

YUANTA FINANCIAL HOLDING CO., LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

PWCR22000138

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors and Shareholders of Yuanta Financial Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. and subsidiaries as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Companies, and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

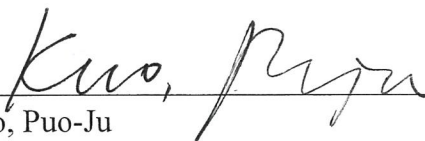
We conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



資誠

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Yuanta Financial Holding Co., Ltd. and subsidiaries as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Companies, and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.


Kuo, Puo-Ju


Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

November 21, 2022

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

YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

| ASSETS | Notes | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
|--|---------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 11000 Cash and cash equivalents | 6(1) | \$ 60,294,624 | 2 | \$ 80,735,621 | 3 | \$ 73,297,712 | 3 |
| 11500 Due from Central Bank and call loans to other banks | 6(2),8 | 76,666,674 | 3 | 80,343,357 | 3 | 66,927,976 | 2 |
| 12000 Financial assets at fair value through profit or loss | 6(3),7,8 | 414,256,858 | 14 | 529,242,141 | 17 | 562,215,525 | 19 |
| 12150 Financial assets at fair value through other comprehensive income | 6(4),8 | 346,735,208 | 12 | 338,490,662 | 11 | 332,644,103 | 11 |
| 12200 Investments in debt instruments at amortised cost | 6(5),8 | 554,126,585 | 19 | 508,638,932 | 17 | 492,954,514 | 17 |
| 12500 Investments in bills and bonds under resale agreements | 6(6) | 66,478,059 | 2 | 46,454,964 | 2 | 55,147,506 | 2 |
| 13000 Receivables – net | 6(7),7 | 220,414,092 | 7 | 263,703,360 | 9 | 266,081,221 | 9 |
| 13200 Current income tax assets | | 2,606,141 | - | 48,001 | - | 336,381 | - |
| 13300 Assets held for sale – net | 6(8) | 86,904 | - | 194,563 | - | 141,607 | - |
| 13500 Bills discounted and loans – net | 6(9),7 | 946,141,993 | 32 | 884,291,862 | 29 | 846,336,843 | 28 |
| 13700 Reinsurance contract assets – net | 6(10) | 1,346,861 | - | 1,329,521 | - | 1,050,167 | - |
| 15000 Equity investments accounted for under the equity method – net | 6(11) | 3,162,476 | - | 3,115,594 | - | 2,816,605 | - |
| 15100 Restricted assets – net | 8 | 4,922,497 | - | 2,472,029 | - | 3,156,660 | - |
| 15500 Other financial assets – net | 6(12) | 114,598,708 | 4 | 110,953,592 | 4 | 116,483,900 | 4 |
| 18000 Investment property – net | 6(13),8 | 10,113,070 | - | 10,693,522 | - | 10,805,127 | - |
| 18500 Property and equipment – net | 6(14),8 | 24,778,540 | 1 | 24,468,584 | 1 | 24,227,462 | 1 |
| 18600 Right-of-use assets – net | 6(15) | 11,411,894 | - | 12,443,951 | - | 12,650,031 | - |
| 19000 Intangible assets – net | 6(17) | 30,922,700 | 1 | 31,046,281 | 1 | 31,286,906 | 1 |
| 19300 Deferred income tax assets | | 7,396,816 | - | 7,484,946 | - | 6,740,692 | - |
| 19500 Other assets – net | 6(18),7, 8 | 82,165,077 | 3 | 86,867,819 | 3 | 76,733,888 | 3 |
| TOTAL ASSETS | | \$ 2,978,625,777 | 100 | \$ 3,023,019,302 | 100 | \$ 2,982,034,826 | 100 |

(Continued)

YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

| LIABILITIES AND EQUITY | | Notes | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
|------------------------|--|----------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 21000 | Deposits from Central Bank and other banks | 6(20) | \$ 23,995,120 | 1 | \$ 25,624,124 | 1 | \$ 29,113,607 | 1 |
| 21500 | Due to Central Bank and other banks | | - | - | 839,700 | - | 806,310 | - |
| 22000 | Financial liabilities at fair value through profit or loss | 6(3) (38) | 146,756,528 | 5 | 158,685,739 | 5 | 148,108,666 | 5 |
| 22500 | Bills and bonds payable under repurchase agreements | 6(6) (47),7 | 202,432,542 | 7 | 183,865,849 | 6 | 194,900,321 | 7 |
| 22600 | Commercial paper payable – net | 6(21) (47) | 57,000,388 | 2 | 49,983,502 | 2 | 49,621,316 | 2 |
| 23000 | Payables | 6(22),7 | 170,854,421 | 6 | 214,482,994 | 7 | 218,453,970 | 8 |
| 23200 | Current income tax liabilities | | 3,668,590 | - | 7,892,094 | - | 8,280,883 | - |
| 23500 | Deposits and remittances | 6(23),7 | 1,386,415,534 | 46 | 1,375,002,383 | 46 | 1,381,713,272 | 46 |
| 24000 | Bonds payable | 6(24) (47) | 87,136,022 | 3 | 82,539,085 | 3 | 87,790,535 | 3 |
| 24400 | Other borrowings | 6(25) (47) | 50,320,211 | 2 | 59,998,200 | 2 | 56,140,173 | 2 |
| 24600 | Liabilities reserve | 6(26) (27) | 364,442,552 | 12 | 336,342,258 | 11 | 329,181,820 | 11 |
| 25500 | Other financial liabilities | 6(28),7 | 137,693,239 | 5 | 126,619,428 | 4 | 128,159,473 | 4 |
| 26000 | Lease liabilities | 6(47) | 4,552,731 | - | 5,720,785 | - | 5,890,437 | - |
| 29300 | Deferred income tax liabilities | | 6,378,068 | - | 3,825,466 | - | 4,106,999 | - |
| 29500 | Other liabilities | 6(29),7 | 68,716,832 | 2 | 102,517,990 | 3 | 57,399,977 | 2 |
| | TOTAL LIABILITIES | | <u>2,710,362,778</u> | <u>91</u> | <u>2,733,939,597</u> | <u>90</u> | <u>2,699,667,759</u> | <u>91</u> |
| 31000 | Equity attributable to owners of the parent company | | | | | | | |
| 31100 | Share capital | | | | | | | |
| 31101 | Common stock | 6(30) | 125,015,590 | 4 | 121,374,360 | 4 | 121,374,360 | 4 |
| 31500 | Additional paid-in capital | 6(31) | 37,928,633 | 1 | 37,885,949 | 1 | 37,885,949 | 1 |
| 32000 | Retained earnings | | | | | | | |
| 32001 | Legal reserve | 6(32) | 20,481,785 | 1 | 17,040,473 | - | 17,040,473 | 1 |
| 32003 | Special reserve | 6(32) | 6,549,234 | - | 6,549,234 | - | 6,549,234 | - |
| 32011 | Undistributed earnings | 6(33) | 71,996,219 | 2 | 77,775,254 | 3 | 71,918,245 | 2 |
| 32500 | Other equity | | | | | | | |
| 32500 | Other equity interest | 6(34) | (13,363,064) | - | 8,410,191 | 1 | 7,186,287 | - |
| 39500 | Non-controlling interests | | <u>19,654,602</u> | <u>1</u> | <u>20,044,244</u> | <u>1</u> | <u>20,412,519</u> | <u>1</u> |
| | TOTAL EQUITY | | <u>268,262,999</u> | <u>9</u> | <u>289,079,705</u> | <u>10</u> | <u>282,367,067</u> | <u>9</u> |
| | TOTAL LIABILITIES AND EQUITY | | <u>\$ 2,978,625,777</u> | <u>100</u> | <u>\$ 3,023,019,302</u> | <u>100</u> | <u>\$ 2,982,034,826</u> | <u>100</u> |

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| Items | Notes | For the three months ended September 30, | | | | For the nine months ended September 30, | | | |
|--|---------|--|---------------|-----------------------|---------------|---|---------------|-----------------------|---------------|
| | | 2022 | | 2021 | | 2022 | | 2021 | |
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 41000 Interest income | 6(35),7 | \$ 11,715,160 | 47 | \$ 9,361,536 | 33 | \$ 31,966,132 | 43 | \$ 27,368,879 | 28 |
| 51000 Less: Interest expense | 6(35),7 | (3,990,446) | (16) | (1,773,110) | (6) | (8,676,721) | (12) | (5,153,987) | (5) |
| 49600 Net interest income | 6(35) | <u>7,724,714</u> | <u>31</u> | <u>7,588,426</u> | <u>27</u> | <u>23,289,411</u> | <u>31</u> | <u>22,214,892</u> | <u>23</u> |
| Net non-interest income | | | | | | | | | |
| 49800 Net service fee and commission income | 6(36),7 | 5,874,503 | 24 | 10,640,465 | 38 | 19,819,615 | 26 | 31,496,735 | 33 |
| 49810 Net income from insurance operations | 6(37),7 | 2,195,330 | 9 | 2,595,546 | 9 | 12,538,323 | 17 | 14,346,720 | 15 |
| 49820 (Loss) gain on financial assets and financial liabilities at fair value through profit or loss | 6(38),7 | (4,194,219) | (17) | 1,448,042 | 5 | (13,944,988) | (18) | 18,415,931 | 19 |
| 49825 Gain on investment property | 7 | 78,496 | - | 86,255 | - | 357,091 | 1 | 208,861 | - |
| 49835 Realised gain on financial assets at fair value through other comprehensive income | | 1,329,041 | 5 | 1,892,422 | 7 | 2,201,839 | 3 | 3,649,695 | 4 |
| 49850 Net (loss) gain arising from derecognition of financial assets measured at amortised cost | 6(5)(9) | (22,857) | - | 266,501 | 1 | 136,687 | - | 1,188,404 | 1 |
| 49870 Foreign exchange gain (loss) | | 11,894,020 | 48 | (285,236) | (1) | 24,491,491 | 33 | (4,368,345) | (4) |
| 49880 Reversal (loss) gain on asset impairment | 6(39) | (4,724) | - | (4,400) | - | 4,757 | - | 6,263 | - |
| 49890 Share of the profit or loss of associates and joint ventures accounted for under the equity method | 6(11) | (16,581) | - | 45,316 | - | 157,925 | - | 420,129 | - |
| 49898 Gain on reclassification under the overlay approach | | 591,700 | 2 | 1,514,546 | 5 | 4,696,002 | 6 | 2,096,829 | 2 |
| 49921 Net gain on sale of non-performing loans | | 64,940 | - | 74,535 | - | 211,603 | - | 309,486 | - |
| 49945 Consultation service income | | 1,011,250 | 4 | 1,485,448 | 5 | 3,182,672 | 4 | 3,597,805 | 4 |
| 49999 Net other miscellaneous (loss) income | 6(40),7 | (1,587,554) | (6) | 1,003,146 | 4 | (1,911,884) | (3) | 2,682,736 | 3 |
| 49700 Total net non-interest income | | <u>17,213,345</u> | <u>69</u> | <u>20,762,586</u> | <u>73</u> | <u>51,941,133</u> | <u>69</u> | <u>74,051,249</u> | <u>77</u> |
| Net profit | | <u>24,938,059</u> | <u>100</u> | <u>28,351,012</u> | <u>100</u> | <u>75,230,544</u> | <u>100</u> | <u>96,266,141</u> | <u>100</u> |
| 58100 Provision for bad debt expenses, commitment and guarantee policy reserve | 6(41) | (77,809) | - | (190,290) | (1) | (169,147) | - | (118,048) | - |
| 58300 Net change in provisions for insurance liabilities | 6(26) | (3,926,582) | (16) | (4,136,910) | (14) | (16,519,520) | (22) | (17,741,819) | (18) |
| Operating expenses | | | | | | | | | |
| 58501 Employee benefit expense | 6(42),7 | (6,416,784) | (26) | (8,234,349) | (29) | (19,615,165) | (26) | (26,520,474) | (28) |
| 58503 Depreciation and amortisation | 6(43) | (781,301) | (3) | (766,668) | (3) | (2,378,090) | (3) | (2,328,909) | (2) |
| 58599 Other business and administrative expenses | 6(44),7 | (3,616,724) | (14) | (4,051,515) | (14) | (10,966,426) | (15) | (12,184,916) | (13) |
| 58500 Total Operating Expenses | | <u>(10,814,809)</u> | <u>(43)</u> | <u>(13,052,532)</u> | <u>(46)</u> | <u>(32,959,681)</u> | <u>(44)</u> | <u>(41,034,299)</u> | <u>(43)</u> |
| 61000 Consolidated income from continuing operations before income tax | | <u>10,118,859</u> | <u>41</u> | <u>10,971,280</u> | <u>39</u> | <u>25,582,196</u> | <u>34</u> | <u>37,371,975</u> | <u>39</u> |
| 61003 Income tax expense | 6(45) | (1,666,015) | (7) | (1,673,306) | (6) | (4,960,333) | (7) | (6,421,314) | (7) |
| 69000 Consolidated net income | | <u>\$ 8,452,844</u> | <u>34</u> | <u>\$ 9,297,974</u> | <u>33</u> | <u>\$ 20,621,863</u> | <u>27</u> | <u>\$ 30,950,661</u> | <u>32</u> |

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| Items | | Notes | For the three months ended September 30, | | | | For the nine months ended September 30, | | | | | | | |
|---|---|-----------|--|-------------|--------|------|---|--------|--------|--------------|--------|------|-------------|-------|
| | | | 2022 | | 2021 | | 2022 | | 2021 | | | | | |
| | | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | | | | |
| Other comprehensive income | | | | | | | | | | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | | | | | | | | | |
| 69561 | Gain (loss) on remeasurements of defined benefit plans | | \$ | 209,858 | 1 | \$ | 49,984 | - | \$ | 242,924 | - | (\$ | 1,892) | - |
| 69563 | Share of other comprehensive income (loss) of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss | 6(11) | | 866 | - | | 1 | - | | 1,047 | - | (| 515) | - |
| 69565 | Change in fair value of financial liability attributable to change in credit risk of liability | 6(34) | (| 94) | - | (| 20) | - | | 113 | - | (| 185) | - |
| 69567 | Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income | 6(4)(34) | | 4,113,791 | 16 | | 356,610 | 1 | | 3,388,083 | 4 | | 4,908,155 | 5 |
| 69569 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(34)(45) | (| 41,943) | - | (| 16,378) | - | (| 346,624) | - | (| 102,300) | - |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | | | | | | | | | | |
| 69571 | Exchange differences on translation of foreign financial statements | 6(34) | (| 753,092) | (3) | (| 2,216,813) | (8) | (| 759,693) | (1) | (| 5,354,290) | (6) |
| 69585 | Revaluation loss from investments in debt instruments measured at fair value through other comprehensive income | 6(4)(34) | (| 5,248,863) | (21) | (| 844,314) | (3) | (| 20,658,354) | (27) | (| 4,201,557) | (4) |
| 69587 | Impairment (loss) gain from investments in debt instruments measured at fair value through other comprehensive income | 6(4)(34) | (| 1,032) | - | | 1,042 | - | (| 12,490) | - | (| 13,672) | - |
| 69590 | Other comprehensive loss on reclassification under the overlay approach | 6(4)(34) | (| 591,700) | (2) | (| 1,514,546) | (5) | (| 4,696,002) | (6) | (| 2,096,829) | (2) |
| 69579 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | 6(34)(45) | | 135,378 | - | | 66,854 | - | | 731,951 | 1 | | 241,288 | - |
| 69500 | Other comprehensive loss (net of tax) | | (\$ | 2,176,831) | (9) | (\$ | 4,117,580) | (15) | (\$ | 22,109,045) | (29) | (\$ | 6,621,797) | (7) |
| 69700 | Total comprehensive income (loss) | | \$ | 6,276,013 | 25 | \$ | 5,180,394 | 18 | (\$ | 1,487,182) | (2) | \$ | 24,328,864 | 25 |
| Consolidated net income attributable to: | | | | | | | | | | | | | | |
| 69901 | Parent company | | \$ | 8,082,613 | 32 | \$ | 8,655,034 | 31 | \$ | 19,605,427 | 26 | \$ | 28,314,607 | 29 |
| 69903 | Non-controlling interests | | | 370,231 | 2 | | 642,940 | 2 | | 1,016,436 | 1 | | 2,636,054 | 3 |
| | | | \$ | 8,452,844 | 34 | \$ | 9,297,974 | 33 | \$ | 20,621,863 | 27 | \$ | 30,950,661 | 32 |
| Consolidated comprehensive (loss) income attributable to: | | | | | | | | | | | | | | |
| 69951 | Parent company | | \$ | 6,243,937 | 25 | \$ | 5,240,572 | 18 | (\$ | 2,263,594) | (3) | \$ | 23,182,882 | 24 |
| 69953 | Non-controlling interests | | | 32,076 | - | (| 60,178) | - | | 776,412 | 1 | | 1,145,982 | 1 |
| | | | \$ | 6,276,013 | 25 | \$ | 5,180,394 | 18 | (\$ | 1,487,182) | (2) | \$ | 24,328,864 | 25 |
| Earnings per share (in New Taiwan Dollars) | | | | | | | | | | | | | | |
| 70001 | Basic and diluted earnings per share | 6(46) | \$ | 0.65 | | \$ | 0.69 | | \$ | 1.57 | | \$ | 2.26 | |

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan dollars)

| | Equity attributable to owners of the parent | | | | | | | | | | |
|---|---|----------------------------|----------------------|---------------------|------------------------|---|--|--|---|---------------------------|-----------------------|
| | Retained earnings | | | | | Other equity interest | | | | | |
| | Common stock | Additional paid-in capital | Legal reserve | Special reserve | Undistributed earnings | Exchange differences on translation of foreign financial statements | Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income | Other comprehensive income (loss) on reclassification under the overlay approach | Change in fair value of financial liability attributable to change in credit risk | Non-controlling interests | Total equity |
| | | | | | | | | | | | |
| <u>For the nine months ended September 30, 2021</u> | | | | | | | | | | | |
| Balance, January 1, 2021 | \$ 121,374,360 | \$ 37,885,949 | \$ 14,633,733 | \$ 6,549,234 | \$ 60,333,790 | (\$ 4,467,136) | \$ 16,726,148 | \$ 345,649 | (\$ 45,138) | \$ 20,280,857 | \$ 273,617,446 |
| Consolidated net income for the period | - | - | - | - | 28,314,607 | - | - | - | - | 2,636,054 | 30,950,661 |
| Other comprehensive income (loss) for the period | - | - | - | - | (136) | (3,629,789) | 555,902 | (2,057,517) | (185) | (1,490,072) | (6,621,797) |
| Total comprehensive income (loss) for the period | - | - | - | - | 28,314,471 | (3,629,789) | 555,902 | (2,057,517) | (185) | 1,145,982 | 24,328,864 |
| Appropriation of 2020 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 2,406,740 | - | (2,406,740) | - | - | - | - | - | - |
| Cash dividend | - | - | - | - | (14,564,923) | - | - | - | - | - | (14,564,923) |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | (1,014,320) | (1,014,320) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | 241,647 | - | (241,647) | - | - | - | - |
| Balance, September 30, 2021 | <u>\$ 121,374,360</u> | <u>\$ 37,885,949</u> | <u>\$ 17,040,473</u> | <u>\$ 6,549,234</u> | <u>\$ 71,918,245</u> | <u>(\$ 8,096,925)</u> | <u>\$ 17,040,403</u> | <u>(\$ 1,711,868)</u> | <u>(\$ 45,323)</u> | <u>\$ 20,412,519</u> | <u>\$ 282,367,067</u> |
| <u>For the nine months ended September 30, 2022</u> | | | | | | | | | | | |
| Balance, January 1, 2022 | \$ 121,374,360 | \$ 37,885,949 | \$ 17,040,473 | \$ 6,549,234 | \$ 77,775,254 | (\$ 8,400,123) | \$ 17,930,672 | (\$ 1,072,737) | (\$ 47,621) | \$ 20,044,244 | \$ 289,079,705 |
| Consolidated net income for the period | - | - | - | - | 19,605,427 | - | - | - | - | 1,016,436 | 20,621,863 |
| Other comprehensive income (loss) for the period | - | - | - | - | 120,136 | (98,726) | (17,172,833) | (4,717,711) | 113 | (240,024) | (22,109,045) |
| Total comprehensive income (loss) for the period | - | - | - | - | 19,725,563 | (98,726) | (17,172,833) | (4,717,711) | 113 | 776,412 | (1,487,182) |
| Appropriation of 2021 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 3,441,312 | - | (3,441,312) | - | - | - | - | - | - |
| Cash dividend | - | - | - | - | (18,206,154) | - | - | - | - | - | (18,206,154) |
| Stock dividend | 3,641,230 | - | - | - | (3,641,230) | - | - | - | - | - | - |
| Changes in equity of associates and joint ventures accounted for under the equity method | - | 42,684 | - | - | - | - | - | - | - | - | 42,684 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | (1,166,054) | (1,166,054) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | (215,902) | - | 215,902 | - | - | - | - |
| Balance, September 30, 2022 | <u>\$ 125,015,590</u> | <u>\$ 37,928,633</u> | <u>\$ 20,481,785</u> | <u>\$ 6,549,234</u> | <u>\$ 71,996,219</u> | <u>(\$ 8,498,849)</u> | <u>\$ 973,741</u> | <u>(\$ 5,790,448)</u> | <u>(\$ 47,508)</u> | <u>\$ 19,654,602</u> | <u>\$ 268,262,999</u> |

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
(Expressed in thousands of New Taiwan dollars)

| | For the nine months ended September 30, | |
|--|---|----------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | \$ 25,582,196 | \$ 37,371,975 |
| Adjustments | | |
| Income and expense items | | |
| Depreciation | 1,946,284 | 1,929,229 |
| Amortisation | 431,806 | 399,680 |
| Provision for bad debt expense, commitment and guarantee policy reserve | 794,187 | 1,186,771 |
| Interest expense | 8,676,721 | 5,153,987 |
| Interest income | (31,966,132) | (27,368,879) |
| Dividend income | (5,593,305) | (4,747,348) |
| Reversal gain on asset impairment | (4,757) | (6,263) |
| Gain reclassified by applying overlay approach | (4,696,002) | (2,096,829) |
| Share of the profit or loss of associates and joint ventures accounted for under the equity method | (157,925) | (420,129) |
| Gain on disposal of assets held for sale | (12,331) | (4,957) |
| Gain on disposal of investment property | (211,200) | (46,494) |
| Gain on disposal or retirement of property and equipment | (64,760) | (8,546) |
| Gain on disposal of intangible assets | (1,139) | (1,528) |
| Intangible assets transferred to expense | 126 | - |
| Gain on lease modification | (133,133) | (112) |
| Gain on lease concession | (97) | (11,657) |
| Net change in insurance liabilities | 21,556,963 | 17,368,588 |
| Changes in operating assets and liabilities | | |
| Changes in operating assets | | |
| Increase in due from Central Bank and call loans to other banks | (2,521,003) | (6,812,435) |
| Decrease in financial assets at fair value through profit or loss | 114,985,283 | 24,377,114 |
| Increase in financial assets at fair value through other comprehensive income | (25,511,987) | (53,552,495) |
| Increase in investments in debt instruments at amortised cost | (45,504,094) | (62,604,234) |
| Decrease (increase) in receivables | 44,210,010 | (22,810,516) |
| Increase in bills discounted and loans | (62,828,738) | (53,563,916) |
| (Increase) decrease in reinsurance contract assets | (110,592) | 48,983 |
| Increase in restricted assets | (2,450,468) | (195,640) |
| Increase in other financial assets | (1,896,033) | (8,009,187) |
| Decrease (increase) in other assets | 4,948,900 | (14,932,179) |
| Changes in operating liabilities | | |
| (Decrease) increase in deposits from Central Bank and other banks | (1,629,004) | 13,701,308 |
| Decrease in financial liabilities at fair value through profit or loss | (11,929,098) | (15,349,019) |
| Decrease in payables | (44,178,080) | (28,156,929) |
| Increase in deposits and remittances | 11,413,151 | 170,692,878 |
| Decrease in liabilities reserve | (1,155,742) | (365,602) |
| Increase in other financial liabilities | 9,663,364 | 9,873,416 |
| (Decrease) increase in other liabilities | (33,814,537) | 10,916,874 |
| Cash outflow generated from operations | (32,161,166) | (8,044,091) |
| Interest received | 31,301,493 | 27,378,175 |
| Dividend received | 5,705,735 | 4,741,336 |
| Interest paid | (8,201,882) | (5,306,317) |
| Income tax paid | (8,736,729) | (5,288,380) |
| Net cash flows (used in) provided by operating activities | (12,092,549) | 13,480,723 |

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

| | <u>For the nine months ended September 30,</u> | |
|---|--|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Acquisition of investments accounted for under the equity method | (\$ 267,139) | (\$ 368,001) |
| Proceeds from liquidation of investments accounted for under the equity method | 148,644 | 251,910 |
| Acquisition of investment property | (275,728) | (25,406) |
| Proceeds from disposal of investment property | 960,881 | 171,022 |
| Acquisition of property and equipment | (1,405,749) | (1,056,010) |
| Proceeds from disposal of property and equipment | 291,446 | 86,342 |
| Acquisition of intangible assets | (219,002) | (109,561) |
| Proceeds from disposal of intangible assets | 2,409 | 1,929 |
| Proceeds from disposal of assets held for sale | 120,880 | 67,000 |
| Acquisition of right-of-use assets | (287) | (177) |
| Net cash flows used in investing activities | (643,645) | (980,952) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| (Decrease) increase in due to Central Bank and other banks | (839,700) | 131,310 |
| Increase (decrease) in bills and bonds payable under repurchase agreements | 18,566,693 | (21,720,866) |
| Increase in commercial paper payable | 7,094,747 | 22,189,387 |
| Proceeds from issuance of bonds | 8,752,585 | 18,712,858 |
| Repayments of bonds | (4,363,552) | (4,000,000) |
| Proceeds from issuance of bank debentures | 2,000,000 | 5,500,000 |
| Repayments of bank debentures | (2,000,000) | (11,000,000) |
| Decrease in other borrowings | (9,677,989) | (1,655,888) |
| Principal payment for lease liabilities | (1,309,794) | (1,109,183) |
| Cash dividends paid | (18,206,154) | (14,564,923) |
| Decrease in non-controlling interests | (1,166,054) | (1,014,320) |
| Net cash flows used in financing activities | (1,149,218) | (8,531,625) |
| Effects of exchange rate changes | 7,269,824 | (5,614,459) |
| Net decrease in cash and cash equivalents | (6,615,588) | (1,646,313) |
| Cash and cash equivalents at beginning of period | 167,631,719 | 157,785,378 |
| Cash and cash equivalents at end of period | <u>\$ 161,016,131</u> | <u>\$ 156,139,065</u> |
| The components of cash and cash equivalents | | |
| Cash and cash equivalents reported in the balance sheet | \$ 60,294,624 | \$ 73,297,712 |
| Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7 | 34,243,448 | 27,693,847 |
| Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7 | 66,478,059 | 55,147,506 |
| Cash and cash equivalents at end of reporting period | <u>\$ 161,016,131</u> | <u>\$ 156,139,065</u> |

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, Unless Otherwise Indicated)

1. History and organization

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

On August 1, 2002, Asia Pacific Bank became a wholly owned subsidiary of the Company and was renamed as Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”).

On December 28, 2006, both the Company and Yuanta Core Pacific Securities Co., Ltd. (“Yuanta Core Pacific Securities”) had resolved for Yuanta Core Pacific Securities becoming the Company’s subsidiary by share exchange as approved through the stockholders’ meeting effective from April 2, 2007, and merged with Yuanta Securities on September 23, 2007.

On June 28, 2011, both the Company and Polaris Securities Co., Ltd. (“Polaris Securities”) had resolved for Polaris Securities becoming the Company’s subsidiary by share exchange as approved through the stockholders’ meeting effective from October 3, 2011, and merged with Yuanta Securities on April 1, 2012.

On January 1, 2014, the Company acquired 100% of shares of New York Life with cash. New York Life officially became a wholly-owned subsidiary of the Company and was renamed as Yuanta Life Insurance Co., Ltd. (“Yuanta Life”) on February 12, 2014.

The share transfer plan between the Company and Ta Chong Commercial Bank Co., Ltd. (hereon referred to as “Ta Chong Bank”) was resolved by their respective shareholders at the special shareholders’ meeting on October 13, 2015, and was completed on March 22, 2016. Thereafter, Ta Chong Bank officially became a wholly-owned subsidiary of the Company, and merged with Yuanta Bank on January 1, 2018.

The Company engages in the business of a financial holding company and its operations are limited to investing and investment management. According to the Financial Holding Company Act, the businesses in which the Company can invest in are securities, banking, bills finance, credit cards, trusts, insurance, futures, venture capital, foreign financial institutions that are authorized by the government authority, and other related financial businesses that are recognised by the government authority. Additionally, the Company was accredited by the Taiwan Corporate Governance Association with Corporate Governance Assessment Advanced Certification (CG6012) on December 25, 2020.

2. The date of authorisation for issuance of the consolidated financial statements and procedures for authorisation

These consolidated financial statements were reported to the Board of Directors and issued on November 21, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IFRS 3, ‘Reference to the conceptual framework’ | January 1, 2022 |
| Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’ | January 1, 2022 |
| Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’ | January 1, 2022 |
| Annual improvements to IFRS Standards 2018–2020 | January 1, 2022 |

The above standards and interpretations have no significant impact to the Yuanta Group’s financial condition and financial performance based on the Yuanta Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Yuanta Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|--|--|
| Amendments to IAS 1, ‘Disclosure of accounting policies’ | January 1, 2023 |
| Amendments to IAS 8, ‘Definition of accounting estimates’ | January 1, 2023 |
| Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’ | January 1, 2023 |

The above standards and interpretations have no significant impact to the Yuanta Group’s financial condition and financial performance based on the Yuanta Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’ | To be determined by International Accounting Standards Board |
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’ | January 1, 2024 |
| IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments to IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’ | January 1, 2023 |

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
|---|--|

Amendments to IAS 1, 'Classification of liabilities as current or non-current'

January 1, 2024

Amendments to IAS 1, 'Non-current liabilities with covenants'

January 1, 2024

Except for the following, the above standards and interpretations have no significant impact to the Yuanta Group's financial condition and financial performance based on the Yuanta Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 17, 'Insurance contracts'

IFRS 17 'Insurance Contracts' replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM') representing the unearned profit of the contract. An entity may apply a modified simplified measurement approach (the premium allocation approach) to some insurance contracts. An entity recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately. Entities are required to present separately insurance revenue, insurance service expenses and insurance finance income or expenses and to disclose information about amounts, judgements and risks arising from insurance contracts.

B. Amendments to IFRS 17, 'Insurance contracts'

The amendments to IFRS 17 include the deferral of effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses and other amendments, and they are not intended to change the fundamental principles of the standard.

C. Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the “Yuanta Group”) have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.
- B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (B) Financial assets at fair value through other comprehensive income.
 - (C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

All subsidiaries are included in the Yuanta Group’s consolidated financial statements (including structured entities). Subsidiaries are all entities controlled by the Yuanta Group. The Yuanta Group controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair value, and shares of non-controlling interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio are directly recognised in the consolidated statements of comprehensive income. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received

is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Note |
|---|---|---|--------------------|-------------------|--------------------|--------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| The Company | Yuanta Securities | Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments | 100.00 | 100.00 | 100.00 | |
| | Yuanta Bank | Commercial banking | 100.00 | 100.00 | 100.00 | |
| | Yuanta Life Insurance Co., Ltd. ("Yuanta Life") | Life insurance business | 100.00 | 100.00 | 100.00 | |
| | Yuanta Futures Co., Ltd. ("Yuanta Futures") | Futures, futures managers, futures consultant, securities, securities trading assistance | 66.27 | 66.27 | 66.27 | |
| | Yuanta Securities Investment Trust Co., Ltd. ("Yuanta Securities Investment Trust") | Securities investment trust | 74.71 | 74.71 | 74.71 | |
| | Yuanta Venture Capital Co., Ltd. ("Yuanta Venture Capital") | Venture capital investments | 100.00 | 100.00 | 100.00 | |
| | Yuanta Asset Management Co., Ltd. ("Yuanta Asset Management") | Providing monetary debt management services for financial institutions | 100.00 | 100.00 | 100.00 | |
| | Yuanta Securities Investment Consulting Co., Ltd. ("Yuanta Securities Investment Consulting") | Securities investment consultant | 100.00 | 100.00 | 100.00 | |
| Yuanta Securities | Yuanta Securities Asia Financial Services Private Limited ("Yuanta Securities Asia Financial Services") | Investment holding | 100.00 | 100.00 | 100.00 | Note 1 |
| | Yuanta International Insurance Brokers Co., Ltd. ("Yuanta International Insurance Brokers") | Insurance brokerage services | 100.00 | 100.00 | 100.00 | |
| | Yuanta Securities Finance Co., Ltd. ("Yuanta Securities Finance") | Securities financing and refinancing to securities firms and related business | 100.00 | 100.00 | 100.00 | |
| | Yuanta Wealth Management (Singapore) Pte. Ltd. ("Yuanta Wealth Management (Singapore)") | Note 2 | 100.00 | - | - | Note 2 |
| Yuanta Securities Asia Financial Services | Yuanta Securities (Hong Kong) Co., Ltd. ("Yuanta Securities (Hong Kong)") | Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions' financing, asset management services | 100.00 | 100.00 | 100.00 | |
| | Yuanta Asia Investment (Hong Kong) Limited ("Yuanta Asia Investment (Hong Kong)") | Securities trading, asset management services | 100.00 | 100.00 | 100.00 | |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Note |
|---|---|--|--------------------|-------------------|--------------------|--------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| Yuanta Securities Asia Financial Services | Yuanta Investment Consulting (Beijing) Co., Ltd. (“Yuanta Investment Consulting Beijing”) | Investment and management consultancy, financial consultancy, enterprise management consultancy, business information consultancy, economic and trade consultancy, marketing strategy and plan, technique promotion and technique service | 100.00 | 100.00 | 100.00 | |
| | Yuanta Securities Korea Co., Ltd. (“Yuanta Securities (Korea)”) | Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent operating business and auxiliary business | 57.57 | 57.39 | 57.39 | |
| | Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”) | Investment holding | 100.00 | 100.00 | 100.00 | |
| | Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”) | Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument | 99.99 | 99.99 | 99.99 | |
| | Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”) | Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives | 92.62 | 92.62 | 90.16 | Note 3 |
| Yuanta Securities (Korea) | Yuanta Investment Co., Ltd. | Venture investment | 57.57 | 57.39 | 57.39 | |
| | Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”) | Investment holding | 57.57 | 57.39 | 57.39 | |
| Yuanta Financial (Hong Kong) | Yuanta Securities (Cambodia) Plc. | Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory | 57.57 | 57.39 | 57.39 | |
| Yuanta Securities (Hong Kong) | Yuanta International Investment (Hong Kong) Ltd. (“Yuanta Investment (Hong Kong)”) | Issue financial instruments and dealing investments | 100.00 | 100.00 | 100.00 | |
| | Yuanta Finance (Hong Kong) Ltd. | Credit loan business | 100.00 | 100.00 | 100.00 | |
| | PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”) | Securities trading and underwriting services | 99.00 | 99.00 | 99.00 | |
| | PT Yuanta Asset Management (Indonesia) | Investment management | - | 0.002 | 0.002 | Note 4 |
| | Yuanta Investment Management (Cayman) Ltd. | Investment management | - | 100.00 | 100.00 | Note 5 |
| | Yuanta Securities (Vietnam) | Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives | 7.38 | 7.38 | 9.84 | Note 3 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Note |
|---------------------------------------|--|---|--------------------|-------------------|--------------------|--------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| Yuanta Securities (Indonesia) | PT Yuanta Asset Management (Indonesia) | Investment management | - | 99.998 | 99.998 | Note 4 |
| Yuanta Investment Management (Cayman) | Yuanta Diamond Funds SPC - Yuanta Real Estate Securities Fund Segregated Portfolio | Investment in real estate investment trusts | - | - | 9.64 | Note 6 |
| Yuanta Investment Co., Ltd. | Yuanta Quantum Jump No.3 Fund | Investment business | 24.67 | 24.60 | 24.60 | |
| Yuanta Bank | Yuanta International Leasing Co., Ltd. ("Yuanta International Leasing") | Leasing business | 100.00 | 100.00 | 100.00 | |
| | Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines)) | Deposits and loans of savings bank | 100.00 | 100.00 | 100.00 | |
| | Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea)) | Deposits and loans of savings bank | 100.00 | 100.00 | 100.00 | |
| Yuanta Futures | Yuanta Futures (Hong Kong) Limited ("Yuanta Futures Hong Kong") | Financial services | 66.27 | 66.27 | 66.27 | |
| | SYF Information Limited ("SYF Information") | Information service | 66.27 | 66.27 | 66.27 | |
| SYF Information | SYF Information (Shanghai) Limited ("SYF Information (Shanghai)") | Information service | - | 66.27 | 66.27 | Note 7 |
| Yuanta Venture Capital | Yuanta I Venture Capital Co., Ltd. ("Yuanta I Venture Capital") | Venture capital investments | 100.00 | 100.00 | 100.00 | |

Note 1: In March 2022, the Board of Directors approved Yuanta Securities' capital increase to Yuanta Securities Asia Financial Services and the process was completed in September, 2022.

Note 2: On April 29, 2022, Yuanta Wealth Management (Singapore) was established by Yuanta Securities through reinvestment, and its main business activities are currently under approval by Singapore authorities.

Note 3: In September 2021, the Board of Directors approved Yuanta Securities Asia Financial Services' capital increase to Yuanta Securities (Vietnam) and the process was completed in November 2021.

Note 4: The disposal of PT Yuanta Asset Management (Indonesia) shares that were held by Yuanta Securities (Hong Kong) and Yuanta Securities (Indonesia) was completed on September 16, 2022.

Note 5: In February 2022, the Board of Directors approved the dissolution and liquidation of Yuanta Investment Management (Cayman). The record date for the liquidation was February 16, 2022.

Note 6: Subscribed in the first quarter of 2020 and redeemed in the fourth quarter of 2021.

Note 7: On June 30, 2022, the Board of Directors of SYF Information approved to set the record date for the liquidation of SYF Information (Shanghai) as June 30, 2022.

C. Structured entities controlled by Yuanta Securities (Korea) are as follows:

September 30, 2022

| Structured entities | Main Business Activities |
|----------------------------------|--------------------------|
| DK project the second Co., Ltd. | Asset-backing |
| YK Hotel the 1st. Co., Ltd. | Asset-backing |
| YK Hyper Co., Ltd. | Asset-backing |
| Gold Poongmu the 1st. Co., Ltd. | Asset-backing |
| Y.K Life the First Co., Ltd. | Asset-backing |
| YK Nonhyun the first Co., Ltd. | Asset-backing |
| YK Kwangyang the first Co., Ltd. | Asset-backing |
| YFI Sokcho Co., Ltd. | Asset-backing |
| YK Gaon Co., Ltd. | Asset-backing |
| YK Wangji the 1st. Co., Ltd. | Asset-backing |

September 30, 2022

| Structured entities | Main Business Activities |
|---------------------------------------|--------------------------|
| YK Seocho the 1st. Co., Ltd. | Asset-backing |
| YFI Manchon Co., Ltd. | Asset-backing |
| YK Songak the 1st. Co., Ltd. | Asset-backing |
| Walkerhill PI the 1st. Co., Ltd. | Asset-backing |
| YK Manhattan the 1st. Co., Ltd. | Asset-backing |
| MIL the 2nd. Co., Ltd. | Asset-backing |
| YK SG Co., Ltd. | Asset-backing |
| YK Ilchul Co., Ltd. | Asset-backing |
| YK Icheon the 1st. Co., Ltd. | Asset-backing |
| JJ Woosan the 1st. Co., Ltd. | Asset-backing |
| YK Royal the 1st. Co., Ltd. | Asset-backing |
| Geumnamro PI the 1st. Co., Ltd. | Asset-backing |
| YOB new one Co., Ltd. | Asset-backing |
| YK Jugyo the 1st. Co., Ltd. | Asset-backing |
| YK Merchant Co., Ltd. | Asset-backing |
| YK Figaro Co., Ltd. | Asset-backing |
| YFI Namsan Co., Ltd. | Asset-backing |
| YK Jincheon Samduk the 1st. Co., Ltd. | Asset-backing |
| YK Pyeongdong the 1st. Co., Ltd. | Asset-backing |
| YK Lhour Co., Ltd. | Asset-backing |
| YK Daejeonyongdu the 1st. Co., Ltd. | Asset-backing |
| Pacific Leo the 1st. Co., Ltd. | Asset-backing |
| YFI Manchon 2 Co., Ltd. | Asset-backing |
| YK Gijang the 1st. Co., Ltd. | Asset-backing |
| YK Greenfood the 1st. Co., Ltd. | Asset-backing |
| YK Saetbyul Co., Ltd. | Asset-backing |
| YK Mars the 1st. Co., Ltd. | Asset-backing |
| Luxia PI the 1st. Co., Ltd. | Asset-backing |
| Jayonloyal Co., Ltd. | Asset-backing |
| Mountain Quad the 1st. Co., Ltd. | Asset-backing |
| Perfect-dream the 5th. Co., Ltd. | Asset-backing |

December 31, 2021

| Structured entities | Main Business Activities |
|-----------------------------------|--------------------------|
| DK project the second Co., Ltd. | Asset-backing |
| YK Hotel the 1st. Co., Ltd. | Asset-backing |
| YFI Double S2 Co., Ltd. | Asset-backing |
| SJ beomcheon the second Co., Ltd. | Asset-backing |
| YK Mozart II Co., Ltd. | Asset-backing |
| YK Seawork Co., Ltd. | Asset-backing |
| YK Chile Co., Ltd. | Asset-backing |
| YK Star Co., Ltd. | Asset-backing |
| YK Hyper Co., Ltd. | Asset-backing |
| YK NineMall Co., Ltd. | Asset-backing |

December 31, 2021

| Structured entities | Main Business Activities |
|-----------------------------------|--------------------------|
| Gold Poongmu the 1st. Co., Ltd. | Asset-backing |
| YFI Jebu Co., Ltd. | Asset-backing |
| YFI Itaewon Co., Ltd. | Asset-backing |
| YK Woongcheon the 1st. Co., Ltd. | Asset-backing |
| Y.K Life the First Co., Ltd. | Asset-backing |
| YK Suwon7 the 1st. Co., Ltd. | Asset-backing |
| Wonheung the first Co., Ltd. | Asset-backing |
| Ostihuh the fifth Co., Ltd. | Asset-backing |
| JY Pyeongtaek the first Co., Ltd. | Asset-backing |
| YK Nonhyun the first Co., Ltd. | Asset-backing |
| YK Kwangyang the first Co., Ltd. | Asset-backing |
| YK Balgok Co., Ltd. | Asset-backing |
| YK Napoli the 1st. Co., Ltd. | Asset-backing |
| YFI Sokcho Co., Ltd. | Asset-backing |
| YK Gaon Co., Ltd. | Asset-backing |
| YKAI the 1st. Co., Ltd. | Asset-backing |
| YK Wangji the 1st. Co., Ltd. | Asset-backing |
| YK Jackjeon Co., Ltd. | Asset-backing |
| YK Seocho the 1st. Co., Ltd. | Asset-backing |
| YFI Manchon Co., Ltd. | Asset-backing |
| YK Songak the 1st. Co., Ltd. | Asset-backing |
| Walkerhill PI the 1st. Co., Ltd. | Asset-backing |
| YK Manhattan the 1st. Co., Ltd. | Asset-backing |
| YK Jije the 1st. Co., Ltd. | Asset-backing |
| MIL the 2nd. Co., Ltd. | Asset-backing |
| YK SG Co., Ltd. | Asset-backing |
| YK Ilchul Co., Ltd. | Asset-backing |
| YK Beethoven Co., Ltd. | Asset-backing |
| YK Icheon the 1st. Co., Ltd. | Asset-backing |
| JJ Woosan the 1st. Co., Ltd. | Asset-backing |
| YK Godeok the 2nd. Co., Ltd. | Asset-backing |
| YK Royal the 1st. Co., Ltd. | Asset-backing |
| Geumnamro PI the 1st. Co., Ltd. | Asset-backing |
| YOB new one Co., Ltd. | Asset-backing |
| YK Jugyo the 1st. Co., Ltd. | Asset-backing |

September 30, 2021

| Structured entities | Main Business Activities |
|-------------------------------|--------------------------|
| DK project second Co., Ltd. | Asset-backing |
| YK Hotel the 1st Co., Ltd. | Asset-backing |
| YFI Double S2 Co., Ltd. | Asset-backing |
| Y.K.Glory the 1st.Co., Ltd. | Asset-backing |
| SJ beomcheon second Co., Ltd. | Asset-backing |

September 30, 2021

| Structured entities | Main Business Activities |
|-----------------------------------|--------------------------|
| YK Maritime Co., Ltd. | Asset-backing |
| YK Mozart II Co., Ltd. | Asset-backing |
| YK Seawork Co., Ltd. | Asset-backing |
| YK Chile Co., Ltd. | Asset-backing |
| YK Songdo Co., Ltd. | Asset-backing |
| Bumersquare the 1st Co., Ltd. | Asset-backing |
| Y.K.Blue the 5th Co., Ltd. | Asset-backing |
| YK Star Co., Ltd. | Asset-backing |
| YK GO Co., Ltd. | Asset-backing |
| YK Hyper Co., Ltd. | Asset-backing |
| YK DragonLake Co., Ltd. | Asset-backing |
| YK NineMall Co., Ltd. | Asset-backing |
| Gold Poongmu the 1st Co., Ltd. | Asset-backing |
| YFI Jebu Co., Ltd. | Asset-backing |
| YFI Itaewon Co., Ltd. | Asset-backing |
| YK Woongcheon the 1st Co., Ltd. | Asset-backing |
| Y.K Life the First Co., Ltd. | Asset-backing |
| YK Suwon7 the 1st Co., Ltd. | Asset-backing |
| Wonheung the first Co., Ltd. | Asset-backing |
| Ostih the fifth Co., Ltd. | Asset-backing |
| JY Pyeongtaek the first Co., Ltd. | Asset-backing |
| YK Nonhyun the first Co., Ltd. | Asset-backing |
| YK Kwangyang the first Co., Ltd. | Asset-backing |
| YK Balgok Co., Ltd. | Asset-backing |
| YK Believe the 1st., Ltd. | Asset-backing |
| YK Napoli the 1st Co., Ltd. | Asset-backing |
| YFI Sokcho Co., Ltd. | Asset-backing |
| YK Godeok Co., Ltd. | Asset-backing |
| YK Gaon Co., Ltd. | Asset-backing |
| YKAI the 1st Co., Ltd. | Asset-backing |
| YK Lusian Co., Ltd. | Asset-backing |
| Y.K Easy the First Co., Ltd. | Asset-backing |
| YK Wangji the 1st Co., Ltd. | Asset-backing |
| YK Jackjeon Co., Ltd. | Asset-backing |

Although the Yuanta Group does not hold most of interests in structured entities, structured entities are included in the consolidated financial statements, taking into account the following: when the company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

- D. Subsidiaries not included in the consolidated financial statements:
None.
- E. Adjustments for subsidiaries with different balance sheet dates:
None.
- F. Significant restrictions:
None.

G. Subsidiaries that have non-controlling interests that are material to the Yuanta Group:

As of September 30, 2022, December 31, 2021, and September 30, 2021, the non-controlling interests amounted to \$19,654,602, \$20,044,244 and \$20,412,519, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

| Name of Subsidiary | Principal place of business | Non-controlling interests | | | | | |
|---------------------------|-----------------------------|---------------------------|--------------|-------------------|--------------|--------------------|--------------|
| | | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
| | | Amount | Ownership(%) | Amount | Ownership(%) | Amount | Ownership(%) |
| Yuanta Securities (Korea) | Korea | \$ 14,230,532 | 42.43% | \$ 14,613,515 | 42.61% | \$ 15,204,621 | 42.61% |

The comprehensive income attributable to this non-controlling interests were (\$275,894), (\$319,880), \$106,838 and \$408,712 for the three months and nine months ended September 30, 2022 and 2021, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

| | Yuanta Securities (Korea) and its subsidiaries | | |
|-------------------------|--|-------------------|--------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Current assets | \$ 312,133,985 | \$ 327,228,785 | \$ 333,312,800 |
| Non-current assets | 14,405,472 | 15,468,327 | 15,073,457 |
| Current liabilities | (281,877,584) | (299,349,069) | (300,762,004) |
| Non-current liabilities | (9,744,217) | (7,826,487) | (10,622,185) |
| Total net assets | \$ 34,917,656 | \$ 35,521,556 | \$ 37,002,068 |

Consolidated statements of comprehensive income

| | Yuanta Securities (Korea) and its subsidiaries | |
|---|--|--------------|
| | For the three months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 3,735,330 | \$ 4,293,641 |
| Profit before income tax | 492,015 | 1,049,441 |
| Income tax expense | (157,456) | (263,285) |
| Net income | 334,559 | 786,156 |
| Other comprehensive loss (net of tax) | (925,873) | (1,715,710) |
| Total comprehensive loss for the period | (\$ 591,314) | (\$ 929,554) |

| | Yuanta Securities (Korea) and its subsidiaries | |
|---|--|---------------|
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 9,755,056 | \$ 17,005,422 |
| Profit before income tax | 1,196,252 | 6,487,943 |
| Income tax expense | (336,535) | (1,572,757) |
| Net income | 859,717 | 4,915,186 |
| Other comprehensive loss (net of tax) | (580,351) | (3,657,115) |
| Total comprehensive income for the period | \$ 279,366 | \$ 1,258,071 |

Consolidated statements of cash flows

| | Yuanta Securities (Korea) and its subsidiaries | |
|---|--|----------------------|
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Net cash provide by (used in) operating activities | \$ 2,176,938 | (\$ 2,157,107) |
| Net cash provided by investing activities | 517,427 | 39,576 |
| Net cash (used in) provided by financing activities (| 131,215) | 3,721,841 |
| Effects of exchange rate changes | 350,919 | (4,170,645) |
| Increase (decrease) in cash and cash equivalents | 2,914,069 | (2,566,335) |
| Cash and cash equivalents, beginning of period | 14,286,007 | 18,526,139 |
| Cash and cash equivalents, end of period | <u>\$ 17,200,076</u> | <u>\$ 15,959,804</u> |

(4) Other significant accounting policies

These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2021 for information on significant accounting policies.

A. Employee benefits

(A) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

(B) Pensions

a. Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

b. Defined benefit plans

(a) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Yuanta Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Yuanta Group uses interest rates of government bonds (at the balance sheet date) instead.

(b) Remeasurement arising on defined benefit plans are recognised immediately in other comprehensive income in the period in which they arise and are recorded as retained earnings.

(c) Past service costs are recognised immediately in profit or loss.

(d) Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

c. Deposits

The Yuanta Group provides preferential interest rate for its employees, including flat preferential savings for current employees. The difference gap compared to market interest rate is deemed as employee benefits.

d. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Yuanta Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Yuanta Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

e. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

B. Income tax

(A) Current income tax

Income tax payable (refundable) is calculated on the basis of the tax laws enacted in the countries where a company operates and generates taxable income. Except that the transactions or other matters are directly recognised in other comprehensive income or equity, and that related income taxes in the period are recognised in other comprehensive income or directly derecognised from equity, all the others should be recognised as income or expense and recorded as gain and loss in the period. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

(B) Deferred income tax

a. Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realisation or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.

b. The land revaluation appraisal due to the revaluation assessment in compliance with relevant regulations, deemed as taxable temporary difference, is recognised as deferred income tax liabilities.

c. If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realised in the future, the proportion of realisation is deemed as deferred income tax asset.

(C) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously. The Yuanta Group does not offset deferred income tax assets against liabilities taxed by different tax authorities.

- (D) The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- (E) If a change in tax rate is enacted or substantively enacted in an interim period, the Yuanta Group recognises the effect of the change on items recognised outside profit or loss immediately in the interim period in which the change occurs and spread the effect of the change on items recognised in profit or loss over the remainder of the annual reporting period via an adjustment to the estimated annual effective income tax rate.

5. Critical accounting judgements, estimates and key sources of assumption uncertainty

There have been no significant changes as of September 30, 2022. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2021.

6. Details of significant accounts

(1) Cash and cash equivalents

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Cash on hand | \$ 6,319,038 | \$ 7,372,807 | \$ 5,685,546 |
| Deposits in banks | 49,702,271 | 66,887,071 | 64,869,537 |
| Futures excess margin and cash equivalents | 3,530,869 | 4,735,560 | 2,237,722 |
| Checks for clearing | 742,446 | 1,740,183 | 504,907 |
| Total | <u>\$ 60,294,624</u> | <u>\$ 80,735,621</u> | <u>\$ 73,297,712</u> |

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

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Reserve for deposits - account A | \$ 7,088,576 | \$ 15,899,701 | \$ 15,776,512 |
| Reserve for deposits - account B | 41,875,654 | 39,520,433 | 38,886,235 |
| Deposits by foreign subsidiary to designated accounts of respective local central banks | 1,916,466 | 2,258,756 | 2,067,156 |
| Reserve for deposits | 10,247,492 | 10,234,067 | 10,198,073 |
| Call loans to banks | 15,538,486 | 12,430,400 | - |
| Total | <u>\$ 76,666,674</u> | <u>\$ 80,343,357</u> | <u>\$ 66,927,976</u> |

- A. Reserves for deposits placed with the Central Bank are calculated monthly at prescribed rates on the average daily balances of various deposit accounts and structured accounts and then lodged into reserve for deposits account of Central Bank. The reserve for deposits - account A is non-interest bearing and call on demand. Reserve for deposits - account B is interest bearing and its use is restricted to monthly adjustment in the reserve for deposits only according to relevant regulations.
- B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of September 30, 2022, December 31, 2021 and September 30, 2021.
- C. Information relating to credit risk is provided in Note 12(3).

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

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Commercial paper | \$ 39,670,553 | \$ 61,827,117 | \$ 90,492,489 |
| Beneficiary certificates / securities | 39,407,024 | 48,402,870 | 54,678,068 |
| Listed stocks | 35,561,837 | 40,352,596 | 34,176,676 |
| Emerging stocks | 1,083,325 | 1,668,280 | 1,837,791 |
| Government bonds | 16,232,690 | 28,530,626 | 30,838,912 |
| Bank debentures | 90,002,415 | 102,569,797 | 105,628,219 |
| Corporate bonds | 37,437,505 | 88,225,853 | 93,765,235 |
| Overseas bonds | - | - | 451,762 |
| Convertible corporate bonds | 65,196,534 | 54,435,801 | 50,950,654 |
| Derivative financial instruments | 31,749,320 | 13,556,918 | 12,072,158 |
| Structured products | 6,248,738 | 1,964,315 | 1,831,774 |
| Reserve for claims of customers' deposits with KSFC (Note 1) | 55,790,363 | 76,340,247 | 77,288,228 |
| Other marketable securities | 10,556,699 | 5,641,320 | 7,459,858 |
| Valuation adjustment | (14,680,145) | 5,726,401 | 743,701 |
| Total | <u>\$ 414,256,858</u> | <u>\$ 529,242,141</u> | <u>\$ 562,215,525</u> |
| Financial liabilities held for trading | | | |
| Derivative financial instruments | \$ 47,239,214 | \$ 22,734,652 | \$ 20,408,902 |
| Non-derivative financial instruments | 38,329,261 | 69,728,384 | 65,206,459 |
| Valuation adjustment of financial liabilities held for trading – non- derivative financial instruments | (4,872,954) | 5,391,115 | 761,312 |
| Financial liabilities designated as at fair value through profit or loss | | | |
| Structured products (Note 2) | 40,556,306 | 39,668,565 | 40,975,100 |
| Convertible bond asset swap not qualifying for derecognition (Note 2) | 23,835,469 | 18,882,930 | 18,526,267 |
| Others | 1,669,232 | 2,280,093 | 2,230,626 |
| Total | <u>\$ 146,756,528</u> | <u>\$ 158,685,739</u> | <u>\$ 148,108,666</u> |

Note 1: KSFC stands for Korea Securities Finance Corporation.

Note 2: Financial instruments designated as at fair value through profit or loss at initial recognition is for hybrid instruments, and in order to eliminate accounting inconsistency.

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged to others as collateral as of September 30, 2022, December 31, 2021, and September 30, 2021.

B. Financial assets to which the overlay approach is applied are as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------------|---------------------------|--------------------------|---------------------------|
| Equity instruments | | | |
| Domestic stocks | \$ 8,507,785 | \$ 5,103,414 | \$ 5,241,387 |
| Overseas stocks | <u>59,579</u> | <u>450,556</u> | <u>516,570</u> |
| | <u>8,567,364</u> | <u>5,553,970</u> | <u>5,757,957</u> |
| Domestic beneficiary certificates | 11,470,271 | 14,176,553 | 15,716,969 |
| Overseas beneficiary certificates | <u>1,143,398</u> | <u>2,933,485</u> | <u>1,218,521</u> |
| | <u>\$ 21,181,033</u> | <u>\$ 22,664,008</u> | <u>\$ 22,693,447</u> |

C. For financial assets to which the overlay approach is applied, the amounts of profit or loss reclassified to other comprehensive income are as follows:

| | <u>For the three months ended September 30,</u> | |
|---|---|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Loss recognised in accordance with IFRS 9 | (\$ 459,594) | (\$ 220,277) |
| Less: Profit that would have been recognised under IAS 39 | (<u>132,106</u>) | (<u>1,294,269</u>) |
| Loss from adopting the overlay approach | (\$ <u>591,700</u>) | (\$ <u>1,514,546</u>) |
| Effects on income tax | (\$ <u>70,725</u>) | \$ <u>39,976</u> |
| | <u>For the nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| (Loss) profit recognised in accordance with IFRS 9 | (\$ 4,508,736) | \$ 145,930 |
| Less: Profit that would have been recognised under IAS 39 | (<u>187,266</u>) | (<u>2,242,759</u>) |
| Loss from adopting the overlay approach | (\$ <u>4,696,002</u>) | (\$ <u>2,096,829</u>) |
| Effects on income tax | (\$ <u>21,709</u>) | \$ <u>39,312</u> |

D. Please refer to Note 6(38) for the amounts recognised in profit or loss in relation to the financial assets at fair value through profit or loss.

