging strategy

(A) Risk management

The structure of the Group risk management system includes the Board of Directors of the Company and all subsidiaries, high level management, the risk management departments and the business departments. In order to control risk effectively, the Group is responsible for overall planning. The members of the department include the risk management departments of Yuanta Financial Holdings, the risk management departments of Yuanta Bank, the risk management departments of Yuanta Securities, the risk management departments of Yuanta Futures and the related risk management departments of all subsidiaries or relevant associates. The chief executive officer of the department is in charge of all activities, through integrated planning and in accordance with the Group's business strategy, to develop the Group's overall risk management mechanism and to maximize profit for stockholders.

The Group performs risk management based on the policies and guidelines of the risk management set by the Board of Directors in order to establish the risk management system and sound operating development, promote operating model for appropriate risk management, reach operating goals and increase stockholder value.

(B) Hedging strategy (financial hedging)

The Group strategy is to use derivatives to control the risk of price volatility within a manageable range. According to its capacity of tolerating risk, the Group sets the notional amounts, value at risk and related hedge strategies for each of its businesses. The Group also establishes mechanisms to monitor the changes in hedged positions and principles to treat its over-hedged or under-hedged positions.

a. Equity securities

The Group will bear the risk of value loss while there is an unfavorable change in the price of the target security. The Group uses a complete risk management system and index futures and options to lower the market risk.

b. Fixed income securities

The major risk associated with fixed income securities results from changes in interest rate. The Group bears market risk when the change in interest rates is unfavorable. The Group uses derivatives such as interest rate swaps, governmental bond futures and bond options to hedge the market risk.

c. Warrants

The major risk associated with warrants results from unfavorable changes in the price of the target security. To lower the risk, the Group acquires the underlying securities (Delta) as basic position and adjusts the shares of the target securities, the number of convertible bonds held and warrants based on a dynamic hedging model (when the price of underlying securities rises, Delta value increases and the Group shall buy more stocks; and when the price of underlying securities falls, Delta value decreases and the Group shall sell more stocks) on an ongoing basis. The Group also acquires warrants whose values are lower than the expected prices from the market to offset the fluctuation risk.

d. Structured notes

Structured notes are a combination of fixed income securities and asset options. The market risk of structured notes includes risk resulting from changes in interest rates, stock prices and volatility. To lower the market risk resulting from engaging in the business, not only the interest generated from investing in fixed income securities is used to repay the principal due, but also the Group establishes a dynamic hedging position. Hedging positions are usually within a range centered on the theoretical hedge amount.

e. Asset swap

The Group detaches options from convertible bonds and sells them to the market separately. This business involves market risk and credit risk of the counterparty. To lower the market risk, the Group sells the fixed income security part and the option part to third parties while credit limit is applied to lower the credit risk from the counterparty.

## H. Financial risk information

### Yuanta Bank and its subsidiaries

To build a good risk management system and improve business development, Yuanta Bank and its subsidiaries established a risk management policy to achieve operation goals and to increase stockholders' values. The risk management policy approved by the Board of Directors is to fulfill the implementation of the risk control system and to create stable and high-quality profits for stockholders.

Yuanta Bank and its subsidiaries follow the risk management policy and strives to quantify, assess, and manage risks for risk pricing and to obtain the optimal capital allocation.

The risks Yuanta Bank and its subsidiaries encountered were as follows:

#### (A) Market risk

Market risk means changes in interest rates, exchange rates, and the prices of equity securities and instruments which may result in losses, either on or off the balance sheet. Yuanta Bank and its subsidiaries have developed a market risk management standard. Through the market risk management system, Yuanta Bank and its subsidiaries are able to evaluate and control the market risk of all positions. Yuanta Bank and its subsidiaries also set the limit approval, position limit, and stop loss limit and management control procedures for its investments in marketable securities according to different degrees of risk for each specific product.

As of December 31, 2009, Yuanta Bank and its subsidiaries possessed government bonds denominated in NT dollars amounting to \$8,251,042 (recorded as financial assets held for trading purpose of \$262,904 and available-for-sale financial assets of \$7,988,138), which were all with fixed-rate and their fair values may be affected by changes of market rate. 1% increase in market rate may cause decrease of the fair values of fixed-rate government bond investments by \$1,492. Yuanta Bank and its subsidiaries also possessed corporate bonds denominated in NT dollars amounting to \$8,594,642 (recorded as financial assets held for trading purpose of \$2,465,040 and available-for-sale financial assets of \$6,129,602). The fixed-rate corporate bonds amounted to \$8,283,260, and the fair value of fixed-rate corporate bond investment will be affected by a change in market rate. 1% increase in market rate may cause decrease of the fair value of fixed-rate corporate bond investments by \$2,110.

Yuanta Bank and its subsidiaries engage in foreign currency transactions which give rise to foreign currency assets and liabilities. Therefore, changes in exchange rates may affect the fair values of the net position in foreign currencies. For assets denominated in United States dollars (USD), appreciation of the NTD by \$0.1 (in NT dollar) against the USD position of USD\$25,125 will cause a loss of \$2,513.

As of December 31, 2008, Yuanta Bank and its subsidiaries possessed government bonds denominated in NT dollars amounting to \$8,544,782 (recorded as financial assets held for trading purpose of \$1,920,886 and available-for-sale financial assets of \$6,623,896), which were all with fixed-rate and their fair values may be affected by changes of market rate. 1% increase in market rate may cause decrease of the fair values of fixed-rate government bond investments by \$292,890. In addition, as of December 31, 2008, Yuanta Bank and its subsidiaries also possessed corporate bonds denominated in NT dollars amounting to \$7,294,084 (recorded as financial assets held for trading purpose of \$305,344 and available-for-sale financial assets of \$6,988,740) of which \$6,992,653 are fixed-rate corporate bonds and the fair values of fixed-rate corporate bond investments may be affected by changes of market rate. 1% increase in market rate may cause decrease of the fair values of fixed-rate corporate bond investments by \$160,023.

As of December 31, 2008, Yuanta Bank and its subsidiaries engage in foreign currency transactions which give rise to foreign currency assets and liabilities. Therefore, changes in exchange rates will affect the fair value of the net position in foreign currencies. For assets denominated in USD, appreciation of the NTD by \$0.1 (in NT dollar) against the USD position of USD\$38,468 will cause a loss of \$3,847.

(B) Credit risk

Credit risk is the risk that borrowers and counterparties may not be able to fulfill contracts. Yuanta Bank and its subsidiaries have developed a credit risk management standard which is able to evaluate and manage possible credit risk resulting from business operations by establishing and implementing a risk management structure.

For all financial instruments held by the Group, the maximum credit exposures are as follows:

	<u>December 31, 2009</u>	
	<u>Book value</u>	<u>Maximum credit exposure</u>
<u>Non-derivative financial assets</u>		
Financial assets with fair value equal to book value	\$ 98,756,546	\$ 98,756,546
Financial assets at fair value through profit or loss – net	7,288,717	7,288,717
Bills discounted and loans – net	234,054,597	234,054,597
Available-for-sale financial assets – net	15,783,511	15,783,511
Held-to-maturity financial assets	201,252	201,252
Other financial assets	20,952	20,952
Off-balance sheet accounts		
Guarantees receivable	-	15,908,157
L/C receivable	-	3,254,698

	<u>December 31, 2009</u>	
<u>Derivative financial assets</u>	<u>Book value</u>	<u>Maximum credit exposure</u>
Exchange rate options purchased	\$ 253,681	\$ 253,681
Convertible bond options	11,610	11,610
Options purchased – asset swaps	49,326	49,326
FX contracts (FX swaps, forwards and cross currency swap)	358,055	358,055
Non-delivery forwards	5,127	5,127
Asset swap, interest rate swap and other interest rate swap	2,800,074	2,800,074
Interest rate futures	41,879	41,879
Credit default swaps purchased	818	818

	<u>December 31, 2008</u>	
<u>Non-derivative financial assets</u>	<u>Book value</u>	<u>Maximum credit exposure</u>
Financial assets with book value equal to fair value	\$ 54,703,552	\$ 54,703,552
Financial assets at fair value through profit or loss – net	40,487,263	40,487,263
Bills discounted and loans – net	232,873,593	232,873,593
Available-for-sale financial assets – net	15,661,383	15,661,383
Held-to-maturity financial assets	597,276	597,276
Equity investment with no active market	147,520	147,520
Other financial assets	29,220	29,220
Off balance sheet accounts		
Guarantees receivable	-	6,884,989
L/C receivable	-	2,314,733

	<u>December 31, 2008</u>	
<u>Derivative financial assets</u>	<u>Book value</u>	<u>Maximum credit exposure</u>
Exchange rate options purchased	\$ 95,947	\$ 95,947
Options purchased-asset swaps	12,634	12,634
FX contracts (FX swaps and forwards)	220,312	220,312
Asset swap, interest rate swap and other interest rate swap	3,719,422	3,719,422
Interest rate futures	44,342	44,342
Fixed rate commercial paper commitments	1,864	1,864

Yuanta Bank and its subsidiaries conduct a cautious credit assessment before providing loans, loan commitments, and guarantees. Loans with collateral amounted to 66.25% of the total loans in 2009. In order to obtain credit lines from the Group, borrowers and guarantors are asked to provide collateral such as cash, real estate, liquid securities, and other assets. Furthermore, in order to reduce credit risk, Yuanta Bank and its subsidiaries follow credit policies and negotiate credit limits with counterparties. In addition, Yuanta Bank and its subsidiaries may sign master netting agreements with the counterparty to reduce credit risk.

Concentration of credit risk refers to the significant concentration of credit risks from all financial instruments, whether the risks are from an individual counterparty or group of counterparties. Yuanta Bank and its subsidiaries' concentration of credit risks exists if a number of counterparties are engaged in similar activities or activities in the same region, or have similar economic characteristics that would cause their abilities to fulfill contractual obligations simultaneously affected by changes in economic or other conditions. There is no significant concentration of credit risk from counterparties of Yuanta Bank and its subsidiaries. The related information can be found as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>Loans by region</u>		
Domestic	\$ 226,904,902	\$ 228,607,379
Overseas	<u>11,786,634</u>	<u>10,113,233</u>
Total	<u>\$ 238,691,536</u>	<u>\$ 238,720,612</u>

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>Loans by industry</u>		
Manufacturing	\$ 63,479,118	\$ 60,926,572
Private enterprises	14,166,363	24,169,687
Construction	5,012,889	5,013,896
Private individual	107,732,796	106,259,150
Others	<u>48,300,370</u>	<u>42,351,307</u>
	<u>\$ 238,691,536</u>	<u>\$ 238,720,612</u>

(C) Liquidity risk

Liquidity risks include market liquidity risk and capital liquidity risk. Market liquidity risk is the risk that market prices may encounter obvious changes due to market disorder. Capital liquidity risk is the risk that payment obligations cannot be fulfilled due to inability to convert assets into cash or acquire enough cash. Yuanta Bank and its subsidiaries made related regulations for various funding demands to control overall market liquidity risks. The treasury department of Yuanta Bank and its subsidiaries manage daily funding and respond to funding demands for various situations or events that may cause systematic risk.

To control risk effectively, support and respect from senior management are essential in addition to the factors mentioned above. With full support and authorization of the management, the risk management system of Yuanta Bank and its subsidiaries have been established. It has resulted in improving management efficiency, and the result is gradually becoming more evident.

Yuanta Bank and its subsidiaries control the transaction risks of the financial instruments by adopting the credit approval policy, position limitation, stop loss point setting, and implementing management control processes. In addition, Yuanta Bank and its subsidiaries maintain adequate current assets, and utilize money market and foreign exchange market instruments to support its future cash flow requirements.

The liquidity reserve ratio for Yuanta Bank and its subsidiaries was 28.3% and 26.8% for the years ended December 31, 2009 and 2008, respectively. In addition, Yuanta Bank and its subsidiaries' capital and working capital were sufficient to fulfill all obligations. Thus, there was no material liquidity risk that could prevent Yuanta Bank and its subsidiaries from meeting the obligation.

Analyses for time to maturity of the Yuanta Bank and its subsidiaries' assets and liabilities were as follows:

	December 31, 2009						Total Amount (recoverable amount or repayment amount)
	0~30 days	31~90 days	91~180 days	181 days~1 year	1~3 years	Over 3 years	
	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	
<b>Financial instruments</b>							
<b>Assets</b>							
<b>Non-derivative financial instruments</b>							
Cash and cash equivalents	\$ 6,696,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,696,651
Due from Central Bank and call loans from banks	54,432,751	3,829,611	11,193,201	2,518,300	4,260,951	-	76,234,814
<b>Financial assets for trading purpose</b>							
Government bonds	262,904	-	-	-	-	-	262,904
Corporate bonds	2,465,040	-	-	-	-	-	2,465,040
Beneficiary certificates	1,249,755	-	-	-	-	-	1,249,755
Commercial paper	49,987	-	-	-	-	-	49,987
Negotiable certificates of deposits	2,608,125	-	-	-	-	-	2,608,125
<b>Designated financial assets at fair value through profit or loss</b>							
Convertible corporate bonds	-	-	-	15,597	372,785	244,279	632,661
Asset swaps - convertible corporate bonds	-	-	-	20,245	-	-	20,245
Bills discounted and loans	17,810,570	18,365,137	15,689,505	25,737,092	32,869,516	123,582,777	234,054,597
<b>Available-for-sale financial assets</b>							
Government bonds	-	-	619,113	1,771,697	3,426,302	2,171,026	7,988,138
Corporate bonds	-	-	305,232	1,302,630	4,005,119	516,621	6,129,602
Convertible corporate bonds	-	-	-	15,709	495,400	-	511,109
Financial debentures	-	-	-	557	50	-	607
Beneficiary securities	-	-	-	49,669	144,742	-	194,411
Stocks listed on TSE or OTC	859,644	-	-	-	-	-	859,644
Beneficiary certificates	100,000	-	-	-	-	-	100,000
<b>Held-to-maturity financial assets</b>							
Corporate bonds	-	-	-	-	160,150	-	160,150
Asset backed securities	-	-	-	-	-	41,102	41,102
<b>Derivative financial instruments</b>							
<b>Financial assets at fair value through profit or loss – derivatives</b>							
Option contracts purchased	162,343	47,465	34,337	40,614	29,858	-	314,617
FX contracts (swaps, forwards and cross currency)	214,824	89,181	54,050	-	-	-	358,055
Non delivery forward	-	-	-	5,127	-	-	5,127
Interest rate swap contracts (including asset swap interest rate swap and general interest rate swap)	757,580	1,993,830	46,907	1,757	-	-	2,800,074
Interest rate futures	41,879	-	-	-	-	-	41,879
Credit default swaps purchased	10	-	302	506	-	-	818
<b>Total assets</b>	<b>87,712,063</b>	<b>24,325,224</b>	<b>27,942,647</b>	<b>31,479,500</b>	<b>45,764,873</b>	<b>126,555,805</b>	<b>343,780,112</b>

## December 31, 2009

	<u>0~30 days</u>	<u>31~90 days</u>	<u>91~180 days</u>	<u>181 days~1 year</u>	<u>1~3 years</u>	<u>Over 3 years</u>	<u>Total</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
	<u>(recoverable</u>	<u>(recoverable</u>	<u>(recoverable</u>	<u>(recoverable</u>	<u>(recoverable</u>	<u>(recoverable</u>	<u>(recoverable</u>
	<u>amount or</u>	<u>amount or</u>	<u>amount or</u>	<u>amount or</u>	<u>amount or</u>	<u>amount or</u>	<u>amount or</u>
<u>Financial instruments</u>	<u>repayment amount)</u>	<u>repayment amount)</u>	<u>repayment amount)</u>	<u>repayment amount)</u>	<u>repayment amount)</u>	<u>repayment amount)</u>	<u>repayment amount)</u>
<b>Liabilities</b>							
<b>Non-derivative financial instruments</b>							
Due to Central Bank and other banks	\$ 6,417,386	\$ 3,533,008	\$ 914,704	\$ 2,189,662	\$ 500,000	\$ -	\$ 13,554,760
Bills and bonds payable under repurchase agreements	209,596	-	-	-	-	-	209,596
Deposits and remittances	40,103,272	32,893,742	25,682,962	55,548,593	147,905,161	404,084	302,537,814
Financial debentures	-	-	-	-	6,800,000	3,000,000	9,800,000
Other financial liabilities	2,702	5,039	7,656	15,674	30,040	116,794	177,905
<b>Derivative financial instruments</b>							
<b>Financial liabilities held for trading purpose - derivatives</b>							
Option contracts written	160,180	48,088	38,971	50,587	30,502	-	328,328
FX contracts (forwards, swaps and cross currency swap)	211,959	172,380	92,757	-	-	-	477,096
Non delivery forwards	-	-	-	5,004	-	-	5,004
Interest rate swap contracts (including asset swap, interest rate swap and general interest rate swap)	828,248	1,830,355	183,590	2,002	9,242	-	2,853,437
<b>Total liabilities</b>	<u>47,933,343</u>	<u>38,482,612</u>	<u>26,920,640</u>	<u>57,811,522</u>	<u>155,274,945</u>	<u>3,520,878</u>	<u>329,943,940</u>
<b>Net liquidity gap</b>	<u>\$ 39,778,720</u>	<u>(\$ 14,157,388)</u>	<u>\$ 1,022,007</u>	<u>(\$ 26,332,022)</u>	<u>(\$ 109,510,072)</u>	<u>\$ 123,034,927</u>	<u>\$ 13,836,172</u>

	December 31, 2008						
	0~30 days	31~90 days	91~180 days	181 days~1 year	1~3 years	Over 3 years	Total
	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)
<b>Financial instruments</b>							
<b>Assets</b>							
<b>Non-derivative financial instruments</b>							
Cash and cash equivalent	\$ 6,408,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,408,310
Due from Central Bank and call loans from banks	26,919,748	1,280,078	7,800,000	-	-	-	35,999,826
Financial assets held for trading purpose							
Government bonds	1,920,886	-	-	-	-	-	1,920,886
Corporate bonds	305,344	-	-	-	-	-	305,344
Convertible corporate bonds	-	-	-	30,731	-	-	30,731
Beneficiary certificates	195,615	-	-	-	-	-	195,615
Beneficiary securities	30,132	-	-	-	-	-	30,132
Commercial paper	12,005,363	-	-	-	-	-	12,005,363
Negotiable certificates of deposits	25,011,341	-	-	-	-	-	25,011,341
Designated financial assets at fair value through profit or loss							
Convertible corporate bonds	-	-	4,925	16,268	174,929	509,273	705,395
Asset swaps - convertible corporate bonds	65,431	-	49,250	82,000	85,775	-	282,456
Investment in bills and bonds under resale agreement	1,644,337	-	-	-	-	-	1,644,337
Bills discounted and loans - net	13,417,371	20,534,395	20,619,750	28,357,882	33,463,115	116,481,080	232,873,593
Available-for-sale financial assets							
Government bonds	4,200	-	-	232,521	4,510,008	1,877,167	6,623,896
Corporate bonds	-	-	249,926	552,883	4,281,264	1,904,667	6,988,740
Convertible corporate bonds	-	-	-	338,415	155,602	-	494,017
Financial debentures	-	-	-	254,488	-	1,074	255,562
Beneficiary securities	-	-	-	49,411	234,983	96,842	381,236
Stocks listed on TSE or OTC	896,323	-	-	-	-	-	896,323
Beneficiary certificates	21,609	-	-	-	-	-	21,609
Held-to-maturity financial assets							
Financial debentures	-	-	-	-	-	328,600	328,600
Corporate bonds	-	-	-	-	-	164,300	164,300
Asset backed securities	-	-	-	-	-	104,376	104,376
Other financial assets							
Non-active - financial debentures	-	-	-	-	-	147,520	147,520
<b>Derivative financial instruments</b>							
Financial assets at fair value through profit or loss – derivatives							
Option contracts purchased	47,591	17,459	30,897	72	12,562	-	108,581
FX contracts (forwards and swaps)	125,291	56,755	36,416	1,850	-	-	220,312
Interest rate swap contracts (including asset swap interest rate swap and general interest rate swap)	136	6,583	115,066	83,454	2,549,853	964,330	3,719,422
Interest rate futures	44,342	-	-	-	-	-	44,342
Fixed rate commercial paper commitment	-	-	-	1,864	-	-	1,864
<b>Total assets</b>	<b>89,063,370</b>	<b>21,895,270</b>	<b>28,906,230</b>	<b>30,001,839</b>	<b>45,468,091</b>	<b>122,579,229</b>	<b>337,914,029</b>

