

YUANTA FINANCIAL HOLDING CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021 AND 2020

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.

PWCR21000136

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. and subsidiaries as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Companies, and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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



資誠

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Yuanta Financial Holding Co., Ltd. and subsidiaries as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods 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.

Chou, Chien-Hung

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

November 19, 2021

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 consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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 September 30, 2021 and 2020 are reviewed, not audited)

	ASSETS	Notes	September 30, 2021		(Reclassified) December 31, 2020		(Reclassified) September 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 73,297,212	3	\$ 77,497,198	3	\$ 66,270,398	3
11500	Due from Central Bank and call loans to other banks	6(2),8	66,927,976	2	54,373,556	2	53,943,976	2
12000	Financial assets at fair value through profit or loss	6(3),7,8	562,215,525	19	586,592,639	21	548,865,099	21
12150	Financial assets at fair value through other comprehensive income	6(4),8	332,644,103	11	278,391,203	10	260,323,166	10
12200	Investments in debt instruments at amortised cost	6(5),8	492,954,514	17	430,349,520	16	418,599,120	16
12500	Investments in bills and bonds under resale agreements	6(6)	55,147,506	2	58,336,318	2	55,448,338	2
13000	Receivables – net	6(7),7	266,081,221	9	242,476,446	9	183,505,961	7
13200	Current income tax assets		336,381	-	733,890	-	994,944	-
13300	Assets held for sale – net	6(8)	141,607	-	203,730	-	73,864	-
13500	Bills discounted and loans – net	6(9),7	846,336,843	28	793,812,907	29	786,420,576	30
13700	Reinsurance contract assets – net	6(10)	1,050,167	-	1,099,457	-	973,344	-
15000	Equity investments accounted for under the equity method – net	6(11)	2,816,605	-	2,755,402	-	2,594,021	-
15100	Restricted assets – net	8	3,156,660	-	2,961,020	-	3,627,071	-
15500	Other financial assets – net	6(12)	116,483,900	4	79,034,763	3	89,331,918	3
18000	Investment property – net	6(13),8	10,805,127	-	11,558,284	-	16,162,120	1
18500	Property and equipment – net	6(14),8	24,227,462	1	23,930,017	1	18,534,578	1
18600	Right-of-use assets – net	6(15)	12,650,031	-	13,181,478	1	13,012,887	-
19000	Intangible assets – net	6(17)	31,286,906	1	31,498,648	1	32,900,006	1
19300	Deferred income tax assets		6,740,692	-	7,095,091	-	6,543,022	-
19500	Other assets – net	6(18),7,8	76,733,888	3	61,843,636	2	50,522,311	3
	TOTAL ASSETS		<u>\$ 2,982,034,826</u>	<u>100</u>	<u>\$ 2,757,725,203</u>	<u>100</u>	<u>\$ 2,608,646,720</u>	<u>100</u>

(Continued)

YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

	Notes	September 30, 2021		(Reclassified) December 31, 2020		(Reclassified) September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
21000	Deposits from Central Bank and other banks	6(20)	\$ 29,113,607	1	\$ 15,412,299	1	\$ 11,869,727	-
21500	Due to Central Bank and other banks		806,310	-	675,000	-	675,000	-
22000	Financial liabilities at fair value through profit or loss	6(3) (38)	148,108,666	5	163,457,505	6	137,876,744	5
22500	Bills and bonds payable under repurchase agreements	6(6) (47),7	194,900,321	7	216,621,187	8	225,091,924	9
22600	Commercial paper payable – net	6(21) (47)	49,621,316	2	27,417,489	1	23,847,814	1
23000	Payables	6(22),7	218,453,970	8	246,833,686	9	180,465,569	7
23200	Current income tax liabilities		8,280,883	-	6,616,387	-	6,190,633	-
23500	Deposits and remittances	6(23),7	1,381,713,272	46	1,211,020,394	44	1,154,910,925	44
24000	Bonds payable	6(24) (47)	87,790,535	3	78,790,127	3	73,809,494	3
24400	Other borrowings	6(25) (47)	56,140,173	2	57,796,061	2	57,738,772	2
24600	Liabilities reserve	6(26) (27)	329,181,820	11	313,071,935	11	297,917,927	11
25500	Other financial liabilities	6(28),7	128,159,473	4	88,713,584	3	94,447,974	4
26000	Lease liabilities	6(47)	5,890,437	-	6,368,836	-	6,140,907	-
29300	Deferred income tax liabilities		4,106,999	-	4,878,682	-	4,368,484	-
29500	Other liabilities	6(29),7	57,399,977	2	46,434,585	2	68,742,021	3
	TOTAL LIABILITIES		<u>2,699,667,759</u>	<u>91</u>	<u>2,484,107,757</u>	<u>90</u>	<u>2,344,093,915</u>	<u>89</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	5
31500	Additional paid-in capital	6(31)	37,885,949	1	37,885,949	1	37,842,681	1
32000	Retained earnings							
32001	Legal reserve	6(32)	17,040,473	1	14,633,733	1	14,633,733	1
32003	Special reserve	6(32)	6,549,234	-	6,549,234	-	6,549,234	-
32011	Undistributed earnings	6(33)	71,918,245	2	60,333,790	2	56,442,082	2
32500	Other equity							
32500	Other equity interest	6(34)	7,186,287	-	12,559,523	1	9,772,535	-
39500	Non-controlling interests		<u>20,412,519</u>	<u>1</u>	<u>20,280,857</u>	<u>1</u>	<u>17,938,180</u>	<u>2</u>
	TOTAL EQUITY		<u>282,367,067</u>	<u>9</u>	<u>273,617,446</u>	<u>10</u>	<u>264,552,805</u>	<u>11</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 2,982,034,826</u>	<u>100</u>	<u>\$ 2,757,725,203</u>	<u>100</u>	<u>\$ 2,608,646,720</u>	<u>100</u>

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

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

Items	Notes	For the three months ended September 30,				For the nine months ended September 30,				
		2021		2020		2021		2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
41000	Interest income	6(35),7	\$ 9,361,536	33	\$ 8,865,098	28	\$ 27,368,879	28	\$ 27,510,975	33
51000	Less: Interest expense	6(35),7	(1,773,110)	(6)	(2,017,230)	(6)	(5,153,987)	(5)	(7,605,541)	(9)
49600	Net interest income	6(35)	<u>7,588,426</u>	<u>27</u>	<u>6,847,868</u>	<u>22</u>	<u>22,214,892</u>	<u>23</u>	<u>19,905,434</u>	<u>24</u>
	Net non-interest income									
49800	Net service fee and commission income	6(36),7	10,640,465	38	7,787,547	25	31,496,735	33	19,665,381	24
49810	Net income from insurance operations	6(37),7	2,595,546	9	8,273,576	26	14,346,720	15	22,981,353	28
49820	Gain on financial assets and financial liabilities at fair value through profit or loss	6(38),7	1,448,042	5	6,757,120	21	18,415,931	19	14,243,701	17
49825	Gain on investment property	7	86,255	-	57,170	-	208,861	-	183,849	-
49835	Realised gain on financial assets at fair value through other comprehensive income		1,892,422	7	1,973,507	6	3,649,695	4	3,886,601	5
49850	Net gain arising from derecognition of financial assets measured at amortised cost	6(5)(9)	266,501	1	40,133	-	1,188,404	1	676,658	1
49870	Foreign exchange loss		(285,236)	(1)	(2,087,705)	(6)	(4,368,345)	(4)	(3,615,139)	(4)
49880	Asset impairment (loss) reversal gain	6(39)	(4,400)	-	4,028	-	6,263	-	(9,883)	-
49890	Share of the profit or loss of associates and joint ventures accounted for using the equity method	6(11)	45,316	-	104,968	-	420,129	-	202,732	-
49898	Gain (loss) on reclassification under the overlay approach		1,514,546	5	619,563	2	2,096,829	2	(11,076)	-
49921	Net gain on sale of non-performing loans		74,535	-	61,741	-	309,486	-	188,404	-
49945	Consultation service income		1,485,448	5	1,078,595	3	3,597,805	4	2,867,279	3
49999	Net other miscellaneous income	6(40),7	1,003,146	4	297,366	1	2,682,736	3	2,101,442	2
49700	Total net non-interest income		<u>20,762,586</u>	<u>73</u>	<u>24,967,609</u>	<u>78</u>	<u>74,051,249</u>	<u>77</u>	<u>63,361,302</u>	<u>76</u>
	Net profit		28,351,012	100	31,815,477	100	96,266,141	100	83,266,736	100
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(190,290)	(1)	(212,483)	(1)	(118,048)	-	(1,337,654)	(2)
58300	Net change in provisions for insurance liabilities	6(26)	(4,136,910)	(14)	(9,723,971)	(30)	(17,741,819)	(18)	(25,308,696)	(30)
	Operating expenses									
58501	Employee benefit expense	6(42),7	(8,234,349)	(29)	(7,186,631)	(23)	(26,520,474)	(28)	(20,035,256)	(24)
58503	Depreciation and amortization	6(43)	(766,668)	(3)	(768,941)	(2)	(2,328,909)	(2)	(2,346,824)	(3)
58599	Other business and administrative expenses	6(44),7	(4,051,515)	(14)	(3,280,098)	(10)	(12,184,916)	(13)	(9,456,438)	(11)
58500	Total Operating Expenses		<u>(13,052,532)</u>	<u>(46)</u>	<u>(11,235,670)</u>	<u>(35)</u>	<u>(41,034,299)</u>	<u>(43)</u>	<u>(31,838,518)</u>	<u>(38)</u>
61000	Consolidated income from continuing operations before income tax		10,971,280	39	10,643,353	34	37,371,975	39	24,781,868	30
61003	Income tax expense	6(45)	(1,673,306)	(6)	(1,543,058)	(5)	(6,421,314)	(7)	(3,962,637)	(5)
69000	Consolidated net income		<u>\$ 9,297,974</u>	<u>33</u>	<u>\$ 9,100,295</u>	<u>29</u>	<u>\$ 30,950,661</u>	<u>32</u>	<u>\$ 20,819,231</u>	<u>25</u>

(Continued)