(4) Financial assets at fair value through other comprehensive income

| Items | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---------------------------------|--------------------|-------------------|--------------------|
| Debt instruments | | | |
| Government bonds | \$ 62,268,780 | \$ 58,516,422 | \$ 52,842,051 |
| Bank debentures | 70,188,007 | 63,650,211 | 62,604,215 |
| Corporate bonds | 177,107,745 | 173,353,614 | 175,577,520 |
| Commercial paper | 36,269 | 71,422 | 82,526 |
| Others | 1,468,281 | 1,424,392 | 1,407,283 |
| Valuation adjustment | (22,026,473) | (1,610,813) | 212,787 |
| Subtotal | 289,042,609 | 295,405,248 | 292,726,382 |
| Equity instruments | | | |
| Listed stocks | \$ 23,213,234 | \$ 13,421,708 | \$ 13,334,854 |
| Unlisted stocks/Emerging stocks | 4,458,842 | 4,527,870 | 4,590,334 |
| Others | 3,589,640 | 3,315,506 | 3,058,803 |
| Valuation adjustment | 26,430,883 | 23,036,430 | 20,149,830 |
| Subtotal | 57,692,599 | 44,301,514 | 41,133,821 |
| Statutory deposits | - | (1,216,100) | (1,216,100) |
| Total | \$ 346,735,208 | \$ 338,490,662 | \$ 332,644,103 |

- A. As of September 30, 2022, December 31, 2021, and September 30, 2021, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$0, \$1,216,100 and \$1,216,100, respectively in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.
- B. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of September 30, 2022, December 31, 2021, and September 30, 2021, the fair value of such investments were \$57,692,599, \$44,301,514 and \$41,133,821, respectively.
- C. For the nine months ended September 30, 2022 and 2021, the Yuanta Group sold the equity shares due to the structural changes in the industry and market interference and increase of uncertainties, in order to diversify risk, consider the asset allocation and adjust the investment portfolios. The fair value of such equity investments sold amounted to \$7,560,386 and \$22,645,682, and accumulated (losses) gains on disposal were (\$228,872) and \$275,493, respectively.

D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

| | For the three months ended September 30, | |
|---|--|---------------------|
| | 2022 | 2021 |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | \$ 4,113,791 | \$ 356,610 |
| Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax | (\$ 165,930) | (\$ 267,378) |
| Dividend income recognised in profit or loss | | |
| Held at end of period | \$ 1,803,903 | \$ 950,536 |
| Derecognised in the current period | 31,124 | 510,231 |
| | <u>\$ 1,835,027</u> | <u>\$ 1,460,767</u> |
| <u>Debt instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | (\$ 5,754,823) | (\$ 415,489) |
| Cumulative other comprehensive income reclassified to profit or loss | | |
| Reclassified due to impairment recognition | (\$ 1,058) | \$ 3,872 |
| Reclassified due to derecognition | 505,986 | (431,655) |
| | <u>\$ 504,928</u> | <u>(\$ 427,783)</u> |
| Interest income recognised in profit or loss | <u>\$ 995,543</u> | <u>\$ 830,067</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | \$ 3,388,083 | \$ 4,908,155 |
| Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax | (\$ 215,902) | \$ 241,647 |
| Dividend income recognised in profit or loss | | |
| Held at end of period | \$ 2,629,627 | \$ 1,329,785 |
| Derecognised in the current period | 52,953 | 685,137 |
| | <u>\$ 2,682,580</u> | <u>\$ 2,014,922</u> |

| | For the nine months ended September 30, | |
|--|---|-----------------------|
| | 2022 | 2021 |
| Debt instruments at fair value through other comprehensive income | | |
| Fair value change recognised in other comprehensive income | (\$ 21,136,265) | (\$ 2,572,977) |
| Cumulative other comprehensive income reclassified to profit or loss | | |
| Reclassified due to impairment recognition | (\$ 15,320) | (\$ 7,479) |
| Reclassified due to derecognition | 480,741 | (1,634,773) |
| | <u>\$ 465,421</u> | <u>(\$ 1,642,252)</u> |
| Interest income recognised in profit or loss | <u>\$ 2,766,945</u> | <u>\$ 2,550,156</u> |

E. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of September 30, 2022, December 31, 2021 and September 30, 2021 are provided in Note 8.

F. Information relating to credit risk is provided in Note 12(3).

(5) Investments in debt instruments at amortised cost

| Items | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------------------|-----------------------|-----------------------|-----------------------|
| Government bonds | \$ 119,884,811 | \$ 110,721,492 | \$ 108,188,198 |
| Time deposits | 183,735,000 | 198,696,885 | 201,056,200 |
| Bank debentures | 110,276,018 | 92,164,285 | 87,519,148 |
| Corporate bonds | 143,956,466 | 109,549,412 | 98,679,952 |
| Subtotal | 557,852,295 | 511,132,074 | 495,443,498 |
| Less: Accumulated impairment | (165,310) | (148,842) | (144,684) |
| Statutory deposits | (3,560,400) | (2,344,300) | (2,344,300) |
| Total | <u>\$ 554,126,585</u> | <u>\$ 508,638,932</u> | <u>\$ 492,954,514</u> |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

| | For the three months ended September 30, | |
|--------------------------------------|--|---------------------|
| | 2022 | 2021 |
| Interest income | \$ 3,048,111 | \$ 2,340,051 |
| Charge of impairment loss | (5,782) | (726) |
| Gains on disposal | (27,049) | 255,032 |
| | <u>\$ 3,015,280</u> | <u>\$ 2,594,357</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Interest income | \$ 8,417,124 | \$ 6,884,820 |
| (Charge) reversal of impairment loss | (16,441) | 759 |
| Gains on disposal | 130,702 | 1,176,935 |
| | <u>\$ 8,531,385</u> | <u>\$ 8,062,514</u> |

- B. The Yuanta Group sold certain financial assets at amortised cost for the three months and nine months ended September 30, 2022 and 2021, due to factors such as considering pay back in advance, mandatorily redeemed by the issuer, increase in credit risk, exchange offer which was publicly purchased or individual and aggregated amount that is non-significant. The gain on disposal of investments in debt instruments at amortised cost were (\$27,049), \$255,032, \$130,702 and \$1,176,935, respectively.
- C. As of September 30, 2022, December 31, 2021, and September 30, 2021, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$3,560,400, \$2,344,300 and \$2,344,300, respectively in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.
- D. Details of the Yuanta Group's financial assets at amortised cost pledged to others as collateral as of September 30, 2022, December 31, 2021 and September 30, 2021, are provided in Note 8.
- E. Information relating to credit risk is provided in Note 12(3).

(6) Bills and bonds purchased under resale or bills and bonds sold under repurchase agreements

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|---------------------------|---------------------------|
| Bills and bonds purchased under resale agreement | \$ <u>66,478,059</u> | \$ <u>46,454,964</u> | \$ <u>55,147,506</u> |
| Interest rate range | 0.43% ~ 10.00% | 0.13% ~ 4.00% | 0.13% ~ 1.41% |
| Contract resale amount | \$ <u>66,591,070</u> | \$ <u>46,501,102</u> | \$ <u>55,192,637</u> |
| Bills and bonds payable under repurchase agreement | \$ <u>202,432,542</u> | \$ <u>183,865,849</u> | \$ <u>194,900,321</u> |
| Interest rate range | 0.35% ~ 9.00% | -0.55% ~ 3.00% | -0.43% ~ 1.75% |
| Contract repurchase amount | \$ <u>207,093,890</u> | \$ <u>187,259,926</u> | \$ <u>198,761,228</u> |

(7) Receivables – net

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|----------------------------|---------------------------|--------------------------|---------------------------|
| Interest receivable | \$ 8,525,938 | \$ 7,861,299 | \$ 7,029,171 |
| Receivable of securities | | | |
| business money lending | 50,556,526 | 48,803,911 | 42,255,635 |
| Factoring receivable | 8,382,665 | 5,463,356 | 5,428,278 |
| Margin loans receivable | 86,747,060 | 120,197,206 | 113,223,341 |
| Spot exchange receivable | 2,334,567 | 168,239 | 4,548,177 |
| Credit card receivable | 8,267,175 | 8,339,888 | 7,865,633 |
| Net exchange clearing | | | |
| receivable | 6,286,817 | 11,619,438 | 9,172,979 |
| Settlement price | | | |
| receivable | 34,103,323 | 52,522,419 | 54,377,520 |
| Securities sold receivable | 7,060,442 | 3,508,149 | 14,274,030 |
| Other receivables | 10,292,139 | 7,298,067 | 10,024,284 |
| Subtotal | 222,556,652 | 265,781,972 | 268,199,048 |
| Less: Allowance for | | | |
| credit losses | (2,142,560) | (2,078,612) | (2,117,827) |
| Total | <u>\$ 220,414,092</u> | <u>\$ 263,703,360</u> | <u>\$ 266,081,221</u> |

A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the nine months ended September 30, 2022 and 2021, details are provided in Note 12(3).

B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of September 30, 2022, December 31, 2021, and September 30, 2021, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were 6.45%~9.95%, 5.95%~9.75% and 5.95%~9.75%; the annual interest rates range of Yuanta Securities (Hong Kong) were 1.93%~13.00%, 0.76%~12.88% and 0.67%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were 16.00%~18.00%, 16.00%~18.00% and 18.00% respectively; the annual interest rates range of Yuanta Securities (Thailand) were 3.85%~4.50%, 3.85%~4.15% and 3.85%~4.15%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were all 6.00%~12.00%.

(8) Assets held for sale

In order to improve the efficiency of asset utilization, Yuanta Bank approved the sale of its own real estate by the Board of Directors, and the relevant assets were reclassified to “assets held for sale”. After remeasuring the fair value less costs to sell, the balance of assets held for sale is \$86,904, \$194,563 and \$141,607 as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively. The fair value of the assets held for sale is based on the result of valuation by independent valuation experts, which was categorised within level 2 in the fair value hierarchy. For the three months and nine months ended September 30, 2022 and 2021, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal amounted to \$52,000, \$0, \$120,880 and \$67,000, respectively, and gain on disposal amounted to \$520, \$0, \$12,331 and \$4,957, respectively, and the reversal gain (losses) on asset impairment amounted to \$0, (\$80), \$890 and (\$80), respectively.

(9) Bills discounted and loans - net

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Bills discounted | \$ 84,652 | \$ 52,595 | \$ 241,226 |
| Overdrafts | 3,597 | 3,495 | 3,466 |
| Short-term loans | 116,406,100 | 76,386,151 | 67,757,700 |
| Short-term loans secured | 84,696,620 | 78,421,921 | 74,071,743 |
| Medium-term loans | 119,233,501 | 108,695,496 | 105,517,291 |
| Medium-term loans secured | 223,965,409 | 237,792,993 | 230,612,754 |
| Long-term loans | 5,059,764 | 5,846,989 | 6,073,476 |
| Long-term loans secured | 400,978,463 | 380,497,850 | 364,942,717 |
| Import-export negotiations | - | 42,043 | 87,119 |
| Accounts receivable financing | 721,532 | 369,409 | 256,763 |
| Automatic policy loans | 1,579,688 | 1,504,292 | 1,503,199 |
| Life insurance policy loans | 5,914,500 | 5,798,540 | 5,789,659 |
| Loans transferred to non-performing loans | <u>1,578,643</u> | <u>2,100,281</u> | <u>2,526,762</u> |
| Subtotal | 960,222,469 | 897,512,055 | 859,383,875 |
| Less: Allowance for credit losses | (14,088,261) | (13,243,398) | (13,060,366) |
| Less: Adjustment for premium | <u>7,785</u> | <u>23,205</u> | <u>13,334</u> |
| Total | <u>\$ 946,141,993</u> | <u>\$ 884,291,862</u> | <u>\$ 846,336,843</u> |

A. The Yuanta Group recognised the appropriate allowance for credit losses for the bills discounted and loans. For the details of changes in allowance for credit losses in relation to bills discounted and loans for the nine months ended September 30, 2022 and 2021, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Bills discounted and loans including adjustment for premium | | | |
| Yuanta Bank | \$ 941,877,603 | \$ 875,442,970 | \$ 841,542,956 |
| Yuanta Securities | 10,858,463 | 14,789,164 | 10,560,890 |
| Yuanta Life | <u>7,494,188</u> | <u>7,303,126</u> | <u>7,293,363</u> |
| Subtotal | <u>960,230,254</u> | <u>897,535,260</u> | <u>859,397,209</u> |
| Allowance for credit losses | | | |
| Yuanta Bank | (\$ 13,207,210) | (\$ 12,320,067) | (\$ 12,161,888) |
| Yuanta Securities | (881,051) | (923,327) | (898,471) |
| Yuanta Life | <u>-</u> | <u>(4)</u> | <u>(7)</u> |
| Subtotal | <u>(14,088,261)</u> | <u>(13,243,398)</u> | <u>(13,060,366)</u> |
| Total | <u>\$ 946,141,993</u> | <u>\$ 884,291,862</u> | <u>\$ 846,336,843</u> |

C. For the three months and nine months ended September 30, 2022 and 2021, the Consolidated Company has recognised gain of \$4,192, \$11,469, \$5,985 and \$11,469, respectively, when derecognizing credit assets measured at amortised cost.

(10) Reinsurance contract assets

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|---------------------|---------------------|---------------------|
| Claims recoverable from reinsurers | \$ 617,911 | \$ 589,641 | \$ 466,857 |
| Due from reinsurers and ceding companies | 111,829 | 136,791 | 99,053 |
| Reinsurance reserve assets | | | |
| ceded unearned premium reserve | 387,871 | 457,017 | 416,403 |
| ceded claims reserve | 121,965 | 146,072 | 67,854 |
| Overdue receivables | 107,285 | - | - |
| Total | <u>\$ 1,346,861</u> | <u>\$ 1,329,521</u> | <u>\$ 1,050,167</u> |

(11) Investments accounted for under the equity method

| | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
|---|--------------------|---------|-------------------|---------|--------------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Associates: | | | | | | |
| CR Yuanta Fund Management Company Limited | \$ 348,378 | 24.50% | \$ 337,265 | 24.50% | \$ 332,340 | 24.50% |
| GC Investment Consultant (Shanghai) Co., Ltd. | 22,922 | 100.00% | 20,126 | 100.00% | 20,283 | 100.00% |
| Woori Asset Management Corp. | 717,650 | 27.00% | 751,041 | 27.00% | 750,120 | 27.00% |
| Polaris Ocean Private Equity Fund | - | - | 75,719 | 3.26% | 54,384 | 3.26% |
| TONGYANG AGRI-FOOD INVESTMENT FUND II | 67,755 | 40.74% | 71,155 | 40.74% | 71,890 | 40.74% |
| IBKC-TONGYANG Growth 2013 Private Equity Fund | 82,018 | 10.71% | 136,660 | 10.71% | 122,261 | 10.71% |
| KVIC-Yuanta 2015 Overseas Advance Fund | 163,330 | 44.00% | 235,341 | 44.00% | 249,881 | 44.00% |
| 2016 KIF-Yuanta ICT Venture Fund | 74,869 | 16.67% | 98,532 | 16.67% | 95,662 | 16.67% |
| Yuanta Secondary No.2 Fund | 187,141 | 12.28% | 191,683 | 12.28% | 203,890 | 12.28% |
| Yuanta Secondary No.3 Private Equity Fund | 697,934 | 15.26% | 576,228 | 15.26% | 432,200 | 15.26% |
| SJ-ULTRA V 1st FUND | 26,731 | 34.48% | 28,539 | 34.48% | 28,840 | 34.48% |
| Yuanta SPAC IV | - | - | 1,092 | 0.54% | 1,111 | 0.54% |
| Yuanta-HPNT Private Equity Fund | 4,409 | 0.09% | 4,635 | 0.09% | 4,684 | 0.09% |
| Yuanta SPAC V | - | - | 677 | 0.25% | 686 | 0.25% |
| Kiwoom-Yuanta 2019 Scale-up Fund | 391,423 | 15.20% | 277,222 | 15.20% | 198,508 | 15.20% |
| Yuanta SPAC VII | 1,981 | 0.91% | 2,083 | 0.91% | 2,100 | 0.91% |
| Yuanta SPAC VIII | 435 | 0.15% | 457 | 0.15% | 467 | 0.15% |

| | <u>September 30, 2022</u> | | <u>December 31, 2021</u> | | <u>September 30, 2021</u> | |
|-------------------------------------|---------------------------|----------|--------------------------|----------|---------------------------|----------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| Yuanta Innovative Job Creation Fund | \$ 176,465 | 22.73% | \$ 127,096 | 22.73% | \$ 105,888 | 22.73% |
| Yuanta Quantum Jump No.1 Fund | 62,092 | 12.50% | 76,671 | 12.50% | 70,820 | 12.50% |
| Yuanta Great Unicorn No.1 Fund | 106,643 | 17.65% | 68,833 | 17.65% | 70,590 | 17.65% |
| Yuanta Innovative Growth MPE Fund | 29,412 | 14.02% | 34,539 | 14.02% | - | - |
| Yuanta SPAC IX | 222 | 4.17% | - | - | - | - |
| Yuanta SPAC X | 222 | 4.35% | - | - | - | - |
| Yuanta SPAC XI | 222 | 4.17% | - | - | - | - |
| Yuanta SPAC XII | 222 | 3.70% | - | - | - | - |
| | <u>\$ 3,162,476</u> | | <u>\$ 3,115,594</u> | | <u>\$ 2,816,605</u> | |

The Yuanta Group's shares of the operating results in all individually immaterial associates are summarized below:

| | <u>For the three months ended September 30,</u> | |
|---|---|-------------|
| | <u>2022</u> | <u>2021</u> |
| Net (loss) gain for the period from continuing operations | (\$ 16,581) | \$ 45,316 |
| Other comprehensive gain (net of tax) | 719 | 33 |
| | <u>For the nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| Net gain for the period from continuing operations | \$ 157,925 | \$ 420,129 |
| Other comprehensive gain (loss) (net of tax) | 931 | (761) |

(12) Other financial assets - net

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Non-loans reclassified to non-performing loans | \$ 867,204 | \$ 922,789 | \$ 923,106 |
| Less: Allowance for credit losses | (865,583) | (917,159) | (918,882) |
| | <u>1,621</u> | <u>5,630</u> | <u>4,224</u> |
| Purchase of claim receivable | 1,819,361 | 1,834,995 | 1,839,213 |
| Valuation adjustment on purchase of claim receivable | (21,198) | (21,729) | (21,102) |
| | <u>1,798,163</u> | <u>1,813,266</u> | <u>1,818,111</u> |
| Customer margin account | 79,586,671 | 78,225,201 | 82,981,755 |
| Investment-linked insurance product assets | 32,135,416 | 30,724,969 | 31,496,256 |
| Receivables from security lending | 828,255 | 39,934 | 24,832 |
| Others | 248,582 | 144,592 | 158,722 |
| Total | <u>\$ 114,598,708</u> | <u>\$ 110,953,592</u> | <u>\$ 116,483,900</u> |

- A. Information relating to credit risk is provided in Note 12(3).
- B. The Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of September 30, 2022, December 31, 2021, and September 30, 2021, as well as for the three months and nine months ended September 30, 2022 and 2021, details about the investment insurance products - separate accounts were as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---|--------------------------|---------------------------|
| Investment – linked insurance product assets | | | |
| Cash in bank | \$ - | \$ 105 | \$ 763 |
| Financial assets at fair value through profit or loss | 32,065,767 | 30,647,537 | 31,201,981 |
| Other receivables | 69,649 | 77,327 | 293,512 |
| | <u>\$ 32,135,416</u> | <u>\$ 30,724,969</u> | <u>\$ 31,496,256</u> |
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Investment – linked insurance product liabilities | | | |
| Reserve for investment linked insurance product | | | |
| – insurance contract | \$ 6,807,710 | \$ 6,085,939 | \$ 6,065,926 |
| – investment contract | 25,307,689 | 24,578,809 | 25,417,796 |
| Other payables | 20,017 | 60,221 | 12,534 |
| | <u>\$ 32,135,416</u> | <u>\$ 30,724,969</u> | <u>\$ 31,496,256</u> |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Revenue on investment – linked insurance products | | | |
| Premium income | \$ 310,509 | \$ 965,505 | |
| Loss on financial assets at fair value through profit or loss | (118,608) | (107,019) | |
| Exchange (loss) gain | (2,233) | 29 | |
| Interest income | 1,305 | 1,414 | |
| Other income | 3,831 | 4,661 | |
| | <u>\$ 194,804</u> | <u>\$ 864,590</u> | |
| Expenses on investment – linked insurance products | | | |
| Claims and policy benefit payments | \$ 55,552 | \$ 87,032 | |
| Net change in reserve for investment-linked insurance product-insurance contract | 55,490 | 699,387 | |
| Administrative expenses and other expenses | 83,762 | 78,171 | |
| | <u>\$ 194,804</u> | <u>\$ 864,590</u> | |

| | | For the nine months ended September 30, | |
|--|----|---|---------------------|
| | | 2022 | 2021 |
| Revenue on investment – linked insurance products | | | |
| Premium income | \$ | 2,129,488 | \$ 4,331,982 |
| (Loss) gain on financial assets at fair value through profit or loss | (| 1,002,513) | 163,647 |
| Exchange (loss) gain | (| 5,009) | 462 |
| Interest income | | 3,837 | 4,319 |
| Other income | | 4,492 | 5,721 |
| | \$ | <u>1,130,295</u> | <u>\$ 4,506,131</u> |
| Expenses on investment – linked insurance products | | | |
| Claims and policy benefit payments | \$ | 170,408 | \$ 196,380 |
| Net change in reserve for investment-linked insurance product-insurance contract | | 716,762 | 4,153,350 |
| Administrative expenses and other expenses | | 243,125 | 156,401 |
| | \$ | <u>1,130,295</u> | <u>\$ 4,506,131</u> |

(13) Investment property - net

| | | September 30, 2022 | | | |
|--|----------------------|--------------------------|------------------------|----------------------|--|
| Assets | Cost | Accumulated depreciation | Accumulated impairment | Book value | |
| Land and land improvements | \$ 2,097,124 | \$ - | (\$ 204,601) | \$ 1,892,523 | |
| Buildings | 1,851,098 | (766,582) | (39,049) | 1,045,467 | |
| Right-of-use assets | 6,470,219 | (251,248) | - | 6,218,971 | |
| Investment property under construction | 956,109 | - | - | 956,109 | |
| Total | <u>\$ 11,374,550</u> | <u>(\$ 1,017,830)</u> | <u>(\$ 243,650)</u> | <u>\$ 10,113,070</u> | |
| | | December 31, 2021 | | | |
| Assets | Cost | Accumulated depreciation | Accumulated impairment | Book value | |
| Land and land improvements | \$ 2,449,532 | \$ - | (\$ 211,282) | \$ 2,238,250 | |
| Buildings | 2,437,410 | (959,966) | (40,370) | 1,437,074 | |
| Right-of-use assets | 6,661,896 | (280,734) | - | 6,381,162 | |
| Investment property under construction | 470,967 | - | - | 470,967 | |
| Prepayments for land and buildings | 166,069 | - | - | 166,069 | |
| Total | <u>\$ 12,185,874</u> | <u>(\$ 1,240,700)</u> | <u>(\$ 251,652)</u> | <u>\$ 10,693,522</u> | |

| September 30, 2021 | | | | |
|--|-----------------------|--------------------------|------------------------|----------------------|
| Assets | Cost | Accumulated depreciation | Accumulated impairment | Book value |
| Land and land improvements | \$ 2,605,645 | \$ - | (\$ 214,924) | \$ 2,390,721 |
| Buildings | 2,567,246 | (978,776) | (42,781) | 1,545,689 |
| Right-of-use assets | 6,664,244 | (253,170) | - | 6,411,074 |
| Investment property under construction | 439,636 | - | - | 439,636 |
| Prepayments for land and buildings | 18,007 | - | - | 18,007 |
| Total | <u>\$ 12,294,778</u> | <u>(\$ 1,231,946)</u> | <u>(\$ 257,705)</u> | <u>\$ 10,805,127</u> |
| Change in investment property of the Yuanta Group: | | | | |
| For the nine months ended September 30, | | | | |
| | 2022 | 2021 | | |
| Cost | | | | |
| At January 1 | \$ 12,185,874 | \$ 13,084,181 | | |
| Additions | 378,122 | 114,625 | | |
| Disposals | (1,065,430) | (148,666) | | |
| Transferred out to property and equipment | (299,347) | (980,817) | | |
| Transferred in from property and equipment | 277,992 | 552,149 | | |
| Others | (16,796) | - | | |
| Foreign exchange adjustment and others | (85,865) | (326,694) | | |
| At September 30 | <u>\$ 11,374,550</u> | <u>\$ 12,294,778</u> | | |
| For the nine months ended September 30, | | | | |
| | 2022 | 2021 | | |
| Accumulated depreciation | | | | |
| At January 1 | (\$ 1,240,700) | (\$ 1,265,643) | | |
| Depreciation | (53,782) | (71,205) | | |
| Disposals | 312,648 | 22,832 | | |
| Transferred out to property and equipment | 22,685 | 181,015 | | |
| Transferred in from property and equipment | (17,128) | (113,228) | | |
| Others | 2,687 | - | | |
| Foreign exchange adjustment and others | (44,240) | 14,283 | | |
| At September 30 | <u>(\$ 1,017,830)</u> | <u>(\$ 1,231,946)</u> | | |
| For the nine months ended September 30, | | | | |
| | 2022 | 2021 | | |
| Accumulated impairment | | | | |
| At January 1 | (\$ 251,652) | (\$ 260,254) | | |
| Reversal of impairment loss | 5,010 | 4,597 | | |
| Disposals | 3,101 | 1,306 | | |
| Transferred in from property and equipment | (109) | (3,354) | | |
| At September 30 | <u>(\$ 243,650)</u> | <u>(\$ 257,705)</u> | | |

- A. The fair value of the investment property held by the Yuanta Group as of September 30, 2022, December 31, 2021 and September 30, 2021 were \$12,027,581, \$12,506,439 and \$12,848,615, respectively, according to the result of valuation by an independent valuation expert using the income approach, comparison approach, cost approach and land development analysis approach. As of September 30, 2022, the fair value included the amounts of \$3,286,034 and \$8,741,547 ; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2021, the fair value included the amounts of \$3,407,887 and \$9,098,552 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of September 30, 2021, the fair value included the amounts of \$3,543,914 and \$9,304,701 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the three months and nine months ended September 30, 2022 and 2021, rental income from the lease of the investment property were \$40,144, \$49,153, \$131,938 and \$159,811, respectively.
- C. The Yuanta Group has applied the practical expedient to “Covid-19-related rent concessions”, and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$3,120 and \$9,076 by decreasing lease liability and investment property - investment property under construction for the nine months ended September 30, 2022 and 2021, respectively.
- D. Please refer to Note 8 for details of the Yuanta Group’s investment property pledged to others as collateral.

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(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2022

| Cost | Land and land improvements (Note) | Buildings | Machinery and computer equipment | Transportation equipment | Miscellaneous equipment | Construction in progress and prepayments for business facilities | Total |
|---|--------------------------------------|----------------|--|-----------------------------|----------------------------|---|----------------|
| At January 1 | \$ 15,095,745 | \$ 7,241,243 | \$ 4,033,225 | \$ 209,637 | \$ 1,738,942 | \$ 2,420,243 | \$ 30,739,035 |
| Additions | - | 78 | 355,221 | 9,516 | 96,134 | 944,800 | 1,405,749 |
| Disposals | (126,983) | (228,215) | (276,922) | (8,028) | (140,435) | - | (780,583) |
| Transferred in from investment property | 243,407 | 55,940 | - | - | - | - | 299,347 |
| Transferred out to investment property | (232,808) | (45,184) | - | - | - | - | (277,992) |
| Others | - | - | 57,367 | 1,450 | 98,119 | (131,754) | 25,182 |
| Translation difference | (13,208) | (45,649) | (51,557) | 876 | 25,031 | 2,245 | (82,262) |
| At September 30 | \$ 14,966,153 | \$ 6,978,213 | \$ 4,117,334 | \$ 213,451 | \$ 1,817,791 | \$ 3,235,534 | \$ 31,328,476 |
| <u>Accumulated depreciation</u> | | | | | | | |
| At January 1 | \$ - | (\$ 2,223,653) | (\$ 2,681,768) | (\$ 128,225) | (\$ 1,024,589) | \$ - | (\$ 6,058,235) |
| Depreciation | - | (152,958) | (454,803) | (20,002) | (237,263) | - | (865,026) |
| Disposals | - | 115,276 | 275,362 | 5,320 | 136,553 | - | 532,511 |
| Transferred in from investment property | - | (22,685) | - | - | - | - | (22,685) |
| Transferred out to investment property | - | 17,128 | - | - | - | - | 17,128 |
| Others | - | - | 9 | - | - | - | 9 |
| Translation difference | - | 18,379 | 42,523 | (684) | (23,135) | - | 37,083 |
| At September 30 | \$ - | (\$ 2,248,513) | (\$ 2,818,677) | (\$ 143,591) | (\$ 1,148,434) | \$ - | (\$ 6,359,215) |
| <u>Accumulated impairment</u> | | | | | | | |
| At January 1 | (\$ 149,649) | (\$ 62,269) | \$ - | \$ - | (\$ 298) | \$ - | (\$ 212,216) |
| Disposals | 18,919 | 2,467 | - | - | - | - | 21,386 |
| Transferred out to investment property | (331) | 440 | - | - | - | - | 109 |
| At September 30 | (\$ 131,061) | (\$ 59,362) | \$ - | \$ - | (\$ 298) | \$ - | (\$ 190,721) |
| Net carrying amount | \$ 14,835,092 | \$ 4,670,338 | \$ 1,298,657 | \$ 69,860 | \$ 669,059 | \$ 3,235,534 | \$ 24,778,540 |

Note: A trust in Chang Hwa Bank was set up in relation to the land, with a book value of \$3,447,759, due to the city renovation.

2021

| Cost | Land and land improvements | Buildings | Machinery and computer equipment | Transportation equipment | Miscellaneous equipment | Construction in progress and prepayments for business facilities | Total |
|---|-------------------------------|-----------------------|--|-----------------------------|----------------------------|---|-----------------------|
| At January 1 | \$ 14,345,304 | \$ 8,482,180 | \$ 4,032,553 | \$ 200,392 | \$ 1,625,519 | \$ 2,096,887 | \$ 30,782,835 |
| Additions | - | 631 | 252,032 | 15,920 | 88,939 | 698,488 | 1,056,010 |
| Disposals | (70,253) | (47,575) | (307,805) | (13,036) | (243,883) | - | (682,552) |
| Transferred in from investment property | 627,487 | 353,330 | - | - | - | - | 980,817 |
| Transferred out to investment property | (338,443) | (213,706) | - | - | - | - | (552,149) |
| Others | - | - | 84,572 | 16,150 | 74,655 | (234,268) | (58,891) |
| Translation difference | (38,731) | (142,440) | (224,423) | (1,188) | (39,177) | (593) | (446,552) |
| At September 30 | <u>\$ 14,525,364</u> | <u>\$ 8,432,420</u> | <u>\$ 3,836,929</u> | <u>\$ 218,238</u> | <u>\$ 1,506,053</u> | <u>\$ 2,560,514</u> | <u>\$ 31,079,518</u> |
| <u>Accumulated depreciation</u> | | | | | | | |
| At January 1 | \$ - | (\$ 2,582,793) | (\$ 2,805,951) | (\$ 122,802) | (\$ 1,081,973) | \$ - | (\$ 6,593,519) |
| Depreciation | - | (182,349) | (423,293) | (19,267) | (192,121) | - | (817,030) |
| Disposals | - | 23,019 | 307,633 | 7,462 | 231,649 | - | 569,763 |
| Transferred in from investment property | - | (181,015) | - | - | - | - | (181,015) |
| Transferred out to investment property | - | 113,228 | - | - | - | - | 113,228 |
| Others | - | - | (4,928) | (113) | 175 | - | (4,866) |
| Translation difference | - | 55,869 | 196,580 | 948 | 28,938 | - | 282,335 |
| At September 30 | <u>\$ -</u> | <u>(\$ 2,754,041)</u> | <u>(\$ 2,729,959)</u> | <u>(\$ 133,772)</u> | <u>(\$ 1,013,332)</u> | <u>\$ -</u> | <u>(\$ 6,631,104)</u> |
| <u>Accumulated impairment</u> | | | | | | | |
| At January 1 | (\$ 192,614) | (\$ 66,387) | \$ - | \$ - | (\$ 298) | \$ - | (\$ 259,299) |
| Disposals | 34,993 | - | - | - | - | - | 34,993 |
| Transferred out to investment property | 2,279 | 1,075 | - | - | - | - | 3,354 |
| At September 30 | <u>(\$ 155,342)</u> | <u>(\$ 65,312)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 298)</u> | <u>\$ -</u> | <u>(\$ 220,952)</u> |
| Net carrying amount | <u>\$ 14,370,022</u> | <u>\$ 5,613,067</u> | <u>\$ 1,106,970</u> | <u>\$ 84,466</u> | <u>\$ 492,423</u> | <u>\$ 2,560,514</u> | <u>\$ 24,227,462</u> |

Please refer to Note 8 for details of property and equipment pledged to others as collateral.

The Yuanta Group set land and buildings which were classified as operating lease, and the assets belonging and not belonging to operating lease are as follows:
For the nine months ended September 30, 2022, no land or building was classified as operating lease.

| | 2021 | | | | | |
|---|----------------------|-------------|----------------------|-----------------------|-------------|-----------------------|
| | Land | | | Buildings | | |
| | Owner-occupied | Lease | Subtotal | Owner-occupied | Lease | Subtotal |
| Cost | | | | | | |
| At January 1 | \$ 14,152,650 | \$ 192,654 | \$ 14,345,304 | \$ 8,454,299 | \$ 27,881 | \$ 8,482,180 |
| Additions | - | - | - | 631 | - | 631 |
| Disposals | (70,253) | - | (70,253) | (47,575) | - | (47,575) |
| Transferred in from investment property | 627,487 | - | 627,487 | 353,330 | - | 353,330 |
| Transferred out to investment property | (338,443) | - | (338,443) | (213,706) | - | (213,706) |
| Others | 192,654 | (192,654) | - | 27,881 | (27,881) | - |
| Translation difference | (38,731) | - | (38,731) | (142,440) | - | (142,440) |
| At September 30 | <u>\$ 14,525,364</u> | <u>\$ -</u> | <u>\$ 14,525,364</u> | <u>\$ 8,432,420</u> | <u>\$ -</u> | <u>\$ 8,432,420</u> |
| Accumulated depreciation | | | | | | |
| At January 1 | \$ - | \$ - | \$ - | (\$ 2,578,035) | (\$ 4,758) | (\$ 2,582,793) |
| Depreciation | - | - | - | (182,329) | (20) | (182,349) |
| Disposals | - | - | - | 23,019 | - | 23,019 |
| Transferred in from investment property | - | - | - | (181,015) | - | (181,015) |
| Transferred out to investment property | - | - | - | 113,228 | - | 113,228 |
| Others | - | - | - | (4,778) | 4,778 | - |
| Translation difference | - | - | - | 55,869 | - | 55,869 |
| At September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 2,754,041)</u> | <u>\$ -</u> | <u>(\$ 2,754,041)</u> |
| Accumulated impairment | | | | | | |
| At January 1 | (\$ 192,614) | \$ - | (\$ 192,614) | (\$ 66,387) | \$ - | (\$ 66,387) |
| Disposals | 34,993 | - | 34,993 | - | - | - |
| Transferred out to investment property | 2,279 | - | 2,279 | 1,075 | - | 1,075 |
| At September 30 | <u>(\$ 155,342)</u> | <u>\$ -</u> | <u>(\$ 155,342)</u> | <u>(\$ 65,312)</u> | <u>\$ -</u> | <u>(\$ 65,312)</u> |
| Net carrying amount | <u>\$ 14,370,022</u> | <u>\$ -</u> | <u>\$ 14,370,022</u> | <u>\$ 5,613,067</u> | <u>\$ -</u> | <u>\$ 5,613,067</u> |

(15) Leasing arrangements — lessee

- A. The Yuanta Group leases various assets including land, buildings, machinery and equipment, transportation equipment and miscellaneous equipment. Rental contracts are typically made for periods of 1 to 15 years. In addition, superficies bid from National Property Administration, Ministry of Finance are made for periods of 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------------|---|----------------------------|---------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land | \$ 8,674,516 | \$ 8,768,519 | \$ 8,801,599 |
| Buildings | 2,578,889 | 3,493,722 | 3,650,116 |
| Machinery and equipment | 94,301 | 133,924 | 148,192 |
| Transportation equipment | 31,755 | 15,000 | 17,108 |
| Others | 32,433 | 32,786 | 33,016 |
| | <u>\$ 11,411,894</u> | <u>\$ 12,443,951</u> | <u>\$ 12,650,031</u> |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> | |
| Land | \$ 4,967 | \$ 4,914 | |
| Buildings | 316,290 | 317,051 | |
| Machinery and equipment | 11,085 | 12,595 | |
| Transportation equipment | 3,413 | 3,436 | |
| Others | (351) | 2,125 | |
| | <u>\$ 335,404</u> | <u>\$ 340,121</u> | |
| | <u>For the nine months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> | |
| Land | \$ 14,931 | \$ 14,713 | |
| Buildings | 962,011 | 970,623 | |
| Machinery and equipment | 34,179 | 38,839 | |
| Transportation equipment | 10,100 | 10,254 | |
| Others | 6,255 | 6,565 | |
| | <u>\$ 1,027,476</u> | <u>\$ 1,040,994</u> | |

- C. For the three months and nine months ended September 30, 2022 and 2021, the additions to right-of-use assets amounted to \$221,527, \$479,245, \$1,204,931 and \$861,480, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

| | For the three months ended September 30, | |
|---|--|-----------|
| | 2022 | 2021 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 12,385 | \$ 19,393 |
| Expense on short-term lease contracts | 22,031 | 21,049 |
| Expense on leases of low-value assets | 1,041 | 2,137 |
| Gain on sublease of right-of-use assets | 3,055 | 3,214 |
| Gain on lease modification | (1,195) | 17 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 48,925 | \$ 60,841 |
| Expense on short-term lease contracts | 65,119 | 58,103 |
| Expense on leases of low-value assets | 4,373 | 7,052 |
| Gain on sublease of right-of-use assets | 9,403 | 9,854 |
| Gain on lease modification | 133,133 | 112 |

E. For the nine months ended September 30, 2022 and 2021, the Yuanta Group's total cash outflow for leases amounted to \$1,428,211 and \$1,235,179, respectively.

(16) Leasing arrangements – lessor

- A. The Yuanta Group leases various assets including buildings, equipment, parking lot and investment property under operating leasing. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.
- B. The Yuanta Group leases the equipment under a finance lease. Based on the terms of the lease contract, the ownership of the equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

| | For the three months ended September 30, | |
|---|--|--------|
| | 2022 | 2021 |
| Finance income from the net investment in the finance lease | \$ 137 | \$ 229 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Finance income from the net investment in the finance lease | \$ 482 | \$ 753 |

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------|--------------------|-------------------|--------------------|
| 2021 | \$ - | \$ - | \$ 2,116 |
| 2022 | 2,115 | 8,463 | 8,463 |
| 2023 | 8,463 | 8,463 | 8,463 |
| Total | \$ 10,578 | \$ 16,926 | \$ 19,042 |

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------|---------------------------|--------------------------|---------------------------|
| Undiscounted lease payments | \$ 10,578 | \$ 16,926 | \$ 19,042 |
| Unearned finance income | (328) | (810) | (1,017) |
| Net investment in the lease | <u>\$ 10,250</u> | <u>\$ 16,116</u> | <u>\$ 18,025</u> |

E. For the three months and nine months ended September 30, 2022 and 2021, the Yuanta Group recognised rent income in the amounts of \$40,154, \$49,162, \$131,968, and \$159,853 respectively, based on the operating lease agreement, which does not include variable lease payments.

F. The maturity analysis of the lease payments under the operating leases is as follows:

| | <u>September 30, 2022</u> | | <u>December 31, 2021</u> | | <u>September 30, 2021</u> |
|------------|---------------------------|------------|--------------------------|------------|---------------------------|
| 2022 | \$ 52,441 | 2022 | \$ 124,552 | 2021 | \$ 56,270 |
| 2023 | 78,969 | 2023 | 55,446 | 2022 | 96,202 |
| 2024 | 33,775 | 2024 | 26,750 | 2023 | 30,718 |
| 2025 | 19,797 | 2025 | 14,574 | 2024 | 13,179 |
| 2026 | 7,450 | 2026 | 2,269 | 2025 | 6,730 |
| After 2027 | 8,850 | After 2027 | 5,344 | After 2026 | 7,535 |
| Total | <u>\$ 201,282</u> | Total | <u>\$ 228,935</u> | Total | <u>\$ 210,634</u> |

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(17) Intangible assets - net

| 2022 | | | | | | |
|---------------------------------|-----------------------|---------------------|-----------------------|--------------------------|-----------------------|-----------------------|
| Cost | Goodwill (Note) | Operating rights | Computer software | Customer relationship | Others | Total |
| At January 1 | \$ 31,483,298 | \$ 384,009 | \$ 4,574,763 | \$ 3,045,314 | \$ 4,317,864 | \$ 43,805,248 |
| Additions | - | - | 214,705 | - | 4,297 | 219,002 |
| Disposals | - | - | (63,466) | - | (1,275) | (64,741) |
| Reclassifications | - | - | 61,637 | - | - | 61,637 |
| Translation difference | 12,509 | 1,862 | (145,653) | - | (15,253) | (146,535) |
| At September 30 | <u>\$ 31,495,807</u> | <u>\$ 385,871</u> | <u>\$ 4,641,986</u> | <u>\$ 3,045,314</u> | <u>\$ 4,305,633</u> | <u>\$ 43,874,611</u> |
| <u>Accumulated amortisation</u> | | | | | | |
| At January 1 | \$ - | (\$ 373,041) | (\$ 3,807,101) | (\$ 3,038,126) | (\$ 2,338,021) | (\$ 9,556,289) |
| Amortisation | - | (1,230) | (218,514) | (2,813) | (174,126) | (396,683) |
| Disposals | - | - | 63,466 | - | 5 | 63,471 |
| Reclassification | - | - | 334 | - | - | 334 |
| Translation difference | - | (548) | 138,155 | - | 2,336 | 139,943 |
| At September 30 | <u>\$ -</u> | <u>(\$ 374,819)</u> | <u>(\$ 3,823,660)</u> | <u>(\$ 3,040,939)</u> | <u>(\$ 2,509,806)</u> | <u>(\$ 9,749,224)</u> |
| <u>Accumulated impairment</u> | | | | | | |
| At January 1 | (\$ 2,886,663) | \$ - | \$ - | \$ - | (\$ 316,015) | (\$ 3,202,678) |
| Translation difference | (752) | - | - | - | 743 | (9) |
| At September 30 | <u>(\$ 2,887,415)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 315,272)</u> | <u>(\$ 3,202,687)</u> |
| Net carrying amount | <u>\$ 28,608,392</u> | <u>\$ 11,052</u> | <u>\$ 818,326</u> | <u>\$ 4,375</u> | <u>\$ 1,480,555</u> | <u>\$ 30,922,700</u> |

| 2021 | | | | | | |
|--------------------------|-----------------------|---------------------|-----------------------|--------------------------|-----------------------|-----------------------|
| Cost | Goodwill (Note) | Operating rights | Computer software | Customer relationship | Others | Total |
| At January 1 | \$ 31,494,708 | \$ 384,488 | \$ 4,683,272 | \$ 3,045,314 | \$ 4,413,907 | \$ 44,021,689 |
| Additions | - | - | 107,835 | - | 1,726 | 109,561 |
| Disposals | - | - | (59,545) | - | (401) | (59,946) |
| Reclassifications | - | - | 153,348 | - | - | 153,348 |
| Translation difference | (10,840) | (374) | (408,501) | - | (87,341) | (507,056) |
| At September 30 | <u>\$ 31,483,868</u> | <u>\$ 384,114</u> | <u>\$ 4,476,409</u> | <u>\$ 3,045,314</u> | <u>\$ 4,327,891</u> | <u>\$ 43,717,596</u> |
| Accumulated amortisation | | | | | | |
| At January 1 | \$ - | (\$ 371,541) | (\$ 4,085,009) | (\$ 3,034,376) | (\$ 2,111,719) | (\$ 9,602,645) |
| Amortisation | - | (1,230) | (181,106) | (2,813) | (174,468) | (359,617) |
| Disposals | - | - | 59,545 | - | - | 59,545 |
| Reclassifications | - | - | (197) | - | - | (197) |
| Translation difference | - | 110 | 383,065 | - | 4,928 | 388,103 |
| At September 30 | <u>\$ -</u> | <u>(\$ 372,661)</u> | <u>(\$ 3,823,702)</u> | <u>(\$ 3,037,189)</u> | <u>(\$ 2,281,259)</u> | <u>(\$ 9,514,811)</u> |
| Accumulated impairment | | | | | | |
| At January 1 | (\$ 2,888,924) | \$ - | \$ - | \$ - | (\$ 31,472) | (\$ 2,920,396) |
| Impairment loss | (6,377) | - | - | - | - | (6,377) |
| Translation difference | 9,070 | - | - | - | 1,824 | 10,894 |
| At September 30 | <u>(\$ 2,886,231)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 29,648)</u> | <u>(\$ 2,915,879)</u> |
| Net carrying amount | <u>\$ 28,597,637</u> | <u>\$ 11,453</u> | <u>\$ 652,707</u> | <u>\$ 8,125</u> | <u>\$ 2,016,984</u> | <u>\$ 31,286,906</u> |

Note: Goodwill of the Yuanta Group is tested annually for impairment at the end of each year. The Yuanta Group assesses impairment indication of goodwill in the interim period based on the regulation. In the interim period, the Yuanta Group takes into consideration the related information in relation to impairment indication of goodwill, and there was no indication that goodwill was impaired.

(18) Other assets - net

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Refundable deposits - net | \$ 14,283,128 | \$ 2,951,966 | \$ 3,462,401 |
| Deposits on securities borrowed | 37,872,858 | 54,416,318 | 42,466,224 |
| Operating guarantee deposits and settlement and clearing fund | 5,215,334 | 5,154,440 | 4,923,102 |
| Prepayments | 984,570 | 734,207 | 875,246 |
| Bank deposits - amounts held for settlement | 22,897,232 | 23,207,687 | 23,368,959 |
| Others | 911,955 | 403,201 | 1,637,956 |
| Total | <u>\$ 82,165,077</u> | <u>\$ 86,867,819</u> | <u>\$ 76,733,888</u> |

Please refer to Note 8 for details of the Yuanta Group's other assets pledged to others as collateral.

(19) Impairment of non-financial assets

As of September 30, 2022, December 31, 2021, and September 30, 2021, accumulated impairment on various non-financial assets were as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------------------|---------------------------|--------------------------|---------------------------|
| Investment property | \$ 243,650 | \$ 251,652 | \$ 257,705 |
| Property and equipment | 190,721 | 212,216 | 220,952 |
| Intangible assets - goodwill | 2,887,415 | 2,886,663 | 2,886,231 |
| Intangible assets - other | 315,272 | 316,015 | 29,648 |

(20) Deposits from Central Bank and other banks

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Overdrafts with other banks | \$ 2,010,980 | \$ 3,303,101 | \$ 2,177,590 |
| Call loans from other banks | 21,511,221 | 17,214,445 | 21,829,439 |
| Redeposit from the directorate general of postal remittance | 472,919 | 5,106,578 | 5,106,578 |
| Total | <u>\$ 23,995,120</u> | <u>\$ 25,624,124</u> | <u>\$ 29,113,607</u> |

(21) Commercial paper payable - net

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Commercial paper payable | \$ 57,116,747 | \$ 50,022,000 | \$ 49,663,976 |
| Less: Discount on commercial paper payable | (116,359) | (38,498) | (42,660) |
| Total | <u>\$ 57,000,388</u> | <u>\$ 49,983,502</u> | <u>\$ 49,621,316</u> |

As of September 30, 2022, December 31, 2021, and September 30, 2021, the annual interest rate of commercial paper payable were 0.900%~4.080%, 0.318%~2.220% and 0.278%~1.310%, respectively.

The commercial promissory notes mentioned above are all underwritten and issued by bill finance companies or banks.

(22) Payables

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Accounts payable | \$ 87,422,122 | \$ 103,993,938 | \$ 106,117,281 |
| Spot exchange payable | 2,299,793 | 166,763 | 4,559,445 |
| Accrued expenses | 8,434,870 | 14,153,609 | 11,784,523 |
| Deposit payable for short sales | 9,944,109 | 9,283,971 | 9,286,580 |
| Consigned securities payable | 5,160,138 | 9,245,192 | 9,179,574 |
| Net exchange clearing payable | 1,891,386 | 2,117,559 | 13,237,898 |
| Securities purchased payable | 5,174,653 | 2,251,618 | 5,359,226 |
| Settlement payable | 33,333,086 | 55,023,049 | 43,490,095 |
| Guarantee deposit received from short sales | 8,840,261 | 8,268,651 | 7,946,983 |
| Other payables | 8,354,003 | 9,978,644 | 7,492,365 |
| Total | <u>\$ 170,854,421</u> | <u>\$ 214,482,994</u> | <u>\$ 218,453,970</u> |

(23) Deposits and remittances

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Checking deposits | \$ 4,636,150 | \$ 6,157,430 | \$ 4,344,895 |
| Demand deposits | 196,034,352 | 237,158,129 | 215,482,159 |
| Time deposits | 347,760,917 | 284,414,524 | 314,691,129 |
| Negotiable certificates of deposit | 194,000 | 7,834,000 | 8,842,000 |
| Savings deposits | 836,301,274 | 839,343,186 | 838,178,675 |
| Remittances | 1,487,405 | 94,770 | 174,414 |
| The account for foreign exchange credit purposes | 1,436 | 344 | - |
| Total | <u>\$ 1,386,415,534</u> | <u>\$ 1,375,002,383</u> | <u>\$ 1,381,713,272</u> |

(24) Bonds payable

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------|---------------------------|--------------------------|---------------------------|
| Bank debentures | \$ 22,200,000 | \$ 22,200,000 | \$ 29,000,000 |
| Unsecured corporate bonds | 64,936,022 | 60,339,085 | 58,790,535 |
| Total | <u>\$ 87,136,022</u> | <u>\$ 82,539,085</u> | <u>\$ 87,790,535</u> |

A. The details of bank debentures as of September 30, 2022 were as follows:

First issue of subordinate bank debentures in 2014(B)

| | |
|---------------------------|------------------------------------|
| Par value | \$4,700,000 |
| Stated interest rate | Fixed interest rate at 2.00% |
| Period | Ten years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |

| | |
|---------------------------|--|
| | Third issue of perpetual non-cumulative subordinate bank debentures in 2015 |
| Par value | \$5,550,000 |
| Stated interest rate | Fixed interest rate at 4.10% |
| Period | Perpetual |
| Interest payment date | Payable annually |
| Term of principal payment | Perpetual |
| Issue price | Priced at face value on issue date |
| | Fourth issue of subordinate bank debentures in 2015 |
| Par value | \$3,000,000 |
| Stated interest rate | Fixed interest rate at 2.10% |
| Period | Ten years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | Fifth issue of perpetual non-cumulative subordinate bank debentures in 2015 |
| Par value | \$1,450,000 |
| Stated interest rate | Fixed interest rate at 4.10% |
| Period | Perpetual |
| Interest payment date | Payable annually |
| Term of principal payment | Perpetual |
| Issue price | Priced at face value on issue date |
| | First issue of subordinate bank debentures in 2021 |
| Par value | \$5,000,000 |
| Stated interest rate | Fixed interest rate at 0.67% |
| Period | Ten years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | Second issue of general bank debentures in 2021 |
| Par value | \$500,000 |
| Stated interest rate | Fixed interest rate at 0.45% |
| Period | Five years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | First issue of general bank debentures in 2022 |
| Par value | \$2,000,000 |
| Stated interest rate | Fixed interest rate at 0.77% |
| Period | Five years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |

- B. The details of unsecured corporate bonds as of September 30, 2022 were as follows:
The Company

| | |
|---------------------------|--|
| | Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(C) |
| Par value | \$8,000,000 |
| Stated interest rate | Fixed interest rate at 1.00% |
| Period | Seven years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(A) |
| Par value | \$1,500,000 |
| Stated interest rate | Fixed interest rate at 0.86% |
| Period | Five years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(B) |
| Par value | \$8,500,000 |
| Stated interest rate | Fixed interest rate at 0.96% |
| Period | Seven years |
| Interest payment date | Payable annually |
| Term of principal payment | Half of principal will be repaid in the sixth and seventh years |
| Issue price | Priced at face value on issue date |
| | Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2020 |
| Par value | \$5,000,000 |
| Stated interest rate | Fixed interest rate at 0.59% |
| Period | Ten years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |
| | Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2022 |
| Par value | \$5,300,000 |
| Stated interest rate | Fixed interest rate at 0.85% |
| Period | Five years |
| Interest payment date | Payable annually |
| Term of principal payment | Repaid on maturity |
| Issue price | Priced at face value on issue date |

The Yuanta Group

Yuanta Securities first issue of unsecured subordinate
normal corporate bond in 2019(A)

| | |
|----------------------|------------------------------|
| Par value | \$2,200,000 |
| Stated interest rate | Fixed interest rate at 1.25% |
| Issuance date | June 6, 2019 |
| Maturity date | June 6, 2026 |
| Issuance area | Taiwan |

Yuanta Securities first issue of unsecured subordinate
normal corporate bond in 2019(B)

| | |
|----------------------|------------------------------|
| Par value | \$6,300,000 |
| Stated interest rate | Fixed interest rate at 1.40% |
| Issuance date | June 6, 2019 |
| Maturity date | June 6, 2029 |
| Issuance area | Taiwan |

Yuanta Securities first issue of unsecured subordinate
normal corporate bond in 2020(A)

| | |
|----------------------|------------------------------|
| Par value | \$1,300,000 |
| Stated interest rate | Fixed interest rate at 0.85% |
| Issuance date | October 20, 2020 |
| Maturity date | October 20, 2027 |
| Issuance area | Taiwan |

Yuanta Securities first issue of unsecured subordinate
normal corporate bond in 2020(B)

| | |
|----------------------|------------------------------|
| Par value | \$3,700,000 |
| Stated interest rate | Fixed interest rate at 0.95% |
| Issuance date | October 20, 2020 |
| Maturity date | October 20, 2030 |
| Issuance area | Taiwan |

Yuanta Securities first issue of unsecured subordinate
normal corporate bond in 2021(A)

| | |
|----------------------|------------------------------|
| Par value | \$4,800,000 |
| Stated interest rate | Fixed interest rate at 0.82% |
| Issuance date | May 17, 2021 |
| Maturity date | May 17, 2031 |
| Issuance area | Taiwan |

| | |
|----------------------|--|
| | Yuanta Securities first issue of unsecured subordinate normal corporate bond in 2021(B) |
| Par value | \$5,200,000 |
| Stated interest rate | Fixed interest rate at 1.02% |
| Issuance date | May 17, 2021 |
| Maturity date | May 17, 2036 |
| Issuance area | Taiwan |
| | Yuanta Securities Finance first issue of local unsecured normal corporate bond in 2020(A) |
| Par value | \$2,300,000 |
| Stated interest rate | Fixed interest rate at 0.63% |
| Issuance date | May 6, 2020 |
| Maturity date | May 6, 2025 |
| Issuance area | Taiwan |
| | Yuanta Securities Finance first issue of local unsecured normal corporate bond in 2020(B) |
| Par value | \$2,700,000 |
| Stated interest rate | Fixed interest rate at 0.67% |
| Issuance date | May 6, 2020 |
| Maturity date | May 6, 2027 |
| Issuance area | Taiwan |
| | Yuanta Securities (Korea) 87th issue of unsecured normal corporate bond |
| Par value | KRW 150,000,000 thousands |
| Stated interest rate | Fixed interest rate at 1.707% |
| Issuance date | April 8, 2021 |
| Maturity date | April 8, 2024 |
| Issuance area | Korea |
| | Yuanta Securities (Korea) 88th issue of unsecured normal corporate bond |
| Par value | KRW 150,000,000 thousands |
| Stated interest rate | Fixed interest rate at 4.215% |
| Issuance date | April 12, 2022 |
| Maturity date | April 11, 2025 |
| Issuance area | Korea |
| | Yuanta Futures first issue of unsecured subordinate normal corporate bond in 2021 |
| Par value | \$1,500,000 |
| Stated interest rate | Fixed interest rate at 0.85% |
| Issuance date | November 12, 2021 |
| Maturity date | November 12, 2028 |
| Issuance area | Taiwan |

(25) Other borrowings

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-------------------------------|---------------------------|--------------------------|---------------------------|
| Short-term borrowings | | | |
| Unsecured bank borrowings | \$ 4,701,258 | \$ 8,550,186 | \$ 10,693,165 |
| Secured bank borrowings | 6,139,475 | 4,586,309 | 4,784,112 |
| KSFC secured borrowings | 22,120,730 | 28,472,259 | 27,405,312 |
| Asset-backed short-term bonds | 17,358,748 | 18,389,446 | 13,257,584 |
| | <u>\$ 50,320,211</u> | <u>\$ 59,998,200</u> | <u>\$ 56,140,173</u> |
| Interest rate range | <u>1.125% ~ 8.10%</u> | <u>0.65% ~ 7.90%</u> | <u>0.45% ~ 6.90%</u> |

The Yuanta Group has provided certain assets as pledged assets for the above loans, please refer to Note 8 for details.