## December 31, 2008

	<u>0~30 days</u> Amount (recoverable amount or repayment amount)	<u>31~90 days</u> Amount (recoverable amount or repayment amount)	<u>91~180 days</u> Amount (recoverable amount or repayment amount)	<u>181 days~1 year</u> Amount (recoverable amount or repayment amount)	<u>1~3 years</u> Amount (recoverable amount or repayment amount)	<u>Over 3 years</u> Amount (recoverable amount or repayment amount)	<u>Total</u> Amount (recoverable amount or repayment amount)
<u>Financial instruments</u>							
Liabilities							
Non-derivative financial instruments							
Due to Central Bank and other banks	\$ 1,649,767	\$ 3,732,625	\$ 4,042,133	\$ 2,440,557	\$ -	\$ -	\$ 11,865,082
Bills and bonds payable under repurchase agreements	7,205,341	120,085	-	-	-	-	7,325,426
Deposits and remittances	57,684,939	48,875,949	55,604,228	82,311,000	50,021,279	1,700	294,499,095
Financial debentures	-	-	-	-	5,000,000	4,800,000	9,800,000
Other financial liabilities	4,274	4,334	6,593	13,523	56,276	258,667	343,667
Derivative financial instruments							
Financial liabilities held for trading purpose - derivatives							
Option contracts written	48,656	17,459	30,898	86	12,904	-	110,003
FX contracts (forwards, swaps and cross currency swap)	39,634	10,793	9,611	-	-	-	60,038
Interest rate swap contracts (including asset swap, interest rate swap and general interest rate swap)	-	14,170	82,735	172,050	2,536,653	1,075,037	3,880,645
Fixed rate commercial paper commitment	719	-	-	-	-	-	719
Credit default swaps written	-	-	-	29,009	-	-	29,009
Total liabilities	<u>66,633,330</u>	<u>52,775,415</u>	<u>59,776,198</u>	<u>84,966,225</u>	<u>57,627,112</u>	<u>6,135,404</u>	<u>327,913,684</u>
Net liquidity gap	<u>\$ 22,430,040</u>	<u>(\$ 30,880,145)</u>	<u>(\$ 30,869,968)</u>	<u>(\$ 54,964,386)</u>	<u>(\$ 12,159,021)</u>	<u>\$ 116,443,825</u>	<u>\$ 10,000,345</u>

(D) Cash flow risk and fair value risk arising from changes in interest rates

Cash flow risk arising from changes in interest rates for future cash flows of floating rate assets and liabilities held by Yuanta Bank and its subsidiaries may fluctuate due to changes in interest rates. Thus, Yuanta Bank and its subsidiaries have entered into interest rate swap contract after consideration of risk level and operation requirements to mitigate such risk.

a. Expected repricing date or expected maturity date

As of December 31, 2009 and 2008, the expected repricing date or expected maturity date were not affected by the contract date. The following table presents the book values of financial assets and liabilities classified by the earlier of the expected repricing date or expected maturity date and shows the interest rate risk of Yuanta Bank and its subsidiaries:

	December 31, 2009						
	0~30 days	31~90 days	91~180 days	181 days~1 year	1~3 years	Over 3 years	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable
	amount or	amount or	amount or	amount or	amount or	amount or	amount or
	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)
<b>Financial instruments</b>							
<b>Assets</b>							
<b>Non-derivative financial instruments</b>							
Due from other banks	\$ 3,685,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,685,449
Due from Central Bank and call loans from banks	48,715,000	3,000,000	18,393,764	1,000,000	-	-	71,108,764
<b>Financial assets held for trading purpose</b>							
Government bonds	262,904	-	-	-	-	-	262,904
Corporate bonds	2,465,040	-	-	-	-	-	2,465,040
Commercial paper	49,987	-	-	-	-	-	49,987
Negotiable certificates of deposits	2,608,125	-	-	-	-	-	2,608,125
<b>Designated financial assets at fair value through profit or loss</b>							
Convertible corporate bonds	-	-	-	15,597	372,785	244,279	632,661
Assets swaps - convertible corporate bonds	-	-	-	20,245	-	-	20,245
Bills discounted and loans	16,782,238	16,169,214	12,278,629	18,828,907	31,312,126	138,644,942	234,016,056
<b>Available-for-sale financial assets</b>							
Government bonds	-	-	619,113	1,771,697	3,426,302	2,171,026	7,988,138
Corporate bonds	-	299,894	305,232	1,302,630	3,705,225	516,621	6,129,602
Convertible corporate bonds	-	-	-	15,709	495,400	-	511,109
Financial debentures	-	-	-	557	50	-	607
Beneficiary securities	-	-	-	49,669	144,742	-	194,411
<b>Held-to-maturity financial assets</b>							
Corporate bonds	-	-	-	-	160,150	-	160,150
Asset backed securities	-	-	-	-	-	41,102	41,102
<b>Derivative financial instruments</b>							
<b>Financial assets held for trading purpose -derivatives</b>							
Option contracts purchased	-	-	3,165	18,877	27,284	-	49,326
FX contracts (forwards, swaps and cross currency)	214,824	89,181	54,050	-	-	-	358,055
Interest rate swaps (including asset swap, interest rate swaps and general interest rate swaps)	757,581	1,993,829	46,907	1,757	-	-	2,800,074
Interest rate futures	41,879	-	-	-	-	-	41,879
<b>Total assets</b>	<b>75,583,027</b>	<b>21,552,118</b>	<b>31,700,860</b>	<b>23,025,645</b>	<b>39,644,064</b>	<b>141,617,970</b>	<b>333,123,684</b>

	December 31, 2009						
	0~30 days	31~90 days	91~180 days	181 days~1 year	1~3 years	Over 3 years	Total
	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)	Amount (recoverable amount or repayment amount)
<b>Financial instruments</b>							
<b>Liabilities</b>							
<b>Non-derivative financial instruments</b>							
Due to Central Bank and other banks	\$ 12,954,760	\$ -	\$ -	\$ 100,000	\$ 500,000	\$ -	\$ 13,554,760
Bills and bonds payable under repurchase agreements	209,596	-	-	-	-	-	209,596
Deposits	73,225,310	20,130,166	174,281,629	29,113,144	3,221,296	-	299,971,545
Financial debentures	-	-	-	-	6,800,000	3,000,000	9,800,000
Other financial liabilities	2,702	5,039	7,656	15,674	30,040	116,794	177,905
<b>Derivative financial instruments</b>							
<b>Financial liabilities held for trading purpose – derivatives</b>							
Option contracts written	445	57	7,798	37,886	30,502	-	76,688
FX contracts (forwards, swaps and cross currency)	211,959	172,380	92,757	-	-	-	477,096
Interest rate swap contracts (including asset swap, interest rate swap and general interest rate swap)	<u>828,248</u>	<u>1,830,355</u>	<u>183,590</u>	<u>2,002</u>	<u>9,242</u>	<u>-</u>	<u>2,853,437</u>
<b>Total liabilities</b>	<u>87,433,020</u>	<u>22,137,997</u>	<u>174,573,430</u>	<u>29,268,706</u>	<u>10,591,080</u>	<u>3,116,794</u>	<u>327,121,027</u>
<b>Interest-rate-sensitivity gap</b>	<u>(\$ 11,849,993)</u>	<u>(\$ 585,879)</u>	<u>(\$ 142,872,570)</u>	<u>(\$ 6,243,061)</u>	<u>\$ 29,052,984</u>	<u>\$ 138,501,176</u>	<u>\$ 6,002,657</u>

	December 31, 2008						
	0~30 days	31~90 days	91~180 days	181 days~1 year	1~3 years	Over 3 years	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable	(recoverable
	amount or	amount or	amount or	amount or	amount or	amount or	amount or
Financial instruments	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)	repayment amount)
Assets							
Non-derivative financial instruments							
Due from other banks	\$ 2,974,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,974,577
Due from Central Bank and call loans from banks	12,980,685	1,280,078	15,554,605	-	-	-	29,815,368
Financial assets held for trading purpose							
Government bonds	1,920,886	-	-	-	-	-	1,920,886
Corporate bonds	305,344	-	-	-	-	-	305,344
Convertible corporate bonds	-	-	-	30,731	-	-	30,731
Commercial paper	12,005,363	-	-	-	-	-	12,005,363
Negotiable certificates of deposits	25,011,341	-	-	-	-	-	25,011,341
Designated financial assets at fair value through profit or loss							
Convertible corporate bonds	-	-	4,925	16,268	174,929	509,273	705,395
Assets swaps - convertible corporate bonds	65,431	-	49,250	82,000	85,775	-	282,456
Investment in bills and bonds under resale agreement	1,644,337	-	-	-	-	-	1,644,337
Bills discounted and loans- net	109,034,854	27,921,397	17,390,374	13,190,904	19,445,234	45,786,090	232,768,853
Available-for-sale financial assets							
Government bonds	4,200	-	-	232,521	4,510,008	1,877,167	6,623,896
Corporate bonds	300,157	-	249,926	552,883	3,981,107	1,904,667	6,988,740
Convertible corporate bonds	-	-	-	338,415	155,602	-	494,017
Financial debentures	-	-	-	254,488	-	1,074	255,562
Beneficiary securities	-	-	-	49,411	234,983	96,842	381,236
Held-to-maturity financial assets							
Financial debentures	-	-	-	-	-	328,600	328,600
Corporate bonds	-	-	-	-	-	164,300	164,300
Asset backed securities	-	-	-	-	-	104,376	104,376
Other financial assets							
Non-active - financial debentures	-	-	-	-	-	147,520	147,520
Derivative financial instruments							
Financial assets held for trading purpose -derivatives							
Option contracts purchased	-	-	-	72	12,562	-	12,634
FX contracts (forwards, swaps and cross currency swap)	125,291	56,755	36,416	1,850	-	-	220,312
Interest rate futures	44,342	-	-	-	-	-	44,342
Fixed rate commercial paper commitment	-	-	-	1,864	-	-	1,864
Interest rate swap contracts (including asset swap interest rate swap and other interest rate swap)	136	6,583	115,066	83,454	2,549,853	964,330	3,719,422
Total assets	166,416,944	29,264,813	33,400,562	14,835,161	31,150,053	51,884,239	326,951,472

	December 31, 2008						
	0~30 days Amount (recoverable amount or repayment amount)	31~90 days Amount (recoverable amount or repayment amount)	91~180 days Amount (recoverable amount or repayment amount)	181 days~1 year Amount (recoverable amount or repayment amount)	1~3 years Amount (recoverable amount or repayment amount)	Over 3 years Amount (recoverable amount or repayment amount)	Total Amount (recoverable amount or repayment amount)
<u>Financial instruments</u>							
Liabilities							
Non-derivative financial instruments							
Due to Central Bank and other banks	\$ 1,649,767	\$ 3,732,625	\$ 4,042,133	\$ 2,440,557	\$ -	\$ -	\$ 11,865,082
Bills and bonds payable under repurchase agreements	7,205,341	120,085	-	-	-	-	7,325,426
Deposits	84,637,159	40,756,716	126,624,384	37,834,212	2,695,831	2,800	292,551,102
Financial bonds payable	-	-	-	-	5,000,000	4,800,000	9,800,000
Other financial liabilities	4,274	4,334	6,593	13,523	56,276	258,667	343,667
Derivative financial instruments							
Financial liabilities for trading purpose - derivatives							
Options written	82	-	1	85	12,904	-	13,072
FX contracts (forwards, swaps and cross currency)	39,634	10,793	9,611	-	-	-	60,038
Interest rate swap contracts (including asset swap, interest rate swap and general interest rate swap)	-	14,170	82,735	172,050	2,536,653	1,075,037	3,880,645
Fixed interest rate commercial paper guarantees	719	-	-	-	-	-	719
Total liabilities	<u>93,536,976</u>	<u>44,638,723</u>	<u>130,765,457</u>	<u>40,460,427</u>	<u>10,301,664</u>	<u>6,136,504</u>	<u>325,839,751</u>
Interest-rate-sensitivity gap	<u>\$ 72,879,968</u>	<u>(\$ 15,373,910)</u>	<u>(\$ 97,364,895)</u>	<u>(\$ 25,625,566)</u>	<u>\$ 20,848,389</u>	<u>\$ 45,747,735</u>	<u>\$ 1,111,721</u>

## 1. Effective interest rates

As of December 31, 2009 and 2008, the effective interest rates for financial instruments (except for financial instruments at fair value through profit or loss) held or issued by Yuanta Bank and its subsidiaries are as follows:

December 31, 2009		
Items	NTD	USD
Available-for-sale financial assets		
Government bonds	1.03%~2.38%	-
Corporate bonds	0.69%~5.13%	-
Beneficiary securities	1.56%~2.76%	-
Financial debentures	-	2.90%~3.50%
Held-to-maturity financial assets		
Asset backed securities	-	6.85%
Loans and advances		
Short-term loans	1.99%	1.31%
Short-term secured loans	2.29%	2.07%
Mid-term loans	1.91%	1.83%
Mid-term secured loans	2.46%	1.44%
Long-term loans	2.33%	2.17%
Long-term secured loans	1.85%	1.63%
Financial debentures	2.50%~3.25%	-
Deposits		
Demand deposits	0.10%	0.02%
Time deposits	0.10%~0.85%	0.05%~0.95%
Redeposits from the directorate general		
of postal remittance	0.72%	-
Demand savings deposits	0.15%	-
Time savings deposits	0.15%~0.89%	-

December 31, 2008

Items	NTD	USD
Available-for-sale financial assets		
Government bonds	1.01%~2.35%	-
Corporate bonds	1.61%~5.30%	-
Beneficiary securities	2.53%~10.00%	-
Financial debentures	-	2.90%~3.50%
Held-to-maturity financial assets		
Financial debentures	-	4.10%~4.45%
Asset backed securities	-	6.85%
Debt instruments with non-active market		
Financial bonds	-	6.00%
Loans and advances		
Short-term loans	3.29%	4.14%
Short-term secured loans	3.49%	5.15%
Mid-term loans	4.21%	4.25%
Mid-term secured loans	4.26%	4.45%
Long-term loans	3.79%	4.73%
Long-term secured loans	3.42%	4.65%
Financial debentures	2.50%~3.25%	-
Deposits		
Demand deposits	0.12%	0.96%
Time deposits	2.24%	3.16%
Redeposits from the directorate general of postal remittance	2.72%	-
Demand savings deposits	0.29%~9.57%	-
Time savings deposits	2.40%~2.54%	-

Yuanta Securities' subsidiaries and Yuanta Futures' subsidiaries:

(A) Derivative financial instruments

- a. Derivative financial instruments engaged by Yuanta Securities and its subsidiaries as of December 31, 2009 and 2008 were as follows:

	<u>December 31, 2009</u>	
	<u>Derivative financial assets</u>	<u>Derivative financial liabilities</u>
Interest rate swap contracts	\$ -	\$ 53,632
Currency swap contracts	-	2,734
Asset swap IRS contracts	-	36,991
Asset swap options	142,282	408,990
Structured notes (Note 1)	211	1,691,402
Principal of structured notes (Note 2)	-	179,220
	<u>\$ 142,493</u>	<u>\$ 2,372,969</u>

	<u>December 31, 2008</u>	
	<u>Derivative financial assets</u>	<u>Derivative financial liabilities</u>
Interest rate swap contracts	\$ -	\$ 106,239
Currency swap contracts	709	-
Asset swap IRS contracts	-	29,220
Asset swap options	25,292	67,217
Structured notes (Note 1)	67,985	520
Principal of structured notes (Note)	-	1,417,477
	<u>\$ 93,986</u>	<u>\$ 1,620,673</u>

Note 1: Liabilities are recorded under "financial liabilities at fair value through profit or loss".

Note 2: Recorded under "Other financial liabilities".

- b. Gain (loss) on derivative financial instruments engaged by Yuanta Securities and its subsidiaries for the years ended December 31, 2009 and 2008 were as follows:

	<u>For the year ended December 31, 2009</u>	
	<u>Gain (loss) on derivative</u>	<u>Unrealized gain (loss)</u>
	<u>financial instruments</u>	<u>included</u>
Interest rate swap contracts	(\$ 31,728)	\$ 52,608
Asset swap IRS contracts	38,929	9,985
Asset swap options	( 267,270)	( 116,483)
Bond options	3	-
Structured notes	( 86,006)	( 108,539)
Equity derivatives	( 5,309)	725
Cross currency swap contracts		
(Note)	<u>5,608</u>	<u>( 3,528)</u>
	<u>(\$ 345,773)</u>	<u>(\$ 165,232)</u>
	<u>For the year ended December 31, 2008</u>	
	<u>Gain (loss) on derivative</u>	<u>Unrealized gain (loss)</u>
	<u>financial instruments</u>	<u>included</u>
Interest rate swap contracts	(\$ 110,766)	(\$ 93,563)
Asset swap IRS contracts	2,780	( 19,300)
Asset swap options	40,707	65,973
Bond options	( 638)	-
Structured notes	184,662	190,893
Equity derivatives	98,488	66,312
Cross currency swap contracts		
(Note)	<u>( 5,448)</u>	<u>690</u>
	<u>\$ 209,785</u>	<u>\$ 211,005</u>

Note: Recorded under "Net non-interest income or loss".