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

Items	Notes	For the three months ended September 30,				For the nine months ended September 30,			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
69561	Gain (loss) on remeasurements of defined benefit plans	\$ 49,984	-	\$ 7,943	-	(\$ 1,892)	-	(\$ 7,174)	-
69563	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1	-	(4,377)	-	(515)	-	(3,793)	-
69565	Change in fair value of financial liability attributable to change in credit risk of liability	(20)	-	(841)	-	(185)	-	(1,919)	-
69567	Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	356,610	1	1,911,953	6	4,908,155	5	2,363,613	3
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(16,378)	-	(16,709)	-	(102,300)	-	(117,548)	-
Components of other comprehensive income that will be reclassified to profit or loss									
69571	Exchange differences on translation of foreign financial statements	(2,216,813)	(8)	(204,249)	(1)	(5,354,290)	(6)	(2,669,354)	(3)
69585	Revaluation (loss) gain from investments in debt instruments measured at fair value through other comprehensive income	(844,314)	(3)	(91,720)	-	(4,201,557)	(4)	2,011,992	2
69587	Impairment (loss) reversal gain from investments in debt instruments measured at fair value through other comprehensive income	1,042	-	(8,279)	-	(13,672)	-	(2,603)	-
69590	Other comprehensive gain (loss) on reclassification under the overlay approach	(1,514,546)	(5)	(619,563)	(2)	(2,096,829)	(2)	11,076	-
69579	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	66,854	-	85,875	-	241,288	-	(11,919)	-
69500	Other comprehensive income (loss) (net of tax)	<u>(\$ 4,117,580)</u>	<u>(15)</u>	<u>\$ 1,060,033</u>	<u>3</u>	<u>(\$ 6,621,797)</u>	<u>(7)</u>	<u>\$ 1,572,371</u>	<u>2</u>
69700	Total comprehensive income	<u>\$ 5,180,394</u>	<u>18</u>	<u>\$ 10,160,328</u>	<u>32</u>	<u>\$ 24,328,864</u>	<u>25</u>	<u>\$ 22,391,602</u>	<u>27</u>
Consolidated net income attributable to:									
69901	Parent company	\$ 8,655,034	31	\$ 8,506,512	27	\$ 28,314,607	29	\$ 19,570,809	24
69903	Non-controlling interests	642,940	2	593,783	2	2,636,054	3	1,248,422	1
		<u>\$ 9,297,974</u>	<u>33</u>	<u>\$ 9,100,295</u>	<u>29</u>	<u>\$ 30,950,661</u>	<u>32</u>	<u>\$ 20,819,231</u>	<u>25</u>
Consolidated comprehensive income attributable to:									
69951	Parent company	\$ 5,240,572	18	\$ 9,382,245	30	\$ 23,182,882	24	\$ 21,559,189	26
69953	Non-controlling interests	(60,178)	-	778,083	2	1,145,982	1	832,413	1
		<u>\$ 5,180,394</u>	<u>18</u>	<u>\$ 10,160,328</u>	<u>32</u>	<u>\$ 24,328,864</u>	<u>25</u>	<u>\$ 22,391,602</u>	<u>27</u>
Earnings per share (in New Taiwan Dollars)									
70001	Basic and diluted earnings per share		0.71		0.70		2.33		1.61

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 on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk	Non-controlling interests	Total equity
<u>For the nine months ended September 30, 2020</u>											
Balance, January 1, 2020	\$ 116,706,115	\$ 37,402,480	\$ 12,589,183	\$ 6,549,234	\$ 50,565,092	(\$ 3,528,386)	\$ 11,907,186	\$ 46,959	(\$ 36,730)	\$ 18,005,247	\$ 250,206,380
Consolidated net income for the period	-	-	-	-	19,570,809	-	-	-	-	1,248,422	20,819,231
Other comprehensive income (loss) for the period	-	-	-	-	(2,348)	(2,005,620)	3,989,369	8,898	(1,919)	(416,009)	1,572,371
Total comprehensive income (loss) for the period	-	-	-	-	19,568,461	(2,005,620)	3,989,369	8,898	(1,919)	832,413	22,391,602
Appropriation of 2019 earnings:											
Legal reserve	-	-	2,044,550	-	(2,044,550)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(7,585,898)	-	-	-	-	-	(7,585,898)
Stock dividend	4,668,245	-	-	-	(4,668,245)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	440,201	-	-	-	-	-	-	-	-	440,201
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(899,480)	(899,480)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	607,222	-	(607,222)	-	-	-	-
Balance, September 30, 2020	\$ 121,374,360	\$ 37,842,681	\$ 14,633,733	\$ 6,549,234	\$ 56,442,082	(\$ 5,534,006)	\$ 15,289,333	\$ 55,857	(\$ 38,649)	\$ 17,938,180	\$ 264,552,805
<u>For the nine months ended September 30, 2021</u>											
Balance, January 1, 2021	\$ 121,374,360	\$ 37,885,949	\$ 14,633,733	\$ 6,549,234	\$ 60,333,790	(\$ 4,467,136)	\$ 16,726,148	\$ 345,649	(\$ 45,138)	\$ 20,280,857	\$ 273,617,446
Consolidated net income for the period	-	-	-	-	28,314,607	-	-	-	-	2,636,054	30,950,661
Other comprehensive income (loss) for the period	-	-	-	-	(136)	(3,629,789)	555,902	(2,057,517)	(185)	(1,490,072)	(6,621,797)
Total comprehensive income (loss) for the period	-	-	-	-	28,314,471	(3,629,789)	555,902	(2,057,517)	(185)	1,145,982	24,328,864
Appropriation of 2020 earnings:											
Legal reserve	-	-	2,406,740	-	(2,406,740)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(14,564,923)	-	-	-	-	-	(14,564,923)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,014,320)	(1,014,320)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	241,647	-	(241,647)	-	-	-	-
Balance, September 30, 2021	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 71,918,245	(\$ 8,096,925)	\$ 17,040,403	(\$ 1,711,868)	(\$ 45,323)	\$ 20,412,519	\$ 282,367,067

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 nine months ended September 30,	
	2021	(Reclassified) 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 37,371,975	\$ 24,781,868
Adjustments		
Income and expense items		
Depreciation	1,929,229	1,939,422
Amortization	399,680	407,402
Provision for bad debt expenses, commitment and guarantee policy reserve	1,186,771	1,971,221
Interest expense	5,153,987	7,605,541
Interest income	(27,368,879)	(27,510,975)
Dividend income	(4,747,348)	(3,468,224)
Impairment (reversal gain) loss on financial assets	(6,263)	9,883
(Gain) loss on reclassified by applying overlay approach	(2,096,829)	11,076
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(420,129)	(202,732)
Gain on disposal of assets held for sale	(4,957)	(12,765)
Gain on disposal of investment property	(46,494)	(21,331)
Gain from disposal or retirement of property and equipment	(8,546)	(12,527)
Gain on disposal of intangible assets	(1,528)	(1,392)
(Gain) loss on lease modification	(112)	660
Gain on lease concession	(11,657)	(9,736)
Net change in insurance liabilities	17,368,588	24,042,806
Changes in operating assets and liabilities		
Changes in operating assets		
Increase in due to Central Bank and call loans to other banks	(6,812,435)	(2,402,742)
Decrease (increase) in financial assets at fair value through profit or loss	24,377,114	(44,834,020)
Increase in financial assets at fair value through other comprehensive income	(53,552,495)	(26,469,322)
Increase in investments in debt instruments measured at amortised cost	(62,604,234)	(32,152,956)
Increase in receivables	(22,810,516)	(13,621,207)
Increase in bills discounted and loans	(53,563,916)	(14,534,603)
Decrease (increase) in reinsurance contract assets	48,983	(70,171)
Increase in restricted assets	(195,640)	(1,064,485)
Increase in other financial assets	(8,009,187)	(24,473,370)
Increase in other assets	(14,932,179)	(19,937,257)
Changes in operating liabilities		
Increase (decrease) in deposits from Central Bank and other banks	13,701,308	(1,237,301)
(Decrease) increase in financial liabilities at fair value through profit or loss	(15,349,019)	14,534,613
(Decrease) increase in payables	(28,156,929)	23,336,451
Increase in deposits and remittances	170,692,878	59,404,654
Decrease in liabilities reserve	(365,602)	(3,898)
Increase in other financial liabilities	9,873,416	18,550,301
Increase in other liabilities	10,916,874	30,458,565
Cash outflow generated from operations	(8,044,091)	(4,986,551)
Interest received	27,378,175	28,532,092
Dividend received	4,741,336	3,485,057
Interest paid	(5,306,317)	(8,369,531)
Income tax paid	(5,288,380)	(3,936,267)
Net cash flows generated from operating activities	<u>13,480,723</u>	<u>14,724,800</u>

(Continued)

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

	For the nine months ended September 30,	
	2021	(Reclassified) 2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for using equity method	(\$ 368,001)	(\$ 472,571)
Proceeds from liquidation of investments accounted for using equity method	251,910	376,382
Acquisition of investment property	(25,406)	(5,510,017)
Proceeds from disposal of investment property	171,022	72,489
Acquisition of property and equipment	(1,056,010)	(1,837,635)
Proceeds from disposal of property and equipment	86,342	19,914
Acquisition of intangible assets	(109,561)	(95,232)
Proceeds from disposal of intangible assets	1,929	17,863
Proceeds from disposal of assets held for sale	67,000	473,200
Acquisition of right-of-use assets	(177)	(162)
Net cash flows used in investing activities	(980,952)	(6,955,769)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in due to Central Bank and other banks	131,310	675,000
(Decrease) increase in bills and bonds sold under repurchase agreements	(21,720,866)	26,426,006
Increase (decrease) in commercial paper payable	22,189,387	(14,760,204)
Proceeds from issuance of bonds	18,712,858	4,993,895
Repayments of bonds	(4,000,000)	-
Proceeds from issuance of bank debentures	5,500,000	-
Repayments of bank debentures	(11,000,000)	-
Decrease in other borrowings	(1,655,888)	(3,109,220)
Cash dividends paid	(14,564,923)	(7,585,898)
Principal payment for lease liabilities	(1,109,183)	(1,045,869)
Other financing activities	-	3,689
Decrease in non-controlling interests	(1,014,320)	(899,479)
Net cash flows (used in) generated from financing activities	(8,531,625)	4,697,920
Net effect of foreign exchange rate changes on cash and cash equivalents	(5,614,459)	(2,104,610)
Net (decrease) increase in cash and cash equivalents	(1,646,313)	10,362,341
Cash and cash equivalents at beginning of period	157,785,378	134,093,331
Cash and cash equivalents at end of period	\$ 156,139,065	\$ 144,455,672
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 73,297,712	\$ 66,270,398
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	27,693,847	22,736,936
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	55,147,506	55,448,338
Cash and cash equivalents at end of reporting period	\$ 156,139,065	\$ 144,455,672

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 NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(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 authorized for issuance by the Board of Directors and issued on November 19, 2021.

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 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

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.

A. Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’

The amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments provide accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform, end date for Phase 1 relief for non-contractually specified risk components in hedging relationships, additional temporary exceptions from applying specific hedge accounting requirements, and additional IFRS 7 disclosures related to IBOR reform.

The Yuanta Group’s financial instruments which were affected by the interest rate benchmark reform included derivative instruments, discounts and loans and debt instruments. The primarily linked exit interest index was US LIBOR. SOFR was expected to replace US LIBOR and with reference to the public announcement of the Financial Conduct Authority on March 5, 2021, the pricing date of interest rate spread adjustment was March 5, 2021.

In order to effectively control the risk of interest rate benchmark reform, Yuanta Group has a LIBOR transition plan, including the governance framework for top-down and cross segment, internal training and continuous evaluating and identifying the effects of contract remediation, communicating with trading counterparty, risk management and valuation model, operating process and system, accounting and tax. As of September 30, 2021, the Yuanta Group completed confirming the affected transactions, risk and system and was expected to be completed before the exit of LIBOR.