(26) Liabilities reserve

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Insurance liabilities | \$ 349,592,835 | \$ 325,120,319 | \$ 321,648,686 |
| Reserve for foreign exchange fluctuation | 5,243,011 | 333,427 | 332,797 |
| Employee benefit liabilities reserve | 5,426,391 | 6,728,135 | 5,930,789 |
| Guaranteed policy reserve | 167,871 | 133,858 | 173,397 |
| Loan commitment reserve and letters of credit | 39,163 | 39,756 | 37,667 |
| Reserve for insurance with nature of financial instrument | 137,617 | 58,139 | 57,986 |
| Other reserves (Note) | 3,835,664 | 3,928,624 | 1,000,498 |
| Total | <u>\$ 364,442,552</u> | <u>\$ 336,342,258</u> | <u>\$ 329,181,820</u> |

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately NT\$15.5 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately NT\$1.5 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of September 30, 2022, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, demanding compensations totaling KRW542,565 million (approximately NT\$12 billion); both litigations were class actions, with the claim amount of KRW492,565 million (approximately NT\$10.9 billion) and KRW50,000 million (approximately NT\$1.1 billion), respectively. For the class action with the claim amount of KRW492,565 million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance. The plaintiffs reduced the claim amount to KRW114,896 million (approximately NT\$2.5 billion) on October 27, 2022 and further reduced the claim amount to KRW113,516

million (approximately NT\$2.5 billion). The Court would determine whether the plaintiffs' claim is justified. For the class action with the claim amount of KRW50,000 million, the Seoul Central District Court and the Seoul High Court had dismissed the case based on procedural reasons and the plaintiffs filed an appeal on October 22, 2018 for the review of the third instance.

Former TongYang Securities Inc. has recognised a liability reserve of KRW93,400 million (approximately NT\$2.1 billion) on December 31, 2013 for the aforementioned sales dispute. Other than adjustments made for actual compensation payments, former TongYang Securities Inc., after comprehensively considering the status of litigations and compensations, has reversed KRW24,328 million (approximately NT\$0.5 billion) in liability reserves as of September 30, 2022. As of September 30, 2022, the balance of the liability reserve related to the aforementioned financial product selling disputes was KRW4,730 million (approximately NT\$0.1 billion).

In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, "Anbang") filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW 166,600 million (approximately NT\$3.7 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW 43,986 million as of September 30, 2022 (approximately NT\$1.0 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above results. Anbang then applied to Seoul Central District Court for recognizing and enforcing the arbitration award. Yuanta Securities (Korea) received the court's decision on December 17, 2021 which recognised the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW 131,801 million (approximately NT\$2.9 billion) plus subsequent interests payable. Yuanta Securities (Korea) and Anbang both appealed the court decision. The appellate court is now reviewing the appeals. Yuanta Securities (Korea) has recognised provision liabilities in the amount of approximately KRW 145,097 million (approximately NT\$3.2 billion). However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions.

In addition, as of September 30, 2022, Yuanta Securities (Korea) recognised provision liabilities amounting to KRW10,455 million (approximately NT\$0.2 billion) for the delay in the redemption of certain funds sold by it after considering compensation that had been granted by the Financial Dispute Settlement Committee in cases relating to the sale of relevant funds by other financial institutions in the same industry.

A. The components of insurance liabilities are as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Unearned premium reserve | \$ 1,064,384 | \$ 979,625 | \$ 843,489 |
| Claims reserve | 1,370,388 | 1,177,187 | 934,953 |
| Reserve for policy benefit | 343,053,991 | 318,623,335 | 315,456,631 |
| Premium deficiency reserve | 725,300 | 819,935 | 843,379 |
| Other reserves | 3,378,772 | 3,520,237 | 3,570,234 |
| Total | <u>\$ 349,592,835</u> | <u>\$ 325,120,319</u> | <u>\$ 321,648,686</u> |

(A) Unearned premium reserve and ceded unearned premium reserve

a. Details of unearned premium reserve and ceded unearned premium reserve are as follows:

| September 30, 2022 | | | |
|--------------------------------|---------------------|---|---------------------|
| | Insurance contract | Financial instruments with discretionary participation features | Total |
| Unearned premium reserve | | | |
| Personal life insurance | \$ 1,697 | \$ - | \$ 1,697 |
| Personal accident insurance | 302,439 | - | 302,439 |
| Personal health insurance | 561,673 | - | 561,673 |
| Group insurance | 195,595 | - | 195,595 |
| Investment-linked insurance | 2,980 | - | 2,980 |
| | <u>\$ 1,064,384</u> | <u>\$ -</u> | <u>\$ 1,064,384</u> |
| Ceded unearned premium reserve | | | |
| Personal life insurance | \$ 230,647 | \$ - | \$ 230,647 |
| Personal accident insurance | 348 | - | 348 |
| Personal health insurance | 155,825 | - | 155,825 |
| Group insurance | 411 | - | 411 |
| Investment-linked insurance | 640 | - | 640 |
| | <u>\$ 387,871</u> | <u>\$ -</u> | <u>\$ 387,871</u> |
| December 31, 2021 | | | |
| | Insurance contract | Financial instruments with discretionary participation features | Total |
| Unearned premium reserve | | | |
| Personal life insurance | \$ 1,895 | \$ - | \$ 1,895 |
| Personal accident insurance | 285,511 | - | 285,511 |
| Personal health insurance | 495,278 | - | 495,278 |
| Group insurance | 194,471 | - | 194,471 |
| Investment-linked insurance | 2,470 | - | 2,470 |
| | <u>\$ 979,625</u> | <u>\$ -</u> | <u>\$ 979,625</u> |
| Ceded unearned premium reserve | | | |
| Personal life insurance | \$ 284,483 | \$ - | \$ 284,483 |
| Personal accident insurance | 766 | - | 766 |
| Personal health insurance | 169,141 | - | 169,141 |
| Group insurance | 1,764 | - | 1,764 |
| Investment-linked insurance | 863 | - | 863 |
| | <u>\$ 457,017</u> | <u>\$ -</u> | <u>\$ 457,017</u> |

| September 30, 2021 | | | |
|--------------------------------|--------------------|---|-------------------|
| | | Financial instruments with discretionary participation features | Total |
| | Insurance contract | | |
| Unearned premium reserve | | | |
| Personal life insurance | \$ 1,983 | \$ - | \$ 1,983 |
| Personal accident insurance | 275,572 | - | 275,572 |
| Personal health insurance | 458,815 | - | 458,815 |
| Group insurance | 104,582 | - | 104,582 |
| Investment-linked insurance | 2,537 | - | 2,537 |
| | <u>\$ 843,489</u> | <u>\$ -</u> | <u>\$ 843,489</u> |
| Ceded unearned premium reserve | | | |
| Personal life insurance | \$ 263,185 | \$ - | \$ 263,185 |
| Personal accident insurance | 646 | - | 646 |
| Personal health insurance | 151,274 | - | 151,274 |
| Group insurance | 443 | - | 443 |
| Investment-linked insurance | 855 | - | 855 |
| | <u>\$ 416,403</u> | <u>\$ -</u> | <u>\$ 416,403</u> |

b. Change in unearned premium reserve and ceded unearned premium reserve are as follows:

| For the nine months ended September 30, | | | |
|---|---------------------|-------------------|--|
| | 2022 | 2021 | |
| Unearned premium reserve | | | |
| At January 1 | \$ 979,625 | \$ 795,764 | |
| Current net change | 84,759 | 47,725 | |
| At September 30 | <u>\$ 1,064,384</u> | <u>\$ 843,489</u> | |
| For the nine months ended September 30, | | | |
| | 2022 | 2021 | |
| Ceded unearned premium reserve | | | |
| At January 1 | \$ 457,017 | \$ 547,152 | |
| Current net change | (71,394) | (130,441) | |
| Gain (loss) on foreign exchange | 2,248 | (308) | |
| At September 30 | <u>\$ 387,871</u> | <u>\$ 416,403</u> | |

(B) Claims reserve and ceded claims reserve

a. Details of claims reserve and ceded claims reserve are as follows:

| September 30, 2022 | | | |
|-----------------------------|---------------------------------|-------------------------------------|---------------------|
| | Claims reported but not paid | Claims incurred but not reported | Total |
| Claims reserve | | | |
| Personal life insurance | \$ 610,042 | \$ 1,009 | \$ 611,051 |
| Personal accident insurance | 6,945 | 21,106 | 28,051 |
| Personal health insurance | 434,137 | 196,770 | 630,907 |
| Group insurance | 3,649 | 91,263 | 94,912 |
| Investment-linked insurance | 5,467 | - | 5,467 |
| | <u>\$ 1,060,240</u> | <u>\$ 310,148</u> | <u>\$ 1,370,388</u> |
| Ceded claims reserve | | | |
| Personal life insurance | \$ 71,387 | \$ - | \$ 71,387 |
| Personal health insurance | 50,578 | - | 50,578 |
| | <u>\$ 121,965</u> | <u>\$ -</u> | <u>\$ 121,965</u> |
| December 31, 2021 | | | |
| | Claims reported but not paid | Claims incurred but not reported | Total |
| Claims reserve | | | |
| Personal life insurance | \$ 548,865 | \$ 576 | \$ 549,441 |
| Personal accident insurance | 6,630 | 47,491 | 54,121 |
| Personal health insurance | 378,540 | 159,488 | 538,028 |
| Group insurance | 3,369 | 20,745 | 24,114 |
| Investment-linked insurance | 11,460 | 23 | 11,483 |
| | <u>\$ 948,864</u> | <u>\$ 228,323</u> | <u>\$ 1,177,187</u> |
| Ceded claims reserve | | | |
| Personal life insurance | \$ 56,121 | \$ - | \$ 56,121 |
| Personal accident insurance | 7 | - | 7 |
| Personal health insurance | 89,944 | - | 89,944 |
| | <u>\$ 146,072</u> | <u>\$ -</u> | <u>\$ 146,072</u> |

| September 30, 2021 | | | |
|-----------------------------|---------------------------------|-------------------------------------|-------------------|
| | Claims reported but not paid | Claims incurred but not reported | Total |
| Claims reserve | | | |
| Personal life insurance | \$ 453,421 | \$ 529 | \$ 453,950 |
| Personal accident insurance | 8,231 | 43,164 | 51,395 |
| Personal health insurance | 281,225 | 131,616 | 412,841 |
| Group insurance | 3,169 | 12,670 | 15,839 |
| Investment-linked insurance | 908 | 20 | 928 |
| | <u>\$ 746,954</u> | <u>\$ 187,999</u> | <u>\$ 934,953</u> |
| Ceded claims reserve | | | |
| Personal life insurance | \$ 17,005 | \$ - | \$ 17,005 |
| Personal accident insurance | 2 | - | 2 |
| Personal health insurance | 50,847 | - | 50,847 |
| | <u>\$ 67,854</u> | <u>\$ -</u> | <u>\$ 67,854</u> |

b. Change in claims reserve and ceded claims reserve are as follows:

| For the nine months ended September 30, | | | |
|---|---------------------|-------------------|--|
| | 2022 | 2021 | |
| Claims reserve | | | |
| At January 1 | \$ 1,177,187 | \$ 802,204 | |
| Current net change | 190,917 | 132,746 | |
| Loss on foreign exchange | 2,284 | 3 | |
| At September 30 | <u>\$ 1,370,388</u> | <u>\$ 934,953</u> | |
| | | | |
| For the nine months ended September 30, | | | |
| | 2022 | 2021 | |
| Ceded claims reserve | | | |
| At January 1 | \$ 146,072 | \$ 78,261 | |
| Current net change | (24,322) | (10,407) | |
| Gain on foreign exchange | 215 | - | |
| At September 30 | <u>\$ 121,965</u> | <u>\$ 67,854</u> | |

(C) Reserve for policy benefit

a. Details of reserve for policy benefit are as follows:

| September 30, 2022 | | | |
|---|-----------------------|---|-----------------------|
| | Insurance contract | Financial instruments with discretionary participation features | Total |
| Life insurance | \$ 312,062,356 | \$ - | \$ 312,062,356 |
| Health insurance | 30,420,545 | - | 30,420,545 |
| Annuity insurance | 4,726 | 391,546 | 396,272 |
| Investment-linked insurance | 67,572 | - | 67,572 |
| | <u>\$ 342,555,199</u> | <u>\$ 391,546</u> | <u>342,946,745</u> |
| Recovery of catastrophe reserve | | | 4,221 |
| Transferred in unwritten-off balance of 3% decrease in business tax | | | 46,062 |
| Payables to the insured | | | 56,963 |
| Total | | | <u>\$ 343,053,991</u> |

| December 31, 2021 | | | |
|---|-----------------------|---|-----------------------|
| | Insurance contract | Financial instruments with discretionary participation features | Total |
| Life insurance | \$ 289,739,839 | \$ - | \$ 289,739,839 |
| Health insurance | 28,345,518 | - | 28,345,518 |
| Annuity insurance | 5,642 | 367,957 | 373,599 |
| Investment-linked insurance | 55,063 | - | 55,063 |
| | <u>\$ 318,146,062</u> | <u>\$ 367,957</u> | <u>318,514,019</u> |
| Recovery of catastrophe reserve | | | 4,221 |
| Transferred in unwritten-off balance of 3% decrease in business tax | | | 46,062 |
| Payables to the insured | | | 59,033 |
| Total | | | <u>\$ 318,623,335</u> |

| September 30, 2021 | | | |
|---|-----------------------|---|-----------------------|
| | Insurance contract | Financial instruments with discretionary participation features | Total |
| Life insurance | \$ 287,213,453 | \$ - | \$ 287,213,453 |
| Health insurance | 27,706,396 | - | 27,706,396 |
| Annuity insurance | 6,247 | 365,445 | 371,692 |
| Investment-linked insurance | 55,799 | - | 55,799 |
| | <u>\$ 314,981,895</u> | <u>\$ 365,445</u> | <u>315,347,340</u> |
| Recovery of catastrophe reserve | | | 4,221 |
| Transferred in unwritten-off balance of 3% decrease in business tax | | | 46,062 |
| Payables to the insured | | | 59,008 |
| Total | | | <u>\$ 315,456,631</u> |

b. Changes in reserve for policy benefit:

| | For the nine months ended September 30, | |
|----------------------------------|---|-----------------------|
| | 2022(Note 1) | 2021(Note 2) |
| At January 1 | \$ 318,611,643 | \$ 298,418,335 |
| Current net change | 16,494,166 | 17,927,582 |
| Gain or loss on foreign exchange | 7,935,215 | (900,000) |
| At September 30 | <u>\$ 343,041,024</u> | <u>\$ 315,445,917</u> |

Note 1: For the nine months ended September 30, 2022, “Reserve for policy benefit-payables to the insured” is \$12,967. As of September 30, 2022, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$ 343,053, 991.

Note 2: For the nine months ended September 30, 2021, “Reserve for policy benefit-payables to the insured” is \$10,714. As of September 30, 2021, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$315,456,631.

For the three months and nine months ended September 30, 2022 and 2021, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,122,733, \$2,005,248, \$6,334,461 and \$6,026,681, respectively.

(D) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

| | September 30, 2022 | | |
|---------------------------|---|-------------|-------------------|
| | Financial instruments with discretionary participation features | | |
| | Insurance contract | | Total |
| Personal life insurance | \$ 705,117 | \$ - | \$ 705,117 |
| Personal health insurance | 20,183 | - | 20,183 |
| Total | <u>\$ 725,300</u> | <u>\$ -</u> | <u>\$ 725,300</u> |
| | December 31, 2021 | | |
| | Financial instruments with discretionary participation features | | |
| | Insurance contract | | Total |
| Personal life insurance | \$ 801,535 | \$ - | \$ 801,535 |
| Personal health insurance | 18,400 | - | 18,400 |
| Total | <u>\$ 819,935</u> | <u>\$ -</u> | <u>\$ 819,935</u> |
| | September 30, 2021 | | |
| | Financial instruments with discretionary participation features | | |
| | Insurance contract | | Total |
| Personal life insurance | \$ 827,873 | \$ - | \$ 827,873 |
| Personal health insurance | 15,506 | - | 15,506 |
| Total | <u>\$ 843,379</u> | <u>\$ -</u> | <u>\$ 843,379</u> |

b. Change in premium deficiency reserve:

| | For the nine months ended September 30, | |
|----------------------------------|---|-------------------|
| | 2022 | 2021 |
| At January 1 | \$ 819,935 | \$ 1,129,185 |
| Current net change | (156,191) | (272,197) |
| Gain or loss on foreign exchange | 61,556 | (13,609) |
| At September 30 | <u>\$ 725,300</u> | <u>\$ 843,379</u> |

(E) Other reserves

Pursuant to IFRS 3, ‘Business combinations’, other reserves are set aside for reflecting the fair value of insurance policies assumed while recognising the individual identifiable assets acquired and liabilities assumed at fair value. Changes in aforesaid other reserves are as follows:

| | For the nine months ended September 30, | |
|-----------------|---|---------------------|
| | 2022 | 2021 |
| At January 1 | \$ 3,520,237 | \$ 3,713,616 |
| Recovery | (141,465) | (143,382) |
| At September 30 | <u>\$ 3,378,772</u> | <u>\$ 3,570,234</u> |

B. Reserve for foreign exchange fluctuation

- (A) In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Yuanta Group set aside foreign exchange reserve under liabilities. Details are as follows:

| | For the nine months ended September 30, | |
|----------------------|---|-------------------|
| | 2022 | 2021 |
| At January 1 | \$ 333,427 | \$ 714,669 |
| Provision | | |
| Compulsory provision | 231,373 | 189,958 |
| Additional provision | <u>5,119,746</u> | <u>388,817</u> |
| Subtotal | 5,684,546 | 1,293,444 |
| Recovery | (441,535) | (960,647) |
| At September 30 | <u>\$ 5,243,011</u> | <u>\$ 332,797</u> |

The Yuanta Group provided additional reserve for changes in foreign exchange valuation amounting to \$300,000 in accordance with the Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises as approved by the FSC, Jin-Guan-Bao-Sho-Zi Letter No. 1100422768 dated June 23, 2021.

- (B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the nine months ended September 30, 2022 and 2021 are as follows:

| | For the nine months ended September 30, 2022 | | |
|--|--|-----------------|----------------|
| | Ineligible amount | Eligible amount | Impact |
| Net income | \$ 7,491,012 | \$ 3,563,345 | (\$ 3,927,667) |
| Earnings per share (in dollars) | 3.16 | 1.50 | (1.66) |
| Reserve for foreign exchange fluctuation | - | 5,243,011 | 5,243,011 |
| Total equity | 28,248,247 | 24,038,531 | (4,209,716) |

| | For the nine months ended September 30, 2021 | | |
|--|--|-----------------|------------|
| | Ineligible amount | Eligible amount | Impact |
| Net income | \$ 1,490,588 | \$ 1,796,086 | \$ 305,498 |
| Earnings per share (in dollars) | 0.63 | 0.76 | 0.13 |
| Reserve for foreign exchange fluctuation | - | 332,797 | 332,797 |
| Total equity | 28,791,900 | 28,510,355 | (281,545) |

C. Reserves for insurance contract with the nature of financial products

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance contract with the nature of financial products recognised on September 30, 2022, December 31, 2021 and September 30, 2021 and the movements are listed below:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---|--------------------|-------------------|--------------------|
| Investment-linked insurance | \$ 137,617 | \$ 58,139 | \$ 57,986 |
| For the nine months ended September 30, | | | |
| | 2022 | 2021 | |
| At January 1 | \$ 58,139 | \$ - | |
| Net provision of statutory reserve | 79,478 | 57,986 | |
| At September 30 | \$ 137,617 | \$ 57,986 | |

(27) Employee benefit liabilities reserve

A. Defined benefit plans:

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45~61 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Yuanta Group also established a special retention compensation plan applicable to certain employees. Except for Yuanta Securities Finance contributing retirement fund by 8% of the employees' monthly salaries and wages, the Yuanta Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Yuanta Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for

- retirement next year, the Yuanta Group will make contributions to cover the deficit by next March. Yuanta Securities (Korea) and its subsidiary have a defined benefit plan or a defined contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no. 1096073370 and no. 1106083936 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2022.
- (B) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$14,157, \$12,855, \$43,473 and \$39,638 for the three months and nine months ended September 30, 2022 and 2021, respectively.
- (C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2023 amount to \$53,512.
- B. Defined contribution plans:
- (A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (B) Effective July 1, 2005, a retirement plan was established by Yuanta Life, covering all its telemarketing representatives. Under the retirement plan, Yuanta Life recognises monthly an amount equal to 7% of the employees’ monthly incentive compensation as retirement pay. The retirement plan is contributed till July 2016. Cumulated amounts will be retained until telemarketing representatives retire, after which it will be paid in lump-sum to each telemarketing representative according to their respective entitled proportions under the plan. Effective August 1, 2008, Yuanta Life established an “Incentive Award Plan”, which covered its sales agents. Under the “Incentive Award Plan”, Yuanta Life calculates monthly contributions based on the agent’s service years and a monthly commission effective for the first year. The “Incentive Award Plan” is contributed till June 2014. Cumulated amounts will be retained until sales agents retire, after which it will be paid in lump-sum to each sales agent according to their respective entitled proportions under the plan. For the aforementioned pension plan, Yuanta Life recognised employee benefit liabilities (recorded as “provisions”) amounted to \$1,439, \$7,523 and \$7,514 as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.
- (C) Under the defined contribution plan, the Company and its domestic subsidiaries recognised pension expense of \$133,266 (recorded as “employee benefit expenses” of \$132,623 and “net income other than interest” of \$643), \$134,905 (recorded as “employee benefit expenses” of \$133,743 and “net income other than interest” of \$1,162), \$411,326 (recorded as “employee benefit expenses” of \$408,667 and “net income other than interest” of \$2,659) and \$394,753 (recorded as “employee benefit expenses” of \$390,611 and “net income other than interest” of \$4,142) for the three months and nine months ended September 30, 2022 and 2021, respectively.
- (D) The pension plans for the consolidated foreign subsidiaries are as follows:
The pension plan for Yuanta Securities Asia Financial Services is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) do not have compulsory pension plans according to local regulations. Other foreign subsidiaries are in compliance with related regulations enacted by local governments. For the three months and nine months ended September 30, 2022 and 2021, the foreign subsidiaries recognised \$109,656, \$111,890, \$336,333 and \$352,467, respectively, of pension expense by complying

with aforementioned regulations.

(28) Other financial liabilities

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Futures traders' equity | \$ 102,877,004 | \$ 93,341,056 | \$ 94,057,855 |
| Structured deposit | 2,680,819 | 2,503,403 | 2,605,362 |
| Investment-linked products liabilities | 32,135,416 | 30,724,969 | 31,496,256 |
| Others | - | 50,000 | - |
| Total | <u>\$ 137,693,239</u> | <u>\$ 126,619,428</u> | <u>\$ 128,159,473</u> |

(29) Other liabilities

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Guarantee deposit received on security lent | \$ 52,131,633 | \$ 51,446,763 | \$ 40,336,530 |
| Underwriting share proceeds collected on behalf of customers | 2,333,951 | 38,446,456 | 5,028,702 |
| Collections in advance | 1,744,695 | 1,809,167 | 1,740,753 |
| Retention compensation payable | 1,567,885 | 1,290,051 | 1,263,351 |
| Refundable deposits | 707,760 | 2,193,165 | 2,087,907 |
| Refundable deposits-derivative transactions | 4,656,872 | 2,383,833 | 2,310,268 |
| Others | 5,574,036 | 4,948,555 | 4,632,466 |
| Total | <u>\$ 68,716,832</u> | <u>\$ 102,517,990</u> | <u>\$ 57,399,977</u> |

(30) Share capital

As of September 30, 2022, December 31, 2021, and September 30, 2021, the Company's total authorised capital were all \$180,000,000 and total paid-in capital were \$125,015,590, \$121,374,360 and \$121,374,360. The aforementioned total paid-in capital were 12,501,559, 12,137,436 and 12,137,436 thousand shares of common stock, each with a par value of \$10 dollars per share.

(31) Capital surplus

As required by the Company Act, capital reserve of premiums exceeding the face value on issuance or the donation is to be used to offset any accumulated deficit. Alternatively, it may be used to increase capital by issuing new shares or to distribute cash to shareholders in proportion to their share ownership provided that the Company has no accumulated deficit. In addition, as required by Securities and Exchange Act, only 10% of the aforementioned paid-in capital reserve shall be capitalized annually in total. Unless the earnings reserve is insufficient to offset the deficit, the capital reserve shall not be used.

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

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|----------------------|----------------------|----------------------|
| Post 1998 | \$ 4,036,443 | \$ 4,036,443 | \$ 4,036,443 |
| Source and details of the capital surplus of the Company are as follows: | | | |
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Additional paid-in capital | \$ 33,573,790 | \$ 33,573,790 | \$ 33,573,790 |
| Treasury share transactions | 3,479,710 | 3,479,710 | 3,479,710 |
| Others | 875,133 | 832,449 | 832,449 |
| | <u>\$ 37,928,633</u> | <u>\$ 37,885,949</u> | <u>\$ 37,885,949</u> |

(32) Legal reserve and special reserve

As required by the Company Act, 10% of the current year's earnings, after paying all taxes and offsetting any accumulated deficit, are set aside as a legal reserve until the reserve balance equals the total amount of capital. The legal reserve is to be used exclusively to offset any accumulated deficit or to increase capital by issuing new shares or to distribute cash to shareholders in proportion to their share ownership and is not to be used for any other purposes. For legal reserve used in issuing new shares or distributing cash dividends, the amount of the legal reserve shall not exceed 25% of paid-in capital.

According to the SFB, upon the distribution of earnings, other than the setting aside of legal reserve, an equivalent amount of special reserve should be set aside from earnings after tax of the current year and the undistributed earnings of the prior period based on the decreased amount of stockholders' equity. For the cumulative decrease in stockholders' equity of the prior period, the equal amount of special reserve set aside based on the undistributed earnings should not be distributed. If there is any reversal of the decrease in stockholders' equity, the earnings may be distributed based on the reversal proportion.

According to Jin-Guan-Yin-Fa Letter No. 10310006310 dated December 30, 2014, in order to maintain the stability of the Company's financial structure, the retained earnings arising from bargain purchase benefits of the acquisition by financial holding company or its subsidiaries shall be set aside as special reserve, and shall not be reversed within one year. After a year, the value of acquired assets are certified to be in likelihood of value at acquisition date without any sign of unexpected impairment by a certified public accountant, and the special reserve could be used in recovering accumulated deficit, or increasing the Company's capital.

(33) Undistributed earnings

- A. According to the Company's Articles of Incorporation, the annual net income will be distributed as follows:
 - (A) Pay income tax;
 - (B) Offset prior years' deficits;
 - (C) Provide legal reserve and special reserve; and
 - (D) The remaining amount and prior years' undistributed earnings shall be resolved by the stockholders during their meeting.
- B. In order to continuously expand operation scale and enhance the profitability, the Company follows its long-term financial planning and relevant Articles of Incorporation to adopt a dividend surplus policy. In principle, the dividend appropriation is based on annual earnings calculated based on the above Articles of Incorporation. After the retention of capital required according to the operation scheme, the remainder shall be distributed in the form of cash dividends. However, the cash dividends shall not be less than 40% of the annual earnings to be distributed.
- C. The appropriation of 2021 earnings has been resolved at the shareholders' meeting on June 10, 2022. The appropriation of 2020 earnings has been resolved at the shareholders' meeting on

July 8, 2021. The details are as follows:

| | 2021 | | 2020 | |
|-----------------|---------------|---------------------------------------|---------------|---------------------------------------|
| | Amount | Dividend per share (in dollars) | Amount | Dividend per share (in dollars) |
| Cash dividends | \$ 18,206,154 | \$ 1.50 | \$ 14,564,923 | \$ 1.20 |
| Stock dividends | 3,641,230 | 0.30 | - | - |

The status of the distribution of earnings approved by the Board of Directors and resolved by stockholders is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

D. Please refer to Note 6(42) for the details of the compensation to employees and remuneration to directors and supervisors.

(34) Other equity items

| | 2022 | | | | |
|---|---|---|--|--|-----------------|
| | Exchange differences on translation of foreign financial statements | Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income | Change in fair value of financial liability attributable to change in credit risk | Other comprehensive income on reclassification under the overlay approach | Total |
| Balance, January 1 | (\$ 8,400,123) | \$ 17,930,672 | (\$ 47,621) | (\$ 1,072,737) | \$ 8,410,191 |
| Financial assets at fair value through other comprehensive income | | | | | |
| - Evaluation adjustment in the period | - | (18,218,837) | - | - | (18,218,837) |
| - Evaluation transferred to profit or loss | - | 465,421 | - | - | 465,421 |
| - Evaluation transferred to retained earnings | - | 215,902 | - | - | 215,902 |
| Other comprehensive income on reclassification under the overlay approach | - | - | - | (4,696,002) | (4,696,002) |
| Changes in translation difference of foreign operating entities | (98,726) | - | - | - | (98,726) |
| Effects on income tax | - | 580,583 | - | (21,709) | 558,874 |
| Evaluation of credit risk | - | - | 113 | - | 113 |
| Balance, September 30 | (\$ 8,498,849) | \$ 973,741 | (\$ 47,508) | (\$ 5,790,448) | (\$ 13,363,064) |

| | 2021 | | | | |
|---|---|---|--|--|---------------|
| | Exchange differences on translation of foreign financial statements | Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income | Change in fair value of financial liability attributable to change in credit risk | Other comprehensive income on reclassification under the overlay approach | Total |
| Balance, January 1 | (\$ 4,467,136) | \$ 16,726,148 | (\$ 45,138) | \$ 345,649 | \$ 12,559,523 |
| Financial assets at fair value through other comprehensive | | | | | |
| - Evaluation adjustment in the period | - | 2,058,644 | - | - | 2,058,644 |
| - Evaluation transferred to profit or loss | - (| 1,642,252) | - | - (| 1,642,252) |
| - Evaluation transferred to retained earnings | - (| 241,647) | - | - (| 241,647) |
| Other comprehensive income on reclassification under the overlay approach | - | - | - (| 2,096,829) | (2,096,829) |
| Changes in translation difference of foreign operating entities | (3,629,789) | - | - | - (| 3,629,789) |
| Effects on income tax | - | 139,510 | - | 39,312 | 178,822 |
| Evaluation of credit risk | - | - | (185) | - (| 185) |
| Balance, September 30 | (\$ 8,096,925) | \$ 17,040,403 | (\$ 45,323) | (\$ 1,711,868) | \$ 7,186,287 |

(35) Net interest income

| | For the three months ended September 30, | |
|---|--|--------------|
| | 2022 | 2021 |
| Interest income | | |
| Interest income on bills discounted and loans | \$ 4,815,616 | \$ 3,756,363 |
| Financing interest income | 1,418,722 | 1,846,937 |
| Interest income on securities investment | 4,050,208 | 3,174,560 |
| Interest income from placement and call loan to other banks | 570,155 | 165,143 |
| Interest income on bills and bonds purchased under resale agreements | 299,063 | 68,939 |
| Credit cards revolving interest | 42,896 | 42,738 |
| Other interest income | 518,500 | 306,856 |
| Subtotal | 11,715,160 | 9,361,536 |
| Interest expense | | |
| Interest expense of deposit | (\$ 1,900,453) | (\$ 929,024) |
| Interest expense of Central Bank and other banks' deposit | (45,266) | (5,118) |
| Interest expense on due to the Central Bank and other banks | (439,430) | (160,466) |
| Interest expense on bills and bonds sold under repurchase agreements | (836,185) | (190,906) |
| Interest expense of structured instruments | (22,960) | (12,827) |
| Coupon rate of bank debenture | (124,805) | (173,898) |
| Coupon rate of corporate bonds | (193,506) | (158,232) |
| Coupon rate of commercial papers | (152,638) | (67,281) |
| Interest expense from short sales | (8,192) | (6,655) |
| Lease liabilities interest expense | (12,385) | (19,393) |
| Other interest expense | (254,626) | (49,310) |
| Subtotal | (3,990,446) | (1,773,110) |
| Total | \$ 7,724,714 | \$ 7,588,426 |

| | For the nine months ended September 30, | |
|---|---|----------------------|
| | 2022 | 2021 |
| <u>Interest income</u> | | |
| Interest income on bills discounted and loans | \$ 12,865,040 | \$ 11,127,674 |
| Financing interest income | 4,820,390 | 5,060,179 |
| Interest income on securities investment | 11,199,086 | 9,448,594 |
| Interest income from placement and call loan to other banks | 1,124,262 | 536,940 |
| Interest income on bills and bonds purchased under resale agreements | 534,720 | 195,248 |
| Credit cards revolving interest | 128,068 | 134,303 |
| Other interest income | 1,294,566 | 865,941 |
| Subtotal | <u>31,966,132</u> | <u>27,368,879</u> |
| <u>Interest expense</u> | | |
| Interest expense of deposit | (\$ 4,234,807) | (\$ 2,712,877) |
| Interest expense of Central Bank and other banks' deposit | (72,283) | (13,922) |
| Interest expense on due to the Central Bank and other banks | (1,029,563) | (515,017) |
| Interest expense on bills and bonds sold under repurchase agreements | (1,571,142) | (552,340) |
| Interest expense of structured instruments | (51,380) | (42,022) |
| Coupon rate of bank debenture | (377,041) | (543,669) |
| Coupon rate of corporate bonds | (545,945) | (421,358) |
| Coupon rate of commercial papers | (315,404) | (137,512) |
| Interest expense from short sales | (20,989) | (18,729) |
| Lease liabilities interest expense | (48,925) | (60,841) |
| Other interest expense | (409,242) | (135,700) |
| Subtotal | <u>(8,676,721)</u> | <u>(5,153,987)</u> |
| Total | <u>\$ 23,289,411</u> | <u>\$ 22,214,892</u> |

(36) Net service fee and commission income

| | For the three months ended September 30, | |
|---|--|---------------|
| | 2022 | 2021 |
| <u>Service fee and commission income</u> | | |
| Brokerage service fee income | \$ 5,532,371 | \$ 9,842,968 |
| Service fee income on insurance brokerage and transfer-agent | 153,338 | 354,859 |
| Service fee on credit cards | 225,101 | 196,293 |
| Service fee income on trust business | 751,494 | 946,275 |
| Service income on credit extension | 95,547 | 136,690 |
| Underwriting service income | 185,297 | 409,514 |
| Service income from short sales | 47,541 | 50,668 |
| Commission – reinsurance allowance | 44,611 | 39,415 |
| Service income on foreign exchange | 22,521 | 22,701 |
| Service fee income on consigned settlement | 8,923 | 9,626 |
| Deposits and remittance and other service income | 351,558 | 412,775 |
| Subtotal | 7,418,302 | 12,421,784 |
| <u>Service fee expenses and commission expense</u> | | |
| Insurance commission expense | (\$ 253,434) | (\$ 354,922) |
| Service expense on trust business | (293) | (605) |
| Service expense on brokerage | (612,248) | (801,303) |
| Service expense on proprietary trading | (35,674) | (48,645) |
| Service fee expense on credit cards | (226,195) | (203,814) |
| Service expense on clearing and settlement | (164,410) | (168,351) |
| Futures commission expense | (110,995) | (97,383) |
| Underwriting service expense | (1,262) | (892) |
| Service expense on foreign exchange | (11,053) | (9,628) |
| Service expense on credit extension | (9,080) | (7,185) |
| Deposits and remittance and other service expense | (119,155) | (88,591) |
| Subtotal | (1,543,799) | (1,781,319) |
| Total | \$ 5,874,503 | \$ 10,640,465 |

| | | For the nine months ended September 30, | |
|--|-----|---|----------------------|
| | | 2022 | 2021 |
| <u>Service fee and commission income</u> | | | |
| Brokerage service fee income | \$ | 18,476,136 | \$ 29,882,412 |
| Service fee income on insurance brokerage and transfer-agent | | 849,654 | 1,029,635 |
| Service fee on credit cards | | 640,988 | 686,610 |
| Service fee income on trust business | | 2,187,232 | 2,716,071 |
| Service income on credit extension | | 324,100 | 416,820 |
| Underwriting service income | | 748,784 | 1,088,979 |
| Service income from short sales | | 126,463 | 127,949 |
| Commission – reinsurance allowance | | 95,036 | 93,610 |
| Service income on foreign exchange | | 64,258 | 60,119 |
| Service fee income on consigned settlement | | 28,357 | 30,466 |
| Deposits and remittance and other service income | | 1,081,542 | 901,507 |
| Subtotal | | <u>24,622,550</u> | <u>37,034,178</u> |
| <u>Service fee expenses and commission expense</u> | | | |
| Insurance commission expense | (\$ | 899,668) | (\$ 1,169,822) |
| Service expense on trust business | (| 1,122) | (2,307) |
| Service expense on brokerage | (| 1,881,810) | (2,465,599) |
| Service expense on proprietary trading | (| 107,518) | (144,228) |
| Service fee expense on credit cards | (| 655,448) | (602,788) |
| Service expense on clearing and settlement | (| 505,413) | (510,903) |
| Futures commission expense | (| 336,949) | (313,742) |
| Underwriting service expense | (| 4,662) | (4,942) |
| Service expense on foreign exchange | (| 31,597) | (28,471) |
| Service expense on credit extension | (| 25,660) | (17,718) |
| Deposits and remittance and other service expense | (| 353,088) | (276,923) |
| Subtotal | (| <u>4,802,935</u>) | (<u>5,537,443</u>) |
| Total | \$ | <u>19,819,615</u> | \$ <u>31,496,735</u> |

(37) Net income from insurance operations

| | For the three months ended September 30, | |
|---|--|-----------------|
| | 2022 | 2021 |
| <u>Income from insurance operations</u> | | |
| Gross collected premiums | \$ 8,611,423 | \$ 7,976,672 |
| Less: Reinsurance premium ceded | (182,111) | (211,384) |
| Net changes of unearned premium reserve | (50,188) | 26,340 |
| Retention earned premium income | 8,379,124 | 7,791,628 |
| Investment-linked product income (Note) | 194,804 | 864,590 |
| Subtotal | 8,573,928 | 8,656,218 |
| <u>Expense from insurance operations</u> | | |
| Claims and policy benefits | (\$ 6,337,394) | (\$ 5,358,748) |
| Less: Claims recovered from reinsurers | 170,710 | 176,275 |
| Retention claims and policy benefits payments | (6,166,684) | (5,182,473) |
| Underwriting expenses | (607) | (1,279) |
| Expense from guaranty fund | (16,503) | (12,330) |
| Investment-linked product expenses (Note) | (194,804) | (864,590) |
| Subtotal | (6,378,598) | (6,060,672) |
| Total | \$ 2,195,330 | \$ 2,595,546 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| <u>Income from insurance operations</u> | | |
| Gross collected premiums | \$ 29,826,336 | \$ 27,537,906 |
| Less: Reinsurance premium ceded | (575,579) | (580,047) |
| Net changes of unearned premium reserve | (156,153) | (178,166) |
| Retention earned premium income | 29,094,604 | 26,779,693 |
| Investment-linked product income (Note) | 1,130,295 | 4,506,131 |
| Subtotal | 30,224,899 | 31,285,824 |
| <u>Expense from insurance operations</u> | | |
| Claims and policy benefits | (\$ 17,093,213) | (\$ 12,900,531) |
| Less: Claims recovered from reinsurers | 588,786 | 521,538 |
| Retention claims and policy benefits payments | (16,504,427) | (12,378,993) |
| Underwriting expenses | (3,154) | (4,066) |
| Expense from guaranty fund | (48,700) | (49,914) |
| Investment-linked product expenses (Note) | (1,130,295) | (4,506,131) |
| Subtotal | (17,686,576) | (16,939,104) |
| Total | \$ 12,538,323 | \$ 14,346,720 |

Note: Details about the investment insurance products - separate accounts are provided in Note 6(12).

(38) Gain or loss on financial assets and liabilities at fair value through profit or loss

| | For the three months ended September 30, | |
|--|--|--------------|
| | 2022 | 2021 |
| <u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u> | | |
| Commercial papers | \$ 143,835 | \$ 55,821 |
| Bonds | 498,938 | 1,752,108 |
| Stocks | 771,238 | 495,684 |
| Beneficiary certificates | (773,382) | 591,760 |
| Interest-linked instrument | (32,287) | (79,951) |
| Exchange rate-linked instrument | (1,433,510) | 1,484,595 |
| Other financial derivative instruments | (1,374,074) | 1,313,142 |
| Gain (loss) on covering of borrowed securities and bonds with resale agreements | 2,344,721 | (5,849,228) |
| Loss from issuing call (put) warrants | (5,454,430) | (1,793,275) |
| Issuing call (put) warrants expense | (144,269) | (128,613) |
| Others | 31,997 | 201,512 |
| Subtotal | (5,421,223) | (1,956,445) |
| <u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u> | | |
| Commercial papers | \$ 7,981 | (\$ 2,036) |
| Bonds | (322,297) | (561,231) |
| Stocks | (1,369,167) | (6,209,790) |
| Beneficiary certificates | (12,708) | (679,214) |
| Interest-linked instrument | 1,842,053 | 2,262,956 |
| Exchange rate-linked instrument | (5,308,875) | (1,659,477) |
| Other financial derivative instruments | (90,041) | (1,306,061) |
| Valuation gain on borrowed securities and bonds with resale agreements | 116,248 | 7,630,747 |
| Gain on changes in fair value of liabilities for issuance of call (put) warrants | 6,167,439 | 3,886,495 |
| Others | 196,371 | 42,098 |
| Subtotal | 1,227,004 | 3,404,487 |
| Total | (\$ 4,194,219) | \$ 1,448,042 |

| | | For the nine months ended September 30, | |
|--|-----|---|---------------|
| | | 2022 | 2021 |
| <u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u> | | | |
| Commercial papers | \$ | 279,522 | \$ 148,832 |
| Bonds | | 1,748,157 | 6,977,638 |
| Stocks | (| 248,247) | 9,410,025 |
| Beneficiary certificates | (| 387,856) | 2,575,174 |
| Interest-linked instrument | (| 91,700) | (866,028) |
| Exchange rate-linked instrument | (| 2,344,535) | 3,874,014 |
| Other financial derivative instruments | (| 5,901,305) | 15,463,872 |
| Gain (loss) on covering of borrowed securities and bonds with resale agreements | | 3,001,255 | (17,564,829) |
| Loss from issuing call (put) warrants | (| 16,102,446) | (1,559,692) |
| Issuing call (put) warrants expense | (| 443,855) | (355,040) |
| Others | | 495,497 | 107,545 |
| Subtotal | (| 19,995,513) | 18,211,511 |
| <u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u> | | | |
| Commercial papers | \$ | 19,473 | \$ 11,751 |
| Bonds | (| 2,605,873) | (1,211,327) |
| Stocks | (| 14,704,438) | (1,322,454) |
| Beneficiary certificates | (| 2,455,016) | (1,277,779) |
| Interest-linked instrument | | 7,882,931 | 290,505 |
| Exchange rate-linked instrument | (| 11,927,492) | (1,931,843) |
| Other financial derivative instruments | (| 898,658) | (4,424,135) |
| Valuation gain on borrowed securities and bonds with resale agreements | | 10,390,540 | 7,537,894 |
| Gain on changes in fair value of liabilities for issuance of call (put) warrants | | 19,999,892 | 2,143,884 |
| Others | | 349,166 | 387,924 |
| Subtotal | | 6,050,525 | 204,420 |
| Total | (\$ | 13,944,988) | \$ 18,415,931 |

- A. The realised gains or losses on the financial assets and liabilities at fair value through profit and loss of the Yuanta Group for the three months and nine months ended September 30, 2022 and 2021, including the (loss) gain on disposal, were (\$7,502,456), (\$4,433,100), (\$25,078,836) and \$12,941,396, respectively, and the issuing call (put) warrants expense, were \$144,269, \$128,613, \$443,855 and \$355,040, respectively, and the dividends income were \$1,309,678, \$1,648,862, \$2,910,725 and \$2,732,427, respectively, and the interest income were \$915,824, \$956,406, \$2,616,453 and \$2,892,728, respectively.
- B. The Yuanta Group recognised net gain (loss) amounting to \$ 1,001,875, \$447,812, \$4,616,322 and (\$1,618,410), respectively, on financial liabilities designated as at fair value through profit or loss for the three months and nine months ended September 30, 2022 and 2021.
- C. Net income on the exchange rate-linked instruments includes realised and unrealised gains and losses on forward exchange contracts, FX options, and currency futures.

- D. Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.
- E. Any change in fair value of the derivatives together managed with the financial instruments designated at fair value through profit and loss is listed under “gain and loss on financial assets and liabilities at fair value through profit and loss”.

(39) Reversal gain on asset impairment

| | For the three months ended September 30, | |
|---|--|-------------------|
| | 2022 | 2021 |
| Reversal (charge) of impairment loss on investments in debt instruments measured at fair value through other comprehensive income | \$ 1,058 | (\$ 3,872) |
| Charge of impairment loss on investments in debt instruments at amortised cost | (5,782) | (726) |
| Reversal of impairment loss on intangible assets | - | 164 |
| Reversal of impairment loss on investment property | - | 114 |
| Charge of impairment loss on other assets | - | (80) |
| Total | <u>(\$ 4,724)</u> | <u>(\$ 4,400)</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Reversal of impairment loss on investments in debt instruments measured at fair value through other comprehensive income | \$ 15,320 | \$ 7,479 |
| (Charge) reversal of impairment loss on investments in debt instruments at amortised cost | (16,441) | 759 |
| Impairment loss on intangible assets | - | (6,377) |
| Reversal of impairment loss on investment property | 5,010 | 4,597 |
| Reversal (charge) of impairment loss on other assets | 868 | (195) |
| Total | <u>\$ 4,757</u> | <u>\$ 6,263</u> |

(40) Net other miscellaneous (loss) income

| | For the three months ended September 30, | |
|--|--|--------------|
| | 2022 | 2021 |
| Borrowed stock revenue | \$ 600,852 | \$ 613,397 |
| Net change of reserve for foreign exchange fluctuation | (2,365,613) | 124,666 |
| Other net income | 177,207 | 265,083 |
| Total | (\$ 1,587,554) | \$ 1,003,146 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Borrowed stock revenue | \$ 1,893,779 | \$ 1,371,120 |
| Net change of reserve for foreign exchange fluctuation | (4,909,583) | 381,872 |
| Other net income | 1,103,920 | 929,744 |
| Total | (\$ 1,911,884) | \$ 2,682,736 |

(41) Provision for bad debt expense, commitment and guarantee policy reserve

| | For the three months ended September 30, | |
|---|--|--------------|
| | 2022 | 2021 |
| Bad debt expense for accounts receivable | \$ 6,469 | \$ 23,431 |
| Bad debt expense of bills discounted and loans | 179,821 | 351,978 |
| Reversal of guarantee reserve | 35,600 | 40,360 |
| Reversal of commitments and other reserve | (1,508) | (1,979) |
| Recovery of bad debt expense | (142,573) | (223,500) |
| Total | \$ 77,809 | \$ 190,290 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| (Reversal of) bad debt expense for accounts receivable | (\$ 40,865) | \$ 86,919 |
| Bad debt expense of bills discounted and loans | 801,867 | 1,083,031 |
| Reversal of guarantee reserve | 33,100 | 22,490 |
| Provision for (reversal of) commitments and other reserve | 85 | (5,669) |
| Recovery of bad debt expense | (625,040) | (1,068,723) |
| Total | \$ 169,147 | \$ 118,048 |

(42) Employee benefit expense

| | For the three months ended September 30, | |
|---------------------------------|--|----------------------|
| | 2022 | 2021 |
| Wages and salaries | \$ 5,507,014 | \$ 7,306,984 |
| Labor and health insurance fees | 312,363 | 293,090 |
| Pension costs | 256,436 | 258,488 |
| Termination benefits | 5,886 | 11,317 |
| Other employee benefit expenses | 335,085 | 364,470 |
| Total | <u>\$ 6,416,784</u> | <u>\$ 8,234,349</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Wages and salaries | \$ 16,673,825 | \$ 23,681,534 |
| Labor and health insurance fees | 992,573 | 888,775 |
| Pension costs | 788,473 | 782,716 |
| Termination benefits | 43,828 | 40,882 |
| Other employee benefit expenses | 1,116,466 | 1,126,567 |
| Total | <u>\$ 19,615,165</u> | <u>\$ 26,520,474</u> |

The numbers of employees of the Yuanta Group were 14,856 and 14,393 for the nine months ended September 30, 2022 and 2021, respectively.

- A. After covering accumulated deficit with the year-end earnings (that is income before taxes less income before employees' compensation provisions), 0.01% to 0.5% was appropriated as employees' compensation and an amount less than 0.9% was appropriated as directors' and supervisors' remuneration.
- B. For the three months and nine months ended September 30, 2022 and 2021, employees' compensation was accrued at \$7,274, \$7,789, \$17,645 and \$25,483, respectively; directors' and supervisors' remuneration was accrued at \$65,469, \$70,105, \$158,804 and \$229,348, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors in 2021 was in agreement with those amounts recognised in the 2021 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

| | For the three months ended September 30, | |
|-------------------------------------|--|-------------------|
| | 2022 | 2021 |
| Investment property depreciation | \$ 15,675 | \$ 23,348 |
| Property and equipment depreciation | 283,739 | 270,717 |
| Right-of-use asset depreciation | 335,404 | 340,121 |
| Intangible asset amortisation | 135,326 | 119,916 |
| Deferred asset amortisation | 11,157 | 12,566 |
| Total | <u>\$ 781,301</u> | <u>\$ 766,668</u> |

| | For the nine months ended September 30, | |
|-------------------------------------|---|---------------------|
| | 2022 | 2021 |
| Investment property depreciation | \$ 53,782 | \$ 71,205 |
| Property and equipment depreciation | 865,026 | 817,030 |
| Right-of-use asset depreciation | 1,027,476 | 1,040,994 |
| Intangible asset amortisation | 396,683 | 359,617 |
| Deferred asset amortisation | 35,123 | 40,063 |
| Total | <u>\$ 2,378,090</u> | <u>\$ 2,328,909</u> |

(44) Other business and administrative expenses

| | For the three months ended September 30, | |
|-----------------------------|--|---------------------|
| | 2022 | 2021 |
| Tax | 1,134,631 | \$ 1,568,648 |
| Computer science expense | 388,380 | 371,027 |
| Security borrowing expenses | 282,881 | 301,916 |
| Commission expense | 199,136 | 244,483 |
| Miscellaneous expenses | 227,300 | 169,648 |
| Postage and telephone costs | 189,568 | 193,969 |
| Others | 1,194,828 | 1,201,824 |
| Total | <u>\$ 3,616,724</u> | <u>\$ 4,051,515</u> |

| | For the nine months ended September 30, | |
|-----------------------------|---|----------------------|
| | 2022 | 2021 |
| Tax | \$ 3,476,473 | \$ 4,443,821 |
| Computer science expense | 1,155,464 | 1,086,185 |
| Security borrowing expenses | 920,827 | 838,344 |
| Commission expense | 735,700 | 867,863 |
| Miscellaneous expenses | 662,168 | 531,622 |
| Postage and telephone costs | 561,820 | 561,527 |
| Others | 3,453,974 | 3,855,554 |
| Total | <u>\$ 10,966,426</u> | <u>\$ 12,184,916</u> |

(45) Income tax

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

A. Income tax expense

(A) Components of income tax expense:

| | For the three months ended September 30, | |
|---|--|--------------|
| | 2022 | 2021 |
| Current tax: | | |
| Income tax from current income period | \$ 348,162 | \$ 2,341,319 |
| Income tax on unappropriated earnings | - | - |
| Adjustments in respect of prior years | (240,635) | (87,553) |
| Total current tax | 107,527 | 2,253,766 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 1,558,488 | (580,443) |
| Impact of change in tax rate | - | (17) |
| Total deferred tax | 1,558,488 | (580,460) |
| Income tax expense | \$ 1,666,015 | \$ 1,673,306 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Current tax: | | |
| Income tax from current income period | \$ 1,743,556 | \$ 6,445,837 |
| Income tax on unappropriated earnings | 456,642 | 354,787 |
| Adjustments in respect of prior years | (324,923) | (56,904) |
| Total current tax | 1,875,275 | 6,743,720 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 3,085,058 | (325,278) |
| Impact of change in tax rate | - | 2,872 |
| Total deferred tax | 3,085,058 | (322,406) |
| Income tax expense | \$ 4,960,333 | \$ 6,421,314 |

(B) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

| | For the three months ended September 30, | |
|--|--|--------------|
| | 2022 | 2021 |
| Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income | (206,103) | (26,878) |
| Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income | (9,005) | 4,312 |
| Other comprehensive income or loss on reclassification under the overlay approach | 70,725 | (39,976) |
| Share of profit or loss of associates and joint ventures accounted for under the equity method | 147 | (32) |
| Gain or loss on remeasurements of defined benefit plans | 50,801 | 12,098 |
| Total | (\$ 93,435) | (\$ 50,476) |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income | (\$ 753,660) | (\$ 201,976) |
| Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income | 289,760 | 102,691 |
| Other comprehensive income or loss on reclassification under the overlay approach | 21,709 | (39,312) |
| Share of profit or loss of associates and joint ventures accounted for under the equity method | 116 | 246 |
| Gain or loss on remeasurements of defined benefit plans | 56,748 | (637) |
| Total | (\$ 385,327) | (\$ 138,988) |

- B. As of September 30, 2022, the information on the Yuanta Group's income tax returns that have been assessed by the Tax Authority are as follows:

| | Assessment Information |
|---|-----------------------------|
| Yuanta Financial Holdings | Assessed through 2017 |
| Yuanta Securities | Assessed through 2017 |
| Yuanta Bank | Assessed through 2017 |
| Yuanta Securities Finance | Assessed through 2020(Note) |
| Yuanta Venture Capital | Assessed through 2017 |
| Yuanta Asset Management | Assessed through 2017 |
| Yuanta Securities Investment Consulting | Assessed through 2017 |
| Yuanta Futures | Assessed through 2019 |
| Yuanta Securities Investment Trust | Assessed through 2020 |
| Yuanta Life | Assessed through 2017 |
| Yuanta International Insurance Brokers | Assessed through 2020 |
| Yuanta International Leasing | Assessed through 2020 |
| Yuanta I Venture Capital | Assessed through 2020 |

Note: Income tax returns of Yuanta Securities Finance of 2018 have not been assessed.

- C. Income tax assessments of the Yuanta Group are as follows:

Yuanta Securities disagreed with the Tax Authority's assessment of income tax return for the fiscal year 2016. Yuanta Securities has filed for administrative remedies in accordance with the law. As of September 30, 2022, the amount was \$236,273.

(46) Earnings per share

| | For the three months ended September 30, 2022 | | |
|--|---|---|---------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| <u>Basic and diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 8,082,613 | 12,501,559 | \$ 0.65 |
| | For the three months ended September 30, 2021 | | |
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| <u>Basic and diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 8,655,034 | 12,501,559 | \$ 0.69 |
| | For the nine months ended September 30, 2022 | | |
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| <u>Basic and diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 19,605,427 | 12,501,559 | \$ 1.57 |

| For the nine months ended September 30, 2021 | | | |
|--|------------------|---|---------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| <u>Basic and diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 28,314,607 | 12,501,559 | \$ 2.26 |

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 20, 2022 (the effective date of stock grants). Basic earnings per share and diluted earnings per share before the adjustment were 0.71 and 2.33 for the three months and nine months ended September 30, 2021, respectively.

