

YUANTA FINANCIAL HOLDING CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS ENDED
MARCH 31, 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.

PWCR21000546

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 March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three 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

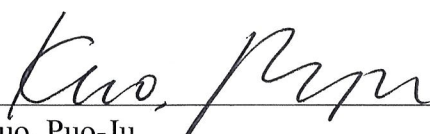
We conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible 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 March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three 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

May 20, 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)
(The consolidated balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

ASSETS	Notes	March 31, 2022		December 31, 2021		(Reclassified) March 31, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
11000	Cash and cash equivalents	6(1)	\$ 68,507,664	2	\$ 80,735,621	3	\$ 68,534,771	2
11500	Due from Central Bank and call loans to other banks	6(2),8	66,381,003	2	80,343,357	3	58,748,475	2
12000	Financial assets at fair value through profit or loss	6(3),7,8	517,157,939	17	529,242,141	17	586,331,286	21
12150	Financial assets at fair value through other comprehensive income – net	6(4),8	362,100,321	12	338,490,662	11	294,083,044	10
12200	Investments in debt instruments at amortised cost – net	6(5),8	527,959,087	17	508,638,932	17	451,402,582	16
12500	Investments in bills and bonds under resale agreements	6(6)	37,739,401	1	46,454,964	2	47,438,192	2
13000	Receivables – net	6(7),7	267,877,968	9	263,703,360	9	267,951,643	10
13200	Current income tax assets		30,608	-	48,001	-	556,589	-
13300	Assets held for sale – net	6(8)	194,563	-	194,563	-	203,730	-
13500	Bills discounted and loans – net	6(9),7	905,527,771	30	884,291,862	29	798,484,932	28
13700	Reinsurance contract assets – net	6(10)	1,422,996	-	1,329,521	-	1,205,376	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,407,257	-	3,115,594	-	2,770,303	-
15100	Restricted assets – net	8	3,789,514	-	2,472,029	-	2,529,140	-
15500	Other financial assets – net	6(12)	121,929,380	4	110,953,592	4	94,937,504	3
18000	Investment property – net	6(13),8	10,022,855	-	10,693,522	-	11,207,131	-
18500	Property and equipment – net	6(14),8	24,451,870	1	24,468,584	1	24,157,427	1
18600	Right-of-use assets, net	6(15)	11,391,939	1	12,443,951	-	12,891,577	1
19000	Intangible assets – net	6(17)	31,019,711	1	31,046,281	1	31,381,987	1
19300	Deferred income tax assets		6,645,364	-	7,484,946	-	6,020,177	-
19500	Other assets – net	6(18),7,8	90,647,606	3	86,867,819	3	73,268,030	3
TOTAL ASSETS			\$ 3,058,204,817	100	\$ 3,023,019,302	100	\$ 2,834,103,896	100

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YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

LIABILITIES AND EQUITY	Notes	March 31, 2022		December 31, 2021		(Reclassified) March 31, 2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
21000 Deposits from Central Bank and other Banks	6(20)	\$ 17,669,288	1	\$ 25,624,124	1	\$ 16,834,749	-
21500 Due to Central Bank and other banks		812,700	-	839,700	-	666,000	-
22000 Financial liabilities at fair value through profit or loss	6(3)(38)	177,984,847	6	158,685,739	5	175,250,067	6
22500 Bills and bonds payable under repurchase agreements	6(6) (47),7	180,326,487	6	183,865,849	6	196,361,820	7
22600 Commercial paper payable – net	6(21) (47)	60,428,388	2	49,983,502	2	47,118,252	2
23000 Payables	6(22),7	204,041,354	7	214,482,994	7	245,094,657	9
23200 Current income tax liabilities		8,152,496	-	7,892,094	-	8,761,799	-
23500 Deposits and remittances	6(23),7	1,426,444,155	47	1,375,002,383	46	1,239,578,017	44
24000 Bonds payable	6(24) (47)	82,613,202	3	82,539,085	3	80,290,894	3
24400 Other borrowings	6(25) (47)	65,430,984	2	59,998,200	2	53,795,727	2
24600 Liabilities reserve	6(26) (27)	344,797,033	11	336,342,258	11	319,471,569	11
25500 Other financial liabilities	6(28),7	138,840,119	4	126,619,428	4	103,251,103	4
26000 Lease liabilities	6(47)	4,471,671	-	5,720,785	-	6,087,775	-
29300 Deferred income tax liabilities		3,558,815	-	3,825,466	-	4,246,179	-
29500 Other liabilities	6(29),7	55,122,021	2	102,517,990	3	55,570,786	2
TOTAL LIABILITIES		<u>2,770,693,560</u>	<u>91</u>	<u>2,733,939,597</u>	<u>90</u>	<u>2,552,379,394</u>	<u>90</u>
31000 Equity attributable to owners of the parent company							
31100 Share capital							
31101 Common stock	6(30)	121,374,360	4	121,374,360	4	121,374,360	4
31500 Additional paid-in capital	6(31)	37,885,949	1	37,885,949	1	37,885,949	1
32000 Retained earnings							
32001 Legal reserve	6(32)	17,040,473	-	17,040,473	-	14,633,733	1
32003 Special reserve	6(32)	6,549,234	-	6,549,234	-	6,549,234	-
32011 Undistributed earnings	6(33)	83,815,484	3	77,775,254	3	70,151,316	2
32500 Other equity							
32500 Other equity interest	6(34)	582,749	-	8,410,191	1	10,357,402	1
39500 Non-controlling interests		<u>20,263,008</u>	<u>1</u>	<u>20,044,244</u>	<u>1</u>	<u>20,772,508</u>	<u>1</u>
Total Equity		<u>287,511,257</u>	<u>9</u>	<u>289,079,705</u>	<u>10</u>	<u>281,724,502</u>	<u>10</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 3,058,204,817</u>	<u>100</u>	<u>\$ 3,023,019,302</u>	<u>100</u>	<u>\$ 2,834,103,896</u>	<u>100</u>

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

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

				For the three months ended March 31,			
				2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
41000	Interest income	6(35),7	\$ 9,747,767	38	\$ 8,901,976	26	
51000	Less: Interest expense	6(35),7	(2,035,689)	(8)	(1,709,712)	(5)	
49600	Net interest income	6(35)	<u>7,712,078</u>	<u>30</u>	<u>7,192,264</u>	<u>21</u>	
Net non-interest income							
49800	Net service fee and commission income	6(36),7	7,293,529	28	9,273,275	27	
49810	Net income from insurance operations	6(37),7	5,640,561	22	6,297,304	18	
49820	(Loss) gain on financial assets and financial liabilities at fair value through profit or loss	6(38),7	(4,104,525)	(16)	7,342,451	21	
49825	Gain on investment property	7	131,726	-	59,387	-	
49835	Realised gain on financial assets at fair value through other comprehensive income		300,110	1	674,238	2	
49850	Net gain arising from derecognition of financial assets measured at amortised cost	6(5)(9)	145,212	1	821,209	2	
49870	Foreign exchange gain		6,527,189	25	151,682	1	
49880	Asset impairment loss	6(39)	(10,985)	-	(6,823)	-	
49890	Share of the profit or loss of associates and joint ventures accounted for using the equity method	6(11)	183,873	1	152,338	1	
49898	Gain on reclassification under the overlay approach		907,544	4	733,920	2	
49921	Net gain on sale of non-performing loans		65,972	-	64,960	-	
49945	Consultation service income		1,033,421	4	990,217	3	
49999	Net other miscellaneous (loss) income	6(40),7	(6,156)	-	844,305	2	
49700	Total net non-interest income		<u>18,107,471</u>	<u>70</u>	<u>27,398,463</u>	<u>79</u>	
	Net profit		25,819,549	100	34,590,727	100	
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	45,770	-	(73,462)	-	
58300	Net change in provisions for insurance liabilities	6(26)	(6,205,256)	(24)	(7,024,799)	(21)	
Operating expenses							
58501	Employee benefit expense	6(42),7	(6,928,667)	(27)	(9,059,373)	(26)	
58503	Depreciation and amortization	6(43)	(808,541)	(3)	(782,933)	(2)	
58599	Other business and administrative expenses	6(44),7	(3,651,098)	(14)	(3,714,011)	(11)	
58500	Total Operating Expenses		<u>(11,388,306)</u>	<u>(44)</u>	<u>(13,556,317)</u>	<u>(39)</u>	
61000	Consolidated income from continuing operations before income tax		8,271,757	32	13,936,149	40	
61003	Income tax expense	6(45)	(1,623,662)	(6)	(3,180,706)	(9)	
69000	Consolidated net income		<u>\$ 6,648,095</u>	<u>26</u>	<u>\$ 10,755,443</u>	<u>31</u>	

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

Items	Notes	For the three months ended March 31,			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
69561	Loss on remeasurements of defined benefit plans	(\$ 218,075)	(1)	(\$ 78,427)	-
69563	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	160	-	521	-
69565	Change in fair value of financial liability attributable to change in credit risk of liability	59	-	54	-
69567	Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	667,169	3	4,309,878	12
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	54,244	-	22,054	-
Components of other comprehensive income that will be reclassified to profit or loss					
69571	Exchange differences on translation of foreign financial statements	1,107,309	4	1,743,028	(5)
69585	Revaluation loss from investments in debt instruments measured at fair value through other comprehensive income	(8,775,500)	(34)	(4,311,317)	(13)
69587	Impairment loss (gain) from investments in debt instruments measured at fair value through other comprehensive income	4,649	-	3,498	-
69590	Other comprehensive loss on reclassification under the overlay approach	(907,544)	(3)	(733,920)	(2)
69579	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	272,738	1	275,032	1
69500	Other comprehensive loss(net of tax)	(\$ 7,794,791)	(30)	(\$ 2,307,909)	(7)
69700	Total comprehensive (loss) income	(\$ 1,146,696)	(4)	\$ 8,447,534	24
Consolidated net income attributable to:					
69901	Parent company	\$ 6,166,106	24	\$ 9,407,300	27
69903	Non-controlling interests	481,989	2	1,348,143	4
		<u>\$ 6,648,095</u>	<u>26</u>	<u>\$ 10,755,443</u>	<u>31</u>
Consolidated comprehensive income (loss) attributable to:					
69951	Parent company	(\$ 1,787,212)	(6)	\$ 7,615,405	22
69953	Non-controlling interests	640,516	2	832,129	2
		(\$ 1,146,696)	(4)	\$ 8,447,534	24
Earnings per share (in New Taiwan Dollars)					
70001	Basic and diluted earnings per share		0.51		0.78

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)

(UNAUDITED)

	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 three months ended March 31, 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	-	-	-	-	9,407,300	-	-	-	-	1,348,143	10,755,443
Other comprehensive income (loss) for the period	-	-	-	-	(34,670)	(1,120,161)	84,332	(721,342)	(54)	(516,014)	(2,307,909)
Total comprehensive income (loss) for the period	-	-	-	-	9,372,630	(1,120,161)	84,332	(721,342)	(54)	832,129	8,447,534
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(340,478)	(340,478)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	444,896	(444,896)	-	-	-	-	-
Balance, March 31, 2021	<u>\$ 121,374,360</u>	<u>\$ 37,885,949</u>	<u>\$ 14,633,733</u>	<u>\$ 6,549,234</u>	<u>\$ 70,151,316</u>	<u>(\$ 5,587,297)</u>	<u>\$ 16,365,584</u>	<u>(\$ 375,693)</u>	<u>(\$ 45,192)</u>	<u>\$ 20,772,508</u>	<u>\$ 281,724,502</u>
<u>For the three months ended March 31, 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	-	-	-	-	6,166,106	-	-	-	-	481,989	6,648,095
Other comprehensive income (loss) for the period	-	-	-	-	(93,633)	874,728	(7,850,316)	(884,156)	59	158,527	(7,794,791)
Total comprehensive income (loss) for the period	-	-	-	-	6,072,473	874,728	(7,850,316)	(884,156)	59	640,516	(1,146,696)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(421,752)	(421,752)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(32,243)	-	32,243	-	-	-	-
Balance, March 31, 2022	<u>\$ 121,374,360</u>	<u>\$ 37,885,949</u>	<u>\$ 17,040,473</u>	<u>\$ 6,549,234</u>	<u>\$ 83,815,484</u>	<u>(\$ 7,525,395)</u>	<u>\$ 10,112,599</u>	<u>(\$ 1,956,893)</u>	<u>(\$ 47,562)</u>	<u>\$ 20,263,008</u>	<u>\$ 287,511,257</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)
(UNAUDITED)

	For the three months ended March 31,	
	2022	(Reclassified) 2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 8,271,757	\$ 13,936,149
Adjustments		
Income and expense items		
Depreciation	667,002	647,497
Amortization	141,539	135,436
Provision for bad debt expense, commitment and guarantee policy reserve	221,474	347,587
Interest expense	2,035,689	1,709,712
Interest income	(9,747,767)	(8,901,976)
Dividend income	(478,895)	(609,940)
Impairment loss on financial assets	10,985	6,823
Gain reclassified by applying overlay approach	(907,544)	(733,920)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(183,873)	(152,338)
Gain on disposal of investment property	(82,455)	(4,279)
(Gain) loss from disposal or retirement of property and equipment	(52,166)	951
Gain on lease modification	(117,107)	-
Gain on lease concession	(97)	(3,581)
Net change in insurance liabilities	7,435,373	6,926,250
Changes in operating assets and liabilities		
Changes in operating assets		
Increase in due to Central Bank and call loans to other banks	(628,822)	(1,219,076)
Decrease in financial assets at fair value through profit or loss	12,084,202	261,353
Increase in financial assets at fair value through other comprehensive income	(31,717,954)	(15,695,333)
Increase in investments in debt instruments measured at amortised cost	(19,326,504)	(21,054,630)
Increase in receivables	(3,541,746)	(24,748,695)
Increase in bills discounted and loans	(21,616,765)	(5,012,431)
Increase in reinsurance contract assets	(55,738)	(105,923)
Increase (decrease) in restricted assets	(1,317,485)	431,880
Increase in other financial assets	(8,607,518)	(9,177,225)
Increase in other assets	(3,782,345)	(11,438,411)
Changes in operating liabilities		
(Decrease) increase in deposits from Central Bank and other banks	(7,954,836)	1,422,450
Increase in financial liabilities at fair value through profit or loss	19,299,167	11,792,509
Decrease in payables	(10,674,854)	(1,787,381)
Increase in deposits and remittances	51,441,772	28,557,623
Decrease in liabilities reserve	(965,354)	(668,477)
Increase in other financial liabilities	9,913,428	7,789,355
Decrease (increase) in other liabilities	(47,406,726)	9,100,865
Cash outflow generated from operations	(57,644,163)	(18,247,176)
Interest received	9,458,063	8,888,060
Dividend received	308,171	440,273
Interest paid	(1,826,919)	(1,636,232)
Income tax paid	(449,368)	(641,886)
Net cash flows used in operating activities	(50,154,216)	(11,196,961)

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

	For the three months ended March 31,	
	2022	(Reclassified) 2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for using equity method	(\$ 86,661)	(\$ 102,230)
Proceeds from liquidation of investments accounted for using equity method	28,711	91,513
Acquisition of investment property	(1,153)	(2,296)
Proceeds from disposal of investment property	522,914	24,732
Acquisition of property and equipment	(212,754)	(318,366)
Proceeds from disposal of property and equipment	264,538	5,734
Acquisition of intangible assets	(54,040)	(46,270)
Acquisition of right-of-use assets	(33)	(22)
Net cash flows generated from (used in) investing activities	<u>461,522</u>	<u>(347,205)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	(27,000)	(9,000)
Decrease in bills and bonds sold under repurchase agreements	(3,539,362)	(20,259,367)
Increase in commercial paper payable	10,469,998	19,694,060
Proceeds from issuance of bonds	-	5,000,000
Proceeds from issuance of bank debentures	20,000,000	5,000,000
Repayments of bank debentures	(20,000,000)	(8,500,000)
Increase (decrease) in other borrowings	5,432,784	(4,000,334)
Principal payment for lease liabilities	(603,653)	(379,177)
Decrease in non-controlling interests	(421,752)	(340,478)
Net cash flows generated from (used in) financing activities	<u>11,311,015</u>	<u>(3,794,296)</u>
Net effect of foreign exchange rate changes on cash and cash equivalents	<u>2,846,983</u>	<u>(1,366,248)</u>
Net decrease in cash and cash equivalents	(35,534,696)	(16,704,710)
Cash and cash equivalents at beginning of period	<u>167,631,719</u>	<u>157,785,378</u>
Cash and cash equivalents at end of period	<u>\$ 132,097,023</u>	<u>\$ 141,080,668</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 68,507,664	\$ 68,534,771
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	25,849,958	25,107,705
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	<u>37,739,401</u>	<u>47,438,192</u>
Cash and cash equivalents at end of reporting period	<u>\$ 132,097,023</u>	<u>\$ 141,080,668</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
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, Unless Otherwise Indicated)
(UNAUDITED)

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. 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 recognized 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 authorization for issuance of the consolidated financial statements and procedures for authorization

These consolidated financial statements were reported to the Board of Directors and issued on May 20, 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

None.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
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
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
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

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 recognizes 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 recognizes 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 Companies, 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 recognized 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 recognized 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 interest are not considered. Acquisition costs that exceed fair value of identifiable assets recognized for shareholding ratio are recognized as goodwill; acquisition costs that are less than fair value of identifiable assets recognized for shareholding ratio are directly recognized 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 recognized 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
			March 31, 2022	December 31, 2021	March 31, 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 Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	100.00	
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance agency 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 Securities Asia Financial Services	Yuanta Securities (Hong Kong) Limited (“Yuanta Securities (Hong Kong)”)	Securities trading, futures contract trading, providing opinions on securities, futures contract and agency 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	
	Yuanta Investment Consulting (Beijing) (“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	57.39	57.39	57.39	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
Yuanta Securities Asia Financial Services	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	
	Yuanta Securities Thailand Limited (“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 1
Yuanta Securities (Korea)	Yuanta Investment Co.,Ltd.	Venture investment	57.39	57.39	57.39	
	Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”)	Investment holding	57.39	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	57.39	57.39	57.39	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta Investment	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	0.002	
	Yuanta Investment Management (Cayman)	Investment management	-	100.00	100.00	Note 2
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	7.38	7.38	9.84	Note 1
Yuanta Securities (Indonesia)	PT Yuanta Asset Management (Indonesia)	Investment management	99.998	99.998	99.998	
Yuanta Investment Management (Cayman)	Yuanta Diamonds Funds SPC - Yuanta Real Estate Securities Fund Segregated Portfolio	Investment in real estate investment trusts	-	-	21.09	Note 3
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	24.60	24.60	-	Note 4
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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
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	66.27	Note 5
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 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 2: 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 3: Subscribed in the first quarter of 2020 and redeemed in the fourth quarter of 2021.

Note 4: Subscribed in the third quarter of 2021.

Note 5: On June 30, 2021, the Board of Directors of Yuanta Futures approved to liquidate SYF Information (Shanghai) Limited. The liquidation had been approved by the competent authority on July 12, 2021. The local competent authority approved the liquidation on February 14, 2022, and the process is still ongoing.

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

March 31, 2022

Structured entities	Services
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 Seawork Co., Ltd.	Asset-backing
YK Star Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YK NineMall Co., Ltd.	Asset-backing
Gold Poongmu the 1st. 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
YFI Sokcho Co., Ltd.	Asset-backing
YK Gaon 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

March 31, 2022

Structured entities	Services
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 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

December 31, 2021

Structured entities	Services
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
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

December 31, 2021

Structured entities	Services
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

March 31, 2021

Structured entities	Services
YK Indus Co., Ltd.	Asset-backing
YFI Yeosu Co., Ltd.	Asset-backing
DK project second Co., Ltd.	Asset-backing
YK Hotel the 1st Co., Ltd.	Asset-backing
YK HD Co., Ltd.	Asset-backing
YFI Double S2 Co., Ltd.	Asset-backing
YK Dragon. Co., Ltd.	Asset-backing
Y.K.Glory the 1st.Co., Ltd.	Asset-backing
YK MEDICINE Co., Ltd.	Asset-backing
YKWork. Co., Ltd.	Asset-backing
YK MIRACLE Co., Ltd.	Asset-backing
SJ beomcheon second Co., Ltd.	Asset-backing
YK Maritime Co., Ltd.	Asset-backing
YK Mozart II Co., Ltd.	Asset-backing
YKSEAWORK. Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing
YK Songdo. Co., Ltd.	Asset-backing

March 31, 2021

Structured entities	Services
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
YKDragonLake Co., Ltd.	Asset-backing
YkNineMall Co., Ltd.	Asset-backing
YKSEONHWA. 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
Ostihuh the fifth Co., Ltd.	Asset-backing
YK Art the 1st Co., Ltd.	Asset-backing
YK Nohyung. Corp	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 Lusia Co., Ltd.	Asset-backing
Y.K Easy the First Co., Ltd.	Asset-backing

Although Yuanta Group does not hold 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 March 31, 2022, December 31, 2021, and March 31, 2021, the non-controlling interest amounted to \$20,263,008, \$20,044,244 and \$20,772,508, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Subsidiary	Principal place of business	Non-controlling interest					
		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	\$ 14,649,557	42.61%	\$ 14,613,515	42.61%	\$ 15,351,080	42.61%

The comprehensive income attributable to this non-controlling interest were \$434,635 and \$540,845 for the three months ended March 31, 2022 and 2021, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 347,140,128	\$ 327,228,785	\$ 356,091,407
Non-current assets	14,433,738	15,468,327	15,926,986
Current liabilities	(318,848,049)	(299,349,069)	(327,409,050)
Non-current liabilities	(7,065,635)	(7,826,487)	(7,412,463)
Total net assets	<u>\$ 35,660,182</u>	<u>\$ 35,521,556</u>	<u>\$ 37,196,880</u>

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the three months ended March 31,	
	2022	2021
Revenue	\$ 3,484,109	\$ 7,512,520
Profit before income tax	947,241	3,712,400
Income tax expense	(241,925)	(886,384)
Net income	705,316	2,826,016
Other comprehensive income (loss) (net of tax)	316,576	(1,373,133)
Total comprehensive income for the period	<u>\$ 1,021,892</u>	<u>\$ 1,452,883</u>

Consolidated statements of cash flows

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Net cash used in operating activities	\$ 441,663	\$ 4,667,847
Net cash provided by (used in) investing activities	504,523	(111,422)
Net cash provided by (used in) financing activities	1,187,382	(3,002,173)
Effect of exchange rates on cash and cash equivalents	1,862,651	(1,630,731)
Increase (decrease) in cash and cash equivalents	3,996,219	(76,479)
Cash and cash equivalents, beginning of period	14,286,007	18,526,138
Cash and cash equivalents, end of period	<u>\$ 18,282,226</u>	<u>\$ 18,449,659</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. Within the 12 months after the end of the reporting period when the services are rendered, the total undiscounted short-term pension benefits which the Yuanta Group needs to pay in the future are recognised as expenses.

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' bonus and directors' and supervisors' remuneration

Employees' bonus 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. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for 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 realization 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 realization 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 recognized 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 judgement, estimates and key sources of assumption uncertainty

There have been no significant changes as of March 31, 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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash	\$ 6,352,299	\$ 7,372,807	\$ 6,379,363
Deposits in banks	55,955,896	66,887,071	58,878,419
Futures excess margin and cash equivalents	5,009,350	4,735,560	2,841,050
Excess settlement reserve fund	-	-	35
Checks for clearing	1,190,119	1,740,183	435,904
Total	<u>\$ 68,507,664</u>	<u>\$ 80,735,621</u>	<u>\$ 68,534,771</u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Reserve for deposits - account A	\$ 13,270,564	\$ 15,899,701	\$ 13,440,050
Reserve for deposits - account B	40,040,617	39,520,433	33,332,097
Deposits by overseas branches to designated accounts of respective local central banks	1,861,983	2,258,756	2,811,346
Reserve for deposits	10,207,839	10,234,067	9,164,982
Call loans to banks	1,000,000	12,430,400	-
Total	<u>\$ 66,381,003</u>	<u>\$ 80,343,357</u>	<u>\$ 58,748,475</u>

- A. Reserves due from 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 March 31, 2022, December 31, 2021 and March 31, 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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 64,254,485	\$ 61,827,117	\$ 84,464,741
Beneficiary certificates / securities	40,397,362	48,402,870	59,286,396
Stocks of companies listed on TWSE or OTC	45,799,368	40,352,596	40,570,484
Emerging stocks	1,459,445	1,668,280	1,724,835
Government bonds	24,510,079	28,530,626	28,480,396
Bank debentures	107,510,850	102,569,797	123,402,795
Corporate bonds	74,969,568	88,225,853	87,083,930
Overseas bonds	-	-	885,267
Convertible corporate bonds	57,167,290	54,435,801	45,384,975
Derivative financial instruments	16,382,942	13,556,918	11,095,654
Structured products and others	4,714,401	1,964,315	4,725,655
Reserve for claims of customers' deposits with KSFC (Note 1)	70,133,262	76,340,247	84,517,497
Other marketable securities	11,048,518	5,641,320	8,232,347
Valuation adjustment	(1,189,631)	5,726,401	6,476,314
Total	<u>\$ 517,157,939</u>	<u>\$ 529,242,141</u>	<u>\$ 586,331,286</u>
Financial liabilities held for trading			
Derivative financial instruments	\$ 28,688,825	\$ 22,734,652	\$ 20,215,711
Non-derivative financial instruments	85,300,146	69,728,384	76,082,547
Valuation adjustment of financial liabilities held for trading – non-derivative financial instruments	2,173,224	5,391,115	13,302,570
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	39,389,464	39,668,565	47,789,996
Convertible bond asset swap not qualifying for derecognition (Note 2)	20,402,741	18,882,930	16,454,598
Others	2,030,447	2,280,093	1,404,645
Total	<u>\$ 177,984,847</u>	<u>\$ 158,685,739</u>	<u>\$ 175,250,067</u>

Note 1: KSFC stands for Korea Securities Finance Corporation.

Note 2: Financial instruments designated as at fair value through profit or loss on 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 as collateral as of March 31, 2022, December 31, 2021, and March 31, 2021.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Equity instruments			
Domestic stocks	\$ 13,795,335	\$ 5,103,414	\$ 11,965,881
Overseas stocks	701,507	450,556	842,413
	<u>14,496,842</u>	<u>5,553,970</u>	<u>12,808,294</u>
Domestic beneficiary certificates	14,280,928	14,176,553	18,891,474
Overseas beneficiary certificates	3,265,574	2,933,485	832,907
	<u>\$ 32,043,344</u>	<u>\$ 22,664,008</u>	<u>\$ 32,532,675</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 March 31,</u>	
	<u>2022</u>	<u>2021</u>
Loss recognised in accordance with IFRS 9	(\$ 882,802)	(\$ 301,028)
Less: Profit that would have been recognised under IAS 39	(24,742)	(432,892)
Loss from adopting the overlay approach	(\$ 907,544)	(\$ 733,920)
Effects on income tax	<u>\$ 23,388</u>	<u>\$ 12,577</u>

D. Please refer to Note 6(38) for the amounts recognized 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

<u>Items</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Debt instruments			
Government bonds	\$ 62,528,444	\$ 58,516,422	\$ 35,624,095
Bank debentures	68,437,043	63,650,211	51,758,321
Corporate bonds	182,108,634	173,353,614	161,484,012
Commercial paper	61,590	71,422	109,379
Others	1,515,712	1,424,392	480,145
Valuation adjustment	(9,750,556)	(1,610,813)	736,696
Subtotal	<u>304,900,867</u>	<u>295,405,248</u>	<u>250,192,648</u>
Equity instruments			
Listed stocks	\$ 25,362,984	\$ 13,421,708	\$ 18,117,460
Unlisted stocks/Emerging stocks	4,542,220	4,527,870	4,678,924
Others	3,514,693	3,315,506	2,701,281
Valuation adjustment	<u>23,779,557</u>	<u>23,036,430</u>	<u>19,608,831</u>
Subtotal	<u>57,199,454</u>	<u>44,301,514</u>	<u>45,106,496</u>
Statutory deposits	-	(1,216,100)	(1,216,100)
Total	<u>\$ 362,100,321</u>	<u>\$ 338,490,662</u>	<u>\$ 294,083,044</u>

A. As of March 31, 2022, December 31, 2021, and March 31, 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 recognized under other assets-net.