As of September 30, 2021, the Yuanta Group’s financial instruments which were affected by the interest rate benchmark reform were as follows:

Item	<u>Carrying amount</u>	
	<u>Assets</u>	<u>Liabilities</u>
Derivative financial instruments	\$ 2,352,836	\$ 25,856,863
Non-derivative financial instruments	79,993,982	-

B. Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'

The amendment extends the application period of the practical expedient by one year to cover COVID-19-related rent concessions that reduce only lease payments originally due on or before June 30, 2022, provided that all specified conditions are met. The original amendment covered only lease payments originally due on or before June 30, 2021.

Please refer to Note 6(15) for related amounts.

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	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.

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, 2020.

(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
			September 30, 2021	December 31, 2020	September 30, 2020	
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	67.97	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	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	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Yuanta Securities Asia Financial Services	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	90.16	90.16	90.16	Note 1
Yuanta Asia Investment (Hong Kong)	Yuanta Asia Investment (B.V.I.)	Direct investment, Venture capital funds, venture capital fund raising management, and investment advisory services	-	-	100.00	Note 2
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 (Hong Kong)”)	Issue financial instruments and dealing investments	100.00	100.00	100.00	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	100.00	
	PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”)	Securities trading and underwriting services	99.00	99.00	99.00	
	PT Yuanta Asset Management (Indonesia)	Investment management	0.002	0.002	0.002	
	Yuanta Investment Management (Cayman)	Investment management	100.00	100.00	100.00	
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	9.84	9.84	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	9.64	19.39	21.79	Note 3
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	24.60	-	-	Note 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Yuanta Bank	Yuanta International Leasing Co., Ltd. (“Yuanta International Leasing”)	Leasing business	100.00	100.00	100.00	
	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited (“Yuanta Futures Hong Kong”)	Financial services	66.27	66.27	67.97	
	SYF Information Limited (“SYF Information”)	Information service	66.27	66.27	67.97	
SYF Information	SYF Information (Shanghai) Limited (“SYF Information (Shanghai)”)	Information service	66.27	66.27	67.97	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 December 2019, the Board of Directors approved Yuanta Securities Asia Financial Services’ capital increase to Yuanta Securities (Vietnam) and the process was completed in August 2020.

Note 2: In October 2020, the Board of Directors approved the dissolution and liquidation of Yuanta Asia Investment (B.V.I.). The record date for the liquidation was October 1, 2020. The liquidation process was completed on November 4, 2020.

Note 3: Subscribed in the first quarter of 2020.

Note 4: Subscribed in the third quarter of 2021.

Note 5: On June 30, 2021, to streamline organization structure, 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, and is expected to be completed in 2022.

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

September 30, 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 GO 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

September 30, 2021

Structured entities	Services
JY Pyeongtaek the first Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Balgok Co., Ltd.	Asset-backing
YK Napoli the 1st. Co., Ltd.	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing
YK Godeok 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

December 31, 2020

Structured entities	Services
YK Indus Co., Ltd.	Asset-backing
YFI Yeosu Co., Ltd.	Asset-backing
DK project the 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 the 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
YK Whistle Co., Ltd.	Asset-backing
BUMERSQUARE the 1st. Co., Ltd.	Asset-backing
Y.K.Blue the 5th. Co., Ltd.	Asset-backing
YK Star. Co., Ltd.	Asset-backing
YK GO. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YKDragonLake Co., Ltd.	Asset-backing

December 31, 2020

Structured entities	Services
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
Ostiuh 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
Y.K Air the First 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 Antwerp the 1st Co., Ltd.	Asset-backing
YK Gaon Co., Ltd.	Asset-backing
YKAI the 1st. Co., Ltd.	Asset-backing
Doublerich the sixth Co., Ltd.	Asset-backing
YK Lusia Co., Ltd.	Asset-backing
YKLT the 1st.Corp	Asset-backing

September 30, 2020

Structured entities	Services
YK Indus Co., Ltd.	Asset-backing
YK JP the 7th Co., Ltd.	Asset-backing
DG.southone the 1st Co., Ltd.	Asset-backing
YFI Yeosu Co., Ltd.	Asset-backing
YK Gunsun the 1st Co., Ltd.	Asset-backing
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st Co., Ltd.	Asset-backing
YK HD Co., Ltd.	Asset-backing
YFI Double S1 Co., Ltd.	Asset-backing
YK Dragon. Co., Ltd.	Asset-backing
Y.K.Glory the 1st.Co., Ltd.	Asset-backing

September 30, 2020

Structured entities	Services
YK MEDICINE Co., Ltd.	Asset-backing
YK Work. Co., Ltd.	Asset-backing
YK MIRACLE Co., Ltd.	Asset-backing
YK CF. Co., Ltd.	Asset-backing
SJ beomcheon the second Co., Ltd.	Asset-backing
YK Maritime Co., Ltd.	Asset-backing
YK Mozart II Co., Ltd.	Asset-backing
YK SEAWORK. Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing
YK Songdo. Co., Ltd.	Asset-backing
YK Whistle Co., Ltd.	Asset-backing
BUMERSQUARE the 1st. Co., Ltd.	Asset-backing
Y.K.Blue the 5th. Co., Ltd.	Asset-backing
YK Star. Co., Ltd.	Asset-backing
YK GO. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YK Dragon Lake Co., Ltd.	Asset-backing
Y.K. Spark the First Co., Ltd.	Asset-backing
YK DY Co., Ltd.	Asset-backing
Yk Nine Mall Co., Ltd.	Asset-backing
YK SEONHWA. Co., Ltd.	Asset-backing
Gold Poongmu the 1st Co., Ltd.	Asset-backing
SJ gangbuk the first 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 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 Gold 11 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

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 September 30, 2021, December 31, 2020 and September 30, 2020, the non-controlling interest amounted to \$20,412,519, \$20,280,857 and \$17,938,180, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Subsidiary	Principal Name of place of business	Non-controlling interest					
		September 30, 2021		December 31, 2020		September 30, 2020	
		Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	\$ 15,204,621	42.61%	\$ 15,126,219	42.61%	\$ 13,774,512	42.61%

The comprehensive (loss) income attributable to this non-controlling interest were (\$319,880) \$535,949, \$408,712 and \$232,177 for the three months and nine months ended September 30, 2021 and 2020, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 333,312,800	\$ 375,220,873	\$ 347,266,290
Non-current assets	15,073,457	17,105,207	16,438,451
Current liabilities	(300,762,004)	(348,424,044)	(323,065,554)
Non-current liabilities	(10,622,185)	(7,491,992)	(7,412,208)
Total net assets	\$ 37,002,068	\$ 36,410,044	\$ 33,226,979

Consolidated statements of comprehensive income

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 4,293,641	\$ 4,469,519
Profit before income tax	1,049,441	1,255,709
Income tax expense	(263,285)	(317,446)
Net income	786,156	938,263
Other comprehensive (loss) income (net of tax)	(1,715,710)	324,009
Total comprehensive (loss) income for the period	<u>(\$ 929,554)</u>	<u>\$ 1,262,272</u>

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 17,005,422	\$ 11,056,463
Profit before income tax	6,487,943	2,073,879
Income tax expense	(1,572,757)	(533,182)
Net income	4,915,186	1,540,697
Other comprehensive loss (net of tax)	(3,657,115)	(1,235,880)
Total comprehensive income for the period	<u>\$ 1,258,071</u>	<u>\$ 304,817</u>

Consolidated statements of cash flows

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net cash used in operating activities	(\$ 2,157,107)	(\$ 11,130,933)
Net cash provided by investing activities	39,576	708,058
Net cash provided by financing activities	3,721,841	12,863,747
Effect of exchange rates on cash and cash equivalents	(4,170,645)	(1,915,818)
(Decrease) increase in cash and cash equivalents	(2,566,335)	525,054
Cash and cash equivalents, beginning of period	18,526,139	19,784,783
Cash and cash equivalents, end of period	<u>\$ 15,959,804</u>	<u>\$ 20,309,837</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, 2020. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2020 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 recognized as expenses in that period when the employees render service.

(B) Pensions

a. Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized 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 recognized 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 recognized 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 recognized immediately in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- (c) Past service costs are recognized 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 recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes 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 recognized 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 recognized 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 recognized in other comprehensive income or equity, and that related income taxes in the period are recognized in other comprehensive income or directly derecognized from equity, all the others should be recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognizes 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 recognized 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 September 30, 2021. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash	\$ 5,685,546	\$ 5,772,596	\$ 6,390,421
Deposits in banks	64,869,537	66,269,968	54,790,814
Futures excess margin and cash equivalents	2,237,722	4,843,308	3,968,982
Excess settlement reserve fund	-	12	20
Checks for clearing	504,907	611,314	1,120,161
Total	<u>\$ 73,297,712</u>	<u>\$ 77,497,198</u>	<u>\$ 66,270,398</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Reserve for deposits - account A	\$ 15,776,512	\$ 12,431,950	\$ 10,215,358
Reserve for deposits - account B	38,886,235	32,177,999	30,943,744
Deposits by overseas branches to designated accounts of respective local central banks	2,067,156	2,631,752	2,262,067
Reserve for deposits	10,198,073	4,704,230	4,982,036
Call loans to banks	-	2,427,625	5,540,771
Total	<u>\$ 66,927,976</u>	<u>\$ 54,373,556</u>	<u>\$ 53,943,976</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 September 30, 2021, December 31, 2020 and September 30, 2020.
- C. Information relating to credit risk is provided in Note 12(3).