(47) Changes in liabilities from financing activities

| 2022 | | | | | |
|---|---|--------------------------|----------------------|----------------------|---------------------|
| | Bills and bonds payable under repurchase agreements | Commercial paper payable | Bonds payable | Other borrowings | Lease liability |
| At January 1 | \$ 183,865,849 | \$ 49,983,502 | \$ 82,539,085 | \$ 59,998,200 | \$ 5,720,785 |
| Changes in cash flow from financing activities | 18,566,693 | 7,094,747 | 4,389,033 | (9,677,989) | (804,775) |
| Impact of changes in foreign exchange rate | - | - | 205,074 | - | (33,715) |
| Amortisation of a premium or a discount on interest expense | - | (77,861) | 2,830 | - | - |
| Changes in other non-cash items | - | - | - | - | (329,564) |
| At September 30 | <u>\$ 202,432,542</u> | <u>\$ 57,000,388</u> | <u>\$ 87,136,022</u> | <u>\$ 50,320,211</u> | <u>\$ 4,552,731</u> |
| 2021 | | | | | |
| | Bills and bonds payable under repurchase agreements | Commercial paper payable | Bonds payable | Other borrowings | Lease liability |
| At January 1 | \$ 216,621,187 | \$ 27,417,489 | \$ 78,790,127 | \$ 57,796,061 | \$ 6,368,836 |
| Changes in cash flow from financing activities | (21,720,866) | 22,189,387 | 9,212,858 | (1,655,888) | (1,109,183) |
| Impact of changes in foreign exchange rate | - | - | (266,567) | - | (245,136) |
| Amortisation of a premium or a discount on interest expense | - | 14,440 | 54,117 | - | - |
| Changes in other non-cash items | - | - | - | - | 875,920 |
| At September 30 | <u>\$ 194,900,321</u> | <u>\$ 49,621,316</u> | <u>\$ 87,790,535</u> | <u>\$ 56,140,173</u> | <u>\$ 5,890,437</u> |

7. Related party transactions

Any related party transactions amongst the Yuanta Group are eliminated upon consolidation and therefore no disclosure is made. Except for Note 7(2) and other additional notes provided, significant transactions with the related parties and the relationships to the Company are summarized below:

(1) Names and relationship of related parties

| <u>Names of related parties</u> | <u>Relationship with the Group</u> |
|---|---|
| Funds managed by Yuanta Securities Investment Trust | Security investment trust fund raised by the Yuanta Securities Investment Trust |
| Yuanta Investment Management (Cayman) Ltd. | Associate of Yuanta Securities |
| SYF Information (Shanghai) | Associate of Yuanta Futures |
| Yuanta-Polaris Research Institute (Yuanta-Polaris Research) | Related party in substance |
| Yuanta Construction Development Co., Ltd. (Yuanta Construction Development) | " |
| Greatness Trading Co., Ltd. | " |
| Yuen Foong Yu Consumer Products Co., Ltd. (YFYCPG) | " |
| Yuanta Cultural & Education Foundation (Yuanta Foundation) | (No longer a related party since December 25, 2021.) |
| Yuanta Diamond Funds SPC | " |
| Pyeongtaek Godeok PFV Co., Ltd. | " (Note) |
| | " |
| | (Has become a related party since April 21, 2021.) |
| TONGYANG AGRI-FOOD INVESTMENT Fund II | Investments accounted for under the equity method of Yuanta Securities (Korea) |
| KVIC-Yuanta 2015 Overseas Advance Fund | " |
| IBKC-TONGYANG Growth 2013 Private Equity Fund | " |
| Yuanta Secondary No.2 Fund | " |
| Yuanta Secondary No.3 Private Equity Fund | " |
| 2016 KIF-Yuanta ICT Venture Fund | " |
| Yuanta SPAC III | " |
| | (No longer a related party since March 31, 2021.) |
| Yuanta SPAC IV | " |
| | (No longer a related party since March 23, 2022.) |
| Yuanta SPAC V | " |
| | (No longer a related party since March 30, 2022.) |
| Yuanta SPAC VI | " |
| | (No longer a related party since July 27, 2021.) |
| Kiwoom-Yuanta 2019 Scale-up Fund | " |
| Yuanta SPAC VII | " |
| Yuanta SPAC VIII | " |
| Yuanta Innovative Job Creation Fund | " |
| | (Has become a related party since January 12, 2021.) |
| 2011 KIF-TONGYANG IT Venture Fund | Investments accounted for under the equity method of Yuanta Securities (Korea) |
| | (No longer a related party since April 5, 2021.) |
| Yuanta Innovative Growth MPE Fund | " |
| | (Has become a related party since December 3, 2021.) |

| Names of related parties | Relationship with the Group |
|-------------------------------------|--|
| Yuanta SPAC X | Investments accounted for under the equity method of Yuanta Securities (Korea) (Has become a related party since June 8, 2022.) |
| Yuanta SPAC IX | " (Has become a related party since May 4, 2022.) |
| Polaris Ocean Private Equity Fund | " (No longer a related party since July 22, 2022.) |
| Yuanta SPAC XI | " (Has become a related party since September 14, 2022.) |
| Yuanta Diamond Funds SPC's funds | Funds managed by Yuanta Securities (Hong Kong) |
| Global Growth Investment, L.P. | Funds managed by Yuanta Asia Investment |
| Yuanta Asia Growth Investment, L.P. | " |
| Other related parties | The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group. |

Note: Yuanta Diamond Funds SPC is a segregated portfolio company registered in the Cayman Islands, under the laws of the Cayman Islands. There can be one or multiple segregated portfolios under SPC (hereinafter called funds). Between each fund, assets and liabilities are separated. Yuanta Investment Management (Cayman) holds the management shares issued by Yuanta Diamond Funds SPC. The rights of management shares include maintaining the functions of a SPC, but excluding participating in profit sharing and asset and earnings distribution.

(2) Significant transactions and balances with related parties

A. Deposits

| September 30, 2022 | | | |
|---------------------|----------------|----------------------------|-------------------|
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | \$ 11,421,457 | 0.82 | 0.00~6.31 |
| December 31, 2021 | | | |
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | \$ 12,160,748 | 0.88 | 0.00~5.80 |
| September 30, 2021 | | | |
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | \$ 10,145,311 | 0.73 | 0.00~5.80 |

Apart from an interest rate limit on staff demand savings deposits of 5.80%~6.31% and 5.80%, respectively, for the nine months ended September 30, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were 0.00%~3.87% and 0.00%~3.00%, 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 three months and nine months ended September 30, 2022 and 2021, interest expense on the above deposits were \$608, \$8,512, \$37,978 and \$25,273, respectively.

B. Loans

Yuanta Bank and its subsidiaries

September 30, 2022

Unit: In thousands of NT dollars

| Types | Number of accounts or name of related party | Highest balance | Ending balance | Loan status | | Collateral | Whether terms and conditions of the related party transactions are different from those of transactions with third parties. |
|----------------------------|---|-----------------|----------------|--------------|------------------|--|---|
| | | | | Normal loans | Overdue accounts | | |
| Consumer loans | 315 | \$ 114,290 | \$ 57,203 | \$ 57,203 | \$ - | Small and medium enterprise credit guarantee fund, movables, deposits and credit loans | None |
| Residential mortgage loans | 509 | 4,631,209 | 3,825,271 | 3,825,271 | - | Real estate | None |
| Other loans | Greatness Trading Co., Ltd. | 20,000 | 20,000 | 20,000 | - | Real estate | None |
| | 91 | 369,881 | 238,783 | 238,783 | - | Deposits, stock, real estate and policy | None |
| Total | | | \$ 4,141,257 | \$ 4,141,257 | \$ - | | |

December 31, 2021

Unit: In thousands of NT dollars

| 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 | 332 | \$ 118,138 | \$ 60,243 | \$ 60,243 | \$ - | Small and medium enterprise credit guarantee fund, real estate, movables, deposits and credit loans | None |
| Residential mortgage loans | 524 | 4,598,237 | 3,628,465 | 3,628,465 | - | Real estate | None |
| Other loans | 91 | 372,879 | 228,404 | 228,404 | - | Deposits, stock, real estate, beneficial rights of specific money trust and policy | None |
| Total | | | \$ 3,917,112 | \$ 3,917,112 | \$ - | | |

September 30, 2021

Unit: In thousands of NT dollars

| 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 | 306 | \$ 108,900 | \$ 63,595 | \$ 63,595 | \$ - | Small and medium enterprise credit guarantee fund, movables, deposits and credit loans | None |
| Residential mortgage loans | 509 | 4,408,013 | 3,733,579 | 3,733,579 | - | Real estate | None |
| Other loans | 85 | 357,177 | 222,463 | 222,463 | - | Deposits, stock, real estate, beneficial rights of specific money trust and policy | None |
| Total | | | \$ 4,019,637 | \$ 4,019,637 | \$ - | | |

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.62%~1.76% and 1.20% for the nine months ended September 30, 2022 and 2021, respectively, the interest rates on the remaining loans are ranging both from 0.00%~6.42% for the nine months ended September 30, 2022 and 2021, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2022 and 2021, interest income resulting from the above loans amounted to \$17,485, \$13,823, \$45,120, and \$40,397, respectively.

(BLANK)

C. Property transactions

(A) The details of the Yuanta Group investments in open-end funds were as follows (recorded as “Financial assets at fair value through profit or loss”):

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|--|--------------------------|---------------------------|
| Other related parties: | | | |
| Funds managed by Yuanta Securities Investment Trust | \$ 7,232,395 | \$ 6,463,018 | \$ 5,881,035 |
| Global Growth Investment, L.P. | 17,422 | 12,044 | 18,916 |
| Yuanta Diamond Funds | | | |
| SPC’s funds | - | - | 48,994 |
| Yuanta Asia Growth Investment, L.P. | 306,399 | 248,761 | 206,392 |
| | <u>\$ 7,556,216</u> | <u>\$ 6,723,823</u> | <u>\$ 6,155,337</u> |
| | Proceeds on disposal | | |
| | For the three months ended September 30, | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Funds managed by Yuanta Securities Investment Trust | \$ 94,830,719 | \$ 121,793,040 | |
| Yuanta Asia Growth Investment, L.P. | - | 1,946 | |
| | <u>\$ 94,830,719</u> | <u>\$ 121,794,986</u> | |
| | Proceeds on disposal | | |
| | For the nine months ended September 30, | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Funds managed by Yuanta Securities Investment Trust | \$ 277,955,715 | \$ 309,881,695 | |
| Yuanta Asia Growth Investment, L.P. | - | 1,946 | |
| | <u>\$ 277,955,715</u> | <u>\$ 309,883,641</u> | |
| | Realised Gain | | |
| | For the three months ended September 30, | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Funds managed by Yuanta Securities Investment Trust | (\$ 89,557) | \$ 392,587 | |
| Yuanta Asia Growth Investment, L.P. | - | 1,172 | |
| | <u>(\$ 89,557)</u> | <u>\$ 393,759</u> | |

| | | Realised Gain or Loss | |
|-------------------------------------|-----|---|--------------|
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Other related parties: | | | |
| Funds managed by Yuanta Securities | | | |
| Investment Trust | (\$ | 148,347) | \$ 1,259,960 |
| Yuanta Asia Growth Investment, L.P. | | - | 1,172 |
| | (\$ | 148,347) | \$ 1,261,132 |

(B) The Yuanta Group has bills and bonds transactions under repurchase agreements with the related parties (recorded as “Bonds sold under repurchase agreements”)

| September 30, 2022 | | | | |
|---------------------------|-----------------|-------------------|-------------------------|---------------------------------|
| | Highest balance | Ending balance | Interest rate (%) | Foreign currency ending balance |
| Key management personnel: | | | | |
| Others | \$ 50,000 | \$ - | 0.20 | |
| Others | 30,156 | 30,156 | 0.20~2.70 (Note:USD) | USD 950 thousand |
| Other related parties: | | | | |
| Others | 1,425,275 | 830,294 | 0.20~0.45 | |
| | | <u>\$ 860,450</u> | | |

| December 31, 2021 | | | | |
|---------------------------|-----------------|---------------------|---------------------------|---------------------------------|
| | Highest balance | Ending balance | Interest rate (%) | Foreign currency ending balance |
| Key management personnel: | | | | |
| Others | \$ 250,042 | \$ 50,000 | 0.20 | |
| Others | 5,538 | 5,538 | 0.20~0.30 (Note : USD) | USD 200 thousand |
| Other related parties: | | | | |
| Others | 1,344,324 | 1,205,017 | 0.20~0.25 | |
| | | <u>\$ 1,260,555</u> | | |

| September 30, 2021 | | | | |
|---------------------------|-----------------|---------------------|---------------------------|---------------------------------|
| | Highest balance | Ending balance | Interest rate (%) | Foreign currency ending balance |
| Key management personnel: | | | | |
| Others | \$ 250,042 | \$ 50,000 | 0.20 | |
| Others | 5,564 | 5,564 | 0.20~0.30 (Note : USD) | USD 200 thousand |
| Other related parties: | | | | |
| Others | 1,344,298 | 1,104,633 | 0.20~0.25 | |
| | | <u>\$ 1,160,197</u> | | |

Note: For foreign currency repo trade.

D. Futures traders' equity

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------|---------------------------|--------------------------|---------------------------|
| Other related parties: | | | |
| Funds managed by Yuanta | \$ 31,675,053 | \$ 29,244,360 | \$ 30,130,827 |
| Securities Investment Trust | | | |
| Others | 123,463 | 88,823 | 74,839 |
| | <u>\$ 31,798,516</u> | <u>\$ 29,333,183</u> | <u>\$ 30,205,666</u> |

E. Deposits on securities borrowed, receivables from deposits on securities borrowed, security borrowing expenses payable and security borrowing expenses

| | <u>Deposits on securities borrowed</u> | | |
|-----------------------------|---|--------------------------|---------------------------|
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 150,504 | \$ 2,215,689 | \$ 2,374,454 |
| | <u>Receivables from deposits on securities borrowed</u> | | |
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 437,344 | \$ 10,630 | \$ - |
| | <u>Security borrowing expenses payable</u> | | |
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 26,301 | \$ 12,263 | \$ 17,812 |
| | <u>Security borrowing expenses</u> | | |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 33,696 | \$ 34,456 | |
| | <u>Security borrowing expenses</u> | | |
| | <u>For the nine months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 93,240 | \$ 53,398 | |

F. Receivables from loans to employees

| Receivables from loans to employees | | | |
|-------------------------------------|---------------------------|--------------------------|---------------------------|
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Key management personnel: | | | |
| Others | \$ 1,339 | \$ 1,304 | \$ 1,815 |
| Other related parties: | | | |
| Others | 148,204 | 159,302 | 165,649 |
| | <u>\$ 149,543</u> | <u>\$ 160,606</u> | <u>\$ 167,464</u> |

G. Income from distribution fee

| For the three months ended September 30, | | | |
|--|-----------------|-----------------|--|
| | <u>2022</u> | <u>2021</u> | |
| Key management personnel: | | | |
| Others | \$ 265 | \$ 414 | |
| Other related parties: | | | |
| Others | 24 | 236 | |
| | <u>\$ 289</u> | <u>\$ 650</u> | |
| For the nine months ended September 30, | | | |
| | <u>2022</u> | <u>2021</u> | |
| Key management personnel: | | | |
| Others | \$ 865 | \$ 1,234 | |
| Other related parties: | | | |
| Others | 322 | 654 | |
| | <u>\$ 1,187</u> | <u>\$ 1,888</u> | |

H. Details on the performance fee and management fee receivable for fund investments accounted for under the equity method and receipts of performance fee and fund management fee are as follows:

| Receivables from performance fee and management fee income | | | |
|--|---------------------------|--------------------------|---------------------------|
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Other related parties: | | | |
| Yuanta Secondary No.2 Fund | \$ 12,753 | \$ 19,172 | \$ 14,859 |
| Yuanta Secondary No.3 | | | |
| Private Equity Fund | 6,636 | 10,822 | 5,256 |
| KVIC-Yuanta 2015 Overseas | | | |
| Advance Fund | 4,217 | 7,115 | 5,421 |
| 2016 KIF-Yuanta ICT Venture | | | |
| Fund | 4,393 | 7,038 | 5,516 |
| Others | 1,884 | 3,481 | 3,662 |
| | <u>\$ 29,883</u> | <u>\$ 47,628</u> | <u>\$ 34,714</u> |

| | | <u>Performance fee and management fee income</u> | |
|--|----|--|-------------------|
| | | <u>For the three months ended September 30,</u> | |
| | | <u>2022</u> | <u>2021</u> |
| Other related parties: | | | |
| Yuanta Innovative Growth MPE Fund | \$ | 9,102 | \$ - |
| Yuanta Secondary No.3 Private Equity Fund | | 6,788 | 5,381 |
| Yuanta Innovative Job Creation Fund | | 5,330 | 5,927 |
| Kiwoom-Yuanta 2019 Scale-up Fund | | 4,534 | 4,830 |
| Others | | 12,779 | 13,601 |
| | \$ | <u>38,533</u> | <u>\$ 29,739</u> |
| | | <u>Performance fee and management fee income</u> | |
| | | <u>For the nine months ended September 30,</u> | |
| | | <u>2022</u> | <u>2021</u> |
| Other related parties: | | | |
| Yuanta Innovative Growth MPE Fund | \$ | 27,806 | \$ - |
| Yuanta Secondary No.3 Private Equity Fund | | 19,858 | 15,998 |
| Yuanta Innovative Job Creation Fund | | 16,285 | 17,503 |
| Kiwoom-Yuanta 2019 Scale-up Fund | | 13,851 | 13,562 |
| Polaris Ocean Private Equity Fund | | 136,840 | - |
| Others | | 41,692 | 69,516 |
| | \$ | <u>256,332</u> | <u>\$ 116,579</u> |
| I. <u>Fund management fee income and the balance of fund (recorded as “Financial assets at fair value through profit or loss”)</u> | | | |
| | | <u>Fund management fee income</u> | |
| | | <u>For the three months ended September 30,</u> | |
| | | <u>2022</u> | <u>2021</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ | 926,873 | \$ 906,523 |
| Yuanta Asia Growth Investment, L.P. | | 8,834 | 6,401 |
| Yuanta Diamond Funds SPC's funds | | 7,458 | 25,275 |
| Global Growth Investment, L.P. | | 138 | 146 |
| | \$ | <u>943,303</u> | <u>\$ 938,345</u> |

| | | Fund management fee income | |
|-------------------------------------|----|---|--------------|
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ | 2,762,771 | \$ 2,641,009 |
| Yuanta Asia Growth Investment, L.P. | | 24,617 | 18,538 |
| Yuanta Diamond Funds SPC's funds | | 19,840 | 46,096 |
| Global Growth Investment, L.P. | | 416 | 484 |
| | \$ | 2,807,644 | \$ 2,706,127 |

J. Receivable from transfer-agent services and income from transfer-agent services

| | | Income from transfer-agent services | |
|------------------------|----|--|-------|
| | | For the three months ended September 30, | |
| | | 2022 | 2021 |
| Other related parties: | | | |
| Others | \$ | 34 | \$ 31 |
| | | Income from transfer-agent services | |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Other related parties: | | | |
| Others | \$ | 94 | \$ 91 |

K. Investment refund receivable

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------|--------------------|-------------------|--------------------|
| Other related parties: | | | |
| IBKC-TONGYANG Growth | | | |
| 2013 Private Equity Fund | 45,583 | 47,782 | 48,245 |
| TONGYANG AGRI-FOOD | | | |
| INVESTMENT FUND II | 1,255 | 21,639 | 39,086 |
| Kiwoom-Yuanta 2019 | | | |
| Scale-up Fund | 10,959 | - | - |
| SYF Information (Shanghai) | 118,159 | - | - |
| | \$ 175,956 | \$ 69,421 | \$ 87,331 |

L. Other financial assets-loan, interest in advance and interest income

| | | December 31, 2021 |
|---------------------------------|----|-----------------------------|
| | | Other financial assets-loan |
| Other related parties: | | |
| Pyeongtaek Godeok PFV Co., Ltd. | \$ | 1,863,360 |

There were no other financial assets-loan to related parties as of September 30, 2022 and 2021.

M. Receivable of securities business money lending

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------|---------------------------|--------------------------|---------------------------|
| Key management personnel: | | | |
| Others | \$ - | \$ 23,206 | \$ 20,606 |
| Other related parties: | | | |
| Others | <u>23,969</u> | <u>410</u> | <u>110</u> |
| | <u>\$ 23,969</u> | <u>\$ 23,616</u> | <u>\$ 20,716</u> |

N. Accounts receivable

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------|---------------------------|--------------------------|---------------------------|
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ 335,417 | \$ 336,337 | \$ 307,591 |
| Yuanta Construction | | | |
| Development | <u>2,400</u> | <u>2,938</u> | <u>3,114</u> |
| | <u>\$ 337,817</u> | <u>\$ 339,275</u> | <u>\$ 310,705</u> |

O. Accounts receivable – settlement

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------|---------------------------|--------------------------|---------------------------|
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | \$ - | \$ - | \$ 2,650 |

P. Other financial liabilities and Interest expense

Customers' deposits of Yuanta Securities and its subsidiaries recorded as other financial liabilities were as follows:

| | <u>Other financial liabilities</u> | | |
|---------------------------|------------------------------------|--------------------------|---------------------------|
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Key management personnel: | | | |
| Others | \$ 4,150 | \$ 20,690 | \$ 28,798 |
| Other related parties: | | | |
| Others | <u>11</u> | <u>9</u> | <u>9</u> |
| | <u>\$ 4,161</u> | <u>\$ 20,699</u> | <u>\$ 28,807</u> |

Q. Other payables

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------|---------------------------|--------------------------|---------------------------|
| Key management personnel: | | | |
| Others | \$ 6 | \$ 22 | \$ 5 |
| Other related parties: | | | |
| Others | <u>6</u> | <u>27</u> | <u>40</u> |
| | <u>\$ 12</u> | <u>\$ 49</u> | <u>\$ 45</u> |

R. Securities issued by fellow subsidiary (recorded as “Financial assets at fair value through profit or loss”)

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------------|---|--------------------------|---------------------------|
| Other related parties: | | | |
| YFYCPG | \$ - | \$ - | \$ 268 |
| Yuanta SPAC IV | - | 18,051 | 18,236 |
| Yuanta SPAC V | - | 22,943 | 23,177 |
| Yuanta SPAC VII | 21,076 | 22,127 | 22,354 |
| Yuanta SPAC VIII | 21,963 | 23,059 | 23,295 |
| Yuanta SPAC IX | 21,963 | - | - |
| Yuanta SPAC X | 21,963 | - | - |
| Yuanta SPAC XI | 21,963 | - | - |
| | <u>\$ 108,928</u> | <u>\$ 86,180</u> | <u>\$ 87,330</u> |
| | <u>Proceeds on disposal</u> | | |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| YFYCPG | <u>\$ -</u> | <u>\$ 290,771</u> | |
| | <u>Proceeds on disposal</u> | | |
| | <u>For the nine months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Yuanta SPAC IV | \$ 14,049 | \$ - | |
| YFYCPG | - | 989,800 | |
| | <u>\$ 14,049</u> | <u>\$ 989,800</u> | |
| | <u>Realised gains</u> | | |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| YFYCPG | <u>\$ -</u> | <u>(\$ 1,958)</u> | |
| | <u>Realised gains or losses</u> | | |
| | <u>For the nine months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Other related parties: | | | |
| Yuanta SPAC IV | (\$ 3,272) | \$ - | |
| YFYCPG | - | 49,411 | |
| | <u>(\$ 3,272)</u> | <u>\$ 49,411</u> | |

S. Credit transaction between the Yuanta Group and related parties

| | September 30, 2022 | | |
|---------------------------|---|----------------------------|-------------------|
| | Guarantee deposit receivable from short sales | Deposit for short sales | Margin loans |
| Key management personnel: | | | |
| Others | \$ 13,375 | \$ 14,770 | \$ 67,689 |
| Other related parties: | | | |
| Others | 2,611 | 21,012 | 26,177 |
| | <u>\$ 15,986</u> | <u>\$ 35,782</u> | <u>\$ 93,866</u> |
| | December 31, 2021 | | |
| | Guarantee deposit receivable from short sales | Deposit for short sales | Margin loans |
| Key management personnel: | | | |
| Others | \$ 3,438 | \$ 22,913 | \$ 70,145 |
| Other related parties: | | | |
| Others | 6,400 | 7,937 | 32,361 |
| | <u>\$ 9,838</u> | <u>\$ 30,850</u> | <u>\$ 102,506</u> |
| | September 30, 2021 | | |
| | Guarantee deposit receivable from short sales | Deposit for short sales | Margin loans |
| Key management personnel: | | | |
| Others | \$ 6,470 | \$ 80,824 | \$ 68,455 |
| Other related parties: | | | |
| Others | 2,800 | 77,901 | 30,010 |
| | <u>\$ 9,270</u> | <u>\$ 158,725</u> | <u>\$ 98,465</u> |

T. Other Operating expenses

(A) ETF redemption fees

| | For the three months ended September 30, | |
|-----------------------------|--|------------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | <u>\$ 7,727</u> | <u>\$ 10,955</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | <u>\$ 27,710</u> | <u>\$ 36,991</u> |

(B) Financial costs

| | For the three months ended September 30, | |
|---|--|----------|
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta Securities Investment Trust | \$ 3 | \$ 736 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta Securities Investment Trust | \$ 2,001 | \$ 1,275 |

(C) Professional fee

The transaction details of Yuanta Securities' and its subsidiaries' professional fee from investment strategies and recommendations provided by related parties are as follows:

| | For the three months ended September 30, | |
|----------------------------|--|----------|
| | 2022 | 2021 |
| Company's related parties: | | |
| Other | \$ - | \$ 4,469 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Company's related parties: | | |
| Other | \$ - | \$ 4,469 |

U. Operating expenses

| | | For the nine months ended September 30, | |
|--------------------------------|----------------------|---|------------|
| | | 2022 | 2021 |
| <u>Name of related parties</u> | <u>Nature</u> | | |
| Other related parties: | | | |
| Yuanta Foundation | Donation expenditure | \$ 80,000 | \$ 80,000 |
| Yuanta-Polaris Research | Donation expenditure | 31,600 | 21,000 |
| | | \$ 111,600 | \$ 101,000 |

For the three months ended September 30, 2022 and 2021, there were no operating expenses – donation expenditure.

V. Premium income

| | For the three months ended September 30, | |
|------------------------|--|------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Others | \$ 72,639 | \$ 57,465 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Others | \$ 292,714 | \$ 248,764 |

W. The details of the service fees arising from brokerage commissions engaged by the Yuanta Group and its related parties

| | For the three months ended September 30, | |
|-----------------------------|--|-------------------|
| | 2022 | 2021 |
| Key management personnel: | | |
| Others | \$ 6,103 | \$ 9,186 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | 76,038 | 59,594 |
| Others | 7,373 | 11,920 |
| | <u>\$ 89,514</u> | <u>\$ 80,700</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Key management personnel: | | |
| Others | \$ 19,098 | \$ 30,013 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | 220,739 | 170,641 |
| Others | 24,190 | 31,756 |
| | <u>\$ 264,027</u> | <u>\$ 232,410</u> |

X. Rental income from leasing the Yuanta Group's own assets to related parties

| | For the three months ended September 30, | |
|---------------------------------|--|-----------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ 1,981 | \$ 2,038 |
| Yuanta-Polaris Research | 255 | 283 |
| Yuanta Foundation | 16 | 16 |
| | <u>\$ 2,252</u> | <u>\$ 2,337</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ 6,064 | \$ 6,487 |
| Yuanta-Polaris Research | 821 | 850 |
| Yuanta Foundation | 48 | 41 |
| | <u>\$ 6,933</u> | <u>\$ 7,378</u> |

Y. The details of the real estate management and maintenance income engaged by the Yuanta Group and its related parties

| | For the three months ended September 30, | |
|------------------------|--|-------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Foundation | \$ <u>2</u> | \$ <u>2</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Foundation | \$ <u>5</u> | \$ <u>3</u> |

Z. Refundable deposits - rental deposit from leasing the Yuanta Group's own assets to related parties

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------|--------------------|-------------------|--------------------|
| Other related parties: | | | |
| Yuanta Construction | | | |
| Development | \$ 1,510 | \$ 1,510 | \$ 1,510 |
| Yuanta-Polaris Research | 17 | 189 | 189 |
| Yuanta Foundation | 10 | 10 | 10 |
| | <u>\$ 1,537</u> | <u>\$ 1,709</u> | <u>\$ 1,709</u> |

AA. Gain on investment property

(A) Imputed interest on deposits

| | For the three months ended September 30, | |
|---------------------------------|--|-------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ <u>3</u> | \$ <u>3</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ <u>9</u> | \$ <u>9</u> |

(B) Other income

| | For the three months ended September 30, | |
|---------------------------------|--|---------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ <u>523</u> | \$ <u>478</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta Construction Development | \$ <u>1,517</u> | \$ <u>762</u> |

AB. Revenue from funds managed by related parties of the Yuanta Group

| | For the three months ended September 30, | |
|-----------------------------|--|------------|
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | \$ 37,120 | \$ 22,037 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | \$ 81,102 | \$ 177,551 |

AC. Other operating revenue—Underwriting service income

(A) Fee income from security proxy sale

| | For the three months ended September 30, | |
|------------------------|--|----------|
| | 2022 | 2021 |
| Other related parties: | | |
| Others | \$ - | \$ 3,628 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Others | \$ - | \$ 4,228 |

(B) Revenue from underwriting securities on a firm commitment basis

| | For the three months ended September 30, | |
|------------------------|--|-----------|
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta SPAC IX | 3,463 | - |
| Yuanta SPAC X | 3,809 | - |
| Yuanta SPAC VI | - | 5,649 |
| | \$ 7,272 | \$ 5,649 |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Other related parties: | | |
| Yuanta SPAC V | \$ 4,524 | \$ - |
| Yuanta SPAC IX | 3,463 | - |
| Yuanta SPAC X | 3,809 | - |
| Yuanta SPAC VI | - | 5,649 |
| Yuanta SPAC VIII | - | 5,431 |
| Yuanta SPAC III | - | 3,724 |
| | \$ 11,796 | \$ 14,804 |

AD. Information on remunerations to the Yuanta Group's key management

| | For the three months ended September 30, | |
|---|--|---------------------|
| | 2022 | 2021 |
| Salaries and other short-term employee benefits | \$ 1,230,447 | \$ 1,667,624 |
| Termination benefits | 484 | 1,611 |
| Other long-term benefits | 2,750 | 2,641 |
| Post-employment benefit | 41,440 | 34,312 |
| Total | <u>\$ 1,275,121</u> | <u>\$ 1,706,188</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Salaries and other short-term employee benefits | \$ 3,762,496 | \$ 5,485,625 |
| Termination benefits | 15,904 | 42,141 |
| Other long-term benefits | 8,419 | 8,286 |
| Post-employment benefit | 124,200 | 108,814 |
| Total | <u>\$ 3,911,019</u> | <u>\$ 5,644,866</u> |

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

| September 30, 2022 | | | |
|---------------------|-----------------------|----------------------------|-------------------|
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | <u>\$ 105,233,567</u> | <u>7.15</u> | 0.00~6.31 |
| December 31, 2021 | | | |
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | <u>\$ 112,068,782</u> | <u>7.62</u> | 0.00~5.80 |
| September 30, 2021 | | | |
| Name | Ending balance | Percentage of deposits (%) | Interest rate (%) |
| All related parties | <u>\$ 76,969,252</u> | <u>5.38</u> | 0.00~5.80 |

Apart from an interest rate limit on staff demand savings deposits of 5.80% ~ 6.31% and 5.80%, respectively, for the nine months ended September 30, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 3.87% and 0.00%~3.00%, 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 three months and nine months ended September 30, 2022 and 2021, interest expense on the above deposits were \$202,962, \$42,965, \$368,742, and \$123,390, respectively.

(BLANK)

(B) Loans

September 30, 2022

Unit: In thousands of NT dollars

| Types | Number of accounts or name of related party | Highest balance | Ending balance | Loan status | | Collateral | Whether terms and conditions of the related party transactions are different from those of transactions with third parties. |
|----------------------------|---|-----------------|----------------|--------------|------------------|--|---|
| | | | | Normal loans | Overdue accounts | | |
| Consumer loans | 315 | \$ 114,290 | \$ 57,203 | \$ 57,203 | \$ - | Small and medium enterprise credit guarantee fund, movables and credit loans | None |
| Residential mortgage loans | 509 | 4,631,209 | 3,825,271 | 3,825,271 | - | Real estate | None |
| Other loans | Yuanta Securities | 1,450,000 | - | - | - | Real estate | None |
| | Greatness Trading Co., Ltd. | 20,000 | 20,000 | 20,000 | - | Real estate | None |
| | 91 | 369,881 | 238,783 | 238,783 | - | Deposits, stock, real estate and policy | None |
| Total | | | \$ 4,141,257 | \$ 4,141,257 | \$ - | | |

December 31, 2021

Unit: In thousands of NT dollars

| 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 | 332 | \$ 118,138 | \$ 60,243 | \$ 60,243 | \$ - | Small and medium enterprise credit guarantee fund, real estate, movables, deposits and credit loans | None |
| Residential mortgage loans | 524 | 4,598,237 | 3,628,465 | 3,628,465 | - | Real estate | None |
| Other loans | Yuanta Securities | 24,105 | - | - | - | Real estate | None |
| | 91 | 372,879 | 228,404 | 228,404 | - | Deposits, stock, real estate, beneficial rights of specific money trust and policy | None |
| Total | | | \$ 3,917,112 | \$ 3,917,112 | \$ - | | |

September 30, 2021

Unit: In thousands of NT dollars

| 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 | 306 | \$ 108,900 | \$ 63,595 | \$ 63,595 | \$ - | Small and medium enterprise credit guarantee fund, movables, deposits and credit loans | None |
| Residential mortgage loans | 509 | 4,408,013 | 3,733,579 | 3,733,579 | - | Real estate | None |
| Other loans | Yuanta Securities | 24,105 | - | - | - | Real estate | None |
| | 85 | 357,177 | 222,463 | 222,463 | - | Deposits, stock, real estate, beneficial rights of specific money trust and policy | None |
| Total | | | \$ 4,019,637 | \$ 4,019,637 | \$ - | | |

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies which were 1.62%~1.76% and 1.20% for the nine months ended September 30, 2022 and 2021, respectively, the interest rates on the remaining loans are ranging from 0.00%~6.42% for both the nine months ended September 30, 2022 and 2021, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2022 and 2021, interest income resulting from the above loans amounted to \$17,485, \$13,823, \$45,178 and \$40,398, respectively.

(BLANK)

(C) Service fee income

| | | For the three months ended September 30, | |
|------------------------------------|----|--|-------------------|
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ | 265,725 | \$ 181,022 |
| Yuanta Securities Investment Trust | | 16,257 | 10,107 |
| Yuanta Securities (Hong Kong) | | 9,264 | 1,734 |
| Yuanta Securities | | 5,787 | 385 |
| | \$ | <u>297,033</u> | <u>\$ 193,248</u> |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ | 926,902 | \$ 693,655 |
| Yuanta Securities Investment Trust | | 38,528 | 26,086 |
| Yuanta Securities (Hong Kong) | | 44,013 | 6,246 |
| Yuanta Securities | | 16,122 | 907 |
| | \$ | <u>1,025,565</u> | <u>\$ 726,894</u> |

Resulting from the above-mentioned brokerage of funds, insurances and trusts, the related receivables were as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------------------------|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 79,344 | \$ 58,657 | \$ 94,196 |
| Yuanta Securities (Hong Kong) | 5,045 | 82 | 1,335 |
| Yuanta Securities Investment Trust | 7,207 | 3,334 | 2,882 |
| Yuanta Securities | 30 | - | - |
| | <u>\$ 91,626</u> | <u>\$ 62,073</u> | <u>\$ 98,413</u> |

(D) Rental expense

| Name of related parties | | Usage | | For the three months ended September 30, | |
|-------------------------|-----------------------------|-------|---------|--|---------|
| | | | | 2022 | 2021 |
| Fellow subsidiary: | | | | | |
| Yuanta Securities | Office rental/ place rental | \$ | 47,940 | \$ | 54,132 |
| Name of related parties | | Usage | | For the nine months ended September 30, | |
| | | | | 2022 | 2021 |
| Fellow subsidiary: | | | | | |
| Yuanta Securities | Office rental/ place rental | \$ | 150,555 | \$ | 152,798 |

(E) Current income tax assets/liabilities

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Parent company: | | | |
| Yuanta Financial Holdings | | | |
| Consolidated income tax return receivable | <u>\$ 149,856</u> | <u>\$ 99,119</u> | <u>\$ 106,795</u> |
| Consolidated income tax return payable | <u>\$ -</u> | <u>\$ 625,763</u> | <u>\$ 483,537</u> |

(F) Leasing arrangements—Lessee

- a. Yuanta Bank and its subsidiaries leased buildings from Yuanta Securities, Yuanta Securities Finance and Yuanta Life. The leases are with 3~5 years period and the rents are paid every month.
- b. Right-of-use assets — net

| | <u>Right-of-use assets</u> | | |
|--------------------------------|----------------------------|--------------------------|---------------------------|
| <u>Name of related parties</u> | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 40,508 | \$ 50,323 | \$ 53,595 |
| Yuanta Securities | 49,328 | 51,179 | 47,356 |
| Yuanta Securities Finance | 625 | 2,501 | 3,126 |
| | <u>\$ 90,461</u> | <u>\$ 104,003</u> | <u>\$ 104,077</u> |

| | <u>Depreciation expense</u> | |
|--------------------------------|---|------------------|
| | <u>For the three months ended September 30,</u> | |
| <u>Name of related parties</u> | <u>2022</u> | <u>2021</u> |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 6,771 | \$ 6,322 |
| Yuanta Life | 3,272 | 3,272 |
| Yuanta Securities Finance | 626 | 626 |
| | <u>\$ 10,669</u> | <u>\$ 10,220</u> |

| | <u>Depreciation expense</u> | |
|--------------------------------|--|------------------|
| | <u>For the nine months ended September 30,</u> | |
| <u>Name of related parties</u> | <u>2022</u> | <u>2021</u> |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 20,271 | \$ 20,118 |
| Yuanta Life | 9,815 | 9,580 |
| Yuanta Securities Finance | 1,876 | 1,876 |
| | <u>\$ 31,962</u> | <u>\$ 31,574</u> |

- i. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities amounting to \$18,420 and \$24,014 for the nine months ended September 30, 2022 and 2021, respectively.
- ii. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Life amounting to \$0 and \$10,296 for the nine months ended September 30, 2022 and 2021, respectively.

iii. Yuanta Bank and its subsidiaries have gains arising from lease modifications with Yuanta Life in the amounts of \$0 and \$288 of lease contract for the nine months ended September 30, 2022 and 2021, respectively.

iv. Yuanta Bank and its subsidiaries have losses arising from lease modifications with Yuanta Securities in the amounts of \$0 and \$26 of lease contract for the nine months ended September 30, 2022 and 2021, respectively.

c. Lease liabilities

| Name of related parties | Lease liabilities | | |
|---------------------------|--------------------|-------------------|--------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 43,943 | \$ 54,497 | \$ 58,004 |
| Yuanta Securities | 48,148 | 50,728 | 47,229 |
| Yuanta Securities Finance | 632 | 2,521 | 3,148 |
| | <u>\$ 92,723</u> | <u>\$ 107,746</u> | <u>\$ 108,381</u> |

| Name of related parties | Interest expense | |
|---------------------------|---|---------------|
| | For the three months ended September 30, 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Life | \$ 74 | \$ 97 |
| Yuanta Securities | 69 | 79 |
| Yuanta Securities Finance | 2 | 6 |
| | <u>\$ 145</u> | <u>\$ 182</u> |

| Name of related parties | Interest expense | |
|---------------------------|--|---------------|
| | For the nine months ended September 30, 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Life | \$ 240 | \$ 302 |
| Yuanta Securities | 200 | 227 |
| Yuanta Securities Finance | 9 | 24 |
| | <u>\$ 449</u> | <u>\$ 553</u> |

(G) Property transactions

a. Bonds sold and purchased

| Name of related parties | For the nine months ended September 30, 2021 | |
|-------------------------|--|-------------|
| | Purchased | Sold |
| Fellow subsidiary: | | |
| Yuanta Securities | <u>\$ 199,208</u> | <u>\$ -</u> |

There were no bonds sold and purchased with related parties during the nine months ended September 30, 2022.

b. Futures trading with related parties of Yuanta Bank and its subsidiaries are as follows:

| <u>Name of related parties</u> | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Futures | | | |
| Futures Margin | \$ 104,371 | \$ 84,468 | \$ 27,957 |

(H) Others (recorded as “Bank debentures payable”)

For the nine months ended September 30, 2022, Yuanta Securities purchased 2022 first general bank debentures in the amount of \$1,400,000 which was issued by Yuanta Bank.

For the nine months ended September 30, 2021, Yuanta Securities purchased 2021 first subordinated bank debentures in the amount of \$4,500,000 which was issued by Yuanta Bank.

B. Yuanta Securities and its subsidiaries

(A) Futures trading

a. Futures margins, clearing and settlement service charge payable, service charges - clearing and settlement and handling charges - proprietary trading arising from future transactions are as follows:

| | <u>September 30, 2022</u> | |
|--------------------------|---------------------------|-----------------------|
| | <u>Futures margins</u> | |
| | <u>Own funds</u> | <u>Excess margins</u> |
| Fellow subsidiary: | | |
| Yuanta Futures | \$ 1,492,178 | \$ 2,186,335 |
| Yuanta Futures Hong Kong | 10,587 | 198,436 |
| | <u>\$ 1,502,765</u> | <u>\$ 2,384,771</u> |

| | <u>December 31, 2021</u> | |
|--------------------------|--------------------------|-----------------------|
| | <u>Futures margins</u> | |
| | <u>Own funds</u> | <u>Excess margins</u> |
| Fellow subsidiary: | | |
| Yuanta Futures | \$ 1,484,724 | \$ 3,394,382 |
| Yuanta Futures Hong Kong | 43,407 | 118,207 |
| | <u>\$ 1,528,131</u> | <u>\$ 3,512,589</u> |

| | <u>September 30, 2021</u> | |
|--------------------------|---------------------------|-----------------------|
| | <u>Futures margins</u> | |
| | <u>Own funds</u> | <u>Excess margins</u> |
| Fellow subsidiary: | | |
| Yuanta Futures | \$ 4,201,564 | \$ 3,914,692 |
| Yuanta Futures Hong Kong | 59,596 | 115,257 |
| | <u>\$ 4,261,160</u> | <u>\$ 4,029,949</u> |

For the three months ended September 30, 2022

| | <u>Service charges -</u> | <u>Handling charges -</u> |
|--------------------------|--------------------------------|----------------------------|
| | <u>clearing and settlement</u> | <u>proprietary trading</u> |
| Fellow subsidiary: | | |
| Yuanta Futures | \$ - | \$ 28,049 |
| Yuanta Futures Hong Kong | 114 | 324 |
| | <u>\$ 114</u> | <u>\$ 28,373</u> |

| | | | |
|--|--|----------------------------|---------------------------|
| | <u>For the three months ended September 30, 2021</u> | | |
| | <u>Service charges -</u> | <u>Handing charges -</u> | |
| | <u>clearing and settlement</u> | <u>proprietary trading</u> | |
| Fellow subsidiary: | | | |
| Yuanta Futures | \$ 6,630 | \$ 22,296 | |
| Yuanta Futures Hong Kong | - | 1,608 | |
| | <u>\$ 6,630</u> | <u>\$ 23,904</u> | |
| | <u>For the nine months ended September 30, 2022</u> | | |
| | <u>Service charges -</u> | <u>Handing charges -</u> | |
| | <u>clearing and settlement</u> | <u>proprietary trading</u> | |
| Fellow subsidiary: | | | |
| Yuanta Futures | \$ - | \$ 87,635 | |
| Yuanta Futures Hong Kong | 168 | 1,506 | |
| | <u>\$ 168</u> | <u>\$ 89,141</u> | |
| | <u>For the nine months ended September 30, 2021</u> | | |
| | <u>Service charges -</u> | <u>Handing charges -</u> | |
| | <u>clearing and settlement</u> | <u>proprietary trading</u> | |
| Fellow subsidiary: | | | |
| Yuanta Futures | \$ 22,989 | \$ 70,299 | |
| Yuanta Futures Hong Kong | - | 2,293 | |
| | <u>\$ 22,989</u> | <u>\$ 72,592</u> | |
| b. Commission income receivable (recorded as “accounts receivable”) and commission income -futures arising from futures introducing broker transactions on behalf of related parties are as follows: | | | |
| | <u>Commission income receivable</u> | | |
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Fellow subsidiary: | | | |
| Yuanta Futures | <u>\$ 23,810</u> | <u>\$ 19,728</u> | <u>\$ 20,676</u> |
| | <u>Commission income - futures</u> | | |
| | <u>For the three months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Fellow subsidiary: | | | |
| Yuanta Futures | <u>\$ 70,164</u> | <u>\$ 74,847</u> | |
| | <u>Commission income - futures</u> | | |
| | <u>For the nine months ended September 30,</u> | | |
| | <u>2022</u> | <u>2021</u> | |
| Fellow subsidiary: | | | |
| Yuanta Futures | <u>\$ 217,971</u> | <u>\$ 242,934</u> | |

(B) Bank deposits, interest income and interest receivable

- a. Details of deposits of Yuanta Securities and its subsidiaries with related parties are as follows:

| | | September 30, 2022 | |
|--------------------|--|---|---|
| | | Ending balance of bank deposits | Other receivables – interests receivable (Note) |
| Fellow subsidiary: | | | |
| Yuanta Bank | | \$ 42,112,415 | \$ 60,741 |
| | | December 31, 2021 | |
| | | Ending balance of bank deposits | Other receivables – interests receivable (Note) |
| Fellow subsidiary: | | | |
| Yuanta Bank | | \$ 59,176,243 | \$ 5,146 |
| | | September 30, 2021 | |
| | | Ending balance of bank deposits | Other receivables – interests receivable (Note) |
| Fellow subsidiary: | | | |
| Yuanta Bank | | \$ 18,347,187 | \$ 3,789 |
| | | Other gains and losses – interest income (Note) | |
| | | For the three months ended September 30, | |
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | | \$ 87,636 | \$ 9,230 |
| | | Other gains and losses – interest income (Note) | |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | | \$ 144,365 | \$ 23,280 |

Note: Including the interest of demand deposits, time deposits and operating guarantee deposits.

- b. As of September 30, 2022, December 31, 2021, and September 30, 2021, the certificate of deposits that Yuanta Securities and its subsidiaries provided to Yuanta Bank (recorded as “Other current assets”) as collateral for credit facility and guarantee deposits of structured products amounted to \$540,117, \$6,637,400 and \$6,130,000, respectively.

(C) Consolidated income tax return - receivables/ payables (recorded as “Current income tax assets/liabilities”)

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|--------------------|-------------------|--------------------|
| Parent company: | | | |
| Yuanta Financial Holdings | | | |
| Consolidated income tax return receivables | \$ - | \$ - | \$ 878,489 |
| Consolidated income tax return payables | \$ 46,789 | \$ 2,833,710 | \$ 2,273,180 |

(D) Operating guarantee deposits

Yuanta Securities and its subsidiaries provided time deposits to a related party as operating guarantee deposits for engaging in securities and futures business. Details were as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 1,275,000</u> | <u>\$ 1,265,000</u> | <u>\$ 1,265,000</u> |

(E) Refundable deposits for lending auction

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 304,000</u> | <u>\$ 350,000</u> | <u>\$ 350,000</u> |

(F) Deposits on securities borrowed, receivables from deposits on securities borrowed, security borrowing expenses payable and security borrowing expenses

Please refer to Note 7(2)E.

(G) Receivables from loans to employees, interest receivables and the interest income generated

Please refer to Note 7(2)F.

(H) Commission receivable and commission income

| | Commission receivable | | |
|--------------------|--|-------------------|--------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 37,780 | \$ 85,142 | \$ 64,471 |
| | Commission income | | |
| | For the three months ended September 30, | | |
| | 2022 | 2021 | |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 100,291 | \$ 194,175 | |
| | Commission income | | |
| | For the nine months ended September 30, | | |
| | 2022 | 2021 | |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 533,109 | \$ 953,613 | |

(I) Other financial assets-loan and interest in advance

Please refer to Note 7(2)L.

(J) Amounts held for settlement

As of September 30, 2022, December 31, 2021, and September 30, 2021, Yuanta Securities and its subsidiaries had amounts held for settlement of \$\$1,489,386, \$1,798,617 and \$1,317,311, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(K) Property transactions

a. Bonds transactions under repurchase agreements (recorded as "Liabilities for bonds with repurchase agreements")

Please refer to Note 7(2)C(B).

- b. Bonds sold and purchased (recorded as “Financial assets at fair value through profit or loss”)

| | | For the nine months ended September 30, 2022 | |
|---------------------------|----|--|-------------------|
| | | Purchased | Sold |
| Parent company: | | | |
| Yuanta Financial Holdings | \$ | 2,300,000 | \$ - |
| Fellow subsidiary: | | | |
| Yuanta Bank | | 1,400,000 | - |
| | \$ | <u>3,700,000</u> | <u>\$ -</u> |
| | | For the nine months ended September 30, 2021 | |
| | | Purchased | Sold |
| Parent company: | | | |
| Yuanta Financial Holdings | \$ | 4,100,000 | \$ - |
| Fellow subsidiary: | | | |
| Yuanta Bank | | 4,500,000 | 199,208 |
| | \$ | <u>8,600,000</u> | <u>\$ 199,208</u> |

There were no bonds sold and purchased with related parties during the three months ended September 30, 2022 and 2021.

(L) Lease transactions—Lessee

- a. Yuanta Securities and its subsidiaries lease buildings from related parties. Rental contracts are typically made for periods of 3 to 5 years and rental payments are made at the beginning of each month.
- b. Lease liabilities

| | Lease liabilities | | |
|--------------------|--------------------|-------------------|--------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 327,949 | \$ 406,793 | \$ 432,994 |
| Others | 18,368 | 11,823 | 13,669 |
| | <u>\$ 346,317</u> | <u>\$ 418,616</u> | <u>\$ 446,663</u> |

(M) Customer margin accounts

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Yuanta Futures | \$ 235,506 | \$ 201,455 | \$ 185,397 |
| Others | 1,216 | 1,062 | 1,074 |
| | <u>\$ 236,722</u> | <u>\$ 202,517</u> | <u>\$ 186,471</u> |

(N) Other operating expense—Professional fee

a. Professional fee

The transaction details of Yuanta Securities' and its subsidiaries' professional fee from investment strategies and recommendations provided by related parties are as follows:

| | | For the three months ended September 30, | |
|---|----|--|-------------------|
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Securities Investment Consulting | \$ | 52,014 | \$ 51,960 |
| Other related parties: | | | |
| Others | | - | 4,469 |
| | \$ | <u>52,014</u> | <u>\$ 56,429</u> |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Securities Investment Consulting | \$ | 155,934 | \$ 155,880 |
| Other related parties: | | | |
| Others | | - | 4,469 |
| | \$ | <u>155,934</u> | <u>\$ 160,349</u> |

Professional fees are calculated based on contractual agreements by both parties.

(O) Brokerage fee revenue

| | | For the three months ended September 30, | |
|-----------------------------|----|--|------------------|
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ | 1,553 | \$ 8,188 |
| Yuanta Life | | 3,367 | 9,341 |
| Others | | 973 | 904 |
| Key management personnel: | | | |
| Others | | 6,103 | 9,186 |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | | 38,644 | 23,232 |
| Others | | 4,688 | 9,827 |
| | \$ | <u>55,328</u> | <u>\$ 60,678</u> |

| | | For the nine months ended September 30, | |
|-----------------------------|----|---|-------------------|
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ | 18,531 | \$ 33,462 |
| Yuanta Life | | 16,184 | 25,521 |
| Others | | 2,613 | 4,018 |
| Key management personnel: | | | |
| Others | | 19,098 | 30,013 |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | | 109,070 | 68,397 |
| Others | | 16,518 | 25,612 |
| | \$ | <u>182,014</u> | <u>\$ 187,023</u> |

These securities brokerage transactions mentioned above were made in the ordinary course of business and carried out at arms-length commercial terms.

(P) Rebate receivable and rebate income

The rebate income received from related parties for using Yuanta Securities' and its subsidiaries' facilities (rebate income is recorded as other gains and losses; rebate receivable to be collected is recorded as other receivables) is as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 16,105</u> | <u>\$ 18,152</u> | <u>\$ 18,080</u> |
| Rebate income | | | |
| For the three months ended September 30, | | | |
| | 2022 | 2021 | |
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 64,014</u> | <u>\$ 82,976</u> | |
| Rebate income | | | |
| For the nine months ended September 30, | | | |
| | 2022 | 2021 | |
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 182,864</u> | <u>\$ 203,878</u> | |

(Q) Funds and beneficiary certificates managed by fellow subsidiary (recorded as "Financial assets at fair value through profit or loss")

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------------|---------------------|---------------------|---------------------|
| Other related parties: | | | |
| Fund managed by | | | |
| Yuanta Securities | | | |
| Investment Trust | <u>\$ 5,001,395</u> | <u>\$ 4,777,424</u> | <u>\$ 4,206,586</u> |

| For the three months ended September 30, | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| 2022 | | 2021 | | |
| | Proceeds on disposal | Realised gain | Proceeds on disposal | Realised gain |
| Other related parties: | | | | |
| Fund managed by Yuanta Securities Investment Trust | \$ 94,394,584 | (\$ 74,362) | \$ 119,354,697 | (\$ 8,460) |
| For the nine months ended September 30, | | | | |
| 2022 | | 2021 | | |
| | Proceeds on disposal | Realised gain | Proceeds on disposal | Realised gain |
| Other related parties: | | | | |
| Fund managed by Yuanta Securities Investment Trust | \$ 276,051,729 | (\$ 17,928) | \$ 305,606,242 | \$ 851,009 |
| (R) Securities issued by fellow subsidiary (recorded as “Financial assets at fair value through profit or loss”) | | | | |
| | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| Other related parties: | | | | |
| Yuanta SPAC IV | - | 18,051 | 18,236 | |
| Yuanta SPAC V | - | 22,943 | 23,177 | |
| Yuanta SPAC VII | 21,076 | 22,127 | 22,354 | |
| Yuanta SPAC VIII | 21,963 | 23,059 | 23,295 | |
| Yuanta SPAC IX | 21,963 | - | - | |
| Yuanta SPAC X | 21,963 | - | - | |
| Yuanta SPAC XI | 21,963 | - | - | |
| | <u>\$ 108,928</u> | <u>\$ 86,180</u> | <u>\$ 87,062</u> | |
| For the three months ended September 30, | | | | |
| 2022 | | 2021 | | |
| | Proceeds on disposal | Realised gain (loss) | Proceeds on disposal | Realised gain (loss) |
| Parent subsidiary: | | | | |
| Yuanta Financial Holdings | \$ 37,324 | (\$ 80) | \$ 463,340 | (\$ 3,338) |
| Other related parties: | | | | |
| YFYCPG | - | - | 290,771 | (1,958) |
| | <u>\$ 37,324</u> | <u>(\$ 80)</u> | <u>\$ 754,111</u> | <u>(\$ 5,296)</u> |

| For the nine months ended September 30, | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| 2022 | | 2021 | | |
| | Proceeds on disposal | Realised gain (loss) | Proceeds on disposal | Realised gain (loss) |
| Parent subsidiary: | | | | |
| Yuanta Financial Holdings | \$ 267,185 | \$ 66 | \$ 736,781 | (\$ 3,470) |
| Other related parties: | | | | |
| Yuanta SPAC IV | 14,049 | (3,272) | - | - |
| YFYCPG | - | - | 989,800 | 49,411 |
| | <u>\$ 281,234</u> | <u>(\$ 3,206)</u> | <u>\$ 1,726,581</u> | <u>\$ 45,941</u> |

(S) Credit transaction

Please refer to Note 7(2)S.

(T) Others

- As of September 30, 2022, December 31, 2021, and September 30, 2021, the lines of credit that Yuanta Securities and its subsidiaries have drawn in order to acquire Yuanta Bank were \$11,500,000, \$10,000,000, and \$10,000,000. The carrying amounts of land and building amounting to \$3,433,862, \$3,496,643 and \$3,493,832, respectively, were designated as collateral.
- Fund management fee income from fund managed and fund balances held by Yuanta Securities and its subsidiaries. (recorded as “Financial assets at fair value through profit or loss”)

| Fund management fee income | | | |
|--|------------------|-----------|---------------|
| For the three months ended September 30, | | | |
| | 2022 | | 2021 |
| Other related parties: | | | |
| Yuanta Asia Growth Investment, L.P. | \$ 8,834 | \$ | 6,401 |
| Yuanta Diamond Funds SPC’s funds | 7,458 | | 25,275 |
| | <u>\$ 16,292</u> | <u>\$</u> | <u>31,676</u> |
| Fund management fee income | | | |
| For the nine months ended September 30, | | | |
| | 2022 | | 2021 |
| Other related parties: | | | |
| Yuanta Asia Growth Investment, L.P. | \$ 24,617 | \$ | 18,538 |
| Yuanta Diamond Funds SPC’s funds | 19,840 | | 46,096 |
| | <u>\$ 44,457</u> | <u>\$</u> | <u>64,634</u> |

| | The balance of fund | | |
|-------------------------------------|---------------------------|--------------------------|---------------------------|
| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
| Other related parties: | | | |
| Global Growth Investment, L.P. | \$ 17,422 | \$ 12,044 | \$ 18,916 |
| Yuanta Asia Growth Investment, L.P. | 153,200 | 124,086 | 103,439 |
| Yuanta Diamond Funds SPC's funds | - | - | 48,994 |
| | <u>\$ 170,622</u> | <u>\$ 136,130</u> | <u>\$ 171,349</u> |

c. Details on the performance fee and management fee receivable for fund investments accounted for under the equity method and receipts of performance fee and fund management fee are as follows:

Please refer to Note 7(2)H.