- B. The Yuanta Group elects to classify strategic equity investments not held for trading as financial assets measured at fair value through other comprehensive income. As of March 31, 2022, December 31, 2021, and March 31, 2021, the fair value of such investments were \$57,199,454, \$44,301,514 and \$45,106,496, respectively.
- C. For the three months ended March 31, 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 portfolio. The fair value of such equity investments sold amounted to \$2,785,480 and \$3,085,482, and accumulated (losses) gains on disposal were (\$23,536) and \$482,468, respectively.
- D. Amounts recognized 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 March 31,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 667,169	\$ 4,309,878
Reclassified to retained earnings due to derecognition of accumulated gains under the consideration of income tax	(\$ 32,243)	\$ 444,896
Dividend income recognised in profit or loss		
Held at end of period	\$ 233,225	\$ 122,319
Derecognised in the current period	-	3,150
	<u>\$ 233,225</u>	<u>\$ 125,469</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 8,708,579)	(\$ 3,764,600)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment (recovery) recognition	\$ 4,613	(\$ 1,446)
Reclassified due to derecognition	(66,885)	(548,769)
	<u>(\$ 62,272)</u>	<u>(\$ 550,215)</u>
Interest income recognised in profit or loss	<u>\$ 854,026</u>	<u>\$ 856,891</u>

- E. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of March 31, 2022, December 31, 2021 and March 31, 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	March 31, 2022	December 31, 2021	March 31, 2021
Government bonds	\$ 116,468,971	\$ 110,721,492	\$ 102,633,139
Time deposits	202,455,885	198,696,885	162,506,585
Bank debentures	97,111,631	92,164,285	86,931,477
Corporate bonds	115,638,275	109,549,412	101,822,916
Subtotal	531,674,762	511,132,074	453,894,117
Less: Accumulated impairment	(155,275)	(148,842)	(147,235)
Statutory deposits	(3,560,400)	(2,344,300)	(2,344,300)
Total	\$ 527,959,087	\$ 508,638,932	\$ 451,402,582

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

	For the three months ended March 31,	
	2022	2021
Interest income	\$ 2,546,061	\$ 2,255,512
Impairment loss	(6,349)	(1,568)
Gains on disposal	145,212	821,209
	\$ 2,684,924	\$ 3,075,153

B. The Yuanta Group sold certain financial assets at amortized cost for the three months ended March 31, 2022 and 2021, due to factors such as considering asset management purposes, 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 disposal gains of amortized cost of debt instrument were \$145,212 and \$821,209, respectively.

C. As of March 31, 2022, December 31, 2021, and March 31, 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 recognized under other assets-net.

D. Details of the Yuanta Group's financial assets at amortized cost pledged to others as collateral as of March 31, 2022, December 31, 2021 and March 31, 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

	March 31, 2022	December 31, 2021	March 31, 2021
Bills and bonds purchased under resale agreement	\$ 37,739,401	\$ 46,454,964	\$ 47,438,192
Interest rate range	0.25% ~ 2.22%	0.13% ~ 4.00%	0.13% ~ 1.68%
Contract resale amount	\$ 37,781,693	\$ 46,501,102	\$ 47,483,387
Bills and bonds payable under repurchase agreement	\$ 180,326,487	\$ 183,865,849	\$ 196,361,820
Interest rate range	-0.65% ~ 2.00%	-0.55% ~ 3.00%	-0.60% ~ 1.60%
Contract repurchase amount	\$ 183,536,251	\$ 187,259,926	\$ 200,276,504

(7) Receivables - net

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>	<u>January 1, 2021</u>
Interest receivable	\$ 8,151,003	\$ 7,861,299	\$ 7,052,383	\$ 7,038,467
Refinance guaranty receivable	52,539,565	48,803,911	39,460,421	34,546,103
Factoring receivable	4,941,578	5,463,356	4,594,346	4,150,504
Margin loans receivable	114,701,971	120,197,206	105,789,152	92,285,455
Spot exchange receivable (Note)	2,708,527	168,239	1,595,571	10,030,876
Credit card receivable	7,988,508	8,339,888	8,153,193	8,781,748
Settlement price receivable	11,457,150	11,619,438	8,850,834	16,043,185
Securities sold receivable	46,909,381	52,522,419	72,960,241	58,138,311
Other receivables	10,457,071	3,508,149	12,057,874	4,707,144
	9,906,871	7,298,067	9,519,653	8,890,883
Subtotal	<u>269,761,625</u>	<u>265,781,972</u>	<u>270,033,668</u>	<u>244,612,676</u>
Less: Allowance for doubtful accounts	(<u>1,883,657</u>)	(<u>2,078,612</u>)	(<u>2,082,025</u>)	(<u>2,136,230</u>)
Total	<u>\$ 267,877,968</u>	<u>\$ 263,703,360</u>	<u>\$ 267,951,643</u>	<u>\$ 242,476,446</u>

Note: To make information on financial statements more relevant, the Yuanta Group presents net receivables of spot exchange transactions or net spot exchange payable amount respectively after separately aggregated. The amount of spot exchange receivable and spot exchange payable on March 31, 2021 and January 1, 2021 should have been reduced by \$2,650,484 and \$1,514,244, respectively.

A. The Yuanta Group recognized appropriate allowance for debts for receivables. For the three months ended March 31, 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 March 31, 2022, December 31, 2021, and March 31, 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 5.95%~9.95%, 5.95%~9.75% and 5.95%~9.75%, respectively; the annual interest rates range of Yuanta Securities (Hong Kong) were 0.82%~12.88%, 0.76%~12.88% and 0.71%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were 18.00%, 16.00%~18.00% and 18.00% respectively; the annual interest rates range of Yuanta Securities (Thailand) were 3.85%~4.15%, 3.85%~4.15% and 3.85%~4.65%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 6.00%~12.00%, 6.00%~12.00% and 7.00%~12.00%, respectively.

(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 \$194,563, \$194,563 and \$203,730 as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. The fair value of the assets held for sale is based on the result of valuation by independent valuation experts, which was categorized within level 2 in the fair value hierarchy. For the three months ended March 31, 2022 and 2021, no part of the assets held for sale were sold.

(9) Bills discounted and loans - net

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Bills discounted	\$ 97,555	\$ 52,595	\$ 53,898
Overdrafts	3,525	3,495	2,209
Short-term loans	83,237,354	76,386,151	59,038,808
Short-term loans secured	79,634,083	78,421,921	69,367,895
Medium-term loans	107,670,734	108,695,496	114,887,027
Medium-term loans secured	236,661,275	237,792,993	207,708,022
Long-term loans	5,662,670	5,846,989	7,443,750
Long-term loans secured	396,273,253	380,497,850	341,650,053
Import-export negotiations	20,742	42,043	30,226
Accounts receivable factoring	470,038	369,409	520,138
Automatic policy loans	1,518,056	1,504,292	1,476,358
Life insurance policy loans	5,729,412	5,798,540	5,648,685
Loans transferred to non-performing loans	<u>2,125,680</u>	<u>2,100,281</u>	<u>3,662,749</u>
Subtotal	919,104,377	897,512,055	811,489,818
Less: Allowance for credit losses	(13,597,040)	(13,243,398)	(13,016,187)
Less: Adjustment for premium	<u>20,434</u>	<u>23,205</u>	<u>11,301</u>
Total	<u>\$ 905,527,771</u>	<u>\$ 884,291,862</u>	<u>\$ 798,484,932</u>

A. The Yuanta Group recognized appropriate allowance for bad debts for the bills discounted, loans and receivables. For the details of changes in allowance for bad debts in relation to bills discounted and loans for the three months ended March 31, 2022 and 2021, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Bills discounted and loans including adjustment for premium			
Yuanta Bank	\$ 897,587,727	\$ 875,442,970	\$ 789,317,667
Yuanta Securities	14,289,441	14,789,164	15,055,731
Yuanta Life	<u>7,247,643</u>	<u>7,303,126</u>	<u>7,127,721</u>
Subtotal	<u>919,124,811</u>	<u>897,535,260</u>	<u>811,501,119</u>
Allowance for credit losses			
Yuanta Bank	(\$ 12,657,457)	(\$ 12,320,067)	(\$ 11,616,654)
Yuanta Securities	(939,580)	(923,327)	(1,399,493)
Yuanta Life	(3)	(4)	(40)
Subtotal	<u>(13,597,040)</u>	<u>(13,243,398)</u>	<u>(13,016,187)</u>
Total	<u>\$ 905,527,771</u>	<u>\$ 884,291,862</u>	<u>\$ 798,484,932</u>

(10) Reinsurance contract assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Claims recoverable from reinsurers	\$ 625,800	\$ 589,641	\$ 451,338
Due from reinsurers and ceding companies	156,370	136,791	136,029
Reinsurance reserve assets			
ceded unearned premium reserve	444,019	457,017	495,090
Ceded claims reserve	196,807	146,072	122,919
Total	<u>\$ 1,422,996</u>	<u>\$ 1,329,521</u>	<u>\$ 1,205,376</u>

(11) Investments accounted for under the equity method

	<u>March 31, 2022</u>		<u>December 31, 2021</u>		<u>March 31, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management Company Limited	\$ 345,323	24.50%	\$ 337,265	24.50%	\$ 335,243	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	20,722	100.00%	20,126	100.00%	20,805	100.00%
Woori Asset Management Corp.	764,412	27.00%	751,041	27.00%	767,204	27.00%
Polaris Ocean Private Equity Fund	81,172	3.26%	75,719	3.26%	40,367	3.26%
2011 KIF-TONGYANG IT Venture Fund	-	-	-	-	30,193	17.20%
TONGYANG AGRI-FOOD INVESTMENT FUND II	72,157	40.74%	71,155	40.74%	89,920	40.74%
IBKC-TONGYANG Growth 2013 Private Equity Fund	126,146	10.71%	136,660	10.71%	142,379	10.71%
KVIC-Yuanta 2015 Overseas Advance Fund	235,786	44.00%	235,341	44.00%	294,966	44.00%
2016 KIF-Yuanta ICT Venture Fund	103,371	16.67%	98,532	16.67%	139,288	16.67%
Yuanta Secondary No.2 Fund	202,167	12.28%	191,683	12.28%	176,697	12.28%
Yuanta Secondary No.3 Private Equity Fund	689,795	15.26%	576,228	15.26%	440,118	15.26%
SJ-ULTRA V 1st FUND	28,622	34.48%	28,539	34.48%	31,081	34.48%
Yuanta SPAC IV	-	-	1,092	0.54%	1,191	0.54%
Yuanta-HPNT Private Equity Fund	4,699	0.09%	4,635	0.09%	5,025	0.09%
Yuanta SPAC V	-	-	677	0.25%	735	0.25%
Yuanta SPAC VI	-	-	-	-	734	0.22%

	<u>March 31, 2022</u>		<u>December 31, 2021</u>		<u>March 31, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Kiwoom-Yuanta 2019 Scale-up Fund	\$ 345,796	15.20%	\$ 277,222	15.20%	\$ 110,827	15.20%
Yuanta SPAC VII	2,109	0.91%	2,083	0.91%	2,251	0.91%
Yuanta SPAC VIII	463	0.15%	457	0.15%	501	0.15%
Yuanta Innovative Job Creation Fund	149,363	22.73%	127,096	22.73%	52,639	22.73%
Yuanta Quantum Jump No.1 Fund	86,726	12.50%	76,671	12.50%	88,139	12.50%
Yuanta Great Unicorn No.1 Fund	114,272	17.65%	68,833	17.65%	-	-
Yuanta Innovative Growth MPE Fund	34,156	14.02%	34,539	14.02%	-	-
	<u>\$ 3,407,257</u>		<u>\$ 3,115,594</u>		<u>\$ 2,770,303</u>	

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

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Net gain for the period from continuing operations	\$ 183,873	\$ 152,338
Other comprehensive gain (loss) (net of tax)	195	(801)

(12) Other financial assets - net

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Non-loans reclassified to non-performing loans	\$ 938,951	\$ 922,789	\$ 945,275
Less: Allowance for credit losses	(933,729)	(917,159)	(921,555)
	<u>5,222</u>	<u>5,630</u>	<u>23,720</u>
Purchase of claim receivable	1,829,103	1,834,995	1,847,991
Valuation adjustment on purchase of claim receivable	(21,546)	(21,729)	(21,266)
	<u>1,807,557</u>	<u>1,813,266</u>	<u>1,826,725</u>
Customer margin deposit account	86,944,094	78,225,201	84,299,399
Investment-linked insurance product assets	33,032,232	30,724,969	8,671,947
Securities borrowing and lending refundable deposits	58,514	39,934	33,004
Others	81,761	144,592	82,709
Total	<u>\$ 121,929,380</u>	<u>\$ 110,953,592</u>	<u>\$ 94,937,504</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 March 31, 2022, December 31, 2021, and March 31, 2021, as well as for the three months ended March 31, 2022 and 2021, details about the assets on insurance products, separated accounts were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Investment – linked insurance product assets			
Cash in bank	\$ -	\$ 105	\$ -
Financial assets at fair value through profit or loss	30,573,899	30,647,537	1,952,361
Other receivables	2,458,333	77,327	6,719,586
	<u>\$ 33,032,232</u>	<u>\$ 30,724,969</u>	<u>\$ 8,671,947</u>

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product – insurance contract	\$ 6,470,578	\$ 6,085,939	\$ 2,744,480
Reserve for investment linked insurance product – investment contract	26,553,899	24,578,809	5,923,370
Other payables	7,755	60,221	4,097
	<u>\$ 33,032,232</u>	<u>\$ 30,724,969</u>	<u>\$ 8,671,947</u>

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue on investment – linked insurance products		
Premium income	\$ 563,039	\$ 853,351
(Loss) gain on financial assets at fair value through profit or loss	(36,814)	56,455
Exchange loss	(1,342)	(888)
Interest income	1,207	1,415
Other income	772	909
	<u>\$ 526,862</u>	<u>\$ 911,242</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 63,739	\$ 58,465
Net change in reserve for investment-linked insurance product-insurance contract	383,297	830,553
Administrative expenses and other expenses	79,826	22,224
	<u>\$ 526,862</u>	<u>\$ 911,242</u>

(13) Investment property - net

March 31, 2022				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,076,450	\$ -	(\$ 208,180)	\$ 1,868,270
Buildings	2,057,487	(786,524)	(40,370)	1,230,593
Right-of-use assets	6,468,275	(212,298)	-	6,255,977
Investment property under construction	501,535	-	-	501,535
Prepayments for land and buildings	166,480	-	-	166,480
Total	<u>\$ 11,270,227</u>	<u>(\$ 998,822)</u>	<u>(\$ 248,550)</u>	<u>\$ 10,022,855</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>
March 31, 2021				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,842,467	\$ -	(\$ 217,021)	\$ 2,625,446
Buildings	2,802,195	(1,037,031)	(43,233)	1,721,931
Right-of-use assets	6,680,947	(202,285)	-	6,478,662
Investment property under construction	372,131	-	-	372,131
Prepayments for land and buildings	8,961	-	-	8,961
Total	<u>\$ 12,706,701</u>	<u>(\$ 1,239,316)</u>	<u>(\$ 260,254)</u>	<u>\$ 11,207,131</u>

Change in investment property of the Yuanta Group:

	For the three months ended March 31,	
	2022	2021
Cost		
At January 1	\$ 12,185,874	\$ 13,084,181
Additions	43,824	32,042
Disposals	(682,758)	(26,079)
Transferred out to property and equipment	(427,666)	(257,418)
Transferred in from property and equipment	125,009	-
Foreign exchange adjustment and others	25,944	(126,025)
At March 31	<u>\$ 11,270,227</u>	<u>\$ 12,706,701</u>
Accumulated depreciation		
At January 1	(\$ 1,240,700)	(\$ 1,265,643)
Depreciation	(20,078)	(25,594)
Disposals	239,197	5,626
Transferred out to property and equipment	55,164	38,332
Transferred in from property and equipment	(2,840)	-
Foreign exchange adjustment and others	(29,565)	7,963
At March 31	<u>(\$ 998,822)</u>	<u>(\$ 1,239,316)</u>
Accumulated impairment		
At January 1	(\$ 251,652)	(\$ 260,254)
Disposals	3,102	-
At March 31	<u>(\$ 248,550)</u>	<u>(\$ 260,254)</u>
A.	The fair value of the investment property held by the Yuanta Group as of March 31, 2022, December 31, 2021 and March 31, 2021 were \$12,141,902, \$12,506,439 and \$12,766,961, respectively, according to the result of valuation by an independent valuation expert using the income method, comparison method, market approach and land development analysis approach. As of March 31, 2022, the fair value included the amounts of \$3,222,101 and \$8,919,801 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 March 31, 2021, the fair value included the amounts of \$3,507,220 and \$9,259,741 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.	
B.	For the three months ended March 31, 2022 and 2021, rental income from the lease of the investment property were \$48,683 and \$55,108, respectively.	
C.	The Yuanta Group has applied the practical expedient to “Covid-19-related rent concessions”, and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$47 and \$3,025 by decreasing lease liability and investment property - investment property under construction for the three months ended March 31, 2022 and 2021, respectively.	

D. Please refer to Note 8 for details of Yuanta Group’s investment property pledged to others as collateral.

(BLANK)

(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	-	-	48,476	5,139	21,676	137,463	212,754
Disposals	(100,041)	(225,414)	(104,579)	(1,880)	(23,088)	-	(455,002)
Transferred in from investment property	297,253	130,413	-	-	-	-	427,666
Transferred out to investment property	(105,746)	(19,263)	-	-	-	-	(125,009)
Others	-	-	2,709	1,450	83,288	(81,444)	6,003
Translation difference	3,562	14,249	36,908	491	13,202	750	69,162
At March 31	<u>\$ 15,190,773</u>	<u>\$ 7,141,228</u>	<u>\$ 4,016,739</u>	<u>\$ 214,837</u>	<u>\$ 1,834,020</u>	<u>\$ 2,477,012</u>	<u>\$ 30,874,609</u>
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,223,653)	(\$ 2,681,768)	(\$ 128,225)	(\$ 1,024,589)	\$ -	(\$ 6,058,235)
Depreciation	-	(51,721)	(150,738)	(6,968)	(83,311)	-	(292,738)
Disposals	-	114,831	104,530	183	23,086	-	242,630
Transferred in from investment property	-	(55,164)	-	-	-	-	(55,164)
Transferred out to investment property	-	2,840	-	-	-	-	2,840
Others	-	-	9	-	-	-	9
Translation difference	-	(5,764)	(32,272)	(406)	(11,423)	-	(49,865)
At March 31	<u>\$ -</u>	<u>(\$ 2,218,631)</u>	<u>(\$ 2,760,239)</u>	<u>(\$ 135,416)</u>	<u>(\$ 1,096,237)</u>	<u>\$ -</u>	<u>(\$ 6,210,523)</u>
<u>Accumulated impairment</u>							
At January 1	(\$ 149,649)	(\$ 62,269)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 212,216)
At March 31	(\$ 149,649)	(\$ 62,269)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 212,216)
Net carrying amount	<u>\$ 15,041,124</u>	<u>\$ 4,860,328</u>	<u>\$ 1,256,500</u>	<u>\$ 79,421</u>	<u>\$ 737,485</u>	<u>\$ 2,477,012</u>	<u>\$ 24,451,870</u>

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	2021						Construction in progress and prepayments for business facilities	Total
	Land and land improvements	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment			
At January 1	\$ 14,345,304	\$ 8,482,180	\$ 4,032,553	\$ 200,392	\$ 1,625,519	\$ 2,096,887	\$ 30,782,835	
Additions	-	647	65,574	1,100	12,666	238,379	318,366	
Disposals	-	(620)	(153,795)	(10,876)	(58,448)	-	(223,739)	
Transferred in from investment property	164,224	93,194	-	-	-	-	257,418	
Others	-	-	21,006	5,350	8,607	(8,610)	26,353	
Translation difference	(14,632)	(51,991)	(81,574)	(489)	(12,123)	(112)	(160,921)	
At March 31	<u>\$ 14,494,896</u>	<u>\$ 8,523,410</u>	<u>\$ 3,883,764</u>	<u>\$ 195,477</u>	<u>\$ 1,576,221</u>	<u>\$ 2,326,544</u>	<u>\$ 31,000,312</u>	
<u>Accumulated depreciation</u>								
At January 1	\$ -	(\$ 2,582,793)	(\$ 2,805,951)	(\$ 122,802)	(\$ 1,081,973)	\$ -	(\$ 6,593,519)	
Depreciation	-	(59,808)	(140,350)	(6,262)	(62,710)	-	(269,130)	
Disposals	-	620	153,722	5,489	57,223	-	217,054	
Transferred in from investment property	-	(38,332)	-	-	-	-	(38,332)	
Others	-	-	22	(119)	176	-	79	
Translation difference	-	19,842	71,557	389	8,474	-	100,262	
At March 31	<u>\$ -</u>	<u>(\$ 2,660,471)</u>	<u>(\$ 2,721,000)</u>	<u>(\$ 123,305)</u>	<u>(\$ 1,078,810)</u>	<u>\$ -</u>	<u>(\$ 6,583,586)</u>	
<u>Accumulated impairment</u>								
At January 1	(\$ 192,614)	(\$ 66,387)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 259,299)	
At March 31	(\$ 192,614)	(\$ 66,387)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 259,299)	
Net carrying amount	<u>\$ 14,302,282</u>	<u>\$ 5,796,552</u>	<u>\$ 1,162,764</u>	<u>\$ 72,172</u>	<u>\$ 497,113</u>	<u>\$ 2,326,544</u>	<u>\$ 24,157,427</u>	

Please refer to Note 8 for details of the collateral provided for the above property and equipment.

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 three months ended March 31, 2022, no land or building was classified as operating lease.

	2021					
	Land			Buildings		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal
<u>Cost</u>						
At January 1	\$ 14,152,650	\$ 192,654	\$ 14,345,304	\$ 8,454,299	\$ 27,881	\$ 8,482,180
Additions	-	-	-	647	-	647
Disposals	-	-	-	(620)	-	(620)
Transferred in from investment property	164,224	-	164,224	93,194	-	93,194
Others (Note)	192,654	(192,654)	-	27,881	(27,881)	-
Translation difference	(14,632)	-	(14,632)	(51,991)	-	(51,991)
At March 31	<u>\$ 14,494,896</u>	<u>\$ -</u>	<u>\$ 14,494,896</u>	<u>\$ 8,523,410</u>	<u>\$ -</u>	<u>\$ 8,523,410</u>
<u>Accumulated depreciation</u>						
At January 1	\$ -	\$ -	\$ -	(\$ 2,578,035)	(\$ 4,758)	(\$ 2,582,793)
Depreciation	-	-	-	(59,808)	-	(59,808)
Disposals	-	-	-	620	-	620
Transferred in from investment property	-	-	-	(38,332)	-	(38,332)
Others (Note)	-	-	-	(4,758)	4,758	-
Translation difference	-	-	-	19,842	-	19,842
At March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 2,660,471)</u>	<u>\$ -</u>	<u>(\$ 2,660,471)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 192,614)	\$ -	(\$ 192,614)	(\$ 66,387)	\$ -	(\$ 66,387)
At March 31	<u>(\$ 192,614)</u>	<u>\$ -</u>	<u>(\$ 192,614)</u>	<u>(\$ 66,387)</u>	<u>\$ -</u>	<u>(\$ 66,387)</u>
Net carrying amount	<u>\$ 14,302,282</u>	<u>\$ -</u>	<u>\$ 14,302,282</u>	<u>\$ 5,796,552</u>	<u>\$ -</u>	<u>\$ 5,796,552</u>

Note: Removed because of the expiration of the operating leases.

(15) Leasing arrangements – lessee

A. The Yuanta Group leases various assets including land, buildings, machinery and equipment, business vehicles 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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,744,787	\$ 8,768,519	\$ 8,865,174
Buildings	2,475,392	3,493,722	3,780,932
Machinery and equipment	123,906	133,924	185,779
Transportation equipment	18,255	15,000	20,503
Others	29,599	32,786	39,189
	<u>\$ 11,391,939</u>	<u>\$ 12,443,951</u>	<u>\$ 12,891,577</u>

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 4,957	\$ 4,884
Buildings	331,874	328,934
Machinery and equipment	11,569	13,374
Transportation equipment	3,745	3,335
Others	2,041	2,246
	<u>\$ 354,186</u>	<u>\$ 352,773</u>

C. For the three months ended March 31, 2022 and 2021, the additions to right-of-use assets amounted to \$288,749 and \$183,128, respectively.