(B) Yuanta Securities and its subsidiaries and Yuanta Futures and its subsidiaries engage in futures trading, the presentation on the financial statements are as follows:

a. The balance of futures guarantee deposits in futures account are as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Futures guarantee deposits -		
self-owned capital	\$ <u>1,737,025</u>	\$ <u>863,991</u>
Balance of excess futures		
guarantee deposits	\$ <u>1,680,518</u>	\$ <u>782,293</u>

b. Gain or loss from futures contracts are as follows:

	<u>For the years ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Gain from futures contracts	\$ <u>264,422</u>	\$ <u>771,127</u>

c. Gain or loss from futures options:

	<u>For the years ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
(Loss) gain from futures		
options	(\$ <u>59,639</u> )	\$ <u>46,911</u>

(C) Yuanta Securities and its subsidiaries engage in warrants issuance, and the profit or loss for the years ended December 31, 2009 and 2008 are as follows:

	<u>For the years ended December 31,</u>		<u>Account</u>
	<u>2009</u>	<u>2008</u>	
A. Gain (loss) on valuation			
Liabilities for issuance of call (put) warrants	(\$ 9,913,019)	\$ 10,113,735	Gain(loss) on warrants issuance
Repurchase of issued call (put) warrants	10,765,035	( 3,780,509)	Gain(loss) on warrants issuance
Exercise prior maturity of issued call (put) warrants	( 4,365)	( 60)	Gain(loss) on warrants issuance
Trading securities - hedging	105,031	( 10,271)	Gain(loss) on valuation of trading securities
Securities lending payable - hedging	( 15,620)	-	Loss on short covering and trading securities -valuation
Future contracts - hedging	20	-	Gain on future contracts
Option transactions - hedging	( 209)	-	Loss on option transactions
B. Gain (loss) on sale			
Repurchase of issued call (put) warrants	( 1,026,404)	( 5,935,220)	Gain(loss) on warrants issuance
Trading securities - hedging	559,728	( 331,324)	Gain (loss) on sale of trading securities – hedging
Securities lending payables -hedging	( 44,574)	-	Gain on short covering and trading securities -valuation
Option transactions - hedging	( 5,265)	-	Gain on option transactions

(D) Information of derivative financial instruments:

a. Futures

Yuanta Securities and its subsidiaries and Yuanta Futures and its subsidiaries engage in the business of futures dealers. Futures and futures options are traded for the purpose of efficient use of capital. As of December 31, 2009 and 2008, TX futures guarantee deposits receivable includes the balance of excess futures guarantee deposits of \$1,680,518 and \$782,293, respectively.

b. Warrants

For information regarding the issuance of warrants, please refer to Note 4(3).

c. Convertible bond asset swaps and options

Yuanta Securities and its subsidiaries engage in the business of asset swaps and options. Under an asset swap, Yuanta Securities and its subsidiaries sell convertible bonds to the counterparty and receive proceeds. Over the contract period, Yuanta Securities and its subsidiaries exchange its cash flows with the counterparty and retain the right to buyback the convertible bonds. Under an option transaction, Yuanta Securities and its subsidiaries keep the right to buyback the convertible bonds or the counterparty has the right to buy the convertible bonds. Yuanta Securities and its subsidiaries can clear the position by rendering its currently owned bonds. As of December 31, 2009 and 2008, notional amounts of convertible bond options purchased were \$1,049,100 and \$740,200, respectively, and notional principal of convertible bond options sold were \$2,742,500 and \$1,518,400, respectively.

d. Interest rate swaps

The purpose of Yuanta Securities and its subsidiaries to enter into an interest rate swap contract is to earn the interest gap based on the Yuanta Securities and its subsidiaries' estimation toward the interest rate trend. The contracts entered with financial institutions are valid for 1 - 5 years. On settlement date, interest is received and paid according to the production of nominal principal and difference in interest rates. Most of the counterparties are financial institutions. As of December 31, 2009 and 2008, the nominal principal was \$133,597,735 and 169,622,460, respectively.

e. Structured notes

Yuanta Securities and its subsidiaries combine fixed income instruments with call or put options into structured notes, which are further categorized into equity-linked notes (ELN), principal guaranteed notes (PGN) and credit-linked notes (CLN). On trade date, the contracted amounts were collected in full from the counterparties. The payout amount on maturity will depend on the price fluctuation of the instruments linked to these contracts. All the linked products are financial instruments under the supervision of the SFB. As of December 31, 2009 and 2008, the nominal principal of ELN were \$960,400 and \$104,612, respectively; the nominal

principal of PGN were \$159,200 and \$1,022,849, respectively and the nominal principal of CLN were \$751,700 and \$368,100, respectively.

(E) Yuanta Securities and its subsidiaries engage in financial instruments (derivative and non-derivative financial instruments). The related financial risk are as follows:

a. Market risk

Yuanta Securities and its subsidiaries' market risk management includes setting annual risk limits, regulating hierarchical authorizing rules, effective risk management procedures and timely monitor and control. The objective of setting annual risk limits is to control market risk within the tolerable scope. Internal operational limits and approval authority are regulated by the hierarchical authorizing rules. The risk management department of Yuanta Securities and its subsidiaries conducts market risk measurement and monitor based on the relevant risk management rules, also adopts VaR (value at risk) model in conducting market risk quantification management to control the changes of transaction risk. The risk management department also provides risk management reports to the high management for them to timely control market risk.

b. Credit risk

Yuanta Securities and its subsidiaries establish an internal credit rating system by integrating external credit rating information and internal credit rating model, and set credit limit for each issuer and counterparty based on the internal credit rating system, and calculates credit risk exposure position for each business to control the overall credit risk being within the limit approved. In addition to establishing risk management policies, Yuanta Securities and its subsidiaries continuously employ their credit risk quantification model to dynamically trace, evaluate and control credit risk with rationality and effectiveness.

c. Liquidity risk

Liquidity risk includes market liquidity risk and cash liquidity risk. Market liquidity risk occurs when the volume of transactions is insufficient in the market so that Yuanta Securities and its subsidiaries will suffer difficulty when disposing its position within a reasonable time. To lower market liquidity risk, Yuanta Securities and its subsidiaries set position limits for different businesses and securities, respectively, to keep their market liquidity. As to cash liquidity, in addition to employing stress testing model in conducting situation simulation analyses, the finance department also lays down cash control plans in response based on the testing results.

d. Operation risk

Operational procedures and controlling emphasis are regulated for different businesses, which are included in the rules of the internal control system and internal auditing system. Yuanta Securities and its subsidiaries also conduct legal compliance and internal control self-assessment management to ensure the completeness and effectiveness of the operational procedures and controlling emphasis.

e. Legal risk

Legal risk management includes the assessments to the new and ongoing lawsuits, analysis of legitimacy of each contract and transaction, awareness of material issues that might impact Yuanta Securities and its subsidiaries' operations, which could avoid severe impact on their operations or financial condition as a result of unenforceable contracts, lawsuits or unfavorable rulings.

(F) As Yuanta Futures and its subsidiaries engage in futures derivative financial instruments designated for trading purpose and the transaction amounts are insignificant, the disclosure is simplified as follows:

December 31, 2009					
Item	Type of transaction	Uncovered position		Contract amount or paid (collected) premium	Fair value
		Buyer/seller	Number of contracts		
Futures contract	Taiwan Micro Index Futures	Seller	51	(\$ 20,869)	(\$ 20,913)
Futures contract	Taiwan Index Futures	Buyer	59	96,583	96,772
Options contract	Taiwan Index Futures Options	Buy Call	120	1,547	3,037
Options contract	Taiwan Index Futures Options	Sell Call	113	( 969)	( 1,956)
Options contract	Taiwan Index Futures Options	Buy Put	1,023	4,094	3,792
Options contract	Taiwan Index Futures Options	Sell Put	1,030	( 1,908)	( 1,695)
December 31, 2008					
Item	Type of transaction	Uncovered position		Contract amount or paid (collected) premium	Fair value
		Buyer/seller	Number of contracts		
Futures contract	Taiwan Micro Index Futures	Buyer	2	\$ 426	\$ 446
Futures contract	Taiwan Micro Index Futures	Seller	17	( 3,866)	( 3,866)
Futures contract	Taiwan Electron Futures	Buyer	21	14,550	14,545
Futures contract	Taiwan Financial Futures	Seller	25	( 14,893)	( 14,910)
Futures contract	Taiwan Index Futures	Buyer	106	95,997	96,418
Futures contract	Taiwan Index Futures	Seller	2	( 1,828)	( 1,819)
Options contract	Taiwan Electron Futures Options	Buy Call	36	384	320
Options contract	Taiwan Electron Futures Options	Sell Call	83	( 284)	( 119)
Options contract	Taiwan Index Futures Options	Buy Put	93	383	1,081
Options contract	Taiwan Index Futures Options	Sell Put	120	( 2,534)	( 1,755)

a. Market price risk

Yuanta Futures and its subsidiaries adopt VaR model for quantification management of market risk, measure and monitor market risk of each position held via trading monitoring and after trading hour analysis, and establish operation limit and VaR limit as the basis for executing risk management. VaR (99%, a day) of Yuanta Futures and its subsidiaries for the years ended December 31, 2009 and 2008 was \$122 and \$6,137, respectively.

b. Credit risk

Yuanta Futures and its subsidiaries conduct futures contracts and option contracts via Taiwan Futures Exchange; hence, no significant credit risk is expected to occur. Yuanta Futures and its subsidiaries also evaluate credit condition of counterparties and deconcentrate transactions to reduce credit risk.

c. Liquidity risk, cash flow risk and amount/ period/ uncertainty of future cash needs

As of December 31, 2009 and 2008, options and futures held by Yuanta Futures and its subsidiaries have the ability to close out market positions. Hence, the cash flow risk is insignificant.

Yuanta Futures and its subsidiaries engage in stock price index futures trading which belong to margin trading. Yuanta Futures and its subsidiaries deposit margin call prior the transaction and adjust uncovered positions daily by mark-to-market price. If additional margin call is required, operating capital of Yuanta Futures and its subsidiaries is sufficient to pay-off; thus, there is no funding risk and its cash flow risk is remote. Yuanta Futures and its subsidiaries engage in options trading, pay (collect) premium prior transactions, and if counterparty request to perform the contract, Yuanta Futures and its subsidiaries have sufficient capital to meet the contract obligation; hence the cash flow risk is insignificant.

d. Operation risk

Yuanta Futures and its subsidiaries engage in futures and options, in order to manage substantial guarantee deposits, each guarantee deposit's collection and payment is controlled by operational procedures to prevent human errors.

e. Type, purpose, and strategy to accomplish the purpose

Yuanta Futures and its subsidiaries currently engage in future and option transactions designed for trading purposes to expand their investment channel and make effective use of the capital.

f. Specific risk exposed for futures business

Futures' trading is financial leverage transactions with low guarantee deposits, the risks include: when futures market price is adverse to what a client expects, a futures broker requests additional margin calls to maintain limits of guarantee deposits. If a client is unable to pay margin deposits on time, a futures broker is eligible to cover the futures contract held by the client. In addition, when market price fluctuates, futures contract held by a client may increase loss due to inability to settle.

Specific risk exposed for futures business is unexpected loss arising from a client's default due to changes in market price. Futures commission merchants are required to set aside 2% of monthly commission revenues of consignment trading in accordance with the "Rules Governing Futures Merchants".

(G) Yuanta Securities engaged in futures business shall meet the requirements of relevant futures transactions regulations. Financial ratio and enforcement of Yuanta Securities are as follows:

The table below is prepared according to: “Regulations Governing Futures Commission Merchants”

Article	Calculation formula	December 31, 2009		December 31, 2008		Standard	Enforcement (Note 3)
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity	1,191,986	385.13%	762,361	883.18%	1	Meets the requirement
	(Total liability - futures trader's equity - reserve for breach of contract losses - reserve for trading losses)	3,095		915			
17	Current assets	1,192,378	385.25%	752,916	822.86%	1	Meets the requirement
	Current liabilities	3,095		915			
22	Stockholders' equity	1,196,986	298%	762,361	191%	60% 40% (Note 2)	Meets the requirement
	Minimum paid-in capital (Note 1)	400,000		400,000			
22	Adjusted net capital	1,173,112	2,737%	760,681	35,315%	20% 15%	Meets the requirement
	Total amount of customer margins required for the open positions of futures traders	42,859		2,154			

Note 1: “Minimum paid-in capital” is capital or appropriate operating capital stipulated in “Regulations Governing Futures Commission Merchants”.

Note 2: For foreign futures merchants engaging in foreign futures sub-contract business, the ratio for stockholders' equity/ minimum paid-in capital is adjusted to 50% and 30%.

Note 3: "Enforcement" discloses whether it meets the requirement of financial ratio.

(H) Yuanta Futures engaged in futures business shall meet the requirements of relevant futures transactions regulations. Financial ratio and enforcement of Yuanta Futures are as follows:

The table below is prepared according to: “Regulations Governing Futures Commission Merchants”

Article	Calculation formula	December 31, 2009		December 31, 2008		Standard	Enforcement (Note 3)
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity	2,303,353	850.25%	2,366,271	510%	1	Meets the requirement
	(Total liability - futures trader's equity - reserve for breach of contract losses - reserve for trading losses)	270,904		464,339			
17	Current assets	11,792,822	119.66%	12,284,490	119%	1	Meets the requirement
	Current liabilities	9,855,448		10,322,361			
22	Stockholders' equity	2,303,353	322.15%	2,366,271	384.76%	60% 40% (Note 2)	Meets the requirement
	Minimum paid-in capital (Note 1)	715,000		615,000			
22	Adjusted net capital	2,215,428	210.72%	2,212,218	135.64%	20% 15%	Meets the requirement
	Total amount of customer margins required for the open positions of futures traders	1,051,382		1,630,993			

Note 1: “Minimum paid-in capital” is capital or appropriate operating capital stipulated in “Regulations Governing Futures Commission Merchants”.

Note 2: For foreign futures merchants engaging in foreign futures sub-contract business, the ratio for stockholders' equity/ minimum paid-in

capital is adjusted to 50% and 30%.

Note 3: "Enforcement" discloses whether it meets the requirement of financial ratio.

(I) Specific risk exposed for futures business

Main risk for futures merchants is credit risk. Credit risk occurs when clients do not deposit margin call on time. Yuanta Futures monitors margin limits on each individual client and requests client to deposit additional margins or decrease the transaction amounts to control this credit risk. In addition, the main risk exposed for Yuanta Futures is market price risk. The market contract price of futures or options held vary depending on the fluctuation of index of underlying investments. If market index price converses to underlying investments, losses occur. Yuanta Futures set up stop-loss points in order to control this risk.

Other subsidiaries

(A) Market risk

Subsidiaries engage in trading purposes, held-for-sale or derivative financial instruments transactions, whose primary market risk comes from price changes in those instruments. Subsidiaries have no significant market risk, as each instrument has set up a stop-loss point and its changes in the fair value are controlled using predetermined limits.

Financial assets of Yuanta Securities Finance are listed stocks, unlisted stocks, open-end funds, beneficiary securities, corporate bonds, convertible corporate bonds, government bonds, financial bonds and other marketable securities approved by the authorities. Except for unlisted stocks and bond investments with non-active market, changes in market interest rates and stock prices fluctuate the value of financial assets. In order to manage market risk, Yuanta Securities Finance conducts transactions with high-credit-quality securities.

(B) Credit risk

Yuanta Securities Finance's main business is margin trading, the main risk is credit risk. To control customers' risk, Yuanta Securities Finance not only follows the lower percentage or distributable amounts for abnormal stocks regulated by Taiwan Stock Exchange Corporation and Gre Tai Market but also stipulates distributable method for margin loan limits, warning and treatment, and spread of trust and etc., to reduce the occurrence of credit risk.

Potential credit risk of financial instruments held by Yuanta Securities Finance is derived from the possibility of default of counterparty. Derivative counterparties, issuers and guarantees are limited to high-credit-quality financial institutions; therefore, the possibility of default is insignificant. The maximum exposure risk of the financial assets is the positive fair value at the balance sheet date.

(C) Liquidity risk

Yuanta Securities Finance has enough operating capital to fulfill all contractual obligations. Thus, there is no significant liquidity risk.

Financial assets invested by Yuanta Securities Finance, except for unlisted stocks, bonds investments and held-to-maturity bonds with non-active market, others are all with active market. Thus, these financial assets have high liquidity and are expected to be sold at fair value promptly when needed. As a result, Yuanta Securities Finance does not have significant liquidity risk.

The matching of the maturity date and interest rate for assets and liabilities and controlling unmatched gap are Yuanta Securities Finance's basic management policy. As trading conditions are uncertain and trading types are different, the maturity date and interest rate for assets and liabilities are usually unmatched; these gaps may generate either potential gains or losses.

(D) Risk from changes in interest rates

Short-term borrowings held by Yuanta Securities Finance are negotiated prices based on the interest rates in the monetary market. Thus, the changes in market interest rates affects the negotiated interest rates of short-term borrowings and result in fluctuations in future cash flows.

(E) Risk management structure and policy

To have the risk management of Yuanta Securities Finance functioning effectively, internal operation procedures acts as basic structure of Yuanta Securities Finance and Yuanta Securities Finance is equipped with an easy-to-managed computer system for risk information system. Risk management officers also hold weekly meetings on operation safety and strengthens various business information to enhance early warning function of financing and stock loans. In addition, Yuanta Securities Finance integrates resources of shares among related parties to provide a base for risk management.