C. Yuanta Futures and its subsidiaries

(A) Cash and cash equivalents / operating guarantee deposits / customer margin deposits

| | September 30, 2022 | | | |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|---|
| | <u>Bank deposits ending balance</u> | <u>Operating guarantee deposits</u> | <u>Customer margin deposits</u> | <u>Balance of excess futures guarantee deposits</u> |
| Fellow subsidiary: | | | | |
| Yuanta Bank | \$ 6,387,546 | \$ 140,000 | \$ 23,176,731 | \$ - |
| Yuanta Securities (Korea) | - | - | 3,501 | 74 |
| Yuanta Securities (Vietnam) | - | - | 332,622 | - |
| | <u>\$ 6,387,546</u> | <u>\$ 140,000</u> | <u>\$ 23,512,854</u> | <u>\$ 74</u> |
| | December 31, 2021 | | | |
| | <u>Bank deposits ending balance</u> | <u>Operating guarantee deposits</u> | <u>Customer margin deposits</u> | <u>Balance of excess futures guarantee deposits</u> |
| Fellow subsidiary: | | | | |
| Yuanta Bank | \$ 3,344,174 | \$ 140,000 | \$ 16,371,626 | \$ - |
| | September 30, 2021 | | | |
| | <u>Bank deposits ending balance</u> | <u>Operating guarantee deposits</u> | <u>Customer margin deposits</u> | <u>Balance of excess futures guarantee deposits</u> |
| Fellow subsidiary: | | | | |
| Yuanta Bank | \$ 1,131,729 | \$ 140,000 | \$ 15,373,097 | \$ - |

(B) Customer margin account for leverage contracts

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 202,481</u> | <u>\$ 200,734</u> | <u>\$ 222,482</u> |

(C) Equity of futures traders

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Securities | \$ 3,774,699 | \$ 4,904,272 | \$ 8,161,457 |
| Yuanta Securities (Korea) | 243,928 | 210,502 | 193,609 |
| Yuanta Securities (Hong Kong) | 108,103 | 132,727 | 126,160 |
| Yuanta Bank | 104,385 | 84,459 | 27,941 |
| Other related parties: | | | |
| Funds managed by Yuanta Securities Investment Trust | 31,675,053 | 29,244,360 | 30,130,827 |
| Others | 123,463 | 88,823 | 74,839 |
| | <u>\$ 36,029,631</u> | <u>\$ 34,665,143</u> | <u>\$ 38,714,833</u> |

(D) Lease liabilities

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ 5,261 | \$ 7,051 | \$ 4,527 |
| Yuanta Life | 123,487 | 153,175 | 163,041 |
| | <u>\$ 128,748</u> | <u>\$ 160,226</u> | <u>\$ 167,568</u> |

(E) Investment refund receivable

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|----------------------------|---------------------------|--------------------------|---------------------------|
| Other related parties: | | | |
| SYF Information (Shanghai) | <u>\$ 118,159</u> | <u>\$ -</u> | <u>\$ -</u> |

(F) Brokerage fee revenue

| | <u>For the three months ended September 30,</u> | |
|--|---|------------------|
| | <u>2022</u> | <u>2021</u> |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 23,317 | \$ 22,697 |
| Yuanta Securities (Hong Kong) | 5,480 | 2,452 |
| Yuanta Securities (Korea) | 595 | 502 |
| Other related parties: | | |
| Funds managed by Yuanta Securities Investment Trust | 37,394 | 36,362 |
| Others | 2,685 | 2,093 |
| | <u>\$ 69,471</u> | <u>\$ 64,106</u> |

| | For the nine months ended September 30, | |
|------------------------------------|---|-------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 76,878 | \$ 68,472 |
| Yuanta Securities (Hong Kong) | 13,789 | 6,039 |
| Yuanta Securities (Korea) | 1,370 | 1,741 |
| Other related parties: | | |
| Funds managed by Yuanta Securities | | |
| Investment Trust | 111,669 | 102,244 |
| Others | 7,672 | 6,144 |
| | <u>\$ 211,378</u> | <u>\$ 184,640</u> |

(G) Futures commissions expense and consigned/entrusted foreign futures trading commissions

| | For the three months ended September 30, | |
|--------------------|--|-------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | <u>\$ 70,165</u> | <u>\$ 74,847</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | <u>\$ 217,971</u> | <u>\$ 242,934</u> |

(H) Interest income

| | For the three months ended September 30, | |
|--------------------|--|------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Bank | <u>\$ 84,100</u> | <u>\$ 21,790</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Bank | <u>\$ 157,630</u> | <u>\$ 67,960</u> |

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

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of September 30, 2022, December 31, 2021, and September 30, 2021, Yuanta Securities Investment Consulting deposited \$222,744, \$241,703, and \$206,614, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were 1.030%, 0.770%, and 0.770%, respectively.

(B) Operating income

| | For the three months ended September 30, | |
|------------------------------------|--|-------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 50,304 | \$ 50,250 |
| Yuanta Bank | 7,500 | 3,990 |
| Yuanta Securities Investment Trust | 4,500 | 4,284 |
| Yuanta Futures | 900 | 900 |
| Yuanta Securities Finance | 1,710 | 1,710 |
| | <u>\$ 64,914</u> | <u>\$ 61,134</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 150,804 | \$ 150,750 |
| Yuanta Bank | 22,500 | 11,970 |
| Yuanta Securities Investment Trust | 13,500 | 5,712 |
| Yuanta Futures | 2,700 | 2,700 |
| Yuanta Securities Finance | 5,130 | 5,130 |
| | <u>\$ 194,634</u> | <u>\$ 176,262</u> |

E. Yuanta Securities Investment Trust

(A) Bank deposits

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | <u>\$ 3,723,268</u> | <u>\$ 3,267,493</u> | <u>\$ 2,623,084</u> |

(B) Accounts receivable

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------------|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Life | \$ 1,377 | \$ 1,522 | \$ 1,981 |
| Other related parties: | | | |
| Funds managed by | | | |
| Yuanta Securities | | | |
| Investment Trust | <u>335,417</u> | <u>336,337</u> | <u>307,591</u> |
| | <u>\$ 336,794</u> | <u>\$ 337,859</u> | <u>\$ 309,572</u> |

(C) Management fee income

| | For the three months ended September 30, | |
|-----------------------------|--|---------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Life | \$ 4,628 | \$ 4,541 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | 926,873 | 906,523 |
| | <u>\$ 931,501</u> | <u>\$ 911,064</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Life | \$ 11,666 | \$ 5,850 |
| Other related parties: | | |
| Funds managed by Yuanta | | |
| Securities Investment Trust | 2,762,771 | 2,641,009 |
| | <u>\$ 2,774,437</u> | <u>\$ 2,646,859</u> |

(D) Fund transactions (recorded as “Financial assets at fair value through profit or loss”)

Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties as of September 30, 2022, December 31, 2021 and September 30, 2021 are as follows:

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-------------------|---------------------------|--------------------------|---------------------------|
| Yuanta Securities | | | |
| Investment Trust | \$ 129,721 | \$ 165,069 | \$ 138,066 |
| Fellow subsidiary | <u>1,141,979</u> | <u>452,295</u> | <u>452,083</u> |
| | <u>\$ 1,271,700</u> | <u>\$ 617,364</u> | <u>\$ 590,149</u> |

(E) Commissions expense

| | For the three months ended September 30, | |
|--------------------|--|-------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 36,812 | \$ 31,737 |
| Yuanta Bank | 15,198 | 8,832 |
| | <u>\$ 52,010</u> | <u>\$ 40,569</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Securities | \$ 97,798 | \$ 84,353 |
| Yuanta Bank | 35,048 | 22,323 |
| | <u>\$ 132,846</u> | <u>\$ 106,676</u> |

F. Yuanta Life

(A) Bank deposits and time deposits

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank (Note) | <u>\$ 4,438,788</u> | <u>\$ 768,267</u> | <u>\$ 866,743</u> |
| Note: Including other financial assets. | | | |

(B) Current income tax assets/liabilities

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Parent company: | | | |
| Yuanta Financial Holdings | | | |
| Consolidated income tax return receivable | <u>\$ 3,898,968</u> | <u>\$ 1,751,615</u> | <u>\$ 2,138,907</u> |
| Consolidated income tax return payable | <u>\$ -</u> | <u>\$ 612,649</u> | <u>\$ 629,737</u> |

(C) Property transactions—Beneficiary certificates(recorded as “Financial assets at fair value through profit or loss”)

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-------------------------------------|---|-----------------------------|---------------------------|
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment | <u>\$ 2,000,617</u> | <u>\$ 1,520,526</u> | <u>\$ 1,536,383</u> |
| Yuanta Asia Growth Investment, L.P. | <u>153,199</u> | <u>124,675</u> | <u>102,953</u> |
| | <u>\$ 2,153,816</u> | <u>\$ 1,645,201</u> | <u>\$ 1,639,336</u> |
| | <u>For the nine months ended September 30, 2022</u> | | |
| | <u>Purchase price</u> | <u>Proceeds on disposal</u> | <u>Realised gain</u> |
| Other related parties: | | | |
| Funds managed by | | | |
| Yuanta Securities Investment Trust | <u>\$ 836,011</u> | <u>\$ -</u> | <u>\$ -</u> |
| Yuanta Asia Growth Investment, L.P. | <u>8,980</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 844,991</u> | <u>\$ -</u> | <u>\$ -</u> |
| | <u>For the nine months ended September 30, 2021</u> | | |
| | <u>Purchase price</u> | <u>Proceeds on disposal</u> | <u>Realised gain</u> |
| Other related parties: | | | |
| Funds managed by | | | |
| Yuanta Securities Investment Trust | <u>\$ 371,364</u> | <u>\$ 1,855,902</u> | <u>\$ 392,824</u> |
| Yuanta Asia Growth Investment, L.P. | <u>10,035</u> | <u>1,946</u> | <u>1,172</u> |
| | <u>\$ 381,399</u> | <u>\$ 1,857,848</u> | <u>\$ 393,996</u> |

Dividends income from investments in open-end funds were as follows (recorded as “Profit or loss on financial assets at fair value through profit or loss”):

| | | For the three months ended September 30, | |
|------------------------------------|----|--|------------|
| | | 2022 | 2021 |
| Other related parties: | | | |
| Funds managed by | | | |
| Yuanta Securities Investment Trust | \$ | 21,655 | \$ 14,235 |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Other related parties: | | | |
| Funds managed by | | | |
| Yuanta Securities Investment Trust | \$ | 44,826 | \$ 131,650 |

(D) Payables

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|--------------------|-------------------|--------------------|
| Parent company: | | | |
| Yuanta Financial Holdings | \$ 1,951 | \$ 1,081 | \$ 3,927 |
| Fellow subsidiary: | | | |
| Yuanta Bank | 58,916 | 53,609 | 77,269 |
| Yuanta International Insurance Brokers | 37,780 | 82,563 | 64,471 |
| | <u>\$ 98,647</u> | <u>\$ 137,253</u> | <u>\$ 145,667</u> |

(E) Premium income

| | | For the three months ended September 30, | |
|------------------------|----|--|-------------------|
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ | - | \$ 267 |
| Other related parties: | | | |
| Others (Note) | | 72,640 | 57,465 |
| | \$ | <u>72,640</u> | <u>\$ 57,732</u> |
| | | For the nine months ended September 30, | |
| | | 2022 | 2021 |
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ | 197 | \$ 4,766 |
| Other related parties: | | | |
| Others (Note) | | 292,715 | 248,764 |
| | \$ | <u>292,912</u> | <u>\$ 253,530</u> |

Note: The balance of individual related party did not exceed 10% of account balance.

(F) Commission expense

| | For the three months ended September 30, | |
|--|--|---------------------|
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Bank | \$ 271,192 | \$ 174,260 |
| Yuanta International Insurance Brokers | 100,291 | 194,175 |
| | <u>\$ 371,483</u> | <u>\$ 368,435</u> |
| | For the nine months ended September 30, | |
| | 2022 | 2021 |
| Fellow subsidiary: | | |
| Yuanta Bank | \$ 905,824 | \$ 678,898 |
| Yuanta International Insurance Brokers | 533,109 | 953,613 |
| | <u>\$ 1,438,933</u> | <u>\$ 1,632,511</u> |

(G) Information on investments entrusted to related parties

Yuanta Life entered into a discretionary investment agreement with Yuanta Securities Investment Trust to entrust Yuanta Securities Investment Trust to serve as the trustee of discretionary investment-linked insurance. The entrusted investment items are mainly funds, beneficiary certificates and ETFs. The amount of investments as of September 30, 2022 and 2021 were \$30,290,691 and \$29,235,249 respectively; the trustee's compensation for the commissioned services during the nine months ended September 30, 2022 and 2021 amounted to \$11,668 and \$5,835, respectively. In addition, Yuanta Life entrusted Yuanta Bank to serve as the custody institution of discretionary investment-linked insurance. The custody institution's compensation for the commissioned services during the nine months ended September 30, 2022 and 2021 amounted to \$22,104 and \$10,369, respectively.

(H) Rental income

Yuanta Life leases buildings and parking spaces to related parties. Rental contracts are typically made for periods of 5 years. Rents are collected monthly according to the contracts.

| | For the three months ended September 30, | |
|---------------------------|--|------------------|
| | 2022 | 2021 |
| Parent company: | | |
| Yuanta Financial Holdings | \$ 1,306 | \$ 1,306 |
| Fellow subsidiary: | | |
| Yuanta Securities | 23,194 | 23,194 |
| Yuanta Futures | 8,838 | 8,838 |
| Yuanta Bank | 3,146 | 3,146 |
| Yuanta Asset Management | 1,018 | 1,018 |
| Other related parties: | | |
| Yunta Development | 1,981 | 1,981 |
| | <u>\$ 39,483</u> | <u>\$ 39,483</u> |

| | For the nine months ended September 30, | |
|---------------------------|---|-------------------|
| | 2022 | 2021 |
| Parent company: | | |
| Yuanta Financial Holdings | \$ 3,917 | \$ 3,883 |
| Fellow subsidiary: | | |
| Yuanta Securities | 69,583 | 71,875 |
| Yuanta Futures | 26,515 | 27,212 |
| Yuanta Bank | 9,437 | 9,928 |
| Yuanta Asset Management | 3,053 | 3,148 |
| Other related parties: | | |
| Yunta Development | 5,941 | 6,088 |
| | <u>\$ 118,446</u> | <u>\$ 122,134</u> |

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------------------|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ 791,394 | \$ 952,219 | \$ 950,962 |
| Yuanta Securities (Hong Kong) | 5,778 | 5,073 | 5,112 |
| | <u>\$ 797,172</u> | <u>\$ 957,292</u> | <u>\$ 956,074</u> |

- a. For the three months and nine months ended September 30, 2022 and 2021, interest income from abovementioned bank accounts were \$1,578, \$754, \$3,831 and \$1,890, respectively.
- b. As of September 30, 2022, December 31, 2021, and September 30, 2021, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD1,429 thousand, the corresponding rate used to convert the amounts were 4.0438, 3.5507 and 3.5783, respectively.

H. Yuanta Asset Management

(A) Bank deposits

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Yuanta Bank | \$ 639,348 | \$ 179,926 | \$ 12,466 |

For the three months and nine months ended September 30, 2022 and 2021, interest income from abovementioned bank accounts were \$1,401, \$0, \$2,456 and \$1, respectively.

(B) Property transactions—Beneficiary certificates (recorded as financial assets at fair value through profit or loss)

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---|--------------------|-------------------|--------------------|
| Fellow subsidiary: | | | |
| Funds managed by Yuanta Securities Investment Trust | <u>\$ 100,152</u> | <u>\$ -</u> | <u>\$ -</u> |

| | | <u>For the nine months ended September 30, 2022</u> | |
|-----------------------------|--|---|----------------------|
| | | <u>Proceeds on disposal</u> | <u>Realised gain</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | | \$ <u>151,945</u> | (\$ <u>28,055</u>) |
| | | <u>For the nine months ended September 30, 2021</u> | |
| | | <u>Proceeds on disposal</u> | <u>Realised gain</u> |
| Other related parties: | | | |
| Funds managed by Yuanta | | | |
| Securities Investment Trust | | \$ <u>207,855</u> | \$ <u>7,855</u> |

(BLANK)

8. Pledged assets

As of September 30, 2022, December 31, 2021, and September 30, 2021, the Yuanta Group's assets pledged as collateral are as follows:

| Items | September 30, 2022 | December 31, 2021 | September 30, 2021 | Purpose of pledge |
|---|--------------------|-------------------|--------------------|---|
| Due from Central Bank and call loans to other banks | \$ 110,925 | \$ 116,460 | \$ 117,650 | Operating guarantee deposits |
| Financial assets at fair value through profit or loss | 118,526,001 | 125,360,233 | 140,165,882 | Bonds under repurchase agreement, collateral for securities lending and OTC trading |
| | 55,790,363 | 76,340,247 | 77,288,228 | Merchant business |
| | 50,115 | 51,208 | 51,527 | Guarantee deposits for notes |
| Financial assets at fair value through other comprehensive income | 4,908,738 | 3,904,550 | 3,941,329 | Claim reserve from trust fund, collateral for securities lending business and guarantees on asset disposal |
| | - | 1,216,100 | 1,216,100 | Operating guarantee deposits |
| | 66,525,775 | 64,853,914 | 62,255,912 | Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve from trust fund and guarantees on asset disposal |
| Financial assets at amortised cost | 3,622,938 | 2,407,130 | 2,407,229 | Operating guarantee deposits |
| | 210,363 | 211,874 | 50,134 | Deposits for guarantees in the Central Bank |
| | 182,905 | 183,796 | 184,097 | Claim reserve from trust fund |
| | 10,000,000 | 10,651,885 | 10,646,200 | Overdraft guarantee for foreign currency settlement |
| | 108,274 | 108,807 | 108,987 | Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC |
| | 54,137 | 54,404 | 54,494 | Deposit guarantees of bills merchants |
| | 315,186 | 463,301 | 608,041 | Collateral for provisional seizure |
| | 5,197 | 5,223 | 5,231 | VISA international card payment reserves |
| Restricted assets | 3,696,414 | 2,143,011 | 2,163,898 | Collateral for settlement limit, short-term loans, payable short-term bills and OTC derivative transactions |
| | 1,200,243 | 306,264 | 969,838 | Operating guarantee deposits-exchange, structured notes, interest rate swap account, repo trade and money lending refundable liquidation and settlement |
| | 876 | 920 | 930 | Overdraft guarantee |
| | 24,964 | 21,834 | 21,994 | Dividends payable arising from stock agency business |
| Other assets | 589,477 | 435,358 | 239,344 | Operating guarantee deposits |
| | 9,649,532 | 1,775,239 | 2,001,082 | Performance bond and rental deposits |
| | 553,504 | 32,594 | 1,172,386 | Underwriting share proceeds collected on behalf of customers |
| Property and equipment and investment property | 2,501,618 | 2,956,216 | 3,001,632 | Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases |
| Treasury share of Yuanta Securities (Korea) | 375,803 | 646,073 | 661,605 | Collateral for securities lending business |

9. Significant contingent liabilities and unrecognized contract commitments

(1) As of September 30, 2022, December 31, 2021, and September 30, 2021, capital expenditure contracted for at the balance sheet date but not yet incurred were \$8,866,880, \$6,327,872 and \$3,384,163, respectively.

(2) As of September 30, 2022, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was US \$6,071 thousand dollars.

(3) Stocks entrusted to custody

As of September 30, 2022, December 31, 2021, and September 30, 2021, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were all 7,483 thousand shares. The market value of these entrusted stocks was approximately \$77,949, \$79,180 and

\$79,321, respectively.

(4) Transactions on behalf of customers

Yuanta Securities had several proxy delivery agreements with certain securities companies. In accordance with these agreements, these securities companies have agreed to be Yuanta Securities' first and second proxy. If Yuanta Securities is unable to fulfil its settlement obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.

(5) Other lawsuits- Yuanta Securities

A. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the claimants raised its claim to \$952,511 thousand (the amount of \$950,861 thousand of which was claimed on a jointly-liaible basis). The mediation failed before the Taiwan Taipei District Court. On July 11, 2018, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a separate suit for the same matter and claimed the same compensation. The Taiwan Taipei District Court ruled to reject all the plaintiffs' claims on January 27, 2022 (i.e., Yuanta Securities and another party won the lawsuit). The plaintiffs appealed and reduced the claim amount to \$722,378 (the amount of \$512,454 thousand of which is claimed by Seventh-Day Adventist Church Taiwan Conference and the amount of \$209,924 thousand of which is claimed by Taiwan Adventist Hospital). Yuanta Securities will defend the case in accordance with the law.

B. As of September 30, 2022, of the total 15 litigations against Yuanta Securities (Korea) and its subsidiaries, 2 litigations were related to the financial product selling disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 13 litigations were compensation claims totaling KRW 19,624 million (approximately \$400 million). Also, please refer to the explanation in Note 6(26) for an arbitration award to which Yuanta Securities (Korea) is subject to.

As of September 30, 2022, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW 444 million (about \$10 million) for the abovementioned 13 litigations that were unrelated to the financial product selling disputes. Separately, Yuanta Securities (Korea) filed 12 lawsuits as the plaintiff with a total claimed amount of KRW 93,366 million (about \$2.1 billion).

C. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB 301 million (approximately \$300 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022. The plaintiffs appealed the case to the court of the third instance for review and reduced the claim amount from THB 301 million to THB 149 million (approximately \$100 million).

D. As of September 30, 2022, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD 147,504 thousand (approximately \$600 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee against all losses incurred by Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) had exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD 68,552 thousand

(approximately \$300 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD 44 thousand (approximately \$180 thousand), the remaining loss of HKD 78,908 thousand (approximately \$300 million) has been recognised. Yuanta Securities (Hong Kong) has raised a litigation proceeding against the account executive claiming the full amount of the debt owed by those margin clients based on the Guarantee Agreement. The claim amount is HKD 135,191 thousand (approximately \$500 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(6) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW 28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW 19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of September 30, 2022, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(7) Other lawsuits- Yuanta Securities Investment Trust

Yuanta Securities Investment Trust was commissioned under discretionary investment businesses of domestic investment contracts by the Bureau of Labor Funds, Ministry of Labor (formerly the Labor Pension Fund Supervisory Committee of the Council of Labor Affairs, Executive Yuan, restructured as the Bureau of Labor Funds, Ministry of Labor as of February 17, 2014, hereinafter referred to as the "Labor Pension"). Because the former manager of former Polaris Securities Investment Trust, surnamed Qu (hereinafter referred to as "Manager Qu") was suspected of being involved in illegal activities from 2011 to 2012 while dealing with commissioned trading of stocks for the governmental funds, the Labor Pension filed a civil complaint attached with criminal proceedings with the Taiwan Taipei District Court on January 28, 2014 based on the indictment issued by the Special Investigation Division of the Supreme Prosecutor Office, claiming Manager Qu and Yuanta Securities Investment Trust should bear a joint and several liability for its losses. In order to protect its interests, Yuanta Securities Investment Trust appointed a lawyer to assist in handling the case. After the aforementioned criminal charges against Manager Qu were adjudicated by the Taiwan Taipei District Court for the first instance and the civil case was transferred to the civil court for review, on September 5, 2016, the Labor Pension decreased its joint and several liability claims to \$108,411 thousand. On April 28, 2017, the Labor Pension decreased such claims to \$71,575 thousand after the Taiwan High Court rendered its decision for the aforementioned criminal case as the court of the second instance. The aforementioned criminal rulings made by the first and second instance courts

were based on a breach of trust by Manager Qu to Yuanta Securities Investment Trust, while the Labor Pension was concluded as not being the principal in the context of Manager Qu's provision of services. Furthermore, the relevant prior trading, which was considered a criminal breach of trust offense and insider trading actions in violation of the Securities Exchange Act and alleged to have damaged the Labor Pension as illustrated in the indictment, cannot be established as a crime. The civil case filed with the Taiwan Taipei District Court by the Labor Pension for compensation was dismissed by the Taiwan Taipei District Court on May 15, 2020 and the appeal against such decision made to the Taiwan High Court was also dismissed by the Taiwan High Court on December 8, 2021. The Courts ruled that the Labor Pension did not provide sufficient evidence to prove that it had suffered any damage caused by Manager Qu's intentional or negligent actions based on torts laws, and that there was no causation between the alleged compensation and Manager Qu's aforementioned wrongful actions. Accordingly, the Courts found that the Labor Pension has no grounds for claiming that Yuanta Securities Investment Trust shall bear the joint liability for such compensation. However, the Labor Pension appealed the case to the court of the third instance for review on January 7, 2022. Yuanta Securities Investment Trust and the Labor Pension settled the case and the Labor Pension made a motion to the Supreme Court to voluntarily withdraw the case on March 30, 2022. As a result, this case was closed.

(8) Other lawsuits- Yuanta Life Insurance

As of September 30, 2022, Yuanta Life Insurance still has several insurance claim litigations in process. Yuanta Life Insurance handled these cases by itself or with assistance of legal counsels and has provisioned an appropriate amount of claim reserves.

(9) Others

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---|--------------------|-------------------|--------------------|
| Commitment of the securities under a repurchase agreement | \$ 207,093,890 | \$ 187,259,926 | \$ 198,761,228 |
| Commitment of the securities under a resale agreement | 66,591,070 | 46,501,102 | 55,192,637 |
| Unused loan commitments | 20,737,504 | 22,005,017 | 22,440,975 |
| Credit commitment on credit card | 121,968,075 | 120,652,007 | 120,011,622 |
| Unused L/C balance | 3,618,576 | 2,495,253 | 3,598,591 |
| Other guarantees | 10,721,142 | 10,180,354 | 12,858,405 |
| Consignment collection for others | 15,427,963 | 15,679,854 | 15,582,036 |
| Trust assets | 305,854,384 | 256,989,946 | 263,162,669 |
| Items under custody | 64,855,433 | 68,681,307 | 63,063,575 |
| Book-Entry Central Government Securities | 116,576,800 | 113,609,500 | - |

(10) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Group discloses its trust balance sheet, trust income statement and schedule of trust property as follows: Not applicable.

(11) According to Ministry of Finance, Ruling No.1030026386, disclose the information as follows: Offshore Securities Unit of Yuanta Securities engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on September 30, 2022, December 31, 2021, and September 30, 2021 were USD 7,375 thousand dollars, USD 8,698 thousand dollars and USD 13,148 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

On June 29, 2022, the Board of Directors of the Company resolved to issue unsecured corporate bonds in the amount of \$15 billion. Taking into consideration the repayments of Yuanta Financial Holdings's first issue of local unsecured normal corporate bond and commercial paper which were issued for supporting the business scale and operation, the Company completed the second issuance of \$8.2 billion 2022 unsecured corporate bonds on October 6, 2022.

(2) Subsidiaries:

Yuanta Futures's investment involving the incorporation of Yuanta Global (Singapore) Pte. Ltd., which is wholly-owned by the Company, had been approved by the Company's Board of Directors on April 13, 2022 as well as approved through Gin-Gwen-Zheng-Qi Letter No.1110357536 on October 20, 2022. The subsequent procedures of setting up a local company and related matters are currently ongoing.

12. Others

(1) Capital risk management

A. The objectives of capital management of the Yuanta Group:

- (A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.
- (B) In order to process sufficient capital to assume various risks, the Company assesses the required capital with consideration of the risk portfolio it faces and the risk characteristic, and manages risk through capital allocation to realise utilization of capital allocation.

B. Capital management procedure:

- (A) The Company regularly monitors the overall capital adequacy ratio, which is maintained and reported to the competent authorities every 6 or 12 months in compliance with the regulations from both competent authorities and internal requirements.
- (B) Calculation and control procedures related to capital adequacy of the financial group are all in compliance with "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies" and "Regulations Governing the Capital Adequacy management for the Yuanta Financial Holding Company., Ltd."
- (C) The objective of capital management of the Company shall be agreed by the Board of Directors, of which an appropriate capital projection is scheduled by the finance management according to the long-term developing strategies, operating plan and characteristics of assets and liabilities. The consolidated capital adequacy ratio of the Yuanta Group is assessed and calculated by month. The Risk Management Department regularly monitors the overall capital adequacy and analyses the impact to the capital adequacy arising from the Company's business development and the change of regulations. The Business Departments shall consider the impact of each transaction or task on the capital adequacy when conducting such transaction or task according to the annual risk limits authorised by the Company.
- (D) The Company also sets up a warning indicator in relation to above managing objectives, that is, when the capital adequacy ratio drops to the warning indicator, the risk management shall call a meeting to discuss a responding solution which is handed to the finance management for the following executive operations.

(2) Fair value information of financial instruments

A. Information on fair value of financial instruments and fair value hierarchy

(A) Outline

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments are initially recognised at fair value. For subsequent measurements, except for those measured at amortised cost, financial instruments are measured at fair value. For active markets, fair value is measured according to quoted prices. For non-active markets, the Yuanta Group utilises valuation techniques or references quoted prices from Reuters, Bloomberg or counterparties to determine the fair value of financial instruments.

(B) Definition for the hierarchy classification of financial instruments measured at fair value

a. Level 1

Level 1 refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date. An active market refers to market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the investments of the Yuanta Group, such as listed stocks investment, beneficiary certificates, popular Taiwan government bonds and the derivatives with a quoted price in an active market, are deemed as Level 1.

b. Level 2

Level 2 refers to prices in active markets other than quoted market prices that are observable, including direct (e.g. prices) or indirect (i.e. derived from prices) observable inputs from active markets. Investment of the Yuanta Group such as non-popular government bonds, corporate bonds, bank debentures, convertible corporate bonds, most derivatives and bank debentures issued by the Yuanta Group are all classified within Level 2.

c. Level 3

Level 3 refers to situations that measures fair value by using the unobservable inputs for assets and liabilities with very few (occasional) market activities. However, it has the same fair value measurement purpose which is the exit price at the measurement date for a market participant who holds the assets or owes the liabilities. Thus, the unobservable inputs reflect the assumptions (including assumptions in relation to risks) used by the market participant during the pricing of assets and liabilities.

B. Financial instruments measured at fair value

(A) Hierarchy of fair value estimation of financial instruments:

| | September 30, 2022 | | | | December 31, 2021 | | | |
|--|--------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|
| Recurring fair value measurements | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| <u>Non-derivative financial instruments</u> | | | | | | | | |
| Assets | | | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | | | |
| Equity instruments | \$ 34,904,961 | \$ 32,635,859 | \$ - | \$ 2,269,102 | \$ 46,682,480 | \$ 44,338,674 | \$ - | \$ 2,343,806 |
| Liability instruments | 243,068,169 | 62,149,753 | 180,263,619 | 654,797 | 340,079,459 | 76,358,173 | 263,201,601 | 519,685 |
| Others | 104,534,408 | 31,638,096 | 68,697,204 | 4,199,108 | 128,923,284 | 43,315,551 | 79,415,014 | 6,192,719 |
| Financial assets at fair value through other comprehensive income (Note) | | | | | | | | |
| Equity instruments | 57,692,599 | 22,505,302 | - | 35,187,297 | 44,301,514 | 17,551,150 | - | 26,750,364 |
| Liability instruments | 289,042,609 | 124,858,894 | 164,129,093 | 54,622 | 295,405,248 | 116,970,889 | 178,322,333 | 112,026 |
| Other financial assets | | | | | | | | |
| Purchase of claim receivable | 1,798,163 | - | - | 1,798,163 | 1,813,266 | - | - | 1,813,266 |
| Liabilities | | | | | | | | |
| Financial liabilities at fair value through profit or loss | \$ 97,848,082 | \$ 33,410,159 | \$ 26,217,999 | \$ 38,219,924 | \$ 133,670,994 | \$ 75,119,499 | \$ 20,674,852 | \$ 37,876,643 |
| <u>Derivative financial instruments</u> | | | | | | | | |
| Assets | | | | | | | | |
| Financial assets at fair value through profit or loss | \$ 31,749,320 | \$ 13,613,609 | \$ 15,232,189 | \$ 2,903,522 | \$ 13,556,918 | \$ 6,253,670 | \$ 5,597,219 | \$ 1,706,029 |
| Liabilities | | | | | | | | |
| Financial liabilities at fair value through profit or loss | \$ 48,908,446 | \$ 4,826,084 | \$ 28,402,079 | \$ 15,680,283 | \$ 25,014,745 | \$ 5,217,054 | \$ 15,523,237 | \$ 4,274,454 |

| | September 30, 2021 | | | |
|--|--------------------|---------------|---------------|---------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Recurring fair value measurements | | | | |
| <u>Non-derivative financial instruments</u> | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity instruments | \$ 38,987,025 | \$ 37,115,016 | \$ - | \$ 1,872,009 |
| Liability instruments | 375,780,496 | 76,885,818 | 298,327,146 | 567,532 |
| Others | 135,375,846 | 49,225,569 | 80,692,849 | 5,457,428 |
| Financial assets at fair value through other comprehensive income (Note) | | | | |
| Equity instruments | 41,133,821 | 15,834,309 | - | 25,299,512 |
| Liability instruments | 292,726,382 | 115,774,639 | 176,820,518 | 131,225 |
| Other financial assets | | | | |
| Purchase of claim receivable | 1,818,111 | - | - | 1,818,111 |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | \$125,469,138 | \$ 65,967,771 | \$ 20,498,632 | \$ 39,002,735 |
| <u>Derivative financial instruments</u> | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | \$ 12,072,158 | \$ 4,471,559 | \$ 5,617,028 | \$ 1,983,571 |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | \$ 22,639,528 | \$ 4,811,724 | \$ 12,712,930 | \$ 5,114,874 |

Note: As of September 30, 2022, December 31, 2021, and September 30, 2021, the statutory deposits of Yuanta Life of the Yuanta Group were \$0, \$1,216,100 and \$1,216,100, respectively.

- (B) When quotes of financial instruments are obtained from the Stock Exchange, Reuters, Bloomberg, dealers or competent authorities and the prices represent arm's length transactions with sufficient frequency, the financial instruments are regarded as active market quotes. If the aforementioned requirements are not met, then the financial instruments are regarded as quotes without an active market. Large bid-ask spreads or low trade volumes are features of quotes without an active market.

Whenever the financial instruments held by the Yuanta Group have active market quotes, the active market quotes are regarded as fair value. Publicly listed and over-the-counter traded equity instruments of primary stock exchanges along with central government bonds that are popular securities all regard active market quotes as the basis of fair value.

Excluding the above-mentioned financial instruments with active market quotes, the fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the balance sheet date, and utilises the fair values derived from the calculations of financial valuation models (for example referencing the yield curve from the Taipei Exchange, Reuters' average commercial paper interest, etc.).

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

Financial valuation techniques do not necessarily completely reflect all relevant elements of financial instruments held by the Yuanta Group. Thus, the outputs of financial valuation models may need necessary adjustments in line with important relevant elements. For example, adjustments on model risk or adjustments on liquidity risk etc. In accordance with the Yuanta Group's financial valuation model management policy, management believes in order to fairly present the fair value of financial instruments within the consolidated balance sheet, valuation adjustments are pertinent and appropriate.

b. Credit risk valuation adjustment

The credit risk valuation adjustment is included in the computation of fair value of financial instruments in order to reflect counterparty's credit risk and the Yuanta Group's credit quality.

(D) Transfer between Level 1 and Level 2

As of September 30, 2022, December 31, 2021, and September 30, 2021, certain foreign debt held by the Yuanta Group, totaling, USD 20,719 thousand, USD 15,514 thousand and USD 0 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stockbrokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of September 30, 2022, December 31, 2021, and September 30, 2021, certain foreign debt held by the Yuanta Group, totaling USD 8,371 thousand, USD 14,690 thousand and USD 22,316 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

(E) Movements of financial instruments classified into Level 3 of fair value are as follows:

a. Movements of financial assets classified into Level 3 of fair value are as follows:

| For the nine months ended September 30, 2022 | | | | | | | | |
|---|----------------------|----------------------------|----------------------------|-----------------------|-------------------------------|---------------------------|---------------------------------|----------------------|
| Items | Beginning balance | Gain and loss on valuation | | Addition | | Reduction | | Ending balance |
| | | Gain and loss | Other comprehensive income | Purchased or issued | Transferred to Level 3 (Note) | Sold, disposed or settled | Transferred from Level 3 (Note) | |
| Financial assets at fair value through profit or loss | \$ 10,762,239 | (\$ 2,015,678) | (\$ 57,379) | \$ 11,451,549 | \$ - | (\$ 9,640,358) | (\$ 473,844) | \$ 10,026,529 |
| Financial assets at fair value through other comprehensive income | 26,862,390 | (274,624) | 8,741,097 | - | - | (86,944) | - | 35,241,919 |
| Other financial assets- purchase of claim receivable | 1,813,266 | 410 | - | - | - | (15,513) | - | 1,798,163 |
| Total | <u>\$ 39,437,895</u> | <u>(\$ 2,289,892)</u> | <u>\$ 8,683,718</u> | <u>\$ 11,451,549</u> | <u>\$ -</u> | <u>(\$ 9,742,815)</u> | <u>(\$ 473,844)</u> | <u>\$ 47,066,611</u> |
| For the nine months ended September 30, 2021 | | | | | | | | |
| Items | Beginning balance | Gain and loss on valuation | | Addition | | Reduction | | Ending balance |
| | | Gain and loss | Other comprehensive income | Purchased or issued | Transferred to Level 3 (Note) | Sold, disposed or settled | Transferred from Level 3 (Note) | |
| Financial assets at fair value through profit or loss | \$ 16,559,951 | \$ 1,131,049 | \$ 48,013 | \$ 128,304,539 | \$ 222 | (\$ 134,809,271) | (\$ 1,353,963) | \$ 9,880,540 |
| Financial assets at fair value through other comprehensive income | 20,290,988 | (537,290) | 5,744,857 | 13,559 | - | (81,377) | - | 25,430,737 |
| Other financial assets- purchase of claim receivable | 1,831,820 | 46 | - | - | - | (13,755) | - | 1,818,111 |
| Total | <u>\$ 38,682,759</u> | <u>\$ 593,805</u> | <u>\$ 5,792,870</u> | <u>\$ 128,318,098</u> | <u>\$ 222</u> | <u>(\$ 134,904,403)</u> | <u>(\$ 1,353,963)</u> | <u>\$ 37,129,388</u> |

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net (losses) gains belonging to assets as of September 30, 2022 and 2021 were (\$1,922,672) and \$1,089,510, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to assets as of September 30, 2022 and 2021 were \$ 8,682,405 and \$5,780,369, respectively.

b. Movements of financial liabilities classified into Level 3 of fair value are as follows:

| For the nine months ended September 30, 2022 | | | | | | | | |
|---|----------------------|----------------------------|----------------------------------|------------------------|-------------------------------------|------------------------------|---------------------------------------|-------------------|
| Items | Beginning balance | Gain and loss on valuation | | Addition | | Reduction | | Ending balance |
| | | Gain and loss | Other comprehensive income | Purchased or issued | Transferred to Level 3 (Note) | Sold, disposed or settled | Transferred from Level 3 (Note) | |
| Financial liabilities at fair value through profit or loss | \$ 42,151,097 | \$ 75,223 | \$ 64 | \$ 34,840,182 | \$ 876,423 | (\$ 24,042,782) | \$ - | \$ 53,900,207 |

| For the nine months ended September 30, 2021 | | | | | | | | |
|---|----------------------|----------------------------|----------------------------------|------------------------|-------------------------------------|------------------------------|---------------------------------------|-------------------|
| Items | Beginning balance | Gain and loss on valuation | | Addition | | Reduction | | Ending balance |
| | | Gain and loss | Other comprehensive income | Purchased or issued | Transferred to Level 3 (Note) | Sold, disposed or settled | Transferred from Level 3 (Note) | |
| Financial liabilities at fair value through profit or loss | \$ 55,750,149 | (\$ 4,778,899) | (\$ 415) | \$ 45,722,086 | \$ - | (\$ 52,549,539) | (\$ 25,773) | \$ 44,117,609 |

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains belonging to liabilities as of September 30, 2022 and 2021 were (\$1,485,633) and \$1,132,683, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of September 30, 2022 and 2021 were \$577 and \$829, respectively.

Note: For the nine months ended September 30, 2022 and 2021, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

(F) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value.

The fair value measurement that the Yuanta Group made onto the financial instruments is deemed reasonable; however, different valuation input could result in different valuation result. The effects on gain and loss in the period or the effects on other comprehensive income are as follows:

| Items | Change in fair value recognised in current profit and loss | | Change in fair value recognised in other comprehensive income | |
|--|---|--------------------------|--|--------------------------|
| | Favorable movements | Unfavorable movements | Favorable movements | Unfavorable movements |
| September 30, 2022 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at fair value | | | | |
| through profit or loss | \$ 180,024 | (\$ 176,506) | \$ - | \$ - |
| Derivative instruments | 15,119 | (15,119) | - | - |
| Financial assets at fair value through | | | | |
| other comprehensive income | - | - | 585,227 | (440,134) |
| Other financial assets- purchase of | | | | |
| claim receivable | 92,637 | (92,637) | - | - |
| <u>Liabilities</u> | | | | |
| Financial liabilities at fair value | | | | |
| through profit or loss | (\$ 123,332) | \$ 123,333 | \$ - | \$ - |
| Derivative instruments | (139,966) | 139,894 | - | - |
| December 31, 2021 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at fair value | | | | |
| through profit or loss | \$ 366,343 | (\$ 363,204) | \$ - | \$ - |
| Derivative instruments | 10,854 | (10,854) | - | - |
| Financial assets at fair value through | | | | |
| other comprehensive income | - | - | 439,786 | (324,876) |
| Other financial assets- purchase of | | | | |
| claim receivable | 83,360 | (83,360) | - | - |
| <u>Liabilities</u> | | | | |
| Financial liabilities at fair value | | | | |
| through profit or loss | (\$ 41,449) | \$ 41,449 | \$ - | \$ - |
| Derivative instruments | (72,766) | 72,829 | - | - |

| Items | Change in fair value recognised in current profit and loss | | Change in fair value recognised in other comprehensive income | |
|--|---|--------------------------|--|--------------------------|
| | Favorable movements | Unfavorable movements | Favorable movements | Unfavorable movements |
| September 30, 2021 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at fair value | | | | |
| through profit or loss | \$ 293,250 | (\$ 286,508) | \$ - | \$ - |
| Derivative instruments | 30,325 | (30,325) | - | - |
| Financial assets at fair value through other comprehensive income | - | - | 453,725 | (318,980) |
| Other financial assets- purchase of claim receivable | 74,326 | (74,326) | - | - |
| <u>Liabilities</u> | | | | |
| Financial liabilities at fair value | | | | |
| through profit or loss | (\$ 70,261) | \$ 70,250 | \$ - | \$ - |
| Derivative instruments | (79,221) | 79,275 | - | - |

Favorable and unfavorable movements of the Yuanta Group refer to the favorable and unfavorable movements of fair value. Movements in fair value are derived from financial valuation techniques on different unobservable valuation parameters. If the fair value of financial instruments is affected by more than one input, the above table will only reflect the impact resulting from changes in the single input without considering the correlations and variability between inputs.

(G) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| September 30, 2022 | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|---|---------------------------------|-----------------------------------|---------------|--|
| Financial assets at fair value through profit or loss | | | | |
| Equity instruments \$ 2,269,102 | 1.Market method | Discount for marketability | <=40% | The higher the discount for marketability, the lower the fair value |
| | 2.Income method | | | |
| | 3.Equity Model | Discount rate | 12.42%~14.11% | The higher the discount rate, the lower the fair value |
| | by L. Anderson and D. Buffum | Stock price volatility | 21.76%~97.75% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | Credit Spread | 5.38%~24.69% | The higher the credit spread, the lower the fair value |
| | | Recovery rate | 20.00%~20.00% | The higher the recovery rate, the higher the fair value |

| September 30, 2022 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|--|------------|---|--------------------------------|-----------------|--|
| Financial assets at fair value through profit or loss | | | | | |
| Liability instruments | \$ 654,797 | 1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow | Stock price volatility | 35.61%~45.33% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Credit Spread | 54.58%~54.60% | The higher the credit spread, the lower the fair value |
| | | | Recovery rate | 20.00%~20.00% | The higher the recovery rate, the higher the fair value |
| | | | Discount rate | 2.12%~8.66% | The higher the discount rate, the lower the fair value |
| Derivative instruments (including futures and options trade in futures market) | 2,903,522 | 1.Option Model 2.FDM 3.Monte Carlo Simulation | Stock price volatility | 17.98% ~ 23.28% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.18 ~ 0.97 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |
| Others | 4,199,108 | 1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation | Discount for marketability | <=10% | The higher the discount for marketability, the lower the fair value |
| | | | Stock price volatility | 17.98% ~ 23.28% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.18 ~ 0.97 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |
| Other financial assets | | | | | |
| Purchase of claim receivable | 1,798,163 | Recoverable amount | Contact rate | 6.48%~39.12% | The higher the contact rate, the higher the fair value |
| | | | Payment rate | 5.07%~35.85% | The higher the payment rate, the higher the fair value |
| | | | Discount rate | 5.23%~40.06% | The higher the discount rate, the lower the fair value |
| Financial assets at fair value through other comprehensive income | | | | | |
| Equity instruments | 35,187,297 | 1.Market method 2.Residual income valuation model 3.Discounted cash flow | Discount for marketability | <=40% | The higher the discount for marketability, the lower the fair value |
| | | | Expected growth rate | 0%~1% | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 0.1117~0.1117 | The higher the discount rate, the lower the fair value |
| Liability instruments | 54,622 | Discounted cash flow | Discount rate | 2.12%~8.66% | The higher the discount rate, the lower the fair value |

| September 30, 2022 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|--|---------------|---|--------------------------------|----------------|--|
| Financial assets at fair value through other comprehensive income | | | | | |
| Derivative instruments (including futures and options trade in futures market) | \$ 15,680,283 | 1.FDM | Stock price volatility | 17.98% ~37.61% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value |
| | | 2.Option Model | | | |
| | | 3.Monte Carlo Simulation | | | |
| | | 4.Equity Model by L.Andersen and D.Buffum | | | |
| | | | Correlation coefficient | 0.18 ~ 0.97 | |
| | | | Probability of Default (PD) | 0.03%~100% | |
| | | | Recovery rate | 0.55~0.55 | |
| Others | 38,219,924 | 1.FDM | Stock price volatility | 1.31%~79.86% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value |
| | | 2.Option Model | | | |
| | | 3.IR Model | | | |
| | | 4.Hybrid Model | | | |
| | | 5.Monte Carlo Simulation | | | |
| | | 6.Equity Model by L.Andersen and D.Buffum | | | |
| | | | Correlation coefficient | 0.18 ~ 0.97 | |
| | | | Probability of Default (PD) | 0.03%~100% | |
| | | | Recovery rate | 0.55~0.55 | |
| December 31, 2021 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
| Financial assets at fair value through profit or loss | | | | | |
| Equity instruments | \$ 2,343,806 | 1.Market method | Discount for marketability | <=40% | The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value |
| | | 2.Income method | | | |
| | | 3.Equity Model by L. Anderson and D. Buffum | Discount rate | 10.01%~16.80% | |
| | | | Stock price volatility | 17.03%~125.06% | |
| | | | Credit Spread | 5.39%~19.28% | |
| | | | Recovery rate | 20.00%~20.00% | |
| Liability instruments | 519,685 | 1.Hybrid Model | Stock price volatility | 35.61%~47.90% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value The higher the discount rate, the lower the fair value |
| | | 2.Equity Model by L. Anderson and D. Buffum | | | |
| | | 3.Discounted cash flow | | | |
| | | | Credit Spread | 54.58%~54.60% | |
| | | | Recovery rate | 20.00%~20.00% | |
| | | | Discount rate | 0.71%~5.85% | |

| December 31, 2021 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|--|--------------|--|--------------------------------|---------------|--|
| Financial assets at fair value through profit or loss | | | | | |
| Derivative instruments (including futures and options trade in futures market) | \$ 1,706,029 | 1.Option Model 2.FDM 3.Monte Carlo Simulation | Stock price volatility | 17.75%~21.86% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |
| Others | 6,192,719 | 1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation | Discount for marketability | <=10% | The higher the discount for marketability, the lower the fair value |
| | | | Stock price volatility | 17.75%~21.86% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |
| Other financial assets | | | | | |
| Purchase of claim receivable | 1,813,266 | Recoverable amount | Contact rate | 7.08%~39.53% | The higher the contact rate, the higher the fair value |
| | | | Payment rate | 3.88%~35.97% | The higher the payment rate, the higher the fair value |
| | | | Discount rate | 5.20%~41.18% | The higher the discount rate, the lower the fair value |
| Financial assets at fair value through other comprehensive income | | | | | |
| Equity instruments | 26,750,364 | 1.Market method 2.Residual income valuation model 3.Discounted cash flow | Discount for marketability | <=40% | The higher the discount for marketability, the lower the fair value |
| | | | Expected growth rate | 0.00%~1.00% | The higher the growth rate, the higher the fair value |
| | | | Discount rate | 0.1096~0.1096 | The higher the discount rate, the lower the fair value |
| Liability instruments | 112,026 | Discounted cash flow | Discount rate | 0.71%~5.85% | The higher the discount rate, the lower the fair value |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative instruments (including futures and options trade in futures market) | 4,274,454 | 1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum | Stock price volatility | 17.75%~37.61% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |

| December 31, 2021 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|--|---------------|--|--------------------------------|---------------|--|
| Financial liabilities at fair value through profit or loss | | | | | |
| Others | \$ 37,876,643 | 1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum | Stock price volatility | 0.22%~86.39% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0.55~0.55 | The higher the recovery rate, the higher the fair value |
| September 30, 2021 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
| Financial assets at fair value through profit or loss | | | | | |
| Equity instruments | \$ 1,872,009 | 1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum | Discount for marketability | <=40% | The higher the discount for marketability, the lower the fair value |
| | | | Discount rate | 10.14%~15.89% | The higher the discount rate, the lower the fair value |
| | | | Stock price volatility | 32.06%~53.36% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Credit Spread | 2.77%~5.60% | The higher the credit spread, the lower the fair value |
| | | | Recovery rate | 20.00%~20.00% | The higher the recovery rate, the higher the fair value |
| Liability instruments | 567,532 | 1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Monte Carlo Simulation 4.Discounted cash flow | Stock price volatility | 35.61%~46.36% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Credit Spread | 5.90%~5.92% | The higher the credit spread, the lower the fair value |
| | | | Recovery rate | 20.00%~20.00% | The higher the recovery rate, the higher the fair value |
| | | | Discount rate | 0.56%~5.22% | The higher the discount rate, the lower the fair value |
| Derivative instruments (including futures and options trade in futures market) | 1,983,571 | 1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation | Stock price volatility | 1.82%~22.26% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Probability of Default (PD) | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 55% | The higher the recovery rate, the higher the fair value |

| September 30, 2021 | | Valuation technique | Significant unobservable input | Range | Relationship of inputs to fair value |
|--|--------------|--|---|---------------------------------------|---|
| Financial assets at fair value through profit or loss | | | | | |
| Others | \$ 5,457,428 | 1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation | Discount for marketability Stock price volatility | <=10% 17.83%~22.26% | The higher the discount for marketability, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Default rate | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 0~55% | The higher the recovery rate, the higher the fair value |
| Other financial assets | | | | | |
| Purchase of claim receivable | 1,818,111 | Recoverable amount | Contact rate | 6.91%~40.29% | The higher the contact rate, the higher the fair value |
| | | | Payment rate | 3.90%~35.47% | The higher the payment rate, the higher the fair value |
| | | | Discount rate | 5.35%~41.18% | The higher the discount rate, the lower the fair value |
| Financial assets at fair value through other comprehensive income | | | | | |
| Equity instruments | 25,299,512 | 1.Market method 2.Residual income valuation model 3.Discounted cash flow | Discount for marketability Expected growth rate Discount rate | <=40% 0%~1% 0.107~0.107 | The higher the discount for marketability, the lower the fair value The higher the growth rate, the higher the fair value The higher the discount rate, the lower the fair value |
| Liability instruments | 131,225 | Discounted cash flow | Discount rate | 0.56%~5.22% | The higher the discount rate, the lower the fair value |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative instruments (including futures and options trade in futures market) | 5,114,874 | 1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum | Stock price volatility | 17.83%~37.61% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Default rate | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 55% | The higher the recovery rate, the higher the fair value |
| Others | 39,002,735 | 1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum | Stock price volatility | 0.11%~127.12% | The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. |
| | | | Correlation coefficient | 0.20~0.96 | The higher the correlation coefficient, the higher the fair value |
| | | | Default rate | 0.03%~100% | The higher the default rate, the lower the fair value |
| | | | Recovery rate | 55% | The higher the recovery rate, the higher the fair value |

(H) Valuation procedure of financial instruments classified into Level 3

The Yuanta Group established the unobservable inputs by taking into account all information in relation to market participants assumption which is reasonably available to meet the purpose of fair value measurement, and analyzed changes in fair value measurement periodically in accordance with the internal valuation management policy and procedure to ensure that valuation procedure and results meet International Accounting Standards.

C. Financial instruments not measured at fair value

(A) Fair value information:

Except for those listed in the table below, the carrying amounts of the Yuanta Group's financial instruments not measured at fair value are approximate to their fair values.

| September 30, 2022 | | | | | |
|---|----------------|----------------|--------------|----------------|-----------|
| | Book value | Fair value | | | |
| | | Total | Level 1 | Level 2 | Level 3 |
| <u>Financial assets</u> | | | | | |
| Investments in debt instruments at amortised cost (Notes 1 and 2) | \$ 373,951,985 | \$ 312,332,770 | \$ 6,562,036 | \$ 305,753,199 | \$ 17,535 |
| <u>Financial liabilities</u> | | | | | |
| Bonds payable | 87,136,022 | 80,226,230 | - | 80,226,230 | - |
| December 31, 2021 | | | | | |
| | Book value | Fair value | | | |
| | | Total | Level 1 | Level 2 | Level 3 |
| <u>Financial assets</u> | | | | | |
| Investments in debt instruments at amortised cost (Notes 1 and 2) | \$ 312,286,347 | \$ 332,489,267 | \$ 2,905,700 | \$ 329,562,722 | \$ 20,845 |
| <u>Financial liabilities</u> | | | | | |
| Bonds payable | 82,539,085 | 88,480,772 | - | 88,480,772 | - |
| September 30, 2021 | | | | | |
| | Book value | Fair value | | | |
| | | Total | Level 1 | Level 2 | Level 3 |
| <u>Financial assets</u> | | | | | |
| Investments in debt instruments at amortised cost (Notes 1 and 2) | \$ 294,242,614 | \$ 316,443,287 | \$ 2,971,774 | \$ 313,447,655 | \$ 23,858 |
| <u>Financial liabilities</u> | | | | | |
| Bonds payable | 87,790,535 | 94,125,884 | - | 94,125,884 | - |
| Note 1: Including the statutory deposits of \$3,560,400, \$2,344,300 and \$2,344,300, respectively of Yuanta Life of the Yuanta Group as of September 30, 2022, December 31, 2021 and September 30, 2021. | | | | | |
| Note 2: The government bonds, corporate bonds, and bank debentures which are classified as debt instruments without active market. | | | | | |

(B) Financial valuation technique:

The assumptions and methods used to estimate the financial instruments not measured by fair value:

- a. The financial instruments such as cash and cash equivalents, due from Central Bank and call loans to other banks, investments in bills and bonds under resale agreements, receivables - net, other financial assets - net (not including debt instruments without active market), refundable deposits, due to Central Bank and other banks, payables, short-term borrowings and deposits received. As the short maturities or future payment or receipt is close to the carrying amount, the carrying amount at the consolidated balance sheet date is used to estimate the fair value.
- b. Bills discounted and loans (including non-performing loans): The effective interest rates of loans are generally based on the benchmark interest rate plus or minus certain adjustment (equivalent to floating rate) to reflect the market interest rate. As a result, it is reasonable to assume that the carrying amount, after adjustments of estimated recoverability, approximates the fair value. Fair values for long-term loans with fixed interest rates shall be estimated using their discounted values of expected future cash flows. However, as such loans account for only a small portion of all loans, book value was used to estimate the fair value.
- c. Investments in debt instruments at amortised cost: When there is a quoted market price available in an active market, the fair value is determined using the market price. If there is no quoted market price for reference, a valuation technique or quoted price offered by the counterparties will be adopted to measure the fair value.
- d. Deposits and remittances: The duration between the commencement date and maturity date for deposits and remittances are usually within one year. As a result, the carrying amount is a reasonable basis to estimate the fair value. The fair value of long-term fixed rate deposits should be estimated by discounting expected future cash flows; however, since the duration between the commencement date and the maturity date is within three years, it is reasonable to use the carrying amount to estimate the fair value.
- e. Bonds payable: The coupon rate for bank debentures issued by the Yuanta Group is approximate to the market interest rate. Thus, the present value of its expected future cash flows for estimating fair value is approximate to carrying value.

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

(A) The Yuanta Group's risk management organization structure includes the Board of Directors, the Audit Committee, the Risk Management Committee, senior management, the Risk Management Department, the Legal Compliance Department, the Legal Department, the Information Department and other business departments. The Board of Directors is the highest decision-making unit for risk management. Its primary responsibilities include approving the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as supervising the enforcement of the risk management system. The Audit Committee should assist the Board of Directors in implementing its risk management responsibilities. Its primary responsibilities include deliberating the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as assisting the Board of Directors in supervising the management of the Company's existing or potential risk. The Risk Management Committee should assist the Audit Committee and Board of Directors in implementing their risk management responsibilities. Its primary responsibilities include negotiating the annual risk limits, monitoring the indicator threshold, reviewing risk management reports, assisting in supervising the implementation of the risk management system, integrating and coordinating

common risk management issues between subsidiaries, and promoting and communicating important risk management issues. Senior management should examine risks involved in operating activities and ensure the Yuanta Group's risk management system can thoroughly and effectively control related risks. The Risk Management Department is an independent department subordinated under the Board of Directors. The Risk Management Department's primary responsibilities includes developing the risk management system, establishing a method to effectively measure risk, establishing the risk management system, monitoring and analyzing risk and alerting and reporting significant risks in a timely manner. The Legal Compliance department should implement legal compliance risk management. It should ensure that all businesses and management regulations are updated in time in accordance with the relevant laws and regulations, supervise Legal Compliance Management of all units to carry out introduction, establishment and implement of related internal measurements, as well as assist in evaluating possible legal compliance risks that all business units may be involved with. The Legal Department should implement legal risk management. It should assist in evaluating possible legal risk that business units, legal documents and contracts may be involved with. The Information Department's primary responsibilities are to implement information security risk control and assist avoiding harm of related information system and impact on information security risk of normal operating caused by external deliberate invasion or internal improper use, leakage, tampering and destruction of information assets. The risk management responsibilities of business departments are to comprehensively examine all risk management regulations before conducting their respective tasks and certainly comply with all risk management regulations.