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

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 24,156	\$ 21,085
Expense on short-term lease contracts	22,507	18,677
Expense on leases of low-value assets	328	2,593
Gain on sublease of right-of-use assets	3,167	3,324
Loss on lease modification	117,107	-

E. For the three months ended March 31, 2022 and 2021, the Yuanta Group's total cash outflow for leases amounted to \$650,644 and \$421,532, 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 March 31,	
	2022	2021
Finance income from the net investment in the finance lease	\$ 184	\$ 273

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

	March 31, 2022	December 31, 2021	March 31, 2021
2021	\$ -	\$ -	\$ 6,347
2022	6,347	8,463	8,463
2023	8,463	8,463	8,463
Total	\$ 14,810	\$ 16,926	\$ 23,273

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

	March 31, 2022	December 31, 2021	March 31, 2021
Undiscounted lease payments	\$ 14,810	\$ 16,926	\$ 23,273
Unearned finance income	(627)	(810)	(1,497)
Net investment in the lease	\$ 14,183	\$ 16,116	\$ 21,776

- E. For the three months ended March 31, 2022 and 2021, the Yuanta Group recognized rent income in the amounts of \$48,693 and \$55,131 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:

	March 31, 2022		December 31, 2021		March 31, 2021
2022	\$ 92,737	2022	\$ 124,552	2021	\$ 135,242
2023	61,502	2023	55,446	2022	73,844
2024	26,736	2024	26,750	2023	26,594
2025	14,763	2025	14,574	2024	11,816
2026	2,431	2026	2,269	2025	7,172
After 2027	5,323	After 2027	5,344	After 2026	10,821
Total	\$ 203,492	Total	\$ 228,935	Total	\$ 265,489

(17) Intangible assets - net

Cost	2022					
	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	-	-	54,040	-	-	54,040
Disposals	-	-	(29,959)	-	(4)	(29,963)
Reclassifications	-	-	23,295	-	-	23,295
Translation difference	6,291	397	57,733	-	16,843	81,264
At March 31	<u>\$ 31,489,589</u>	<u>\$ 384,406</u>	<u>\$ 4,679,872</u>	<u>\$ 3,045,314</u>	<u>\$ 4,334,703</u>	<u>\$ 43,933,884</u>
<u>Accumulated amortization</u>						
At January 1	\$ -	(\$ 373,041)	(\$ 3,807,101)	(\$ 3,038,126)	(\$ 2,338,021)	(\$ 9,556,289)
Amortization	-	(410)	(70,174)	(938)	(58,048)	(129,570)
Disposals	-	-	29,959	-	4	29,963
Reclassification	-	-	(9)	-	-	(9)
Translation difference	-	(117)	(52,380)	-	(683)	(53,180)
At March 31	<u>\$ -</u>	<u>(\$ 373,568)</u>	<u>(\$ 3,899,705)</u>	<u>(\$ 3,039,064)</u>	<u>(\$ 2,396,748)</u>	<u>(\$ 9,709,085)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 2,886,663)	\$ -	\$ -	\$ -	(\$ 316,015)	(\$ 3,202,678)
Translation difference	(2,189)	-	-	-	(221)	(2,410)
At March 31	<u>(\$ 2,888,852)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 316,236)</u>	<u>(\$ 3,205,088)</u>
Net carrying amount	<u>\$ 28,600,737</u>	<u>\$ 10,838</u>	<u>\$ 780,167</u>	<u>\$ 6,250</u>	<u>\$ 1,621,719</u>	<u>\$ 31,019,711</u>

Cost	2021					
	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	-	-	46,270	-	-	46,270
Disposals	-	-	(12,426)	-	-	(12,426)
Reclassifications	-	-	2,946	-	-	2,946
Translation difference	(3,073)	(27)	(150,543)	-	(31,989)	(185,632)
At March 31	\$ 31,491,635	\$ 384,461	\$ 4,569,519	\$ 3,045,314	\$ 4,381,918	\$ 43,872,847
<u>Accumulated amortization</u>						
At January 1	\$ -	(\$ 371,541)	(\$ 4,085,009)	(\$ 3,034,376)	(\$ 2,111,719)	(\$ 9,602,645)
Amortization	-	(410)	(61,111)	(938)	(58,199)	(120,658)
Disposals	-	-	12,426	-	-	12,426
Reclassifications	-	-	(199)	-	-	(199)
Translation difference	-	8	141,846	-	1,771	143,625
At March 31	\$ -	(\$ 371,943)	(\$ 3,992,047)	(\$ 3,035,314)	(\$ 2,168,147)	(\$ 9,567,451)
<u>Accumulated impairment</u>						
At January 1	(\$ 2,888,924)	\$ -	\$ -	\$ -	(\$ 31,472)	(\$ 2,920,396)
Impairment loss	(6,701)	-	-	-	-	(6,701)
Translation difference	2,999	-	-	-	689	3,688
At March 31	(\$ 2,892,626)	\$ -	\$ -	\$ -	(\$ 30,783)	(\$ 2,923,409)
Net carrying amount	\$ 28,599,009	\$ 12,518	\$ 577,472	\$ 10,000	\$ 2,182,988	\$ 31,381,987

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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Refundable deposits - net	\$ 4,566,291	\$ 2,951,966	\$ 3,775,079
Refundable deposits for securities lending	56,934,157	54,416,318	41,080,786
Operating guarantee deposits and settlement fund	5,281,030	5,154,440	4,932,965
Prepaid expenses	1,027,430	734,207	985,068
Bank deposits - amounts held for settlement	22,236,726	23,207,687	21,399,851
Others	601,972	403,201	1,094,282
Total	<u>\$ 90,647,606</u>	<u>\$ 86,867,819</u>	<u>\$ 73,268,031</u>

Please refer to Note 8 for details of the Yuanta Group's other assets pledged to others as collateral as of March 31, 2022, December 31, 2021, and March 31, 2021.

(19) Non-financial asset impairment losses

As of March 31, 2022, December 31, 2021, and March 31, 2021, accumulated impairment on various financial assets were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Investment property	\$ 248,550	\$ 251,652	\$ 260,254
Property and equipment	212,216	232,216	259,299
Intangible assets - goodwill	2,888,852	2,886,663	2,892,626
Intangible assets - other	316,236	316,015	30,783

(20) Deposits from Central Bank and other banks

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Overdrafts from other banks	\$ 2,304,039	\$ 3,303,101	\$ 2,909,542
Call loans from other banks	12,101,756	17,214,445	8,818,629
Redeposit from the directorate general of postal remittance	3,263,493	5,106,578	5,106,578
Total	<u>\$ 17,669,288</u>	<u>\$ 25,624,124</u>	<u>\$ 16,834,749</u>

(21) Commercial paper payable - net

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Commercial paper payable	\$ 60,491,998	\$ 50,022,000	\$ 47,168,649
Less: Discount on commercial paper payable	(63,610)	(38,498)	(50,397)
Total	<u>\$ 60,428,388</u>	<u>\$ 49,983,502</u>	<u>\$ 47,118,252</u>

As of March 31, 2022, December 31, 2021, and March 31, 2021, the annual interest rate of commercial paper payable were 0.408%~2.060%, 0.318%~2.220% and 0.258%~1.360%, respectively.

The guarantee and acceptance institutions for the above commercial paper payable were as follows:

March 31, 2022	December 31, 2021	March 31, 2021
Dah Chung Bills Finance Corp.	Dah Chung Bills Finance Corp.	CTBC Bank Co., Ltd.
CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.	China Bills Finance Corporation
China Bills Finance Corporation	China Bills Finance Corporation	Taipei Fubon Commercial Bank Co., Ltd.
Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Bank Sinopac Co., Ltd.	Bank Sinopac Co., Ltd.	Bank Sinopac Co., Ltd.
Cathay United Commercial Bank Co., Ltd.	Cathay United Commercial Bank Co., Ltd.	Cathay United Commercial Bank Co., Ltd.
Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
Ta Ching Bills Finance Corporation	Ta Ching Bills Finance Corporation	Sunny Bank Ltd.
E.SUN Commercial Bank, Ltd.	Sunny Bank Ltd.	Grand Bills Finance Corp.
Grand Bills Finance Corp.	Grand Bills Finance Corp.	Taiwan Business Bank Co., Ltd.
Taiwan Business Bank Co., Ltd.	Taiwan Business Bank Co., Ltd.	Union Bank of Taiwan Co., Ltd.
Union Bank of Taiwan Co., Ltd.	Union Bank of Taiwan Co., Ltd.	Taiwan Finance Corporation
Taiwan Finance Corporation	Taiwan Finance Corporation	International Bills Finance Corporation
KGI Commercial Bank Co., Ltd.	KGI Commercial Bank Co., Ltd.	Mega Bills Finance Co., Ltd.
Mega Bills Finance Co., Ltd.	Mega Bills Finance Co., Ltd.	Shinhan Bank
Taipei Fubon Commercial Bank Co., Ltd.	Shinhan Bank	Meritz Securities Co., Ltd.
Shinhan Bank	Meritz Securities Co., Ltd.	KB Securities Co., Ltd.
Meritz Securities Co., Ltd.	KB Securities Co., Ltd.	KTB Securities Co., Ltd.
IBK Securities Co., Ltd.	KTB Securities Co., Ltd.	Eugene Investment & Securities
KTB Securities Co., Ltd.	Eugene Investment & Securities	KIWOOM Securities Co., Ltd.
Bookook Securities Co., Ltd.	BNK Securities Co., Ltd.	Bookook Securities Co., Ltd.
BNK Securities Co., Ltd.		BNK Securities Co., Ltd.
		Asia Plus Securities Co., Ltd.
		EVERCLEVER CO., LTD.
		THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED
		TPI Polene Power Public Co., Ltd.
		True Corporation Public Company Limited
		Komornwarn Chinthammit Ngamwongwan Construction Co., Ltd.
		United Overseas Bank PLC
		Uni-President (Thailand) Ltd.
		Namchow (Thailand) Co. LTD

(22) Payables

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>	<u>January 1, 2021</u>
Accounts payable	\$ 100,295,716	\$ 103,993,938	\$ 109,302,326	\$ 115,112,359
Demand remittance payable (Note)	2,705,296	166,763	1,596,143	9,956,237
Accrued expenses	7,867,355	14,153,609	8,945,001	11,473,665
Collateralized proceeds payable from securities lending	4,622,267	9,283,971	4,171,331	8,253,964
Consigned securities payable	6,720,162	9,245,192	8,593,085	14,988,418
Settled price	2,314,640	2,117,559	4,597,623	2,858,884
Securities purchased payable	9,960,313	2,251,618	13,781,521	9,468,087
Settlement payable	53,259,777	55,023,049	73,756,687	58,683,722
Deposits received on securities lending	4,316,768	8,268,651	3,914,360	7,645,125
Other payables	11,979,060	9,978,644	16,436,580	8,393,225
Total	<u>\$ 204,041,354</u>	<u>\$ 214,482,994</u>	<u>\$ 245,094,657</u>	<u>\$ 246,833,686</u>

Note: Please refer to Note 6(7) for the details of reclassification.

(23) Deposits and remittances

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Checking deposits	\$ 4,868,671	\$ 6,157,430	\$ 4,336,421
Demand deposits	204,819,272	237,158,129	174,559,490
Time deposits	350,994,481	284,414,524	266,004,721
Negotiable certificates of deposit	11,755,500	7,834,000	13,532,000
Savings deposits	853,872,721	839,343,186	781,061,152
Remittances	132,690	94,770	84,233
The account for foreign exchange credit purposes	820	344	-
Total	<u>\$ 1,426,444,155</u>	<u>\$ 1,375,002,383</u>	<u>\$ 1,239,578,017</u>

(24) Bonds payable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Bank debentures	\$ 22,200,000	\$ 22,200,000	\$ 31,000,000
Unsecured corporate bonds	60,413,202	60,339,085	49,290,894
Total	<u>\$ 82,613,202</u>	<u>\$ 82,539,085</u>	<u>\$ 80,290,894</u>

A. The details of bank debentures as of March 31, 2022 were as follows:

	<u>First issue of subordinate bank debentures in 2014(B)</u>
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
	<u>Third issue of perpetual non-cumulative subordinate bank debentures in 2015</u>
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
	<u>Fourth issue of subordinate bank debentures in 2015</u>
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
	<u>Fifth issue of perpetual non-cumulative subordinate bank debentures in 2015</u>
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
	<u>First issue of subordinate bank debentures in 2021</u>
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

	<u>Second issue of general bank debentures in 2021</u>
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
	<u>First issue of general bank debentures in 2022</u>
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 March 31, 2022 were as follows:	
The Company	
	<u>Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2015</u>
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 1.67%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	<u>Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(C)</u>
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
	<u>Yuanta Financial Holdings second issue of local unsecured normal corporate bond in 2016(B)</u>
Par value	\$1,600,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Six 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
The Yuanta Group	
	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
	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

	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
	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
	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
	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 Asia Financial Services USD denominated unsecured privately placed bonds
Par value	USD 50,000 thousand (USD 34,260 thousand outstanding)
Stated interest rate	Fixed interest rate at 4.10%
Issuance date	August 2, 2018
Maturity date	August 2, 2023
Issuance area	Hong Kong
	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

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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 10,569,423	\$ 8,550,186	\$ 4,749,632
Secured bank borrowings	4,694,486	4,586,309	3,271,142
KSFC secured borrowings	27,359,302	28,472,259	27,196,402
Issuance of short-term bond	22,807,773	18,389,446	18,578,551
	<u>\$ 65,430,984</u>	<u>\$ 59,998,200</u>	<u>\$ 53,795,727</u>
Interest rate range	<u>0.77%~7.90%</u>	<u>0.65%~7.90%</u>	<u>0.59%~6.90%</u>

(26) Provisions for other liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Insurance liability	\$ 333,100,197	\$ 325,120,319	\$ 312,030,403
Reserve for foreign exchange fluctuation	1,492,001	333,427	520,163
Employee benefit liabilities reserve	5,888,881	6,728,135	6,041,238
Guaranteed policy reserve	133,068	133,858	171,095
Loan commitment reserve and letters of credit	43,996	39,756	45,680
Reserve for insurance with nature of financial instrument	117,138	58,139	-
Other reserves (Note)	<u>4,021,752</u>	<u>3,928,624</u>	<u>662,990</u>
Total	<u>\$ 344,797,033</u>	<u>\$ 336,342,258</u>	<u>\$ 319,471,569</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\$16.5 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately NT\$1.6 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 March 31, 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\$12.8 billion); both litigations were class actions, with the claim amount of KRW492,565 million (approximately NT\$11.6 billion) and KRW50,000 million (approximately NT\$1.2 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 and 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 recognized a liability reserve of KRW93,400 million (approximately NT\$2.2 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 KRW24,253 million (approximately NT\$0.6 billion) in liability reserves as of March 31, 2022. As of March 31, 2022, the balance of the liability reserve related to the aforementioned financial product selling disputes was KRW4,809 million (approximately NT\$0.11 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\$3.9 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW 39,930 million as of March 31, 2022 (approximately NT\$0.9 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 recognized the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW 131,801 million (approximately NT\$3.1 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 recognized provision liabilities in the amount of approximately KRW 141,042 million (approximately NT\$3.3 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 March 31, 2022, Yuanta Securities (Korea) recognized provision liabilities amounting to KRW10,524 million (approximately NT\$0.25 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:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unearned premium reserve	\$ 1,046,172	\$ 979,625	\$ 855,494
Claims reserve	1,293,294	1,177,187	929,551
Reserve for policy benefit	326,458,194	318,623,335	305,521,414
Premium deficiency reserve	825,201	819,935	1,052,476
Other reserves	3,477,336	3,520,237	3,671,468
Total	<u>\$ 333,100,197</u>	<u>\$ 325,120,319</u>	<u>\$ 312,030,403</u>

(A) Unearned premium reserve and ceded unearned premium reserve

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

	March 31, 2022		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,845	\$ -	\$ 1,845
Personal accident insurance	297,212	-	297,212
Personal health insurance	556,444	-	556,444
Group insurance	187,466	-	187,466
Investment-linked insurance	3,205	-	3,205
	<u>\$ 1,046,172</u>	<u>\$ -</u>	<u>\$ 1,046,172</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 301,192	\$ -	\$ 301,192
Personal accident insurance	672	-	672
Personal health insurance	139,915	-	139,915
Group insurance	1,366	-	1,366
Investment-linked insurance	874	-	874
	<u>\$ 444,019</u>	<u>\$ -</u>	<u>\$ 444,019</u>
	December 31, 2021		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
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>

	March 31, 2021		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,921	\$ -	\$ 1,921
Personal accident insurance	264,104	-	264,104
Personal health insurance	397,683	-	397,683
Group insurance	189,017	-	189,017
Investment-linked insurance	2,769	-	2,769
	<u>\$ 855,494</u>	<u>\$ -</u>	<u>\$ 855,494</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 356,332	\$ -	\$ 356,332
Personal accident insurance	582	-	582
Personal health insurance	136,003	-	136,003
Group insurance	1,324	-	1,324
Investment-linked insurance	849	-	849
	<u>\$ 495,090</u>	<u>\$ -</u>	<u>\$ 495,090</u>

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

	For the three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Unearned premium reserve		
At January 1	\$ 979,625	\$ 795,764
Current net change	66,547	59,730
At March 31	<u>\$ 1,046,172</u>	<u>\$ 855,494</u>
	For the three months ended March 31,	
	<u>2022</u>	<u>2021</u>
Ceded unearned premium reserve		
At January 1	\$ 457,017	\$ 547,152
Current net change	(13,576)	(52,058)
Gain (loss) on foreign exchange	578	(4)
At March 31	<u>\$ 444,019</u>	<u>\$ 495,090</u>

(B) Claims reserve and ceded claims reserve

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

	March 31, 2022		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 561,737	\$ 587	\$ 562,324
Personal accident insurance	13,949	48,903	62,852
Personal health insurance	465,052	176,502	641,554
Group insurance	4,248	18,237	22,485
Investment-linked insurance	4,053	26	4,079
	<u>\$ 1,049,039</u>	<u>\$ 244,255</u>	<u>\$ 1,293,294</u>
Ceded claims reserve			
Personal life insurance	\$ 69,597	\$ -	\$ 69,597
Personal accident insurance	19	-	19
Personal health insurance	127,191	-	127,191
	<u>\$ 196,807</u>	<u>\$ -</u>	<u>\$ 196,807</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>

	March 31, 2021		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 457,112	\$ 484	\$ 457,596
Personal accident insurance	3,594	43,293	46,887
Personal health insurance	273,466	120,021	393,487
Group insurance	7,559	21,494	29,053
Investment-linked insurance	2,509	19	2,528
	<u>\$ 744,240</u>	<u>\$ 185,311</u>	<u>\$ 929,551</u>
Ceded claims reserve			
Personal life insurance	\$ 58,613	-	\$ 58,613
Personal health insurance	64,306	-	64,306
	<u>\$ 122,919</u>	<u>\$ -</u>	<u>\$ 122,919</u>

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

	For the three months ended March 31,	
	2022	2021
Claims reserve		
At January 1	\$ 1,177,187	\$ 802,204
Current net change	115,629	127,342
Loss on foreign exchange	478	5
At March 31	<u>\$ 1,293,294</u>	<u>\$ 929,551</u>
	For the three months ended March 31,	
	2022	2021
Ceded claims reserve		
At January 1	\$ 146,072	\$ 78,261
Current net change	50,541	44,658
Gain on foreign exchange	194	-
At March 31	<u>\$ 196,807</u>	<u>\$ 122,919</u>

(C) Reserve for policy benefit

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

	March 31, 2022		
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	\$ 296,749,602	\$ -	\$ 296,749,602
Health insurance	29,154,738	-	29,154,738
Annuity insurance	5,720	375,688	381,408
Investment-linked insurance	64,277	-	64,277
	<u>\$ 325,974,337</u>	<u>\$ 375,688</u>	<u>326,350,025</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			57,886
Total			<u>\$ 326,458,194</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>

	March 31, 2021		
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	\$ 278,585,345	\$ -	\$ 278,585,345
Health insurance	26,389,081	-	26,389,081
Annuity insurance	7,948	362,641	370,589
Investment-linked insurance	66,118	-	66,118
	<u>\$ 305,048,492</u>	<u>\$ 362,641</u>	<u>305,411,133</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			59,998
Total			<u>\$ 305,521,414</u>

b. Changes in reserve for policy benefit:

	For the three months ended March 31,	
	2022(Note 1)	2021(Note 2)
At January 1	\$ 318,611,643	\$ 298,418,335
Current net change	6,125,934	7,052,948
Loss on foreign exchange	1,708,956	40,407
At March 31	<u>\$ 326,446,533</u>	<u>\$ 305,511,690</u>

Note 1: For the three months ended March 31, 2022, "Reserve for policy benefit-payables to the insured" is \$11,661. As of March 31, 2022, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$326,458,194.

Note 2: For the three months ended March 31, 2021, "Reserve for policy benefit-payables to the insured" is \$9,724. As of March 31, 2021, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$305,521,414.

For the three months ended March 31, 2022 and 2021, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,097,952 and \$2,004,423, respectively.

(D) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	March 31, 2022		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 805,669	\$ -	\$ 805,669
Personal health insurance	19,532	-	19,532
Total	<u>\$ 825,201</u>	<u>\$ -</u>	<u>\$ 825,201</u>

	December 31, 2021		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
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>

	March 31, 2021		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 1,036,671	\$ -	\$ 1,036,671
Personal health insurance	15,805	-	15,805
Total	<u>\$ 1,052,476</u>	<u>\$ -</u>	<u>\$ 1,052,476</u>

b. Change in premium deficiency reserve:

	For the three months ended March 31,	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 819,935	\$ 1,129,185
Current net change	(10,445)	(77,114)
Loss on foreign exchange	15,711	405
At March 31	<u>\$ 825,201</u>	<u>\$ 1,052,476</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 three months ended March 31,	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 3,520,237	\$ 3,713,616
Recovery	(42,901)	(42,148)
At March 31	<u>\$ 3,477,336</u>	<u>\$ 3,671,468</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 three months ended March 31,	
	2022	2021
At January 1	\$ 333,427	\$ 714,669
Provision		
Compulsory provision	73,722	54,392
Additional provision	1,084,852	25,776
Subtotal	1,492,001	794,837
Recovery	-	(274,674)
At March 31	\$ 1,492,001	\$ 520,163

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the three months ended March 31, 2022 and 2021 are as follows:

	For the three months ended March 31, 2022		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 2,261,298	\$ 1,334,439	(\$ 926,859)
Earnings per share (in dollars)	0.95	0.56	(0.39)
Reserve for foreign exchange fluctuation	-	1,492,001	1,492,001
Total equity	29,507,606	28,298,698	(1,208,908)

	For the three months ended March 31, 2021		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 770,833	\$ 926,439	\$ 155,606
Earnings per share (in dollars)	0.32	0.39	0.07
Reserve for foreign exchange fluctuation	-	520,163	520,163
Total equity	29,183,120	28,751,682	(431,438)

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

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance with nature of financial instrument recognized on March 31, 2022, December 31, 2021 and March 31, 2021 and the movements are listed below:

	March 31, 2022	December 31, 2021	March 31, 2021
Investment-linked insurance	\$ 117,138	\$ 58,139	\$ -
	For the three months ended March 31,		
	2022	2021	
At January 1	\$ 58,139	\$ -	
Net provision of statutory reserve	58,999	-	
At March 31	\$ 117,138	\$ -	

(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 bonus 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 \$15,158 and \$13,929 for the three months ended March 31, 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 amounted to \$49,620.

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 recognizes monthly an amount equal to 7% of the employees' monthly incentive bonuses 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 \$7,320, \$7,523 and \$8,567 as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

(C) Under the defined contribution plan, the Company and its domestic subsidiaries recognized pension expense of \$139,652 (recorded as “employees’ benefit expenses” of \$138,476 and “net income other than interest” of \$1,176) and \$126,548 (recorded as “employees’ benefit expenses” of \$124,994 and “net income other than interest” of \$1,554) for the three months ended March 31, 2022 and 2021, respectively.

(D) The pension plans for the consolidated foreign subsidiaries are as follows:

The pension plan for Yuanta Securities Asia Finance is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) Ltd. 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 ended March 31, 2022 and 2021, the foreign subsidiaries recognised \$118,004 and \$125,881, respectively, of pension expense by complying with aforementioned regulations.

(28) Other financial liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Futures traders’ equity	\$ 103,173,785	\$ 93,341,056	\$ 91,556,727
Structured deposit	2,634,102	2,503,403	3,022,429
Investment-linked products liabilities	33,032,232	30,724,969	8,671,947
Others	-	50,000	-
Total	<u>\$ 138,840,119</u>	<u>\$ 126,619,428</u>	<u>\$ 103,251,103</u>

(29) Other liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Guarantee deposit-in and margin deposits	\$ 42,323,600	\$ 51,446,763	\$ 31,791,806
Underwriting share proceeds collected on behalf of customers	783,928	38,446,456	42
Collections in advance	1,644,192	1,809,167	2,393,887
Retention bonus payable	1,443,165	1,290,051	1,302,562
Refundable deposits	462,275	2,193,165	2,473,327
Refundable deposits-derivative transactions	2,541,969	2,383,833	2,671,749
Others	<u>5,922,892</u>	<u>4,948,555</u>	<u>14,937,413</u>
Total	<u>\$ 55,122,021</u>	<u>\$ 102,517,990</u>	<u>\$ 55,570,786</u>

(30) Share capital

As of March 31, 2022, December 31, 2021, and March 31, 2021, the Company’s total authorized capital were all \$180,000,000 and total paid-in capital were all \$121,374,360. The aforementioned total paid-in capital includes 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 Law, 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.

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Post 1998	\$ 4,036,443	\$ 4,036,443	\$ 4,036,443

Source and details of the capital surplus of the Company are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
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	832,449	832,449	832,449
	<u>\$ 37,885,949</u>	<u>\$ 37,885,949</u>	<u>\$ 37,885,949</u>

(32) Legal reserve and special reserve

As required by the Company Law, 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. Details of the earnings distribution for 2021 of the Company resolved by the Board of Directors on March 15, 2022 and the earnings distribution for 2020 resolved by the via the stockholders' meeting electronic voting system from May 8, 2021 to June 4, 2021(the electronic voting's expiration date) by exceeding the legal threshold, and resolved by the stockholders' meeting on July 8, 2021 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	3,641,231	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 bonus 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	-	(8,034,386)	-	-	(8,034,386)
- Evaluation transferred to profit or loss	-	(62,272)	-	-	(62,272)
- Evaluation transferred to retained earnings	-	32,243	-	-	32,243
Other comprehensive income on reclassification under the overlay approach	-	-	-	(907,544)	(907,544)
Changes in translation difference of foreign operating entities	874,728	-	-	-	874,728
Effects on income tax	-	246,342	-	23,388	269,730
Evaluation of credit risk	-	-	59	-	59
Balance, March 31	<u>(\$ 7,525,395)</u>	<u>\$ 10,112,599</u>	<u>(\$ 47,562)</u>	<u>(\$ 1,956,893)</u>	<u>\$ 582,749</u>

	2021				
	Exchange differences on translation of foreign financial statements	Unrealized 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 income					
- Evaluation adjustment in the period	-	397,243	-	-	397,243
- Evaluation transferred to profit or loss	- (550,215)	-	- (550,215)
- Evaluation transferred to retained earnings	- (444,896)	-	- (444,896)
Other comprehensive income on reclassification under the overlay approach	-	-	- (733,920)	(733,920)
Changes in translation difference of foreign operating entities	(1,120,161)	-	-	- (1,120,161)
Effects on income tax	-	237,304	-	12,578	249,882
Evaluation of credit risk	-	-	(54)	- (54)
Balance, March 31	<u>(\$ 5,587,297)</u>	<u>\$ 16,365,584</u>	<u>(\$ 45,192)</u>	<u>(\$ 375,693)</u>	<u>\$ 10,357,402</u>

(BLANK)

(35) Net interest income

	For the three months ended March 31,	
	2022	2021
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 3,873,344	\$ 3,685,028
Financing interest income	1,726,387	1,515,948
Interest income on securities investment	3,404,312	3,117,150
Interest income from placement and call loan to other banks	237,106	200,049
Interest income on bills and bonds purchased under resale agreements	103,240	63,932
Recurring interest income from credit card	42,536	46,153
Other interest income	360,842	273,716
Subtotal	<u>9,747,767</u>	<u>8,901,976</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 1,006,375)	(\$ 900,271)
Interest expense of Central Bank and other banks' deposit	(9,553)	(4,226)
Interest expense on due to the Central Bank and other banks	(270,925)	(193,453)
Interest expense on bills and bonds sold under repurchase agreements	(300,860)	(191,582)
Interest expense of structured instruments	(12,834)	(14,675)
Coupon rate of bank debenture	(128,788)	(195,586)
Coupon rate of corporate bonds	(150,509)	(113,834)
Coupon rate of commercial papers	(67,268)	(25,749)
Interest expense from short sales	(6,879)	(6,938)
Lease liabilities interest expense	(24,156)	(21,085)
Other interest expense	(57,542)	(42,313)
Subtotal	<u>(2,035,689)</u>	<u>(1,709,712)</u>
Total	<u>\$ 7,712,078</u>	<u>\$ 7,192,264</u>

(36) Net service fee and commission income

	For the three months ended March 31,	
	2022	2021
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 6,879,665	\$ 8,988,581
Service fee income on insurance brokerage and stock register	439,834	350,647
Service fee on credit cards	214,884	226,691
Service fee income on trust business	704,699	931,705
Service income on credit extension	121,175	138,192
Underwriting service income	212,100	282,183
Service income from short sales	33,328	31,541
Commission – reinsurance allowance	21,507	20,775
Service income on foreign exchange	20,067	19,081
Service fee income on consigned settlement	9,721	9,801
Deposits and remittance and other service income	375,031	133,468
Subtotal	9,032,011	11,132,665
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 416,960)	(\$ 443,410)
Service expense on trust business	(398)	(990)
Service expense on brokerage	(637,575)	(775,833)
Service expense on self-operation	(36,114)	(40,376)
Service fee expense on credit cards	(224,223)	(199,962)
Service expense on settlement	(171,576)	(170,999)
Futures commission expense	(113,963)	(110,707)
Underwriting service expense	(595)	(1,679)
Service expense on foreign exchange	(10,141)	(9,568)
Service expense on credit extension	(9,090)	(5,521)
Deposits and remittance and other service expense	(117,847)	(100,345)
Subtotal	(1,738,482)	(1,859,390)
Total	\$ 7,293,529	\$ 9,273,275

(37) Net income from insurance operations

	For the three months ended March 31,	
	2022	2021
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 11,191,191	\$ 10,177,644
Less: Reinsurance premium ceded	(207,083)	(189,288)
Net changes of unearned premium reserve	(80,123)	(111,788)
Retention earned premium income	10,903,985	9,876,568
Investment-linked product income (Note)	526,862	911,242
Subtotal	<u>11,430,847</u>	<u>10,787,810</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 5,429,025)	(\$ 3,718,246)
Less: Claims recovered from reinsurers	184,331	159,923
Retention claims and policy benefits payments	(5,244,694)	(3,558,323)
Underwriting expenses	(1,719)	(1,591)
Expense from guaranty fund	(17,011)	(19,350)
Investment-linked product expenses (Note)	(526,862)	(911,242)
Subtotal	<u>(5,790,286)</u>	<u>(4,490,506)</u>
Total	<u>\$ 5,640,561</u>	<u>\$ 6,297,304</u>

Note: Details about the assets on insurance products, separated 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 March 31,	
	2022	2021
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 62,172	\$ 47,358
Bonds	895,419	2,727,543
Stocks	18,454	4,343,221
Beneficiary certificates	450,992	245,007
Interest-linked instrument	(75,500)	(273,843)
Exchange rate-linked instrument	(736,567)	619,449
Other financial derivative instruments	(109,830)	9,747,789
Loss on covering of borrowed securities and bonds with resale agreements	(859,101)	(2,623,835)
Loss (gain) from issuing call (put) warrants	(3,613,623)	423,144
Issuing call (put) warrants expense	(156,918)	(121,092)
Others	141,904	856,997
Subtotal	<u>(3,982,598)</u>	<u>15,991,738</u>

	For the three months ended March 31,	
	2022	2021
Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	(\$ 13,046)	\$ 12,186
Bonds	(1,032,360)	(299,816)
Stocks	(4,589,088)	3,450,557
Beneficiary certificates	(1,011,090)	(1,341,751)
Interest-linked instrument	1,443,037	(1,018,930)
Exchange rate-linked instrument	(3,668,859)	(1,429,670)
Other financial derivative instruments	143,798	(2,530,402)
Valuation gain (loss) on borrowed securities and bonds with resale agreements	3,306,339	(5,021,927)
Gain (loss) on issuance of call (put) warrants	5,144,502	(694,042)
Others	154,840	224,508
Subtotal	(121,927)	(8,649,287)
Total	(\$ 4,104,525)	\$ 7,342,451

- 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 ended March 31, 2022 and 2021, including the (loss) gain on disposal, were (\$4,917,554) and \$14,641,531, respectively, and the issuing call (put) warrants expense, were \$156,918 and \$121,092, respectively, and the dividends income were \$245,670 and \$484,471, respectively, and the interest income were \$846,202 and \$986,828, respectively.
- B. The Yuanta Group recognized net gain (loss) amounting to \$1,558,040 and (\$1,462,730), respectively, on financial liabilities designated as at fair value through profit or loss for the three months ended March 31, 2022 and 2021.
- C. Net income on the exchange rate instruments includes realised and unrealised gains and losses on forward exchange agreements, FX options, and exchange rate 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 of financial assets and liabilities at fair value through profit and loss”.