(2) Capital adequacy ratio:

	<u>December 31, 2009</u>	
	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	\$ 114,750,856	\$ 127,213,320
Bank subsidiaries	28,709,303	19,054,641
Securities and securities finance subsidiaries	61,457,893	15,755,552
Futures subsidiaries	2,303,353	6,266,201
Venture capital subsidiaries	3,077,124	1,543,192
Other subsidiaries	2,544,127	1,401,218
Deduction item	( <u>130,194,589</u> )	( <u>125,157,748</u> )
Subtotal	<u>\$ 82,648,067</u>	<u>\$ 46,076,376</u>
Capital adequacy ratio of the Consolidated Company		179.37%

	<u>December 31, 2008</u>	
	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	\$ 107,156,796	\$ 118,431,900
Bank subsidiaries	26,345,907	18,797,671
Securities and securities finance subsidiaries	56,472,072	12,077,648
Futures subsidiaries	2,366,271	6,513,421
Venture capital subsidiaries	2,889,379	1,443,594
Other subsidiaries	2,380,448	2,408,698
Deduction item	( <u>120,987,087</u> )	( <u>116,338,751</u> )
Subtotal	<u>\$ 76,623,786</u>	<u>\$ 43,334,181</u>
Capital adequacy ratio of the Consolidated Company		176.82%

As of December 31, 2009, the financial holding's net eligible capital

<u>Item</u>	<u>Amount</u>
Common stocks	\$ 81,021,057
Legal reserve	768,171
Additional paid-in capital	24,943,557
Special reserve	814,445
Accumulated earnings	7,266,869
Equity adjustments	753,884
Less: deferred assets	( 484,317)
Less: treasury stocks	( 332,810)
Total net eligible capital	<u>\$ 114,750,856</u>

As of December 31, 2008, the financial holding's net eligible capital

<u>Item</u>	<u>Amount</u>
Common stocks	\$ 81,021,057
Legal reserve	603,717
Additional paid-in capital	25,634,097
Special reserve	101,640
Accumulated earnings	1,659,290
Equity adjustments	( 814,445)
Less: deferred assets	( 715,750)
Less: treasury stocks	( 332,810)
Total net eligible capital	<u>\$ 107,156,796</u>

- (3) In accordance with Article 46 of the Financial Holding Company Act, the following table represents the Company's subsidiaries' provision of business credit or endorsements to, or other transactions with, the same individual, the same related party, or the same affiliated company (expressed in millions of New Taiwan dollars; %):

Name	December 31, 2009	
	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same person:		
Central Government of Republic of China	\$ 10,100	8.76
Taiwan High Speed Rail Co., Ltd.	14,215	12.34
CPC Corporation, Taiwan	7,590	6.58
Taiwan Power company	7,397	6.42
Taiwan Railway Administration, MOTC	4,000	3.47
Nan Ya Technology Co., Ltd.	3,033	2.63
Subtotal	46,335	40.20
Same related party:		
China Bills Finance Corporation and its related companies	3,551	3.08
Same related company :		
Nan Ya Technology Co., Ltd. and its related companies	6,167	5.35
EVA Airways Corp. and its related companies	4,537	3.94
Taishin Financial Holding Co., Ltd and its related companies	3,523	3.06
Windbond Electronics Corp. and its related companies	3,395	2.95
Innolux Display Corp. and its related companies	3,287	2.85
Chi Mei Corporation Co., Ltd. and its related companies	3,240	2.81
Subtotal	24,149	20.96
Total	\$ 74,035	64.24

Name	December 31,2008	
	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same person:		
Central Bank of Republic of China	\$ 24,084	22.33
Taiwan Power company	7,926	7.35
The Engineering Department of High Speed Rail System of Ministry of Transportation and Communication	<u>3,000</u>	<u>2.78</u>
Subtotal	<u>35,010</u>	<u>32.46</u>
Same related party:		
China Bills Finance Corporation and its related companies	6,346	5.88
Windbond Electronics Corp. and its related parties	<u>3,257</u>	<u>3.02</u>
Subtotal	<u>9,603</u>	<u>8.90</u>
Same related company :		
Taiwan High Speed Rail Co., Ltd. and its related companies	\$ 13,944	12.93
CPC Corporation, Taiwan and its related companies	7,674	7.11
Chi Mei Corporation Co., Ltd. and its related companies	5,059	4.69
Nan Ya Technology Co., Ltd. and its related companies	4,635	4.30
China Steel Corporation and its related companies	4,133	3.83
HannStar Display Corporation and its related companies	3,750	3.47
International Bills Financial Corporation and its related companies	<u>3,040</u>	<u>2.82</u>
Subtotal	<u>42,235</u>	<u>39.15</u>
Total	<u>\$ 86,848</u>	<u>\$ 80.51</u>

(4) Significant impact arising from changes in government laws and regulations:

None.

(5) Information for discontinued operations:

None.

- (6) Major operating assets or liabilities transferred from (or to) other financial institutions:

None.

- (7) Allocation of expenses between the Company and its subsidiaries and among subsidiaries

According to Article 25 of Yuanta Financial Holding Group's Cross-Marketing Management System, contracts regarding legal responsibility and the allocation method for expenses arising from the mutual use of business facilities and cross-sales between the Company's subsidiaries should be formulated and signed.

- (8) Information for private placement securities:

None.

(9) Financial information by business segments

Information by business segments for the year ended December 31, 2009 is as follows:

Items	Yuanta Bank	Yuanta Securities	Yuanta Securities Finance	Other businesses	Consolidated
Net interest income	\$ 3,696,035	\$ 616,839	\$ 2,453,087	(\$ 152,604)	\$ 6,613,357
Net non-interest income	<u>2,000,245</u>	<u>13,332,674</u>	<u>1,060,456</u>	<u>1,698,590</u>	<u>18,091,965</u>
Net profit	5,696,280	13,949,513	3,513,543	1,545,986	24,705,322
Credit losses	( 354,966)	( 161)	-	( 87,482)	( 442,609)
Operating expenses	( <u>4,046,870</u> )	( <u>9,209,056</u> )	( <u>364,040</u> )	( <u>1,317,340</u> )	( <u>14,937,306</u> )
Net income from continuing operations before income tax	1,294,444	4,740,296	3,149,503	141,164	9,325,407
Income tax (expense) benefit	( <u>416,557</u> )	( <u>1,235,328</u> )	( <u>367,410</u> )	<u>14,796</u>	( <u>2,004,499</u> )
Net income from continuing operations after income tax	<u>\$ 877,887</u>	<u>\$ 3,504,968</u>	<u>\$ 2,782,093</u>	<u>\$ 155,960</u>	<u>\$ 7,320,908</u>

Information by business segments for the year ended December 31, 2008 is as follows:

<u>Items</u>	Yuanta Securities				
	<u>Yuanta Bank</u>	<u>Yuanta Securities</u>	<u>Finance</u>	<u>Other businesses</u>	<u>Consolidated</u>
Net interest income	\$ 4,538,677	\$ 742,044	\$ 3,199,350	(\$ 79,640)	\$ 8,400,431
Net non-interest income	<u>60,101</u>	<u>11,517,834</u>	<u>303,335</u>	<u>297,964</u>	<u>12,179,234</u>
Net profit	4,598,778	12,259,878	3,502,685	218,324	20,579,665
Credit losses	( 3,201,826)	-	( 20,000)	( 92,624)	( 3,314,450)
Operating expenses	( <u>4,614,806</u> )	( <u>8,252,949</u> )	( <u>390,051</u> )	( <u>1,556,403</u> )	( <u>14,814,209</u> )
Net income (loss) from continuing operations before income tax	( 3,217,854)	4,006,929	3,092,634	( 1,430,703)	2,451,006
Income tax (expense) benefit	<u>695,809</u>	( <u>872,838</u> )	( <u>374,491</u> )	( <u>169,908</u> )	( <u>721,428</u> )
Net income (loss) from continuing operations after income tax	( <u>\$ 2,522,045</u> )	<u>\$ 3,134,091</u>	<u>\$ 2,718,143</u>	( <u>\$ 1,600,611</u> )	<u>\$ 1,729,578</u>

(10) Financial statements of the Company and condensed financial statements of its subsidiaries:

A. Yuanta Financial Holdings Co., Ltd.

Yuanta Financial Holdings Co., Ltd.

Balance Sheets

December 31, 2009 and 2008

(Expressed In Thousands of Dollars)

<u>ASSETS</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cash and cash equivalents	\$ 3,236	\$ 5,892	Commercial paper payable - net	\$ 1,529,779	\$ 2,452,270
Receivables – net	2,595,951	2,645,968	Payables	3,647,523	2,919,927
Equity investments under the equity method - net	125,153,109	116,334,112	Bonds payable	5,000,000	5,000,000
Other financial assets – net	4,639	4,639	Other borrowings	3,005,000	1,625,000
Property and equipment - net	157,087	140,679	Accrued pension liabilities	6,823	7,329
Intangible assets – net	5,792	8,703	Other liabilities	105	-
Other assets – net	504,589	737,079	Total liabilities	<u>13,189,230</u>	<u>12,004,526</u>
			Common stocks	81,021,057	81,021,057
			Additional paid-in capital	24,943,557	25,634,097
			Retained earnings		
			Legal reserve	768,171	603,717
			Special reserve	814,445	101,640
			Unappropriated earnings	7,266,869	1,659,290
			Other stockholders' equity		
			Cumulative translation adjustments	6,520	118,266
			Unrealized (loss) gain on available-for-sale financial assets	786,212 (	( 932,711)
			Treasury stocks	( 332,810) (	( 332,810)
			Unrealized loss on accrued pension cost	( 38,848)	-
			Total stockholders' equity	<u>115,235,173</u>	<u>107,872,546</u>
Total assets	<u>\$ 128,424,403</u>	<u>\$ 119,877,072</u>	Total liabilities and stockholders' equity	<u>\$ 128,424,403</u>	<u>\$ 119,877,072</u>

Yuanta Financial Holdings Co., Ltd.  
Statements of Income  
For the years ended December 31,  
(Expressed in Thousands of Dollars, Except for Earnings per Share)

Accounts	2009	2008		
<b>Revenues</b>				
Investment income accounted for under the equity method	\$ 7,867,883	\$ 4,905,267		
Disposal gain accounted for under the equity method	-	321,442		
Other revenues	<u>23,058</u>	<u>197,664</u>		
	<u>7,890,941</u>	<u>5,424,373</u>		
<b>Expenses and losses</b>				
Investment loss accounted for under the equity method	( 82)	( 3,302,455)		
Operating expenses	( 567,932)	( 367,395)		
Other expenses and losses	( 181,875)	( 142,094)		
	<u>( 749,889)</u>	<u>( 3,811,944)</u>		
Net income before income tax expense	7,141,052	1,612,429		
Income tax benefit	<u>102,752</u>	<u>32,108</u>		
Net income	<u>\$ 7,243,804</u>	<u>\$ 1,644,537</u>		
<b>Earnings per share</b>				
	<u>Before taxes</u>	<u>After taxes</u>	<u>Before taxes</u>	<u>After taxes</u>
Basic earnings per share	<u>\$ 0.88</u>	<u>\$ 0.90</u>	<u>\$ 0.20</u>	<u>\$ 0.20</u>

Yuanta Financial Holdings Co. Ltd.  
 Statements of Changes in Stockholders' Equity  
 For The Years Ended December 31, 2009 And 2008  
 (Expressed In Thousands of New Taiwan Dollars)  
Retained Earnings

	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Retained Earning	Cumulative translation adjustments	Unrealized (loss) gain on available- for-sale Financial assets	Treasury Stocks	Unrealized loss on accrued pension cost	Total
<u>For the year ended December 31, 2008</u>										
Balance, January 1, 2008	\$ 83,530,437	\$ 24,087,880	\$ -	\$ -	\$ 6,051,841	\$ 50,923	(\$ 152,564)	(\$ 4,728,444)	\$ -	\$108,840,073
Appropriation and distribution of earnings in 2007										
Legal reserve	-	-	603,717	-	( 603,717)	-	-	-	-	-
Special reserve	-	-	-	101,640	( 101,640)	-	-	-	-	-
Remunerations to Directors and Supervisors	-	-	-	-	( 53,318)	-	-	-	-	( 53,318)
Cash dividends	( 167,061)	-	-	-	( 5,262,417)	-	-	-	-	( 5,429,478)
Employees' bonuses	-	-	-	-	( 15,996)	-	-	-	-	( 15,996)
Parent company's stocks sold by subsidiaries	-	3,531,218	-	-	-	-	-	4,728,444	-	8,259,662
Treasury stocks bought back by parent company	-	-	-	-	-	-	( 4,700,040)	-	( 4,700,040)	-
Treasury stocks retired by parent company	( 2,509,380)	( 1,857,850)	-	-	-	-	-	4,367,230	-	-
Recognition of additional paid-in capital from subsidiaries	-	39,910	-	-	-	-	-	-	-	39,910
Recognition of cumulative foreign currency translation adjustments from subsidiaries	-	-	-	-	-	67,343	-	-	-	67,343
Recognition of unrealized loss on financial assets from subsidiaries	-	-	-	-	-	-	( 780,147)	-	-	( 780,147)
Changes in minority interest	-	-	-	-	1,644,537	-	-	-	-	1,644,537
Balance, December 31, 2008	<u>\$ 81,021,057</u>	<u>\$ 25,634,097</u>	<u>\$ 603,717</u>	<u>\$ 101,640</u>	<u>\$ 1,659,290</u>	<u>\$ 118,266</u>	<u>(\$ 932,711)</u>	<u>(\$ 332,810)</u>	<u>\$ -</u>	<u>\$107,872,546</u>
<u>For the year ended December 31, 2009</u>										
Balance, January 1, 2009	\$ 81,021,057	\$ 25,634,097	\$ 603,717	\$ 101,640	\$ 1,659,290	\$ 118,266	(\$ 932,711)	(\$ 332,810)	\$ -	\$107,872,546
Appropriation and distribution of earnings in 2008 (Note)										
Legal reserve	-	-	164,454	-	( 164,454)	-	-	-	-	-
Special reserve	-	-	-	712,805	( 712,805)	-	-	-	-	-
Cash dividends	( 694,373)	-	-	-	( 758,966)	-	-	-	-	( 1,453,339)
Recognition of additional paid-in capital from subsidiaries	-	3,833	-	-	-	-	-	-	-	3,833
Recognition of cumulative foreign currency translation adjustments from subsidiaries	-	-	-	-	-	( 111,746)	-	-	-	( 111,746)
Recognition of unrealized (loss) gain on financial assets from subsidiaries	-	-	-	-	-	-	1,718,923	-	-	1,718,923
Recognition of unrealized loss on accrued pension cost from subsidiaries	-	-	-	-	-	-	-	-	( 38,848)	( 38,848)
Changes in minority interest	-	-	-	-	7,243,804	-	-	-	-	7,243,804
Balance, December 31, 2009	<u>\$ 81,021,057</u>	<u>\$ 24,943,557</u>	<u>\$ 768,171</u>	<u>\$ 814,445</u>	<u>\$ 7,266,869</u>	<u>\$ 6,520</u>	<u>\$ 786,212</u>	<u>(\$ 332,810)</u>	<u>(\$ 38,848)</u>	<u>\$115,235,173</u>

Note: \$7,673 of remunerations to supervisors and directors and \$767 of bonus to employees were deducted from the statements of income.

Yuanta Financial Holdings Co., Ltd.  
Statements of Cash Flows  
For the years ended December 31, 2009 and 2008  
(Expressed In Thousands of Dollars)

Item	For the years ended December 31,	
	2009	2008
<b><u>Cash flows from operating activities:</u></b>		
Net income	\$ 7,243,804	\$ 1,644,537
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	26,319	11,755
Amortization	3,332	8,004
Net gains on investments accounted under equity method	( 7,867,801)	( 1,602,812)
Disposal gain accounted for under the equity method	-	( 321,442)
Cash dividends received from equity investments accounted for under the equity method	4,553,333	7,087,716
Gains from sale of asset held for sale	-	( 71,826)
Loss from retirement of assets	-	4,408
Changes on assets and liabilities		
Decrease (increase) in receivables	50,017	( 424,835)
Decrease (increase) in other assets	1,057	( 798)
Decrease in deferred income tax assets	231,433	135,875
Decrease in financial liabilities at fair value through profit or loss	-	( 1,437,556)
Increase in payables	727,596	596,801
Decrease in accrued pension liabilities	( 506)	( 668)
Increase (decrease) in other liabilities	105	( 53,850)
Net cash provided by operating activities	<u>4,968,689</u>	<u>5,575,309</u>
<b><u>Cash flows from investing activities</u></b>		
Decrease in investments in bills and bonds under resale agreement	-	2,412,813
Proceeds from sale of asset held for sale	-	269,084
Acquisition of property and equipment	( 42,727)	( 123,530)
Acquisition of intangible assets	( 421)	( 1,255)
Increase in equity investments accounted for under the equity method	( 4,132,367)	( 15,000,000)
Decrease in equity investments accounted for under the equity method	200,000	-
Return of capital due to capital reduction of investee companies accounted for under the equity method	-	10,410,210
Proceeds from disposal of equity investments accounted for under the equity method	-	<u>759,215</u>
Net cash used in investing activities	<u>( 3,975,515)</u>	<u>( 1,273,462)</u>
<b><u>Cash flows from financing activities</u></b>		
Decrease in commercial paper payable – net	( 922,491)	( 444,575)
Increase in bonds payable	-	5,000,000
Increase in other borrowings	1,380,000	1,325,000
Cash dividends paid	( 1,453,339)	( 5,429,478)
Remunerations to director and bonus to employees paid	-	( 54,917)
Acquisition of treasury stocks	-	( 4,700,040)
Net cash used in financing activities	<u>( 995,830)</u>	<u>( 4,304,010)</u>
Net decrease in cash and bank deposits	( 2,656)	( 2,163)
Cash and bank deposits at beginning of period	<u>5,892</u>	<u>8,055</u>
Cash and bank deposits at end of period	<u>\$ 3,236</u>	<u>\$ 5,892</u>
<b><u>Supplemental disclosures of cash flow information</u></b>		
Payment of interest	<u>\$ 173,864</u>	<u>\$ 63,364</u>
Payment of income tax	<u>\$ 6</u>	<u>\$ 15,391</u>

B. Yuanta Bank and its subsidiaries

Yuanta Commercial Bank and Its Subsidiaries  
Condensed Balance Sheets  
December 31, 2009 and 2008  
(Expressed In Thousands of Dollars)

<u>ASSETS</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cash and cash equivalents	\$ 6,696,651	\$ 6,408,310	Due to Central Bank and other banks	\$ 13,554,760	\$ 11,865,082
Due from Central Bank and call loans to other banks	76,234,814	35,999,826	Financial liabilities at fair value through profit or loss	3,663,865	4,080,414
Financial assets at fair value through profit or loss – net	10,809,287	44,581,784	Bills and bonds payable under repurchase agreements	209,596	7,325,426
Investments in bills and bonds under resale agreements	-	1,644,337	Payables	11,190,419	7,379,778
Receivables – net	14,933,563	9,847,277	Deposits and remittances	302,537,814	294,499,095
Bills discounted and loans – net	234,054,597	232,873,593	Financial debentures payable	9,800,000	9,800,000
Available-for-sale financial assets – net	15,783,511	15,661,383	Accrued pension liabilities	57,211	2,261
Held-to-maturity financial assets – net	201,252	597,276	Other financial liabilities	178,873	343,667
Other financial assets - net	326,805	482,593	Other liabilities	209,110	163,614
Property and equipment – net	2,675,311	2,556,564	Total liabilities	<u>341,401,648</u>	<u>335,459,337</u>
Intangible assets	607,896	232,017	Common stocks	21,500,000	22,000,000
Other assets	2,730,613	3,208,440	Additional paid-in capital	1,377,456	-
			Unappropriated earnings	444,764	( 3,254,911)
			Other stockholders' equity	327,579	( 113,754)
			Minority interest	2,853	2,728
			Total stockholders' equity	<u>23,652,652</u>	<u>18,634,063</u>
Total assets	<u>\$ 365,054,300</u>	<u>\$ 354,093,400</u>	Total liabilities and stockholders' equity	<u>\$ 365,054,300</u>	<u>\$ 354,093,400</u>

Yuanta Commercial Bank and Its Subsidiaries  
Condensed Statements of Income  
For the years ended December 31, 2009 and 2008  
(Expressed in Thousands of Dollars, Except for Earnings (Loss) per Share)

Accounts	For the years ended December 31,	
	2009	2008
Net interest income	\$ 3,604,200	\$ 4,337,103
Other non-interest income	<u>1,997,885</u>	<u>28,976</u>
Net revenue	5,602,085	4,366,079
Provision for credit losses	( 354,966)	( 3,201,826)
Operating expenses	( <u>4,385,583</u> )	( <u>5,100,049</u> )
Net income (loss) before income tax expense	861,536	( 3,935,796)
Income tax (expense) benefit	( <u>416,557</u> )	<u>695,809</u>
Net income (loss) after income tax expense	444,979	( 3,239,987)
Minority interest, net income	( <u>215</u> )	( <u>196</u> )
Net income (loss)	<u>\$ 444,764</u>	<u>(\$ 3,240,183)</u>
Earnings per share		
Net income (loss) before income tax	<u>\$ 0.41</u>	<u>(\$ 2.10)</u>
Net income (loss) after income tax	<u>\$ 0.21</u>	<u>(\$ 1.73)</u>