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 90,492,489	\$ 71,776,369	\$ 59,312,538
Beneficiary certificates / securities	54,678,068	67,542,853	55,057,278
Stocks of companies listed on TWSE or OTC	34,176,676	27,588,569	17,913,392
Emerging stocks	1,837,791	1,799,443	1,346,450
Government bonds	30,838,912	37,610,576	59,630,086
Bank debentures	105,628,219	116,517,856	112,017,811
Corporate bonds	93,765,235	91,510,940	86,211,606
Overseas bonds	451,762	295,960	295,960
Convertible corporate bonds	50,950,654	48,286,841	49,186,645
Derivative financial instruments	12,072,158	13,186,702	15,748,317
Structured products and others	1,831,774	9,225,592	9,067,863
Reserve for claims of customers' deposits with KSFC (Note 1)	77,288,228	88,944,601	77,727,225
Other marketable securities	7,459,858	7,525,152	3,871,989
Valuation adjustment	743,701	4,781,185	1,477,939
Total	<u>\$ 562,215,525</u>	<u>\$ 586,592,639</u>	<u>\$ 548,865,099</u>
Financial liabilities held for trading			
Derivative financial instruments	\$ 20,408,902	\$ 18,961,577	\$ 16,919,814
Non-derivative financial instruments	65,206,459	65,667,664	47,694,353
Valuation adjustment of financial liabilities held for trading — non-derivative financial instruments	761,312	8,301,890	4,615,031
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	40,975,100	53,591,521	51,181,718
Convertible bond asset swap not qualifying for derecognition (Note 2)	18,526,267	16,468,096	17,409,333
Others	2,230,626	466,757	56,495
Total	<u>\$ 148,108,666</u>	<u>\$ 163,457,505</u>	<u>\$ 137,876,744</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 September 30, 2021, December 31, 2020 and September 30, 2020.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Equity instruments			
Domestic stocks	\$ 5,241,387	\$ 1,566,179	\$ 1,886,186
Overseas stocks	<u>516,570</u>	<u>574,443</u>	<u>524,940</u>
	5,757,957	2,140,622	2,411,126
Domestic beneficiary certificates	15,716,969	20,104,429	23,254,604
Overseas beneficiary certificates	<u>1,218,521</u>	<u>848,135</u>	<u>949,154</u>
	<u>\$ 22,693,447</u>	<u>\$ 23,093,186</u>	<u>\$ 26,614,884</u>

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
(Loss) profit recognised in accordance with IFRS 9	(\$ 220,277)	\$ 1,255,288
Less: Profit that would have been recognised under IAS 39	(1,294,269)	(1,874,851)
Loss from adopting the overlay approach	<u>(\$ 1,514,546)</u>	<u>(\$ 619,563)</u>
Effects on income tax	<u>\$ 39,976</u>	<u>(\$ 2,612)</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Profit recognised in accordance with IFRS 9	\$ 145,930	\$ 2,757,629
Less: Profit that would have been recognised under IAS 39	(2,242,759)	(2,746,553)
(Loss) profit from adopting the overlay approach	<u>(\$ 2,096,829)</u>	<u>\$ 11,076</u>
Effects on income tax	<u>\$ 39,312</u>	<u>(\$ 2,178)</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Debt instruments			
Government bonds	\$ 52,842,051	\$ 31,239,956	\$ 31,128,399
Bank debentures	62,604,215	52,114,254	50,674,755
Corporate bonds	175,577,520	161,804,262	148,585,955
Commercial paper	82,526	124,062	126,855
Others	1,407,283	615,373	710,022
Valuation adjustment	212,787	5,044,261	3,648,444
Subtotal	<u>292,726,382</u>	<u>250,942,168</u>	<u>234,874,430</u>
Equity instruments			
Listed stocks	13,334,854	6,109,711	5,639,525
Unlisted stocks/Emerging stocks	4,590,334	4,710,737	4,435,620
Others	3,058,803	1,916,102	1,749,229
Valuation adjustment	20,149,830	15,928,585	14,840,462
Subtotal	<u>41,133,821</u>	<u>28,665,135</u>	<u>26,664,836</u>
Statutory deposits	(1,216,100)	(1,216,100)	(1,216,100)
Total	<u>\$ 332,644,103</u>	<u>\$ 278,391,203</u>	<u>\$ 260,323,166</u>

- A. As of September 30, 2021, December 31, 2020 and September 30, 2020, 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 \$1,216,100 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 September 30, 2021, December 31, 2020 and September 30, 2020, the fair value of such investments were \$41,133,821, \$28,665,135 and \$26,664,836, respectively.
- C. For the nine months ended September 30, 2021 and 2020, 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 avoid systematic risk, consider the asset allocation and adjust the investment portfolio. The fair value of such equity investments sold amounted to \$22,645,682 and \$24,223,830, and accumulated gains on disposal under the consideration of income tax were \$275,493 and \$615,216, 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 September 30,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 356,610	\$ 1,911,953
Reclassified to retained earnings due to derecognition of accumulated (losses) gains under the consideration of income tax	(\$ 267,378)	\$ 940,955
Dividend income recognised in profit or loss		
Held at end of period	\$ 950,536	\$ 481,240
Derecognised in the current period	510,231	700,254
	<u>\$ 1,460,767</u>	<u>\$ 1,181,494</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 415,489)	\$ 692,158
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition (recovery)	\$ 3,872	(\$ 144)
Reclassified due to derecognition	(431,655)	(792,013)
	<u>(\$ 427,783)</u>	<u>(\$ 792,157)</u>
Interest income recognised in profit or loss	<u>\$ 830,067</u>	<u>\$ 881,619</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 4,908,155	\$ 2,363,613
Reclassified to retained earnings due to derecognition of accumulated gains under the consideration of income tax	\$ 241,647	\$ 607,222
Dividend income recognised in profit or loss		
Held at end of period	\$ 1,329,785	\$ 940,857
Derecognised in the current period	685,137	733,498
	<u>\$ 2,014,922</u>	<u>\$ 1,674,355</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 2,572,977)	\$ 4,212,573
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment (recovery) recognition	(\$ 7,479)	\$ 9,062
Reclassified due to derecognition	(1,634,773)	(2,212,246)
	<u>(\$ 1,642,252)</u>	<u>(\$ 2,203,184)</u>
Interest income recognised in profit or loss	\$ 2,550,156	\$ 2,902,792

E. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of September 30, 2021, December 31, 2020 and September 30, 2020 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

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Government bonds	\$ 108,188,198	\$ 101,263,694	\$ 102,274,076
Time deposits	201,056,200	148,667,240	139,250,789
Bank debentures	87,519,148	81,985,856	81,761,915
Corporate bonds	98,679,952	100,922,767	97,802,329
Subtotal	495,443,498	432,839,557	421,089,109
Less: Accumulated impairment	(144,684)	(145,737)	(145,689)
Statutory deposits	(2,344,300)	(2,344,300)	(2,344,300)
Total	<u>\$ 492,954,514</u>	<u>\$ 430,349,520</u>	<u>\$ 418,599,120</u>

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

	For the three months ended September 30,	
	2021	2020
Interest income	\$ 2,340,051	\$ 2,281,938
(Impairment loss) recovery gain	(726)	3,049
Gains on disposal	255,032	40,133
	<u>\$ 2,594,357</u>	<u>\$ 2,325,120</u>
	For the nine months ended September 30,	
	2021	2020
Interest income	\$ 6,884,820	\$ 6,694,951
Recovery gain (impairment loss)	759	(6,251)
Gains on disposal	1,176,935	337,603
	<u>\$ 8,062,514</u>	<u>\$ 7,026,303</u>

B. The Yuanta Group sold certain financial assets at amortized cost for the three months and nine months ended September 30, 2021 and 2020, 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 \$255,032, \$40,133, \$1,176,935 and \$337,603, respectively.

C. As of September 30, 2021, December 31, 2020 and September 30, 2020, 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 \$2,344,300 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 September 30, 2021, December 31, 2020 and September 30, 2020, are provided in Note 8.

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

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bills and bonds purchased under resale agreement	<u>\$ 55,147,506</u>	<u>\$ 58,336,318</u>	<u>\$ 55,448,338</u>
Interest rate range	0.13% ~ 1.41%	0.11% ~ 1.68%	0.16% ~ 2.05%
Contract resale amount	<u>\$ 55,192,637</u>	<u>\$ 58,459,272</u>	<u>\$ 55,512,552</u>
Bills and bonds payable under repurchase agreement	<u>\$ 194,900,321</u>	<u>\$ 216,621,187</u>	<u>\$ 225,091,924</u>
Interest rate range	-0.43% ~ 1.75%	-0.30% ~ 1.60%	-0.25% ~ 1.80%
Contract repurchase amount	<u>\$ 198,761,228</u>	<u>\$ 220,352,840</u>	<u>\$ 229,076,298</u>

(7) Receivables - net

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>January 1, 2020</u>
Interest receivable	\$ 7,029,171	\$ 7,038,467	\$ 6,758,776	\$ 7,779,893
Refinance guaranty receivable	42,255,635	34,546,103	29,722,670	31,025,769
Acceptances receivable	447,515	578,620	289,292	231,477
Factoring receivable	5,428,278	4,150,504	4,399,327	5,704,407
Margin loans receivable	113,223,341	92,285,455	76,476,628	71,048,860
Spot exchange receivable(Note)	4,548,177	10,030,876	1,553,731	1,357,709
Credit card receivable	7,865,633	8,781,748	8,357,081	10,212,562
Trading securities receivable	3,259,974	2,277,246	1,340,177	818,338
Settlement price	9,172,979	16,043,185	9,684,195	5,590,498
Settlement price receivable	54,377,520	58,138,311	33,492,725	30,473,918
Securities sold receivable	14,274,030	4,707,144	7,438,687	4,150,335
Other receivables	<u>6,316,795</u>	<u>6,035,017</u>	<u>6,332,644</u>	<u>5,056,901</u>
Subtotal	268,199,048	244,612,676	185,845,933	173,450,667
Less: Allowance for doubtful accounts	(<u>2,117,827</u>)	(<u>2,136,230</u>)	(<u>2,339,972</u>)	(<u>2,606,092</u>)
Total	<u>\$ 266,081,221</u>	<u>\$ 242,476,446</u>	<u>\$ 183,505,961</u>	<u>\$ 170,844,575</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 December 31, 2020, September 30, 2020, January 1, 2020 should have been reduced by \$1,514,244, \$3,698,179 and \$3,395,922, respectively.

- A. The Yuanta Group recognized appropriate allowance for debts for receivables. For the nine months ended September 30, 2021 and 2020, details are provided in Note 12(3).
- B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of September 30, 2021, December 31, 2020 and September 30, 2020, 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%~9.75%, 5.95%~9.75% and 5.95%~9.95%, respectively; the annual interest rates range of Yuanta Securities (Hong Kong) were 0.67%~12.88%, 0.72%~12.88% and 0.90%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were all 18.00%; the annual interest rates range of Yuanta Securities (Thailand) were 3.85%~4.15%, 4.15%~9.25% and 4.15%~9.25%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 6.00%~12.00%, 7.00%~12.00% and 8.80%~14.00%, 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 on November 20, 2020, October 25 and November 8, 2018, 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 \$141,607, \$203,730 and \$73,864 as of September 30, 2021, December 31, 2020 and September 30, 2020, 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 and nine months ended September 30, 2021 and 2020, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal amounted to \$0, \$57,200, \$67,000 and \$473,200, respectively, and gain on disposal amounted to \$0, \$1,168, \$4,957 and \$12,765, respectively. For the three months and nine months ended September 30, 2021 and 2020, the Yuanta Group recognized (\$80), \$667, (\$80), \$667, respectively of related impairment (losses) reversal gains.