(39) Asset impairment loss

	For the three months ended March 31,	
	2022	2021
Impairment loss (reversal of impairment loss) on investments in debt instruments measured at fair value through other comprehensive income	\$ 4,613	(\$ 1,446)
Impairment loss on investments in debt instruments at amortised cost	6,349	1,568
Impairment loss on intangible assets	-	6,701
Impairment loss on other assets	23	-
Total	\$ 10,985	\$ 6,823

(40) Net other miscellaneous (loss) income

	For the three months ended March 31,	
	2022	2021
Borrowed stock revenue	\$ 658,199	\$ 319,017
Net change of reserve for foreign exchange fluctuation	(1,158,574)	194,507
Other net income	494,219	330,781
Total	<u>(\$ 6,156)</u>	<u>\$ 844,305</u>

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

	For the three months ended March 31,	
	2022	2021
Recovery of bad debt expense for accounts receivable	(\$ 117,904)	(\$ 19,315)
Bad debt expense of bills discounted and loans	336,183	345,065
(Recovery) recognition of reserve for guarantee liabilities	(1,000)	20,030
Recognition of loan commitment reserve and other reserve	4,195	1,807
Recovery of bad debt expense	(267,244)	(274,125)
Total	<u>(\$ 45,770)</u>	<u>\$ 73,462</u>

(42) Employee benefit expense

	For the three months ended March 31,	
	2022	2021
Wages and salaries	\$ 5,833,001	\$ 8,153,080
Labor and health insurance fees	366,596	276,321
Pension costs	271,638	264,804
Termination benefits	10,447	24,204
Other employee benefit expenses	446,985	340,964
Total	<u>\$ 6,928,667</u>	<u>\$ 9,059,373</u>

The numbers of employees of the Yuanta Group were 14,704 and 14,298 for the three months ended March 31, 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 ended March 31, 2022 and 2021, employees' compensation was accrued at \$5,549 and \$8,467, respectively; directors' and supervisors' remuneration was accrued at \$49,945 and \$76,199, respectively. The aforementioned amounts were recognized 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 recognized 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 amortization

	For the three months ended March 31,	
	2022	2021
Investment property depreciation	\$ 20,078	\$ 25,594
Property and equipment depreciation	292,738	269,130
Right-of-use asset depreciation	354,186	352,773
Intangible asset amortization	129,570	120,658
Deferred assets amortization	11,969	14,778
Total	<u>\$ 808,541</u>	<u>\$ 782,933</u>

(44) Other business and administrative expenses

	For the three months ended March 31,	
	2022	2021
Tax	\$ 1,239,842	\$ 1,306,754
Computer science expense	376,642	349,655
Commission expense	274,053	274,055
Miscellaneous expenses	227,785	186,876
Security borrowing expenses	314,061	249,668
Others	1,218,715	1,347,003
Total	<u>\$ 3,651,098</u>	<u>\$ 3,714,011</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 March 31,	
	2022	2021
Current tax:		
Income tax from current income period	\$ 765,271	\$ 2,571,810
Adjustments in respect of prior years	(41,313)	(15,480)
Total current tax	<u>723,958</u>	<u>2,556,330</u>
Deferred tax:		
Origination and reversal of temporary differences	899,704	621,443
Impact of change in tax rate	-	2,933
Total deferred tax	<u>899,704</u>	<u>624,376</u>
Income tax expense	<u>\$ 1,623,662</u>	<u>\$ 3,180,706</u>

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

	For the three months ended March 31,	
	2022	2021
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(249,350)	(262,454)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	61	40,800
Other comprehensive income or loss on reclassification under the overlay approach	(23,388)	(12,578)
Share of profit or loss of associates and joint ventures accounted for using equity method	(35)	280
Gain or loss on remeasurements of defined benefit plans	(54,270)	(19,026)
Total	(\$ 326,982)	(\$ 252,978)

B. As of March 31, 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 2016
Yuanta Securities	Assessed through 2016
Yuanta Bank	Assessed through 2016
Yuanta Securities Finance	Assessed through 2020(Note)
Yuanta Venture Capital	Assessed through 2016
Yuanta Asset Management	Assessed through 2016
Yuanta Securities Investment Consulting	Assessed through 2016
Yuanta Futures	Assessed through 2019
Yuanta Securities Investment Trust	Assessed through 2020
Yuanta Life	Assessed through 2016
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 from 2017 to 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 March 31, 2022, the amount was \$221,776.

(46) Earnings per share

	For the three months ended March 31, 2022		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 6,166,106</u>	<u>12,137,436</u>	<u>\$ 0.51</u>
	For the three months ended March 31, 2021		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 9,407,300</u>	<u>12,137,436</u>	<u>\$ 0.78</u>

(47) Changes in liabilities from financing activities

	2022				
	<u>Bills and bonds payable under repurchase agreements</u>	<u>Commercial paper payable</u>	<u>Bonds payable</u>	<u>Other borrowings</u>	<u>Lease liability</u>
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	(3,539,362)	10,469,998	-	5,432,784	(603,653)
Impact of changes in foreign exchange rate	-	-	73,241	-	10,030
Amortisation of a premium or a discount on interest expense	-	(25,112)	876	-	-
Changes in other non-cash items	-	-	-	-	(655,491)
At March 31	<u>\$ 180,326,487</u>	<u>\$ 60,428,388</u>	<u>\$ 82,613,202</u>	<u>\$ 65,430,984</u>	<u>\$ 4,471,671</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	(20,259,367)	19,694,060	1,500,000	(4,000,334)	(379,177)
Impact of changes in foreign exchange rate	-	-	(16,861)	-	(93,393)
Amortisation of a premium or a discount on interest expense	-	6,703	17,628	-	-
Changes in other non-cash items	-	-	-	-	191,509
At March 31	<u>\$ 196,361,820</u>	<u>\$ 47,118,252</u>	<u>\$ 80,290,894</u>	<u>\$ 53,795,727</u>	<u>\$ 6,087,775</u>

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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

Names of related parties	Relationship with the Group
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
Polaris Research Institute (Polaris Research)	Related party in substance
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Yuen Foong Yu Consumer Products Co., Ltd. (YFYCPG)	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Yuanta Diamond Funds SPC	" (Note)
Pyeongtaek Godeok PFV Co., Ltd.	"
	(Has become a related party since April 21, 2021.)
TONGYANG AGRI-FOOD INVESTMENT Fund II	Investments accounted for using 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	"
	(Has become a related party since April 29, 2020.)
Yuanta SPAC VII	"
	(Has become a related party since September 28, 2020.)
Yuanta SPAC VIII	"
	(Has become a related party since September 28, 2020.)
Yuanta Innovative Job Creation Fund	"
	(Has become a related party since January 12, 2021.)
Yuanta Innovative Growth MPE Fund	"
	(Has become a related party since December 3, 2021.)

Names of related parties	Relationship with the Group
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

March 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 15,056,975	1.06	0.00~6.06
December 31, 2021			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 12,160,748	0.88	0.00~5.80
March 31, 2021			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 11,698,543	0.94	0.00~5.80

Apart from an interest rate limit on staff demand savings deposits of 5.80%~6.06% and 5.80%, respectively, for the three months ended March 31, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were all 0.00%~3.00%. 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 ended March 31, 2022 and 2021, interest expense on the above deposits were \$11,139 and \$10,824, respectively.

B. Loans

Yuanta Bank and its subsidiaries

March 31, 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	211	\$ 75,327	\$ 56,032	\$ 56,032	\$ -	Small and medium enterprise credit guarantee fund, movables and credit loans	None
Home mortgage loans	471	3,832,720	3,586,968	3,586,968	-	Real estate	None
Other loans	77	305,811	216,220	216,220	-	Deposits, stock, real estate and policy	None
Total			\$ 3,859,220	\$ 3,859,220	\$ -		

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
Home 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	\$ -		

March 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	225	\$ 80,399	\$ 65,903	\$ 65,903	\$ -	Credit loans, deposits, movables and real estate	None
Home mortgage loans	473	3,979,296	3,665,828	3,665,828	-	Real estate	None
Other loans	74	277,629	205,899	205,899	-	Stock, deposits, policy and real estate	None
Total			\$ 3,937,630	\$ 3,937,630	\$ -		

Loans to related parties are under the same terms as those to other customers, the interest rates on the remaining loans are ranging both from 0.00%~6.42% for the three months ended March 31, 2022 and 2021, which are the same with the terms of general loans.

For the three months ended March 31, 2022 and 2021, interest income resulting from the above loans amounted to \$12,834 and \$13,135, respectively.

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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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 9,044,804	\$ 6,463,018	\$ 9,881,196
Global Growth Investment	11,600	12,044	34,811
Yuanta Diamond Funds SPC’s funds	-	-	55,048
Yuanta Asia Growth Investment, L.P.	<u>256,724</u>	<u>248,761</u>	<u>194,124</u>
	<u>\$ 9,313,128</u>	<u>\$ 6,723,823</u>	<u>\$ 10,165,179</u>

Proceeds on disposal

For the three months ended March 31,

<u>2022</u>	<u>2021</u>
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Other related parties:

Funds managed by Yuanta Securities Investment Trust

\$ <u>81,905,919</u>	\$ <u>85,369,346</u>
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Realised Gain

For the three months ended March 31,

<u>2022</u>	<u>2021</u>
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Other related parties:

Funds managed by Yuanta Securities Investment Trust

(\$ <u>164,855</u>)	\$ <u>588,804</u>
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(B) The Yuanta Group has bills and bonds transactions under repurchase agreements with the related parties (recorded as “Bond sold under repurchase agreements”)

March 31, 2022

	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Notional amount</u>
Company’s directors:				
Others	\$ 50,000	\$ -	0.20	
Others	5,724	5,724	0.20~0.30 (Note:USD)	USD 200 thousand
Other related parties:				
Others	1,205,206	<u>675,327</u>	0.20~0.25	
		<u>\$ 681,051</u>		

		December 31, 2021			
		Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:					
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	<u>1,205,017</u>	0.20~0.25	
			<u>\$ 1,260,555</u>		

		March 31, 2021			
		Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:					
Others	\$	250,042	\$ 200,015	0.20	
Others		5,706	5,706	0.30~1.65 (Note : USD)	USD 200 thousand
Other related parties:					
Others		1,193,959	<u>1,193,959</u>	0.20~0.25	
			<u>\$ 1,399,680</u>		

Note: For foreign currency repo trade.

		Interest expense	
		For the three months ended March 31,	
		2022	2021
Company's directors:			
Others	\$	18	\$ 137
Other related parties:			
Others		<u>398</u>	<u>569</u>
		<u>\$ 416</u>	<u>\$ 706</u>

D. Structured notes (recorded as "Financial assets at fair value through profit or loss")

	March 31, 2022	December 31, 2021	March 31, 2021
Company's directors:			
Others	\$ -	\$ -	\$ 12,958
Other related parties:			
Others	-	-	<u>1,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,958</u>

E. Equity of futures traders

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta	\$ 29,235,232	\$ 29,244,360	\$ 33,096,584
Securities Investment Trust			
Others	<u>99,154</u>	<u>88,823</u>	<u>72,426</u>
	<u>\$ 29,334,386</u>	<u>\$ 29,333,183</u>	<u>\$ 33,169,010</u>

F. Refundable deposits for securities lending, refundable deposits receivable lending, borrowing expenses payable and security borrowing expenses

	<u>Refundable deposits for securities lending</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 2,470,782</u>	<u>\$ 2,215,689</u>	<u>\$ 5,227,092</u>
	<u>Refundable deposits receivable lending</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 241,324</u>	<u>\$ 10,630</u>	<u>\$ 47,205</u>
	<u>Borrowing expense payable</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 15,248</u>	<u>\$ 12,263</u>	<u>\$ 3,972</u>
		<u>Security borrowing expense</u>	
		<u>For the three months ended March 31,</u>	
		<u>2022</u>	<u>2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		<u>\$ 32,073</u>	<u>\$ 6,457</u>
	<u>Receivables from refunds of security returned</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,517</u>

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

	<u>Receivables from loans to employees and interest receivables</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Company's directors:			
Others	\$ 829	\$ 1,304	\$ 3,168
Other related parties:			
Others	152,569	159,302	185,847
	<u>\$ 153,398</u>	<u>\$ 160,606</u>	<u>\$ 189,015</u>
	<u>Interest income on loans to employees</u>		
	<u>For the three months ended March 31,</u>		
	<u>2022</u>	<u>2021</u>	
Company's directors:			
Others	\$ 3	\$ 11	
Other related parties:			
Others	1,228	1,681	
	<u>\$ 1,231</u>	<u>\$ 1,692</u>	

H. Income from distribution fee

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Company's directors:		
Others	\$ 344	\$ -
Other related parties:		
Others	211	-
	<u>\$ 555</u>	<u>\$ -</u>

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

	<u>Receivables from management fee income</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Yuanta Secondary No.3			
Private Equity Fund	\$ 6,591	\$ 10,822	\$ 16,211
Yuanta Secondary No.2 Fund	4,526	19,172	5,536
KVIC-Yuanta 2015 Overseas			
Advance Fund	8,989	7,115	2,022
2016 KIF-Yuanta ICT Venture			
Fund	1,553	7,038	2,028
Yuanta-HPNT Private Equity			
Fund	1,963	1,978	2,095
Others	1,426	1,503	1,814
	<u>\$ 25,048</u>	<u>\$ 47,628</u>	<u>\$ 29,706</u>

	Management fee income	
	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta Innovative Growth MPE Fund	\$ 9,323	\$ -
Yuanta Secondary No.3 Private Equity Fund	6,479	5,294
Yuanta Secondary No.2 Fund	4,450	5,588
Yuanta Innovative Job Creation Fund	5,460	5,423
Kiwoom-Yuanta 2019 Scale-up Fund	4,644	3,723
Others	9,969	9,374
	<u>\$ 40,325</u>	<u>\$ 29,402</u>

J. Fund management fee income and the balance of fund (recorded as “Financial assets at fair value through profit or loss”)

	Fund management fee income	
	For the three months ended March 31,	
	2022	2021
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 895,754	\$ 843,356
Yuanta Asia Growth Investment, L.P.	7,654	5,973
Yuanta Diamond Funds SPC’s funds	5,801	13,018
Global Growth Investment, L.P.	137	160
	<u>\$ 909,346</u>	<u>\$ 862,507</u>

	The balance of fund		
	March 31, 2022	December 31, 2021	March 31, 2021
	Other related parties:		
Funds managed by Yuanta			
Securities Investment Trust	\$ 9,044,804	\$ 6,463,018	\$ 9,881,196
Yuanta Asia Growth Investment, L.P.	256,724	248,761	194,124
Yuanta Diamond Funds SPC’s funds	-	-	55,048
Global Growth Investment, L.P.	11,600	12,044	34,811
	<u>\$ 9,313,128</u>	<u>\$ 6,723,823</u>	<u>\$ 10,165,179</u>

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

	Receivable from transfer-agent services		
	March 31, 2022	December 31, 2021	March 31, 2021
	Other related parties:		
Others	\$ 10	\$ 10	\$ 10

	<u>Income from transfer-agent services</u>		
	<u>For the three months ended March 31,</u>		
	<u>2022</u>	<u>2021</u>	
Other related parties:			
Others	\$ <u>30</u>	\$ <u>30</u>	
L. <u>Investment refund receivable</u>			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
IBKC-TONGYANG Growth	\$ 48,485	\$ 47,782	\$ 51,661
2013 Private Equity Fund			
TONGYANG AGRI-FOOD			
INVESTMENT FUND II	<u>1,104</u>	<u>21,639</u>	<u>40,778</u>
	<u>\$ 49,589</u>	<u>\$ 69,421</u>	<u>\$ 92,439</u>
M. <u>Other financial assets-loan, interest in advance and interest income</u>			
		<u>December 31, 2021</u>	
		<u>Other financial assets-loan</u>	<u>Interest in advance</u>
Other related parties:			
Pyeongtaek Godeok PFV Co., Ltd.		<u>\$ 1,863,360</u>	<u>\$ 3,992</u>
For the three months ended March 31, 2022 and 2021, there were no related party transactions.			
N. <u>Receivable of securities business money lending</u>			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Company's directors:			
Others	\$ 9,000	\$ 23,206	\$ -
Other related parties:			
Others	<u>8,610</u>	<u>410</u>	<u>12,109</u>
	<u>\$ 17,610</u>	<u>\$ 23,616</u>	<u>\$ 12,109</u>
O. <u>Accounts receivable</u>			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 345,534	\$ 336,337	\$ 299,115
Yuanta Construction			
Development	<u>2,745</u>	<u>2,938</u>	<u>3,296</u>
	<u>\$ 348,279</u>	<u>\$ 339,275</u>	<u>\$ 302,411</u>

P. Other financial liabilities and Interest expense

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

	Other financial liabilities		
	March 31, 2022	December 31, 2021	March 31, 2021
Company's directors:			
Others	\$ 13,687	\$ 20,690	\$ 38,368
Other related parties:			
Others	11	9	10
	<u>\$ 13,698</u>	<u>\$ 20,699</u>	<u>\$ 38,378</u>
	Interest expense		
	For the three months ended March 31,		
	2022	2021	
Company's directors:			
Others	\$ 8	\$ 20	
Other related parties:			
Others	1	-	
	<u>\$ 9</u>	<u>\$ 20</u>	

Q. Other payables

	March 31, 2022	December 31, 2021	March 31, 2021
Company's directors:			
Others	\$ 62	\$ 22	\$ 1
Other related parties:			
Others	250	27	144
	<u>\$ 312</u>	<u>\$ 49</u>	<u>\$ 145</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties:			
YFYCPG	\$ -	\$ -	\$ 83,207
Yuanta SPAC IV	-	18,051	19,547
Yuanta SPAC V	-	22,943	24,845
Yuanta SPAC VI	-	-	24,845
Yuanta SPAC VII	22,441	22,127	23,962
Yuanta SPAC VIII	23,386	23,059	24,971
	<u>\$ 45,827</u>	<u>\$ 86,180</u>	<u>\$ 201,377</u>

	Proceeds on disposal	
	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta SPAC IV	\$ 14,959	\$ -
YFYCPG	-	252,587
	<u>\$ 14,959</u>	<u>\$ 252,587</u>
	Realised gains	
	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta SPAC IV	(\$ 3,291)	\$ -
YFYCPG	-	22,155
	<u>(\$ 3,291)</u>	<u>\$ 22,155</u>

S. Credit transaction between the Yuanta Group and related parties

	March 31, 2022		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	\$ 1,742	\$ 3,493	\$ 60,200
Other related parties:			
Others	1,318	1,899	29,967
	<u>\$ 3,060</u>	<u>\$ 5,392</u>	<u>\$ 90,167</u>
	December 31, 2021		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
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>
	March 31, 2021		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	\$ 1,884	\$ 1,971	\$ 65,040
Other related parties:			
Others	1,068	1,145	32,034
	<u>\$ 2,952</u>	<u>\$ 3,116</u>	<u>\$ 97,074</u>

	March 31, 2022		December 31, 2021	
	Security short-selling interest payable	Security financing interest receivable	Security short-selling interest payable	Security financing interest receivable
Company's directors:				
Others	\$ 1	\$ 940	\$ 11	\$ 925
Other related parties:				
Others	3	816	5	814
	<u>\$ 4</u>	<u>\$ 1,756</u>	<u>\$ 16</u>	<u>\$ 1,739</u>

	March 31, 2021	
	Security short-selling interest payable	Security financing interest receivable
Company's directors:		
Others	\$ -	\$ 761
Other related parties:		
Others	1	633
	<u>\$ 1</u>	<u>\$ 1,394</u>

	For the three months ended March 31,			
	2022		2021	
	Security short-selling interest expenditures	Security financing interest revenue	Security short-selling interest expenditures	Security financing interest revenue
Company's directors:				
Others	\$ 17	\$ 650	\$ 5	\$ 591
Other related parties:				
Others	14	409	5	284
	<u>\$ 31</u>	<u>\$ 1,059</u>	<u>\$ 10</u>	<u>\$ 875</u>

T. Other Operating expenses

(A) ETF redemption fees

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 7,509</u>	<u>\$ 12,097</u>

(B) Financial costs

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 3</u>	<u>\$ -</u>

U. Premium income

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Others	\$ 105,742	\$ 95,652

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

	For the three months ended March 31,	
	2022	2021
Company's directors:		
Others	\$ 6,290	\$ 9,487
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	63,788	46,233
Others	8,596	7,755
	<u>\$ 78,674</u>	<u>\$ 63,475</u>

W. Rental income incident to leases from related parties by the Yuanta Group

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta Construction Development	\$ 2,071	\$ 2,298
Polaris Research	283	284
Yuanta Foundation	16	10
	<u>\$ 2,370</u>	<u>\$ 2,592</u>

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

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta Foundation	\$ 2	\$ -

Y. Deposits received incident to leases from related parties by the Yuanta Group

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties:			
Yuanta Construction			
Development	\$ 1,510	\$ 1,510	\$ 1,580
Polaris Research	188	189	189
Yuanta Foundation	11	10	17
	<u>\$ 1,709</u>	<u>\$ 1,709</u>	<u>\$ 1,786</u>

Z. Gain on investment property

(A) Imputed interest on deposits

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta Construction Development	\$ <u>3</u>	\$ <u>3</u>

(B) Other income

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta Construction Development	\$ <u>472</u>	\$ <u>-</u>

AA. Other operating income—Dividend income

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>18,439</u>	\$ <u>33,882</u>

AB. Other operating revenue—Underwriting business revenue

(A) Fee income from security proxy sale

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Others	\$ <u>-</u>	\$ <u>300</u>

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

	For the three months ended March 31,	
	2022	2021
Other related parties:		
Yuanta SPAC V	\$ 4,551	\$ -
Yuanta SPAC VIII	-	5,570
Yuanta SPAC III	-	3,819
	\$ <u>4,551</u>	\$ <u>9,389</u>

AC. Information on remunerations to Yuanta Group's key management

	For the three months ended March 31,	
	2022	2021
Salaries and other short-term employee benefits	\$ 1,431,767	\$ 1,878,926
Termination benefits	2,301	40,159
Other long-term benefits	2,948	2,907
Post-employment benefit	42,258	39,613
Total	\$ <u>1,479,274</u>	\$ <u>1,961,605</u>

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

March 31, 2022			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 85,742,410	5.74	0.00~6.06
December 31, 2021			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 112,068,782	7.62	0.00~5.80
March 31, 2021			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 60,719,776	4.71	0.00~5.80

Apart from an interest rate limit on staff demand savings deposits of 5.80%~6.06% and 5.80%, respectively, for the three months ended March 31, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were all 0.00%~3.00%. 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 ended March 31, 2022 and 2021, interest expense on the above deposits were \$58,182 and \$39,781, respectively.

(B) Loans

March 31, 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	211	\$ 75,327	\$ 56,032	\$ 56,032	\$ -	Small and medium enterprise credit guarantee fund, movables and credit loans	None
Home mortgage loans	471	3,832,720	3,586,968	3,586,968	-	Real estate	None
Other loans	77	305,811	216,220	216,220	-	Deposits, stock, real estate and policy	None
Total			\$ 3,859,220	\$ 3,859,220	\$ -		

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
Home 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	\$ -		

March 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	225	\$ 80,399	\$ 65,903	\$ 65,903	\$ -	Credit loans, real estate, movables and deposits	None
Home mortgage loans	473	3,979,296	3,665,828	3,665,828	-	Real estate	None
Other loans	74	277,629	205,899	205,899	-	Stock, deposits, policy and real estate	None
Total			\$ 3,937,630	\$ 3,937,630	\$ -		

Loans to related parties are under the same terms as those to other customers, the interest rates on the remaining loans are both ranging from 0.00% ~6.42% for the three months ended March 31, 2022 and 2021, which are the same with the terms of general loans.
For the three months ended March 31, 2022 and 2021, interest income resulting from the above loans amounted to \$12,834 and \$13,135, respectively.
(BLANK)

(C) Service fee income

	For the three months ended March 31,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 409,484	\$ 338,942
Yuanta Securities Investment Trust	10,730	7,568
Yuanta Securities (Hong Kong)	7,403	-
Yuanta Securities	4,720	253
	<u>\$ 432,337</u>	<u>\$ 346,763</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:			
Yuanta Life	\$ 164,462	\$ 58,657	\$ 269,646
Yuanta Securities (Hong Kong)	4,369	82	-
Yuanta Securities Investment Trust	3,330	3,334	2,225
	<u>\$ 172,161</u>	<u>\$ 62,073</u>	<u>\$ 271,871</u>

(D) Current income tax assets/liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Parent company:			
Yuanta Financial Holdings Consolidated income tax return receivable	\$ 344,687	\$ 99,119	\$ 1,080,955
Yuanta Securities Consolidated income tax return payable	\$ 625,763	\$ 625,763	\$ 264,416

(E) 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

Name of related parties	Right-of-use assets		
	March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:			
Yuanta Life	\$ 47,051	\$ 50,323	\$ 60,139
Yuanta Securities	44,429	51,179	43,710
Yuanta Securities Finance	1,876	2,501	4,376
	<u>\$ 93,356</u>	<u>\$ 104,003</u>	<u>\$ 108,225</u>

Name of related parties	Depreciation expense	
	For the three months ended March 31,	
	2022	2021
Fellow subsidiary:		
Yuanta Securities	\$ 6,750	\$ 7,055
Yuanta Life	3,272	3,036
Yuanta Securities Finance	625	625
	<u>\$ 10,647</u>	<u>\$ 10,716</u>

i. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities amounting to \$0 and \$4,856 for the three months ended March 31, 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 three months ended March 31, 2022 and 2021, respectively.

iii. Yuanta Bank and its subsidiaries have gains arising from lease modifications with Yuanta Life in the amount of \$0 and \$288 of lease contract for the three months ended March 31, 2022 and 2021, respectively.

c. Lease liabilities

Name of related parties	Lease liabilities		
	March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:			
Yuanta Life	\$ 50,985	\$ 54,497	\$ 65,000
Yuanta Securities	43,642	50,728	44,056
Yuanta Securities Finance	1,893	2,521	4,399
	<u>\$ 96,520</u>	<u>\$ 107,746</u>	<u>\$ 113,455</u>

Name of related parties	Interest expense	
	For the three months ended March 31,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 86	\$ 102
Yuanta Securities	71	82
Yuanta Securities Finance	4	9
	<u>\$ 161</u>	<u>\$ 193</u>

(F) Property transactions (recorded as “Bank debentures payable”)

For the three months ended March 31, 2022, Yuanta Securities purchased 2022 first general bank debentures in the amount of \$1,400,000 which was issued by Yuanta Bank.