C. Yuanta Securities and Its Subsidiaries

Yuanta Securities and Its Subsidiaries  
Condensed Balance Sheets  
December 31, 2009 and 2008  
(Expressed In Thousands of Dollars)

<u>ASSETS</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Current assets	\$ 60,251,393	\$ 72,146,591	Current liabilities	\$ 28,369,910	\$ 42,203,601
Mutual funds and investments	10,996,901	11,546,648	Other liabilities	<u>1,433,916</u>	<u>1,290,021</u>
Property and equipment – net	5,900,423	4,471,968	Total liabilities	<u>29,803,826</u>	<u>43,493,622</u>
Intangible assets	193,997	254,099	Common stocks	43,679,388	43,679,388
Other assets	8,246,246	8,974,095	Additional paid-in capital	1,354,235	1,350,402
			Retained earnings	9,466,954	8,070,207
			Other stockholders' equity	<u>1,284,557</u>	<u>799,782</u>
			Total stockholders' equity	<u>55,785,134</u>	<u>53,899,779</u>
Total assets	<u>\$ 85,588,960</u>	<u>\$ 97,393,401</u>	Total liabilities and stockholders' equity	<u>\$ 85,588,960</u>	<u>\$ 97,393,401</u>

Yuanta Securities and Its Subsidiaries  
Condensed Statements of Income  
For the years ended December 31, 2009 and 2008  
(Expressed in Thousands of Dollars, Except for Earnings per Share)

	For the years ended December 31,	
	2009	2008
Revenues	\$ 17,693,484	\$ 18,584,716
Expenses	( 11,519,859)	( 12,341,036)
Net income before income tax expense	6,173,625	6,243,680
Income tax expense	( 1,235,328)	( 872,838)
Net income after income tax expense	4,938,297	5,370,842
Minority interest, net income	( 77,104)	( 86,405)
Net income	<u>\$ 4,861,193</u>	<u>\$ 5,284,437</u>
Earnings per share		
Net income before income tax	<u>\$ 1.41</u>	<u>\$ 1.25</u>
Net income after income tax	<u>\$ 1.13</u>	<u>\$ 1.09</u>

D. Yuanta Securities Finance

Yuanta Securities Finance  
Condensed Balance Sheets  
December 31, 2009 and 2008  
(Expressed In Thousands of Dollars)

ASSETS	December 31, 2009	December 31, 2008	LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2009	December 31, 2008
Current assets	\$ 67,083,158	\$ 42,381,324	Current liabilities	\$ 32,036,384	\$ 9,102,134
Mutual funds and investments	1,364,861	4,018,983	Long-term liabilities	5,005,857	7,506,688
Property and equipment	89,267	217,193	Other liabilities	113,717	111,922
Intangible assets	2,451	7,731	Total liabilities	37,155,958	16,720,744
Other assets	823,250	611,729	Common stocks	16,500,000	15,000,000
			Additional paid-in capital	5,525,693	7,025,693
			Retained earnings	10,144,281	8,780,933
			Other stockholders' equity	37,055	(290,410)
			Total stockholders' equity	32,207,029	30,516,216
Total assets	<u>\$ 69,362,987</u>	<u>\$ 47,236,960</u>	Total liabilities and stockholders' equity	<u>\$ 69,362,987</u>	<u>\$ 47,236,960</u>

Yuanta Securities Finance  
Condensed Statements of Income  
For the years ended December 31, 2009 and 2008  
(Expressed in Thousands of Dollars, Except for Earnings per Share)

	For the years ended December 31,	
	2009	2008
Operating revenues	\$ 3,320,699	\$ 4,614,059
Operating costs	( 1,476,636)	( 2,807,481)
Net operating revenues	1,844,063	1,806,578
Gross profit	( 396,039)	( 430,595)
Non-operating revenue and income	977,861	329,374
Non-operating expenses and losses	( 244,776)	( 272,640)
Net income before income tax	<u>\$ 2,181,109</u>	<u>\$ 1,432,717</u>
Net income after income tax	<u>\$ 1,813,699</u>	<u>\$ 1,058,226</u>
Earnings per share		
Net income before income tax	<u>\$ 1.32</u>	<u>\$ 1.14</u>
Net income after income tax	<u>\$ 1.10</u>	<u>\$ 0.84</u>

(11) Profitability, asset quality, management information, liquidity and market risk sensitivity of subsidiaries:

A. Profitability

Yuanta Financial Holdings

		For the years ended December 31,	
		2009	2008
Return on total assets (%)	Before tax	5.75	1.37
	After tax	5.83	1.40
Return on stockholders' equity (%)	Before tax	6.40	1.49
	After tax	6.49	1.52
Net profit margin ratio (%)		93.97	83.06

Yuanta Financial Holdings and its subsidiaries

		For the years ended December 31,	
		2009	2008
Return on total assets (%)	Before tax	1.76	0.46
	After tax	1.38	0.33
Return on stockholders' equity (%)	Before tax	8.34	2.26
	After tax	6.55	1.59
Net profit margin ratio (%)		29.63	8.41

Yuanta Bank

		For the years ended December 31,	
		2009	2008
Return on total assets (%)	Before tax	0.24	(1.12)
	After tax	0.12	(0.92)
Return on stockholders' equity (%)	Before tax	4.05	(19.47)
	After tax	2.10	(16.02)
Net profit margin ratio (%)		8.01	(75.15)

Yuanta Securities

		For the years ended December 31,	
		2009	2008
Return on total assets (%)	Before tax	6.64	6.45
	After tax	5.42	5.56
Return on stockholders' equity (%)	Before tax	10.90	10.27
	After tax	8.90	8.93
Net profit margin ratio (%)		33.86	36.22

Note 1: Return on total assets = Income before (after) income tax/average total assets.

Note 2: Return on stockholders' equity = Income before (after) income tax / average stockholders' equity.

Note 3: Net profit margin ratio = Income after income tax / total operating revenues.

Note 4: The term "Income before (after) income tax" represents net income from January 1 to the balance sheet date of the reporting period.

## B. Non-performing loans and non-performing loan asset quality

Unit: thousands of New Taiwan dollars, %

Month / Year		December 31, 2009					December 31, 2008					
Business / Items		Amount of non-performing loans (Note 1)	Gross loans	Non-performing loan ratio (%) (Note 2)	Allowance for doubtful accounts	Coverage ratio (%) (Note 3)	Amount of non-performing loans (Note 1)	Gross loans	Non-performing loan ratio (%) (Note 2)	Allowance for doubtful accounts	Coverage ratio (%) (Note 3)	
Corporate banking	Secured loans	\$ 734,180	\$ 71,935,019	1.02%	\$ 1,110,417	151.25%	\$ 940,562	\$ 65,462,589	1.44%	\$ 1,426,458	151.66%	
	Unsecured loans	302,663	74,405,249	0.41%	837,591	276.74%	823,247	79,324,000	1.04%	1,526,454	185.42%	
Consumer banking	Residential mortgage loans (Note 4)	821,415	73,614,006	1.12%	1,042,563	126.92%	1,220,954	67,427,452	1.81%	1,130,801	92.62%	
	Cash card services	-	-	-	-	-	-	-	-	-	-	
	Small amount of credit loans (Note 5)	179,443	5,440,040	3.30%	1,388,989	774.06%	647,777	9,167,734	7.07%	1,601,247	247.19%	
	Others (Note 6)	Secured loans	215,208	12,590,681	1.71%	152,654	70.93%	523,939	16,871,526	3.11%	146,806	28.02%
		Unsecured loans	11,325	706,541	1.60%	21,243	187.58%	18,884	467,311	4.04%	15,253	80.77%
Gross loan business		2,264,234	238,691,536	0.95%	4,553,457	201.10%	4,175,363	238,720,612	1.75%	5,847,019	140.04%	
		Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio (%)	Allowance for doubtful accounts	Coverage ratio	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio (%)	Allowance for doubtful accounts	Coverage ratio	
Credit card services		\$ 26,513	\$ 2,077,938	1.28%	\$ 43,551	164.26%	\$ 21,704	\$ 2,326,583	0.93%	\$ 69,703	321.16%	
Without recourse factoring (Note 7)		-	1,292,869	-	-	-	-	1,107,595	-	-	-	

Note 1: The amount recognized as non-performing loans is in compliance with the "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans". The amount included in overdue accounts for credit cards is in compliance with the Banking Bureau (4) Letter No. 0944000378 dated July 6, 2005.

Note 2: Non-performing loan ratio=non-performing loans/gross loans. Overdue account ratio for credit cards=overdue accounts/balance of accounts receivable.

Note 3: Coverage ratio for loans=allowance for doubtful accounts of loans/non-performing loans. Coverage ratio for accounts receivable of credit cards=allowance for doubtful accounts for accounts receivable of credit cards/overdue accounts.

Note 4: For residential mortgage loans, the borrower provides his/her (or spouses) house as collateral in full and mortgages it to the financial institution for the purpose of obtaining funds to purchase or add improvements to a house.

Note 5: Small amount of credit loans apply to the norms of the Banking Bureau (4) Letter No. 09440010950 dated December 19, 2005, excluding credit card and cash card services.

Note 6: Other consumer banking is specified as secured or unsecured consumer loans other than residential mortgage loan, cash card services and small amount of credit loans, and excluding credit card services.

Note 7: Pursuant to the Banking Bureau (5) Letter No. 094000494 dated July 19, 2005, the amount of without recourse factoring will be recognized as overdue accounts within three months after the factor or insurance company resolves not to compensate the loss.

C. Non-performing loans and overdue receivables exempted from reporting to the competent authority

	Expressed In Thousands of New Taiwan Dollars			
	December 31, 2009		December 31, 2008	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Amounts exempted from reporting to the competent authority under debt negotiation (Note 1)	\$ 1,261,848	\$ 15,257	\$ 1,497,874	\$ 20,582
Perform in accordance with debt liquidation program and restructuring program (Note 2)	446,087	5,274	238,398	2,754
	\$ 1,707,935	\$ 20,531	\$ 1,736,272	\$ 23,336

Note 1: The additional disclosure requirement pertaining to way and information disclosure of the total amount of non-performing loan is in accordance with the Explanatory Letter Jin-Guan-Yin (1) No. 09510001270 of the FSC dated April 25, 2006.

Note 2: The additional disclosure requirement pertaining to the way and information disclosure of loan in the process of debt liquidation and restructuring program is in accordance with the Explanatory Letter Jin-Guan-Yin (1) No. 09700318940 of the FSC dated September 15, 2008.

D. Loan assets quality

Expressed In Thousands of New Taiwan Dollars (%)

December 31, 2009		
Items	Amount	Non-performing loans/gross loans (%)
Non-performing loans A	\$ 2,069,087	0.87%
Non-performing loans B	195,147	0.08%
Gross non-performing loans	2,264,234	0.95%
December 31, 2008		
Non-performing loans A	\$ 3,365,972	1.41%
Non-performing loans B	809,391	0.34%
Gross non-performing loans	4,175,363	1.75%

Note 1: The amount recognized as non-performing loans (NPLs) was in compliance with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans”.

Note 2: Definitions of non-performing loans A and non-performing loans B are according to the Banking Bureau (1) Letter No.0941000251 dated April 19, 2005.

Note 3: Non-performing loan ratio = non-performing loans / gross loans.

E. Contract amounts of significant credit risk concentration are as follows:

Expressed In Thousands of New Taiwan Dollars (%)

December 31, 2009			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total Amounts of Outstanding Loans (Note 3)	Total Amounts of Outstanding Loans / Total stockholders' Equity (%)
1	Group A – Integrated Circuits Manufacturing	\$ 4,804,756	20.32
2	Group B – Integrated Circuits Manufacturing	3,518,621	14.88
3	Group C – Liquid Crystal Panel and Components Manufacturing	3,152,844	13.33
4	Group D – Monitors and Terminals Manufacturing	2,549,226	10.78
5	Group E – Civil Air Transportation	2,390,846	10.11
6	Group F – Other Metalworking Machinery Manufacturing	2,042,611	8.64
7	Group G – Integrated Circuits Manufacturing	1,900,611	8.03
8	Group H – Metal Surface Treating	1,289,012	5.45
9	Group I – Liquid Crystal Panel and Components Manufacturing	1,111,180	4.70
10	Group J – Other Civil Engineering Projects Construction	1,109,550	4.69

## Expressed In Thousands of New Taiwan Dollars (%)

December 31, 2008

Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total Amounts of Outstanding Loans (Note 3)	Total Amounts of Outstanding Loans / Total stockholders' Equity (%)
1	Group A – Liquid Crystal Panel and Components Manufacturing	\$ 3,893,652	20.90
2	Group B – Integrated Circuits Manufacturing	3,686,006	19.78
3	Group C – Integrated Circuits Manufacturing	3,064,839	16.45
4	Group D – Iron and Steel Smelting	2,219,596	11.91
5	Group E – Civil Air Transportation	2,209,525	11.86
6	Group F – Integrated Circuits Manufacturing	2,150,202	11.54
7	Group G – Other Metalworking Machinery Manufacturing	2,063,230	11.07
8	Group H – Data Storage Media Units Manufacturing	1,534,550	8.24
9	Group I – Liquid Crystal Panel and Components Manufacturing	1,372,189	7.36
10	Group J – Other Leather, Fur Products Manufacturing	1,311,321	7.04

Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If a outstanding loan belongs to a enterprise group, the outstanding loan of enterprise group should be categorized and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A – Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

Note 2: Definition of enterprise group is based on the Article 6 of “Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Reviews of Securities Listings”.

Note 3: Total amounts of credit extensions were various loans (including import negotiations, export negotiations, bills discounted, overdrafts, short-term loans, short-term loans secured, securities financing receivable, mid-term loans, mid-term loan secured, long-term loans, long-term loans secured, and overdue accounts), remittances purchased, advance accounts for factoring receivable, acceptances receivable, and guarantees receivable.

F. Structure analysis of time to maturity

December 31, 2009

(Expressed in Thousands of New Taiwan Dollars)

	0~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year	Total
Primary funds inflow upon maturity	\$ 75,221,084	\$ 19,370,226	\$ 25,623,368	\$ 32,624,106	\$174,593,785	\$327,432,569
Primary funds outflow upon maturity	25,558,209	35,313,977	26,163,586	56,592,266	182,591,261	326,219,299
Gap	49,662,875	( 15,943,751)	( 540,218)	( 23,968,160)	( 7,997,476)	1,213,270

Note: The amounts listed above represent the funds denominated in NT dollars only (i.e., excluding foreign currency) for both Head Office and domestic branches.

December 31, 2009

(Expressed in Thousands of US Dollars)

	0~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year	Total
Primary funds inflow upon maturity	\$ 409,491	\$ 189,989	\$ 99,538	\$ 14,366	\$ 171,499	\$ 884,883
Primary funds outflow upon maturity	696,967	117,787	41,426	76,246	7,537	939,963
Gap	( 287,476)	72,202	58,112	( 61,880)	163,962	( 55,080)

Note : The amounts listed above represent the funds denominated in US dollars for Head Office, domestic branches and offshore banking units, except otherwise indicated, included based on the carrying amount, for those not listed, disclosure is required (e.g. negotiable certificates of deposits, bonds and stocks under preparation for issuance).

December 31, 2008

(Expressed in Thousands of New Taiwan Dollars)

	0~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year	Total
Primary funds inflow upon maturity	\$ 77,912,443	\$ 16,077,492	\$ 27,369,968	\$ 36,313,595	\$169,955,039	\$327,628,537
Primary funds outflow upon maturity	53,370,911	49,081,772	59,712,853	87,109,938	79,306,737	328,582,211
Gap	24,541,532	( 33,004,280)	( 32,342,885)	( 50,796,343)	90,648,302	( 953,674)

Note: The amounts listed above represent the funds denominated in NT dollars only (i.e., excluding foreign currency) for both head office and domestic branches.

December 31, 2008

(Expressed in Thousands of US Dollars)

	0~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year	Total
Primary funds inflow upon maturity	\$ 265,978	\$ 225,229	\$ 109,931	\$ 36,799	\$ 116,265	\$ 754,202
Primary funds outflow upon maturity	494,777	135,802	32,033	110,703	( 2,600)	770,715
Gap	( 228,799)	89,427	77,898	( 73,904)	118,865	( 16,513)

Note : The amounts listed above represent the funds denominated in US dollars for Head Office, domestic branches and offshore banking units, except otherwise indicated, included based on the carrying amount, for those not listed, disclosure is required (e.g. negotiable certificates of deposits, bonds and stocks under preparation for issuance).

G. Sensitivity analysis of interest rate for assets and liabilities

Sensitivity analysis of interest rate for assets and liabilities (NTD)

December 31, 2009

(Expressed in Thousands of New Taiwan Dollars, %)

Items	1~90 days	91~180 days	181 days ~1 year	Over 1 year	Total
Interest-rate-sensitive assets	\$ 71,290,783	\$ 28,794,134	\$ 22,982,862	\$ 178,478,562	\$ 301,546,341
Interest-rate-sensitive liabilities	78,266,002	172,726,638	26,411,404	13,021,296	290,425,340
Interest-rate-sensitive gap	( 6,975,219)	( 143,932,504)	( 3,428,542)	165,457,266	11,121,001
Total stockholders' equity					23,409,152
Ratio of interest-rate-sensitive assets to liabilities (%)					103.83%
Ratio of interest-rate-sensitive gap to stockholders' equity (%)					47.51%

Note: The amounts listed above represent the items denominated in NT dollars (i.e., excluding foreign currency) for both Head Office and domestic branches and overseas branches.

Sensitivity analysis of interest rate for assets and liabilities (USD)

December 31, 2009

(Expressed in thousands of US dollars, %)

Items	1~90 days	91~180 days	181 days ~1 year	Over 1 year	Total
Interest-rate-sensitive assets	\$ 462,691	\$ 93,953	\$ 13,502	\$ 166,180	\$ 736,326
Interest-rate-sensitive liabilities	726,188	38,641	75,514	-	840,343
Interest-rate-sensitive gap	( 263,497)	55,312	( 62,012)	166,180	( 104,017)
Total stockholders' equity					7,501
Ratio of interest-rate-sensitive assets to liabilities (%)					87.62%
Ratio of interest-rate-sensitive gap to stockholders' equity (%)					( 1,386.71)%

Note: The amounts listed above represent the items denominated in US dollars for head office, domestic branches, OBU, and overseas branches, excluding contingent assets and contingent liabilities.