(9) Bills discounted and loans - net

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bills discounted	\$ 241,226	\$ 155,817	\$ 56,423
Overdrafts	3,466	25,702	112,126
Short-term loans	67,757,700	59,749,704	53,803,751
Short-term loans secured	74,071,743	69,524,551	70,364,764
Medium-term loans	105,517,291	120,466,376	129,057,651
Medium-term loans secured	230,612,754	203,092,313	201,147,975
Long-term loans	6,073,476	7,818,832	8,238,720
Long-term loans secured	364,942,717	334,411,270	325,790,476
Import-export negotiations	87,119	63,994	29,871
Accounts receivable factoring	256,763	916,721	273,290
Automatic policy loans	1,503,199	1,452,487	1,414,213
Life insurance policy loans	5,789,659	5,620,591	5,546,753
Loans transferred to non-performing loans	<u>2,526,762</u>	<u>3,703,423</u>	<u>3,802,211</u>
Subtotal	859,383,875	807,001,781	799,638,224
Less: Allowance for credit losses	(13,060,366)	(13,201,740)	(13,231,038)
Less: Adjustment for premium	<u>13,334</u>	<u>12,866</u>	<u>13,390</u>
Total	<u>\$ 846,336,843</u>	<u>\$ 793,812,907</u>	<u>\$ 786,420,576</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 nine months ended September 30, 2021 and 2020, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bills discounted and loans including adjustment for premium			
Yuanta Bank	\$ 841,542,956	\$ 782,770,760	\$ 774,491,534
Yuanta Securities	10,560,890	17,165,665	18,191,405
Yuanta Life	<u>7,293,363</u>	<u>7,078,222</u>	<u>6,968,675</u>
Subtotal	<u>859,397,209</u>	<u>807,014,647</u>	<u>799,651,614</u>
Allowance for credit losses			
Yuanta Bank	(\$ 12,161,888)	(\$ 11,730,288)	(\$ 11,825,345)
Yuanta Securities	(898,471)	(1,471,375)	(1,405,577)
Yuanta Life	<u>(7)</u>	<u>(77)</u>	<u>(116)</u>
Subtotal	<u>(13,060,366)</u>	<u>(13,201,740)</u>	<u>(13,231,038)</u>
Total	<u>\$ 846,336,843</u>	<u>\$ 793,812,907</u>	<u>\$ 786,420,576</u>

C. For the three months and nine months ended September 30, 2021 and 2020, the Yuanta Group disposed credit assets measured at amortised cost and recognized a gain of \$11,469, \$0, \$11,469 and \$339,055, respectively.

(10) Reinsurance contract assets

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Claims recoverable from reinsurers	\$ 466,857	\$ 358,339	\$ 308,801
Due from reinsurers and ceding companies	99,053	115,705	97,171
Reinsurance reserve assets			
ceded unearned premium reserve	416,403	547,152	468,673
Ceded claims reserve	<u>67,854</u>	<u>78,261</u>	<u>98,699</u>
Total	<u>\$ 1,050,167</u>	<u>\$ 1,099,457</u>	<u>\$ 973,344</u>

(11) Investments accounted for under the equity method

	<u>September 30, 2021</u>		<u>December 31, 2020</u>		<u>September 30, 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management Company Limited	\$ 332,340	24.50%	\$ 335,729	24.50%	\$ 324,388	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	20,283	100.00%	20,845	100.00%	21,303	100.00%
Yuanta Security (United Kingdom)	-	-	57,971	100.00%	59,228	100.00%
Woori Asset Management Corp.	750,120	27.00%	790,688	27.00%	740,561	27.00%
Polaris Ocean Private Equity Fund	54,384	3.26%	84,751	3.26%	80,328	3.26%
KoFC-TongYang Pioneer Champ 2010-5 Venture Capital Fund	-	-	-	-	58,381	16.22%
KoFC-KVIC Green Growth Venture Capital Fund	-	-	-	-	-	18.00%
2011 KIF-TONGYANG IT Venture Fund	-	-	50,457	17.20%	23,693	17.20%
TONGYANG AGRI-FOOD INVESTMENT FUND II	71,890	40.74%	93,591	40.74%	90,632	40.74%
IBKC-TONGYANG Growth 2013 Private Equity Fund	122,261	10.71%	149,666	10.71%	133,973	10.71%
KVIC-Yuanta 2015 Overseas Advance Fund	249,881	44.00%	245,465	44.00%	204,821	44.00%
2016 KIF-Yuanta ICT Venture Fund	95,662	16.67%	127,613	16.67%	112,803	16.67%
Yuanta Secondary No.2 Fund	203,890	12.28%	196,947	12.28%	180,606	12.28%
Yuanta Secondary No.3 Private Equity Fund	432,200	15.26%	458,903	15.26%	428,075	15.26%
Yuanta SPAC III	-	-	1,662	0.83%	1,582	0.83%
SJ-ULTRA V 1st FUND	28,840	34.48%	32,753	34.48%	31,064	34.48%
Yuanta SPAC IV	1,111	0.54%	1,237	0.54%	1,164	0.54%
Yuanta-HPNT Private Equity Fund	4,684	0.09%	5,240	0.09%	4,970	0.09%
Yuanta SPAC V	686	0.25%	769	0.25%	373	0.25%
Yuanta SPAC VI	-	-	765	0.22%	373	0.22%
Kiwoom-Yuanta 2019 Scale-up Fund	198,508	15.20%	97,401	15.20%	94,210	15.20%
Yuanta SPAC VII	2,100	0.91%	2,351	0.91%	1,244	4.35%
Yuanta SPAC VIII	467	0.15%	598	4.17%	249	4.17%
Yuanta Innovative Job Creation Fund	105,888	22.73%	-	-	-	-

	<u>September 30, 2021</u>		<u>December 31, 2020</u>		<u>September 30, 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
Yuanta Quantum Jump No.1 Fund	\$ 70,820	12.50%	\$ -	-	\$ -	-
Yuanta Great Unicorn No.1 Fund	<u>70,590</u>	17.65%	<u>-</u>	-	<u>-</u>	-
	<u>\$ 2,816,605</u>		<u>\$ 2,755,402</u>		<u>\$ 2,594,021</u>	

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net gain for the period from continuing operations	\$ 45,316	\$ 104,968
Other comprehensive gain (loss) (net of tax)	33	(3,604)
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net gain for the period from continuing operations	\$ 420,129	\$ 202,732
Other comprehensive loss (net of tax)	(761)	(28,219)

(12) Other financial assets - net

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Non-loans reclassified to non-performing loans	\$ 923,106	\$ 973,496	\$ 970,241
Less: Allowance for credit losses	(918,882)	(938,395)	(923,801)
	<u>4,224</u>	<u>35,101</u>	<u>46,440</u>
Purchase of claim receivable	1,839,213	1,853,059	1,857,559
Valuation adjustment on purchase of claim receivable	(21,102)	(21,239)	(21,474)
	<u>1,818,111</u>	<u>1,831,820</u>	<u>1,836,085</u>
Customer margin deposit account	82,981,755	74,750,544	82,077,090
Investment-linked insurance product assets	31,496,256	1,923,783	1,763,616
Securities borrowing and lending refundable deposits	24,832	249,142	346,211
Others	<u>158,722</u>	<u>244,373</u>	<u>3,262,476</u>
Total	<u>\$ 116,483,900</u>	<u>\$ 79,034,763</u>	<u>\$ 89,331,918</u>

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

B. The Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of September 30, 2021, December 31, 2020 and September 30, 2020, as well as for the three months and nine months ended September 30, 2021 and 2020, details about the assets on insurance products, separated accounts were as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Investment – linked insurance product assets			
Cash in bank	\$ 763	\$ 424	\$ 277
Financial assets at fair value through profit or loss	31,201,981	1,919,545	1,759,602
Other receivables	293,512	3,814	3,737
	<u>\$ 31,496,256</u>	<u>\$ 1,923,783</u>	<u>\$ 1,763,616</u>

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product – insurance contract	\$ 6,065,926	\$ 1,913,038	\$ 1,752,367
Reserve for investment linked insurance product – investment contract	25,417,796	7,998	7,316
Other payables	12,534	2,747	3,933
	<u>\$ 31,496,256</u>	<u>\$ 1,923,783</u>	<u>\$ 1,763,616</u>

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue on investment – linked insurance products		
Premium income	\$ 965,505	\$ 57,762
(Loss) gain on financial assets at fair value through profit or loss	(107,019)	22,156
Exchange gain	29	1,115
Interest income	1,414	1,531
Other income	4,661	3,545
	<u>\$ 864,590</u>	<u>\$ 86,109</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 87,032	\$ 42,557
Net change in reserve for investment-linked insurance product-insurance contract	699,387	20,366
Administrative expenses and other expenses	78,171	23,186
	<u>\$ 864,590</u>	<u>\$ 86,109</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue on investment – linked insurance products		
Premium income	\$ 4,331,982	\$ 166,013
Gain (loss) on financial assets at fair value through profit or loss	163,647 (	151,304)
Exchange gain	462	305
Interest income	4,319	4,688
Other income	5,721	6,151
	<u>\$ 4,506,131</u>	<u>\$ 25,853</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 196,380	\$ 123,481
Net change in reserve for investment-linked insurance product-insurance contract	4,153,350 (	170,702)
Administrative expenses and other expenses	156,401	73,074
	<u>\$ 4,506,131</u>	<u>\$ 25,853</u>

(13) Investment property - net

	<u>September 30, 2021</u>			
<u>Assets</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land and land improvements	\$ 2,605,645	\$ -	(\$ 214,924)	\$ 2,390,721
Buildings	2,567,246	(978,776)	(42,781)	1,545,689
Right-of-use assets	6,664,244	(253,170)	-	6,411,074
Investment property under construction	439,636	-	-	439,636
Prepayments for land and buildings	18,007	-	-	18,007
Total	<u>\$ 12,294,778</u>	<u>(\$ 1,231,946)</u>	<u>(\$ 257,705)</u>	<u>\$ 10,805,127</u>
	<u>December 31, 2020</u>			
<u>Assets</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land and land improvements	\$ 3,067,011	\$ -	(\$ 217,021)	\$ 2,849,990
Buildings	2,973,293	(1,088,771)	(43,233)	1,841,289
Right-of-use assets	6,691,088	(176,872)	-	6,514,216
Investment property under construction	343,828	-	-	343,828
Prepayments for land and buildings	8,961	-	-	8,961
Total	<u>\$ 13,084,181</u>	<u>(\$ 1,265,643)</u>	<u>(\$ 260,254)</u>	<u>\$ 11,558,284</u>

Assets	September 30, 2020			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 7,068,567	\$ -	(\$ 218,132)	\$ 6,850,435
Buildings	2,791,369	(1,003,503)	(43,966)	1,743,900
Right-of-use assets	6,677,572	(143,078)	-	6,534,494
Investment property under construction	1,024,330	-	-	1,024,330
Prepayments for land and buildings	8,961	-	-	8,961
Total	<u>\$ 17,570,799</u>	<u>(\$ 1,146,581)</u>	<u>(\$ 262,098)</u>	<u>\$ 16,162,120</u>

Change in investment property of the Yuanta Group:

	For the nine months ended September 30,	
	2021	2020
Cost		
At January 1	\$ 13,084,181	\$ 6,397,620
Additions	114,625	6,418,633
Disposals	(148,666)	(70,974)
Transferred in from property and equipment	552,149	4,708,345
Transferred out to property and equipment	(980,817)	(147,666)
Transferred in from other assets	-	410,231
Foreign exchange adjustment and others	(326,694)	(145,390)
At September 30	<u>\$ 12,294,778</u>	<u>\$ 17,570,799</u>
Accumulated depreciation		
At January 1	(\$ 1,265,643)	(\$ 1,154,090)
Depreciation	(71,205)	(68,331)
Disposals	22,832	18,332
Transferred out to property and equipment	181,015	86,773
Transferred in from property and equipment	(113,228)	-
Foreign exchange adjustment and others	14,283	(29,265)
At September 30	<u>(\$ 1,231,946)</u>	<u>(\$ 1,146,581)</u>
Accumulated impairment		
At January 1	(\$ 260,254)	(\$ 327,558)
Recovery	4,597	4,193
Disposals	1,306	1,484
Transferred out to property and equipment	-	59,783
Transferred in from property and equipment	(3,354)	-
At September 30	<u>(\$ 257,705)</u>	<u>(\$ 262,098)</u>

- A. The fair value of the investment property held by the Yuanta Group as of September 30, 2021, December 31, 2020 and September 30, 2020 were \$12,848,615, \$13,206,719 and \$18,475,804, 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 September 30, 2021, the fair value included the amounts of \$3,543,914 and \$9,304,701 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2020, the fair value included the amounts of \$3,521,011 and \$9,685,708 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of September 30, 2020, the fair value included the amount of \$3,617,115 and \$14,858,689 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the three months and nine months ended September 30, 2021 and 2020, rental income from the lease of the investment property were \$49,153, \$55,112, \$159,811 and \$162,518, respectively.
- C. In 2020, the consolidated company, Yuanta Life, acquired investment property (including right-of-use assets and investment property under construction) by entering “The contract of establishment of superficies for state-owned (non-public use)” on January 30, 2020, with National Property administration, Ministry of Finance, Northern Region Branch and acquired right of superficies of nine lands on No. 414, Sec. 3, Chang’an Rd., Zhongshan Dist., Taipei City. The total contract amount was made based on the appraisal report of real estate appraiser and acquired by auction of \$5,330,000. The payment for construction integrated with Mass Rapid Transit amounting to \$232,128 was classified as investment property under construction.
- D. 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 \$9,076 and \$5,579 by decreasing lease liability and investment property - investment property under construction for the nine months ended September 30, 2021 and 2020, respectively.
- E. To improve the efficiency of capital investment, the Board of Directors of Yuanta Life of the Yuanta Group resolved on May 26, 2020 to transfer the owner-occupied properties, located in Nanjing E. Rd. and Yijiang St., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.), to investment properties.
- F. Please refer to Note 8 for details of Yuanta Group’s investment property pledged to others as collateral.

(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2021

Cost	2021						Total
	Land and land improvements	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	
At January 1	\$ 14,345,304	\$ 8,482,180	\$ 4,032,553	\$ 200,392	\$ 1,625,519	\$ 2,096,887	\$ 30,782,835
Additions	-	631	252,032	15,920	88,939	698,488	1,056,010
Disposals	(70,253)	(47,575)	(307,805)	(13,036)	(243,883)	-	(682,552)
Transferred in from investment property	627,487	353,330	-	-	-	-	980,817
Transferred out to investment property	(338,443)	(213,706)	-	-	-	-	(552,149)
Others	-	-	84,572	16,150	74,655	(234,268)	(58,891)
Translation difference	(38,731)	(142,440)	(224,423)	(1,188)	(39,177)	(593)	(446,552)
At September 30	\$ 14,525,364	\$ 8,432,420	\$ 3,836,929	\$ 218,238	\$ 1,506,053	\$ 2,560,514	\$ 31,079,518
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,582,793)	(\$ 2,805,951)	(\$ 122,802)	(\$ 1,081,973)	\$ -	(\$ 6,593,519)
Depreciation	-	(182,349)	(423,293)	(19,267)	(192,121)	-	(817,030)
Disposals	-	23,019	307,633	7,462	231,649	-	569,763
Transferred in from investment property	-	(181,015)	-	-	-	-	(181,015)
Transferred out to investment property	-	113,228	-	-	-	-	113,228
Others	-	-	(4,928)	(113)	175	-	(4,866)
Translation difference	-	55,869	196,580	948	28,938	-	282,335
At September 30	\$ -	(\$ 2,754,041)	(\$ 2,729,959)	(\$ 133,772)	(\$ 1,013,332)	\$ -	(\$ 6,631,104)
<u>Accumulated impairment</u>							
At January 1	(\$ 192,614)	(\$ 66,387)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 259,299)
Disposals	34,993	-	-	-	-	-	34,993
Transferred out to investment property	2,279	1,075	-	-	-	-	3,354
At September 30	(\$ 155,342)	(\$ 65,312)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 220,952)
Net carrying amount	\$ 14,370,022	\$ 5,613,067	\$ 1,106,970	\$ 84,466	\$ 492,423	\$ 2,560,514	\$ 24,227,462

2020

Cost	Land and land improvements	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 14,577,211	\$ 7,152,721	\$ 3,916,823	\$ 211,086	\$ 1,739,464	\$ 1,205,145	\$ 28,802,450
Additions	-	-	273,633	9,430	61,921	1,492,651	1,837,635
Disposals	-	-	(339,716)	(16,152)	(184,301)	(131)	(540,300)
Transferred out to investment property	(4,064,171)	-	-	-	-	(644,174)	(4,708,345)
Transferred in from investment property	-	147,666	-	-	-	-	147,666
Others	-	-	180,273	4,028	72,925	(238,693)	18,533
Translation difference	(22,779)	(57,308)	(116,176)	(1,504)	(29,089)	(686)	(227,542)
At September 30	\$ 10,490,261	\$ 7,243,079	\$ 3,914,837	\$ 206,888	\$ 1,660,920	\$ 1,814,112	\$ 25,330,097
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,371,822)	(\$ 2,758,061)	(\$ 112,353)	(\$ 1,119,167)	\$ -	(\$ 6,361,403)
Depreciation	-	(130,790)	(403,219)	(21,507)	(201,499)	-	(757,015)
Disposals	-	-	338,580	11,505	182,828	-	532,913
Transferred in from investment property	-	(86,773)	-	-	-	-	(86,773)
Others	-	-	-	(364)	-	-	(364)
Translation difference	-	20,005	95,813	979	17,917	-	134,714
At September 30	\$ -	(\$ 2,569,380)	(\$ 2,726,887)	(\$ 121,740)	(\$ 1,119,921)	\$ -	(\$ 6,537,928)
<u>Accumulated impairment</u>							
At January 1	(\$ 135,885)	(\$ 62,195)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 198,378)
Impairment loss	189	381	-	-	-	-	570
Transferred in from investment property	(55,590)	(4,193)	-	-	-	-	(59,783)
At September 30	(\$ 191,286)	(\$ 66,007)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 257,591)
Net carrying amount	\$ 10,298,975	\$ 4,607,692	\$ 1,187,950	\$ 85,148	\$ 540,701	\$ 1,814,112	\$ 18,534,578

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:

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

	2020					
	Land			Buildings		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal
<u>Cost</u>						
At January 1	\$ 14,384,557	\$ 192,654	\$ 14,577,211	\$ 7,124,840	\$ 27,881	\$ 7,152,721
Transferred out to investment property	(4,064,171)	-	(4,064,171)	-	-	-
Transferred in from investment property	-	-	-	147,666	-	147,666
Translation difference	(22,779)	-	(22,779)	(57,308)	-	(57,308)
At September 30	<u>\$ 10,297,607</u>	<u>\$ 192,654</u>	<u>\$ 10,490,261</u>	<u>\$ 7,215,198</u>	<u>\$ 27,881</u>	<u>\$ 7,243,079</u>
<u>Accumulated depreciation</u>						
At January 1	\$ -	\$ -	\$ -	(\$ 2,368,392)	(\$ 3,430)	(\$ 2,371,822)
Depreciation	-	-	-	(129,794)	(996)	(130,790)
Transferred in from investment property	-	-	-	(86,773)	-	(86,773)
Translation difference	-	-	-	20,005	-	20,005
At September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 2,564,954)</u>	<u>(\$ 4,426)</u>	<u>(\$ 2,569,380)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 135,885)	\$ -	(\$ 135,885)	(\$ 62,195)	\$ -	(\$ 62,195)
Impairment loss	189	-	189	381	-	381
Transferred in from investment property	(55,590)	-	(55,590)	(4,193)	-	(4,193)
At September 30	<u>(\$ 191,286)</u>	<u>\$ -</u>	<u>(\$ 191,286)</u>	<u>(\$ 66,007)</u>	<u>\$ -</u>	<u>(\$ 66,007)</u>
Net carrying amount	<u>\$ 10,106,321</u>	<u>\$ 192,654</u>	<u>\$ 10,298,975</u>	<u>\$ 4,584,237</u>	<u>\$ 23,455</u>	<u>\$ 4,607,692</u>

(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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,801,599	\$ 8,898,397	\$ 8,935,175
Buildings	3,650,116	4,023,721	3,822,190
Machinery and equipment	148,192	205,963	217,138
Transportation equipment	17,108	18,506	21,014
Others	33,016	34,891	17,370
	<u>\$ 12,650,031</u>	<u>\$ 13,181,478</u>	<u>\$ 13,012,887</u>

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 4,914	\$ 5,856
Buildings	317,051	326,232
Machinery and equipment	12,595	13,286
Transportation equipment	3,436	3,719
Others	2,125	2,493
	<u>\$ 340,121</u>	<u>\$ 351,586</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 14,713	\$ 17,467
Buildings	970,623	1,036,270
Machinery and equipment	38,839	40,171
Transportation equipment	10,254	11,831
Others	6,565	8,337
	<u>\$ 1,040,994</u>	<u>\$ 1,114,076</u>

C. For the three months and nine months ended September 30, 2021 and 2020, the additions to right-of-use assets amounted to \$479,245, \$188,243, \$861,480 and \$1,108,637, respectively.

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

	For the three months ended September 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 19,393	\$ 23,659
Expense on short-term lease contracts	21,049	22,231
Expense on leases of low-value assets	2,137	1,152
Gain on sublease of right-of-use assets	3,214	2,624
Gain (loss) on lease modification	17 (	1,255)
	For the nine months ended September 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 60,841	\$ 75,791
Expense on short-term lease contracts	58,103	55,479
Expense on leases of low-value assets	7,052	7,569
Gain on sublease of right-of-use assets	9,854	9,614
Gain (loss) on lease modification	112 (	660)

E. For the nine months ended September 30, 2021 and 2020, the Yuanta Group's total cash outflow for leases amounted to \$1,235,179 and \$1,184,708, respectively.

F. 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 \$3,641 by decreasing rent expense for the six months ended June 30, 2021.