For the three months ended March 31, 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:

		March 31, 2022		
		Futures margins		
		Own funds	Excess margins	Securities
Fellow subsidiary:				
	Yuanta Futures	\$ 2,076,623	\$ 3,268,999	\$ -
	Others	24,452	131,932	-
		<u>\$ 2,101,075</u>	<u>\$ 3,400,931</u>	<u>\$ -</u>
		December 31, 2021		
		Futures margins		
		Own funds	Excess margins	Securities
Fellow subsidiary:				
	Yuanta Futures	\$ 1,484,724	\$ 3,394,382	\$ -
	Others	43,407	118,207	-
		<u>\$ 1,528,131</u>	<u>\$ 3,512,589</u>	<u>\$ -</u>
		March 31, 2021		
		Futures margins		
		Own funds	Excess margins	Securities
Fellow subsidiary:				
	Yuanta Futures	\$ 5,220,940	\$ 4,099,547	\$ 11,163
	Others	14,641	28,637	-
		<u>\$ 5,235,581</u>	<u>\$ 4,128,184</u>	<u>\$ 11,163</u>
		Clearing and settlement service charge payable		
		March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:				
	Yuanta Futures	<u>\$ -</u>	<u>\$ 1,981</u>	<u>\$ 4,113</u>

	<u>For the three months ended March 31, 2022</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ -	\$ 25,993
Others	<u>21</u>	<u>449</u>
	<u>\$ 21</u>	<u>\$ 26,442</u>
	<u>For the three months ended March 31, 2021</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 8,680	\$ 25,014
Others	<u>-</u>	<u>24</u>
	<u>\$ 8,680</u>	<u>\$ 25,038</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:

	<u>March 31, 2022</u>	
	<u>Ending balance of bank deposits</u>	<u>Other receivables – interests receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 21,266,772</u>	<u>\$ 7,781</u>
	<u>December 31, 2021</u>	
	<u>Ending balance of bank deposits</u>	<u>Other receivables – interests receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 59,176,243</u>	<u>\$ 5,146</u>
	<u>March 31, 2021</u>	
	<u>Ending balance of bank deposits</u>	<u>Other receivables – interests receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 9,350,451</u>	<u>\$ 1,327</u>
		<u>Other gains and losses – interest income (Note)</u>
	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 12,297</u>	<u>\$ 5,380</u>

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

- b. As of March 31, 2022, December 31, 2021, and March 31, 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 \$6,720,752, \$6,637,400 and \$407,000, respectively.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	\$ <u>-</u>	\$ <u>-</u>	\$ <u>895,230</u>
Consolidated income tax return payables	\$ <u>3,347,576</u>	\$ <u>2,833,710</u>	\$ <u>3,008,288</u>

(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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>1,265,000</u>	\$ <u>1,265,000</u>	\$ <u>1,265,000</u>

(E) Refundable deposits for lending auction

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>300,000</u>	\$ <u>350,000</u>	\$ <u>350,000</u>

(F) Refundable deposits for securities lending, refundable deposits receivable lending, borrowing expenses payable and security borrowing expenses

Please refer to Note 7(2)F.

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

Please refer to Note 7(2)G.

(H) Commission receivable and commission income

	<u>Commission receivable</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Life	\$ <u>143,200</u>	\$ <u>85,142</u>	\$ <u>227,054</u>
		<u>Commission income</u>	
		<u>For the three months ended March 31,</u>	
		<u>2022</u>	<u>2021</u>
Fellow subsidiary:			
Yuanta Life		\$ <u>229,803</u>	\$ <u>253,838</u>

(I) Investment refund receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Yuanta Investment Management (Cayman)	\$ 328,506	\$ -	\$ -
IKBC-TongYang Growth 2013 Private Equity Fund	48,485	47,782	51,661
TONGYANG AGRI-FOOD INVESTMENT FUND II	1,104	21,639	40,778
	<u>\$ 378,095</u>	<u>\$ 69,421</u>	<u>\$ 92,439</u>

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

Please refer to Note 7(2)M.

(K) Amounts held for settlement

As of March 31, 2022, December 31, 2021, and March 31, 2021, Yuanta Securities and its subsidiaries had amounts held for settlement of \$1,200,035, \$1,798,617 and \$1,795,868, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(L) Other financial liabilities and Interest expenses

	<u>Other financial liabilities</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Life	\$ 215,038	\$ -	\$ -
Yuanta Venture	5,223	5,073	5,243
Yuanta Bank(Korea)	4,724	4,659	5,044
Company's directors :			
Others	13,687	20,690	38,368
	<u>\$ 238,672</u>	<u>\$ 30,422</u>	<u>\$ 48,655</u>

	<u>Interest expenses</u>	
	<u>For the three months ended March 31, 2022</u>	<u>For the three months ended March 31, 2021</u>
Fellow subsidiary:		
Yuanta Bank(Korea)	\$ 1	\$ 1
Company's directors :		
Others	8	20
	<u>\$ 9</u>	<u>\$ 21</u>

(M) 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 three months ended March 31, 2022	
	Purchased	Sold
Fellow subsidiary:		
Yuanta Bank	\$ 1,400,000	\$ -
	For the three months ended March 31, 2021	
	Purchased	Sold
Parent company:		
Yuanta Financial Holdings	\$ 4,100,000	\$ -
Fellow subsidiary:		
Yuanta Bank	4,500,000	-
	\$ 8,600,000	\$ -

(N) Lease transactions—Lessee

a. Yuanta Securities and its subsidiaries leases 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		
	March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:			
Yuanta Life	\$ 380,552	\$ 406,793	\$ 485,277
Yuanta Bank	9,973	11,823	17,348
	\$ 390,525	\$ 418,616	\$ 502,625
	Financial cost		
	For the three months ended March 31,		
	2022	2021	
Fellow subsidiary:			
Yuanta Life	\$ 594	\$ 825	
Yuanta Bank	23	40	
	\$ 617	\$ 865	

(O) Customer margin accounts

	March 31, 2022	December 31, 2021	March 31, 2021
Fellow subsidiary:			
Yuanta Futures	\$ 216,312	\$ 201,455	\$ 197,024
Others	1,096	1,062	1,103
	\$ 217,408	\$ 202,517	\$ 198,127

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

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties:			
Fund managed by Yuanta			
Securities Investment Trust	\$ 5,749,591	\$ 4,777,424	\$ 6,614,079

	For the three months ended March 31,			
	2022		2021	
	Proceeds on disposal	Realised gain	Proceeds on disposal	Realised gain
Other related parties:				
Fund managed by Yuanta Securities Investment Trust	\$ 81,550,235	(\$ 164,183)	\$ 84,600,368	\$ 571,189

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

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties:			
YFYCPG	\$ -	\$ -	\$ 83,207
Yuanta SPAC IV	-	18,051	19,547
Yuanta SPAC V	-	22,943	24,845
Yuanta SPAC VI	-	-	24,845
Yuanta SPAC VII	22,441	22,127	23,962
Yuanta SPAC VIII	23,386	23,059	24,971
	<u>\$ 45,827</u>	<u>\$ 86,180</u>	<u>\$ 201,377</u>

	For the three months ended March 31,			
	2022		2021	
	Proceeds on disposal	Realised gain (loss)	Proceeds on disposal	Realised gain (loss)
Parent subsidiary:				
Yuanta Financial Holdings	\$ 145,694	\$ 41	\$ 16,377	(\$ 3)
Other related parties:				
Yuanta SPAC IV	14,959	(3,291)	-	-
YFYCPG	-	-	252,587	22,155
	<u>\$ 160,653</u>	<u>(\$ 3,250)</u>	<u>\$ 268,964</u>	<u>\$ 22,152</u>

(R) Credit transaction

Please refer to Note 7(2)S.

(S) Others

- a As of March 31, 2022, December 31, 2021, and March 31, 2021, the lines of credit that Yuanta Securities and its subsidiaries have drawn in order to acquire Yuanta Bank were all \$10,000,000. The carrying amounts of land and building amounting to \$3,451,320, \$3,496,643 and \$3,510,449, respectively, were designated as collateral.
- b 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 March 31,	
	2022	2021
Other related parties:		
Yuanta Asia Growth Investment, L.P.	\$ 7,654	\$ 5,973
Yuanta Diamond Funds SPC's funds	5,801	13,018
Others	137	160
	<u>\$ 13,592</u>	<u>\$ 19,151</u>

	The balance of fund		
	March 31, 2022	December 31, 2021	March 31, 2021
	Other related parties:		
Global Growth Investment, L.P.	\$ 11,600	\$ 12,044	\$ 34,811
Yuanta Asia Growth Investment, L.P.	128,260	124,086	97,320
Yuanta Diamond Funds SPC's funds	-	-	55,048
	<u>\$ 139,860</u>	<u>\$ 136,130</u>	<u>\$ 187,179</u>

C. Yuanta Futures and its subsidiaries

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

	March 31, 2022			
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits	Balance of excess futures guarantee deposits
Fellow subsidiary:				
Yuanta Bank	\$ 3,716,282	\$ 140,000	\$ 18,242,744	\$ -
Securities (Korea)	-	-	7,877	20
Securities (Vietnam)	-	-	103,411	-
	<u>\$ 3,716,282</u>	<u>\$ 140,000</u>	<u>\$ 18,354,032</u>	<u>\$ 20</u>
	December 31, 2021			
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits	Balance of excess futures guarantee deposits
Fellow subsidiary:				
Yuanta Bank	\$ 3,344,174	\$ 140,000	\$ 16,371,626	\$ -

March 31, 2021				
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits	Balance of excess futures guarantee deposits
Fellow subsidiary:				
Yuanta Bank	\$ 1,408,442	\$ 140,000	\$ 11,689,001	\$ -
(B) Customer margin account for leverage contracts				
	March 31, 2022	December 31, 2021	March 31, 2021	
Fellow subsidiary:				
Yuanta Bank	\$ 97,955	\$ 200,734	\$ 267,317	
(C) Equity of futures traders				
	March 31, 2022	December 31, 2021	March 31, 2021	
Fellow subsidiary:				
Yuanta Securities	\$ 5,347,625	\$ 4,904,272	\$ 9,282,796	
Yuanta Securities (Korea)	229,785	210,502	196,526	
Yuanta Securities (Hong Kong)	150,777	132,727	90,865	
Yuanta Bank	82,119	84,459	30,374	
Other related parties:				
Funds managed by Yuanta Securities Investment Trust	29,235,232	29,244,360	33,096,584	
Others	99,154	88,823	72,426	
	<u>\$ 35,144,692</u>	<u>\$ 34,665,143</u>	<u>\$ 42,769,571</u>	
(D) Lease liabilities				
a. Ending balances				
	March 31, 2022	December 31, 2021	March 31, 2021	
Fellow subsidiary:				
Yuanta Bank	\$ 6,455	\$ 7,051	\$ 2,410	
Yuanta Life	143,294	153,175	182,727	
	<u>\$ 149,749</u>	<u>\$ 160,226</u>	<u>\$ 185,137</u>	
b. Interests expense				
	For the three months ended March 31,			
	2022	2021		
Fellow subsidiary:				
Yuanta Bank	\$ 10	\$ 2		
Yuanta Life	229	307		
	<u>\$ 239</u>	<u>\$ 309</u>		

D. Yuanta Securities Investment Consulting

Bank deposits

As of March 31, 2022, December 31, 2021, and March 31, 2021, Yuanta Securities Investment Consulting deposited \$164,237, \$241,703 and \$154,140, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were all 0.770% .

E. Yuanta Securities Investment Trust

(A) Bank deposits

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ 3,360,147	\$ 3,267,493	\$ 3,098,732

(B) Accounts receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Life	\$ 714	\$ 1,522	\$ -
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	345,534	336,337	299,115
	<u>\$ 346,248</u>	<u>\$ 337,859</u>	<u>\$ 299,115</u>

(C) Management fee income

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Life	\$ 3,065	\$ -
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	895,754	843,356
	<u>\$ 898,819</u>	<u>\$ 843,356</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 March 31, 2022, December 31, 2021 and March 31, 2021 are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Yuanta Securities Investment Trust	\$ 830,298	\$ 165,069	\$ 493,997
Fellow subsidiary	1,515,118	452,295	1,889,931
	<u>\$ 2,345,416</u>	<u>\$ 617,364</u>	<u>\$ 2,383,928</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank (Note)	\$ 8,191,237	\$ 768,267	\$ 18,844,053
Note: Including other financial assets.			

(B) Current income tax assets/liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	\$ 1,943,173	\$ 1,751,615	\$ 2,609,424
Consolidated income tax return payable	\$ 612,649	\$ 612,649	\$ 718,686

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 2,273,573	\$ 1,520,526	\$ 2,770,510
Yuanta Asia Growth Investment, L.P.	128,464	124,675	96,804
	<u>\$ 2,402,037</u>	<u>\$ 1,645,201</u>	<u>\$ 2,867,314</u>
	<u>For the three months ended March 31, 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	\$ 800,000	\$ -	\$ -
	<u>For the three months ended March 31, 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	\$ 96,748	\$ 279,407	\$ 14,290

(D) Payables

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company:			
Yuanta Financial Holdings	\$ 78	\$ 1,081	\$ 1,367
Fellow subsidiary:			
Yuanta Bank	119,258	53,609	90,765
Yuanta International Insurance Brokers	143,200	82,563	227,054
	<u>\$ 262,536</u>	<u>\$ 137,253</u>	<u>\$ 319,186</u>

(E) Premium income

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Bank	\$ -	\$ 4,499
Other related parties:		
Others (Note)	105,742	95,652
	<u>\$ 105,742</u>	<u>\$ 100,151</u>

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

(F) Commission expense

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Bank	\$ 368,906	\$ 162,512
Yuanta International Insurance Brokers	229,803	253,838
	<u>\$ 598,709</u>	<u>\$ 416,350</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 March 31, 2022 and 2021 were \$28,624,888 and \$0 respectively; the trustee's compensation for the commissioned services during the three months ended March 31, 2022 and 2021 amounted to \$3,065 and \$0, 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 three months ended March 31, 2022 and 2021 amounted to \$6,838 and \$0, respectively.

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ 1,070,879	\$ 952,219	\$ 801,429
Yuanta Securities (Hong Kong)	5,223	5,073	5,243
	<u>\$ 1,076,102</u>	<u>\$ 957,292</u>	<u>\$ 806,672</u>

- a. For the three months ended March 31, 2022 and 2021, interest income from abovementioned bank accounts were \$869 and \$453, respectively.
- b. As of March 31, 2022, December 31, 2021, and March 31, 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 3.6557, 3.5507 and 3.6703, respectively.

(B) Current tax asset/liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	\$ 71,984	\$ 71,984	\$ 103,153
Consolidated income tax return payable	\$ 19,868	\$ 13,392	\$ 4,356

H. Yuanta Asset Management

(A) Bank deposits

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ 527,667	\$ 179,926	\$ 21,468

For the three months ended March 31, 2022 and 2021, interest income from abovementioned bank accounts were \$219 and \$2, respectively.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fellow subsidiary:			
Funds managed by Yuanta Securities Investment Trust	\$ 180,000	\$ -	\$ -

8. Pledged assets

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

Items	March 31, 2022	December 31, 2021	March 31, 2021	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 118,110	\$ 116,460	\$ 176,561	Operating guarantee deposits
Financial assets at fair value through profit or loss	139,938,217	125,360,233	158,571,239	Bonds under repurchase agreement, collateral for securities lending and OTC trading
	70,133,262	76,340,247	84,517,497	Merchant business
	50,963	51,208	51,860	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	3,906,055	3,904,550	3,961,673	Claim reserve from trust fund, collateral for securities lending business and guarantees on asset disposal
	-	1,216,100	1,216,100	Operating guarantee deposits
	67,189,699	64,853,914	60,389,819	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	3,623,134	2,407,130	2,407,424	Operating guarantee deposits
	211,376	211,874	50,706	Deposits for guarantees in the Central Bank
	183,503	183,796	195,622	Claim reserve from trust fund
	10,675,885	10,651,885	10,651,585	Overdraft guarantee for foreign currency settlement
	108,632	108,807	109,341	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	54,316	54,404	54,671	Deposit guarantees of bills merchants
	382,276	463,301	677,368	Collateral for provisional seizure
	5,214	5,223	5,248	VISA international card payment reserves
Restricted assets	3,506,538	2,143,011	1,158,115	Collateral for settlement limit, short-term loans, payable short-term bills and OTC derivative transactions
	260,556	306,264	1,348,186	Operating guarantee deposits-exchange, structured notes, interest rate swap account, repo trade and money lending refundable
	933	920	996	Overdraft guarantee
	21,487	21,834	21,843	Dividends payable arising from stock agency business
Other assets	601,354	435,358	247,238	Operating guarantee deposits
	3,074,667	1,775,239	2,248,294	Performance bond and rental deposits
	198,987	32,594	600,078	Underwriting share proceeds collected on behalf of customers
Property and equipment and investment property	2,574,283	2,956,216	3,099,808	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	603,070	646,073	615,227	Collateral for securities lending business

9. Significant contingent liabilities and unrecognized contract commitments

(1) As of March 31, 2022, December 31, 2021, and March 31, 2021, capital expenditure contracted for at the balance sheet date but not yet incurred were \$9,549,996, \$6,327,872 and \$3,320,635, respectively.

(2) As of March 31, 2022, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group were US 6,550 thousand dollars and \$24,204 thousand dollars.

(3) Stocks entrusted to custody

As of March 31, 2022, December 31, 2021, and March 31, 2021, the stocks entrusted to the custody of Yuanta Securities Finance of Yuanta Group by clients were all 7,483 thousand shares. The market value of these entrusted stocks was approximately \$79,170, \$79,180 and \$78,811, 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-liable 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 the ruling and reduced the claim amount to \$724,028 thousand (the amount of \$699,196 thousand of which was claimed on a jointly-liable basis). Yuanta Securities will defend the case in accordance with the law.

B. As of March 31, 2022, of the total 17 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 15 litigations were compensation claims totaling KRW 22,350 million (approximately \$530 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 March 31, 2022, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW 142,129 million (about \$3.4 billion) for the abovementioned 15 litigations that were unrelated to the financial product selling disputes and 1 arbitration award issued for an arbitration counterclaim case. Separately, Yuanta Securities (Korea) filed 18 lawsuits as the plaintiff with a total claimed amount of KRW 109,109 million (about \$2.6 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 \$260 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.

D. As of March 31, 2022, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD 147,504 thousand (approximately \$540 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 \$250 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD 44 thousand (approximately \$160 thousand), the remaining loss of HKD 78,908 thousand (approximately \$290 million) has been recognized. 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 \$490 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 March 31, 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 March 31, 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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Commitment of the securities under a repurchase agreement	\$ 183,536,251	\$ 187,259,926	\$ 200,276,504
Commitment of the securities under a resale agreement	37,781,693	46,501,102	47,483,387
Unused loan commitments	23,777,923	22,005,017	24,790,481
Credit commitment on credit card	121,469,720	120,652,007	119,443,005
Unused L/C balance	3,060,184	2,495,253	3,258,876
Other guarantees	10,298,169	10,180,354	13,825,580
Consignment collection for others	15,741,171	15,679,854	17,802,910
Trust assets	268,685,667	256,989,946	271,213,542
Items under custody	66,055,404	68,681,307	28,522,198

(10) Content and amount of trust businesses conducted in accordance with the Trust Enterprise Act

In accordance with Article 17 of the Trust Enterprise Act, disclosure of trust balance sheet, trust income statement and trust property catalog of the Yuanta Bank are 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 March 31, 2021 and 2020 were USD 7,265 thousand dollars and USD 12,364 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

On November 19, 2021, the Board of Directors of the Company resolved to issue the unsecured corporate bonds in the amount of \$10 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 first issuance of \$5.3 billion by 2022 unsecured corporate bonds on April 19, 2022.

(2) Subsidiaries:

- A. On April 13, 2022, the Board of Directors of Yuanta Futures resolved to establish a 100% owned subsidiary in Singapore. The subsidiary was tentatively named "Yuanta International (Singapore) Limited" and the total investment amount will be USD28 million (approximately \$799.4 million). The procedure will proceed after obtaining the approval from the competent authorities.
- B. On March 31, 2022, the Board of Directors of Yuanta Securities (Korea) resolved to issue the unsecured corporate bonds in the amount of KRW150 billion (approximately \$3.5 billion) and completed the issuance of 88th 3-year unsecured common corporate bonds of Yuanta Securities (Korea) of KRW150 billion (approximately \$3.5 billion) on April 12, 2022.

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 authorized 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 recognized 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, 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:

	March 31, 2022				December 31, 2021			
	Total	Level 1	Level 2	Level 3	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	\$ 50,849,199	\$ 48,814,908	\$ -	\$ 2,034,291	\$ 46,682,480	\$ 44,338,674	\$ -	\$ 2,343,806
Liability instruments	335,104,473	68,246,894	266,345,879	511,700	340,079,459	76,358,173	263,201,601	519,685
Others	114,821,325	34,201,723	76,244,138	4,375,464	128,923,284	43,315,551	79,415,014	6,192,719
Financial assets at fair value through other comprehensive income (Note)								
Equity instruments	57,199,454	29,486,711	-	27,712,743	44,301,514	17,551,150	-	26,750,364
Liability instruments	304,900,867	123,441,276	181,363,424	96,167	295,405,248	116,970,889	178,322,333	112,026
Other financial assets								
Purchase of claim receivable	1,807,557	-	-	1,807,557	1,813,266	-	-	1,813,266
Liabilities								
Financial liabilities at fair value through profit or loss								
	\$ 147,265,575	\$ 86,982,690	\$ 22,594,433	\$ 37,688,452	\$ 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								
	\$ 16,382,942	\$ 8,727,968	\$ 5,295,659	\$ 2,359,315	\$ 13,556,918	\$ 6,253,670	\$ 5,597,219	\$ 1,706,029
Liabilities								
Financial liabilities at fair value through profit or loss								
	\$ 30,719,272	\$ 4,524,521	\$ 18,110,196	\$ 8,084,555	\$ 25,014,745	\$ 5,217,054	\$ 15,523,237	\$ 4,274,454

Recurring fair value measurements	March 31, 2021			
	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	\$ 47,647,845	\$ 45,107,516	\$ -	\$ 2,540,329
Liability instruments	376,655,216	84,822,544	291,250,366	582,306
Others	150,932,571	53,835,647	88,496,812	8,600,112
Financial assets at fair value through other comprehensive income (Note)				
Equity instruments	45,106,496	22,678,681	-	22,427,815
Liability instruments	250,192,648	94,131,078	155,882,953	178,617
Other financial assets				
Purchase of claim receivable	1,826,725	-	-	1,826,725
Liabilities				
Financial liabilities at fair value through profit or loss	\$153,629,711	\$ 89,139,821	\$ 18,346,017	\$ 46,143,873
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 11,095,654	\$ 2,680,678	\$ 5,947,638	\$ 2,467,338
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 21,620,356	\$ 5,150,139	\$ 12,404,585	\$ 4,065,632

Note: As of March 31, 2022, December 31, 2021, and March 31, 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 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 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 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 March 31, 2022, December 31, 2021, and March 31, 2021, certain foreign debt held by the Yuanta Group, totaling, USD 17,608 thousand, USD 15,514 thousand and USD 18,651 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 March 31, 2022, December 31, 2021, and March 31, 2021, certain foreign debt held by the Yuanta Group, totaling USD 7,089 thousand, USD 14,690 thousand and USD 26,470 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:

Items	For the three months ended March 31, 2022							
	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	(\$ 1,166,599)	(\$ 17,835)	\$ 3,191,650	\$ -	(\$ 3,086,057)	(\$ 402,628)	\$ 9,280,770
Financial assets at fair value through other comprehensive income	26,862,390	66,358	899,577	-	-	(19,415)	-	27,808,910
Other financial assets- purchase of claim receivable	1,813,266	142	-	-	-	(5,851)	-	1,807,557
Total	\$ 39,437,895	(\$ 1,100,099)	\$ 881,742	\$ 3,191,650	\$ -	(\$ 3,111,323)	(\$ 402,628)	\$ 38,897,237

Items	For the three months ended March 31, 2021							
	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	\$ 1,599,790	\$ 11,569	\$ 60,141,178	\$ -	(\$ 63,582,878)	(\$ 539,525)	\$ 14,190,085
Financial assets at fair value through other comprehensive income	20,290,988	(197,377)	2,521,111	12,891	-	(21,181)	-	22,606,432
Other financial assets- purchase of claim receivable	1,831,820	(68)	-	-	-	(5,027)	-	1,826,725
Total	\$ 38,682,759	\$ 1,402,345	\$ 2,532,680	\$ 60,154,069	\$ -	(\$ 63,609,086)	(\$ 539,525)	\$ 38,623,242

In relation to the above, valuation gains and losses are recognized in gain and loss in the period. The net (losses) gains belonging to assets as of March 31, 2022 and 2021 were (\$1,634,293) and \$1,613,837, respectively.

In relation to the above, valuation gains and losses are recognized in other comprehensive income. The net gains belonging to assets as of March 31, 2022 and 2021 were \$881,398 and \$2,532,919, respectively.

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

For the three months ended March 31, 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	\$ 760,501	(\$ 240)	\$ 11,641,351	\$ -	(\$ 8,779,702)	\$ -	\$ 45,773,007

For the three months ended March 31, 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	(\$ 2,814,158)	(\$ 575)	\$ 18,777,945	\$ -	(\$ 21,477,771)	(\$ 26,085)	\$ 50,209,505

In relation to the above, valuation gains and losses are recognized in gain and loss in the period. The net gains belonging to liabilities as of March 31, 2022 and 2021 were \$154,560 and \$49,867, respectively.

In relation to the above, valuation gains and losses are recognized in other comprehensive income. The net gains belonging to liabilities as of March 31, 2022 and 2021 were \$880 and \$988, respectively.