Sensitivity analysis of interest rate for assets and liabilities (NTD)

December 31, 2008

(Expressed in Thousands of New Taiwan Dollars, %)

Items	1~90 days	91~180 days	181 days ~1 year	Over 1 year	Total
Interest-rate-sensitive assets	\$ 169,144,207	\$ 38,575,257	\$ 13,193,848	\$ 77,416,449	\$ 298,329,761
Interest-rate-sensitive liabilities	117,207,965	129,681,224	34,505,865	12,757,297	294,152,351
Interest-rate-sensitive gap	51,936,242	( 91,105,967)	( 21,312,017)	64,659,152	4,177,410
Total stockholders' equity					18,717,918
Ratio of interest-rate-sensitive assets to liabilities (%)					101.42%
Ratio of interest-rate-sensitive gap to stockholders' equity (%)					22.32%

Note: The amounts listed above represent the items denominated in NT dollars (i.e., excluding foreign currency) for both head Office and domestic branches and overseas branches.

Sensitivity analysis of interest rate for assets and liabilities (USD)

December 31, 2008

(Expressed in Thousands of New Taiwan Dollars, %)

Items	1~90 days	91~180 days	181 days ~1 year	Over 1 year	Total
Interest-rate-sensitive assets	\$ 396,546	\$ 109,013	\$ 37,604	\$ 115,338	\$ 658,501
Interest-rate-sensitive liabilities	556,463	31,285	109,132	-	696,880
Interest-rate-sensitive gap	( 159,917)	77,728	( 71,528 )	115,338	( 38,379)
Total stockholders' equity					( 2,635)
Ratio of interest-rate-sensitive assets to liabilities (%)					94.49%
Ratio of interest-rate-sensitive gap to stockholders' equity (%)					1,456.51%

Note: The amounts listed above represent the items denominated in US dollars for head office, domestic branches, OBU, and overseas branches, excluding contingent assets and contingent liabilities.

(12) Information with respect to the subsidiary holding the capital stock of parent company:

Please refer to Note 1(10) for details.

(13) Presentation of financial statements

Certain accounts of the consolidated financial statements for the year ended December 31, 2008 have been reclassified to conform to the presentation of the consolidated financial statements for the year ended December 31, 2009.

(14) Other

In order to provide clients more convenient and diverse financial services and boost the Bank's long-term profitability, the Bank successfully bid for 18 domestic branches of Chinfon Bank (Package A) on October 27, 2009 given that RTC compensated the Bank for \$19.3 billion. The acquisition has been approved by the Board of Directors (acting on behalf of the stockholders) on November 5, 2009. In accordance with "The Financial Institutions Merger Act" and other related regulations, the acquisition date will be effective on April 3, 2010, which has been approved by the competent authority on February 5, 2010.

## 11. Other Disclosure Items

(1) Related information on material transaction items:

- A. Information regarding stock of long-term equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: None.
- B. Information on the acquisition and disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- C. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.

D. Information regarding receivables from related parties exceeding \$300 million or 10% of the Company's paid-in capital:

The company listed accounts receivable	Counterparty	Relationship	Accounts receivable from related party at December 31, 2009 (Note)	Turnover rate	Amount overdue		Accounts receivable from related party	Amount of allowance
					Amount	Disposure		
Yuanta Financial Holdings Co., Ltd	Yuanta Securities Co., Ltd.	A Subsidiary of the Yuanta Group	\$ 1,434,876	-	-	-	-	-
Yuanta Financial Holdings Co., Ltd	Yuanta Securities Finance Co., Ltd.	A Subsidiary of the Yuanta Group	351,453	-	-	-	-	-

Note: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

E. Information regarding selling non-performing loans: None.

F. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.

G. Other material transaction items which were significant to the users of the financial statements: None.

(2) Supplementary disclosure regarding investee companies:

In thousands of NT dollars

Share ownerships of the Company and related parties (Note 1)

Investee	Address	Main service	As of and for the year ended December 31, 2009				Pro-forma share of ownership (Note 2)	Total	
			Percentage of ownership at the period end (%)	Book value	Investment income (loss)	Shares (In thousands)		Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities Co., Ltd.	11, 12, 13 and 14F, No. 225, Sec. 3, Nanjin E. Rd. Taipei City, Taiwan (R.O.C)	Securities brokerage, dealing and underwriting	100	\$ 61,446,761	\$ 4,861,193	4,367,939	-	4,367,939	100
Yuanta Commercial Bank Co., Ltd.	1~3, 8F., No. 66 and 1~2 F, No.68, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Banking	100	23,649,799	444,764	2,150,000	-	2,150,000	100
Yuanta Securities Finance Co., Ltd.	7F., No. 66 and 68, Sec., 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Securities financing, refinancing to securities firms	100	32,098,734	1,765,521	1,650,000	-	1,650,000	100
Yuanta Futures Co., Ltd.	12-1 and 12-2 F, No. 225, Sec. 3, Nanjin E. Rd. Taipei City, Taiwan (R.O.C)	Futures business	100	2,342,822	363,191	100,000	-	100,000	100
Yuanta Asset Management Co., Ltd.	11F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Management of monetary debts of financial institutions	100	2,342,076	288,448	200,000	-	200,000	100
Yuanta Venture Capital Co., Ltd.	11F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Venture capital business	100	3,077,124	142,329	300,000	-	300,000	100
Yuanta Securities Investment Consulting Co., Ltd.	2-3, 10F, No.225, Sec. 3, Nanjin E. Rd. Taipei City, Taiwan (R.O.C)	Investment consulting on securities	100	125,786	2,436	10,000	-	10,000	100
Yuanta Leasing Co., Ltd.	9F., No. 68, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Purchase, sale, and lease of various real estate and movable properties	99.60	106,971	( 2,748 )	19,908	-	19,908	99.60

Share ownerships of the Company and related parties (Note 1)

Investee	Address	Main service	<u>As of and for the year ended December 31,2009</u>				<u>Total</u>			
			Percentage of ownership at the period end (%)	Book value	Investment income (loss)	Shares (In thousands)	Pro-forma share of ownership (Note 2)	Shares (In thousands)	Percentage of ownership (%)	
Yuanta Property Insurance Agency Co., Ltd.	7F, No. 66, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan(R.O.C)	Property insurance agent	100	\$ 6,608	\$ 1,274	-	-	-	100	
Yuanta Life Insurance Agency Co., Ltd.	"	Life insurance agent	100	25,057	11,405	300	-	300	100	
Yuanta Securities Asia Finance Co., Ltd.	Bermuda	Investment holding	100	11,217,767	34,206	174,063	-	174,063	100	
Yuanta Insurance Agency Co., Ltd.	R.O.C	Insurance agent	100	11,376	4,728	500	-	500	100	
Yuanta Securities Investment Trust Co., Ltd.	R.O.C	Investment trust	83.19	2,788,856	381,575	51,523	-	51,523	83.19	
Din Hwa Securities Investment Management Co., Ltd.	British Virgin Islands	Investments business	50	33,272	-	500	-	500	50	
Yuanta Securities (H.K) Co., Ltd. (Note 3)	Hong Kong	Securities brokerage, dealing and underwriting	100	1,736,078	-	708,133	-	708,133	100	
Kim Eng Finance Pte. Ltd.	Singapore	Securities brokerage, dealing and underwriting	29.19	6,241,268	-	168,477	-	168,477	29.19	
Grand Asia Capital Services Pte. Ltd.	"	Property management consultations	50	8,697	-	500	-	500	50	
Yuanta Securities (BVI) Holding Co., Ltd. (Note 4)	British Virgin Islands	Investment holding	100	9,134	-	10	-	10	100	
Yuanta I Venture Capital Co., Ltd.	11F, No. 66, Sec. 1, Dunhua S. Rd., Taipei City, Taiwan (R.O.C)	Venture capital business	100	709,399	83,532	74,000	-	74,000	100	

Note 1: Common stocks or pro-forma of the Company, directors, supervisors, general managers, vice general manager and investee companies conforming to Company Law shall be included.

Note 2: (a) Pro-forma share of ownership refers to equity marketable securities or derivative instrument contracts (not yet transferred to ownership of shares).

(b) “Equity marketable securities” are marketable securities stipulated in Paragraph 1, Article 11 of Securities and Exchange Law Enforcement Rules, eg: convertible corporation bonds or warrants.

(c) “Derivative instrument contracts” are derivative instruments meeting the definition stipulated in SFAS No. 34, eg: stock options.

Note 3: Formerly Core Pacific International Co., Ltd.

Note 4: Formerly Fuhwa (BVI) Holding Co., Ltd.

(3) Significant transactions regarding investee companies

A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 20% of the Company's paid-in capital:

Acquiring / selling company name	Category and name of securities	Account name	Transaction counter- party	Relationship	Beginning balance		Acquisition		Disposal			Ending balance		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Book value	Gain / loss on Disposal	Number of shares (in thousand)	Amount
Yuanta Securities Finance	Beneficiaries certificates:													
	Yuanta Wan Tai Bond Fund	Financial assets at fair value through profit or loss		An affiliated company controlled by the same company as the Company	17,340	\$ 250,000	69,116	\$ 1,000,000	17,340	\$ 250,562	\$ 250,000	\$ 562	69,116	\$1,000,000
	Capital Income Fund	"	-	-	32,541	500,000	32,471	500,000	65,012	1,001,129	1,000,000	1,129	-	-
	Prudential Bond Fund	"	-	-	26,527	400,000	6,623	100,000	33,150	500,910	500,000	910	-	-
	Hua Nan Phoenix Bond Fund	"	-	-	64,453	1,000,000	32,111	500,000	96,564	1,502,211	1,500,000	2,211	-	-
	ING Taiwan Bond Fund	"	-	-	64,280	1,000,000	-	-	64,280	1,001,498	1,000,000	1,498	-	-
	PCA Well Pool Fund	"	-	-	61,872	800,000	46,227	600,000	108,099	1,402,058	1,400,000	2,058	-	-
	NITC Bond Fund	"	-	-	2,946	500,000	-	-	2,946	501,270	500,000	1,270	-	-
	Shin Kong Chi-Shin Fund	"	-	-	33,843	500,000	-	-	33,843	500,555	500,000	555	-	-

Acquiring / selling company name	Category and name of securities	Account name	Transaction counter- party	Relationship	Beginning balance		Acquisition		Disposal			Ending balance		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Book value	Gain / loss on Disposal	Number of shares (in thousand)	Amount
					(in thousands)		(in thousands)		(in thousands)				(in thousand)	
	NITC Taiwan Bond Fund	"	-	-	30,945	450,000	-	-	30,945	451,071	450,000	1,071	-	-
	Cathay Bond Fund	"	-	-	67,325	800,000	-	-	67,325	804,842	800,000	4,842	-	-
Yuanta Securities Finance	Fuh-Hwa Bond Fund	"	-	-	-	-	43,451	600,000	-	-	-	-	43,451	600,000
	JihSun Bond Fund	"	-	-	-	-	42,515	600,000	-	-	-	-	42,515	600,000
	Stocks listed in the TSE or OTC													
	HannStar Display Corporation Capital Securities Corporation	Available-for- sale financial assets "	-	-	19,250	99,051	28,000	194,405	47,250	336,623	293,456	43,167	-	-
			-	-	79,837	843,427	-	-	79,837	1,208,768	843,427	365,341	-	-
Yuanta Asset Management	Stocks listed in the TSE or OTC Capital Securities Corporation	Available-for- sale financial assets	-	-	29,670	235,583	-	-	29,670	528,820	498,002	30,818	-	-

B. Information on the acquisition or disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital:

Disposer	Property item	Acquisition date	Carrying amount	Transaction amount	Payment Status	Transaction counterparty	Relationship	Purpose for disposal	Reference basis of pricing decision	Other arrangement
Yuanta Commercial Bank Co., Ltd.	Land (1~7 floors and parking spaces)	2009/05/27	-	\$444,547	(1) 2009/05/06 \$63,507 (2) 2009/05/08 \$254,027	Yuanta Asset Management	Related party	Offices for operation	Based on appraisal reports issued by real estate appraisers	Note
Yuanta Commercial Bank Co., Ltd.	Building (1~7 floors and parking spaces)	2009/05/27	-	\$190,520	(3) 2009/05/18 \$254,026 (4) 2009/05/25 \$63,507	Yuanta Asset Management	Related party			Note
		Subtotal	-	\$635,067	\$635,067					

Note: Represents property transaction between related parties which has been eliminated in the consolidated financial statements.

C. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.

D. Information regarding receivables from related parties for which the amount exceeded \$3 million or 10% of the Company's paid-in capital:

The company listed accounts receivable	Counterparty	Relationship	Accounts receivable from related party at December 31, 2009	Turnover rate	Amount overdue		Accounts receivable from related party	Amount of allowance
					Amount	Disposure		
Yuanta Commercial Bank Co., Ltd.	Yuanta Financial Holdings Co., Ltd.	Parent Company	\$ 2,006,512 (Note 1)	-	-	-	-	-

Note 1: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

E. Information regarding selling non-performing loans: None.

F. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: Please refer to Note 4(32).

G. Other material transaction items which were significant to the users of the financial statements: None.

H. Funds lent to others:

Yuanta Bank engages in the loan and credit business regulated by the Banking Law and is classified as being in the financial service industry. Thus, the disclosure requirement is not applicable. Yuanta Securities and Yuanta Securities Finance which engage in the margin loan and stock loan business are classified as securities firms. Yuanta Securities and Yuanta Securities Finance do not lend funds to others.

Yuanta Futures, Yuanta Securities Investment Consulting, Yuanta Venture Capital and Yuanta Asset Management: None.

Indirect investees : None, except for Yuanta Securities Asia Finance, details were as follows:

Lending company	Borrower	Account	Maximum balance at current period	Ending balance	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral	Limit of individual lending	Total limit of funds lent to others
Yuanta Securities Asia Finance	Yuanta Securities (H.K)	Receivable – related party	\$ 319,900	\$319,900	0.4493%	Short-term loans	-	Operation financing	-	-	\$11,217,767	\$11,217,767

Note: Funds lent to others cannot exceed the lending company’s latest net value which were audited or reviewed by the accountants based on the company’s lending procedures.

I. Endorsements and guarantees provided for others:

Yuanta Bank engages in guarantee business regulated by the Banking Law and is classified as being in the financial service industry, so the disclosure requirement is not applicable.

Yuanta Securities Finance, Yuanta Securities, Yuanta Futures, Yuanta Securities Investment Consulting, Yuanta Venture Capital and Yuanta Asset Management: None.

Indirect investees: None, except for Yuanta Securities Asia Finance, details were as follows:

Number	Endorser / guarantor	Endorsee / guarantee		Limited on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount at the end of December	Outstanding endorsement / guarantee amount at December 31, 2009	Amount drawn	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the company	Ceiling on total amount of endorsement / guarantee provided
		Party being endorsed / guaranteed	Relationship with the endorser / guarantor							
1	Yuanta Securities Asia Finance	Yuanta Securities (H.K)	Subsidiary whose common stocks are held over 50% directly by Yuanta Securities (H.K)	\$11,217,767	\$849,956	\$849,956	\$ -	\$ -	7.58%	\$11,217,767

Note: Funds lent to others cannot exceed the lending company's latest net value which were audited or reviewed by the accountants based on the company's lending procedures.

J. Securities held at the end of period:

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Securities Finance	Beneficiary certificates:							
	SinoPac Fund	-	Financial assets at fair value through profit or loss	994	\$ 24,928	-	\$ 24,928	
	Jin Sun Hi-Tech Fund	-	"	2,123	23,141	-	23,141	
	FSITC China Century Fund	-	"	3,000	29,490	-	29,490	
	PCA Global Green Solutions Fund	-	"	3,000	30,480	-	30,480	
	Shin Kong Great China Fund	-	"	597	10,907	-	10,907	
	Shin Kong China Growth Fund	-	"	3,000	39,270	-	39,270	
	Shin Kong Emerging Market New Stars Fund	-	"	3,000	30,480	-	30,480	
	Trus well Eastern Key Fund	-	"	3,311	30,397	-	30,397	
	TLAM Taiwan New Trend Fund	-	"	442	5,788	-	5,788	
	Fuh-Hwa Bond Fund	-	"	43,451	600,291	-	600,291	
	Jih Sun Bond Fund	-	"	42,515	600,175	-	600,175	
	Yuanta Wai Tai Bond Fund	-	"	69,116	<u>1,000,076</u>	-	<u>1,000,076</u>	
		The fund management company was an affiliated company controlled by the same company as the Company						
					<u>\$ 2,425,423</u>		<u>\$ 2,425,423</u>	
	Beneficiary securities:							
	952 Polaris C	-	Available-for-sale financial assets	-	<u>\$ 249,277</u>	-	<u>\$ 249,277</u>	
	Listed stocks:							
	Asia Cement	-	Available-for-sale financial assets	3,357	\$ 116,152	-	\$ 116,152	
	Formosa Plastics Corporation	-	"	168	11,306	-	11,306	
	China Steel	-	"	2,250	74,250	-	74,250	
	Tung Ho Steel Enterprise Corporation	-	"	2,446	84,754	-	84,754	
	FengHsin Iron & Steel	-	"	2,297	124,268	-	124,268	
	Delta Electronics, Inc.	-	"	535	53,500	-	53,500	
	Lemel	-	"	156	10,812	-	10,812	
	Catcher Technology	-	"	213	19,021	-	19,021	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership			Note
					Book value	(%)	Market value	
Yuanta Securities Finance	Evergreen Group	-	Available-for-sale financial assets	6,228	111,170	-	111,170	
	Fubon Financial Holdings	-	"	452	17,764	-	17,764	
	Cathay Financial Holdings	-	"	366	21,850	-	21,850	
	Largan Precision Co., Ltd.	-	"	21	8,841	-	8,841	
	Far Eastone Telecommunications	-	"	4,183	159,581	-	159,581	
	Powertech Technology	-	"	485	52,623	-	52,623	
	CTCI	-	"	1,914	62,779	-	62,779	
	Elite Enterprise	-	"	145	27,627	-	27,627	
	Dynapack	-	"	80	9,040	-	9,040	
					<u>965,338</u>		<u>965,338</u>	
					<u>\$ 1,214,615</u>		<u>\$ 1,214,615</u>	
	Financial Debentures:							
	92 Taipei Bank 2C04	-	Held-to-maturity financial assets	-	\$ 300,000	-	\$ 300,000	
	92 Fubon Bank 1A13	-	"	-	200,000	-	200,000	
	92 First Commerical Bank 4A	-	"	-	290,706	-	290,706	
	92 Nordic Investment Bank 3F	-	"	-	300,000	-	300,000	
	92 Nordic Investment Bank 3H	-	"	-	<u>120,000</u>	-	<u>120,000</u>	
					<u>\$ 1,210,706</u>		<u>\$ 1,210,706</u>	
	Government bonds:							
	85 A5 Central Government Significant Traffic Construction Bond	-	Held-to-maturity financial assets	-	\$ 16,097	-	\$ 16,750	
	85 A6 Central Government Significant Traffic Construction Bond	-	"	-	10,039	-	10,493	
	92 A10 Central Government Construction Bond	-	"	-	101,661	-	107,284	
	95 A5 Central Government Construction Bond	-	"	-	3,005	-	3,078	
	96 A1 Central Government Construction Bond	-	"	-	197,798	-	205,683	
	96 A5 Central Government Construction Bond	-	"	-	197,411	-	206,461	
	97 A1 Central Government Construction Bond	-	"	-	<u>199,656</u>	-	<u>209,220</u>	
					<u>725,667</u>		<u>758,969</u>	
					<u>\$ 1,936,373</u>		<u>\$ 1,969,675</u>	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership		Note
					Book value	Market value	
Yuanta Securities Finance	Stocks:						
	Taiwan Depository & Clearing Corporation	-	Financial assets stated at cost	53,540	\$ 565,330	17.96	\$ -
	Taiwan Futures Exchange Corporation	-	"	12,523	<u>100,000</u>	5.00	-
					<u>\$ 665,330</u>		<u>\$ -</u>
Yuanta Asset Management	Stocks:						
		The company was an affiliated company controlled by the same company as the Company	Financial assets stated at cost	9 shares	\$ -	-	\$ -
	Yuanta Life Insurance Agency Co., Ltd.	"	"	208	<u>1,212</u>	1.04	<u>1,118</u>
	Yuanta Leasing Co., Ltd.	"	"		<u>\$ 1,212</u>		<u>\$ 1,118</u>
			Equity accounted for under the equity method		<u>\$ 1,384</u>	20.00	<u>\$ 1,384</u>
Yuanta Venture Capital	Beneficiary certificate:						
	Yuanta Wan Tai Bond Fund	The fund management company was an affiliated company controlled by the same company as the Company	Available-for-sale financial assets	11,832	<u>\$ 170,330</u>	-	<u>\$ 171,205</u>
	Stocks:						
	C-TECH United Corp.	-	Available-for-sale financial assets	720	\$ 17,144	2.07	\$ 27,953
	Jiin Yeeh Ding Enterprise Corp.	-	"	200	11,932	0.35	11,377
	CyberPower Systems B.V.	-	"	98	5,648	0.14	13,230
	Tung Thih Electronic Co., Ltd.	-	"	9	240	0.02	1,138
	Pontex Polyblend Co., Ltd.	-	"	600	6,000	0.39	7,890
	Fuburg Industrial Co., Ltd.	-	"	70	1,155	0.36	3,115
	Chi Cheng Enterprise Co., Ltd.	-	"	1,000	17,260	0.52	28,400
	Unitech Electronics Co., Ltd.	-	"	50	1,658	0.11	2,130
	Sintronic Technology	-	"	1,563	15,000	0.86	20,078
	Glotech Industrial Corp.	-	"	600	4,500	0.29	6,480
	Tingyi (Cayman Islands) Holding Corp.	-	"	150	6,885	0.003	6,975
	Vietnam Manufacturing & Export Processing (Holdings) Limited	-	"	40	554	0.004	518