G. The Yuanta Group has applied the practical expedient to "Covid-19-Related Rent Concessions beyond June 30, 2021", and the gain from changes in lease payments arising from the rent concessions after June 30, 2021 was recognized as the deduction of rent expense by \$8,022.

(16) Leasing arrangements – lessor

A. The Yuanta Group leases various assets including buildings, equipment, parking lot and investment property under operating leasing. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. The Yuanta Group leases the equipment under a finance lease. Based on the terms of the lease contract, the ownership of the equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	For the three months ended September 30,	
	2021	2020
Finance income from the net investment in the finance lease	\$ 229	\$ 316
	For the nine months ended September 30,	
	2021	2020
Finance income from the net investment in the finance lease	\$ 753	\$ 1,011

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
2020	\$ -	\$ -	\$ 2,116
2021	2,116	8,462	8,462
2022	8,463	8,463	8,463
2023	8,463	8,463	8,463
Total	<u>\$ 19,042</u>	<u>\$ 25,388</u>	<u>\$ 27,504</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Undiscounted lease payments	\$ 19,042	\$ 25,388	\$ 27,504
Unearned finance income	(1,017)	(1,770)	(2,065)
Net investment in the lease	<u>\$ 18,025</u>	<u>\$ 23,618</u>	<u>\$ 25,439</u>

E. For the three months and nine months ended September 30, 2021 and 2020, the Yuanta Group recognized rent income in the amounts of \$49,162, \$58,699, \$159,853 and \$173,295 respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>September 30, 2021</u>		<u>December 31, 2020</u>		<u>September 30, 2020</u>			
2021	\$	56,270	2021	\$	152,356	2020	\$	57,882
2022		96,202	2022		83,445	2021		114,332
2023		30,718	2023		29,215	2022		54,046
2024		13,179	2024		12,582	2023		19,062
2025		6,730	2025		8,554	2024		6,718
After 2026		7,535	After 2026		10,817	After 2025		16,568
Total	<u>\$</u>	<u>210,634</u>	Total	<u>\$</u>	<u>296,969</u>	Total	<u>\$</u>	<u>268,608</u>

(17) Intangible assets - net

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

2020

Cost	Goodwill	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,505,838	\$ 385,200	\$ 4,604,348	\$ 3,045,314	\$ 4,432,247	\$ 43,972,947
Additions	-	-	85,389	-	9,843	95,232
Disposals	-	-	(77,416)	-	(24,225)	(101,641)
Reclassifications	-	-	68,422	-	-	68,422
Translation difference	(29,079)	(407)	(176,159)	-	(42,671)	(248,316)
At September 30	\$ 31,476,759	\$ 384,793	\$ 4,504,584	\$ 3,045,314	\$ 4,375,194	\$ 43,786,644
<u>Accumulated amortization</u>						
At January 1	\$ -	(\$ 370,109)	(\$ 3,983,321)	(\$ 3,030,626)	(\$ 1,878,442)	(\$ 9,262,498)
Amortization	-	(1,231)	(182,628)	(2,813)	(174,485)	(361,157)
Disposals	-	-	77,416	-	-	77,416
Translation difference	-	120	162,091	-	1,697	163,908
At September 30	\$ -	(\$ 371,220)	(\$ 3,926,442)	(\$ 3,033,439)	(\$ 2,051,230)	(\$ 9,382,331)
<u>Accumulated impairment</u>						
At January 1	(\$ 1,475,943)	\$ -	\$ -	\$ -	(\$ 37,046)	(\$ 1,512,989)
Disposals	-	-	-	-	7,754	7,754
Translation difference	-	-	-	-	928	928
At September 30	(\$ 1,475,943)	\$ -	\$ -	\$ -	(\$ 28,364)	(\$ 1,504,307)
Net carrying amount	\$ 30,000,816	\$ 13,573	\$ 578,142	\$ 11,875	\$ 2,295,600	\$ 32,900,006

A. Yuanta Group's goodwill all arose from business combination. In accordance with the accounting treatment under the Enterprise Merger and Acquisition Act, the excess of acquisition costs over the sum of the fair value of tangible and identifiable intangible assets less the liabilities assumed should be recorded as goodwill.

B. Goodwill is allocated to cash generating units as identified by operating segments. Recoverable amounts are determined according the value-in-use, which is calculated according to management's estimate of future cash flows for future periods. For cash flows that exceed the aforementioned future periods, the following estimated growth rates are used for calculations. 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 regulations. 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. The main assumptions used in calculating value-in-use are as follows:

Bank subsidiaries						
	Corporate finance	International finance	Personal finance	Financial management	Financial market	Yuanta Savings Bank (Korea)Inc.
2020						
Growth rate	2.00%	2.00%	2.00%	2.00%	2.00%	3.20%
Discount rate	8.50%~9.60%	10.20%~11.40%	8.50%~9.60%	8.50%~9.60%	8.50%~9.60%	10.00%~10.90%
Securities subsidiaries						
	Brokerage Segment	Investment Bank Segment	Investment Segment	Futures	Securities Investment Trust	
2020						
Growth rate	2.00%	2.00%	3.00%~3.20%	2.00%	2.00%	
Discount rate	8.70%	8.60%	14.40%~17.30%	9.00%	14.00%	
Bank subsidiaries						
	Corporate finance	International finance	Personal finance	Financial management	Financial market	Yuanta Savings Bank(Korea) Inc.
2019						
Growth rate	2.00%	2.00%	2.00%	2.00%	2.00%	3.00%
Discount rate	7.50%	9.30%	7.50%	9.30%	7.50%	9.10%
Securities subsidiaries						
	Brokerage Segment	Investment Bank Segment	Investment Segment	Futures	Securities Investment Trust	
2019						
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%	
Discount rate	8.40%	8.40%	14.00%~16.00%	8.60%	14.00%	

(18) Other assets - net

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Refundable deposits - net	\$ 3,462,401	\$ 4,190,962	\$ 4,343,114
Refundable deposits for securities lending	42,466,224	29,728,039	20,435,144
Operating guarantee deposits and settlement fund	4,923,102	4,936,468	4,892,354
Prepaid expenses	875,246	805,716	878,052
Bank deposits - amounts held for settlement	23,368,959	21,688,529	19,160,072
Others	1,637,956	493,922	813,575
Total	<u>\$ 76,733,888</u>	<u>\$ 61,843,636</u>	<u>\$ 50,522,311</u>

Please refer to Note 8 for details of the Yuanta Group's other assets pledged to others as collateral as of September 30, 2021, December 31, 2020 and September 30, 2020.

(19) Non-financial asset impairment losses

As of September 30, 2021, December 31, 2020 and September 30, 2020, accumulated impairment on various financial assets were as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Investment property	\$ 257,705	\$ 260,254	\$ 262,098
Property and equipment	220,952	259,299	257,591
Intangible assets - goodwill	2,886,231	2,888,924	1,475,943
Intangible assets - other	29,648	31,472	28,364

(20) Deposits from Central Bank and other banks

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Overdrafts from other banks	\$ 2,177,590	\$ 2,567,621	\$ 2,345,690
Call loans from other banks	21,829,439	7,738,100	4,417,458
Redeposit from the directorate general of postal remittance	5,106,578	5,106,578	5,106,579
Total	<u>\$ 29,113,607</u>	<u>\$ 15,412,299</u>	<u>\$ 11,869,727</u>

(21) Commercial paper payable - net

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Commercial paper payable	\$ 49,663,976	\$ 27,474,589	\$ 23,892,333
Less: Discount on commercial paper payable	(42,660)	(57,100)	(44,519)
Total	<u>\$ 49,621,316</u>	<u>\$ 27,417,489</u>	<u>\$ 23,847,814</u>

As of September 30, 2021, December 31, 2020 and September 30, 2020, the annual interest rate of commercial paper payable were 0.278%~1.310%, 0.288%~1.550% and 0.378%~1.710%, respectively.

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

September 30, 2021	December 31, 2020	September 30, 2020
CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.
China Bills Finance Corporation	China Bills Finance Corporation	Taipei Fubon Commercial Bank Co., Ltd.
Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taiwan Finance Corporation
Bank Sinopac Co., Ltd.	Bank Sinopac Co., Ltd.	Union Bank of Taiwan Co., Ltd.
Cathay United Commercial Bank Co., Ltd.	Cathay United Commercial Bank Co., Ltd.	Bank Sinopac Co., Ltd.
Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.	Grand Bills Finance Corp.
Ta Ching Bills Finance Corporation	Sunny Bank Ltd.	Cathay United Commercial Bank Co., Ltd.
Grand Bills Finance Corp.	Grand Bills Finance Corp.	China Bills Finance Corporation
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.	Shinhan Bank
Taiwan Finance Corporation	Taiwan Finance Corporation	Meritz Securities Co., Ltd.
E.SUN Commercial Bank, Ltd.	KGI Commercial Bank Co., Ltd.	KB Securities Co., Ltd.
Mega Bills Finance Co., Ltd.	Shinhan Bank	KTB Securities Co., Ltd.
Shinhan Bank	Meritz Securities Co., Ltd.	Eugene Investment & Securities Co., Ltd.
KB Securities Co., Ltd.	KB Securities Co., Ltd.	
KTB Securities Co., Ltd.	KTB Securities Co., Ltd.	
Eugene Investment & Securities	Eugene Investment & Securities	
KIWOOM Securities Co., Ltd.	KIWOOM Securities Co., Ltd.	
BNK Securities Co., Ltd.	Bookook Securities Co., Ltd.	
Bookook Securities Co., Ltd.		