Each subsidiary has built a risk management organization with appropriate levels and scale based on its business portfolio, operating scale and capital scale. Subsequently, the Yuanta Group will examine each subsidiary's risk management organization in order to confirm that it can manage its assumed risks effectively.

(B) Risk management policy

In order to establish the Yuanta Group's risk management standard, ensuring the completeness, effectiveness and reasonableness of risk management, the risk management policy was devised to act as the highest guiding principle for the Yuanta Group's risk management. All risk management systems should comply with the risk management policy and consider the attributes of all risk and its impact degree on the Yuanta Group's operating stability capital soundness to respectively establish appropriate risk management systems.

The Yuanta Group's risk management system covers market risk, credit risk, market liquidity risk, asset liability matching risk (including capital liquidity risk and interest risk), significant amount exposure risk, insurance risk, operating risk, legal compliance risk, legal risk and other risks related with operations, laws and compliance and environment (including climate risk). Subsidiaries should establish a risk management system which matches its business portfolio, operating scale and capital scale in accordance with the Yuanta Group's risk management policy and local regulations, in order to effectively manage the risks it endures.

B. Methods for risks measurement and controlling and exposure quantitative information

(A) Credit risk

a. Source and definition of credit risk

Credit risks occur when the bond issuer, borrower or counterparty fails to fulfil its obligation and results in a loss of default. Credit risk may happen due to accounts on and off the balance sheet. For accounts on the balance sheet, credit risk exposure of the Yuanta Group mainly comprises of bills discounted and loans and credit card business, debt instrument and derivatives and call loans from banks, etc. Off-balance-sheet accounts include financial guarantee, acceptance bill, letter of credit and loan commitments that

could give rise to credit risk exposure to the Yuanta Group.

b. Principle of credit risk management

In order to effectively consolidate credit distribution and control change in credit exposure, except for establishment of internal credit rating system and implementation of credit risk rating system, the Yuanta Group also establishes credit pre-warning program, carries out escalation procedures and effectively improves the time efficiency of credit incidence. Secondly, to benefit the control of credit risk concentration, the Yuanta Group has developed information system for significant amount exposure, which covers credit risks of credit and investment transactions, cross-analyses and cross-consolidates by issuer and trading counterparty and monitors overall credit exposure. In addition, the Yuanta Group also conducts research and development of various credit risk model to strengthen quantitative mechanism of the Yuanta Group's credit rating. As such, the credit limits of the subsidiaries can be dynamically and reasonably allocated and transferred according to different business risks and asset characteristics.

The measurement of credit risks, risk limits, limit exceeding response and exception regulation should be treated in compliance with related credit risk regulations. Business units, before the underwriting of a transaction, should assess internal credit rating, credit limit and current limit usage ratio of a company upon the receipt of executed transaction.

c. Methods used in credit risk management

Procedures and methods used in credit risk management for the core businesses of the Yuanta Group are as follows:

(a) Credit business (including loan commitment and guarantees)

Credit assets are classified into five types. Other than normal credit assets shall be classified as Category One, the remaining non-performing loans are assessed based on the collateral provided and the time period of overdue payment as follows: Category Two for assets requiring special mention. Category Three for assets deemed recoverable. Category Four for assets that are doubtful. Category Five for assets that are not recoverable.

In response to the characteristics and scale of business, the Yuanta Group sets up credit quality rating for risk management purposes (such as implementing internal evaluation model of credit risk, setting up credit rating table or other relevant regulations).

The Yuanta Group, mainly based on the statistics and professional judgement of experts and consideration of client information, developed a business credit rating model for the purpose of evaluating the credit risk of corporate clients. The model is regularly reviewed to check if the calculation result is consistent with the actual situation. And adjustment on various inputs should be calibrated to optimize the calculation result.

Credit rating of corporate finance is categorised into 11 levels upon underwriting according to the risks assessment on each credit extension case. When a loan is granted, in addition to the credit quality of the client, fund purpose, repayment source, protection of claims and credit prediction should be considered, credit risk by credit account and facility should also be respectively assessed and rated based on the corporate or consumer risk rating referencing standards.

Credit risk rating of the consumer finance is categorised by client superiority, client profession and the rating of collateral threshold.

(b) Debt instruments investment and derivatives

The Yuanta Group manages the credit risk of debt instruments through consolidating external credit rating and internal credit rating model to establish internal credit rating system, and sets up credit limits for issuers and counterparties accordingly. Credit risk

exposure of related business is consolidated for calculation to ensure that the overall credit risks are in compliance with limits as approved by the Yuanta Group. In addition to the establishment of credit risk management and procedures, the credit risk model is also used to quantify credit risk so that credit risk can be reasonably and effectively controlled and evaluated, so the overall credit risk will be within reasonable bearable capacity of the Yuanta Group's capital.

(c) Margin purchase and short sale

Other than the compliance with regulations governing the margin sale and short sale business from SEC and the decreased ratio or allocated securities for warning of abnormal individual stock as defined by OTC, the Yuanta Group also sets up risk management structure such as quota allocation, pre-warning indicators and process standards and credit diversification standards with specific associate being responsible for related risk control. In addition, the comprehensively computerized risk information system can help assist with enhancing the pre-warning function of margin sale and short sale credit so that awareness of market movement at an early stage may be achieved.

d. Analysis on credit quality and overdue impairment of financial assets held by the Yuanta Group

(a) Credit risk rating is categorised into Excellent, Acceptable, Weak, and Credit-impaired, and the definitions are illustrated below:

- I. Excellent: This level shows that the counterparty or the underlying asset is equipped with strong capability of fulfilling financial commitments, even under significantly uncertain or adverse conditions.
- II. Acceptable: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is weak. Any adverse operation, financial or economic conditions will reduce its capability.
- III. Weak: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is extremely low. The counterparty is able to fulfill financial commitments only when the operating circumstances and its financial condition are favorable.
- IV. Credit-impaired: This level shows that the financial asset has been impaired or there has been a significant increase in the credit risk since initial recognition.

The comparison between internal credit risk ratings and external credit ratings is provided below. However, these two credit risk ratings do not have any direct relation. The comparison chart is just for disclosing approximate level of credit risk ratings.

| Credit quality | Corporate finance | Consumer finance | Debt instruments and others | |
|-----------------|-------------------------------------|-------------------|-----------------------------|---------------------------|
| | Internal and external credit rating | Credit rating | Taiwan Ratings | Standard & Poor's Ratings |
| Excellent | Level 1~6 | Excellent | twAAA ~ twBBB- | AAA ~ BBB- |
| Acceptable | Level 7~8 | Acceptable | twBB+ ~ twBB | BB+ ~ BB |
| Weak | Level 9~10 | Weak | twBB- ~ twC | BB- ~ C |
| Credit impaired | Level D | Credit impairment | Credit impairment | Credit impairment |

(b) Expected credit losses calculation

Impairment assessment is based on the calculation of expected credit losses, taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, which is available without undue cost or effort, including forecastable information. The Yuanta Group determines

at the balance sheet date whether there has been a significant increase in credit risk since initial recognition or whether credit impairment has occurred, and recognises expected credit losses according to which stage the asset belongs: no significant increase in credit risk or low credit risk at balance sheet date (Stage 1), significant increase in credit risk (Stage 2), and credit-impaired (Stage 3). 12-month expected credit losses are recognised for assets in Stage 1, and lifetime expected credit losses are recognised for assets in Stage 2 and Stage 3.

The definition of and expected credit losses recognised for each stage are as follows:

| | Stage 1 | Stage 2 | Stage 3 |
|---------------------------------------|---|---|--|
| Definition | Financial assets with no significant increase in credit risk since initial recognition or low credit risk on balance sheet date | Financial assets with significant increase in credit risk since initial recognition | Financial assets that became credit-impaired after initial recognition |
| Recognition of expected credit losses | 12-month expected credit losses are recognized | Lifetime expected credit losses are recognized | Lifetime expected credit losses are recognized |

The Yuanta Group uses the following key judgements and assumptions when estimating expected credit losses in accordance with IFRS 9:

I. Determining whether there has been a significant increase in credit risk since initial recognition

At every balance sheet date, the Yuanta Group and its subsidiaries assess the change in default risk over the lifetime of each financial asset to determine whether there has been a significant increase in credit risk since initial recognition.

(I) Credit business

The Yuanta Group considers reasonable and supportable information (including forecastable information) when determining whether there has been significant increase in credit risk. The main indicators taken into account are as follows:

- i. The borrower is over 30 days past due.
- ii. Significant deterioration in credit quality and placed on the Yuanta Group's warning list.
- iii. Deterioration in credit rating:

Credit rating: The Yuanta Group's internal credit rating of the asset is equivalent to a non-investment grade rating by an external agency, and the rating has dropped by more than two scales since initial recognition.

- iv. Records of bad credit are confirmed after assessment.

(II) Investments in debt instruments

At the balance sheet date, a debt instrument is considered to have significant increase in credit risk when the internal credit ratings of the credit reference subject is of non-investment grade and any one of the following conditions is met:

- i. The internal ratings of the credit reference subject has dropped by more than one scale since initial recognition.
- ii. The implied credit spread of the debt instrument has increased by a certain

number of basis points since initial recognition.

(III) Other financial assets

Except for credit business and debt instruments investment, the criteria that the Yuanta Group uses to determine that there has a significant increase in credit risk at balance sheet date is as follows:

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the terms recorded in the contract, unless the contractual terms specify it.
- ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
- iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, receivables have been transferred to overdue receivables or have been provided the bad debt expense, or the number of past-due days is not over the days recorded in the contract but it meets the terms of default.

II. Definitions of financial assets in default and credit-impaired financial assets

According to the definition stated in IFRS 9, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(I) Credit business

- i. Principal or interest payments over 3 months (90 days) past due, or the bank has begun collection procedures or liquidation of collateral.
- ii. New payment schedule is negotiated so that loan is not classified as non-performing.
- iii. Non-performing loans in negotiation according to the rules of the Debt Negotiation Mechanism issued by the Bankers Association in 2006 (including pre-mediation).
- iv. Loans that have gone through pre-mediation and have signed agreements in accordance with the Consumer Debt Clearance Act (excluding secured loans where the original terms of the loans are enforced).
- v. Cases where the court has initiated reorganization or liquidation proceedings.
- vi. Declaration of bankruptcy in court.
- vii. Reclassified as non-accrual.
- viii. Special criterion for credit card products: credit card accounts closed by the issuer.
- ix. Debtor's loans from other banking institutions have been recognised as non-performing, and reclassified as non-accrual or written off as bad debt.
- x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.
- xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.
- xii. Non-performing loans where a payment installment plan has been negotiated.

xiii. Loans classified as “in default” according to the Yuanta Group’s internal credit rating model.

(II) Investments in debt instruments

An investment in a debt instrument by the Yuanta Group is considered credit-impaired if any of the following conditions apply:

- i. Both internal and external credit ratings of the instrument are “in default.”
- ii. Principal or interest payments are not made in accordance with the agreement.
- iii. Bankruptcy, reorganization, or other debt clearance proceedings has been filed.
- iv. Other breaches of contract by the debtor as assessed on a case-by-case basis.

(III) Other financial assets

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is in line with the days recorded in the contract.
- ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
- iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, and receivables have been transferred to overdue receivables or have been provided the bad debt expense.

(IV) Definition of default

When assessing whether the borrower is in default, the Yuanta Group selects among the multiple loans held by the borrower the one with the lowest credit quality. The borrower is considered in default if the principal and interest payments on this selected loan is over 90 days past due or if the selected loan is reclassified as non-accrual or bad debt during the observation period.

III. Write off policy

If any of the following conditions apply, the Yuanta Group writes off its non-performing and non-accrual loans as bad debt, less the estimated recoverable amount:

- (I) The loan cannot be fully or partially recovered due to the dissolution of, disappearance of, settlement with, or declaration of bankruptcy by the debtor.
- (II) The collateral and assets of the primary and secondary debtors cannot be used to recover the loan due to low appraisal value, liquidity preference, or high administrative costs associated with seizure and liquidation.
- (III) The collateral and assets of the primary and secondary debtors could not be auctioned off after multiple attempts.
- (IV) The non-performing and non-accrual loans are two years past due, and could not be recovered from collection procedures.

IV. Measurement of expected credit losses

The model of expected credit losses (ECL) is based on the following three parameters: probability of default (PD), loss given default (LGD), and exposure at default (EAD).

(I) Credit business

i. Probability of default

The estimation of PD is based on the product type and internal credit ratings of the Yuanta Group, with the one-year PD and multi-year PD estimated separately.

(i) One-year PD: Calculate the actual one-year PD from historical data and use it to estimate the one-year PD parameter.

(ii) Multi-year PD: The multi-year PD is estimated using historical data on annual marginal default rates. Applying the multi-year PD to each loan requires selecting the corresponding lifetime. The lifetime of the loan is estimated based on the length of the remaining contract.

ii. Loss given default

Loans are grouped according to type (corporate or consumer) and whether they are secured with collateral, and the LGD of each group is calculated based on historical recovery experience.

iii. Exposure at default (EAD)

(i) On balance sheet—Loans and loan receivables: calculated from credit balance.

(ii) Off balance sheet—Loan commitments and financial guarantees: off balance sheet figures multiplied by the credit conversion factor (CCF). The CCF is estimated according to the rules described in the “Calculation Method of Equity Capital and Risky Assets and Accompanying Forms—Credit Risk Standard Rules.”

(II) Investments in debt instruments

i. Probability of default: Calculated based on the internal credit ratings of the credit reference subject determined using external credit rating which has taken into consideration the forecastability, such as macroeconomics, incorporating default rates published by external credit rating agencies.

ii. Loss given default: Calculated based on the collateral and order of compensation of the debt instrument, incorporating the average recovery rate disclosed by external credit rating agencies.

iii. Exposure at default: Total carrying amount, including interest receivable. Total carrying amount is the amortised cost of the financial asset before any adjustment to the loss allowance.

V. Consideration of forecastable information

The Yuanta Group incorporates forecastable information when determining whether there has been a significant increase in credit risk in relation to credit business since initial recognition and measuring expected credit losses.

(I) For determining significant increase in credit risk

i. The Yuanta Group’s credit approval process includes evaluation of forecastable information such as business potential, financial condition, industry outlook, loan collateral, and ability to repay.

ii. Identify customers with potential risk using the early warning list of the Yuanta Group. The early warning system of the Yuanta Group involves the assessment of the credit risk of the customer by reviewing the following five factors: management, financial statements, cash flows, source of repayment, and past performance.

(II) For measuring expected credit losses

At least reflected in the forecastable adjustments of PD and LGD: In order to predict future probabilities of default, historical performances of PD, current trends in PD, the correlation between PD and macroeconomic factors, and other relevant information is considered by experts to give an overall assessment of forecastable scenarios of PD. The PD parameters are then adjusted accordingly to produce the forecastable PD parameters.

(III) Other

Forecastable adjustments are not made if the results from such adjustments are not expected to differ significantly from the original results, assuming there are no significant changes in current economic conditions and the future macroeconomic environment. However, if significant changes in the future macroeconomic environment are predicted, the loss rates have to be adjusted accordingly; for example, adjusting the loss rate by a certain percentage according to expected changes in GDP.

e. Hedging or mitigation of credit risk

(a) Collateral

The Yuanta Group adopts a series of policies and measures to mitigate credit risk in relation to credit extension business. Amongst those, requesting borrowers to provide collateral is one of the most usual means. The Yuanta Group has specific criteria for acceptable collateral and collateral valuation, management and disposing procedures regarding the collateral valuation management, collateral assessment for credit facility in order to protect the credit right. In addition, protection of creditor's right, collateral terms and offsetting terms are all addressed in the credit extension contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, or various types of deposits can be used to offset its liabilities to mitigate credit risks.

(b) Credit risk limit and credit risk concentration control

The Yuanta Group controls the concentration risk of various assets in order to avoid high risk concentration. The Yuanta Group has set up credit extension limits for a single counterparty or a single group, and set up investment standards and risk controlling regulations for stock investment for a single person (entity) or affiliated enterprises' (group) various investment limit. In addition, in order to control concentration risk of various assets, the Yuanta Group has also set up credit limits based on the industry, enterprise of group, country, pledged stocks for credit extension and monitored risk concentration of each asset. Through the system consolidation, single counterparty, group's enterprises, affiliated enterprise, industry, nationality, ultimate risk and various credit risk concentration can be monitored.

(c) Net-settled general agreement

The transactions of the Yuanta Group are usually gross-settled. However, net-settled agreements are signed with certain counterparties to further mitigate credit risk in case of any default and all transactions shall be terminated with the counterparties and settled by net amount.

(d) Others

The Yuanta Group regularly assesses the credit status in relation to the issuers or the counterparties and hedges or mitigates its credit risks through the following procedures:

- I. Additional credit exposure limit;
- II. Credit limits reduction;

III. Hedging through credit derivatives;

IV. Credit enhancement, such as guarantee from qualifying bank or obtaining collateral.

f. The impact of COVID-19

The COVID-19 continued to spread globally in the beginning of 2020 and affected the macroeconomic development. With the development and roll-out of vaccines, the global economy will recover from the negative impact of the pandemic. However, as the emergence of new variants of COVID-19 still threatens the economic recovery of various countries and there are differences in the abilities in terms of pandemic prevention and practices between regions and countries, the degree of resumption of work and production varies significantly.

The pandemic in Taiwan escalated since the beginning of the current year; the consolidated company started to implement various pandemic prevention measures and continued to monitor the global pandemic's impact on the economy. In response to COVID-19, the Yuanta Group continues to monitor and manage the risk of the countries and industries affected the most. The review and analysis showed that the risk is still within tolerance. In addition, the government and the financial industry had already proposed countermeasures. Therefore, it is not expected that the Yuanta Group's assets will be exposed to an increase in credit risk in 2022. The Yuanta Group will continually monitor the development of the pandemic, and assess the related impact on the financial condition and operating performance of the Yuanta Group.

g. Maximum risk exposure of the Yuanta Group

The maximum risk exposure of assets on the consolidated balance sheet, without consideration of the collateral or other credit enhancements, is equivalent to the carrying amount. Please see Note 9(9) for the maximum credit risk exposure of the consolidated balance sheet.

The management of the Yuanta Group believes that through a series of stringent evaluation procedures and follow-up reviews, credit risk exposure off the balance sheet of the Yuanta Group can be minimized and continuously controlled. The total carrying value of the Yuanta Group's financial assets with the maximum credit risk is as follows:

Bills discounted and loans

| September 30, 2022 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans | Total |
|---|--|--|--|--|-----------------------|
| Credit ratings | | | | | |
| Internal ratings — excellent | \$ 665,896,467 | \$ 1,003,560 | \$ - | \$ - | \$ 666,900,027 |
| Internal ratings — acceptable | 239,759,394 | 4,206,205 | - | - | 243,965,599 |
| Internal ratings — weak | 45,229,439 | 576,899 | - | - | 45,806,338 |
| Internal ratings — not rated | 143,743 | 3 | - | - | 143,746 |
| Internal ratings — credit impairment | - | 62,943 | 4,236,469 | - | 4,299,412 |
| The total carrying amount | 951,029,043 | 5,849,610 | 4,236,469 | - | 961,115,122 |
| Allowance for credit losses | (1,772,486) | (475,508) | (2,540,734) | - | (4,788,728) |
| Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans | - | - | - | (9,316,975) | (9,316,975) |
| Total (Note) | <u>\$ 949,256,557</u> | <u>\$ 5,374,102</u> | <u>\$ 1,695,735</u> | <u>(\$ 9,316,975)</u> | <u>\$ 947,009,419</u> |

Note: Including interest receivable and temporary payments for others amounting to \$892,653. In addition, allowance for doubtful receivables was \$17,442.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$183,344,762 and \$868,921,377, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

| | | | | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans | |
|---|--|--|--|--|-----------------------|
| December 31, 2021 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | | Total |
| Credit ratings | | | | | |
| Internal ratings — excellent | \$ 592,358,294 | \$ 545,945 | \$ - | \$ - | \$ 592,904,239 |
| Internal ratings — acceptable | 249,849,806 | 3,288,504 | - | - | 253,138,310 |
| Internal ratings — weak | 46,104,704 | 484,892 | - | - | 46,589,596 |
| Internal ratings — not rated | 154,602 | 14 | - | - | 154,616 |
| Internal ratings — credit impairment | - | 62,919 | 5,373,026 | - | 5,435,945 |
| The total carrying amount | 888,467,406 | 4,382,274 | 5,373,026 | - | 898,222,706 |
| Allowance for credit losses | (1,654,969) | (380,386) | (2,973,774) | - | (5,009,129) |
| Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans | - | - | - | (8,250,923) | (8,250,923) |
| Total (Note) | <u>\$ 886,812,437</u> | <u>\$ 4,001,888</u> | <u>\$ 2,399,252</u> | <u>(\$ 8,250,923)</u> | <u>\$ 884,962,654</u> |

Note: Including interest receivable and temporary payments for others amounting to \$710,651. In addition, allowance for doubtful receivables was \$16,654.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$208,639,501 and \$808,148,135, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

| September 30, 2021 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans | Total |
|---|--|--|--|--|-----------------------|
| Credit ratings | | | | | |
| Internal ratings — excellent | \$ 558,436,405 | \$ 601,302 | \$ - | \$ - | \$ 559,037,707 |
| Internal ratings — acceptable | 241,349,929 | 2,459,312 | - | - | 243,809,241 |
| Internal ratings — weak | 50,503,315 | 500,717 | - | - | 51,004,032 |
| Internal ratings — not rated | 161,017 | 12 | - | - | 161,029 |
| Internal ratings — credit impairment | - | 65,454 | 5,917,323 | - | 5,982,777 |
| The total carrying amount | 850,450,666 | 3,626,797 | 5,917,323 | - | 859,994,786 |
| Allowance for credit losses | (1,946,730) | (209,593) | (3,359,950) | - | (5,516,273) |
| Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans | - | - | - | (7,565,912) | (7,565,912) |
| Total (Note) | <u>\$ 848,503,936</u> | <u>\$ 3,417,204</u> | <u>\$ 2,557,373</u> | <u>(\$ 7,565,912)</u> | <u>\$ 846,912,601</u> |

Note: Including interest receivable and temporary payments for others amounting to \$610,911. In addition, allowance for doubtful receivables was \$21,819.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “Financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$196,631,385 and \$787,957,093, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

The financial impact related to maximum amount exposed to credit risk arises from collaterals pledged for assets on the balance sheets and items off the balance sheets of Yuanta Bank and master netting arrangements. The table summarizes the relevant information:

| September 30, 2022 | Collateral (Note) | Net-settled general agreement | Total |
|---|-------------------|----------------------------------|-------------|
| <u>For on-balance sheet accounts</u> | | | |
| Receivables-other | \$ 22,157 | \$ - | \$ 22,157 |
| Bills discounted and loans | 717,861,292 | - | 717,861,292 |
| Financial assets at fair value through profit or loss | 2,053,728 | 2,524,323 | 4,578,051 |
| <u>For off-balance sheet accounts</u> | | | |
| Unused loan commitments | 5,434,052 | - | 5,434,052 |
| Unused credit commitment | 78,029 | - | 78,029 |
| Guarantees (including for non-performing loans) | 2,395,120 | - | 2,395,120 |
| December 31, 2021 | Collateral (Note) | Net-settled general agreement | Total |
| <u>For on-balance sheet accounts</u> | | | |
| Receivables-other | \$ 22,727 | \$ - | \$ 22,727 |
| Bills discounted and loans | 701,837,022 | - | 701,837,022 |
| Financial assets at fair value through profit or loss | 190,680 | 820,329 | 1,011,009 |
| <u>For off-balance sheet accounts</u> | | | |
| Unused loan commitments | 6,048,487 | - | 6,048,487 |
| Unused credit commitment | 88,207 | - | 88,207 |
| Guarantees (including for non-performing loans) | 4,063,835 | - | 4,063,835 |
| September 30, 2021 | Collateral (Note) | Net-settled general agreement | Total |
| <u>For on-balance sheet accounts</u> | | | |
| Receivables-other | \$ 20,086 | \$ - | \$ 20,086 |
| Bills discounted and loans | 679,717,052 | - | 679,717,052 |
| Financial assets at fair value through profit or loss | 99,969 | 509,040 | 609,009 |
| <u>For off-balance sheet accounts</u> | | | |
| Unused loan commitments | 5,709,296 | - | 5,709,296 |
| Unused credit commitment | 87,964 | - | 87,964 |
| Guarantees (including for non-performing loans) | 4,040,135 | - | 4,040,135 |

Note: The value of collaterals, except for cash items, is at present value, the others are allocated based on amount of loans.

h. Credit risk concentration

The credit risks are deemed significantly concentrated when the financial instrument transactions significantly concentrate on a single person, or when there are multiple trading counterparties engaging in similar business activities with similar economic characteristics making the effects on their abilities of fulfilling the contractual obligation due to economy or other forces similar.

The credit risks of the Yuanta Group concentrate on accounts on and off balance sheet that occurs through obligation fulfilling or implementation of transactions (either product or service), or through trans-type exposure portfolio, including cash and cash equivalents, loans, placements and call loan from the banks, securities investment, receivables and derivatives. The Yuanta Group does not significantly carry out transactions with single client or single counterparty, and the credit risk concentration by industry and location are shown as follows:

(a) Industry:

| Industry | September 30, 2022 | | December 31, 2021 | |
|-----------------------------|-------------------------|---------------|-------------------------|---------------|
| | Amount | % | Amount | % |
| Privately owned businesses | \$ 35,353,250 | 1.28 | \$ 717,967,191 | 25.59 |
| Natural person | 755,407,734 | 27.37 | 740,580,656 | 26.40 |
| Financial institutions | 698,862,488 | 25.32 | 750,072,096 | 26.74 |
| Governmental institutions | 772,746,408 | 27.99 | 544,046,612 | 19.39 |
| Government-owned businesses | 494,971,420 | 17.93 | 49,974,810 | 1.78 |
| Others | 3,069,946 | 0.11 | 2,661,691 | 0.10 |
| Total | <u>\$ 2,760,411,246</u> | <u>100.00</u> | <u>\$ 2,805,303,056</u> | <u>100.00</u> |

| Industry | September 30, 2021 | |
|-----------------------------|-------------------------|---------------|
| | Amount | % |
| Privately owned businesses | \$ 710,384,771 | 25.60 |
| Natural person | 707,403,524 | 25.48 |
| Financial institutions | 744,592,783 | 26.83 |
| Governmental institutions | 545,705,040 | 19.66 |
| Government-owned businesses | 64,821,779 | 2.34 |
| Others | 2,500,787 | 0.09 |
| Total | <u>\$ 2,775,408,684</u> | <u>100.00</u> |

(b) Geographic location:

| Geography location | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------|-------------------------|-------------------------|-------------------------|
| Taiwan | \$ 1,927,422,412 | \$ 2,024,766,293 | \$ 2,009,910,565 |
| Asia | 480,877,065 | 486,761,330 | 485,111,484 |
| America | 219,159,721 | 184,156,621 | 175,557,308 |
| Europe | 89,292,784 | 79,497,554 | 75,239,918 |
| Oceania | 43,397,160 | 29,832,581 | 29,326,322 |
| Africa | 262,104 | 288,677 | 263,087 |
| Total | <u>\$ 2,760,411,246</u> | <u>\$ 2,805,303,056</u> | <u>\$ 2,775,408,684</u> |

i. Changes in the Yuanta Group's allowance for credit losses and accumulative impairment

(a) Credit business

For the nine months ended September 30, 2022 and 2021, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

| | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | Total |
|---|---|---|---|--|---|----------------------|
| For the nine months ended September 30, 2022 | | | | | | |
| Beginning balances | \$ 1,595,241 | \$ 380,510 | \$ 3,026,002 | \$ 5,001,753 | \$ 8,241,645 | \$ 13,243,398 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (11,558) | 16,871 | (5,313) | - | - | - |
| -Transferred to credit-impaired financial asset | (4,498) | (454) | 4,952 | - | - | - |
| -Transferred to 12-month expected credit losses | 72,087 | (4,009) | (68,078) | - | - | - |
| -Financial assets derecognised in the current period | (519,969) | (1,520) | (369,768) | (891,257) | - | (891,257) |
| Impairment allowance for purchased or originated financial assets | 648,649 | 1,314 | 14,668 | 664,631 | - | 664,631 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | | | | - | 1,070,077 | 1,070,077 |
| Write-off as bad debt | (22,271) | (5,782) | (55,442) | (83,495) | - | (83,495) |
| Change in exchange and others | 2,119 | 87,819 | (5,031) | 84,907 | - | 84,907 |
| Ending balances | <u>\$ 1,759,800</u> | <u>\$ 474,749</u> | <u>\$ 2,541,990</u> | <u>\$ 4,776,539</u> | <u>\$ 9,311,722</u> | <u>\$ 14,088,261</u> |

| | | | | | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | Total |
|---|---|---|---|--|---|----------------------|
| For the nine months ended September 30, 2021 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | | |
| Beginning balances | \$ 1,477,286 | \$ 237,041 | \$ 4,582,056 | \$ 6,296,383 | \$ 6,905,357 | \$ 13,201,740 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (6,594) | 17,370 | (10,776) | - | - | - |
| -Transferred to credit-impaired financial asset | (7,592) | (4,973) | 12,565 | - | - | - |
| -Transferred to 12-month expected credit losses | 96,178 | (12,163) | (84,015) | - | - | - |
| -Financial assets derecognised in the current period | (486,956) | (7,286) | (1,200,913) | (1,695,155) | - | (1,695,155) |
| Impairment allowance for purchased or originated financial assets | 1,412,028 | 3,355 | 29,544 | 1,444,927 | - | 1,444,927 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | - | - | - | - | 650,120 | 650,120 |
| Write-off as bad debt | (42,439) | (17,396) | (548,463) | (608,298) | - | (608,298) |
| Change in exchange and others | (552,853) | (6,335) | 626,220 | 67,032 | - | 67,032 |
| Ending balances | <u>\$ 1,889,058</u> | <u>\$ 209,613</u> | <u>\$ 3,406,218</u> | <u>\$ 5,504,889</u> | <u>\$ 7,555,477</u> | <u>\$ 13,060,366</u> |

For the nine months ended September 30, 2022, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

| Bills discounted and loans | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Total |
|---|--|--|--|-----------------------|
| Beginning balances | \$ 887,776,383 | \$ 4,373,695 | \$ 5,361,977 | \$ 897,512,055 |
| Changes from financial instruments recognised at the beginning: | | | | |
| -Transferred to lifetime expected credit losses | (2,326,816) | 2,338,360 | (11,544) | - |
| -Transferred to credit-impaired financial asset | (386,547) | (25,833) | 412,380 | - |
| -Transferred to 12-month expected credit losses | 499,879 | (270,907) | 228,972 | - |
| -Financial assets derecognised in the current period | (260,929,977) | (1,144,534) | 1,074,385 | (263,148,896) |
| Impairment allowance for purchased or originated financial assets | 365,669,042 | 505,089 | 25,563 | 366,199,694 |
| Write-off as bad debt | (22,271) | (5,781) | (55,442) | (83,494) |
| Change in exchange and others | (40,118,210) | 67,094 | (205,774) | (40,256,890) |
| Ending balances | <u>\$ 950,161,483</u> | <u>\$ 5,837,183</u> | <u>\$ 4,223,803</u> | <u>\$ 960,222,469</u> |

For the nine months ended September 30, 2021, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

| Bills discounted and loans | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Total |
|---|--|--|--|-----------------------|
| Beginning balances | \$ 794,212,653 | \$ 5,598,352 | \$ 7,190,776 | \$ 807,001,781 |
| Changes from financial instruments recognised at the beginning: | | | | |
| -Transferred to lifetime expected credit losses | (1,479,854) | 1,504,445 | (24,591) | - |
| -Transferred to credit-impaired financial asset | (995,762) | (552,526) | 1,548,288 | - |
| -Transferred to 12-month expected credit losses | 672,503 | (415,909) | 256,594 | - |
| -Financial assets derecognised in the current period | (224,758,140) | (2,103,666) | 1,939,863 | (228,801,669) |
| Impairment allowance for purchased or originated financial assets | 319,254,749 | 53,102 | 63,578 | 319,371,429 |
| Write-off as bad debt | (42,439) | (17,396) | (548,463) | (608,298) |
| Change in exchange and others | (37,005,813) | (442,901) | (130,654) | (37,579,368) |
| Ending balances | <u>\$ 849,857,897</u> | <u>\$ 3,623,501</u> | <u>\$ 5,902,477</u> | <u>\$ 859,383,875</u> |

(b) Receivables and other financial assets

I. The Yuanta Group applies the simplified approach to estimate expected credit loss for certain accounts receivable (including trading securities receivable and settlement price). Expected credit loss rate is determined by assessing historical information and examining whether a significant changes in past events, current conditions and future economic conditions are incurred. As of September 30, 2022, December 31, 2021, and September 30, 2021, the carrying amount of accounts receivable amounted to \$39,211,890, \$57,142,471 and \$71,567,663, respectively. For the nine months ended September 30, 2022 and 2021, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

| | For the nine months ended September 30, | |
|-----------------------------|---|-----------------|
| | 2022 | 2021 |
| January 1 | (\$ 544) | (\$ 871) |
| Reversal of impairment loss | 274 | 197 |
| September 30 | <u>(\$ 270)</u> | <u>(\$ 674)</u> |

(BLANK)

II. For the nine months ended September 30, 2022 and 2021, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

| | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | Total |
|---|---|---|---|--|---|---------------------|
| For the nine months ended September 30, 2022 | | | | | | |
| The beginning balances | \$ 251,559 | \$ 56,746 | \$ 2,599,027 | \$ 2,907,332 | \$ 92,961 | \$ 3,000,293 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (235) | 9,804 | (9,569) | - | - | - |
| -Transferred to credit-impaired financial asset | (43,876) | (1,008) | 44,884 | - | - | - |
| -Transferred to 12-month expected credit losses | 34,853 | (25,807) | (9,046) | - | - | - |
| -Financial assets derecognised in the current period | (6,622) | (510) | (894) | (8,026) | - | (8,026) |
| Impairment allowance for purchased or originated financial assets | 19,972 | 3,804 | 11,100 | 34,876 | - | 34,876 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | | | | - | (9,408) | (9,408) |
| Write-off as bad debt | (11,931) | (5,945) | (128,757) | (146,633) | - | (146,633) |
| Change in exchange and others | (128,311) | 29,283 | 242,642 | 143,614 | - | 143,614 |
| The ending balances | <u>\$ 115,409</u> | <u>\$ 66,367</u> | <u>\$ 2,749,387</u> | <u>\$ 2,931,163</u> | <u>\$ 83,553</u> | <u>\$ 3,014,716</u> |

| | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | Total |
|---|---|---|---|--|---|--------------|
| For the nine months ended September 30, 2021 | | | | | | |
| The beginning balances | \$ 262,850 | \$ 79,932 | \$ 2,666,383 | \$ 3,009,165 | \$ 73,848 | \$ 3,083,013 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (213) | 12,878 | (12,665) | - | - | - |
| -Transferred to credit-impaired financial asset | (2,704) | (787) | 3,491 | - | - | - |
| -Transferred to 12-month expected credit losses | 41,133 | (25,182) | (15,951) | - | - | - |
| -Financial assets derecognised in the current period | (7,664) | (376) | (3,397) | (11,437) | - | (11,437) |
| Impairment allowance for purchased or originated financial assets | 9,981 | 2,507 | 10,108 | 22,596 | - | 22,596 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | - | - | - | - | 27,715 | 27,715 |
| Write-off as bad debt | (19,712) | (10,703) | (30,667) | (61,082) | - | (61,082) |
| Change in exchange and others | (52,640) | 100,662 | (62,118) | (14,096) | - | (14,096) |
| The ending balances | \$ 231,031 | \$ 158,931 | \$ 2,555,184 | \$ 2,945,146 | \$ 101,563 | \$ 3,046,709 |

For the nine months ended September 30, 2022 and 2021, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

| | | | | | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | |
|---|---|---|---|--|---|-------------------|
| For the nine months ended September 30, 2022 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | | Total |
| The beginning balances | \$ 47,636 | \$ 11,888 | \$ 58,566 | \$ 118,090 | \$ 64,014 | \$ 182,104 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (615) | 670 (| 55) | - | - | - |
| -Transferred to credit-impaired financial asset | (114) (| 46) | 160 | - | - | - |
| -Transferred to 12-month expected credit losses | 8,314 (| 7,914) (| 400) | - | - | - |
| -Financial assets derecognised in the current period | (13,517) (| 1,536) (| 19,835) (| 34,888) | - (| 34,888) |
| Impairment allowance for purchased or originated financial assets | 10,753 | 436 | 18,741 | 29,930 | - | 29,930 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | - | - | - | - | 13,788 | 13,788 |
| Change in exchange and others | (19,504) | 9,827 | 25,777 | 16,100 | - | 16,100 |
| The ending balances | <u>\$ 32,953</u> | <u>\$ 13,325</u> | <u>\$ 82,954</u> | <u>\$ 129,232</u> | <u>\$ 77,802</u> | <u>\$ 207,034</u> |

| | | | | | Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans | Total |
|---|---|---|---|--|---|-------------------|
| For the nine months ended September 30, 2021 | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses (Stage 2) | Lifetime expected credit losses (Stage 3) | Impairment recognised in accordance with IFRS 9 | | |
| The beginning balances | \$ 53,523 | \$ 10,834 | \$ 56,344 | \$ 120,701 | \$ 74,526 | \$ 195,227 |
| Changes from financial instruments recognised at the beginning: | | | | | | |
| -Transferred to lifetime expected credit losses | (70) | 113 (| 43) | - | - | - |
| -Transferred to credit-impaired financial asset | (1) | (16) | 17 | - | - | - |
| -Transferred to 12-month expected credit losses | 7,460 (| 7,086) | 374) | - | - | - |
| -Financial assets derecognised in the current period | (23,109) | (1,608) | (19,759) | (44,476) | - | (44,476) |
| Impairment allowance for purchased or originated financial assets | 18,612 | 139 | 18,653 | 37,404 | - | 37,404 |
| Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans | - | - | - | - | 27,709 | 27,709 |
| Change in exchange and others | (12,078) | 6,360 | 918 | (4,800) | - | (4,800) |
| The ending balances | <u>\$ 44,337</u> | <u>\$ 8,736</u> | <u>\$ 55,756</u> | <u>\$ 108,829</u> | <u>\$ 102,235</u> | <u>\$ 211,064</u> |

(I) For the nine months ended September 30, 2022 and 2021, there were no significant changes to guarantee reserve and loan commitment reserve.

(II) Information relating to credit risk is provided in Note 12(3).

(d) Bills and bonds investments

For the nine months ended September 30, 2022 and 2021, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$81,595 and \$97,219; the ending balances were \$67,767 and \$82,973, respectively. For the nine months ended September 30, 2022 and 2021, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$148,842 and \$145,737; the ending balances were \$165,310 and \$144,684, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

Market risks refer to the losses on and off the balance sheet as a result of the change in market price, such as interest rate, exchange rate, equity securities and instrument price. Market risk management is there to identify, evaluate, monitor and report the risks for a purpose of ensuring that market risk of all kinds should be controlled within certain bearable level.

The market risks that the Yuanta Group faces mainly are equity securities, interest rate and exchange rate risk. Market risk position of equity securities mainly include domestic listed stocks, emerging stocks, domestic stock index options and stock index futures, etc. Positions of interest rate risk mainly include bonds and interest-derivative instruments, such as interest swap and bond option, etc. Exchange rate risk are investment position denominated in foreign currency mainly including spot exchange, FX exchange, foreign exchange options and other derivatives business.

b. Risk management principle

The risk management principle of the Yuanta Group is to establish efficient and completed risk managing program, including the setting up of risk limits, duty segregation, completed risk managing execution procedure and timely risk monitor, etc. Risk limits are set up in order to effectively control the market risk under the capital capacity and the duty segregation can help regulate management and approval authorisation of various risks. Risk management conducts all kinds of evaluation and monitoring over all kinds of market risk and, at the same time, uses VaR model to coordinate quantification management of market risks together with timely monitoring during trading hours and after trading hour analysis to actually control any abnormal signal of trading risks. Risk management regularly provides risk management reports to managers of each line to ensure that the entity's market risk can be timely and completely controlled in depth.

c. Market risk assessment

(a) The Yuanta Group adopts the Value at risk (VaR) valuation model for the trading position as a major instrument to monitor market risk. In a 99% confidence interval, the estimated possible maximum loss of the trading position in one day is the benchmark for market risk assessment.

VaR for a trading purpose:

| Instrument type | For the nine months ended September 30, 2022 | | | |
|-------------------------------|--|-------------|-------------|-------------|
| | September 30, 2022 | VaR Average | VaR Minimum | VaR Maximum |
| Interest rate | 157,289 | 152,725 | 103,874 | 211,805 |
| Equity securities | 212,208 | 313,671 | 122,786 | 501,653 |
| Foreign exchange | 515,886 | 370,466 | 219,145 | 518,288 |
| Commodity | 19,389 | 90,701 | 9,256 | 204,720 |
| Less: diversification effects | (381,360) | (410,686) | - | - |
| Total VaR | 523,412 | 516,877 | 442,301 | 645,957 |

| Instrument type | For the nine months ended September 30, 2021 | | | |
|-------------------------------|--|-------------|-------------|-------------|
| | September 30, 2021 | VaR Average | VaR Minimum | VaR Maximum |
| Interest rate | 157,245 | 151,715 | 115,904 | 213,911 |
| Equity securities | 467,434 | 499,501 | 350,481 | 1,639,063 |
| Foreign exchange | 225,605 | 238,202 | 202,399 | 281,167 |
| Commodity | 46,408 | 37,735 | 13,555 | 70,775 |
| Less: diversification effects | (336,951) | (305,320) | - | - |
| Total VaR | 559,741 | 621,833 | 494,300 | 1,802,244 |

(b) Non-trading purpose

Sensitivity analysis on interest rate:

| | | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Interest rate shift | | Effect on other comprehensive income | Effect on other comprehensive income | Effect on other comprehensive income |
| Financial assets at fair value through other comprehensive income-Bonds | | | | |
| Yuanta Bank | Increase of 1 basis point | (\$ 39,017) | (\$ 47,027) | (\$ 44,609) |
| Yuanta Life | Increase of 1 basis point | (29,196) | (45,633) | (52,939) |

- d. As of September 30, 2022, December 31, 2021, and September 30, 2021, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

| | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
|---|--------------------|--------------------------|-------------------|--------------------------|--------------------|--------------------------|
| | USD position | Carrying amount (NTD) | USD position | Carrying amount (NTD) | USD position | Carrying amount (NTD) |
| Foreign currency denominated financial assets | | | | | | |
| Cash and cash equivalents | \$ 710,700 | \$ 22,559,758 | \$ 1,299,520 | \$ 35,983,445 | \$ 1,642,975 | \$ 45,783,132 |
| Financial assets at fair value through profit or loss | 663,694 | 21,067,649 | 1,314,397 | 36,395,660 | 1,190,941 | 33,186,764 |
| Financial assets at fair value through other comprehensive income | 3,693,346 | 117,237,890 | 4,064,619 | 112,549,288 | 4,044,773 | 112,711,650 |
| Financial assets at amortised cost | 7,959,534 | 252,659,503 | 7,139,259 | 197,686,075 | 6,340,159 | 176,674,861 |
| Bills discounted and loans | 1,550,010 | 49,201,978 | 1,785,581 | 49,442,742 | 1,778,755 | 49,566,789 |
| Bills and bonds payable under repurchase agreements | 1,664,395 | 52,832,878 | 1,200,712 | 33,247,717 | 1,005,411 | 28,016,783 |
| Deposits and remittances | 5,887,719 | 186,893,850 | 5,072,413 | 140,455,125 | 4,934,260 | 137,498,088 |
| Other liabilities | 1,976,942 | 62,754,078 | 2,270,117 | 62,859,553 | 1,234,168 | 34,391,328 |

Note: As of September 30, 2022, December 31, 2021, and September 30, 2021, USD to TWD exchange rates were 31.743, 27.690 and 27.866, respectively.

- e. As of September 30, 2022, December 31, 2021, and September 30, 2021, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

| | September 30, 2022 | | December 31, 2021 | | September 30, 2021 | |
|---|--------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------|
| | KRW position (in thousands) | Carrying amount (NTD) | KRW position (in thousands) | Carrying amount (NTD) | KRW position (in thousands) | Carrying amount (NTD) |
| <u>Effect on profit or loss</u> | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | \$ 712,585,484 | \$ 15,808,709 | \$ 591,751,392 | \$ 13,783,073 | \$ 650,295,269 | \$ 15,301,448 |
| Financial assets at fair value through profit or loss | 7,791,041,418 | 172,844,254 | 7,907,075,459 | 184,171,602 | 8,155,638,697 | 191,902,179 |
| Financial assets at fair value through other comprehensive income | 266,247,338 | 5,906,697 | 207,908,591 | 4,842,607 | 209,929,768 | 4,939,647 |
| Accounts receivable | 315,763,942 | 7,005,223 | 383,483,014 | 8,932,086 | 468,024,010 | 11,012,605 |
| Other financial assets | 442,271,888 | 9,811,802 | 588,213,158 | 13,700,661 | 403,682,448 | 9,498,648 |
| Other current assets | 140,883,051 | 3,125,490 | 125,364,285 | 2,919,985 | 122,423,501 | 2,880,625 |
| Financial liabilities | | | | | | |
| Short-term borrowings | 1,779,557,257 | 39,479,478 | 2,011,922,771 | 46,861,705 | 1,728,129,883 | 40,662,896 |
| Financial liabilities at fair value through profit or loss | 2,091,764,948 | 46,405,805 | 1,631,490,451 | 38,000,676 | 1,632,582,579 | 38,414,668 |
| Bonds sold under repurchase agreements | 3,880,214,545 | 86,082,560 | 3,323,342,969 | 77,407,304 | 3,850,696,469 | 90,606,888 |
| Guarantee deposit-in and margin deposits | 59,028,905 | 1,309,556 | 107,747,250 | 2,509,649 | 106,148,361 | 2,497,671 |
| Other financial liabilities | 2,485,056,668 | 55,130,982 | 3,352,687,235 | 78,090,791 | 3,325,516,576 | 78,249,405 |

Effect on profit or loss and equity

| | | | | | | |
|--|-------------|-----------|-------------|-----------|-------------|-----------|
| Financial assets | | | | | | |
| Equity investments accounted for under the equity method | 125,813,685 | 2,791,177 | 118,418,469 | 2,758,203 | 104,716,619 | 2,463,982 |

Note: As of September 30, 2022, December 31, 2021, and September 30, 2021, the KRW to TWD exchange rate were 0.022, 0.023 and 0.024, respectively.

(C) Liquidity risk

a. Source and definition of liquidity risk

Liquidity risk includes market liquidity risk and funding liquidity risk. Market liquidity risk refers to risk arising from inadequate market depth or market disruptions, which prevent settlement or closing of positions at normal market prices within a reasonable time frame and therefore necessitate buying at a much higher price or selling at a discount. Funding liquidity risk refers to risk arising from the inability to obtain sufficient capital within the expected time leading to a failure of fulfilling the capital required as maturity comes due.

b. Liquidity risk management principle

To mitigate the market liquidity risk, the Yuanta Group has set up separate standards on position liquidity limits for different operations and different securities to ensure sufficient market liquidity for all positions. For funding liquidity risk management, the Yuanta Group has set appropriate limits and ratios on liquidity supply and demand according to the nature of each operational sector, and evaluates in advance the potential capital gaps of each time period to effectively control overall liquidity risk. Pre-established capital transferring plan is also ready in case of systematic risk event and abnormal capital liquidity to sufficiently respond to overall liquidity risk and enhance overall funding liquidity risk management.

c. Assessment on liquidity risk

(a) Set up liquidity risk indicator and warning in order to control adverse element to the liquidity. At the same time, analysis and appropriate measures are made to mitigate the extent of effects.

(b) Assessments are regularly made to the assets and liabilities denominated in major currencies on the balance sheet and the cash inflow, cash outflow and liquidity gap off the balance sheet by different time period.

d. Maturity analysis for the financial assets and non-derivative liabilities held for liquidity risk management:

(a) Financial assets held for liquidity risk management

In order to fulfil the payment obligation and potential emergent fund demand in the market, as well as manage the liquidity risk at the same time, sound earning assets with high liquidity were held by the Yuanta Group, including cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, bills discounted and loans, financial assets at fair value through other comprehensive income and financial assets at amortised cost, etc..

(b) Maturity analysis on non-derivative assets and liabilities

The following table illustrates the analysis made on cash outflow of non-derivative financial assets and liabilities of the Yuanta Group by the remaining maturity from the consolidated balance sheet date to the contract expiration date. While the amounts disclosed in the table are not made based on the consolidated cash flow, certain accounts may differ from the responding accounts in the balance sheet.

(c) Maturity analysis on derivative financial assets and financial liabilities by date

I. Derivative financial instruments settled on a net basis

Derivative financial instruments of the Yuanta Group settled on a net basis include: equity options, non-delivery forward, interest swap settled by net cash flow and other interest contract.

II. Derivative financial instruments settled on a gross basis

Derivative financial instruments of the Yuanta Group settled on a gross basis include: FX options, foreign exchange forward contract, cross currency swaps, and foreign exchange swaps.

The following table illustrates the analysis made on cash inflow and outflow of financial assets and financial liabilities held by the Yuanta Group for liquidity risk management of major currencies by the remaining maturity from the financial reporting date to the contract expiration date.

(BLANK)

| September 30, 2022 | | | | | | |
|---|-----------|---------------|----------------|-------------|------------------|------------------|
| Financial assets | 0~90 days | | 91 days~1 year | | Over 1 year | Total |
| Non-derivative financial instruments | | | | | | |
| Cash and cash equivalents | \$ | 57,751,242 | \$ | 2,493,382 | \$ 50,000 | \$ 60,294,624 |
| Due from Central Bank and call loans to other banks | | 41,724,093 | | 15,440,159 | 19,502,422 | 76,666,674 |
| Financial assets at fair value through profit or loss | | 273,545,127 | | 44,498,067 | 73,777,104 | 391,820,298 |
| Financial assets at fair value through other comprehensive income | | 42,281,810 | | 27,064,712 | 273,434,827 | 342,781,349 |
| Investments in bills and bonds under resale agreements | | 66,478,059 | | - | - | 66,478,059 |
| Receivables | | 155,036,646 | | 53,883,659 | 12,399,157 | 221,319,462 |
| Bills discounted and loans | | 215,559,061 | | 182,080,943 | 561,701,414 | 959,341,418 |
| Reinsurance contract assets | | 495,597 | | 851,264 | - | 1,346,861 |
| Financial assets at amortised cost | | 64,295,060 | | 117,415,464 | 372,416,859 | 554,127,383 |
| Restricted assets | | - | | - | 4,922,497 | 4,922,497 |
| Other financial assets | | 80,722,847 | | 26,798 | 34,133,708 | 114,883,353 |
| Other assets | | 31,889,594 | | 441,450 | 25,040,427 | 57,371,471 |
| Derivative financial instruments | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | | 91,330,211 | | 25,061,713 | 12,379,770 | 128,771,694 |
| Cash outflow | (| 87,659,124) | (| 23,242,363) | (10,572,280) | (121,473,767) |
| Net settlement | | 1,300,720 | | 382,733 | 1,148,880 | 2,832,333 |
| Total | \$ | 1,034,750,943 | \$ | 446,397,981 | \$ 1,380,334,785 | \$ 2,861,483,709 |
| Financial liabilities | | | | | | |
| Non-derivative financial instruments | | | | | | |
| Deposits from Central Bank and other banks | \$ | 23,995,120 | \$ | - | \$ - | \$ 23,995,120 |
| Due to Central Bank and other banks | | - | | - | - | - |
| Financial liabilities at fair value through profit or loss | | 32,885,659 | | 444,068 | 1,795,811 | 35,125,538 |
| Bills and bonds payable under repurchase agreements | | 139,745,552 | | 31,097,656 | 31,589,334 | 202,432,542 |
| Commercial paper payable | | 53,128,832 | | 3,871,556 | - | 57,000,388 |
| Payables | | 121,285,850 | | 17,920,344 | 31,278,381 | 170,484,575 |
| Deposits and remittances | | 310,321,496 | | 507,573,563 | 568,520,475 | 1,386,415,534 |
| Bonds payable | | 50,399 | | 17,426,462 | 67,952,550 | 85,429,411 |
| Other borrowings | | 38,707,326 | | 5,251,922 | 6,360,963 | 50,320,211 |
| Other financial liabilities | | 94,541,613 | | 1,887,552 | 41,264,074 | 137,693,239 |
| Other liabilities | | 63,543,039 | | 3,841 | 1,598,622 | 65,145,502 |
| Lease liabilities | | 257,413 | | 933,534 | 4,803,488 | 5,994,435 |
| Derivative financial instruments | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | (| 59,786,124) | (| 19,305,725) | (9,975,304) | (89,067,153) |
| Cash outflow | | 62,240,405 | | 20,684,847 | 11,744,910 | 94,670,162 |
| Net settlement | | 7,095,299 | | 4,829,045 | 2,554,311 | 14,478,655 |
| Total | \$ | 888,011,879 | \$ | 592,618,665 | \$ 759,487,615 | \$ 2,240,118,159 |

| December 31, 2021 | | | | | | |
|---|-----------|---------------|----------------|-------------|------------------|------------------|
| Financial assets | 0~90 days | | 91 days~1 year | | Over 1 year | Total |
| Non-derivative financial instruments | | | | | | |
| Cash and cash equivalents | \$ | 69,961,736 | \$ | 10,686,593 | \$ 87,292 | \$ 80,735,621 |
| Due from Central Bank and call loans to other banks | | 46,686,645 | | 12,382,640 | 21,274,072 | 80,343,357 |
| Financial assets at fair value through profit or loss | | 348,381,437 | | 62,647,592 | 106,349,024 | 517,378,053 |
| Financial assets at fair value through other comprehensive income | | 19,083,720 | | 19,563,218 | 286,258,263 | 324,905,201 |
| Investments in bills and bonds under resale agreements | | 44,125,764 | | 2,329,200 | - | 46,454,964 |
| Receivables | | 192,810,421 | | 60,853,042 | 10,525,822 | 264,189,285 |
| Bills discounted and loans | | 174,449,832 | | 170,544,648 | 551,594,248 | 896,588,728 |
| Reinsurance contract assets | | 469,188 | | 860,333 | - | 1,329,521 |
| Financial assets at amortised cost | | 110,669,178 | | 43,916,838 | 353,841,886 | 508,427,902 |
| Restricted assets | | - | | - | 2,472,029 | 2,472,029 |
| Other financial assets | | 78,432,205 | | 25,808 | 32,746,739 | 111,204,752 |
| Other assets | | 39,374,193 | | 418,499 | 22,730,781 | 62,523,473 |
| Derivative financial instruments | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | | 54,809,210 | | 18,441,184 | 9,130,150 | 82,380,544 |
| Cash outflow | (| 53,979,452) | (| 18,295,811) | (8,982,730) | (81,257,993) |
| Net settlement | | 562,785 | | 910,397 | 1,644,736 | 3,117,918 |
| Total | \$ | 1,125,836,862 | \$ | 385,284,181 | \$ 1,389,672,312 | \$ 2,900,793,355 |
| Financial liabilities | | | | | | |
| Non-derivative financial instruments | | | | | | |
| Deposits from Central Bank and other banks | \$ | 22,360,631 | \$ | 3,263,493 | \$ - | \$ 25,624,124 |
| Due to Central Bank and other banks | | 19,990 | | 819,710 | - | 839,700 |
| Financial liabilities at fair value through profit or loss | | 68,702,426 | | 708,255 | 7,988,911 | 77,399,592 |
| Bills and bonds payable under repurchase agreements | | 128,727,504 | | 24,785,976 | 30,352,369 | 183,865,849 |
| Commercial paper payable | | 46,707,205 | | 3,276,297 | - | 49,983,502 |
| Payables | | 137,368,028 | | 24,333,737 | 52,086,400 | 213,788,165 |
| Deposits and remittances | | 248,061,065 | | 439,161,368 | 687,779,950 | 1,375,002,383 |
| Bonds payable | | 2,030,822 | | 6,687,896 | 71,294,873 | 80,013,591 |
| Other borrowings | | 47,239,030 | | 3,594,770 | 9,164,400 | 59,998,200 |
| Other financial liabilities | | 81,937,686 | | 2,330,674 | 42,351,068 | 126,619,428 |
| Other liabilities | | 95,329,056 | | 8,376 | 2,823,575 | 98,161,007 |
| Lease liabilities | | 274,381 | | 1,096,086 | 5,813,723 | 7,184,190 |
| Derivative financial instruments | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | (| 45,687,854) | (| 15,746,435) | (11,846,207) | (73,280,496) |
| Cash outflow | | 47,003,289 | | 15,888,814 | 12,126,186 | 75,018,289 |
| Net settlement | | 312,943 | | 207,379 | 792,920 | 1,313,242 |
| Total | \$ | 880,386,202 | \$ | 510,416,396 | \$ 910,728,168 | \$ 2,301,530,766 |

| September 30, 2021 | | | | | | |
|---|-----------|---------------|----------------|-------------|------------------|------------------|
| Financial assets | 0~90 days | | 91 days~1 year | | Over 1 year | Total |
| Non-derivative financial instruments | | | | | | |
| Cash and cash equivalents | \$ | 62,984,670 | \$ | 10,226,000 | \$ 87,042 | \$ 73,297,712 |
| Due from Central Bank and call loans to other banks | | 34,279,832 | | 11,803,565 | 20,844,579 | 66,927,976 |
| Financial assets at fair value through profit or loss | | 392,599,089 | | 56,033,607 | 104,104,096 | 552,736,792 |
| Financial assets at fair value through other comprehensive income | | 16,174,571 | | 18,858,710 | 285,654,550 | 320,687,831 |
| Investments in bills and bonds under resale agreements | | 55,119,640 | | 27,866 | - | 55,147,506 |
| Receivables | | 193,037,985 | | 63,286,585 | 10,293,111 | 266,617,681 |
| Bills discounted and loans | | 162,920,500 | | 151,226,567 | 544,338,337 | 858,485,404 |
| Reinsurance contract assets | | 456,427 | | 593,740 | - | 1,050,167 |
| Financial assets at amortised cost | | 113,457,177 | | 42,348,625 | 337,099,423 | 492,905,225 |
| Restricted assets | | - | | - | 3,156,660 | 3,156,660 |
| Other financial assets | | 83,460,983 | | 22,218 | 33,259,994 | 116,743,195 |
| Other assets | | 34,812,991 | | 405,418 | 15,637,719 | 50,856,128 |
| Derivative financial instruments | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | | 39,873,049 | | 30,201,207 | 3,338,910 | 73,413,166 |
| Cash outflow | (| 39,411,366) | (| 29,953,808) | (3,324,070) | (72,689,244) |
| Net settlement | | 1,067,793 | | 775,635 | 1,387,045 | 3,230,473 |
| Total | \$ | 1,150,833,341 | \$ | 355,855,935 | \$ 1,355,877,396 | \$ 2,862,566,672 |
| Financial liabilities | | | | | | |
| Non-derivative financial instruments | | | | | | |
| Deposits from Central Bank and other banks | \$ | 24,479,947 | \$ | 4,633,660 | \$ - | \$ 29,113,607 |
| Due to Central Bank and other banks | | 19,000 | | 787,310 | - | 806,310 |
| Financial liabilities at fair value through profit or loss | | 61,663,465 | | - | 6,534,932 | 68,198,397 |
| Bills and bonds payable under repurchase agreements | | 134,349,482 | | 25,537,929 | 35,012,910 | 194,900,321 |
| Commercial paper payable | | 45,369,472 | | 4,251,844 | - | 49,621,316 |
| Payables | | 144,287,470 | | 23,065,906 | 50,511,536 | 217,864,912 |
| Deposits and remittances | | 299,930,419 | | 414,165,074 | 667,617,779 | 1,381,713,272 |
| Bonds payable | | 6,859,788 | | 8,703,275 | 69,849,626 | 85,412,689 |
| Other borrowings | | 47,633,540 | | 3,631,501 | 4,875,132 | 56,140,173 |
| Other financial liabilities | | 84,381,481 | | 1,935,275 | 41,842,717 | 128,159,473 |
| Other liabilities | | 50,331,162 | | 9,650 | 2,786,279 | 53,127,091 |
| Lease liabilities | | 272,971 | | 1,099,281 | 5,999,562 | 7,371,814 |
| Derivative financial instruments | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Gross settlement | | | | | | |
| Cash inflow | (| 20,944,522) | (| 27,400,478) | (1,377,760) | (49,722,760) |
| Cash outflow | | 21,550,084 | | 27,596,342 | 1,381,695 | 50,528,121 |
| Net settlement | | 612,069 | | 512,867 | 827,091 | 1,952,027 |
| Total | \$ | 900,795,828 | \$ | 488,529,436 | \$ 885,861,499 | \$ 2,275,186,763 |

Maturity analysis for above deposits and remittances are amortised to each period based on historical experience. Given that all the deposits and remittances have to be paid in the shortest possible time, as of September 30, 2022, December 31, 2021 and September 30, 2021, expenses on period of 0-90 days will increase by \$668,330,327, \$729,314,251 and \$708,311,220, respectively.

e. Maturity analysis for items off the balance sheet and capital expense commitment

Items off the balance sheet, while the client may choose when to make a payment, are classified into the earliest time category.