Note: For the three months ended March 31, 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 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
March 31, 2022				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 220,426	(\$ 218,180)	\$ -	\$ -
Derivative instruments	18,325	(18,325)	-	-
Financial assets at fair value through other comprehensive income	-	-	428,380	(321,146)
Other financial assets- purchase of claim receivable	91,586	(91,586)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	\$ 93,284	(\$ 93,284)	\$ -	\$ -
Derivative instruments	(123,597)	123,641	-	-
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
March 31, 2021				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 289,826	(\$ 286,540)	\$ -	\$ -
Derivative instruments	27,016	(27,016)	-	-
Financial assets at fair value through				
other comprehensive income	-	-	389,246	(277,600)
Other financial assets- purchase of				
claim receivable	93,639	(93,639)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 35,209)	\$ 35,209	\$ -	\$ -
Derivative instruments	79,395	(79,464)	-	-

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:

March 31, 2022	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,034,291	1. Market method	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
		2. Income method			
		3. Equity Model by L. Anderson and D. Buffum	Discount rate	12.62%~15.52%	The higher the discount rate, the lower the fair value
			Stock price volatility	17.57%~95.33%	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	5.38%~21.04%	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

March 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 511,700	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	35.61%~48.59%	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	0.97%~5.86%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,359,315	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.86% ~ 22.40%	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	0.19 ~ 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	4,375,464	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	17.86% ~ 22.40%	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	0.19 ~ 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	1,807,557	Recoverable amount	Contact rate	7.28%~39.71%	The higher the contact rate, the higher the fair value
			Payment rate	3.86%~36.27%	The higher the payment rate, the higher the fair value
			Discount rate	5.18%~40.84%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	27,712,743	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	0.114~0.114	The higher the discount rate, the lower the fair value
Liability instruments	96,167	Discounted cash flow	Discount rate	0.97%~5.86%	The higher the discount rate, the lower the fair value

March 31, 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)	\$ 8,084,555	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.86% ~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	0.19 ~ 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	37,688,452	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	0.74%~75.22%	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	0.19 ~ 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
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 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	10.01%~16.80%	The higher the discount rate, the lower the fair value
			Stock price volatility	17.03%~125.06%	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	5.39%~19.28%	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	519,685	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	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.
			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	0.71%~5.85%	The higher the discount rate, the lower the fair value

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 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

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
March 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	\$ 2,540,329	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	7.59%~15.95%	The higher the discount rate, the lower the fair value
			Stock price volatility	17.61%~65.14%	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	2.26%~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
Liability instruments	582,306	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%~53.19%	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	5.58%~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
			Discount rate	0.18%~4.65%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,467,338	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility	2.03%~22.38%	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	0.22~0.95	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

March 31, 2021		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Others	\$ 8,600,112	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility	<=10% 18.42%~22.38%	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	0.22~0.95	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100.00%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,826,725	Recoverable amount	Contact rate Payment rate Discount rate	4.49%~43.20% 3.34%~38.00% 4.48%~41.92%	The higher the contact rate, the higher the fair value The higher the payment rate, the higher the fair value The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	22,427,815	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability Expected growth rate Discount rate	<=40% 0.00%~1.00% 11%	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	178,617	Discounted cash flow	Discount rate	0.18%~4.65%	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)	4,065,632	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	18.42%~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	0.22~0.95	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
Others	46,143,873	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	0.06%~82.43%	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	0.22~0.95	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100.00%	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.

	March 31, 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)	\$ 329,063,602	\$ 325,815,836	\$ 2,845,651	\$ 322,950,078	\$ 20,107
<u>Financial liabilities</u>					
Bonds payable	82,613,202	78,303,673	-	78,303,673	-
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	-
March 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)	\$ 291,240,297	\$ 308,260,375	\$ 3,054,048	\$ 305,177,822	\$ 28,505
<u>Financial liabilities</u>					
Bonds payable	80,290,894	82,726,362	-	82,726,362	-
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 March 31, 2022, December 31, 2021 and March 31, 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 amortized 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 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 categorized 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 categorized 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 categorized 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 9~11	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 recognizes 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 recognized for assets in Stage 1, and lifetime expected credit losses are recognized for assets in Stage 2 and Stage 3.

The definition of and expected credit losses recognized 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 recognized 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 amortized 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 heats up since the beginning of 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 continue 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 monitors the development of the pandemic, and assesses and resolves 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

March 31, 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	\$ 613,400,455	\$ 585,593	\$ -	\$ -	\$ 613,986,048
Internal ratings— acceptable	254,349,673	2,301,424	-	-	256,651,097
Internal ratings— weak	41,987,685	1,555,265	-	-	43,542,950
Internal ratings— not rated	147,802	30	-	-	147,832
Internal ratings— credit impairment	-	62,946	5,390,271	-	5,453,217
The total carrying amount	909,885,615	4,505,258	5,390,271	-	919,781,144
Allowance for bad debt	(1,673,524)	(400,980)	(3,104,317)	-	(5,178,821)
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	-	-	-	(8,432,337)	(8,432,337)
Total (Note)	\$ 908,212,091	\$ 4,104,278	\$ 2,285,954	(\$ 8,432,337)	\$ 906,169,986

Note: Including interest receivable and temporary payments for others amounting to \$676,767. In addition, allowance for doubtful receivables was \$14,118.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets measured at fair value through other comprehensive income” and “financial assets measured at amortized cost”) are \$212,102,456 and \$846,326,185, respectively, and 12-month expected credit losses (Stage 1) are recognized for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

December 31, 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	\$ 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 bad debt	(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)	\$ 886,812,437	\$ 4,001,888	\$ 2,399,252	(\$ 8,250,923)	\$ 884,962,654

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 measured at fair value through other comprehensive income” and “financial assets measured at amortized cost”) are \$208,639,501 and \$808,148,035, respectively, and 12-month expected credit losses (Stage 1) are recognized for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

March 31, 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	\$ 517,923,264	\$ 711,208	\$ -	\$ -	\$ 518,634,472
Internal ratings— acceptable	229,241,370	4,664,625	-	-	233,905,995
Internal ratings— weak	52,174,864	560,768	-	-	52,735,632
Internal ratings— not rated	180,757	74	-	-	180,831
Internal ratings— credit impairment	-	65,469	6,590,517	-	6,655,986
The total carrying amount	799,520,255	6,002,144	6,590,517	-	812,112,916
Allowance for bad debt	(1,557,798)	(238,455)	(4,020,485)	-	(5,816,738)
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	-	-	-	(7,220,174)	(7,220,174)
Total (Note)	<u>\$ 797,962,457</u>	<u>\$ 5,763,689</u>	<u>\$ 2,570,032</u>	<u>(\$ 7,220,174)</u>	<u>\$ 799,076,004</u>

Note: Including interest receivable and temporary payments for others amounting to \$623,098. In addition, allowance for doubtful receivables was \$20,725.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “Financial assets measured at fair value through other comprehensive income” and “financial assets measured at amortized cost”) are \$189,668,160 and \$703,350,069, respectively, and 12-month expected credit losses (Stage 1) are recognized 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:

March 31, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 22,241	\$ -	\$ 22,241
Bills discounted and loans	719,036,553	-	719,036,553
Financial assets at fair value through profit or loss	257,519	925,643	1,183,162
<u>For off-balance sheet accounts</u>			
Unused loan commitments	6,309,647	-	6,309,647
Unused credit commitment	120,353	-	120,353
Guarantees (including for non-performing loans)	3,960,697	-	3,960,697
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
March 31, 2021	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 13,672	\$ -	\$ 13,672
Bills discounted and loans	626,162,107	-	626,162,107
Financial assets at fair value through profit or loss	172,236	309,060	481,296
<u>For off-balance sheet accounts</u>			
Unused loan commitments	7,096,427	-	7,096,427
Unused credit commitment	242,199	-	242,199
Guarantees (including for non-performing loans)	3,733,061	-	3,733,061

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	March 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Privately owned businesses	\$ 48,508,703	1.72	\$ 717,967,191	25.59
Natural person	722,411,550	25.57	740,580,656	26.40
Financial institutions	728,080,123	25.77	750,072,096	26.74
Governmental institutions	781,856,674	27.67	544,046,612	19.39
Government-owned businesses	541,630,548	19.17	49,974,810	1.78
Others	2,867,569	0.10	2,661,691	0.10
Total	<u>\$ 2,825,355,167</u>	<u>100.00</u>	<u>\$ 2,805,303,056</u>	<u>100.00</u>

Industry	March 31, 2021	
	Amount	%
Privately owned businesses	\$ 672,614,620	25.75
Natural person	676,533,474	25.90
Financial institutions	715,216,379	27.39
Governmental institutions	481,963,913	18.45
Government-owned businesses	62,904,422	2.41
Others	2,488,296	0.10
Total	<u>\$ 2,611,721,104</u>	<u>100.00</u>

(b) Geographic location:

Geography location	March 31, 2022	December 31, 2021	March 31, 2021
Taiwan	\$ 2,008,898,464	\$ 2,024,766,293	\$ 1,816,592,699
Asia	501,698,572	486,761,330	496,088,435
America	195,791,847	184,156,621	191,865,036
Europe	82,599,728	79,497,554	75,712,664
Oceania	36,111,598	29,832,581	31,195,685
Africa	254,958	288,677	266,585
Total	<u>\$ 2,825,355,167</u>	<u>\$ 2,805,303,056</u>	<u>\$ 2,611,721,104</u>

i. Changes in the Yuanta Group's allowance for bad debt and accumulative impairment

(a) Credit business

For the three months ended March 31, 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
<u>For the three months ended March 31, 2022</u>						
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	(2,169)	11,919	(9,750)	-	-	-
-Transferred to credit-impaired financial asset	(2,877)	(366)	3,243	-	-	-
-Transferred to 12-month expected credit losses	52,935	(2,892)	(50,043)	-	-	-
-Financial assets derecognised in the current period	(276,131)	(219)	(13,473)	(289,823)	-	(289,823)
Impairment allowance for purchased or originated financial assets	325,039	80	164,601	489,720	-	489,720
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	-	-	-	-	186,757	186,757
Write-off as bad debt	(1,503)	(3,298)	(37,207)	(42,008)	-	(42,008)
Change in exchange and others	(65,441)	15,240	59,197	8,996	-	8,996
Ending balances	<u>\$ 1,625,094</u>	<u>\$ 400,974</u>	<u>\$ 3,142,570</u>	<u>\$ 5,168,638</u>	<u>\$ 8,428,402</u>	<u>\$ 13,597,040</u>

For the three months ended March 31, 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	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
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	(7,554)	23,619	(16,065)	-	-	-
-Transferred to credit-impaired financial asset	(3,461)	(681)	4,142	-	-	-
-Transferred to 12-month expected credit losses	71,863	(11,558)	(60,305)	-	-	-
-Financial assets derecognised in the current period	(261,424)	(3,305)	(332,766)	(597,495)	-	(597,495)
Impairment allowance for purchased or originated financial assets	294,745	-	16,511	311,256	-	311,256
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	-	-	-	-	306,633	306,633
Write-off as bad debt	(5,809)	(12,234)	(452,885)	(470,928)	-	(470,928)
Change in exchange and others	(53,770)	5,538	313,213	264,981	-	264,981
Ending balances	<u>\$ 1,511,876</u>	<u>\$ 238,420</u>	<u>\$ 4,053,901</u>	<u>\$ 5,804,197</u>	<u>\$ 7,211,990</u>	<u>\$ 13,016,187</u>

For the three months ended March 31, 2022, significant changes in the total carrying amount that affected 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)	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	(470,277)	(487,584)	(17,307)	-
-Transferred to credit-impaired financial asset	(162,801)	(56,289)	219,090	-
-Transferred to 12-month expected credit losses	326,148	(136,741)	(189,407)	-
-Financial assets derecognised in the current period	(161,304,675)	(77,354)	(194,579)	(161,576,608)
Impairment allowance for purchased or originated financial assets	198,353,774	19,288	266,014	198,639,076
Write-off as bad debt	(1,503)	(3,298)	(37,207)	(42,008)
Change in exchange and others	(15,286,194)	(110,349)	(31,595)	(15,428,138)
Ending balances	<u>\$ 909,230,855</u>	<u>\$ 4,496,536</u>	<u>\$ 5,376,986</u>	<u>\$ 919,104,377</u>

For the three months ended March 31, 2021, significant changes in the total carrying amount that affected 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)	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	(1,390,781)	(1,414,898)	(24,117)	-
-Transferred to credit-impaired financial asset	(244,645)	(50,303)	294,948	-
-Transferred to 12-month expected credit losses	662,075	(445,276)	(216,799)	-
-Financial assets derecognised in the current period	(130,359,786)	(372,301)	(509,282)	(131,241,369)
Impairment allowance for purchased or originated financial assets	151,738,598	-	26,958	151,765,556
Write-off as bad debt	(5,809)	(12,234)	(452,886)	(470,929)
Change in exchange and others	(15,692,690)	(134,704)	262,173	(15,565,221)
Ending balances	<u>\$ 798,919,615</u>	<u>\$ 5,998,432</u>	<u>\$ 6,571,771</u>	<u>\$ 811,489,818</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 March 31, 2022, December 31, 2021, and March 31, 2021, the carrying amount of accounts receivable amounted to \$57,659,169, \$57,142,471 and \$83,015,992, respectively. For the three months ended March 31, 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 three months ended March 31,	
	2022	2021
January 1	(\$ 544)	(\$ 871)
Reversal of impairment loss	30	28
March 31	<u>(\$ 514)</u>	<u>(\$ 843)</u>

(BLANK)

II. For the three months ended March 31, 2022 and 2021, movements in relation to providing loss allowance for receivables and other financial assets, which not stated as above accounts receivable, are as follows:

For the three months ended March 31, 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	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
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	(96)	6,090	(5,994)	-	-	-
-Transferred to credit-impaired financial asset	(2,994)	(937)	3,931	-	-	-
-Transferred to 12-month expected credit losses	23,248	(20,210)	(3,038)	-	-	-
-Financial assets derecognised in the current period	(5,530)	(124)	(539)	(6,193)	-	(6,193)
Impairment allowance for purchased or originated financial assets	5,135	701	8,021	13,857	-	13,857
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	-	-	-	-	(21,570)	(21,570)
Write-off as bad debt	-	(1,129)	(116,184)	(117,313)	-	(117,313)
Change in exchange and others	(90,876)	17,640	27,591	(45,645)	-	(45,645)
The ending balances	<u>\$ 180,446</u>	<u>\$ 58,777</u>	<u>\$ 2,512,815</u>	<u>\$ 2,752,038</u>	<u>\$ 71,391</u>	<u>\$ 2,823,429</u>

For the three months ended March 31, 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	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
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	(225)	13,343	(13,118)	-	-	-
-Transferred to credit-impaired financial asset	(1,498)	(1,230)	2,728	-	-	-
-Transferred to 12-month expected credit losses	19,611	(17,309)	(2,302)	-	-	-
-Financial assets derecognised in the current period	(6,611)	(129)	(2,831)	(9,571)	-	(9,571)
Impairment allowance for purchased or originated financial assets	6,616	418	6,319	13,353	-	13,353
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	-	-	-	-	2,709	2,709
Write-off as bad debt	(27)	(3,446)	(15,623)	(19,096)	-	(19,096)
Change in exchange and others	(61,972)	8,298	(2,670)	(56,344)	-	(56,344)
The ending balances	<u>\$ 218,744</u>	<u>\$ 79,877</u>	<u>\$ 2,638,886</u>	<u>\$ 2,937,507</u>	<u>\$ 76,557</u>	<u>\$ 3,014,064</u>

For the three months ended March 31, 2022 and 2021, there were no significant changes to allowance for bad debt for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

	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
<u>For the three months ended March 31, 2022</u>						
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	(23)	38	(15)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(23)	24	-	-	-
-Transferred to 12-month expected credit losses	8,008	(7,783)	(225)	-	-	-
-Financial assets derecognised in the current period	(8,561)	(1,066)	(19,751)	(29,378)	-	(29,378)
Impairment allowance for purchased or originated financial assets	11,574	35	19,205	30,814	-	30,814
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	-	-	-	-	(335)	(335)
Change in exchange and others	(18,376)	11,137	1,098	(6,141)	-	(6,141)
The ending balances	<u>\$ 40,257</u>	<u>\$ 14,226</u>	<u>\$ 58,902</u>	<u>\$ 113,385</u>	<u>\$ 63,679</u>	<u>\$ 177,064</u>

For the three months ended March 31, 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	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
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	(23)	23	-	-	-	-
-Transferred to credit-impaired financial asset	(1)	(21)	22	-	-	-
-Transferred to 12-month expected credit losses	6,787	(6,591)	(196)	-	-	-
-Financial assets derecognised in the current period	(8,507)	(807)	(19,751)	(29,065)	-	(29,065)
Impairment allowance for purchased or originated financial assets	11,656	26	19,079	30,761	-	30,761
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	-	-	-	-	19,459	19,459
Change in exchange and others	(6,560)	6,000	953	393	-	393
The ending balances	<u>\$ 56,875</u>	<u>\$ 9,464</u>	<u>\$ 56,451</u>	<u>\$ 122,790</u>	<u>\$ 93,985</u>	<u>\$ 216,775</u>

(I) For the three months ended March 31, 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 three months ended March 31, 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 \$86,557 and \$93,747, respectively. For the three months ended March 31, 2022 and 2021, the beginning balances of the accumulative impairment of financial assets measured at amortized cost were \$148,842 and \$145,737; the ending balances were \$155,275 and \$147,235, 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 authorization 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 three months ended March 31, 2022			
	March 31, 2022	VaR Average	VaR Minimum	VaR Maximum
Interest rate	191,255	129,130	103,874	211,805
Equity securities	463,208	437,891	367,459	492,102
Foreign exchange	307,019	253,921	219,145	327,014
Commodity	115,591	140,236	95,986	190,235
Less: diversification effects	(494,050)	(440,184)	-	-
Total VaR	583,023	520,994	474,154	589,278

Instrument type	For the three months ended March 31, 2021			
	March 31, 2021	VaR Average	VaR Minimum	VaR Maximum
Interest rate	143,254	177,880	132,144	213,911
Equity securities	485,392	475,067	376,175	617,876
Foreign exchange	220,752	251,219	220,752	281,167
Commodity	53,829	26,972	13,555	54,194
Less: diversification effects	(295,068)	(322,925)	-	-
Total VaR	608,159	608,213	494,300	741,514

(b) Non-trading purpose

Sensitivity analysis on interest rate:

	Interest rate shift	March 31, 2022	December 31, 2021	March 31, 2021
		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	(\$ 46,004)	(\$ 47,027)	(\$ 39,034)
Yuanta Life	Increase of 1 basis point	(39,670)	(45,633)	(59,686)

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

	March 31, 2022		December 31, 2021		March 31, 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	\$ 962,034	\$ 27,535,331	\$ 1,299,520	\$ 35,983,445	\$ 1,152,314	\$ 32,876,663
Financial assets at fair value through profit or loss	864,744	24,750,711	1,314,397	36,395,660	1,160,102	33,098,874
Financial assets at fair value through other comprehensive income	4,071,398	116,531,565	4,064,619	112,549,288	3,717,275	106,057,562
Financial assets at amortized cost	7,451,597	213,279,599	7,139,259	197,686,075	6,180,030	176,322,432
Bills discounted and loans	1,763,147	50,464,783	1,785,581	49,442,742	2,152,339	61,408,371
Foreign currency denominated financial liabilities						
Bills and bonds payable						
under repurchase agreements	1,072,341	30,692,546	1,200,712	33,247,717	1,170,588	33,398,048
Deposits and remittances	5,095,773	145,851,211	5,072,413	140,455,125	4,295,837	122,564,519
Other liabilities	1,893,569	54,197,718	2,270,117	62,859,553	887,025	25,307,711

Note: As of March 31, 2022, December 31, 2021, and March 31, 2021, USD to TWD exchange rates were 28.622, 27.690 and 28.531, respectively.

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

	March 31, 2022		December 31, 2021		March 31, 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	\$ 744,843,165	\$ 17,594,685	\$ 591,751,392	\$ 13,783,073	\$ 695,157,334	\$ 17,533,953
Financial assets at fair value through profit or loss	8,191,175,393	193,491,945	7,907,075,459	184,171,602	8,824,608,658	222,583,104
Financial assets at fair value through other comprehensive income	205,777,241	4,860,870	207,908,591	4,842,607	201,459,092	5,081,403
Accounts receivable	503,013,084	11,882,175	383,483,014	8,932,086	416,317,467	10,500,775
Other financial assets	558,245,059	13,186,865	588,213,158	13,700,661	498,214,725	12,566,470
Other current assets	129,364,571	3,055,850	125,364,285	2,919,985	99,578,833	2,511,677
Financial liabilities						
Short-term borrowings	2,123,743,763	50,167,075	2,011,922,771	46,861,705	1,814,810,000	45,774,953
Financial liabilities at fair value through profit or loss	2,209,519,703	52,193,274	1,631,490,451	38,000,676	1,963,072,254	49,514,571
Bonds sold under repurchase agreements	3,430,303,790	81,030,636	3,323,342,969	77,407,304	3,557,600,211	89,733,350
Guarantee deposit-in and margin deposits	101,840,545	2,405,677	107,747,250	2,509,649	109,322,872	2,757,451
Other financial liabilities	2,970,726,139	70,174,493	3,352,687,235	78,090,791	3,330,632,783	84,008,551
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted for under the equity method	128,744,928	3,041,213	118,418,469	2,758,203	95,716,418	2,414,255

Note: As of March 31, 2022, December 31, 2021, and March 31, 2021, the KRW to TWD exchange rate were 0.024, 0.023 and 0.025, 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)

March 31, 2022

Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	\$ 67,090,369	\$ 1,326,855	\$ 90,440	\$ 68,507,664
Due from Central Bank and call loans to other banks	33,636,419	14,382,562	18,362,022	66,381,003
Financial assets at fair value through profit or loss	358,000,229	48,894,454	96,481,353	503,376,036
Financial assets at fair value through other comprehensive income	43,996,874	22,519,810	292,079,824	358,596,508
Investments in bills and bonds under resale agreements	37,298,235	441,166	-	37,739,401
Receivables	166,294,779	90,785,710	11,799,030	268,879,519
Bills discounted and loans	187,537,732	152,503,722	578,123,343	918,164,797
Reinsurance contract assets	495,822	927,174	-	1,422,996
Financial assets at amortised cost	136,788,502	29,766,908	361,404,507	527,959,917
Restricted assets	-	-	3,789,514	3,789,514
Other financial assets	89,430,574	25,808	32,733,288	122,189,670
Other assets	42,561,801	468,280	23,751,535	66,781,616
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	53,243,820	31,594,063	12,562,030	97,399,913
Cash outflow	(52,150,480)	(30,802,397)	(12,004,180)	(94,957,057)
Net settlement	327,093	92,084	1,139,378	1,558,555
Total	\$ 1,164,551,769	\$ 362,926,199	\$ 1,420,312,084	\$ 2,947,790,052
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 17,029,046	\$ 640,242	\$ -	\$ 17,669,288
Due to Central Bank and other banks	23,240	789,460	-	812,700
Financial liabilities at fair value through profit or loss	66,962,241	958,482	21,583,094	89,503,817
Bills and bonds payable under repurchase agreements	119,599,496	30,694,963	30,032,028	180,326,487
Commercial paper payable	53,617,474	6,810,914	-	60,428,388
Payables	138,287,521	17,730,320	47,766,313	203,784,154
Deposits and remittances	331,477,935	506,663,106	588,303,114	1,426,444,155
Bonds payable	221,117	6,538,898	73,309,934	80,069,949
Other borrowings	51,757,860	4,933,844	8,739,280	65,430,984
Other financial liabilities	89,856,689	2,663,418	46,320,012	138,840,119
Other liabilities	47,669,076	227	2,603,220	50,272,523
Lease liabilities	264,387	988,506	4,685,555	5,938,448
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(67,962,131)	(23,200,212)	(13,434,070)	(104,596,413)
Cash outflow	69,081,442	23,790,342	13,951,990	106,823,774
Net settlement	638,457	1,996,801	926,695	3,561,953
Total	\$ 918,523,850	\$ 581,999,311	\$ 824,787,165	\$ 2,325,310,326

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

March 31, 2021

Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	\$ 58,519,388	\$ 9,693,861	\$ 321,522	\$ 68,534,771
Due from Central Bank and call loans to other banks	30,843,855	10,109,504	17,795,116	58,748,475
Financial assets at fair value through profit or loss	400,707,203	57,206,910	115,288,740	573,202,853
Financial assets at fair value through other comprehensive income	21,974,373	16,132,465	245,463,963	283,570,801
Investments in bills and bonds under resale agreements	47,438,192	-	-	47,438,192
Receivables	204,945,741	51,048,919	12,274,118	268,268,778
Bills discounted and loans	154,951,313	150,954,435	504,184,577	810,090,325
Reinsurance contract assets	485,572	719,804	-	1,205,376
Financial assets at amortised cost	130,576,171	23,077,954	297,749,333	451,403,458
Restricted assets	-	-	2,529,140	2,529,140
Other financial assets	91,139,661	21,875	4,035,233	95,196,769
Other assets	35,521,173	503,491	13,764,166	49,788,830
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	550,632,692	134,718,675	227,087,087	912,438,454
Cash outflow	(528,379,183)	(87,948,537)	(186,715,976)	(803,043,696)
Net settlement	23,170,169	47,811,038	41,825,350	112,806,557
Total	\$ 1,222,526,320	\$ 414,050,394	\$ 1,295,602,369	\$ 2,932,179,083
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 14,351,420	\$ 2,483,329	\$ -	\$ 16,834,749
Due to Central Bank and other banks	40,000	626,000	-	666,000
Financial liabilities at fair value through profit or loss	76,805,165	508,001	13,476,597	90,789,763
Bills and bonds payable under repurchase agreements	127,371,166	27,399,724	41,590,930	196,361,820
Commercial paper payable	40,553,581	6,564,671	-	47,118,252
Payables	172,157,711	21,125,409	50,699,736	243,982,856
Deposits and remittances	260,909,719	374,212,065	604,456,233	1,239,578,017
Bonds payable	4,130,684	11,427,508	61,392,534	76,950,726
Other borrowings	40,562,272	3,892,791	9,340,664	53,795,727
Other financial liabilities	85,381,236	1,253,397	16,616,470	103,251,103
Other liabilities	35,901,913	9,155	3,187,464	39,098,532
Lease liabilities	401,151	1,100,015	6,054,640	7,555,806
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(38,888,060)	(12,031,079)	-	(50,919,139)
Cash outflow	39,624,274	12,262,403	-	51,886,677
Net settlement	399,988	771,329	1,031,738	2,203,055
Total	\$ 859,702,220	\$ 451,604,718	\$ 807,847,006	\$ 2,119,153,944

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 March 31, 2022, December 31, 2021 and March 31, 2021, expenses on period of 0-90 days will increase by \$694,329,730, \$729,314,251 and \$642,528,875, 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:

	March 31, 2022			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 23,777,923	\$ -	\$ -	\$ 23,777,923
Unused credit commitment	3,060,184	-	-	3,060,184
Guarantees	10,298,169	-	-	10,298,169
Capital expenditure commitment	2,575,037	6,974,959	-	9,549,996
	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
	March 31, 2021			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 24,790,481	\$ -	\$ -	\$ 24,790,481
Unused credit commitment	3,258,876	-	-	3,258,876
Guarantees	13,825,580	-	-	13,825,580
Capital expenditure commitment	2,007,603	1,313,032	-	3,320,635

(D) Transfer of financial assets

Transferred financial assets not fully derecognized

a. 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 recognizes 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.

b. 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:

March 31, 2022		
<u>Financial assets category</u>	<u>Carrying amount of transferred financial assets</u>	<u>Carrying amount of related financial liabilities</u>
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 24,448,811	\$ 20,402,741
Bonds sold under repurchase agreements	182,719,020	180,326,487
December 31, 2021		
<u>Financial assets category</u>	<u>Carrying amount of transferred financial assets</u>	<u>Carrying amount of related financial liabilities</u>
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
March 31, 2021		
<u>Financial assets category</u>	<u>Carrying amount of transferred financial assets</u>	<u>Carrying amount of related financial liabilities</u>
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 19,742,135	\$ 16,454,598
Bonds sold under repurchase agreements	200,946,442	196,361,820

(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

March 31, 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	\$ 7,748,733	\$ -	\$ 7,748,733	\$ 5,759,181	\$ 351,620	\$ 1,637,932
Bonds purchased under resale agreements	37,739,401	-	37,739,401	35,909,401	1,816,764	13,236

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

March 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	\$ 8,308,969	\$ -	\$ 8,308,969	\$ 4,874,560	\$ 2,208,909	\$ 1,225,500
Bonds purchased under resale agreements	47,438,192	-	47,438,192	42,777,807	2,456,140	2,204,245

b. Financial liabilities

March 31, 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)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 15,321,565	\$ -	\$ 15,321,565	\$ 11,323,208	\$ 2,430,443		\$ 1,567,914
Bonds sold under repurchase agreements	180,326,487	-	180,326,487	180,035,109	291,378		-

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)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
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		-

March 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)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 8,937,368	\$ -	\$ 8,937,368	\$ 6,365,535	\$ 1,423,155		\$ 1,148,678
Bonds sold under repurchase agreements	196,361,820	-	196,361,820	196,325,597	36,223		-

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

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

Note 3: Including net settled master netting arrangements.