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership			Note
					Book value	(%)	Market value	
Yuanta Venture Capital	Cub Elecpaets Inc.	-	"	35	<u>717</u>	0.07	<u>2,450</u>	
					<u>\$ 88,693</u>		<u>\$ 131,734</u>	
	Stocks:	Investee company accounted for under the equity method	Equity accounted for under the equity method					
	Yuanta I Venture Capital Co., Ltd.	-	"	74,000	<u>\$ 709,399</u>	100.00	<u>\$ 709,399</u>	
	Kun Ji Er Venture Capital Co., Ltd.	-	Financial assets stated at cost	10,000	\$ 126,000	14.29	\$ 126,000	
	Ho Ding Venture Capital Co., Ltd.	-	"	10,000	103,200	10.00	103,200	
	Hwa Wei Shi Ji Venture Capital Co., Ltd.	-	"	10,000	101,200	10.00	101,200	
	Qi Ding Venture Capital Co., Ltd.	-	"	10,000	91,200	4.35	91,200	
	Hwa Lu Venture Capital Co., Ltd.	-	"	9,000	90,900	8.70	90,900	
	Hwa Cheng Venture Capital Co., Ltd.	-	"	13,000	90,740	13.00	90,740	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	5,959	62,730	4.00	62,730	
	Lian Jia International Venture Capital Co., Ltd.	-	"	4,000	50,350	8.93	50,350	
	Sheng Tong Venture Capital Co., Ltd.	-	"	6,000	57,120	9.23	57,120	
	TSC Venture Management	-	"	3,700	52,429	9.80	52,429	
	Cheng Xin Technology Development Corporation	-	"	5,000	49,650	6.93	49,650	
	Hwa Sheng Venture Capital Co., Ltd.	-	"	4,000	39,080	3.33	39,080	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	4,000	35,760	9.88	35,760	
	Guan Hwa Venture Capital Co., Ltd.	-	"	4,000	35,600	5.56	35,600	
	Da Hwa Venture Capital Co., Ltd.	-	"	800	8,000	0.50	8,000	
	Li Ding Venture Capital Co., Ltd.	-	"	20,000	204,000	17.39	204,000	
	Prudence Capital Management	-	"	16,000	148,160	8.00	148,160	
	Lian Ding Venture Capital Co., Ltd.	-	"	15,000	142,050	15.00	142,050	
	Xin Sheng Venture Capital Co., Ltd.	-	"	15,300	166,005	16.04	166,005	
	Global Strategic Investment Management, Inc.	-	"	3,000	27,720	1.94	27,720	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10,000	87,200	10.00	87,200	
	KISmart Corporation	-	"	713	8,550	1.45	8,550	
	J Touch Corporation	-	"	553	12,866	0.74	12,866	
	Raydium Semiconductor Corporation	-	"	42	5,038	0.09	5,038	
	Pack & Proper Co., Ltd.	-	"	1,000	20,000	0.39	20,000	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership			Note
					Book value	(%)	Market value	
Yuanta Venture Capital	Bai Sha Technology Co., Ltd.	-	"	330	\$ 5,700	1.08	\$ 5,700	
	Alentropy Taiwan Co., Ltd.	-	Financial assets stated at cost	800	28,000	3.17	28,000	
	Integrated System Solution Corp.	-	"	1,500	15,000	4.16	15,000	
	Kai Din Technology Corporation	-	"	519	29,596	0.53	29,596	
	Sheng Hong Medicine Corporation	-	"	1,000	27,000	3.32	27,000	
	Tai Doc Technology Corporation	-	"	219	28,160	0.47	28,160	
	Gorilla Technology Group Inc.	-	"	95	19,444	1.00	19,444	
	G. Marso Electronics, Inc.	-	"	800	8,000	4.65	8,000	
	Asia Pacific Venture Invest II	-	"	175 units	<u>28,307</u>	10.00	<u>28,307</u>	
					<u>\$ 2,004,755</u>		<u>\$ 2,004,755</u>	
Yuanta I Venture Capital	Beneficiary certificates:							
	Yuanta WanTai Bond Fund	-	Available-for-sale financial assets	8,992	<u>\$ 130,000</u>	-	<u>\$ 130,110</u>	
	Stocks:							
	Capella Microsystems (Taiwan) Inc.	-	Financial assets stated at costs	2,064	\$ 23,702	7.65	\$ 23,702	
	G-TECH Optoelectronics Corporation	-	"	2,070	19,784	1.53	19,784	
	Eon Silicon Solution Inc.	-	"	40	462	0.06	462	
	Great Team Backend Foundry, Inc.	-	"	1,800	66,764	2.55	66,764	
	E-RAY Optoelectronics Technology Co., Ltd.	-	"	2,726	45,990	18.34	45,990	
	U Pack Technology Co., Ltd.	-	"	2,180	42,286	5.23	42,286	
	Integrated System Solution Corp.	-	"	502	32,915	1.40	32,915	
	Ether Precision, Inc.	-	"	2,500	32,220	2.57	32,220	
	WANXIN Mage Inc.	-	"	1,878	31,560	5.02	31,560	
	Greenrich Technology Co., Ltd.	-	"	4,265	27,649	11.22	27,649	
	Micro Base Technology Corp.	-	"	1,560	26,520	5.20	26,520	
	Kai Hwa Trading Co., Ltd.	-	"	1,057	25,008	3.52	25,008	
	Lionin Corporation	-	"	650	25,000	4.57	25,000	
	Achievo Corporation	-	"	126	23,291	0.86	23,291	
	Bridgewell Inc.	-	"	900	22,500	4.81	22,500	
	OEpic Semiconductors Inc.	-	"	1,231	22,263	7.24	22,263	
	KISmart Corporation	-	"	1,250	15,000	2.55	15,000	
	Sync Power Corp.	-	"	625	15,000	6.58	15,000	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta I Venture Capital	Luminous Town Electronic Co., Ltd.	-	"	1,471	12,864	2.29	12,864	
	Glory Oraise Phoytonics Corporation	-	"	1,145	12,447	3.56	12,447	
	ANDA Networks, Inc.	-	Financial assets stated at costs	977	12,128	3.75	12,128	
	Arrow Span Inc.	-	"	248	-	8.11	-	
	Evest Corporation	-	"	182	6,064	1.52	6,064	
	Tai Ho Technology Co., Ltd.	-	"	239	2,390	1.61	2,390	
	EoNex Technologies, Inc.	-	"	15	-	1.32	-	
	Infomedia Inc.	-	"	1,608	-	0.87	-	
	Blue Packet Communications, Co., Ltd.	-	"	414	-	4.39	-	
	NUMA Technology Inc.	-	"	1,929	-	19.89	-	
	eLCOS Microdisplay Technology, Ltd.	-	"	2,193	-	6.73	-	
	Microtech International Limited	-	"	7,800	-	4.92	-	
	i1 Inc.	-	"	80	-	1.69	-	
	Procoat Technology Inc.	-	"	847	-	1.30	-	
	Ahead Technology Ltd.	-	"	1,000	-	6.67	-	
					<u>\$ 543,807</u>		<u>\$ 543,807</u>	
Yuanta Futures	Stock:							
	Taiwan Futures Exchange	-	Financial assets stated at costs	10,437	<u>\$ 236,309</u>	4.45	<u>\$ 236,309</u>	
	Beneficiary certificates:							
	Yuanta WanTai Bond Fund	The fund management company was an affiliated company controlled by the same company as the Company	Financial assets at fair value through profit or loss	2,079	<u>\$ 30,082</u>	-	<u>\$ 30,082</u>	

(4) Investments in People's Republic of China

A. Information of investment in People's Republic of China:

For the year ended December 31, 2009, the investments made by Yuanta Venture Capital's subsidiary, Yuanta I Venture Capital, in entities incorporated in People's Republic of China were as follows (expressed in thousands of dollars):

Name of investee in People's Republic of China	Main operational items	Issued capital	Method of investment (Note 1)	Beginning balance of foreign investment from Taiwan	Investment movement within this period		Ending balance of foreign investment from Taiwan	Percentage of direct or indirect investment holding	Gain (loss) recognized during the period (Note 3)	Book value as of December 31, 2009	Accumulated gain returned to Taiwan at end of period
					Invested amount	Retuned amount					
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	USD 42,244	(Note 1)	USD 1,980	-	-	USD 1,980	2.55%	-	NTD 66,764	-
Ether Precision Inc. (Su Zhou)	Manufacturing and selling of a variety of discs	USD 27,700	(Note 2)	USD 1,000	-	-	USD 1,000	2.57%	-	NTD 32,220	-

Note 1: Great Team Backend Foundry, Ltd. (BVI), a 2.55%-owned subsidiary of Yuanta I Venture Capital, resides in a third country. Jie Qun Electronic Technology (Dong Guan) Ltd. is a wholly-owned subsidiary of Great Team Backend Foundry Ltd. (BVI).

Note 2: Ether Precision Inc. (Cayman Islands), a 2.57%-owned subsidiary of Yuanta I Venture Capital, resides in a third country. Ether Precision Inc. (Su Zhou) is a wholly-owned subsidiary of Ether Precision Inc. (Cayman Islands).

Note 3: Gain or loss on investments was not recognized for the reason that the investees are accounted for as financial assets carried at cost.

B. Limitation on investment in Mainland China (expressed in thousands of dollars)

Aggregate investment amount remitted from Taiwan to Mainland China	Investment amount approved by Investment Commission of Ministry of Economic Affairs	Limitation on investments in Mainland China by Investment Commission of Ministry of Economic Affairs
USD 2,980	USD 2,980	NTD 425,639

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta I Venture Capital's net worth of \$709,399.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 7.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 8.

(7) Significant subsequent events of subsidiaries

Please refer to Note 9.

(8) Related party transactions of subsidiaries amounting to at least \$100 million

Please refer to Note 5.

## (9) Significant transactions between parent company and subsidiaries

Information for the year ended December 31, 2009:

(Expressed In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
0	Yuanta Financial Holdings	Yuanta Securities Finance	1	Other payables	17,695	No significant difference from general customers	0.00%
0	Yuanta Financial Holdings	Yuanta Securities Finance	1	Other receivables	351,453	"	0.07%
0	Yuanta Financial Holdings	Yuanta Securities Finance	1	Other receivables	1,566	"	0.00%
0	Yuanta Financial Holdings	Yuanta Securities	1	Other receivables	1,434,876	"	0.27%
0	Yuanta Financial Holdings	Yuanta Securities	1	Other payables	53,410	"	0.01%
0	Yuanta Financial Holdings	Yuanta Securities	1	Refundable deposits	11,202	"	0.00%
0	Yuanta Financial Holdings	Yuanta Securities	1	Other business and administrative expense	43,490	"	0.18%
0	Yuanta Financial Holdings	Yuanta Bank	1	Other payables	2,006,512	"	0.37%
0	Yuanta Financial Holdings	Yuanta Venture Capital	1	Other payables	11,177	"	0.00%
0	Yuanta Financial Holdings	Yuanta Asset Management	1	Other payables	12,868	"	0.00%
0	Yuanta Financial Holdings	Yuanta Futures	1	Other receivables	75,349	"	0.01%
0	Yuanta Financial Holdings	Yuanta Securities Investment Consulting	1	Other receivables	819	"	0.00%
1	Yuanta Securities Finance	Yuanta Bank	3	Rental income	6,820	"	0.03%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
1	Yuanta Securities Finance	Yuanta Bank	3	Due from other banks	14,635	No significant difference from general customers	0.00%
1	Yuanta Securities Finance	Yuanta Bank	3	Due from and call loans to other banks	10	"	0.00%
1	Yuanta Securities Finance	Yuanta Bank	3	Other payables	2	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities	3	Refinancing handling charges expenses	993,782	"	4.02%
1	Yuanta Securities Finance	Yuanta Securities	3	Rental income	4,359	"	0.02%
1	Yuanta Securities Finance	Yuanta Securities	3	Other business and administrative expense	23,179	"	0.09%
1	Yuanta Securities Finance	Yuanta Securities	3	Accounts receivables	1,137	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities	3	Other payables	109,387	"	0.02%
1	Yuanta Securities Finance	Yuanta Securities	3	Other payables	16	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities	3	Other payables	32,045	"	0.01%
1	Yuanta Securities Finance	Yuanta Securities	3	Refundable deposits on securities lending	145,198	"	0.03%
1	Yuanta Securities Finance	Yuanta Securities	3	Refundable deposits	5,628	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities	3	Gain from disposal of financial assets at fair value through profit or loss	2,560	"	0.01%
1	Yuanta Securities Finance	Yuanta Securities	3	Gain from property transactions	48,177	"	0.20%
1	Yuanta Securities Finance	Yuanta Securities Investment Trust	3	Rental income	416	"	0.00%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
1	Yuanta Securities Finance	Yuanta Financial Holdings	2	Other receivables	17,695	No significant difference from general customers	0.00%
1	Yuanta Securities Finance	Yuanta Financial Holdings	2	Other payables	351,453	"	0.07%
1	Yuanta Securities Finance	Yuanta Financial Holdings	2	Other payables	1,566	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities Investments Consulting	3	Other business and administrative expense	8,820	"	0.04%
1	Yuanta Securities Finance	Yuanta Securities Investments Consulting	3	Other payables	735	"	0.00%
1	Yuanta Securities Finance	Yuanta Life Insurance Agent	3	Rental income	164	"	0.00%
1	Yuanta Securities Finance	Yuanta Leasing	3	Rents payable	1,203	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities (Hong Kong)	3	Other payables	5	"	0.00%
1	Yuanta Securities Finance	Yuanta Securities (Hong Kong)	3	Deposits received on securities lending	154,791	"	0.03%
1	Yuanta Securities Finance	Yuanta Securities (Hong Kong)	3	Accounts receivable	175	"	0.00%
2	Yuanta Securities	Yuanta Securities Finance	3	Other miscellaneous income	993,782	"	4.02%
2	Yuanta Securities	Yuanta Securities Finance	3	Other business and administrative expense	4,359	"	0.02%
2	Yuanta Securities	Yuanta Securities Finance	3	Rental income	23,179	"	0.09%
2	Yuanta Securities	Yuanta Securities Finance	3	Accounts payable	1,137	"	0.00%
2	Yuanta Securities	Yuanta Securities Finance	3	Other receivables	109,387	"	0.02%
2	Yuanta Securities	Yuanta Securities Finance	3	Other receivables	16	"	0.00%
2	Yuanta Securities	Yuanta Securities Finance	3	Other receivables	32,045	"	0.01%
2	Yuanta Securities	Yuanta Securities Finance	3	Deposits received on securities lending	145,198	"	0.03%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
2	Yuanta Securities	Yuanta Securities Finance	3	Deposits received	5,628	No significant difference from general customers	0.00%
2	Yuanta Securities	Yuanta Securities Finance	3	Brokerage commission income	2,560	"	0.01%
2	Yuanta Securities	Yuanta Securities Finance	3	Land	38,784	"	0.01%
2	Yuanta Securities	Yuanta Securities Finance	3	Buildings	9,393	"	0.00%
2	Yuanta Securities	Yuanta Financial Holdings	2	Other payables	1,434,876	"	0.27%
2	Yuanta Securities	Yuanta Financial Holdings	2	Other receivables	53,410	"	0.01%
2	Yuanta Securities	Yuanta Financial Holdings	2	Deposits received	11,202	"	0.00%
2	Yuanta Securities	Yuanta Financial Holdings	2	Rental income	43,490	"	0.18%
2	Yuanta Securities	Yuanta Futures	3	Futures commission income	212,703	"	0.86%
2	Yuanta Securities	Yuanta Futures	3	Interest expense – bills and bonds payable under repurchase agreements	64	"	0.00%
2	Yuanta Securities	Yuanta Futures	3	Accounts receivable	14,979	"	0.00%
2	Yuanta Securities	Yuanta Futures	3	Customer margin deposit account	457,719	"	0.08%
2	Yuanta Securities	Yuanta Futures	3	Deposits received	2,129	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Restricted assets	6,000	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Due from other banks	2,985	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Due from other banks	85,224	"	0.02%
2	Yuanta Securities	Yuanta Bank	3	Due from other banks	7,853	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Other interest income	11,102	"	0.04%
2	Yuanta Securities	Yuanta Bank	3	Investments in bills and bonds under resale agreements	209,596	"	0.04%
2	Yuanta Securities	Yuanta Bank	3	Interests receivables	131	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Other miscellaneous income	141,197	"	0.57%
2	Yuanta Securities	Yuanta Bank	3	Other miscellaneous income	19,185	"	0.08%
2	Yuanta Securities	Yuanta Bank	3	Other miscellaneous income	2,502	"	0.01%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
2	Yuanta Securities	Yuanta Bank	3	Other miscellaneous income	158,192	No significant difference from general customers	0.64%
2	Yuanta Securities	Yuanta Bank	3	Other miscellaneous income	575	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Other receivables	3,835	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Interest expense – bills and bonds payable under repurchase agreements	1	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Interest expense – bills and bonds payable under repurchase agreements	296	"	0.00%
2	Yuanta Securities	Yuanta Bank	3	Cash on hand	840,000	"	0.16%
2	Yuanta Securities	Yuanta Bank	3	Cash on hand	93,500	"	0.02%
2	Yuanta Securities	Yuanta Bank	3	Brokerage commission income	5,909	"	0.02%
2	Yuanta Securities	Yuanta Bank	3	Deposits received	30,542	"	0.01%
2	Yuanta Securities	Yuanta Bank	3	Short-term borrowings	1,720	"	0.00%
2	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expense	209,459	"	0.85%
2	Yuanta Securities	Yuanta Securities Investment Consulting	3	Deposits received	1,715	"	0.00%
2	Yuanta Securities	Yuanta Venture Capital	3	Rental income	2,438	"	0.01%
2	Yuanta Securities	Yuanta Venture Capital	3	Deposits received	631	"	0.00%
2	Yuanta Securities	Yuanta Securities Asset Management	3	Land	85,413	"	0.02%
2	Yuanta Securities	Yuanta Securities Asset Management	3	Buildings	59,882	"	0.01%
2	Yuanta Securities	Yuanta Securities Asset Management	3	Rental income	4,345	"	0.02%
2	Yuanta Securities	Yuanta Securities Asset Management	3	Brokerage commission income	491	"	0.00%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
2	Yuanta Securities	Yuanta Securities Asset Management	3	Deposits received	1,124	No significant difference from general customers	0.00%
2	Yuanta Securities	Yuanta Leasing	3	Rental income	163	"	0.00%
2	Yuanta Securities	Yuanta Leasing	3	Deposits received	42	"	0.00%
2	Yuanta Securities	Yuanta Life Insurance Agent	3	Rental income	3,021	"	0.01%
2	Yuanta Securities	Yuanta Life Insurance Agent	3	Deposits received	778	"	0.00%
2	Yuanta Securities	Yuanta Properties Insurance Agent	3	Rental income	669	"	0.00%
2	Yuanta Securities	Yuanta Properties Insurance Agent	3	Deposits received	172	"	0.00%
2	Yuanta Securities	Yuanta Venture Capital	3	Brokerage commission income	115	"	0.00%
2	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Brokerage commission income	21,890	"	0.09%
3	Yuanta Bank	Yuanta Securities Finance	3	Other miscellaneous income	6,820	"	0.03%
3	Yuanta Bank	Yuanta Securities Finance	3	Demand deposits	14,635	"	0.00%
3	Yuanta Bank	Yuanta Securities Finance	3	Interest expense – deposits	10	"	0.00%
3	Yuanta Bank	Yuanta Securities Finance	3	Other receivables	2	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Checking accounts	2,985	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Demand deposits	85,224	"	0.02%
3	Yuanta Bank	Yuanta Securities	3	FX demand deposits	7,853	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Time deposits	6,000	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Interest expense – deposits	11,102	"	0.04%
3	Yuanta Bank	Yuanta Securities	3	Bills and bonds payable under repurchase agreements	209,596	"	0.04%
3	Yuanta Bank	Yuanta Securities	3	Interests payable	131	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Other business and administrative expense	19,514	"	0.08%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
3	Yuanta Bank	Yuanta Securities	3	Other business and administrative expense	141,422	No significant difference from general customers	0.57%
3	Yuanta Bank	Yuanta Securities	3	Other business and administrative expense	1,961	"	0.01%
3	Yuanta Bank	Yuanta Securities	3	Other business and administrative expense	158,754	"	0.64%
3	Yuanta Bank	Yuanta Securities	3	Accrued expenses	3,835	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Interest income – investments in bills and bonds under resale agreements	1	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Interest income – investments in bills and bonds under resale agreements	296	"	0.00%
3	Yuanta Bank	Yuanta Securities	3	Time deposits	840,000	"	0.16%
3	Yuanta Bank	Yuanta Securities	3	Negotiable certificates of deposits	93,500	"	0.02%
3	Yuanta Bank	Yuanta Securities	3	Gain from disposal of financial assets at fair value through profit or loss	5,909	"	0.02%
3	Yuanta Bank	Yuanta Securities	3	Refundable deposits	30,542	"	0.01%
3	Yuanta Bank	Yuanta Securities	3	Guarantee overdrafts	1,720	"	0.00%
3	Yuanta Bank	Yuanta Financial Holdings	2	Other receivables	2,006,512	"	0.37%
3	Yuanta Bank	Yuanta Securities Investment Trust	3	Other handling fee income	10,369	"	0.04%
3	Yuanta Bank	Yuanta Securities Investment Trust	3	Demand deposits	2,205	"	0.00%
3	Yuanta Bank	Yuanta Securities Investment Trust	3	Time deposits	198,000	"	0.04%
3	Yuanta Bank	Yuanta Futures	3	Other business and administrative expense	206	"	0.00%
3	Yuanta Bank	Yuanta Futures	3	Interest expense – deposits	81,020	"	0.33%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
3	Yuanta Bank	Yuanta Futures	3	Demand deposits	14,387	No significant difference from general customers	0.00%
3	Yuanta Bank	Yuanta Futures	3	Demand deposits	539,668	"	0.10%
3	Yuanta Bank	Yuanta Futures	3	Time deposits	365,000	"	0.07%
3	Yuanta Bank	Yuanta Futures	3	Time deposits	105,000	"	0.02%
3	Yuanta Bank	Yuanta Securities Investment Consulting	3	Time deposits	128,600	"	0.02%
3	Yuanta Bank	Yuanta Securities Investment Consulting	3	Demand deposits	8,886	"	0.00%
3	Yuanta Bank	Yuanta Securities Investment Consulting	3	FX demand deposits	2,187	"	0.00%
3	Yuanta Bank	Yuanta Securities Investment Consulting	3	Time deposits	15,000	"	0.00%
3	Yuanta Bank	Yuanta Securities Investment Consulting	3	Other business and administrative expense	9,524	"	0.04%
3	Yuanta Bank	Yuanta Securities Asset Management	3	Other business and administrative expense	7,332	"	0.03%
3	Yuanta Bank	Yuanta Securities Asset Management	3	Demand deposits	14,950	"	0.00%
3	Yuanta Bank	Yuanta Securities Asset Management	3	Checking accounts	53	"	0.00%
3	Yuanta Bank	Yuanta Securities Asset Management	3	Land	195,120	"	0.04%
3	Yuanta Bank	Yuanta Securities Asset Management	3	Buildings	148,334	"	0.03%
3	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Time deposits	622,343	"	0.12%
3	Yuanta Bank	Yuanta Securities Asia Financial Services	3	FX demand deposits	9,108	"	0.00%
3	Yuanta Bank	Yuanta Securities (H.K)	3	FX time deposits	83,819	"	0.02%
3	Yuanta Bank	Yuanta Securities (H.K)	3	FX demand deposits	2,999	"	0.00%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
6	Yuanta Venture Capital	Yuanta Financial Holdings	2	Other receivables	11,177	No significant difference from general customers	0.00%
6	Yuanta Venture Capital	Yuanta Securities	3	Other business and administrative expense	2,438	"	0.01%
6	Yuanta Venture Capital	Yuanta Securities	3	Gain from disposal of financial assets at fair value through profit or loss	115	"	0.00%
6	Yuanta Venture Capital	Yuanta Securities	3	Refundable deposits	631	"	0.00%
7	Yuanta Asset Management	Yuanta Bank	3	Rental income	7,332	"	0.03%
7	Yuanta Asset Management	Yuanta Bank	3	Due from banks	15,003	"	0.00%
7	Yuanta Asset Management	Yuanta Bank	3	Gain from property transactions	195,120	"	0.79%
7	Yuanta Asset Management	Yuanta Bank	3	Loss from property transactions	148,334	"	0.60%
7	Yuanta Asset Management	Yuanta Securities	3	Gain from property transactions	85,413	"	0.35%
7	Yuanta Asset Management	Yuanta Securities	3	Loss from property transactions	59,882	"	0.24%
7	Yuanta Asset Management	Yuanta Securities	3	Other business and administrative expense	4,345	"	0.02%
7	Yuanta Asset Management	Yuanta Securities	3	Gain from disposal of financial assets at fair value through profit or loss	491	"	0.00%
7	Yuanta Asset Management	Yuanta Securities	3	Refundable deposits	1,124	"	0.00%
7	Yuanta Asset Management	Yuanta Financial Holdings	2	Other receivables	12,868	"	0.00%
9	Yuanta Futures	Yuanta Securities	3	Futures commission expenses	212,703	"	0.86%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
9	Yuanta Futures	Yuanta Securities	3	Interest income – investments in bills and bonds under resale agreements	64	No significant difference from general customers	0.00%
9	Yuanta Futures	Yuanta Securities	3	Accounts payable	14,979	"	0.00%
9	Yuanta Futures	Yuanta Securities	3	Futures trader's equity	457,719	"	0.08%
9	Yuanta Futures	Yuanta Securities	3	Refundable deposits	2,129	"	0.00%
9	Yuanta Futures	Yuanta Bank	3	Rental income	206	"	0.00%
9	Yuanta Futures	Yuanta Bank	3	Other interest income	81,020	"	0.33%
9	Yuanta Futures	Yuanta Bank	3	Due from banks	919,055	"	0.17%
9	Yuanta Futures	Yuanta Bank	3	Cash on hand	105,000	"	0.02%
9	Yuanta Futures	Yuanta Financial Holdings	2	Other payables	75,349	"	0.01%
9	Yuanta Futures	Yuanta Securities (H.K)	3	Futures trader's equity	477,300	"	0.09%
9	Yuanta Futures	Yuanta Securities Investment Consulting	3	Other business and administrative expense	2,406	"	0.01%
10	Yuanta Securities Investment Consulting	Yuanta Securities Finance	3	Income from consulting services	8,820	"	0.04%
10	Yuanta Securities Investment Consulting	Yuanta Securities Finance	3	Accounts receivable	735	"	0.00%
10	Yuanta Securities Investment Consulting	Yuanta Securities	3	Income from consulting services	209,459	"	0.85%
10	Yuanta Securities Investment Consulting	Yuanta Securities	3	Refundable deposits	1,715	"	0.00%
10	Yuanta Securities Investment Consulting	Yuanta Bank	3	Due from banks	139,673	"	0.03%
10	Yuanta Securities Investment Consulting	Yuanta Bank	3	Cash on hand	15,000	"	0.00%
10	Yuanta Securities Investment Consulting	Yuanta Bank	3	Income from consulting services	9,524	"	0.04%
10	Yuanta Securities Investment Consulting	Yuanta Financial Holdings	2	Other payables	819	"	0.00%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
10	Yuanta Securities Investment Consulting	Yuanta Futures	3	Income from consulting services	2,406	No significant difference from general customers	0.01%
11	Yuanta Leasing	Yuanta Securities	3	Other business and administrative expense	163	"	0.00%
11	Yuanta Leasing	Yuanta Securities	3	Refundable deposits	42	"	0.00%
11	Yuanta Leasing	Yuanta Securities Finance	3	Notes receivables	1,203	"	0.00%
13	Yuanta Securities Asia Financial Services	Yuanta Bank	3	Due from banks	622,343	"	0.12%
13	Yuanta Securities Asia Financial Services	Yuanta Bank	3	Due from banks	9,108	"	0.00%
14	Yuanta Securities (Hong Kong)	Yuanta Bank	3	Due from banks	86,818	"	0.02%
14	Yuanta Securities (Hong Kong)	Yuanta Futures	3	Customer margin deposit account	477,300	"	0.09%
14	Yuanta Securities (Hong Kong)	Yuanta Securities Finance	3	Other receivables	5	"	0.00%
14	Yuanta Securities (Hong Kong)	Yuanta Securities Finance	3	Deposits received on securities lending	154,791	"	0.03%
14	Yuanta Securities (Hong Kong)	Yuanta Securities Finance	3	Accounts payable	175	"	0.00%
14	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Gain from disposal of financial assets at fair value through profit or loss	21,890	"	0.09%
15	Yuanta Life Insurance Agent	Yuanta Securities	3	Other business and administrative expense	3,021	"	0.01%
15	Yuanta Life Insurance Agent	Yuanta Securities	3	Refundable deposits	778	"	0.00%
15	Yuanta Life Insurance Agent	Yuanta Securities Finance	3	Other business and administrative expense	164	"	0.00%
16	Yuanta Properties Insurance Agent	Yuanta Securities	3	Other business and administrative expense	669	"	0.00%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of accounting for the total consolidated net revenues or assets (Note 3)
16	Yuanta Properties Insurance Agent	Yuanta Securities	3	Refundable deposits	172	No significant difference from general customers	0.00%
17	Yuanta Securities Investment Trust	Yuanta Securities Finance	3	Other business and administrative expense	416	"	0.00%
17	Yuanta Securities Investment Trust	Yuanta Bank	3	Other business and administrative expense	10,369	"	0.04%
17	Yuanta Securities Investment Trust	Yuanta Bank	3	Due from banks	200,205	"	0.04%

Note 1: The numbers in the No. column represent as follows:

1. 0 for the parent company
2. According to the sequential order, subsidiaries are numbered from 1.

Note 2: There are three types of relationships with the counterparties and they are labeled as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation basis of the trading amount accounting for the total consolidated net revenues or assets is that the account ending balance is divided by the total consolidated assets if it is attributed to the balance sheet accounts, and the accumulated trading amount of the interim period is divided by the total consolidated net revenues if it is attributed to the profit or loss accounts.

12. Segment Information:

(1) Financial information by business segments

Items	For the year ended December 31, 2009					Total
	Securities Finance Segment	Securities Department	Bank Department	Other Department	Adjustment and Elimination	
Revenues from non-affiliated parties	\$ 3,320,689	\$ 15,391,771	\$ 7,087,532	\$ 2,744,821	\$ -	\$ 28,544,813
Revenue from affiliated parties	<u>10</u>	<u>254,770</u>	<u>10,667</u>	<u>311,293</u>	<u>(576,740)</u>	<u>-</u>
Total revenue	<u>\$ 3,320,699</u>	<u>\$ 15,646,541</u>	<u>\$ 7,098,199</u>	<u>\$ 3,056,114</u>	<u>(\$ 576,740)</u>	<u>\$ 28,544,813</u>
Segment (loss) profit	<u>\$ 1,448,024</u>	<u>\$ 5,643,828</u>	<u>(\$ 419,197)</u>	<u>\$ 878,921</u>	<u>\$ 1,746,618</u>	\$ 9,298,194
Investment income						588,205
Interest income						162,367
Investment loss accounted for under the equity method						-
Interest expense						(107,122)
General income (expense)						(616,237)
Income from continuing operations before income taxes						<u>\$ 9,325,407</u>
Asset attributable to specific departments	<u>\$ 69,362,987</u>	<u>\$ 79,314,420</u>	<u>\$ 365,054,300</u>	<u>\$ 30,541,048</u>	<u>(\$ 18,025,058)</u>	<u>\$ 526,247,697</u>
Long-term equity investments accounted for under the equity method		<u>\$ 6,274,540</u>		<u>\$ 116,335,372</u>	<u>(\$ 116,265,365)</u>	6,344,547
General assets to the Company						<u>6,088,598</u>
Total assets						<u>\$ 538,680,842</u>
Total depreciation expense	<u>\$ 27,052</u>	<u>\$ 342,699</u>	<u>\$ 385,091</u>	<u>\$ 47,112</u>		
Capital expenditure	<u>\$ 18,755</u>	<u>\$ 434,402</u>	<u>\$ 440,485</u>	<u>\$ 88,882</u>		

The amounts shown in the adjustment and elimination column are for the reconciliation of balances from business segment information to the consolidated financial statements. The amounts are:

1. Total revenue of \$576,740 of the Company and its subsidiaries.
2. A segment profit (loss) of \$1,746,618 of the Company and its subsidiaries, which is derived from the above revenue of \$576,740 plus related gains and revenues of \$1,169,878.

For the year ended December 31, 2008

Items	Securities Finance Segment	Securities Department	Bank Department	Other Department	Adjustment and Elimination	Total
Revenues from non-affiliated parties	\$ 4,614,059	\$ 15,662,790	\$ 11,317,712	\$ 3,154,759	\$ -	\$ 34,749,320
Revenue from affiliated parties	-	279,539	14,979	459,333	( 753,851 )	-
Total revenue	<u>\$ 4,614,059</u>	<u>\$ 15,942,329</u>	<u>\$ 11,332,691</u>	<u>\$ 3,614,092</u>	<u>(\$ 753,851)</u>	<u>\$ 34,749,320</u>
Segment (loss) profit	<u>\$ 1,375,983</u>	<u>\$ 5,458,720</u>	<u>(\$ 3,115,953)</u>	<u>\$ 351,433</u>	<u>\$ 2,053,350</u>	\$ 6,123,533
Investment income						603,033
Interest income						216,181
Investment loss accounted for under the equity method						-
Interest expense						( 74,232 )
General income (expense)						( 4,417,509 )
Income from continuing operations before income taxes						<u>\$ 2,451,006</u>
Asset attributable to specific departments	<u>\$ 47,236,960</u>	<u>\$ 97,393,401</u>	<u>\$ 354,093,400</u>	<u>\$ 140,565,048</u>	<u>(\$ 126,033,779)</u>	<u>\$ 513,255,030</u>
Long-term equity investments accounted for under the equity method		<u>\$ 5,996,309</u>		<u>\$ 117,594,646</u>	<u>(\$ 117,594,646)</u>	5,996,309
General assets to the Company						<u>376,816</u>
Total assets						<u>\$ 519,628,155</u>
Total depreciation expense	<u>\$ 27,499</u>	<u>\$ 264,372</u>	<u>\$ 372,418</u>	<u>\$ 24,385</u>		
Capital expenditure	<u>\$ 39,735</u>	<u>\$ 1,256,255</u>	<u>\$ 888,013</u>	<u>\$ 300,952</u>		

The amounts shown in the adjustment and elimination column are for the reconciliation of balances from business segment information to the consolidated financial statements. The amounts are:

1. Total revenue of \$753,851 of the Company and its subsidiaries.
2. A segment profit (loss) of \$2,053,350 of the Company and its subsidiaries, which is derived from the above revenue of \$753,851 plus related gains and revenues of \$1,299,499.

(2) Financial information by geographic area

The Consolidated Company has no overseas operation.

(3) Export sales by geographic area

The Consolidated Company has no export sales.

(4) Information on major customers

The Consolidated Company has no customer accounting for more than 10% of the Consolidated Company's operating revenues for the year ended December 31, 2009.