Capital expenditure commitment of the Yuanta Group refers to the capital expenses spent on the contract commitment in order to acquire the building and equipment.

Please refer to the below table for maturity analysis on off balance sheet items and capital expenditure commitment of the Yuanta Group:

| | | September 30, 2022 | | | |
|--------------------------------|----|--------------------|------------|-------------------|---------------|
| | | Less than 1 year | 1 ~5 years | More than 5 years | Total |
| Off balance sheet | | | | | |
| Unused loan commitment | \$ | 20,737,504 | \$ - | \$ - | \$ 20,737,504 |
| Unused credit commitment | | 3,618,576 | - | - | 3,618,576 |
| Guarantees | | 10,721,142 | - | - | 10,721,142 |
| Capital expenditure commitment | | 2,186,962 | 6,679,918 | - | 8,866,880 |
| | | December 31, 2021 | | | |
| | | Less than 1 year | 1 ~5 years | More than 5 years | Total |
| Off balance sheet | | | | | |
| Unused loan commitment | \$ | 22,005,017 | \$ - | \$ - | \$ 22,005,017 |
| Unused credit commitment | | 2,495,253 | - | - | 2,495,253 |
| Guarantees | | 10,180,354 | - | - | 10,180,354 |
| Capital expenditure commitment | | 1,859,020 | 4,468,852 | - | 6,327,872 |
| | | September 30, 2021 | | | |
| | | Less than 1 year | 1 ~5 years | More than 5 years | Total |
| Off balance sheet | | | | | |
| Unused loan commitment | \$ | 22,440,975 | \$ - | \$ - | \$ 22,440,975 |
| Unused credit commitment | | 3,598,591 | - | - | 3,598,591 |
| Guarantees | | 12,858,405 | - | - | 12,858,405 |
| Capital expenditure commitment | | 1,535,741 | 1,848,422 | - | 3,384,163 |

(D) Transfer of financial assets

Transferred financial assets not fully derecognized

- The Yuanta Group has financial assets that are fully or partially derecognized through transactions of transfer of financial assets to others. When the Yuanta Group receives the contract right of cash flow from the financial assets, or retains the above rights but bears obligation to pay the cash flow to one or more recipients and the risks and compensation of rights are mostly transferred, the assets should be derecognized. If the Yuanta Group still retains most of the risks and compensation of rights, the Yuanta Group should continue recognises the financial assets. If the Yuanta Group does not transfer or retains most of the risks and compensation of rights and maintains control over the assets, the Yuanta Group should continue recognize the part of financial assets that are involved.
- Financial assets that do not meet the derecognition conditions are mainly: (1) convertible bonds transferred to counterparties during transactions of exchanging assets and (2) bonds sold under repurchase agreements. The targeted assets exchanged in the transactions are either acquired through public subscription, book building, auctions or others by the

Yuanta Group or owned by the Yuanta Group for proprietary trading, and are sold to counterparties in order to receive consideration. During the contract period, the contracted interest compensation is exchanged for bond interest and interest refund arising from the convertible bonds held by the counterparties. The Yuanta Group obtains rights to repurchase the convertible bonds before the end of contract expiration date. As the options are neither deep-in-the-money nor deep-out-of-the-money at transactions, the Yuanta Group must further assess whether to retain the control over the convertible bonds. Since the convertible bonds cannot be easily obtained in markets, the Yuanta Group still keeps its control over the assets and continuing involvement. Because transactions in respect to the repurchase agreements of debt instruments and bills had transferred their receivable contractual cash flows to other parties, and are reflected in the Consolidated Company's related liabilities, which indicate the obligation to repurchase transferred financial assets in a specified future period within a fixed price, the Consolidated Company, within the effective period of the transaction, cannot use, sell or pledge the already transferred financial asset, but must still bear interest risk and credit risk. Thus, such financial assets were not derecognized in its entirety.

Financial assets that do not meet the derecognition conditions and related financial liabilities are analysed as below:

| September 30, 2022 | | |
|--|---|--|
| Financial assets category | Carrying amount of transferred financial assets | Carrying amount of related financial liabilities |
| Convertible corporate bonds transferred to the trading counterparties through asset swap | \$ 25,726,826 | \$ 23,835,469 |
| Bonds sold under repurchase agreements | 198,399,033 | 197,249,950 |
| Bills sold under repurchase agreements | 5,176,577 | 5,182,592 |
| December 31, 2021 | | |
| Financial assets category | Carrying amount of transferred financial assets | Carrying amount of related financial liabilities |
| Convertible corporate bonds transferred to the trading counterparties through asset swap | \$ 23,245,037 | \$ 18,882,931 |
| Bonds sold under repurchase agreements | 186,986,238 | 183,865,849 |
| September 30, 2021 | | |
| Financial assets category | Carrying amount of transferred financial assets | Carrying amount of related financial liabilities |
| Convertible corporate bonds transferred to the trading counterparties through asset swap | \$ 21,482,590 | \$ 18,526,267 |
| Bonds sold under repurchase agreements | 198,078,759 | 194,900,321 |

(E) Offsetting financial assets and financial liabilities

The Yuanta Group has transactions that are or are similar to net settled master netting arrangements but do not meet the offsetting criteria. The above transactions are settled on a net basis after offsetting financial assets with financial liabilities if both parties of the transaction choose to use net settlement; the above transactions are settled on a gross basis if both parties do not choose to use net settlement. However, if one party breaches the contract, the counterparty can choose to use net settlement.

The offsetting of financial assets and financial liabilities are set as follows:

a. Financial assets

September 30, 2022

| Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | |
|---|---|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial assets(a) | Gross amounts of recognised financial liabilities set off in the balance sheet(b) | Net amounts of financial assets presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | |
| | | | | Financial instruments (Note 2) | Cash collateral received | Net amount (e)=(c)-(d) |
| Derivative instruments | \$ 19,258,957 | \$ - | \$ 19,258,957 | \$ 12,460,154 | \$ 2,058,954 | \$ 4,739,849 |
| Bonds purchased under resale agreements | 66,478,059 | - | 66,478,059 | 64,673,059 | 1,746,012 | 58,988 |

December 31, 2021

| Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | |
|---|---|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial assets(a) | Gross amounts of recognised financial liabilities set off in the balance sheet(b) | Net amounts of financial assets presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | |
| | | | | Financial instruments (Note 2) | Cash collateral received | Net amount (e)=(c)-(d) |
| Derivative instruments | \$ 7,236,667 | \$ - | \$ 7,236,667 | \$ 4,528,788 | \$ 1,725,916 | \$ 981,963 |
| Bonds purchased under resale agreements | 46,454,964 | - | 46,454,964 | 41,819,387 | 3,742,680 | 892,897 |

September 30, 2021

| Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | |
|---|---|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial assets(a) | Gross amounts of recognised financial liabilities set off in the balance sheet(b) | Net amounts of financial assets presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | |
| | | | | Financial instruments (Note 2) | Cash collateral received | Net amount (e)=(c)-(d) |
| Derivative instruments | \$ 7,746,153 | \$ - | \$ 7,746,153 | \$ 4,907,905 | \$ 1,651,592 | \$ 1,186,656 |
| Bonds purchased under resale agreements | 55,147,506 | - | 55,147,506 | 47,507,051 | 6,746,106 | 894,349 |

b. Financial liabilities

September 30, 2022

| Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | | |
|--|--|--|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial liabilities(a) | Gross amounts of recognised financial assets set off in the balance sheet(b) | Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | Cash collateral received | Net amount (e)=(c)-(d) |
| | | | | Financial instruments (Note 3) | | | |
| Derivative instruments | \$ 36,896,513 | \$ - | \$ 36,896,513 | \$ 22,995,876 | | \$ 11,478,778 | \$ 2,421,859 |
| Bonds sold under repurchase agreements | 197,249,950 | - | 197,249,950 | 196,914,554 | | 335,396 | - |
| Bills sold under repurchase agreements | 5,182,592 | - | 5,182,592 | 5,176,577 | | - | 6,015 |
| December 31, 2021 | | | | | | | |

| Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | | |
|--|--|--|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial liabilities(a) | Gross amounts of recognised financial assets set off in the balance sheet(b) | Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | Cash collateral received | Net amount (e)=(c)-(d) |
| | | | | Financial instruments (Note 3) | | | |
| Derivative instruments | \$ 9,115,988 | \$ - | \$ 9,115,988 | \$ 6,586,777 | | \$ 918,823 | \$ 1,610,388 |
| Bonds sold under repurchase agreements | 183,865,849 | - | 183,865,849 | 183,811,212 | | 54,637 | - |
| September 30, 2021 | | | | | | | |

| Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements | | | | | | | |
|--|--|--|---|--|--|--------------------------|------------------------|
| Description | Gross amounts of recognised financial liabilities(a) | Gross amounts of recognised financial assets set off in the balance sheet(b) | Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b) | Related amounts not set off in the balance sheet(d)(Note 1) | | Cash collateral received | Net amount (e)=(c)-(d) |
| | | | | Financial instruments (Note 3) | | | |
| Derivative instruments | \$ 9,883,945 | \$ - | \$ 9,883,945 | \$ 7,588,670 | | \$ 1,275,108 | \$ 1,020,167 |
| Bonds sold under repurchase agreements | 194,900,321 | - | 194,900,321 | 194,845,684 | | 54,637 | - |

Note 1: The related offsetting amount shall not exceed the recognised financial assets or liabilities.

Note 2: Including net settled master netting arrangements and non-cash collaterals.

Note 3: Including net settled master netting arrangements.

(F) Interest Rate Benchmark Reform

The Yuanta Group's financial instruments which were affected by the interest rate benchmark reform included derivative instruments, discounts and loans and debt instruments. The primarily linked exit interest index was US LIBOR. SOFR was expected to replace US LIBOR

and with reference to the public announcement of the Financial Conduct Authority on March 5, 2021, the pricing date of interest rate spread adjustment was March 5, 2021.

In order to effectively control the risk of interest rate benchmark reform, Yuanta Group has a LIBOR transition plan, including the governance framework for top-down and cross segment, internal training and continuous evaluating and identifying the effects of contract remediation, communicating with trading counterparty, risk management and valuation model, operating process and system, accounting and tax. As of September 30, 2022, the Yuanta Group completed confirming the affected transactions, risk and system and was expected to be completed before the exit of LIBOR. As of September 30, 2022, the Yuanta Group's financial instruments which were affected by the interest rate benchmark reform were as follows.

| Item | Carrying amount | |
|--------------------------------------|-----------------|--------------|
| | Assets | Liabilities |
| Derivative financial instruments | \$ 1,983,219 | \$ 3,907,916 |
| Non-derivative financial instruments | 35,051,643 | - |

(G) Insurance risk

a. Measurement and management of insurance risk

Insurance risks refer to insufficient estimates over the frequency, severity and lapse rate of the insured incidents, such as death rate, morbidity rate, lapse rate, interest rate, expense rate and so on. These ratios could be influenced by random variable risks and therefore lead to the risks of additional payment exceeding the original estimated values. The Yuanta Group engages in business of life insurance, variable life insurance, accident insurance, and health insurance. The risks and management for the above products are as follows:

(a) Life insurance

The main risk of life insurance comprises of death rate and interest rate. The Yuanta Group assesses the premium rate of main insurance product on the market, makes related statistical measurement and analysis of death rate, such as cash flow test and experience test. Inspections are used to determine whether the death rate is higher than pricing basis in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product.

As for interest risks, the interest rates of long-term contracts were all locked-in before sales in compliance with regulation. If there is an objective gap of fluctuation between long-term interest rate and the estimated policy interest rate, and the investment income fails to reach the promised policy interest rate, the Yuanta Group will then face a problem of negative spread. Therefore, the Yuanta Group evaluates the investment income in various committees on a regular basis to further evaluate investment portfolios. The Yuanta Group shall review investment allocation, insurance combination and (or) preset interest rates to mitigate risks of negative spread if there is obvious adverse development in the problem of negative spread.

(b) Variable life insurance

The main risk of variable life insurance mainly comprises of death rate. Explanation of death rate risks shall be the same as the life insurance.

(c) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise of the occurrence of the accident rate and the morbidity rate. The Yuanta Group tracks loss rate of each insurance type, assesses the premium rate of main insurance products on the market, and makes related statistical measurement of occurrence of the accident rate and the morbidity rate, such as cash flow test and experience test in order to evaluate

the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product. The Yuanta Group also arranges reinsurance ceded to mitigate overall potential risk of loss from claims in the future.

(d) Management of insurance risk

I. Risk management of policy underwriting

Underwriting risk refers to the risk of unexpected losses arising from soliciting insurance policies, assessing policy underwritings and related expenses etc. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy and timeliness of policy underwritings.

II. Risk management of payment of claims

Risk arising from payment of claims refers to the risk of unexpected losses arising from improper assessment of claims or negligence when handling policy claims. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy, timeliness, policy claim rate and rate of actual policy payments of policy claims.

III. Risk of product designing and pricing

Risk of product designing and pricing refers to risks arising from the improper or inconsistent design of a product’s content, stipulated terms or cited fees, or unexpected changes etc. The Yuanta Group has established related operation procedures pursuant to “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, regulating the operation procedures in each developing phase of an insurance product and controlling product designing and pricing by putting in place quantitative mechanisms such as probability testing.

b. Insurance risk concentration

The insurances covered by the Yuanta Group are distributed over the country and have no specific concentration over any specific location, target client, age group, or type of occupation. Reinsurance arrangement is still made after assessment in order to mitigate the covered insurance risks and avoid the overall cumulative risks exceeding the Yuanta Group’s risk capacity. Additionally, through catastrophe reinsurance, the Yuanta Group transfers concentrated risks to highly secure reinsurance companies to further mitigate the risks of large claims and catastrophe claims.

c. Liability adequacy test

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience as time goes by. Pursuant to IFRS 4, ‘Insurance contracts’, the Yuanta Group should perform liability adequacy test accordingly to determine whether or not the recognised insurance

liability is adequate. In respect of overall insurance contracts of the Yuanta Group as of September 30, 2022, December 31, 2021, and September 30, 2021, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

If the discount rate of the liability adequacy test decreases by 10 basis points, the liability recognised is still deemed to be adequate and should not influence income before tax and other comprehensive income. If the discount rate of the adequacy test decreases significantly, the change would impact income before tax and other comprehensive income.

d. Credit risk, liquidity risk and market risk of insurance contracts

(a) Credit risk

Credit risks primarily refer to the risk of a reinsurer's failure to fulfil its obligations on the ceded business, which leads to its inability to share its stake of the premiums, claims and other expenses. To manage this risk, the Yuanta Group will, all conditions being equal, foremost consider the distribution to different reinsurers to mitigate the concentration risk. The reinsurers will be selected prudently in accordance with the reinsurance risk management plan as set by the Yuanta Group. To mitigate the credit risk, the reinsurance agreement will require that reinsurance fees shall be paid on a net basis by deducting any receivables or share of payments recoverable from the reinsurer. In addition, the Yuanta Group will demand the inclusion of a special termination clause in the reinsurance agreement, allowing the Yuanta Group to terminate the agreement in the circumstances that the reinsurer defaults on its obligations to limit further credit risk.

After ceding the business, the Yuanta Group will review the credit rating of the reinsurers regularly in accordance with its reinsurance risk management plan. In the event of a credit rating downgrade of a reinsurer leading to its failure to meet the minimum requirement of being an eligible reinsurer as stipulated by the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms", the Yuanta Group will disclose reinsurance reserve as required to monitor the adverse impacts from the downgraded reinsurer on the Yuanta Group.

Currently, the credit ratings of all reinsurance counterparties of the Yuanta Group have met the eligibility standards as stipulated by the regulations.

(b) Liquidity risk

The liquidity risk of the insurance contract arises mainly from the Yuanta Group's failure to realise the assets or to obtain sufficient funding in time to fulfil its obligations on insurance benefits payment. To manage the risk, the Yuanta Group regularly conducts maturity analysis on the insurance contracts and reviews the matching of assets and liabilities.

The table below shows the net liability cash flow analysis on the insurance portfolio of the Yuanta Group by maturity (excluding net cash flow from investing activities). The figures reflect, for the in-force policies as at the valuation date, the estimation of undiscounted total insurance benefit payments, expense and other outflows, net of insurance premiums and other income at each future time point. The future actual amounts may vary as the actual experience may be different from the expected amounts.

Net cash flows used in (provided by) the insurance contracts:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------|-----------------------|-----------------------|-----------------------|
| Less than 1 year | (\$ 2,594,137) | (\$ 3,321,539) | (\$ 1,213,305) |
| 1 ~5 years | 21,887,538 | 18,352,896 | 17,491,741 |
| 6 ~15 years | 102,972,412 | 94,350,259 | 91,042,982 |
| More than 15 years | 571,447,534 | 522,891,775 | 519,384,515 |
| Total | <u>\$ 693,713,347</u> | <u>\$ 632,273,391</u> | <u>\$ 626,705,933</u> |

The Yuanta Group has insurance contracts that are classified as investment-linked product liabilities. However, such liabilities are repaid based on investment-linked product assets. Therefore, the Yuanta Group has no significant liquidity risk.

(c) Market risk

Pursuant to the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations, the Yuanta Group calculates and sets aside statutory reserves in accordance with assumed interest rate and incidence rate regulated by the supervisors. As the assumed interest rate is pre-determined as at policy issuance, the statutory reserves will not change with market interest rate fluctuations. The regulator will regularly review the discount rate assumption, which however may not necessarily correspond to the market risk factors (e.g. market interest rate) in terms of time, amount, or direction, and it is only applicable to the new policies. Therefore, the impact of probable changes in market risks on the statutory reserves of the Yuanta Group’s in-force insurance policies is negligible. In case the regulator changes the discount rate assumption, its impact on profit/loss or equity will vary depending on the range of the change and the Yuanta Group’s overall product mix. Furthermore, reasonable and probable variations in market risks may affect the liability adequacy test, which requires the future cash flows for insurance contracts and financial instruments with discretionary participation features to be estimated based on the current information as at the balance sheet date to assess whether recognised insurance liabilities are adequate. Please refer to the liability adequacy test for the impact of market risk variables on the current liability adequacy of the Yuanta Group.

(4) Capital adequacy ratio:

Not applicable.

(5) In accordance with Article 46 of the Financial Holding Company Act, the following table represents the Company and its subsidiaries’ provision of business credit or endorsements to, or other transactions with, the same individual, the same related party, or the same affiliated company.

Not applicable.

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

None.

(7) Information for discontinued operations:

None.

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

None.

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

According to Article 7 of the Yuanta Group's Cross-Marketing Management System, contracts regarding legal responsibility and the allocation method for expenses arising from the mutual use of business facilities and cross-sales between the Company's subsidiaries should be formulated and signed.

(10) Information for private placement securities:

None.

(BLANK)

(11) Financial information by business segments

Information by business segments for the nine months ended September 30, 2022 is as follows:

| (Expressed In Thousands of New Taiwan Dollars) | | | | | | |
|--|---------------|---------------------|------------------|--------------------|------------------|---------------|
| Item | Bank business | Securities business | Futures business | Insurance business | Other businesses | Consolidated |
| Net interest income (loss) | \$ 11,004,966 | \$ 4,498,240 | \$ 353,918 | \$ 7,667,088 | (\$ 234,801) | \$ 23,289,411 |
| Net non-interest income | 4,292,160 | 27,048,796 | 1,752,374 | 15,772,304 | 3,075,499 | 51,941,133 |
| Net profit | 15,297,126 | 31,547,036 | 2,106,292 | 23,439,392 | 2,840,698 | 75,230,544 |
| Provision for bad debt expenses, commitment and guarantee policy reserve | (203,703) | 32,893 | 2,027 | (364) | - | (169,147) |
| Net change in provisions for insurance liabilities | - | - | - | (16,519,520) | - | (16,519,520) |
| Operating expenses | (8,366,813) | (20,104,160) | (1,229,774) | (1,135,960) | (2,122,974) | (32,959,681) |
| Net income from continuing operations before income tax | 6,726,610 | 11,475,769 | 878,545 | 5,783,548 | 717,724 | 25,582,196 |
| Income tax expense | (1,157,595) | (2,085,651) | (190,788) | (799,284) | (727,015) | (4,960,333) |
| Consolidated income (loss), net of tax | \$ 5,569,015 | \$ 9,390,118 | \$ 687,757 | \$ 4,984,264 | (\$ 9,291) | \$ 20,621,863 |

Information by business segments for the nine months ended September 30, 2021 is as follows:

| (Expressed In Thousands of New Taiwan Dollars) | | | | | | |
|--|---------------|---------------------|------------------|--------------------|------------------|---------------|
| Item | Bank business | Securities business | Futures business | Insurance business | Other businesses | Consolidated |
| Net interest income (loss) | \$ 9,821,007 | \$ 5,815,624 | \$ 207,852 | \$ 6,589,691 | (\$ 219,282) | \$ 22,214,892 |
| Net non-interest income | 6,106,387 | 46,557,378 | 1,766,402 | 15,595,008 | 4,026,074 | 74,051,249 |
| Net profit | 15,927,394 | 52,373,002 | 1,974,254 | 22,184,699 | 3,806,792 | 96,266,141 |
| (Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve | (199,716) | 131,707 | 3,307 | (144) | (53,202) | (118,048) |
| Net change in provisions for insurance liabilities | - | - | - | (17,741,819) | - | (17,741,819) |
| Operating expenses | (8,253,394) | (28,393,379) | (982,152) | (1,072,013) | (2,333,361) | (41,034,299) |
| Net income from continuing operations before income tax | 7,474,284 | 24,111,330 | 995,409 | 3,370,723 | 1,420,229 | 37,371,975 |
| Income tax (expense) benefits | (937,010) | (4,697,619) | (152,653) | 56,781 | (690,813) | (6,421,314) |
| Consolidated income, net of tax | \$ 6,537,274 | \$ 19,413,711 | \$ 842,756 | \$ 3,427,504 | \$ 729,416 | \$ 30,950,661 |

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

A. Financial statements of the Company

Yuanta Financial Holding Co., Ltd.

Yuanta Financial Holding Co., Ltd.

Individual Balance Sheets

September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|--------------------|--------------------|--------------------------------|--------------------|--------------------|
| Cash and cash equivalents | \$ 1,481,822 | \$ 845,859 | Commercial paper payable - net | \$ 2,999,423 | \$ 2,194,214 |
| Financial assets at fair value through other comprehensive income | 65,889 | 39,977 | Payables | 5,149,388 | 3,647,262 |
| Receivables - net | 290,937 | 4,142,680 | Current income tax liabilities | 2,056,589 | 5,682,178 |
| Current income tax assets | 2,398,741 | 255,211 | Bonds payable | 28,300,000 | 25,900,000 |
| Equity investments accounted for under the equity method - net | 282,772,614 | 294,020,738 | Liabilities reserve | 37,739 | 36,960 |
| Property and equipment - net | 42,668 | 43,596 | Lease liability | 25,298 | 67,805 |
| Right-of-use assets - net | 24,005 | 65,417 | Other liabilities | 7,701 | 4,596 |
| Intangible assets - net | 12,374 | 9,100 | Total liabilities | 38,576,138 | 37,533,015 |
| Deferred income tax assets | 78,609 | 50,340 | Equity | | |
| Other assets - net | 16,876 | 14,645 | Common stock | 125,015,590 | 121,374,360 |
| | | | Additional paid-in capital | 37,928,633 | 37,885,949 |
| | | | Retained earnings | | |
| | | | Legal reserve | 20,481,785 | 17,040,473 |
| | | | Special reserve | 6,549,234 | 6,549,234 |
| | | | Undistributed earnings | 71,996,219 | 71,918,245 |
| | | | Other equity | (13,363,064) | 7,186,287 |
| | | | Total equity | 248,608,397 | 261,954,548 |
| Total assets | \$ 287,184,535 | \$ 299,487,563 | Total liabilities and equity | \$ 287,184,535 | \$ 299,487,563 |

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| | For the nine months ended September 30, | |
|--|---|----------------------|
| | 2022 | 2021 |
| Revenues | | |
| Share of the profit or loss of associates and joint ventures accounted for under the equity method | \$ 20,834,448 | \$ 29,817,445 |
| Realised gain on financial assets at fair value through other comprehensive income | 1,519 | - |
| Other revenues | 129,705 | 6,017 |
| | <u>20,965,672</u> | <u>29,823,462</u> |
| Expenses and losses | | |
| Operating expenses | (888,823) | (996,880) |
| Other expenses and losses | (205,214) | (211,612) |
| | <u>(1,094,037)</u> | <u>(1,208,492)</u> |
| Income from continuing operations before income tax | 19,871,635 | 28,614,970 |
| Income tax expense | (266,208) | (300,363) |
| Net income | <u>19,605,427</u> | <u>28,314,607</u> |
| Other comprehensive income | | |
| Components of other comprehensive income that will not be reclassified to profit or loss (net of tax) | | |
| Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income | 20,236 | 11,494 |
| Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss | 2,846,075 | 4,557,729 |
| Components of other comprehensive income that will be reclassified to profit or loss (net of tax) | | |
| Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss | (24,735,332) | (9,700,948) |
| Other comprehensive loss | (21,869,021) | (5,131,725) |
| Total comprehensive (loss) income | <u>(\$ 2,263,594)</u> | <u>\$ 23,182,882</u> |
| Earnings per share (in dollars) | | |
| Basic and diluted earnings per share | <u>\$ 1.57</u> | <u>\$ 2.26</u> |

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the nine months ended September 30, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

| | Retained Earnings | | | | | Other equity | | | | | |
|---|-----------------------|----------------------------|----------------------|---------------------|------------------------|---|--|---|--|-----------------------|--|
| | Common stock | Additional paid-in capital | Legal reserve | Special reserve | Undistributed earnings | Exchange differences on translation of foreign financial statements | Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income | Change in fair value of financial liability attributable to change in credit risk | Other comprehensive income (loss) on reclassification under the overlay approach | Total equity | |
| <u>For the nine months ended September 30, 2021</u> | | | | | | | | | | | |
| Balance, January 1, 2021 | \$ 121,374,360 | \$ 37,885,949 | \$ 14,633,733 | \$ 6,549,234 | \$ 60,333,790 | (\$ 4,467,136) | \$ 16,726,148 | (\$ 45,138) | \$ 345,649 | \$ 253,336,589 | |
| Appropriation of 2020 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 2,406,740 | - | (2,406,740) | - | - | - | - | - | |
| Cash dividend | - | - | - | - | (14,564,923) | - | - | - | - | (14,564,923) | |
| Net income for the period | - | - | - | - | 28,314,607 | - | - | - | - | 28,314,607 | |
| Other comprehensive income (loss) for the period | - | - | - | - | (136) | (3,629,789) | 555,902 | (185) | (2,057,517) | (5,131,725) | |
| Total comprehensive income (loss) for the period | - | - | - | - | 28,314,471 | (3,629,789) | 555,902 | (185) | (2,057,517) | 23,182,882 | |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | 241,647 | - | (241,647) | - | - | - | |
| Balance, September 30, 2021 | <u>\$ 121,374,360</u> | <u>\$ 37,885,949</u> | <u>\$ 17,040,473</u> | <u>\$ 6,549,234</u> | <u>\$ 71,918,245</u> | <u>(\$ 8,096,925)</u> | <u>\$ 17,040,403</u> | <u>(\$ 45,323)</u> | <u>(\$ 1,711,868)</u> | <u>\$ 261,954,548</u> | |
| <u>For the nine months ended September 30, 2022</u> | | | | | | | | | | | |
| Balance, January 1, 2022 | \$ 121,374,360 | \$ 37,885,949 | \$ 17,040,473 | \$ 6,549,234 | \$ 77,775,254 | (\$ 8,400,123) | \$ 17,930,672 | (\$ 47,621) | (\$ 1,072,737) | \$ 269,035,461 | |
| Appropriation of 2021 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 3,441,312 | - | (3,441,312) | - | - | - | - | - | |
| Cash dividend | - | - | - | - | (18,206,154) | - | - | - | - | (18,206,154) | |
| Stock dividend | 3,641,230 | - | - | - | (3,641,230) | - | - | - | - | - | |
| Net income for the period | - | - | - | - | 19,605,427 | - | - | - | - | 19,605,427 | |
| Other comprehensive income (loss) for the period | - | - | - | - | 120,136 | (98,726) | (17,172,833) | 113 | (4,717,711) | (21,869,021) | |
| Total comprehensive income (loss) for the period | - | - | - | - | 19,725,563 | (98,726) | (17,172,833) | 113 | (4,717,711) | (2,263,594) | |
| Changes in equity of associates and joint ventures accounted for under equity method | - | 42,684 | - | - | - | - | - | - | - | 42,684 | |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | (215,902) | - | 215,902 | - | - | - | |
| Balance, September 30, 2022 | <u>\$ 125,015,590</u> | <u>\$ 37,928,633</u> | <u>\$ 20,481,785</u> | <u>\$ 6,549,234</u> | <u>\$ 71,996,219</u> | <u>(\$ 8,498,849)</u> | <u>\$ 973,741</u> | <u>(\$ 47,508)</u> | <u>(\$ 5,790,448)</u> | <u>\$ 248,608,397</u> | |

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the nine months ended September 30, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

| | For the nine months ended September 30, | |
|--|---|----------------------|
| | 2022 | 2021 |
| <u>Cash Flows From Operating Activities</u> | | |
| Profit before tax | \$ 19,871,635 | \$ 28,614,970 |
| Adjustment items | | |
| Income and expense item | | |
| Depreciation | 45,650 | 42,063 |
| Amortisation | 3,035 | 1,614 |
| Interest expense | 205,129 | 192,271 |
| Interest income | (13,120) | (4,989) |
| Share of the profit or loss of associates and joint ventures accounted for under the equity method | (20,834,448) | (29,817,445) |
| Gain on lease modification | (2) | (492) |
| Gain from disposal or retirement of property and equipment | - | (10) |
| Intangible assets transferred to expense | 126 | - |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in receivables | (17,161) | 16,136 |
| Increase in other assets | (4,869) | (2,748) |
| (Decrease) increase in payables | (283,634) | 47,891 |
| Increase in liabilities reserve | 110 | 57 |
| Increase in other liabilities | 2,286 | 426 |
| Interest received | 12,558 | 5,126 |
| Dividend received | 17,518,766 | 14,478,284 |
| Interest paid | (251,162) | (244,074) |
| Income tax refunded (paid) | 23,970 | (1,834,900) |
| Net cash flows generated from operating activities | <u>16,278,869</u> | <u>11,494,180</u> |
| <u>Cash Flows From Investing Activities</u> | | |
| Acquisition of property and equipment | (8,477) | (18,190) |
| Proceeds from disposal of property and equipment | - | 1,100 |
| Acquisition of intangible assets | (1,031) | (4,558) |
| Acquisition of right-of-use assets | (27) | (14) |
| Net cash flows used in investing activities | <u>(9,535)</u> | <u>(21,662)</u> |
| <u>Cash Flows From Financing Activities</u> | | |
| Increase in commercial paper payable | 211,000 | 1,195,000 |
| Proceeds from issuance of bonds | 5,300,000 | 5,000,000 |
| Repayments of bonds | (2,900,000) | (4,000,000) |
| Cash dividends paid | (18,206,154) | (14,564,923) |
| Principal payment for lease liabilities | (33,616) | (31,175) |
| Net cash flows used in financing activities | <u>(15,628,770)</u> | <u>(12,401,098)</u> |
| Net increase (decrease) in cash and cash equivalents | 640,564 | (928,580) |
| Cash and cash equivalents at beginning of period | 841,258 | 1,774,439 |
| Cash and cash equivalents at end of period | <u>\$ 1,481,822</u> | <u>\$ 845,859</u> |

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|---|-------------------------|-------------------------|--|-------------------------|-------------------------|
| Cash and cash equivalents | \$ 16,294,705 | \$ 10,197,181 | Deposits from Central Bank and other banks | \$ 23,995,120 | \$ 29,113,607 |
| Due from Central Bank and call loans to other banks | 74,750,207 | 64,860,820 | Due to Central Bank and other banks | - | 806,310 |
| Financial assets at fair value through profit or loss | 86,597,936 | 189,507,419 | Financial liabilities at fair value through profit or loss | 6,424,628 | 1,705,497 |
| Financial assets at fair value through other comprehensive income | 220,816,944 | 204,849,495 | Bills and bonds payable under repurchase agreements | 26,621,870 | - |
| Investments in debt instruments at amortised cost | 263,771,252 | 269,249,388 | Payables | 11,595,851 | 6,673,296 |
| Investments in bills and bonds under resale agreements | 23,523,070 | 3,004,629 | Current income tax liabilities | 742,504 | 1,159,525 |
| Receivables- net | 22,899,491 | 16,998,547 | Deposits and remittances | 1,458,702,176 | 1,419,819,322 |
| Current income tax assets | 149,856 | 136,912 | Bank debentures payable | 22,200,000 | 29,000,000 |
| Assets held for sale- net | 86,904 | 141,607 | Other financial liabilities | 2,680,819 | 2,605,362 |
| Bills discounted and loans- net | 915,341,913 | 818,513,830 | Liabilities reserve | 934,355 | 1,144,368 |
| Equity investments accounted for under the equity method- net | 4,534,276 | 4,082,080 | Lease reserve | 2,358,988 | 2,397,654 |
| Other financial assets- net | 2,616 | 2,675 | Deferred income tax liabilities | 889,680 | 464,283 |
| Property and equipment- net | 14,261,956 | 13,654,914 | Other liabilities | 3,597,620 | 1,536,207 |
| Right-of-use assets- net | 10,035,143 | 10,207,428 | Total liabilities | <u>1,560,743,611</u> | <u>1,496,425,431</u> |
| Investment property- net | 947,876 | 820,133 | | | |
| Intangible assets- net | 8,840,615 | 9,341,532 | Common stock | 73,940,390 | 73,940,390 |
| Deferred income tax assets | 1,179,214 | 1,023,957 | Additional paid-in capital | 25,960,441 | 25,960,441 |
| Other assets - net | 4,973,119 | 2,510,634 | Retained earnings | 24,544,730 | 22,563,404 |
| Total assets | <u>\$ 1,669,007,093</u> | <u>\$ 1,619,103,181</u> | Other equity | (16,182,079) | 213,515 |
| | | | Total equity | <u>108,263,482</u> | <u>122,677,750</u> |
| | | | Total liabilities and equity | <u>\$ 1,669,007,093</u> | <u>\$ 1,619,103,181</u> |

Yuanta Commercial Bank
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| | For the nine months ended September 30, | | | |
|---|---|--------------|---------------------|-----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Interest income | \$ 15,061,997 | 96 | \$ 12,636,474 | 78 |
| Less: Interest expense | (4,771,656) | (30) | (3,247,126) | (20) |
| Net interest income | 10,290,341 | 66 | 9,389,348 | 58 |
| Net non-interest income | 5,362,922 | 34 | 6,896,744 | 42 |
| Net profit | 15,653,263 | 100 | 16,286,092 | 100 |
| Provision for bad debt expenses, commitment and guarantee policy reserve | (191,615) | (1) | (206,958) | (1) |
| Operating expenses | (8,337,944) | (54) | (8,223,002) | (51) |
| Income from continuing operations before income tax | 7,123,704 | 45 | 7,856,132 | 48 |
| Income tax expense | (1,142,049) | (7) | (921,051) | (6) |
| Net income | 5,981,655 | 38 | 6,935,081 | 42 |
| Other comprehensive loss (net of tax) | (15,738,688) | (100) | (3,125,850) | (19) |
| Total comprehensive (loss) income | <u>(\$ 9,757,033)</u> | <u>(62)</u> | <u>\$ 3,809,231</u> | <u>23</u> |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | <u>\$ 0.81</u> | | <u>\$ 0.94</u> | |

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| Current assets | \$ 340,289,313 | \$ 407,197,828 | Current liabilities | \$ 274,910,539 | \$ 337,270,338 |
| Financial assets at fair value through profit or loss-non-current | 50,114 | 51,527 | Bonds payable | 23,500,000 | 23,500,000 |
| Financial assets at fair value through other comprehensive income -non-current | 14,455,724 | 10,123,553 | Liabilities reserve- non-current | 64,516 | 63,368 |
| Equity investments accounted for under the equity method | 55,886,171 | 48,863,393 | Lease liabilities- non-current | 489,350 | 599,118 |
| Property and equipment | 5,298,225 | 5,011,451 | Deferred income tax liabilities | 1,582,600 | 2,027,858 |
| Right-of-use assets | 744,252 | 849,421 | Other non-current liabilities | 2,171,843 | 2,262,866 |
| Investment property | 2,048,310 | 2,183,337 | Total liabilities | 302,718,848 | 365,723,548 |
| Intangible assets | 11,574,825 | 11,576,466 | Common stock | 65,924,526 | 59,820,321 |
| Deferred income tax assets | 959,229 | 716,255 | Additional paid-in capital | 1,023,125 | 980,441 |
| Other non-current assets | 2,364,216 | 2,430,886 | Retained earnings | 51,848,955 | 54,188,948 |
| Total assets | <u>\$ 433,670,379</u> | <u>\$ 489,004,117</u> | Other equity | 12,154,925 | 8,290,859 |
| | | | Total equity | 130,951,531 | 123,280,569 |
| | | | Total liabilities and equity | <u>\$ 433,670,379</u> | <u>\$ 489,004,117</u> |

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| Item | For the nine months ended September 30, | | | |
|--|---|-----------|----------------------|-----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Revenues | \$ 23,243,613 | 100 | \$ 35,536,112 | 100 |
| Service fee expense | (932,548) | (4) | (1,489,977) | (5) |
| Employee benefit expense | (6,099,099) | (26) | (10,097,742) | (28) |
| Share of the profit or loss of associates and joint ventures accounted for under the equity method | 1,800,919 | 8 | 4,540,495 | 13 |
| Operating expenses | (6,773,543) | (30) | (7,285,735) | (20) |
| Income from continuing operations before income tax | 11,239,342 | 48 | 21,203,153 | 60 |
| Income tax expense | (1,519,902) | (6) | (2,592,136) | (7) |
| Net income | 9,719,440 | 42 | 18,611,017 | 53 |
| Other comprehensive income (net of tax) | 2,535,838 | 11 | 834,199 | 2 |
| Total comprehensive income | <u>\$ 12,255,278</u> | <u>53</u> | <u>\$ 19,445,216</u> | <u>55</u> |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | <u>\$ 1.47</u> | | <u>\$ 2.82</u> | |

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| Current assets | \$ 58,645,732 | \$ 42,092,439 | Current liabilities | \$ 128,309,159 | \$ 141,781,398 |
| Financial assets at fair value | | | Bonds payable | 132,655,345 | 135,209,861 |
| through profit or loss-non-current | 180,630,708 | 201,607,653 | Liabilities reserve- non-current | 3,619,658 | 754,499 |
| Financial assets at fair value through | | | Lease liabilities- non-current | 568,446 | 1,685,424 |
| other comprehensive income | | | Other non-current liabilities | 15,542,728 | 22,403,501 |
| -non-current | 5,925,810 | 4,956,401 | Total liabilities | <u>280,695,336</u> | <u>301,834,683</u> |
| Equity investments accounted for | | | | | |
| under the equity method | 2,255,894 | 2,406,732 | | | |
| Property and equipment | 1,024,275 | 1,207,342 | | | |
| Right-of-use assets | 603,095 | 1,581,115 | Common stock | 23,572,537 | 25,001,659 |
| Investment property | 1,016,340 | 1,803,550 | Additional paid-in capital | (1,250,237) | (1,326,035) |
| Intangible assets | 838,804 | 778,486 | Retained earnings | 7,983,400 | 9,705,335 |
| Deferred income tax assets | 564,290 | 837,193 | Other equity | 3,536,605 | 2,665,108 |
| Other non-current assets | 63,032,693 | 80,609,839 | Total equity | <u>33,842,305</u> | <u>36,046,067</u> |
| Total assets | <u>\$ 314,537,641</u> | <u>\$ 337,880,750</u> | Total liabilities and equity | <u>\$ 314,537,641</u> | <u>\$ 337,880,750</u> |

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| Item | For the nine months ended September 30, | | | |
|---|---|-------------|---------------------|--------------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Revenues | \$ 49,572,351 | 100 | \$ 44,427,111 | 100 |
| Service fee expense | (294,848) | (1) | (375,390) | (1) |
| Employee benefit expense | (3,823,099) | (8) | (6,339,376) | (14) |
| Operating expenses | (44,281,408) | (89) | (31,507,577) | (71) |
| Income from continuing operations before income tax | 1,172,996 | 2 | 6,204,768 | 14 |
| Income tax expense | (358,959) | (1) | (1,506,098) | (3) |
| Net income | 814,037 | 1 | 4,698,670 | 11 |
| Other comprehensive income (net of tax) | 1,062,095 | 2 | 309,208 | 1 |
| Total comprehensive income | <u>\$ 1,876,132</u> | <u>3</u> | <u>\$ 5,007,878</u> | <u>12</u> |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | <u>\$</u> | <u>3.97</u> | <u>\$</u> | <u>22.87</u> |

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|-----------------------|----------------------|------------------------------|-----------------------|----------------------|
| Current assets | \$ 100,225,528 | \$ 94,826,970 | Current liabilities | \$ 90,996,415 | \$ 87,287,971 |
| Financial assets at fair value through other comprehensive income | | | Non-current liabilities | 1,704,796 | 210,629 |
| -non-current | 2,181,662 | 1,865,685 | Total liabilities | 92,701,211 | 87,498,600 |
| Equity investments accounted for under the equity method | 1,242,871 | 1,157,953 | | | |
| Property and equipment | 658,459 | 589,170 | Common stock | 2,899,763 | 2,899,763 |
| Right-of-use assets | 117,668 | 154,386 | Additional paid-in capital | 3,070,484 | 3,070,484 |
| Intangible assets | 73,031 | 40,694 | Retained earnings | 4,879,648 | 4,631,074 |
| Deferred income tax assets | 31,002 | 34,120 | Other equity | 1,719,077 | 1,437,224 |
| Other non-current assets | 739,962 | 868,167 | Total equity | 12,568,972 | 12,038,545 |
| Total assets | <u>\$ 105,270,183</u> | <u>\$ 99,537,145</u> | Total liabilities and equity | <u>\$ 105,270,183</u> | <u>\$ 99,537,145</u> |

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| Item | For the nine months ended September 30, | | | |
|--|---|-----------|-------------------|-----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Revenues | \$ 2,932,892 | 100 | \$ 2,959,904 | 100 |
| Service fee expense | (600,194) | (20) | (608,513) | (20) |
| Employee benefit expense | (592,667) | (20) | (517,409) | (18) |
| Share of the profit or loss of associates and joint ventures accounted for under the equity method | (27,609) | (1) | (22,575) | (1) |
| Operating expenses | (699,824) | (23) | (925,991) | (31) |
| Income from continuing operations before income tax | 1,012,598 | 35 | 885,416 | 30 |
| Income tax expense | (190,190) | (7) | (152,653) | (5) |
| Net income | 822,408 | 28 | 732,763 | 25 |
| Other comprehensive income (net of tax) | 63,611 | 2 | 259,154 | 9 |
| Total comprehensive income | <u>\$ 886,019</u> | <u>30</u> | <u>\$ 991,917</u> | <u>34</u> |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | <u>\$ 2.84</u> | | <u>\$ 2.53</u> | |

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|-----------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|
| Cash and cash equivalents | \$ 8,037,645 | \$ 20,021,735 | Payables | \$ 1,487,086 | \$ 1,492,762 |
| Receivables | 3,070,035 | 2,439,974 | Current income tax liabilities | 30,829 | 653,816 |
| Current income tax assets | 3,916,251 | 2,156,071 | Financial liabilities at fair value | | |
| Financial assets at fair value | | | through profit or loss | 12,697,579 | 1,001,113 |
| through profit or loss | 32,550,909 | 48,968,972 | Insurance liabilities | 346,214,063 | 318,078,451 |
| Financial assets at fair value through | | | Reserve for insurance contract with | | |
| other comprehensive income | 23,060,452 | 35,456,034 | the nature of financial products | 137,617 | 57,987 |
| Financial assets at amortised cost | 284,749,018 | 217,511,576 | Foreign exchange reserve | 5,243,011 | 332,797 |
| Other financial assets | 3,300,000 | 1,000,000 | Liabilities reserve | 62,915 | 86,444 |
| Right-of-use assets | 267,066 | 316,404 | Lease liabilities | 1,086,943 | 1,123,419 |
| Investment property | 12,696,181 | 12,296,746 | Deferred income tax liabilities | 2,710,260 | 524,515 |
| Loans | 7,494,188 | 7,293,356 | Other liabilities | 1,845,540 | 3,296,490 |
| Reinsurance contract assets | 1,346,861 | 1,050,167 | Investment-linked insurance | | |
| Property and equipment | 49,660 | 36,523 | products liabilities | 32,135,416 | 31,496,256 |
| Intangible assets | 116,022 | 76,395 | Total liabilities | 403,651,259 | 358,144,050 |
| Deferred income tax assets | 3,026,895 | 2,588,573 | Common stock | 23,735,695 | 23,735,695 |
| Other assets | 11,873,191 | 3,945,623 | Retained earnings | 9,286,113 | 5,437,483 |
| Investment-linked insurance | | | Other equity | (8,983,277) | (662,823) |
| products assets | 32,135,416 | 31,496,256 | Total equity | 24,038,531 | 28,510,355 |
| Total assets | <u>\$ 427,689,790</u> | <u>\$ 386,654,405</u> | Total liabilities and equity | <u>\$ 427,689,790</u> | <u>\$ 386,654,405</u> |

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| Item | For the nine months ended September 30, | | | |
|---|---|-------|----------------|-------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Operating revenues | \$ 42,213,944 | 100 | \$ 40,448,415 | 100 |
| Operating costs | (36,662,298) | (87) | (37,601,701) | (93) |
| Operating expenses | (1,186,186) | (2) | (1,104,950) | (2) |
| Net operating income | 4,365,460 | 11 | 1,741,764 | 5 |
| Non-operating revenues and expenses | (2,831) | - | (2,460) | - |
| Income from continuing operations before income tax | 4,362,629 | 11 | 1,739,304 | 5 |
| Income tax expense | (799,284) | (2) | 56,781 | - |
| Net income | 3,563,345 | 9 | 1,796,085 | 5 |
| Other comprehensive loss (net of tax) | (8,759,681) | (21) | (3,073,750) | (8) |
| Total comprehensive loss | (\$ 5,196,336) | (12) | (\$ 1,277,665) | (3) |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | \$ | 1.50 | \$ | 0.76 |

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|---------------------|---------------------|---------------------------------|---------------------|---------------------|
| Current assets | \$ 4,439,303 | \$ 4,222,338 | Current liabilities | \$ 606,251 | \$ 555,242 |
| Financial assets at fair value through other comprehensive income | 379,936 | 318,510 | Deferred income tax liabilities | 159,330 | 160,766 |
| Equity investments accounted for under the equity method | 348,378 | 332,340 | Lease liability- non-current | 25,157 | 38,757 |
| Property and equipment | 302,899 | 326,187 | Other non-current liabilities | 32,610 | 35,401 |
| Intangible assets | 768,551 | 768,551 | Total liabilities | 823,348 | 790,166 |
| Prepaid pension cost | 31,265 | 39,238 | Common stock | 2,269,235 | 2,269,235 |
| Deferred income tax assets | 621 | 713 | Additional paid-in capital | 296,729 | 296,729 |
| Right-of-use assets | 38,056 | 50,986 | Retained earnings | 2,829,123 | 2,761,196 |
| Other non-current assets | 77,632 | 152,360 | Other equity | 168,206 | 93,897 |
| Total assets | <u>\$ 6,386,641</u> | <u>\$ 6,211,223</u> | Total equity | <u>5,563,293</u> | <u>5,421,057</u> |
| | | | Total liabilities and equity | <u>\$ 6,386,641</u> | <u>\$ 6,211,223</u> |

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

| Item | For the nine months ended September 30, | | | |
|---|---|-------------|---------------------|-------------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Operating revenues | \$ 2,917,845 | 100 | \$ 2,784,944 | 100 |
| Operating expenses | (1,095,862) | (38) | (1,097,147) | (39) |
| Operating income | 1,821,983 | 62 | 1,687,797 | 61 |
| Non-operating revenues and expenses | (146,458) | (5) | 110,914 | 4 |
| Income from continuing operations before income tax | 1,675,525 | 57 | 1,798,711 | 65 |
| Income tax expense | (365,115) | (12) | (339,355) | (12) |
| Net income | 1,310,410 | 45 | 1,459,356 | 53 |
| Other comprehensive income (net of tax) | 62,141 | 2 | 38,366 | 1 |
| Total comprehensive income | <u>\$ 1,372,551</u> | <u>47</u> | <u>\$ 1,497,722</u> | <u>54</u> |
| Earnings per share (in dollars) | | | | |
| Basic and diluted earnings per share | <u>\$</u> | <u>5.77</u> | <u>\$</u> | <u>6.43</u> |

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|---------------------|---------------------|------------------------------|---------------------|---------------------|
| Current assets | \$ 2,867,248 | \$ 2,560,033 | Current liabilities | \$ 64,410 | \$ 68,671 |
| Financial assets at fair value through other comprehensive income | 37,435 | 39,989 | Non-current liabilities | 18,277 | 21,470 |
| Property and equipment | 7,843 | 8,394 | Total liabilities | 82,687 | 90,141 |
| Right-of-use assets | 12,280 | 16,262 | Common stock | 3,346,138 | 3,220,649 |
| Investment property | 1,124,058 | 1,314,081 | Additional paid-in capital | 1,047 | 1,047 |
| Deferred income tax assets | 3,026 | 2,871 | Retained earnings | 603,459 | 608,610 |
| Other non-current assets | 847 | 776 | Other equity | 19,406 | 21,959 |
| Total assets | <u>\$ 4,052,737</u> | <u>\$ 3,942,406</u> | Total equity | <u>3,970,050</u> | <u>3,852,265</u> |
| | | | Total liabilities and equity | <u>\$ 4,052,737</u> | <u>\$ 3,942,406</u> |

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| Item | For the nine months ended September 30, | | | |
|---|---|-----------|-------------------|-----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Operating revenues | \$ 303,474 | 100 | \$ 279,653 | 100 |
| Operating expenses | (161,207) | (53) | (155,567) | (56) |
| Operating income | 142,267 | 47 | 124,086 | 44 |
| Non-operating revenues and expenses | (23,808) | (8) | 9,682 | 4 |
| Income from continuing operations before income tax | 118,459 | 39 | 133,768 | 48 |
| Income tax expense | (27,039) | (9) | (23,253) | (8) |
| Net income | 91,420 | 30 | 110,515 | 40 |
| Other comprehensive (loss) income (net of tax) | (2,407) | (1) | 2,854 | 1 |
| Total comprehensive income | <u>\$ 89,013</u> | <u>29</u> | <u>\$ 113,369</u> | <u>41</u> |

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|--|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| Current assets | \$ 1,920,886 | \$ 2,412,484 | Current liabilities | \$ 121,426 | \$ 113,754 |
| Financial assets at fair value through other comprehensive income | 60,104 | 105,034 | Lease liability- non-current | - | 318 |
| Equity investments accounted for under the equity method | 924,810 | 1,122,870 | Other non-current liabilities | 4,700 | 3,600 |
| Property and equipment | 2,203 | 2,862 | Total liabilities | 126,126 | 117,672 |
| Right-of-use assets | 314 | 4,085 | Common stock | 2,715,221 | 2,715,221 |
| Deferred income tax assets | 38,467 | 17,573 | Additional paid-in capital | 918 | 918 |
| Other non-current assets | 635 | 635 | Retained earnings | 39,590 | 803,138 |
| Total assets | <u>\$ 2,947,419</u> | <u>\$ 3,665,543</u> | Other equity | 65,564 | 28,594 |
| | | | Total equity | 2,821,293 | 3,547,871 |
| | | | Total liabilities and equity | <u>\$ 2,947,419</u> | <u>\$ 3,665,543</u> |

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| Item | For the nine months ended September 30, | | | |
|--|---|---------------|-------------------|-----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Operating revenues | (\$ 66,825) | (100) | \$ 904,016 | 100 |
| Operating expenses | (20,240) | (30) | (166,312) | (19) |
| Operating (loss) income | (87,065) | (130) | 737,704 | 81 |
| Non-operating revenues and expenses | 2,919 | 4 | (2,694) | - |
| (Loss) income from continuing operations before income tax | (84,146) | (126) | 735,010 | 81 |
| Income tax (expense) benefit | (39,177) | (59) | (9,366) | (1) |
| Net (loss) income | (123,323) | (185) | 725,644 | 80 |
| Other comprehensive (loss) income (net of tax) | (12,902) | (19) | 18,925 | 2 |
| Total comprehensive (loss) income | <u>(\$ 136,225)</u> | <u>(204)</u> | <u>\$ 744,569</u> | <u>82</u> |

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
September 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2022 | September 30, 2021 | LIABILITIES AND EQUITY | September 30, 2022 | September 30, 2021 |
|----------------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|
| Current assets | \$ 224,384 | \$ 209,101 | Current liabilities | \$ 107,266 | \$ 96,639 |
| Property and equipment | 12,048 | 17,175 | Non-current liabilities | 30,116 | 33,323 |
| Right-of-use assets | 23,453 | 27,041 | Total liabilities | 137,382 | 129,962 |
| Intangible assets | 687 | 1,092 | Common stock | 100,000 | 100,000 |
| Deferred income tax assets | 3,975 | 5,489 | Additional paid-in capital | 6,017 | 6,017 |
| Other non-current assets | 13,339 | 8,624 | Retained earnings | 34,487 | 32,543 |
| | | | Total equity | 140,504 | 138,560 |
| Total assets | <u>\$ 277,886</u> | <u>\$ 268,522</u> | Total liabilities and equity | <u>\$ 277,886</u> | <u>\$ 268,522</u> |

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| Item | For the nine months ended September 30, | | | |
|--|---|----------|-----------------|----------|
| | 2022 | | 2021 | |
| | Amount | % | Amount | % |
| Operating revenues | \$ 195,929 | 100 | \$ 176,900 | 100 |
| Operating costs | (859) | - | (845) | - |
| Operating expenses | (191,063) | (98) | (173,609) | (99) |
| Operating income | 4,007 | 2 | 2,446 | 1 |
| Non-operating revenues and expenses | 906 | - | 735 | 1 |
| Income from continuing operations before income tax | 4,913 | 2 | 3,181 | 2 |
| Income tax expense | (889) | - | (593) | (1) |
| Net income | 4,024 | 2 | 2,588 | 1 |
| Total comprehensive income | <u>\$ 4,024</u> | <u>2</u> | <u>\$ 2,588</u> | <u>1</u> |

(13) Profitability, asset quality, management information, and liquidity and market risk sensitivity of the Yuanta Group and its subsidiaries:

A. Profitability

(A) Yuanta Financial Holdings

Unit: %

| | | For the nine months ended September 30, | |
|-------------------------|------------|---|-------|
| | | 2022 | 2021 |
| Return on total assets | Before tax | 6.69 | 9.72 |
| | After tax | 6.60 | 9.62 |
| Return on equity | Before tax | 7.68 | 11.11 |
| | After tax | 7.57 | 10.99 |
| Net profit margin ratio | | 94.44 | 95.62 |

(B) Yuanta Financial Holdings and its subsidiaries

| | | For the nine months ended September 30, | |
|-------------------------|------------|---|-------|
| | | 2022 | 2021 |
| Return on total assets | Before tax | 0.85 | 1.30 |
| | After tax | 0.69 | 1.08 |
| Return on equity | Before tax | 9.18 | 13.44 |
| | After tax | 7.40 | 11.13 |
| Net profit margin ratio | | 27.41 | 32.15 |

(C) Yuanta Bank

| | | For the nine months ended September 30, | |
|-------------------------|------------|---|-------|
| | | 2022 | 2021 |
| Return on total assets | Before tax | 0.43 | 0.51 |
| | After tax | 0.36 | 0.45 |
| Return on equity | Before tax | 6.16 | 6.37 |
| | After tax | 5.17 | 5.62 |
| Net profit margin ratio | | 38.21 | 42.58 |

(D) Yuanta Securities

| | | For the nine months ended September 30, | |
|-------------------------|------------|---|-------|
| | | 2022 | 2021 |
| Return on total assets | Before tax | 2.31 | 4.49 |
| | After tax | 2.00 | 3.94 |
| Return on equity | Before tax | 8.66 | 18.06 |
| | After tax | 7.49 | 15.85 |
| Net profit margin ratio | | 40.31 | 48.23 |

(E) Yuanta Life

| | | For the nine months ended September 30, | |
|-------------------------|------------|---|-------|
| | | 2022 | 2021 |
| Return on total assets | Before tax | 1.07 | 0.48 |
| | After tax | 0.87 | 0.49 |
| Return on equity | Before tax | 16.38 | 5.97 |
| | After tax | 13.38 | 6.16 |
| Net profit margin ratio | | 64.22 | 63.15 |

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

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

Note 3: Net profit margin ratio = Income (loss) after income tax / net revenues.