(E) 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 March 31, 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 March 31, 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	\$ 913,189	\$ 2,951,609
Non-derivative financial instruments	66,054,102	-

(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 portfolio. 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 recognized insurance liability is adequate. In respect of overall insurance contracts of the Yuanta Group as of March 31, 2021, December 31, 2020, and March 31, 2020, 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 recognized 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:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Less than 1 year	(\$ 4,026,970)	(\$ 3,321,539)	(\$ 4,093,240)
1 ~5 years	19,995,058	18,352,896	13,218,409
6 ~15 years	94,466,412	94,350,259	90,109,200
More than 15 years	<u>558,335,907</u>	<u>522,891,775</u>	<u>522,012,524</u>
Total	<u>\$ 668,770,407</u>	<u>\$ 632,273,391</u>	<u>\$ 621,246,893</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 recognized 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:

Please refer to Note 6(24).

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(11) Financial information by business segments

Information by business segments for the three months ended March 31, 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)	\$ 3,374,398	\$ 1,953,806	\$ 53,236	\$ 2,403,333	(\$ 72,695)	\$ 7,712,078
Net non-interest income	596,074	9,650,492	515,695	6,440,049	905,161	18,107,471
Net profit	3,970,472	11,604,298	568,931	8,843,382	832,466	25,819,549
Provision for bad debt expenses, commitment and guarantee policy reserve	(7,586)	52,468	937	(49)	-	45,770
Net change in provisions for insurance liabilities	-	-	-	(6,205,256)	-	(6,205,256)
Operating expenses	(2,705,643)	(7,313,940)	(321,951)	(380,151)	(666,621)	(11,388,306)
Net income from continuing operations before income tax	1,257,243	4,342,826	247,917	2,257,926	165,845	8,271,757
Income tax expense	(216,833)	(853,627)	(51,508)	(329,992)	(171,702)	(1,623,662)
Consolidated income (loss), net of tax	<u>\$ 1,040,410</u>	<u>\$ 3,489,199</u>	<u>\$ 196,409</u>	<u>\$ 1,927,934</u>	<u>(\$ 5,857)</u>	<u>\$ 6,648,095</u>

Information by business segments for the three months ended March 31, 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)	\$ 3,166,558	\$ 1,846,368	\$ 81,867	\$ 2,172,246	(\$ 74,775)	\$ 7,192,264
Net non-interest income	1,663,577	16,965,542	550,532	6,659,001	1,559,811	27,398,463
Net profit	4,830,135	18,811,910	632,399	8,831,247	1,485,036	34,590,727
Provision for bad debt expenses, commitment and guarantee policy reserve	(128,450)	53,937	967	84	-	(73,462)
Net change in provisions for insurance liabilities	-	-	-	(7,024,799)	-	(7,024,799)
Operating expenses	(2,672,227)	(9,370,122)	(329,812)	(348,395)	(835,761)	(13,556,317)
Net income from continuing operations before income tax	2,029,458	9,495,725	303,554	1,458,137	649,275	13,936,149
Income tax expense	(306,627)	(2,558,519)	(53,758)	(125,621)	(136,181)	(3,180,706)
Consolidated income, net of tax	<u>\$ 1,722,831</u>	<u>\$ 6,937,206</u>	<u>\$ 249,796</u>	<u>\$ 1,332,516</u>	<u>\$ 513,094</u>	<u>\$ 10,755,443</u>

(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

March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	March 31, 2021
Cash and cash equivalents	\$ 1,937,387	\$ 3,253,600	Commercial paper payable - net	\$ 4,429,105	\$ -
Financial assets at fair value through other comprehensive income	47,750	35,289	Payables	3,463,116	5,323,923
Investments in bill and bonds under resale agreements	-	1,767,829	Current income tax liabilities	5,766,672	6,099,603
Receivables - net	4,874,703	5,102,344	Bonds payable	25,900,000	29,900,000
Current income tax assets	-	205,017	Liabilities reserve	37,665	36,922
Equity investments accounted for under the equity method - net	299,864,168	291,849,635	Lease liability	47,791	92,435
Property and equipment - net	47,530	38,337	Other liabilities	5,586	3,588
Right-of-use assets - net	45,791	89,590	Total liabilities	39,649,935	41,456,471
Intangible assets - net	13,954	5,821	Equity		
Deferred income tax assets	50,336	47,292	Common stock	121,374,360	121,374,360
Other assets - net	16,565	13,711	Additional paid-in capital	37,885,949	37,885,949
			Retained earnings		
			Legal reserve	17,040,473	14,633,733
			Special reserve	6,549,234	6,549,234
			Undistributed earnings	83,815,484	70,151,316
			Other equity	582,749	10,357,402
			Total equity	267,248,249	260,951,994
Total assets	<u>\$ 306,898,184</u>	<u>\$ 302,408,465</u>	Total liabilities and equity	<u>\$ 306,898,184</u>	<u>\$ 302,408,465</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the three months ended March 31,	
	2022	2021
Revenues		
Share of the profit or loss of associates and joint ventures accounted for using the equity method	\$ 6,520,656	\$ 9,829,764
Other revenues	27,650	3,668
	6,548,306	9,833,432
Expenses and losses		
Operating expenses	(296,647)	(359,265)
Other expenses and losses	(62,969)	(66,133)
	(359,616)	(425,398)
Income from continuing operations before income tax	6,188,690	9,408,034
Income tax expense	(22,584)	(734)
Net income	6,166,106	9,407,300
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	2,097	6,806
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	576,157	4,095,643
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 using the equity method, components of other comprehensive income that will be reclassified to profit or loss	(8,531,572)	(5,894,344)
Other comprehensive loss	(7,953,318)	(1,791,895)
Total comprehensive (loss) income	(\$ 1,787,212)	\$ 7,615,405
Earnings per share (in dollars)		
Basic and diluted earnings per share	\$ 0.51	\$ 0.78

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the three months ended March 31, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

	Retained Earnings					Other equity					Total equity
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	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		
For the three months ended March 31, 2021											
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	
Net income for the period	-	-	-	-	9,407,300	-	-	-	-	9,407,300	
Other comprehensive income (loss) for the period	-	-	-	-	(34,670)	(1,120,161)	84,332	(54)	(721,342)	(1,791,895)	
Total comprehensive income (loss) for the period	-	-	-	-	9,372,630	(1,120,161)	84,332	(54)	(721,342)	7,615,405	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	444,896	-	(444,896)	-	-	-	
Balance, March 31, 2021	<u>\$ 121,374,360</u>	<u>\$ 37,885,949</u>	<u>\$ 14,633,733</u>	<u>\$ 6,549,234</u>	<u>\$ 70,151,316</u>	<u>(\$ 5,587,297)</u>	<u>\$ 16,365,584</u>	<u>(\$ 45,192)</u>	<u>(\$ 375,693)</u>	<u>\$ 260,951,994</u>	
For the three months ended March 31, 2022											
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	
Net income for the period	-	-	-	-	6,166,106	-	-	-	-	6,166,106	
Other comprehensive income (loss) for the period	-	-	-	-	(93,633)	874,728	(7,850,316)	59	(884,156)	(7,953,318)	
Total comprehensive income (loss) for the period	-	-	-	-	6,072,473	874,728	(7,850,316)	59	(884,156)	(1,787,212)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(32,243)	-	32,243	-	-	-	
Balance, March 31, 2022	<u>\$ 121,374,360</u>	<u>\$ 37,885,949</u>	<u>\$ 17,040,473</u>	<u>\$ 6,549,234</u>	<u>\$ 83,815,484</u>	<u>(\$ 7,525,395)</u>	<u>\$ 10,112,599</u>	<u>(\$ 47,562)</u>	<u>(\$ 1,956,893)</u>	<u>\$ 267,248,249</u>	

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the three months ended March 31, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2022	2021
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 6,188,690	\$ 9,408,034
Adjustment items		
Income and expense item		
Depreciation	14,921	14,332
Amortization	986	513
Interest expense	62,955	66,111
Interest income	(734)	(2,342)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(6,520,656)	(9,829,764)
Gain on lease modification	(18)	(445)
Gain from disposal or retirement of property and equipment	-	(10)
Changes in operating assets and liabilities		
Decrease in receivables	2,460	26,339
Increase in other assets	(4,557)	(1,814)
Decrease in payables	(237,084)	(91,000)
Increase in liabilities reserve	37	19
Increase (decrease) in other liabilities	170	(582)
Interest received	574	1,363
Interest paid	(33,467)	(344)
Income tax paid	(3,181)	(328,497)
Net cash flows used in operating activities	(528,904)	(738,087)
<u>Cash Flows From Investing Activities</u>		
Acquisition of property and equipment	(4,843)	(6,425)
Proceeds from disposal of property and equipment	-	1,100
Acquisition of intangible assets	(436)	(178)
Acquisition of right-of-use assets	(14)	(14)
Net cash flows used in investing activities	(5,293)	(5,517)
<u>Cash Flows From Financing Activities</u>		
Increase (decrease) in commercial paper payable	1,641,000	(999,866)
Proceeds from issuance of bonds	-	5,000,000
Principal payment for lease liabilities	(10,674)	(9,540)
Net cash flows generated from financing activities	1,630,326	3,990,594
Net increase in cash and cash equivalents	1,096,129	3,246,990
Cash and cash equivalents at beginning of period	841,258	1,774,439
Cash and cash equivalents at end of period	\$ 1,937,387	\$ 5,021,429
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 1,937,387	\$ 3,253,600
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	-	1,767,829
Cash and cash equivalents at end of reporting period	\$ 1,937,387	\$ 5,021,429

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	(Reclassified) March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	(Reclassified) March 31, 2021
Cash and cash equivalents	\$ 15,624,251	\$ 13,331,948	Deposits from Central Bank and other banks	\$ 17,669,288	\$ 16,834,749
Due from Central Bank and call loans to other banks	64,519,020	55,937,130	Due to Central Bank and other banks	812,700	666,000
Financial assets at fair value through profit or loss	148,955,832	173,179,215	Financial liabilities at fair value through profit or loss	2,389,185	1,746,584
Financial assets at fair value through other comprehensive income	229,979,150	170,697,333	Bills and bonds payable under repurchase agreements	1,907,203	3,800,231
Investments in debt instruments at amortised cost	268,587,297	231,898,443	Payables	9,644,208	9,220,694
Investments in bills and bonds under resale agreements	2,970,241	2,327,258	Current income tax liabilities	1,306,451	997,980
Receivables- net	19,653,929	17,550,464	Deposits and remittances	1,480,114,630	1,278,552,718
Current income tax assets	344,687	1,092,441	Bank debentures payable	22,200,000	31,000,000
Assets held for sale- net	194,563	203,730	Other financial liabilities	2,634,102	3,022,429
Bills discounted and loans- net	871,115,318	767,717,073	Liabilities reserve	899,876	1,146,143
Equity investments accounted for under the equity method- net	4,748,633	4,299,246	Lease reserve	2,306,760	2,515,297
Other financial assets- net	5,499	22,122	Deferred income tax liabilities	575,520	355,116
Property and equipment- net	13,625,483	13,591,662	Other liabilities	1,791,158	1,527,285
Right-of-use assets- net	10,051,016	10,385,249	Total liabilities	<u>1,544,251,081</u>	<u>1,351,385,226</u>
Investment property- net	937,239	823,162	Common stock	73,940,390	73,940,390
Intangible assets- net	8,957,778	9,350,176	Additional paid-in capital	25,960,441	25,960,441
Deferred income tax assets	829,016	946,018	Retained earnings	24,955,360	22,939,912
Other assets - net	1,881,748	2,666,043	Other equity	(6,126,572)	1,792,744
Total assets	<u>\$ 1,662,980,700</u>	<u>\$ 1,476,018,713</u>	Total equity	<u>118,729,619</u>	<u>124,633,487</u>
			Total liabilities and equity	<u>\$ 1,662,980,700</u>	<u>\$ 1,476,018,713</u>

Yuanta Commercial Bank
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Interest income	\$ 4,316,184	101	\$ 4,118,221	82
Less: Interest expense	(1,093,236)	(25)	(1,090,942)	(22)
Net interest income	3,222,948	76	3,027,279	60
Net non-interest income	1,039,202	24	2,012,158	40
Net profit	4,262,150	100	5,039,437	100
Provision for bad debt expenses, commitment and guarantee policy reserve	4,001	-	(110,902)	(2)
Operating expenses	(2,703,291)	(63)	(2,660,669)	(53)
Income from continuing operations before income tax	1,562,860	37	2,267,866	45
Income tax expense	(214,143)	(5)	(302,483)	(6)
Net income	1,348,717	32	1,965,383	39
Other comprehensive loss (net of tax)	(5,643,276)	(133)	(1,274,636)	(25)
Total comprehensive (loss) income	(\$ 4,294,559)	(101)	\$ 690,747	14
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	0.18	\$	0.27

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	March 31, 2021
Current assets	\$ 403,226,314	\$ 394,164,083	Current liabilities	\$ 328,108,322	\$ 336,154,153
Financial assets at fair value through profit or loss-non-current	50,963	51,860	Bonds payable	23,500,000	13,500,000
Financial assets at fair value through other comprehensive income -non-current	11,361,035	8,450,344	Liabilities reserve- non-current	63,675	63,649
Equity investments accounted for under the equity method	50,449,656	48,553,327	Lease liabilities- non-current	549,562	658,562
Property and equipment	5,295,551	4,471,370	Deferred income tax liabilities	1,458,470	2,181,911
Right-of-use assets	801,350	904,368	Other non-current liabilities	2,126,550	2,288,315
Investment property	2,100,755	2,753,664	Total liabilities	<u>355,806,579</u>	<u>354,846,590</u>
Intangible assets	11,575,645	11,577,286	Common stock	59,820,321	57,820,321
Deferred income tax assets	774,750	523,397	Additional paid-in capital	980,441	980,441
Other non-current assets	2,248,499	2,357,046	Retained earnings	61,616,241	51,331,351
Total assets	<u>\$ 487,884,518</u>	<u>\$ 473,806,745</u>	Other equity	9,660,936	8,828,042
			Total equity	<u>132,077,939</u>	<u>118,960,155</u>
			Total liabilities and equity	<u>\$ 487,884,518</u>	<u>\$ 473,806,745</u>

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 7,751,102	100	\$ 10,697,473	100
Service fee expense	(339,010)	(4)	(382,905)	(4)
Employee benefit expense	(2,278,823)	(29)	(3,139,830)	(29)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	803,190	10	2,287,702	21
Operating expenses	(1,910,290)	(25)	(1,802,925)	(17)
Income from continuing operations before income tax	4,026,169	52	7,659,515	71
Income tax expense	(526,652)	(7)	(1,525,084)	(14)
Net income	3,499,517	45	6,134,431	57
Other comprehensive (loss) income (net of tax)	(75,147)	(1)	1,271,929	12
Total comprehensive income	<u>\$ 3,424,370</u>	<u>44</u>	<u>\$ 7,406,360</u>	<u>69</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>0.59</u>	<u>\$</u>	<u>1.03</u>

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>LIABILITIES AND EQUITY</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current assets	\$ 59,736,755	\$ 36,058,964	Current liabilities	\$ 155,060,873	\$ 158,460,587
Financial assets at fair value			Bonds payable	129,813,420	134,242,142
through profit or loss-non-current	202,537,074	232,260,243	Liabilities reserve- non-current	3,806,994	417,706
Financial assets at fair value through			Lease liabilities- non-current	414,395	1,934,793
other comprehensive income			Other non-current liabilities	23,361,439	25,633,808
-non-current	4,873,472	5,092,423	Total liabilities	<u>312,457,121</u>	<u>320,689,036</u>
Equity investments accounted for					
under the equity method	2,412,021	2,582,521			
Property and equipment	1,044,616	1,310,653	Common stock	25,099,413	26,800,546
Right-of-use assets	433,674	1,831,464	Additional paid-in capital	(1,331,220)	(1,421,444)
Investment property	1,456,492	2,093,371	Retained earnings	8,242,457	8,304,376
Intangible assets	827,832	831,829	Other equity	2,479,383	2,603,296
Deferred income tax assets	1,239,095	968,666	Total equity	<u>34,490,033</u>	<u>36,286,774</u>
Other non-current assets	<u>72,386,123</u>	<u>73,945,676</u>	Total liabilities and equity	<u>\$ 346,947,154</u>	<u>\$ 356,975,810</u>
Total assets	<u>\$ 346,947,154</u>	<u>\$ 356,975,810</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 three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 15,301,187	100	\$ 18,930,820	100
Service fee expense	(99,957)	(1)	(146,720)	(1)
Employee benefit expense	(1,422,777)	(9)	(2,458,773)	(13)
Operating expenses	(13,013,587)	(85)	(12,777,864)	(67)
Income from continuing operations before income tax	764,866	5	3,547,463	19
Income tax expense	(199,708)	(1)	(847,966)	(4)
Net income	565,158	4	2,699,497	15
Other comprehensive (loss) income (net of tax)	(196,113)	(1)	61,133	-
Total comprehensive income	\$ 369,045	3	\$ 2,760,630	15
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	2.74	\$	13.14

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
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	March 31, 2021
Current assets	\$ 99,032,702	\$ 98,220,976	Current liabilities	\$ 89,665,352	\$ 90,226,117
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,696,342	226,375
-non-current	1,999,114	1,638,011	Total liabilities	91,361,694	90,452,492
Equity investments accounted for under the equity method	1,162,969	1,197,577			
Property and equipment	672,383	610,579	Common stock	2,899,763	2,899,763
Right-of-use assets	137,588	171,525	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	84,796	39,558	Retained earnings	4,957,246	4,935,834
Deferred income tax assets	28,565	37,980	Other equity	1,625,258	1,402,739
Other non-current assets	796,328	845,106	Total equity	12,552,751	12,308,820
Total assets	<u>\$ 103,914,445</u>	<u>\$ 102,761,312</u>	Total liabilities and equity	<u>\$ 103,914,445</u>	<u>\$ 102,761,312</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 941,414	100	\$ 1,000,743	100
Service fee expense	(202,059)	(21)	(208,267)	(21)
Employee benefit expense	(165,145)	(18)	(179,269)	(18)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(8,145)	(1)	(6,693)	(1)
Operating expenses	(347,458)	(37)	(340,109)	(34)
Income from continuing operations before income tax	218,607	23	266,405	26
Income tax expense	(50,910)	5	(53,758)	5
Net income	167,697	18	212,647	21
Other comprehensive income (net of tax)	35,156	4	237,611	24
Total comprehensive income	<u>\$ 202,853</u>	<u>22</u>	<u>\$ 450,258</u>	<u>45</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>0.58</u>	<u>\$</u>	<u>0.73</u>

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	March 31, 2021
Cash and cash equivalents	\$ 12,020,969	\$ 25,303,090	Payables	\$ 4,792,017	\$ 10,309,658
Receivables	2,730,188	3,664,912	Current tax liabilities	636,728	741,170
Current income tax assets	1,960,455	2,928,717	Financial liabilities at fair value		
Financial assets at fair value			through profit or loss	2,961,058	1,413,262
through profit or loss	38,340,564	58,141,489	Insurance liabilities	329,622,861	308,358,934
Financial assets at fair value through			Reserve for insurance contract with		
other comprehensive income	31,757,017	33,802,684	the nature of financial products	117,138	-
Financial assets at amortized cost	249,959,139	216,307,879	Foreign exchange reserve	1,492,001	520,163
Other financial assets	6,000,000	-	Liabilities reserve	69,683	88,428
Right-of-use assets	307,594	38,175	Lease liabilities	1,125,502	847,314
Investment property	12,492,707	12,302,686	Deferred income tax liabilities	279,358	544,762
Loans	7,247,640	7,127,680	Other liabilities	2,297,177	15,393,357
Reinsurance contract assets	1,422,996	1,205,376	Investment-linked insurance		
Property and equipment	46,105	45,804	products liabilities	33,032,232	8,671,946
Intangible assets	95,037	83,373	Total liabilities	376,425,755	346,888,994
Deferred income tax assets	2,134,077	1,942,272	Common stock	23,735,695	23,735,695
Other assets	5,177,733	4,074,592	Retained earnings	7,057,206	4,555,441
Investment-linked insurance			Other equity	(2,494,203)	460,546
products assets	33,032,232	8,671,947	Total equity	28,298,698	28,751,682
Total assets	<u>\$ 404,724,453</u>	<u>\$ 375,640,676</u>	Total liabilities and equity	<u>\$ 404,724,453</u>	<u>\$ 375,640,676</u>

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 15,112,811	100	\$ 13,827,323	100
Operating costs	(13,047,045)	(86)	(12,408,704)	(90)
Operating expenses	(400,433)	(3)	(364,409)	(2)
Net operating income	1,665,333	11	1,054,210	8
Non-operating revenues and expenses	(902)	-	(2,150)	-
Income from continuing operations before income tax	1,664,431	11	1,052,060	8
Income tax expense	(329,992)	(2)	(125,621)	(1)
Net income	1,334,439	9	926,439	7
Other comprehensive loss (net of tax)	(2,270,607)	(15)	(1,962,776)	(14)
Total comprehensive loss	(\$ 936,168)	(6)	(\$ 1,036,337)	(7)
 Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.56</u>		<u>\$ 0.39</u>	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>LIABILITIES AND EQUITY</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current assets	\$ 5,150,163	\$ 4,782,120	Current liabilities	\$ 580,985	\$ 588,263
Financial assets at fair value through other comprehensive income	342,342	275,653	Deferred income tax liabilities	158,958	160,898
Equity investments accounted for under the equity method	345,323	335,243	Lease liability- non-current	31,961	45,585
Property and equipment	314,102	298,801	Other non-current liabilities	<u>36,372</u>	<u>35,191</u>
Intangible assets	768,551	768,551	Total liabilities	<u>808,276</u>	<u>829,937</u>
Prepaid pension cost	31,171	39,179	Common stock	2,269,235	2,269,235
Deferred income tax assets	470	378	Additional paid-in capital	296,729	296,729
Right-of-use assets	44,442	57,680	Retained earnings	3,642,946	3,283,763
Other non-current assets	<u>148,483</u>	<u>177,895</u>	Other equity	<u>127,861</u>	<u>55,836</u>
Total assets	<u>\$ 7,145,047</u>	<u>\$ 6,735,500</u>	Total equity	<u>6,336,771</u>	<u>5,905,563</u>
			Total liabilities and equity	<u>\$ 7,145,047</u>	<u>\$ 6,735,500</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 947,356	100	\$ 884,615	100
Operating expenses	(336,828)	(36)	(367,546)	(42)
Operating income	610,528	64	517,069	58
Non-operating revenues and expenses	(61,275)	(5)	41,842	5
Income from continuing operations before income tax	549,253	59	558,911	63
Income tax expense	(120,593)	(13)	(104,635)	(12)
Net income	428,660	46	454,276	51
Other comprehensive income (net of tax)	21,797	-	305	-
Total comprehensive income	<u>\$ 450,457</u>	<u>46</u>	<u>\$ 454,581</u>	<u>51</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>1.89</u>	<u>\$</u>	<u>2.00</u>

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022	March 31, 2021	LIABILITIES AND EQUITY	March 31, 2022	March 31, 2021
Current assets	\$ 2,825,241	\$ 2,475,631	Current liabilities	\$ 74,336	\$ 66,962
Financial assets at fair value through other comprehensive income	33,896	39,484	Non-current liabilities	19,628	24,408
Property and equipment	8,648	6,592	Total liabilities	93,964	91,370
Right-of-use assets	14,271	20,149	Common stock	3,220,649	3,111,630
Investment property	1,130,417	1,321,599	Additional paid-in capital	1,047	1,047
Deferred income tax assets	2,936	2,811	Retained earnings	684,741	641,909
Other non-current assets	858	1,145	Other equity	15,866	21,455
Total assets	<u>\$ 4,016,267</u>	<u>\$ 3,867,411</u>	Total equity	3,922,303	3,776,041
			Total liabilities and equity	<u>\$ 4,016,267</u>	<u>\$ 3,867,411</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 106,630	100	\$ 85,501	100
Operating expenses	(58,114)	(55)	(42,439)	(50)
Operating income	48,516	45	43,062	50
Non-operating revenues and expenses	6,635	6	369	-
Income from continuing operations before income tax	55,151	52	43,431	50
Income tax expense	(7,939)	(8)	(8,637)	(10)
Net income	47,212	44	34,794	40
Other comprehensive (loss) income (net of tax)	(5,946)	(5)	2,350	3
Total comprehensive income	\$ 41,266	39	\$ 37,144	43

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>LIABILITIES AND EQUITY</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current assets	\$ 2,406,841	\$ 2,247,307	Current liabilities	\$ 116,689	\$ 112,789
Financial assets at fair value through other comprehensive income	77,991	113,155	Lease liability- non-current	-	2,218
Equity investments accounted for under the equity method	1,216,309	990,602	Other non-current liabilities	4,000	3,200
Property and equipment	2,532	3,192	Total liabilities	120,689	118,207
Right-of-use assets	2,199	5,970	Common stock	2,715,221	2,460,000
Deferred income tax assets	51,003	11,920	Additional paid-in capital	918	918
Other non-current assets	635	635	Retained earnings	845,901	777,248
Total assets	<u>\$ 3,757,510</u>	<u>\$ 3,372,781</u>	Other equity	74,781	16,408
			Total equity	3,636,821	3,254,574
			Total liabilities and equity	<u>\$ 3,757,510</u>	<u>\$ 3,372,781</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	(\$ 133,598)	(100)	\$ 536,739	100
Operating expenses	16,920	13	(75,354)	(14)
Operating (loss) income	(116,678)	(87)	461,385	86
Non-operating revenues and expenses	728	1	(1,674)	-
(Loss) income from continuing operations before income tax	(115,950)	(86)	459,711	86
Income tax expense	(6,477)	(5)	(15,177)	(3)
Net (loss) income	(122,427)	(91)	444,534	83
Other comprehensive (loss) income (net of tax)	(21)	-	6,739	1
Total comprehensive (loss) income	(\$ 122,448)	(91)	\$ 451,273	84