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

Note 5: The profitability of Yuanta Financial Holdings, Yuanta Financial Holdings and its subsidiaries, Yuanta Bank, Yuanta Securities, and Yuanta life insurance agency shall be respectively specified in the said table.

B. Information of Yuanta Bank is as follows:

(A) Non-performing loans and non-performing loan asset quality

Unit: In thousands of NT Dollars

| Month / Year | | | September 30, 2022 | | | | | | September 30, 2021 | | | | | |
|-------------------|------------------------------|-----------------|--------------------------------|-------------|---------------------------|---------------------------------|----------------|--------------------------------|--------------------|---------------------------|---------------------------------|----------------|---------|--|
| Business / Items | | | Amount of non-performing loans | Gross loans | Non-performing loan ratio | Allowance for doubtful accounts | Coverage ratio | Amount of non-performing loans | Gross loans | Non-performing loan ratio | Allowance for doubtful accounts | Coverage ratio | | |
| Corporate banking | Secured loans | | 29,327 | 243,314,605 | 0.01% | 3,234,438 | 11,028.87% | 442,678 | 242,475,856 | 0.18% | 3,283,806 | 741.80% | | |
| | Unsecured loans | | 204,396 | 223,182,051 | 0.09% | 3,740,425 | 1,829.99% | 543,322 | 165,421,833 | 0.33% | 3,228,317 | 594.18% | | |
| Consumer banking | Residential mortgage loans | | 67,938 | 266,788,646 | 0.03% | 4,037,573 | 5,943.03% | 173,805 | 243,294,230 | 0.07% | 3,655,778 | 2,103.38% | | |
| | Cash card services | | - | 23,400 | - | 483 | - | 3 | 35,985 | 0.01% | 674 | 22,466.67% | | |
| | Small amount of credit loans | | 3,898 | 15,130,312 | 0.03% | 169,955 | 4,360.06% | 9,005 | 11,921,135 | 0.08% | 131,434 | 1,459.57% | | |
| | Others | Secured loans | 96,219 | 190,098,300 | 0.05% | 1,990,280 | 2,068.49% | 146,077 | 175,307,826 | 0.08% | 1,830,928 | 1,253.40% | | |
| | | Unsecured loans | 1,324 | 3,332,504 | 0.04% | 34,056 | 2,572.21% | 645 | 3,072,757 | 0.02% | 30,951 | 4,798.60% | | |
| | Gross loan business | | | 403,102 | 941,869,818 | 0.04% | 13,207,210 | 3,276.39% | 1,315,535 | 841,529,622 | 0.16% | 12,161,888 | 924.48% | |

| Month / Year | | September 30, 2022 | | | | | September 30, 2021 | | | | |
|----------------------------|--|----------------------------|--------------------------------|-----------------------|---------------------------------|----------------|----------------------------|--------------------------------|-----------------------|---------------------------------|----------------|
| | | 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 | | 6,233 | 8,276,279 | 0.08% | 113,741 | 1,824.82% | 6,050 | 7,849,108 | 0.08% | 89,238 | 1,475.01% |
| Without recourse factoring | | - | 8,382,665 | - | 93,450 | - | - | 5,428,279 | - | 92,995 | - |

Note 1: The amount recognised as non-performing loans is in compliance with the "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans".

The amount included in overdue accounts for credit cards is in compliance with Jin-Guan-Yin (4) Letter No. 0944000378 dated July 6, 2005.

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

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

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

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

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

Note 7: Pursuant to Jin-Guan-Yin-Wai Letter No. 09850003180 dated August 24, 2009, the amount of without recourse factoring will be recognised as overdue accounts within three months after the factor or insurance company resolves not to compensate the loss.

(B) Non-performing loans and overdue receivables exempted from reporting to the competent authority

Unit: In thousands of NT Dollars

| | September 30, 2022 | | September 30, 2021 | |
|--|---|--|---|--|
| | 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) | 22,922 | 16,942 | 36,298 | 22,348 |
| Perform in accordance with debt liquidation program and restructuring program (Note 2) | 661,797 | 289,237 | 801,025 | 321,084 |
| Total | 684,719 | 306,179 | 837,323 | 343,432 |

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

Note 2: The additional disclosure requirement pertaining to the way and information disclosure of loan in the process of debt liquidation and restructuring program is in accordance with the Explanatory Jin-Guan-Yin (1) Letter No. 09700318940 of FSC dated September 15, 2008 and Jin-Guan-Yin-Fa Letter No. 10500134790 of FSC dated September 20, 2016.

(BLANK)

(C) Contract amounts of significant credit risk concentration are as follows:

Unit: In thousands of NT Dollars, %

| September 30, 2022 | | | |
|---------------------|---|---|---|
| Ranking (Note 1) | Name of Enterprise Group (Note 2) | Total outstanding loan amount (Note 3) | Total outstanding loan amount / Total equity |
| 1 | Group A–Iron and Steel Refining | \$ 9,945,606 | 9.19 |
| 2 | Group B–Real Estate Development | 8,581,050 | 7.93 |
| 3 | Company C–Real Estate Development | 5,930,000 | 5.48 |
| 4 | Group D–Quarrying of Stone and Sand and Other Mining | 5,803,990 | 5.36 |
| 5 | Group E–Financial Holding Companies | 5,500,000 | 5.08 |
| 6 | Group F–Manufacture of Other Computer Peripheral Equipment | 5,000,000 | 4.62 |
| 7 | Group G–Financial Holding Companies | 4,700,000 | 4.34 |
| 8 | Group H–Manufacture of Power Generation, Transmission and Distribution Machinery | 4,150,000 | 3.83 |
| 9 | Group I–Real Estate Development | 3,762,692 | 3.48 |
| 10 | Group J–Real Estate Development | 3,441,582 | 3.18 |

Unit: In thousands of NT Dollars, %

| September 30, 2021 | | | |
|---------------------|--|---|---|
| Ranking (Note 1) | Name of Enterprise Group (Note 2) | Total outstanding loan amount (Note 3) | Total outstanding loan amount / Total equity |
| 1 | Company A–Real Estate Development | \$ 7,302,000 | 5.95 |
| 2 | Company B–Real Estate Development | 6,340,000 | 5.17 |
| 3 | Company C–Real Estate Leasing | 6,150,000 | 5.01 |
| 4 | Group D–Air Transport | 3,524,167 | 2.87 |
| 5 | Group E–Real Estate Development | 3,501,698 | 2.85 |
| 6 | Group F–Real Estate Development | 3,443,846 | 2.81 |
| 7 | Company G–Chemical Material Manufacturing | 3,388,896 | 2.76 |
| 8 | Group H–Real Estate Development | 3,378,434 | 2.75 |
| 9 | Group I–Real Estate Development | 3,139,253 | 2.56 |
| 10 | Group J–Activities of Amusement Parks and Theme Parks | 3,050,000 | 2.49 |

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

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

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

(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

| | Total | 0 ~ 10 days | 11 ~ 30 days | 31 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year |
|-------------------------------------|----------------|-------------|--------------|---------------|----------------|-------------------|---------------|
| Primary funds inflow upon maturity | 1,474,297,710 | 149,936,749 | 115,493,578 | 140,480,207 | 90,293,798 | 237,605,487 | 740,487,891 |
| Primary funds outflow upon maturity | 1,732,195,603 | 45,419,866 | 117,616,951 | 202,434,172 | 246,094,655 | 365,980,195 | 754,649,764 |
| Gap | (257,897,893) | 104,516,883 | (2,123,373) | (61,953,965) | (155,800,857) | (128,374,708) | (14,161,873) |

September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

| | Total | 0 ~ 10 days | 11 ~ 30 days | 31 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year |
|-------------------------------------|----------------|-------------|--------------|---------------|----------------|-------------------|---------------|
| Primary funds inflow upon maturity | 1,475,195,330 | 272,706,041 | 120,027,665 | 105,717,764 | 75,080,583 | 147,711,169 | 753,952,108 |
| Primary funds outflow upon maturity | 1,719,094,924 | 61,020,202 | 88,059,865 | 186,467,749 | 203,705,574 | 334,963,830 | 844,877,704 |
| Gap | (243,899,594) | 211,685,839 | 31,967,800 | (80,749,985) | (128,624,991) | (187,252,661) | (90,925,596) |

b. Structure analysis of time to maturity (USD)

September 30, 2022

(Expressed in Thousands of US Dollars)

| | Total | 0 ~ 30 days | 31 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year |
|-------------------------------------|--------------|-------------|--------------|---------------|-------------------|-------------|
| Primary funds inflow upon maturity | 6,272,948 | 1,511,721 | 689,571 | 272,881 | 134,235 | 3,664,540 |
| Primary funds outflow upon maturity | 8,259,073 | 2,481,493 | 1,735,343 | 1,190,134 | 1,659,577 | 1,192,526 |
| Gap | (1,986,125) | (969,772) | (1,045,772) | (917,253) | (1,525,342) | 2,472,014 |

September 30, 2021

(Expressed in Thousands of US Dollars)

| | Total | 0 ~ 30 days | 31 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year |
|-------------------------------------|--------------|-------------|--------------|---------------|-------------------|-------------|
| Primary funds inflow upon maturity | 6,052,488 | 1,385,105 | 460,975 | 276,262 | 282,004 | 3,648,142 |
| Primary funds outflow upon maturity | 7,225,354 | 2,133,413 | 1,010,578 | 916,353 | 1,308,062 | 1,856,948 |
| Gap | (1,172,866) | (748,308) | (549,603) | (640,091) | (1,026,058) | 1,791,194 |

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

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

September 30, 2022

(Expressed in Thousands of New Taiwan Dollars, %)

| Item | 1 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year | Total |
|--|-------------|----------------|-------------------|-------------|---------------|
| Interest-rate-sensitive assets | 908,749,070 | 72,679,663 | 124,176,640 | 243,187,766 | 1,348,793,139 |
| Interest-rate-sensitive liabilities | 343,212,124 | 777,801,069 | 121,245,313 | 26,460,729 | 1,268,719,235 |
| Interest-rate-sensitive gap | 565,536,946 | (705,121,406) | 2,931,327 | 216,727,037 | 80,073,904 |
| Total equity | | | | | 118,561,756 |
| Ratio of interest-rate-sensitive assets to liabilities | | | | | 106.31 |
| Ratio of interest-rate-sensitive gap to equity | | | | | 67.54 |

September 30, 2021

(Expressed in Thousands of New Taiwan Dollars, %)

| Item | 1 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year | Total |
|--|-------------|----------------|-------------------|-------------|---------------|
| Interest-rate-sensitive assets | 918,049,746 | 51,727,173 | 55,384,303 | 318,304,522 | 1,343,465,744 |
| Interest-rate-sensitive liabilities | 305,465,499 | 798,257,995 | 171,277,412 | 25,590,158 | 1,300,591,064 |
| Interest-rate-sensitive gap | 612,584,247 | (746,530,822) | (115,893,109) | 292,714,364 | 42,874,680 |
| Total equity | | | | | 120,959,632 |
| Ratio of interest-rate-sensitive assets to liabilities | | | | | 103.30 |
| Ratio of interest-rate-sensitive gap to equity | | | | | 35.45 |

Note 1: The above amounts include only New Taiwan Dollars held by Yuanta Bank, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those interest earned assets and interest bearing liabilities, revenues and costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to NTD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities)

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

September 30, 2022

(Expressed in Thousands of US Dollars, %)

| Item | 1 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year | Total |
|--|-------------|---------------|-------------------|-------------|--------------|
| Interest-rate-sensitive assets | 2,895,892 | 78,371 | 56,537 | 2,664,268 | 5,695,068 |
| Interest-rate-sensitive liabilities | 3,610,760 | 645,814 | 1,302,410 | 1,273,307 | 6,832,291 |
| Interest-rate-sensitive gap | (714,868) | (567,443) | (1,245,873) | 1,390,961 | (1,137,223) |
| Total equity | | | | | (293,879) |
| Ratio of interest-rate-sensitive assets to liabilities | | | | | 83.36 |
| Ratio of interest-rate-sensitive gap to equity | | | | | 386.97 |

September 30, 2021

(Expressed in Thousands of US Dollars, %)

| Item | 1 ~ 90 days | 91 ~ 180 days | 181 days ~ 1 year | Over 1 year | Total |
|--|-------------|---------------|-------------------|-------------|-----------|
| Interest-rate-sensitive assets | 2,287,948 | 252,775 | 20,986 | 2,910,325 | 5,472,034 |
| Interest-rate-sensitive liabilities | 2,211,097 | 567,333 | 970,294 | 1,527,902 | 5,276,626 |
| Interest-rate-sensitive gap | 76,851 | (314,558) | (949,308) | 1,382,423 | 195,408 |
| Total equity | | | | | 60,032 |
| Ratio of interest-rate-sensitive assets to liabilities | | | | | 103.70 |
| Ratio of interest-rate-sensitive gap to equity | | | | | 325.51 |

Note 1: The above amounts include only US Dollars amounts held by Yuanta Bank, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those earning assets, interest bearing liabilities, revenues or costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to USD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities).

(14) Information with respect to the subsidiary holding the capital share of parent company

None.

13. Other disclosure items

(1) Related information on material transaction items

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

For the first quarter and third quarter financial statements, the table is not required to be disclosed.

(3) Significant transactions regarding investee companies

A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities Industry. Not applicable for all the other subsidiaries and indirect subsidiaries.

B. Information on the acquisition of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.

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

| Transaction Company | Real estate disposed | Transaction date | Acquisition date | Carrying value | Sale price | Status of collection of proceeds | Gain or loss from disposal | Counterparty | Related-party | Reason for disposal | Basis or reference used in setting the price | Note |
|---------------------------|---|---|-------------------|----------------|------------|----------------------------------|----------------------------|-------------------|---------------|----------------------------------|--|------|
| Yuanta Securities (Korea) | Ulsan Building | March 28, 2022 | December 1, 2001 | \$ 408,512 | \$590,550 | All payments have been received | \$ 182,038 | Deokyang Holdings | None | Activate and fully use of assets | Referring to appraisal-report and Korea's Full Disclosure of the Information of Actual Price Registration of Real Estate Transactions of Ministry of Land, Infrastructure and Transport, appraiser: Sang-hoon Park | - |
| Yuanta Securities (Korea) | Hannam-dong LATERRAS SE Courtyard#3 、 Vista#3 、 Courtyard#2 | May 20, 2022 、 May 30, 2022 、 August 01, 2022 | December 31, 2012 | \$ 340,138 | \$376,379 | All payments have been received | \$ 36,241 | Natural persons | None | Activate and fully use of assets | Referring to appraisal-report and Korea's Full Disclosure of the Information of Actual Price Registration of Real Estate Transactions of Ministry of Land, Infrastructure and Transport, appraiser: Sang-hoon Park | - |

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

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

| Creditor | Counterparty | Relationship | Accounts receivable from related party as of September 30, 2022 | | Turnover rate | Amount overdue | | Amount collected subsequent to the balance sheet date | Amount of credit losses |
|---|-----------------------------------|-----------------------------------|---|--------|---------------|----------------|--------------|---|-------------------------|
| | | | | | | Amount | Action taken | | |
| Yuanta Life | The Company | Parent Company | \$ 3,900,579 | (Note) | - | \$ - | - | \$ 149 | \$ - |
| Yuanta International Investment (Hong Kong) | Yuanta Securities (Hong Kong) | Affiliated company | 340,882 | | - | - | - | 340,882 | - |
| Yuanta Securities | Yuanta/P-shares Taiwan Top 50 ETF | Fund managed by fellow subsidiary | 437,344 | | - | - | - | 437,344 | - |

Note: Income tax refundable arising from filing consolidated income tax returns.

F. Information regarding selling non-performing loans:

(A) Summary of selling non-performing loans:

| Transaction Company | Transaction date | Counterparty | Contents of right of claim | Carrying value | Sale price | Gain or loss from disposal | Attached conditions | Relationship with the Bank | Note |
|-----------------------------|------------------|------------------------------------|---|----------------|------------|----------------------------|---------------------|----------------------------|------|
| Yuanta Savings Bank (Korea) | March 25, 2022 | Daesung Investment Management Loan | Loans and Temporary Payments for Others | \$ - | \$ 3,047 | \$ 3,047 | None | None | Note |

Note: The carrying amount and the sale price of the loan was KRW0 thousand and KRW132,000 thousand, using the exchange rate of 1 KRW to 0.023085 NTD.

(B) Sale of non-performing loans for which the amount exceeding NT \$1 billion (excluding sale to related parties): None.

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

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

I. Funds lent to other: Not applicable to subsidiaries in a financial or securities industries. For non-financial and non-securities subsidiaries, no fund has been lent except for the following:

| Number | Lending company | Borrower | Account | Related-party | Maximum balance at current period | Ending balance | Actual used amount | Interest rate | Characteristic of fund lent to others | Amount | Reason for short-term loans | Provision for credit loss | Collateral | | Limit of individual lending | Total limit of funds lent to others |
|--------|--|--|-----------------------------------|---------------|-----------------------------------|----------------|--------------------|---------------|---------------------------------------|--------|--|---------------------------|------------|-------|-----------------------------|-------------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Yuanta Securities Asia Finance Service | Yuanta Securities Asia Finance Service | Accounts receivable-related party | Yes | \$ 3,174,300 | \$ 3,174,300 | \$ - | - | Short-term loans | \$ - | Working capital | \$ - | - | \$ - | \$ 13,095,153 (Note1) | \$ 52,380,612 (Note1) |
| 2 | Yuanta Securities Asia Finance Service | PT Yuanta Sekuritas Indonesia | Accounts receivable-related party | Yes | 1,587,150 | 1,587,150 | 714,218 | 2.20~4.25% | Short-term loans | - | Fulfill operating cost and working capital | - | - | - | 40,351,550 (Note 3) | 40,351,550 (Note 3) |
| 3 | Yuanta Securities Asia Finance Service | Yuanta Securities (Hong Kong) | Accounts receivable-related party | Yes | 1,587,150 | 1,587,150 | - | - | Short-term loans | - | Fulfill operating cost and working capital | - | - | - | 40,351,550 (Note 3) | 40,351,550 (Note 3) |
| 4 | Yuanta Securities Asia Finance Service | Yuanta Securities (Thailand) | Accounts receivable-related party | Yes | 3,174,300 | 1,587,150 | - | - | Short-term loans | - | Fulfill operating cost and working capital | - | - | - | 40,351,550 (Note 3) | 40,351,550 (Note 3) |
| 5 | Yuanta Securities Asia Finance Service | Yuanta Securities (Vietnam) | Accounts receivable-related party | Yes | 952,290 | 952,290 | - | - | Short-term loans | - | Working capital | - | - | - | 40,351,550 (Note 3) | 40,351,550 (Note 3) |

Note 1: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities should not exceed 40% and 10% of the net worth of its latest audited/reviewed financial statements.

Note 2: On August 19, 2021, the Board of Directors of Yuanta Securities resolved a loan limit to Yuanta Securities Asia Financial Services in the amount of USD 100 million. This has been approved through Gin-Gwen-Zheng Letter No. 1100357578 dated November 3, 2021 of the FSC in Taiwan.

Note 3: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities Asia Financial Services should not exceed the net worth of its latest audited/reviewed financial statements.

Note 4: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD 50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 dated December 2, 2020 of the FSC in Taiwan and has obtained the approval of the Securities and Futures Commission in Hong Kong on July 27, 2021.

J. Endorsements and guarantees provided for others:

| Number | Endorsing and guarantee company | Endorsed and guaranteed company | | Limit for endorsement and guarantee for single enterprise | Maximum outstanding endorsements and guarantee amount during for the nine months ended September 30, 2022 | Ending balance of endorsement and guarantee | Actual used amount | Property-backed endorsement and guarantee | The ratio of accumulated endorsement and guarantee amount and the net value of the latest financial statement | Maximum limit | Provision of endorsements and guarantees by parent company to subsidiary | Provision of endorsements and guarantees by subsidiary to parent company | Provision of endorsements and guarantees to the party in Mainland China | Note |
|--------|--|--|--|---|---|---|--------------------|---|---|------------------------|--|--|---|------|
| | | Name of company | Relationship | | | | | | | | | | | |
| 1 | Yuanta Securities | PT Yuanta Sekuritas Indonesia | More than 50% common stock-directly-owned subsidiary | \$ 26,190,306 (Note 1) | \$ 111,101 | \$ 111,101 | \$ 105,810 | \$ - | 0.08% | \$ 52,380,612 (Note 1) | Yes | No | No | |
| 2 | Yuanta Securities | Yuanta Securities (Thailand) | More than 50% common stock-directly-owned subsidiary | 26,190,306 (Note 1) | 476,145 | 158,715 | - | - | 0.12% | 52,380,612 (Note 1) | Yes | No | No | |
| 3 | Yuanta Securities | Yuanta International Investment (Hong Kong) (Note 2) | More than 50% common stock-directly-owned subsidiary | 26,190,306 (Note 1) | 1,587,150 | 1,587,150 | - | - | 1.21% | 52,380,612 (Note 1) | Yes | No | No | |
| 4 | Yuanta Securities Asia Financial Service | Yuanta Securities (Thailand) | More than 50% common stock-directly-owned subsidiary | 40,351,550 (Note 3) | 2,083,448 | 2,083,448 | 1,201,343 | - | 5.16% | 40,351,550 (Note 3) | Yes | No | No | |
| 5 | Yuanta Securities Asia Financial Service | PT Yuanta Sekuritas Indonesia | More than 50% common stock-directly-owned subsidiary | 40,351,550 (Note 3) | 242,155 | 242,155 | 158,715 | - | 0.60% | 40,351,550 (Note 3) | Yes | No | No | |
| 6 | Yuanta Securities Asia Financial Service | Yuanta Securities (Vietnam) | More than 50% common stock-directly-owned subsidiary | 40,351,550 (Note 3) | 901,060 | 901,060 | - | - | 2.23% | 40,351,550 (Note 3) | Yes | No | No | |

Note 1: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", the ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities should not exceed 40% and 20% of net worth of the company's latest audited/reviewed financial statements, respectively.

Note 2: To become a local agent and guarantee institution of foreign structure instruments which are issued by the reinvested company, Yuanta Investment (Hong Kong), on September 24, 2020, Yuanta Securities' Board of Directors resolved to provide a guarantee with a limit of US 50 million. On December 16, 2020, Yuanta Securities obtained the approval from Gin-Gwen-Zheng-Quan-Zi Letter No. 1090372253 of FSC in Taiwan. On February 25, 2021, both parties finished signing the guarantee contract after the relating process has been completed.

Note 3: According to the Company's "Procedures for Provision of Endorsements and Guarantees", total endorsements and guarantees provided to others cannot exceed the net assets value in Yuanta Securities Asia Financial Services Ltd.'s latest financial statements audited or reviewed by an independent auditor.

K. Engagement in derivatives trading: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities industry. Not applicable for all the other subsidiaries and indirect subsidiaries.

L. Securities held at the end of period:

| | | | | (Expressed in Thousands of New Taiwan Dollars) | | | | |
|--|--|--|--|--|------------|-----------------------------------|--------------|------|
| | | | | September 30, 2022 | | | | |
| Name of company which holds securities | Category and name of securities (or name of issuer of securities) | Relationship between issuer of securities and the company | Account | Number of shares (In thousands) | Book value | Percentage of ownership (%) | Market value | Note |
| Yuanta Securities Investment Trust | Beneficiary certificates: | | | | | | | |
| | Yuanta/P-shares Taiwan Top 50 ETF | The managing company of the fund | Financial assets at fair value through profit or loss | 39 | \$ 3,989 | - | \$ 3,989 | |
| | Yuanta/P-shares Taiwan Mid-Cap 100 ETF | " | " | 10 | 522 | - | 522 | |
| | Yuanta/P-shares Taiwan Electronics Tech ETF | " | " | 22 | 1,126 | - | 1,126 | |
| | Yuanta/P-shares MSCI Taiwan Financials ETF | " | " | 21 | 456 | - | 456 | |
| | Yuanta/P-shares Taiwan Dividend Plus ETF | " | " | 36 | 920 | - | 920 | |
| | W.I.S.E. Yuanta/P-shares CSI 300 ETF | " | " | 26 | 482 | - | 482 | |
| | Yuanta S&P500 | " | " | 10 | 372 | - | 372 | |
| | Yuanta/P-shares Taiwan GreTai 50 ETF | " | " | 23 | 343 | - | 343 | |
| | Yuanta/P-shares MSCI Taiwan ETF | " | " | 14 | 699 | - | 699 | |
| | Yuanta/P-shares SSE50 ETF | " | " | 22 | 667 | - | 667 | |
| | Yuanta S&P GSCI Gold ER Futures ETF | " | " | 9 | 192 | - | 192 | |
| | Yuanta S&P GSCI Crude Oil ER Futures ETF | " | " | 2 | 28 | - | 28 | |
| | Yuanta EURO STOXX 50 ETF | " | " | 8 | 183 | - | 183 | |
| | Yuanta Nikkei 225 ETF | " | " | 2 | 53 | - | 53 | |
| | Yuanta U.S. Treasury 20+ Year Bond ETF | " | " | 2 | 51 | - | 51 | |
| | Yuanta S&P US Dollar ER Futures ETF | " | " | 1 | 27 | - | 27 | |
| | Yuanta U.S. Treasury 7-10 Year Bond ETF | " | " | 11 | 390 | - | 390 | |
| | Yuanta Taiwan High Dividend Low Volatility ETF | " | " | 9 | 347 | - | 347 | |
| | Yuanta U.S. Treasury 1-3 Year Bond ETF | " | " | 1 | 24 | - | 24 | |
| | Yuanta U.S. 20+ Year BBB Corporate Bond ETF | " | " | 10 | 323 | - | 323 | |
| | Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF | " | " | 2 | 83 | - | 83 | |
| | Yuanta DJCI Silver ER Futures ETF | " | " | 1 | 13 | - | 13 | |
| | Yuanta MSCI China A ETF | " | " | 11 | 251 | - | 251 | |
| | Yuanta US 20+ Year AAA-A Corporate Bond ETF | " | " | 10 | 329 | - | 329 | |
| | Yuanta STOXX Global Artificial Intelligence ETF | " | " | 8 | 240 | - | 240 | |
| | Yuanta S&P U.S. High Yield Preferred Stock ETF | " | " | 1 | 25 | - | 25 | |
| | Yuanta US 10+ Investment Grade Bank Bond ETF | " | " | 7 | 209 | - | 209 | |
| | Yuanta US 10+ Investment Grade Healthcare Bond ETF | " | " | 14 | 471 | - | 471 | |
| | Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF | " | " | 7 | 218 | - | 218 | |
| | Yuanta FTSE4Good TIP Taiwan ESG ETF | " | " | 13 | 360 | - | 360 | |
| | Yuanta Global NextGen Communications ETF | " | " | 21 | 519 | - | 519 | |
| | Yuanta 15+ Year Emerging Markets Sovereign Bond ETF | " | " | 2 | 51 | - | 51 | |

| | | | | September 30, 2022 | | | | |
|--|--|--|--|------------------------------------|-------------------|-----------------------------------|-------------------|----------------|
| Name of company which holds securities | Category and name of securities (or name of issuer of securities) | Relationship between issuer of securities and the company | Account | Number of shares (In thousands) | Book value | Percentage of ownership (%) | Market value | Note |
| Yuanta Securities Investment Trust | Beneficiary certificates: | | | | | | | |
| | Yuanta Global 5G ETF | The managing company of the fund | Financial assets at fair value through profit or loss | 24 | \$ 551 | - | \$ 551 | |
| | Yuanta Wan Tai Money Market Fund | " | " | 6,525 | 100,028 | - | 100,028 | |
| | Yuanta Real Multi-Asset Fund TWD | " | " | 1,541 | 15,179 | - | 15,179 | |
| | | | | | <u>\$ 129,721</u> | | <u>\$ 129,721</u> | |
| | Stocks: | | | | | | | |
| | Taiwan Futures Exchange | - | Financial assets at fair value through other comprehensive income | 4,213 | \$ 364,269 | 0.88 | \$ 364,269 | |
| | FundRich Securities Co. Ltd. | - | " | 819 | 15,667 | 1.37 | 15,667 | |
| | | | | | <u>\$ 379,936</u> | | <u>\$ 379,936</u> | |
| | CR Yuanta Fund Management Company Limited | - | Long-term equity accounted for under the equity method | 147,000 | <u>\$ 348,378</u> | 24.50 | <u>\$ 348,378</u> | |
| Yuanta Asset Management | Beneficiary certificates: | | | | | | | |
| | Yuanta De-Li Money Market Fund | - | Financial assets at fair value through profit or loss | 6,061 | \$ 100,152 | - | \$ 100,152 | |
| | Taishin 1699 Money Market Fund | - | " | 13,943 | 191,390 | - | 191,390 | |
| | | | | | <u>\$ 291,542</u> | | <u>\$ 291,542</u> | |
| | Stocks: | | | | | | | |
| | Taiwan Finance Corporation | - | Financial assets at fair value through other comprehensive income | 828 | \$ 6,405 | 0.16 | \$ 6,405 | |
| | Sunsino Venture Co., Ltd. | - | " | 443 | 3,168 | 0.93 | 3,168 | |
| | DaYeh Development Co., Ltd. | - | " | 333 | 640 | 2.22 | 640 | |
| | Chung Yi Development Co., Ltd. | - | " | 2,278 | 91 | 6.63 | 91 | |
| | Global Investment Holdings Co., LTD. | - | " | 1,980 | 14,355 | 1.23 | 14,355 | |
| | China Trade And Development Corporation | - | " | 500 | 12,776 | 0.76 | 12,776 | |
| | | | | | <u>\$ 37,435</u> | | <u>\$ 37,435</u> | |
| | Yuanta Venture Capital | Stocks: | | | | | | |
| United Renewable Energy Co., Ltd. | | - | Financial assets at fair value through profit or loss | 513 | \$ 9,099 | 0.03 | \$ 9,099 | Private equity |
| Taiwan Chelic Corp. Ltd. | | - | " | 500 | 25,600 | 0.74 | 25,600 | |
| Eurocharm Holdings Co., Ltd. | | - | " | 624 | 108,576 | 0.95 | 108,576 | |
| Ever Supreme Bio Technology Co., Ltd. | | - | " | 100 | 19,100 | 0.15 | 19,100 | |
| Tot Biopharm International Company Limited | | - | " | 15,606 | 189,317 | 2.04 | 189,317 | |
| Taiwan J Pharmaceuticals Co., Ltd. | | - | " | 1,282 | 16,310 | 1.71 | 16,310 | |
| Jing-Jan Retail Business Co., Ltd. | | - | " | 1,408 | 53,405 | 2.35 | 53,405 | |
| M3 Technology Inc. | | - | " | 899 | 80,011 | 2.23 | 80,011 | |
| Saultech Technology Co., Ltd. | | - | " | 438 | 15,880 | 1.45 | 15,880 | |

| 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 | September 30, 2022 | | | | |
|--|--|--|--|------------------------------------|----------------------------|--------|---------------------|-------------------|
| | | | | Number of shares (In thousands) | Percentage of ownership | | | |
| | | | | | Book value | (%) | Market value | Note |
| Yuanta Venture Capital | Stocks: | | | | | | | |
| | Taiwan Microloops Co., Ltd. | - | Financial assets at fair value through profit or loss | 855 | \$ 42,032 | 1.97 | \$ 42,032 | |
| | Ever Fortune. AI Co., Ltd. | - | " | 1,200 | 88,740 | 1.33 | 88,740 | |
| | Gorilla Technology Group Inc. | - | " | 399 | 146,112 | 0.55 | 146,112 | |
| | CGK International Co., Ltd (Cayman) | - | " | 877 | 11,944 | 2.39 | 11,944 | |
| | Aprevent Medical, Inc. | - | " | 394 | 126 | 2.12 | 126 | |
| | Aprevent Medical, Inc. | - | " | 1,808 | 25,904 | 9.71 | 25,904 | Preferred stock B |
| | Li Ling Film Co., Ltd. | - | " | 1,666 | 4,248 | 2.78 | 4,248 | |
| | Apollomics, Inc. | - | " | 1,634 | 17,076 | 0.13 | 17,076 | |
| | Bioflag International Corporation | - | " | 3,400 | 124,882 | 3.12 | 124,882 | |
| | Pharmosa Biopharm Co., Ltd. | - | " | 3,475 | 131,665 | 3.55 | 131,665 | |
| | IOVTEC Co., Ltd. | - | " | 645 | 24,236 | 4.47 | 24,236 | |
| | Shine-On BioMedical Co., Ltd. | - | " | 1,142 | 40,301 | 2.29 | 40,301 | |
| | GRAID Technology, Inc. | - | " | 682 | 29,355 | 2.96 | 29,355 | Preferred stock A |
| | Veden Dental Group | - | " | 246 | - | 0.53 | - | |
| | Phecda Technology Co. Ltd. | - | " | 252 | - | 0.89 | - | |
| | Long Diann Marine Bio Technology Co., Ltd. | - | " | 1,290 | - | 6.47 | - | |
| | MagV Co., Ltd. | - | " | 2,145 | - | 12.69 | - | |
| | GenePharm Biotech Corp. | - | " | 2,667 | - | 10.03 | - | |
| | Great Dream Pictures, Inc. | - | " | 200 | - | 19.96 | - | |
| | Mega Union Technology Incorporated | - | " | 900 | 57,897 | 1.66 | 57,897 | |
| | YU-CHEN SYSTEM Technology Corp. | - | " | 1,200 | 72,084 | 8.60 | 72,084 | |
| | Skytech Inc. | - | " | 100 | 4,831 | 0.18 | 4,831 | |
| | Asia Pacific Venture Invest II L.P. | - | " | - | 749 | 10.00 | 749 | |
| | Taiwan Speciality Chemicals Corporation | - | " | 235 | 26,165 | 0.17 | 26,165 | |
| | Certain Micro Application Technology Inc. | - | " | 1,200 | 33,132 | 7.45 | 33,132 | |
| | GCT Semiconductor Inc. | - | " | 1,402 | - | 1.10 | - | Preferred stock G |
| | | | | | <u>\$ 1,398,777</u> | | <u>\$ 1,398,777</u> | |
| | Yuanta I Venture Capital Co., Ltd. | Investee company accounted for under the equity method | Long-term equity accounted for under the equity method | 85,000 | <u>\$ 924,810</u> | 100.00 | <u>\$ 924,810</u> | |
| | Da Hwa Venture Capital Co., Ltd. | - | Financial assets at fair value through other comprehensive income | 800 | \$ 8,320 | 0.50 | \$ 8,320 | |
| | Prudence Capital Management | - | " | 939 | 17,020 | 9.00 | 17,020 | |
| | Sheng Hwa Venture Capital Co., Ltd. | - | " | 1,064 | 5,647 | 4.80 | 5,647 | |
| | Lian Xun San Venture Capital Co., Ltd. | - | " | 10 | 206 | 10.00 | 206 | |
| | Hwa Lu Venture Capital Co., Ltd. | - | " | 261 | 17,309 | 8.70 | 17,309 | |
| | Sheng Yuan Venture Capital Co., Ltd. | - | " | 84 | 3,238 | 9.88 | 3,238 | |
| | Qi Ding Venture Capital Co., Ltd. | - | " | 335 | 2,787 | 4.35 | 2,787 | |

| 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 | September 30, 2022 | | | | |
|--|--|--|--|------------------------------------|------------------|-----------------------------------|------------------|------|
| | | | | Number of shares (In thousands) | Book value | Percentage of ownership (%) | Market value | Note |
| Yuanta Venture Capital | Stocks: | | | | | | | |
| | Der Yang Biotechnology Venture Capital Co., Ltd. | - | Financial assets at fair value through other comprehensive income | 207 | \$ 2,773 | 10.00 | \$ 2,773 | |
| | Huiyang Venture Capital Co., Ltd. | - | " | 67 | 2,804 | 2.46 | 2,804 | |
| | | | | | <u>\$ 60,104</u> | | <u>\$ 60,104</u> | |

(4) Investments in Mainland China

A. Information of investment in Mainland China

Yuanta Venture Capital

(Expressed in thousands of dollars)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Net income of investee as of September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 (Note 4) | Book value of investments in Mainland China as of September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022 |
|--|--|-------------------------------|--|--|---|----------------------------|---|--|---|--|---|--|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | |
| Tot Biopharm International Company Limited | Pharmaceutical company specializes in cancer treatment | \$ 8,811,857 (USD 277,600) | (2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED | \$ 200,935 | \$ - | \$ - | \$ 200,935 | Note 5 | 2.04% | \$ - | \$ 200,935 | \$ - |
| Jhong Shan Dong Yi Technology Co., Ltd. | Protection glass grinding and sales | 253,944 (USD 8,000) | (2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD. | 8,258 | - | - | 8,258 | Note 5 | 2.39% | - | 8,258 | - |
| Orient Optical Crystal Mfg. Co | Protection glass grinding and sales | 20,219 (HKD 5,000) | | | | | | | | | | |
| Veden Dental Labs Inc. | Manufacturing dental restoration | 335,635 (HKD 83,000) | (2) CAYMAN ISLANDS VEDEN DENTAL GROUP | 22,762 | - | - | 22,762 | Note 5 | 0.53% | - | 22,762 | - |

Yuanta I Venture Capital

(Expressed in thousands of dollars)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Net income of investee as of September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 (Note 4) | Book value of investments in Mainland China as of September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022 |
|--|--------------------------|------------------------------|---|--|---|-------------------------|---|---|--|--|--|--|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | |
| Jie Qun Electronic Technology (Dong Guan) Ltd. | Transistors | \$ 2,797,085 (USD 88,117) | (2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, | \$ 40,735 | \$ - | \$ - | \$ 40,735 | Note 5 | 3.18% | \$ - | \$ 27,112 | \$ 26,029 |

Yuanta Securities

(Expressed in thousands of dollars)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Net income of investee as of September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended September 30, 2022 (Note 2) | Book value of investments in Mainland China as of September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022 |
|---|--|--------------------------|---|--|---|-------------------------|---|---|--|---|--|--|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | |
| GC Investment Consultant (Shanghai) | Investment consultation | \$ 18,512 (RMB 4,138) | (3) | \$ - | \$ - | \$ - | \$ - | \$ 263 | 100.00% | In liquidation | \$ 22,922 | \$ - |
| Yuanta Securities Investment Consultant (Beijing) | Investment management consulting service, financial consulting service, business administration consulting service, business information consulting service, economic and trade consulting service, marketing and planning, technical promotion and services | 82,451 (RMB 18,428) | (2) Yuanta Securities Asia Financial Service | - | - | - | - | (1,028) | 100.00% | (1,028) (2)B | 11,205 | - |

Yuanta Securities Investment Trust

(Expressed in thousands of dollars)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Net income of investee as of September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended September 30, 2022 (Note 2) | Book value of investments in Mainland China as of September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022 |
|---|--------------------------|-------------------------------|----------------------------|--|---|-------------------------|---|---|--|---|--|--|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | |
| CR Yuanta Fund Management Company Limited | Fund raising and sale | \$ 2,684,460 (RMB 600,000) | (1) | \$ 705,666 | \$ - | \$ - | \$ 705,666 | \$ 4,701 | 24.50% | \$ 1,152 (2)C | \$ 348,378 | \$ - |

Yuanta Futures

(Expressed in thousands of dollars)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Net income of investee as of September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended September 30, 2022 (Note 2) | Book value of investments in Mainland China as of September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022 |
|----------------------------|----------------------------|----------------------------|----------------------------|--|---|-------------------------|---|---|--|---|--|--|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | |
| SYF Information (Shanghai) | Computer software services | \$ 157,209 (RMB 33,080) | (3) | \$ 157,209 | \$ - | \$ - | \$ 157,209 | \$ 4,209 | 100.00% | \$ 1,991 (2)C | \$ 118,159 | \$ - |

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

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note) |
|---|---|--|--|
| Yuanta Venture Capital and its subsidiaries | \$272,690 | \$310,905 | \$1,692,776 |
| GC Investment Consultant (Shanghai) | - | Note 6 | Note 6 |
| Yuanta Investment Consulting Beijing | - | 91,973 | 87,112,354 |
| Yuanta Securities Investment Trust | 705,666 | 705,666 | 3,337,976 |
| Yuanta Futures | 157,209 | 174,000 | 7,541,383 |

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$2,821,293.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$145,187,256.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,563,293.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$12,568,972.

Note 1: Investment methods are classified into the following three categories; fill in the number of the category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2022' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

a. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

b. The financial statements that are audited and attested by R.O.C. parent company's CPA.

c. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The investment targets are Yuanta Venture Capital and Yuanta I Venture Capital's information of investment in Mainland China and are recognised as financial assets at fair value through profit or loss, therefore, there was no investment income (loss) recognised.

Note 5: The Company's subsidiary does not have significant influence over the investee. Thus, financial information on the investee is unattainable.

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired USD 16 million capital of GC Investment Consultant (Shanghai) Co., Ltd., a subsidiary of GC Investment Consultant (Asian) Co., Ltd. (renamed as Polaris Capital afterwards), being reinvested by Polaris Holdings (Cayman) Ltd., the direct overseas investment of Polaris Securities. GC Investment Consultant (Shanghai) Co., Ltd. was approved to liquidate, the Yuanta Group has no significant influence over the company, therefore, the equity method was no longer applicable.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of September 30, 2022.

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

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

| No. (Note 1) | Company | Counterparty | Relationship (Note 2) | Details of transactions | | | |
|-----------------|---------------------------|---|--------------------------|---|------------|--|---|
| | | | | Account | Amount | Conditions | Percentage of total consolidated net revenues or assets (Note 3) |
| 0 | Yuanta Financial Holdings | Yuanta Life | 1 | Payables | 3,898,968 | No significant difference from general customers | 0.13% |
| 0 | Yuanta Financial Holdings | Yuanta Bank | 1 | Payables | 149,856 | " | 0.01% |
| 0 | Yuanta Financial Holdings | Yuanta Bank | 1 | Cash and cash equivalents | 274,236 | " | 0.01% |
| 0 | Yuanta Financial Holdings | Yuanta Bank | 1 | Cash and cash equivalents | 901,501 | " | 0.03% |
| 1 | Yuanta Securities | Yuanta Futures | 3 | Cash and cash equivalents | 2,104,417 | " | 0.07% |
| 1 | Yuanta Securities | Yuanta Futures(Hong Kong) | 3 | Cash and cash equivalents | 179,112 | " | 0.01% |
| 1 | Yuanta Securities | Yuanta Futures | 3 | Financial assets at fair value through profit or loss | 1,481,036 | " | 0.05% |
| 1 | Yuanta Securities | Yuanta Life | 3 | Right-of-use assets – net | 297,648 | " | 0.01% |
| 1 | Yuanta Securities | Yuanta Securities (Hong Kong) | 3 | Receivables | 112,212 | " | 0.00% |
| 1 | Yuanta Securities | Yuanta Life | 3 | Lease liabilities | 324,232 | " | 0.01% |
| 1 | Yuanta Securities | Yuanta Futures | 3 | Net service fee and commission income | 217,971 | " | 0.29% |
| 1 | Yuanta Securities | Yuanta Securities Investment Consulting | 3 | Other business and administrative expenses | 150,804 | " | 0.20% |
| 1 | Yuanta Securities | Yuanta International Insurance Brokers | 3 | Net other miscellaneous income | 156,640 | " | 0.21% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Cash and cash equivalents | 104,076 | " | 0.00% |
| 2 | Yuanta Bank | Yuanta Securities Investment Consulting | 3 | Deposits and remittances | 126,607 | " | 0.00% |
| 2 | Yuanta Bank | Yuanta Securities Finance | 3 | Deposits and remittances | 400,789 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Life | 3 | Deposits and remittances | 887,800 | " | 0.03% |
| 2 | Yuanta Bank | Yuanta Securities | 3 | Deposits and remittances | 3,030,486 | " | 0.10% |
| 2 | Yuanta Bank | Yuanta International Insurance Brokers | 3 | Deposits and remittances | 206,156 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Deposits and remittances | 167,856 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Securities | 3 | Deposits and remittances | 12,087,323 | " | 0.41% |
| 2 | Yuanta Bank | Yuanta Securities Asia Financial Services | 3 | Deposits and remittances | 178,263 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Securities (Hong Kong) | 3 | Deposits and remittances | 134,744 | " | 0.00% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Deposits and remittances | 6,169,725 | " | 0.21% |

| No. (Note 1) | Company | Counterparty | Relationship (Note 2) | Details of transactions | | | |
|-----------------|----------------|---|--------------------------|--|------------|--|---|
| | | | | Account | Amount | Conditions | Percentage of total consolidated net revenues or assets (Note 3) |
| 2 | Yuanta Bank | SYF Information (Shanghai) | 3 | Deposits and remittances | 157,100 | No significant difference from general customers | 0.01% |
| 2 | Yuanta Bank | Yuanta Securities Investment Trust | 3 | Deposits and remittances | 3,596,500 | " | 0.12% |
| 2 | Yuanta Bank | Yuanta Securities Investment Consulting | 3 | Deposits and remittances | 216,500 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Life | 3 | Deposits and remittances | 3,000,000 | " | 0.10% |
| 2 | Yuanta Bank | Yuanta Venture Capital | 3 | Deposits and remittances | 353,500 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta I Venture Capital | 3 | Deposits and remittances | 277,200 | " | 0.01% |
| 2 | Yuanta Bank | Yuanta Asset Management | 3 | Deposits and remittances | 603,900 | " | 0.02% |
| 2 | Yuanta Bank | Yuanta Securities | 3 | Deposits and remittances | 13,125,311 | " | 0.44% |
| 2 | Yuanta Bank | Yuanta Securities Asia Financial Services | 3 | Deposits and remittances | 803,098 | " | 0.03% |
| 2 | Yuanta Bank | Yuanta Securities (Hong Kong) | 3 | Deposits and remittances | 5,013,201 | " | 0.17% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Deposits and remittances | 5,402,580 | " | 0.18% |
| 2 | Yuanta Bank | Yuanta Life | 3 | Deposits and remittances | 476,145 | " | 0.02% |
| 2 | Yuanta Bank | Yuanta Securities | 3 | Deposits and remittances | 9,999,045 | " | 0.34% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Deposits and remittances | 17,907,593 | " | 0.60% |
| 2 | Yuanta Bank | Yuanta Life | 3 | Net service fee and commission income | 751,221 | " | 1.00% |
| 2 | Yuanta Bank | Yuanta Life | 3 | Net service fee and commission income | 152,419 | " | 0.20% |
| 2 | Yuanta Bank | Yuanta Futures | 3 | Interest expenses | 156,697 | " | 0.21% |
| 2 | Yuanta Bank | Yuanta Securities | 3 | Other business and administrative expenses | 150,495 | " | 0.20% |
| 3 | Yuanta Futures | Yuanta Futures(Hong Kong) | 3 | Other financial assets – net | 567,117 | " | 0.02% |
| 3 | Yuanta Futures | Yuanta Life | 3 | Right-of-use assets – net | 112,395 | " | 0.00% |
| 3 | Yuanta Futures | Yuanta Life | 3 | Lease liabilities | 123,487 | " | 0.00% |
| 3 | Yuanta Futures | Yuanta Futures(Hong Kong) | 3 | Other financial liabilities | 495,812 | " | 0.02% |
| 3 | Yuanta Futures | Yuanta Securities (Korea) | 3 | Other financial liabilities | 242,715 | " | 0.01% |

| No. (Note 1) | Company | Counterparty | Relationship (Note 2) | Details of transactions | | | |
|-----------------|---|--|--------------------------|--|-----------|--|---|
| | | | | Account | Amount | Conditions | Percentage of total consolidated net revenues or assets (Note 3) |
| 4 | Yuanta Life | Yuanta International Insurance Brokers | 3 | Net service fee and commission income | 533,109 | No significant difference from general customers | 0.71% |
| 5 | Yuanta Securities Asia Financial Services | Yuanta Securities (Korea) | 3 | Financial assets at fair value through profit or loss | 3,071,235 | " | 0.10% |
| 5 | Yuanta Securities Asia Financial Services | Yuanta Securities (Korea) | 3 | Equity investments accounted for under the equity method – net | 356,577 | " | 0.01% |
| 5 | Yuanta Securities Asia Financial Services | Yuanta Securities (Korea) | 3 | Exchange differences on translating foreign operations | 133,400 | " | 0.18% |
| 5 | Yuanta Securities Asia Financial Services | Yuanta Securities (Korea) | 3 | Non-controlling interests | 153,770 | " | 0.01% |
| 5 | Yuanta Securities Asia Financial Services | Yuanta Securities (Indonesia) | 3 | Receivables – net | 714,523 | " | 0.02% |
| 6 | Yuanta Securities (Hong Kong) | Yuanta Asia Investment (Hong Kong) | 3 | Payables | 340,882 | " | 0.01% |
| 7 | Yuanta Futures (Hong Kong) | Yuanta Securities (Vietnam) | 3 | Other financial assets – net | 332,622 | " | 0.01% |

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

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

Note 2: There are three types of relationships with the counterparties and they are labeled as follows (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transactions with a subsidiary, then the subsidiary is not required to disclose the transactions; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transactions, then the other is not required to disclose the transactions) :

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

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

Note 4: The transactions disclosed are those over \$100,000.

14. Segment information

(1) General information

A. Recognition elements of reporting segment

The Yuanta Group is mainly engaged in the investment and management of its investees; therefore, the management reports are provided to the Chief Operating Decision-Maker (“CODM”) to allocate resources to operating segments and evaluate their performance. The Yuanta Group’s management recognised reporting segments based on the policies adopted by the CODM.

B. The income sources and service types of each reporting segment

The management has recognised reporting segments based on the reporting information used by the CODM. The Yuanta Group has five reporting segments according to the types of income sources: banking, securities, futures, insurance and others. The products and types of service of the income sources are as follows:

- (A) Banking: corporate banking, personal banking and wealth management in accordance with the Banking Act.
- (B) Securities: securities dealing or consignment trading, underwriting securities, registration and transfer agency service for securities, assistance of futures trading, futures dealing, and issuing call (put) warrants, derivative financial instrument transactions including interest rate swap, asset swap and structured notes.
- (C) Futures: domestic and foreign futures merchant business, self-operating business, futures consultation business, futures agency, self-operating securities business and other futures relating business as approved by authorities.
- (D) Insurance: the main activities comprise life insurance enterprises and provision of life, medical, accident injury and investment-oriented insurance products.
- (E) Others: includes those not mentioned above, for example, investment trust, investment consulting, venture capital and asset management businesses.

(2) Measurement of segment information – measurement of the profit and loss of operating segments

The Yuanta Group’s measurement principles for profit and loss of operating segments is consistent with the significant accounting policies stated in Note 4, and the measurement of profit and loss performance is based on pre-tax profit and loss.

Inter-segmental transactions are arm’s-length transactions, and the gain and loss arising from such transactions are eliminated by the parent company in the consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

Expressed in Thousands of New Taiwan Dollars

For the nine months ended September 30, 2022

| | Banking | Securities | Futures | Insurance | Others | Adjustment and elimination | Consolidated |
|--|---------------|---------------|--------------|---------------|--------------|-------------------------------|---------------|
| Revenue from external customers | \$ 15,297,126 | \$ 31,547,036 | \$ 2,106,292 | \$ 23,439,392 | \$ 2,840,698 | \$ - | \$ 75,230,544 |
| Revenue (loss) from transactions with other operating segments of the same entity | 639,360 | 1,067,498 | 40,268 | (1,257,861) | 330,680 | (819,945) | - |
| Net revenues (Note) | 15,936,486 | 32,614,534 | 2,146,560 | 22,181,531 | 3,171,378 | (819,945) | 75,230,544 |
| Provision for bad debt expenses, commitment and guarantee policy reserve | (203,703) | 32,893 | 2,027 | (364) | - | - | (169,147) |
| Net change in provisions for insurance liabilities | - | - | - | (16,632,692) | - | 113,172 | (16,519,520) |
| Operating expenses | (8,593,533) | (20,457,170) | (1,135,390) | (1,185,846) | (2,357,486) | 769,744 | (32,959,681) |
| Income from continuing operations before income tax | \$ 7,139,250 | \$ 12,190,257 | \$ 1,013,197 | \$ 4,362,629 | \$ 813,892 | \$ 62,971 | \$ 25,582,196 |

For the nine months ended September 30, 2021

| | Banking | Securities | Futures | Insurance | Others | Adjustment and elimination | Consolidated |
|--|---------------|---------------|--------------|---------------|--------------|-------------------------------|---------------|
| Revenue from external customers | \$ 15,927,394 | \$ 52,373,002 | \$ 1,974,254 | \$ 22,184,699 | \$ 3,806,792 | \$ - | \$ 96,266,141 |
| Revenue (loss) from transactions with other operating segments of the same entity | 619,721 | 1,366,294 | (61,927) | (1,483,910) | 536,815 | (976,993) | - |
| Net revenues (Note) | 16,547,115 | 53,739,296 | 1,912,327 | 20,700,789 | 4,343,607 | (976,993) | 96,266,141 |
| Provision for bad debt expenses, commitment and guarantee policy reserve | (199,716) | 131,707 | 3,307 | (144) | (53,202) | - | (118,048) |
| Net change in provisions for insurance liabilities | - | - | - | (17,856,525) | - | 114,706 | (17,741,819) |
| Operating expenses | (8,475,308) | (28,566,349) | (1,030,218) | (1,104,816) | (2,536,602) | 678,994 | (41,034,299) |
| Income from continuing operations before income tax | \$ 7,872,091 | \$ 25,304,654 | \$ 885,416 | \$ 1,739,304 | \$ 1,753,803 | \$ 183,293 | \$ 37,371,975 |

Note: Net revenues include gain and loss on financial assets and liabilities at fair value through profit or loss, realised gain and loss on financial assets at fair value through other comprehensive income, foreign exchange gains and losses, and other non-interest income.