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
March 31, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>LIABILITIES AND EQUITY</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current assets	\$ 165,713	\$ 167,507	Current liabilities	\$ 54,273	\$ 54,269
Property and equipment	14,021	4,289	Non-current liabilities	<u>31,017</u>	<u>36,343</u>
Right-of-use assets	23,589	30,493	Total liabilities	<u>85,290</u>	<u>90,612</u>
Intangible assets	890	280	Common stock	100,000	100,000
Deferred income tax assets	5,660	7,386	Additional paid-in capital	6,017	6,017
Other non-current assets	13,257	17,784	Retained earnings	<u>31,823</u>	<u>31,110</u>
			Total equity	<u>137,840</u>	<u>137,127</u>
Total assets	<u>\$ 223,130</u>	<u>\$ 227,739</u>	Total liabilities and equity	<u>\$ 223,130</u>	<u>\$ 227,739</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the three months ended March 31,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 65,277	100	\$ 57,072	100
Operating costs	(283)	(1)	(285)	-
Operating expenses	(63,520)	(97)	(55,614)	(97)
Operating income	1,474	2	1,173	2
Non-operating revenues and expenses	227	1	272	1
Income from continuing operations				
before income tax	1,701	3	1,445	3
Income tax expense	(340)	(1)	(289)	(1)
Net income	1,361	2	1,156	2
Total comprehensive income	<u>\$ 1,361</u>	<u>2</u>	<u>\$ 1,156</u>	<u>2</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 three months ended March 31,	
		2022	2021
Return on total assets	Before tax	2.02	3.18
	After tax	2.01	3.18
Return on equity	Before tax	2.31	3.66
	After tax	2.30	3.66
Net profit margin ratio		95.08	96.31

(B) Yuanta Financial Holdings and its subsidiaries

		For the three months ended March 31,	
		2022	2021
Return on total assets	Before tax	0.27	0.50
	After tax	0.22	0.38
Return on equity	Before tax	2.87	5.02
	After tax	2.31	3.87
Net profit margin ratio		25.75	31.09

(C) Yuanta Bank

		For the three months ended March 31,	
		2022	2021
Return on total assets	Before tax	0.09	0.16
	After tax	0.08	0.14
Return on equity	Before tax	1.29	1.82
	After tax	1.12	1.58
Net profit margin ratio		31.64	39.00

(D) Yuanta Securities

		For the three months ended March 31,	
		2022	2021
Return on total assets	Before tax	0.78	1.65
	After tax	0.68	1.32
Return on equity	Before tax	3.09	6.65
	After tax	2.68	5.32
Net profit margin ratio		42.60	48.68

(E) Yuanta Life

		For the three months ended March 31,	
		2022	2021
Return on total assets	Before tax	0.42	0.29
	After tax	0.34	0.26
Return on equity	Before tax	5.79	3.59
	After tax	4.64	3.17
Net profit margin ratio		64.63	65.40

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		March 31, 2022					March 31, 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	443,324	250,039,887	0.18%	3,351,385	755.97%	139,933	216,227,612	0.06%	3,002,826	2,145.90%	
	Unsecured loans	180,304	181,163,663	0.10%	3,205,551	1,777.86%	560,961	168,043,672	0.33%	3,330,122	593.65%	
Consumer banking	Residential mortgage loans	144,244	267,723,260	0.05%	4,022,431	2,788.63%	214,320	223,334,132	0.10%	3,358,660	1,567.12%	
	Cash card services	-	29,057	-	619	-	-	44,374	-	995	-	
	Small amount of credit loans	4,736	13,133,197	0.04%	147,413	3,112.61%	6,901	11,352,941	0.06%	137,797	1,996.77%	
	Others	Secured loans	112,529	182,493,737	0.06%	1,899,848	1,688.32%	137,949	167,217,524	0.08%	1,755,210	1,272.36%
		Unsecured loans	657	2,984,492	0.02%	30,210	4,598.17%	371	3,086,111	0.01%	31,044	8,367.65%
Gross loan business		885,794	897,567,293	0.10%	12,657,457	1,428.94%	1,060,435	789,306,366	0.13%	11,616,654	1,095.46%	

Month / Year		March 31, 2022					March 31, 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		6,268	7,999,286	0.08%	106,952	1,706.32%	6,354	8,157,231	0.08%	107,295	1,688.62%
Without recourse factoring		-	4,941,578	-	66,192	-	9,384	4,603,730	0.20%	75,339	802.85%

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

	March 31, 2022		March 31, 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)	28,841	19,269	44,394	25,717
Perform in accordance with debt liquidation program and restructuring program (Note 2)	725,682	305,545	873,988	333,655
Total	754,523	324,814	918,382	359,372

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.

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(C) Contract amounts of significant credit risk concentration are as follows:

Unit: In thousands of NT Dollars, %

March 31, 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	\$ 9,918,455	8.35
2	Group B–Real Estate Development	8,232,110	6.93
3	Company C–Real Estate Development	6,802,000	5.73
4	Company D–Real Estate Leasing	5,920,000	4.99
5	Group E–Manufacture of Power Generation, Transmission and Distribution Machinery	4,240,098	3.57
6	Group F–Real Estate Development	4,082,501	3.44
7	Group G–Real Estate Development	3,698,077	3.11
8	Group H–Chemical Materials Manufacturing	3,366,418	2.84
9	Group I–Real Estate Development	3,330,693	2.81
10	Group J–Real Estate Development	3,250,791	2.74

Unit: In thousands of NT Dollars, %

March 31, 2021			
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	\$ 7,404,160	5.94
2	Company B–Real Estate Leasing	4,180,000	3.35
3	Group C–Air Transport	3,721,875	2.99
4	Group D–Real Estate Development	3,690,409	2.96
5	Group E–Real Estate Development	3,604,246	2.89
6	Group F–Chemical Materials Manufacturing	3,418,500	2.74
7	Group G–Manufacture of Footwear	3,297,993	2.65
8	Group H–Real Estate Development	3,200,000	2.57
9	Group I–Real Estate Development	3,057,287	2.45
10	Group J–Activities of Amusement Parks and Theme Parks	3,050,000	2.45

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 categorized and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A – Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

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

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

(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

March 31, 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	1,518,675,754	248,981,729	149,156,222	120,390,372	81,161,381	131,781,004	787,205,046
Primary funds outflow upon maturity	1,768,285,343	51,290,037	92,587,174	219,923,009	271,740,714	352,245,463	780,498,946
Gap	(249,609,589)	197,691,692	56,569,048	(99,532,637)	(190,579,333)	(220,464,459)	6,706,100

March 31, 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	1,312,467,478	247,183,201	135,483,331	97,785,346	73,388,292	110,866,778	647,760,530
Primary funds outflow upon maturity	1,540,041,526	30,833,383	78,376,873	161,637,594	195,872,646	284,686,531	788,634,499
Gap	(227,574,048)	216,349,818	57,106,458	(63,852,248)	(122,484,354)	(173,819,753)	(140,873,969)

b. Structure analysis of time to maturity (USD)

March 31, 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	5,999,452	1,229,137	391,519	281,949	268,465	3,828,382
Primary funds outflow upon maturity	7,335,689	2,161,080	1,077,999	1,068,824	1,404,829	1,622,957
Gap	(1,336,237)	(931,943)	(686,480)	(786,875)	(1,136,364)	2,205,425

March 31, 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	5,526,476	1,213,044	393,571	426,061	368,990	3,124,810
Primary funds outflow upon maturity	6,450,686	1,627,357	893,007	1,070,869	1,301,494	1,557,959
Gap	(924,210)	(414,313)	(499,436)	(644,808)	(932,504)	1,566,851

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

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

March 31, 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	973,187,644	65,583,128	30,392,063	303,401,899	1,372,564,734
Interest-rate-sensitive liabilities	329,700,571	845,334,898	128,113,269	26,765,426	1,329,914,164
Interest-rate-sensitive gap	643,487,073	(779,751,770)	(97,721,206)	276,636,473	42,650,570
Total equity					122,856,455
Ratio of interest-rate-sensitive assets to liabilities					103.21
Ratio of interest-rate-sensitive gap to equity					34.72

March 31, 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	863,694,685	53,777,626	19,277,920	262,662,280	1,199,412,511
Interest-rate-sensitive liabilities	258,690,122	745,892,696	133,376,829	25,951,345	1,163,910,992
Interest-rate-sensitive gap	605,004,563	(692,115,070)	(114,098,909)	236,710,935	35,501,519
Total equity					123,136,343
Ratio of interest-rate-sensitive assets to liabilities					103.05
Ratio of interest-rate-sensitive gap to equity					28.83

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)

March 31, 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	2,118,838	145,134	42,282	2,891,069	5,197,323
Interest-rate-sensitive liabilities	2,309,183	638,481	1,050,084	1,547,795	5,545,543
Interest-rate-sensitive gap	(190,345)	(493,347)	(1,007,802)	1,343,274	(348,220)
Total equity					(126,628)
Ratio of interest-rate-sensitive assets to liabilities					93.72
Ratio of interest-rate-sensitive gap to equity					274.99

March 31, 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	2,870,654	314,460	34,828	2,022,318	5,242,260
Interest-rate-sensitive liabilities	1,967,570	630,239	948,830	1,277,160	4,823,799
Interest-rate-sensitive gap	903,084	(315,779)	(914,002)	745,158	418,461
Total equity					53,546
Ratio of interest-rate-sensitive assets to liabilities					108.67
Ratio of interest-rate-sensitive gap to equity					781.50

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:

Creditor	Counterparty	Relationship	Accounts receivable from related party as of March 31, 2022	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	\$ 3,348,736 (Note)	-	\$ -	-	\$ -	\$ -
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	626,598 (Note)	-	-	-	-	-
Yuanta Financial Holdings	Yuanta Life	Subsidiary of the Company	612,727 (Note)	-	-	-	-	-

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

- E. Information regarding selling non-performing loans: None.
- F. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.
- G. Other material transaction items which were significant to the users of the financial statements: None.

(2) Supplementary disclosure regarding investee companies:

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	None

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 March 31, 2022	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Bank	The Company	Parent Company	\$ 344,687 (Note)	-	\$ -	-	\$ -	\$ -
Yuanta Life	The Company	Parent Company	1,945,007 (Note)	-	-	-	135	-
Yuanta Securities (Hong Kong)	Yuanta Investment Management(Cayman)	Affiliated company	328,506	-	-	-	-	-
Yuanta Securities Asia Financial Services	Yuanta Securities(Korea)	Affiliated company	487,614	-	-	-	48,915	-

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, 2021	Daesung Investment Management Loan	Loans and Temporary Payments for Others	\$ -	\$ 3,065	\$ 3,065	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 0.023221 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.

(BLANK)

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	Yuanta Securities Asia Finance Service	Accounts receivable-related party	Yes	\$ 2,862,200	\$ 2,862,200	\$ -	-	Short-term loans	\$ -	Working capital	\$ -	-	\$ -	\$ 13,207,794 (Note 1)	\$ 52,831,176 (Note 1)
2	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	858,660	858,660	572,440	2.20%	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,557,150 (Note 3)	36,557,150 (Note 3)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,431,100	1,431,100	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,557,150 (Note 3)	36,557,150 (Note 3)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,862,200	2,862,200	858,660	1.44%	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,557,150 (Note 3)	36,557,150 (Note 3)
5	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	858,660	858,660	-	-	Short-term loans	-	Working capital	-	-	-	36,557,150 (Note 3)	36,557,150 (Note 3)
6	PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management	Accounts receivable-related party	Yes	12,257	12,257	9,267	10.00%	Short-term loans	-	Fulfill operating cost and working capital	9,267	-	-	444,683 (Note 5)	444,683 (Note 5)

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.

Note 5: The ceiling on total loans granted and limit to loans granted to a single party by PT Yuanta Sekuritas Indonesia should not exceed the net worth of its latest audited/reviewed financial statements.

Note 6: With respect to the loans granted to PT Yuanta Asset Management by PT Yuanta Sekuritas Indonesia, it was difficult to recover the loans based on the assessment due to the liquidation of PT Yuanta Asset Management. Therefore, the entire amount was recognized as an impairment loss.

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 three months ended March 31, 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	\$ 26,415,588 (Note 1)	\$ 100,177	\$ 100,177	\$ 95,407	\$ -	0.08%	\$ 52,831,176 (Note 1)	Yes	No	No	
2	Yuanta Securities	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	26,415,588 (Note 1)	429,330	429,330	-	-	0.33%	52,831,176 (Note 1)	Yes	No	No	
3	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	26,415,588 (Note 1)	1,431,100	1,431,100	8,587	-	1.08%	52,831,176 (Note 1)	Yes	No	No	
4	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	36,557,150 (Note 3)	2,131,312	2,131,312	1,143,002	-	5.83%	36,557,150 (Note 3)	Yes	No	No	
5	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	36,557,150 (Note 3)	222,830	222,830	132,934	-	0.61%	36,557,150 (Note 3)	Yes	No	No	
6	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	36,557,150 (Note 3)	572,440	572,440	114,488	-	1.57%	36,557,150 (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)
March 31, 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	Percentage of ownership				
				Number of shares (In thousands)	Book value	(%)	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	320	\$ 44,217	-	\$ 44,217	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	8	510	-	510	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	21	1,362	-	1,362	
	Yuanta/P-shares S&P Custom China Play 50	"	"	20	619	-	619	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	21	559	-	559	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	37	1,253	-	1,253	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	25	507	-	507	
	Yuanta S&P500	"	"	8	335	-	335	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	22	475	-	475	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	15	968	-	968	
	Yuanta/P-shares SSE50 ETF	"	"	21	680	-	680	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	201	-	201	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	1	25	-	25	
	Yuanta EURO STOXX 50 ETF	"	"	9	245	-	245	
	Yuanta Nikkei 225 ETF	"	"	1	44	-	44	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	2	79	-	79	
	Yuanta S&P US Dollar ER Futures ETF	"	"	2	34	-	34	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	10	370	-	370	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	7	319	-	319	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	1	40	-	40	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	8	313	-	313	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	1	57	-	57	
	Yuanta DJCI Silver ER Futures ETF	"	"	1	19	-	19	
	Yuanta MSCI China A ETF	"	"	10	241	-	241	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	9	375	-	375	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	1,087	44,563	-	44,563	
	Yuanta S&P U.S. High Yield Preferred Stock ETF	"	"	1	11	-	11	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	5	197	-	197	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	519	-	519	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	6	202	-	202	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership			Note
					Book value	(%)	Market value	
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta FTSE4Good TIP Taiwan ESG ETF	The managing company of the fund	Financial assets at fair value through profit or loss	9	\$ 313	-	\$ 313	
	Yuanta Global NextGen Communications ETF	"	"	1,522	46,725	-	46,725	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF.	"	"	1	31	-	31	
	Yuanta Global NexGen Communication Innovative Technology ETF	"	"	3,181	92,811	-	92,811	
	Yuanta 2001 Fund	"	"	420	55,467	-	55,467	
	Yuanta Duo Fu Equity Fund	"	"	847	76,528	-	76,528	
	Yuanta Duo Duo Equity Fund	"	"	567	18,727	-	18,727	
	Yuanta Excellence Equity Fund	"	"	1,543	101,395	-	101,395	
	Yuanta OTC Equity Fund	"	"	1,583	28,312	-	28,312	
	Yuanta Wan Tai Money Market Equity Fund	"	"	6,542	100,011	-	100,011	
	Yuanta Hi-Tech Equity Fund	"	"	3,046	114,961	-	114,961	
	Yuanta Mainstream Equity Fund	"	"	919	43,752	-	43,752	
	Yuanta Intenational Trading Equity Fund	"	"	560	34,713	-	34,713	
	Yuanta Real Multi-Asset Fund TWD	"	"	1,541	17,213	-	17,213	
					<u>\$ 830,298</u>		<u>\$ 830,298</u>	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	3,696	\$ 327,960	0.88	\$ 327,960	
	FundRich Securities Co. Ltd.	-	"	819	14,382	1.37	14,382	
					<u>\$ 342,342</u>		<u>\$ 342,342</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	<u>\$ 345,323</u>	24.50	<u>\$ 345,323</u>	
Yuanta Asset Management	Beneficiary certificates:							
	Yuanta Hi-Tech Equity Fund	-	Financial assets at fair value through profit or loss	1,398	\$ 52,768	-	\$ 52,768	
	Yuanta International Trading Equity Fund	-	"	835	51,754	-	51,754	
	Yuanta Taiwan High-yield Leading Company Fund A	-	"	5,636	81,497	-	81,497	
	Franklin Templeton Sinoam Money Market Fund	-	"	9,604	100,456	-	100,456	
	Taishin 1699 Money Market Fund	-	"	13,943	190,848	-	190,848	
					<u>\$ 477,323</u>		<u>\$ 477,323</u>	
	Stocks:							
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 7,423	0.16	\$ 7,423	
	Sunsino Venture Co., Ltd.	-	"	443	2,912	0.93	2,912	
	DaYeh Development Co., Ltd.	-	"	333	900	2.22	900	
	Chung Yi Development Co., Ltd.	-	"	2,278	114	6.63	114	
	Global Investment Holdings Co., LTD.	-	"	1,980	11,227	1.23	11,227	
	China Trade And Development Corporation	-	"	500	11,320	0.76	11,320	
					<u>\$ 33,896</u>		<u>\$ 33,896</u>	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of ownership			Note
					Book value	(%)	Market value	
Yuanta Venture Capital	Stocks:							
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 9,366	0.03	\$ 9,366	Private equity
	Taiwan Chelic Corp. Ltd.	-	"	500	28,950	0.75	28,950	
	Eurocharm Holdings Co., Ltd.	-	"	430	65,790	0.65	65,790	
	Ever Supreme Bio Technology Co., Ltd.	-	"	350	74,200	0.57	74,200	
	ALLIED SUPREME CORP.	-	"	520	129,480	0.66	129,480	
	Tot Biopharm International Company Limited	-	"	15,606	181,416	2.54	181,416	
	Taiwan J Pharmaceuticals Co, Ltd	-	"	1,282	14,810	1.71	14,810	
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	56,616	2.35	56,616	
	M3 Technology Inc.	-	"	1,195	264,979	3.25	264,979	
	Saultech Technology Co., Ltd.	-	"	474	70,628	1.60	70,628	
	Taiwan Microloops Co., Ltd.	-	"	855	43,981	2.28	43,981	
	Ever Fortune. AI Co. , Ltd.	-	"	1,200	140,568	1.33	140,568	
	Gorilla Technology Group Inc.	-	"	95	9,103	0.79	9,103	Preferred stock B
	CGK International Co., Ltd (Cayman)	-	"	877	7,778	2.39	7,778	
	BRIM Biotechnology ,Inc.	-	"	3,500	87,815	5.05	87,815	
	Aprevent Medical, Inc.	-	"	394	224	2.12	224	
	Aprevent Medical, Inc.	-	"	1,808	24,982	9.71	24,982	Preferred stock B
	Li Ling Film Co., Ltd.	-	"	1,666	4,798	2.78	4,798	
	Apollomics, Inc.	-	"	1,634	7,942	0.12	7,942	
	Bioflag International Corporation	-	"	3,400	121,550	2.96	121,550	
	Pharmosa Biopharm Co. , Ltd.	-	"	4,011	144,514	4.10	144,514	
	International Ocean Vessel Technical Consultant Co. Ltd	-	"	564	34,701	4.47	34,701	
	Taiwan Speciality Chemicals Corporation	-	"	235	36,663	0.17	36,663	
	Seng-An Biomedical Co., Ltd.	-	"	1,000	27,050	2.33	27,050	
	GRAID Technology,Inc.	-	"	682	29,252	2.96	29,252	Preferred stock A
	Veden Dental Group	-	"	246	-	0.64	-	
	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	-	10.42	-	
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-	
	Jump Media International Co., Ltd.	-	"	906	-	3.20	-	
	Mega Union Technology	-	"	750	47,918	1.66	47,918	
	Asia Pacific Venture Invest II L.P.	-	"	-	690	10.00	690	
	GCT Semiconductor Inc.	-	"	1,402	-	1.62	-	Preferred stock G
					<u>\$ 1,665,764</u>		<u>\$ 1,665,764</u>	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	March 31, 2022				Note
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	
Yuanta Venture Capital	Stocks:							
	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	\$ 1,216,309	100.00	\$ 1,216,309	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,648	0.50	\$ 9,648	
	Prudence Capital Management	-	"	939	23,370	9.00	23,370	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	7,923	4.80	7,923	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	209	10.00	209	
	Hwa Lu Venture Capital Co., Ltd.	-	"	261	13,633	8.70	13,633	
	Hwa Sheng Venture Capital Co., Ltd.	-	"	5	510	3.33	510	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	4,706	9.88	4,706	
	Guan Hwa Venture Capital Co., Ltd.	-	"	121	108	5.56	108	
	Qi Ding Venture Capital Co., Ltd.	-	"	670	6,673	4.35	6,673	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	319	3,871	10.00	3,871	
	Huiyang Venture Capital Co., Ltd.	-	"	67	7,340	2.46	7,340	
					\$ 77,991		\$ 77,991	

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(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 three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended March 31, 2022 (Note 4)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 6,366,964 (USD 222,450)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 200,935	\$ -	\$ -	\$ 200,935	Note 5	2.54%	\$ -	\$ 200,935	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	228,976 (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	18,279 (HKD 5,000)		22,762	-	-	22,762	Note 5	0.64%	-	22,762	-
Veden Dental Labs Inc.	Manufacturing dental restoration	303,423 (HKD 83,000)	(2) CAYMAN ISLANDS VEDED DENTAL GROUP									

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 three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended March 31, 2022 (Note 4)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,522,073 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.09%	\$ -	\$ 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 three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 18,644 (RMB 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 80	100.00%	In liquidation	\$ 20,722	\$ -
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	83,037 (RMB 18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	(495)	100.00%	(495) (2)b	11,824	-

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 three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,703,540 (RMB 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	(\$ 13,139)	24.50%	\$ 848 (2)c	\$ 345,323	\$ -

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 three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 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	(\$ 93)	100.00%	(\$ 93) (2)c	\$ 117,789	\$ -

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 March 31, 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	\$2,182,093
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	88,039,165
Yuanta Securities Investment Trust	705,666	705,666	3,802,063
Yuanta Futures	157,209	174,000	7,531,651

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,636,821.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$146,731,942.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$6,336,771.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$12,552,751.

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) recognized by the Company for the three months ended March 31, 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 recognized as financial assets at fair value through profit or loss, therefore, there was no investment income (loss) recognized.

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 March 31, 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			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	3,347,546	No significant difference from general customers	0.11%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	625,763	"	0.02%
0	Yuanta Financial Holdings	Yuanta Life	1	Receivables – net	612,649	"	0.02%
0	Yuanta Financial Holdings	Yuanta Bank	1	Payables	344,687	"	0.01%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	1,943,173	"	0.06%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	333,767	"	0.01%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	780,000	"	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	815,727	"	0.03%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	3,136,494	"	0.10%
1	Yuanta Securities	Yuanta Futures(Hong Kong)	3	Cash and cash equivalents	155,026	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	2,053,278	"	0.07%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	344,645	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	376,238	"	0.01%
1	Yuanta Securities	Yuanta Futures(Hong Kong)	3	Payables	110,525	"	0.00%
1	Yuanta Securities	Yuanta Futures(Hong Kong)	3	Receivables – net	118,439	"	0.00%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	304,528	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	3,075,979	"	0.10%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	2,555,262	"	0.08%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	502,649	"	0.02%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	172,117	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	5,450,908	"	0.18%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	3,509,475	"	0.11%
2	Yuanta Bank	SYF Information	3	Deposits and remittances	139,900	"	0.00%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	3,055,500	"	0.10%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	151,800	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	2,000,000	"	0.07%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	571,300	No significant difference from general customers	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	476,200	"	0.02%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	436,600	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	17,539,184	"	0.57%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	1,176,364	"	0.04%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	2,287,661	"	0.07%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	2,446,219	"	0.08%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	3,000,000	"	0.10%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	429,330	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	316,228	"	1.22%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	15,808,593	"	0.52%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial assets – net	506,301	"	0.02%
3	Yuanta Futures	Yuanta Life	3	Right-of-use assets – net	130,621	"	0.00%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial liabilities	229,652	"	0.01%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	228,689	"	0.01%
3	Yuanta Futures	Yuanta Securities (Hong Kong)	3	Other financial liabilities	128,400	"	0.00%
3	Yuanta Futures	Yuanta Life	3	Lease liabilities	143,294	"	0.00%
4	Yuanta Life	Yuanta Bank	3	Payables	118,716	"	0.00%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Payables	143,200	"	0.00%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	229,803	"	0.89%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Receivables – net	486,915	"	0.02%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Thailand)	3	Receivables – net	859,029	"	0.03%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	572,525	"	0.02%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong)	3	Bonds Payables	449,150	"	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)
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Financial assets at fair value through profit or loss	2,703,753	No significant difference from general customers	0.09%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Equity investments accounted for under the equity method – net	336,905	"	0.01%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Exchange differences on translation of foreign financial statements	134,014	"	0.52%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Non-controlling interests	153,770	"	0.01%
6	Yuanta Securities (Hong Kong)	Yuanta Asia Investment (Hong Kong)	3	Payables	117,273	"	0.00%
7	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	103,411	"	0.00%

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 recognized reporting segments based on the policies adopted by the CODM.

B. The income sources and service types of each reporting segment

The management has recognized 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 three months ended March 31, 2022

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 3,970,472	\$ 11,604,298	\$ 568,931	\$ 8,843,382	\$ 832,466	\$ -	\$ 25,819,549
Revenue (loss) from transactions with other operating segments of the same entity	<u>387,463</u>	<u>373,244</u>	<u>(15,037)</u>	<u>(538,932)</u>	<u>66,212</u>	<u>(272,950)</u>	<u>-</u>
Net revenues (Note)	<u>4,357,935</u>	<u>11,977,542</u>	<u>553,894</u>	<u>8,304,450</u>	<u>898,678</u>	<u>(272,950)</u>	<u>25,819,549</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(7,586)	52,468	937	(49)	-	-	45,770
Net change in provisions for insurance liabilities	-	-	-	(6,239,576)	-	34,320	(6,205,256)
Operating expenses	<u>(2,784,799)</u>	<u>(7,383,001)</u>	<u>(335,626)</u>	<u>(400,394)</u>	<u>(738,276)</u>	<u>253,790</u>	<u>(11,388,306)</u>
Income from continuing operations before income tax	<u>\$ 1,565,550</u>	<u>\$ 4,647,009</u>	<u>\$ 219,205</u>	<u>\$ 1,664,431</u>	<u>\$ 160,402</u>	<u>\$ 15,160</u>	<u>\$ 8,271,757</u>

For the three months ended March 31, 2021

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 4,830,135	\$ 18,811,910	\$ 632,399	\$ 8,831,247	\$ 1,485,036	\$ -	\$ 34,590,727
Revenue (loss) from transactions with other operating segments of the same entity	<u>315,265</u>	<u>386,869</u>	<u>(19,466)</u>	<u>(356,227)</u>	<u>184,479</u>	<u>(510,920)</u>	<u>-</u>
Net revenues (Note)	<u>5,145,400</u>	<u>19,198,779</u>	<u>612,933</u>	<u>8,475,020</u>	<u>1,669,515</u>	<u>(510,920)</u>	<u>34,590,727</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(128,450)	53,937	967	84	-	-	(73,462)
Net change in provisions for insurance liabilities	-	-	-	(7,058,517)	-	33,718	(7,024,799)
Operating expenses	<u>(2,744,940)</u>	<u>(9,422,723)</u>	<u>(347,495)</u>	<u>(364,527)</u>	<u>(900,286)</u>	<u>223,654</u>	<u>(13,556,317)</u>
Income from continuing operations before income tax	<u>\$ 2,272,010</u>	<u>\$ 9,829,993</u>	<u>\$ 266,405</u>	<u>\$ 1,052,060</u>	<u>\$ 769,229</u>	<u>(\$ 253,548)</u>	<u>\$ 13,936,149</u>

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.