(22) Payables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>January 1, 2020</u>
Accounts payable	\$ 106,117,281	\$ 115,112,359	\$ 103,156,970	\$ 83,601,357
Demand remittance payable (Note)	4,559,445	9,956,237	1,537,389	1,359,163
Bankers' acceptances payable	447,515	578,620	289,292	231,675
Interests payable	1,351,688	1,511,734	1,442,079	2,168,012
Commission payable	158,568	326,497	236,872	537,297
Accrued expenses	11,784,523	11,473,665	8,710,421	9,071,384
Taxes payable	203,138	287,853	145,396	259,581
Collections payable for customers	1,446,024	1,091,507	1,545,414	795,571
Proceeds payable from underwriting	410,329	742,337	703,233	1,033,662
Due to reinsurers and ceding companies	515,691	573,315	460,556	544,877
Collateralized proceeds payable from securities lending	9,286,580	8,253,964	7,538,355	9,216,987
Consigned securities payable	9,179,574	14,988,418	7,150,562	4,990,149
Settled price	13,237,898	2,858,884	1,318,026	808,597
Securities purchased payable	5,359,226	9,468,087	7,765,268	4,879,672
Settlement payable	43,490,095	58,683,722	27,622,754	28,129,520
Deposits received on securities lending	7,946,983	7,645,125	6,439,548	8,025,210
Checks for clearing	504,593	610,952	1,119,762	585,996
SBL refund payable	439,658	266,692	230,812	153,271
Other payables	2,015,161	2,403,718	3,052,860	1,539,143
Total	<u>\$ 218,453,970</u>	<u>\$ 246,833,686</u>	<u>\$ 180,465,569</u>	<u>\$ 157,931,124</u>

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

(23) Deposits and remittances

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Checking deposits	\$ 4,344,895	\$ 5,236,168	\$ 4,910,589
Demand deposits	215,482,159	176,440,113	183,841,554
Time deposits	314,691,129	263,422,721	249,325,609
Negotiable certificates of deposit	8,842,000	13,504,500	18,501,500
Savings deposits	838,178,675	752,279,752	698,152,353
Remittances	174,414	137,140	179,320
Total	<u>\$ 1,381,713,272</u>	<u>\$ 1,211,020,394</u>	<u>\$ 1,154,910,925</u>

(24) Bonds payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bank debentures	\$ 29,000,000	\$ 34,500,000	\$ 34,500,000
Unsecured corporate bonds	<u>58,790,535</u>	<u>44,290,127</u>	<u>39,309,494</u>
Total	<u>\$ 87,790,535</u>	<u>\$ 78,790,127</u>	<u>\$ 73,809,494</u>

A. The details of bank debentures as of September 30, 2021 were as follows:

	<u>Third issue of subordinate bank debentures in 2011(B)</u>
Par value	\$4,500,000
Stated interest rate	Fixed interest rate at 1.95%
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>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>Second issue of subordinate bank debentures in 2014</u>
Par value	\$1,700,000
Stated interest rate	Fixed interest rate at 1.85%
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>Fifth issue of subordinate bank debentures in 2014</u>
Par value	\$600,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Third issue of perpetual non-cumulative subordinate bank debentures in 2015
Par value	\$5,550,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	Fourth issue of subordinate bank debentures in 2015
Par value	\$3,000,000
Stated interest rate	Fixed interest rate at 2.10%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Fifth issue of perpetual non-cumulative subordinate bank debentures in 2015
Par value	\$1,450,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	Sixth issue of subordinate bank debentures in 2015
Par value	\$2,000,000
Stated interest rate	Fixed interest rate at 2.08%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	First issue of subordinate bank debentures in 2021
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.67%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Second issue of general bank debentures in 2021
Par value	\$500,000
Stated interest rate	Fixed interest rate at 0.45%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
B. The details of unsecured corporate bonds as of September 30, 2021 were as follows:	
The Company	
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2015
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
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(C)
Par value	\$8,000,000
Stated interest rate	Fixed interest rate at 1.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured normal corporate bond in 2016(B)
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	Repaid on maturity
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 31,260 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

(25) Other borrowings

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 10,693,165	\$ 5,412,015	\$ 3,455,685
Secured bank borrowings	4,784,112	5,577,018	11,112,202
KSFC secured borrowings	27,405,312	27,901,800	23,816,759
Issuance of short-term bond	13,257,584	18,905,228	19,354,126
	<u>\$ 56,140,173</u>	<u>\$ 57,796,061</u>	<u>\$ 57,738,772</u>
Interest rate range	<u>0.45%~6.90%</u>	<u>0.60%~8.60%</u>	<u>0.60%~8.60%</u>

(26) Provisions for other liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Insurance liability	\$ 321,648,686	\$ 304,868,061	\$ 291,017,382
Reserve for foreign exchange fluctuation	332,797	714,669	365,160
Employee benefit liabilities reserve	5,930,789	6,629,634	5,669,263
Guaranteed policy reserve	173,397	151,060	159,906
Loan commitment reserve and letters of credit	37,667	44,148	45,565
Reserve for insurance with nature of financial instrument	57,986	-	-
Other reserves (Note)	1,000,498	664,363	660,651
Total	<u>\$ 329,181,820</u>	<u>\$ 313,071,935</u>	<u>\$ 297,917,927</u>

Note: For former TongYang Securities Inc.'s disputes with investors, incident to the sale of financial products issued by associates of the Tong Yang Group, for which investors have filed complaints with the competent authority of Korea, the competent authority of Korea, since July 31, 2014, has announced the results of the first mediation through the subsequent tenth mediation, concluding total disputed sales of KRW697,000 million (approximately NT\$16.4 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately NT\$1.6 billion). Starting from the end of September 2014, other than a minority of customers who filed complaints, disagreeing with the above-mentioned mediated results by the competent authority, former TongYang Securities Inc. has commenced paying compensations.

In addition, as of September 30, 2021, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned dispute on financial products selling, demanding compensations totaling KRW542,565 million (approximately NT\$12.8 billion); of all were class actions, demanding compensation of KRW492,565 million (approximately NT\$11.6 billion) and KRW50,000 million (approximately NT\$1.2 billion). For the KRW492,565 million class action, the Seoul High Court found the relevant formal conditions of the class action (such as commonality and efficiency) were already in place on October 28, 2019 and permitted the procedure application of this class action. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would proceed to the substantive trial and the Court would determine whether the plaintiffs' request is justified. For the KRW50,000 million class action, the Seoul Central District Court and the Seoul High Court had rejected through the adjudication procedure, the plaintiffs filed an appeal on October 22, 2018 and the class action was in the process 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 KRW24,191 million (approximately NT\$600 million) in liability reserves as of September 30, 2021. As of September 30, 2021, the balance of the liability reserve related to the aforementioned dispute on sales of financial products was KRW4,873 million (approximately NT\$110 million).

In addition, as of September 30, 2021, Yuanta Securities (Korea) recognized provision liabilities amounting to KRW8,808 million (approximately NT\$210 million) 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Unearned premium reserve	\$ 843,489	\$ 795,764	\$ 743,915
Claims reserve	934,953	802,204	750,213
Reserve for policy benefit	315,456,631	298,427,292	284,327,305
Premium deficiency reserve	843,379	1,129,185	1,420,979
Other reserves	<u>3,570,234</u>	<u>3,713,616</u>	<u>3,774,970</u>
Total	<u>\$ 321,648,686</u>	<u>\$ 304,868,061</u>	<u>\$ 291,017,382</u>

(A) Unearned premium reserve and ceded unearned premium reserve

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

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

December 31, 2020			
	<u>Insurance contract</u>	Financial instruments with discretionary <u>participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,927	\$ -	\$ 1,927
Personal accident insurance	254,260	-	254,260
Personal health insurance	363,940	-	363,940
Group insurance	173,290	-	173,290
Investment-linked insurance	2,347	-	2,347
	<u>\$ 795,764</u>	<u>\$ -</u>	<u>\$ 795,764</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 379,447	\$ -	\$ 379,447
Personal accident insurance	702	-	702
Personal health insurance	164,367	-	164,367
Group insurance	1,790	-	1,790
Investment-linked insurance	846	-	846
	<u>\$ 547,152</u>	<u>\$ -</u>	<u>\$ 547,152</u>
September 30, 2020			
	<u>Insurance contract</u>	Financial instruments with discretionary <u>participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,893	\$ -	\$ 1,893
Personal accident insurance	247,340	-	247,340
Personal health insurance	353,460	-	353,460
Group insurance	138,888	-	138,888
Investment-linked insurance	2,334	-	2,334
	<u>\$ 743,915</u>	<u>\$ -</u>	<u>\$ 743,915</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 319,794	\$ -	\$ 319,794
Personal accident insurance	625	-	625
Personal health insurance	147,144	-	147,144
Group insurance	264	-	264
Investment-linked insurance	846	-	846
	<u>\$ 468,673</u>	<u>\$ -</u>	<u>\$ 468,673</u>

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

	For the nine months ended September 30,	
	2021	2020
Unearned premium reserve		
At January 1	\$ 795,764	\$ 633,319
Current net change	47,725	110,596
At September 30	<u>\$ 843,489</u>	<u>\$ 743,915</u>
	For the nine months ended September 30,	
	2021	2020
Ceded unearned premium reserve		
At January 1	\$ 547,152	\$ 505,791
Current net change	(130,441)	(36,682)
Loss on foreign exchange	(308)	(436)
At September 30	<u>\$ 416,403</u>	<u>\$ 468,673</u>

(B) Claims reserve and ceded claims reserve

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

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

December 31, 2020			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 392,894	\$ 438	\$ 393,332
Personal accident insurance	3,776	40,729	44,505
Personal health insurance	231,260	108,467	339,727
Group insurance	4,399	19,322	23,721
Investment-linked insurance	902	17	919
	<u>\$ 633,231</u>	<u>\$ 168,973</u>	<u>\$ 802,204</u>
Ceded claims reserve			
Personal life insurance	\$ 28,489	\$ -	\$ 28,489
Personal health insurance	49,772	-	49,772
	<u>\$ 78,261</u>	<u>\$ -</u>	<u>\$ 78,261</u>
September 30, 2020			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 384,694	\$ 410	\$ 385,104
Personal accident insurance	4,250	38,508	42,758
Personal health insurance	207,223	96,914	304,137
Group insurance	329	17,869	18,198
Investment-linked insurance	-	16	16
	<u>\$ 596,496</u>	<u>\$ 153,717</u>	<u>\$ 750,213</u>
Ceded claims reserve			
Personal life insurance	\$ 37,906	\$ -	\$ 37,906
Personal accident insurance	7	-	7
Personal health insurance	60,786	-	60,786
	<u>\$ 98,699</u>	<u>\$ -</u>	<u>\$ 98,699</u>

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

	For the nine months ended September 30,	
	2021	2020
Claims reserve		
At January 1	\$ 802,204	\$ 638,183
Current net change	132,746	112,003
Loss on foreign exchange	3	27
At September 30	<u>\$ 934,953</u>	<u>\$ 750,213</u>
Ceded claims reserve		
At January 1	\$ 78,261	\$ 66,754
Current net change	(10,407)	31,945
At September 30	<u>\$ 67,854</u>	<u>\$ 98,699</u>

(C) Reserve for policy benefit

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

	September 30, 2021			
	Insurance contract	Financial instruments with discretionary participation features		Total
Life insurance	\$ 287,213,453	\$ -	\$ 287,213,453	
Health insurance	27,706,396	-	27,706,396	
Annuity insurance	6,247	365,445	371,692	
Investment-linked insurance	55,799	-	55,799	
	<u>\$ 314,981,895</u>	<u>\$ 365,445</u>	<u>315,347,340</u>	
Recovery of catastrophe reserve			4,221	
Transferred in unwritten-off balance of 3% decrease in business tax			46,062	
Payables to the insured			<u>59,008</u>	
Total			<u>\$ 315,456,631</u>	
	December 31, 2020			
	Insurance contract	Financial instruments with discretionary participation features		Total
Life insurance	\$ 272,311,960	\$ -	\$ 272,311,960	
Health insurance	25,592,354	-	25,592,354	
Annuity insurance	8,517	352,808	361,325	
Investment-linked insurance	49,808	-	49,808	
	<u>\$ 297,962,639</u>	<u>\$ 352,808</u>	<u>298,315,447</u>	
Recovery of catastrophe reserve			4,221	
Transferred in unwritten-off balance of 3% decrease in business tax			46,062	
Payables to the insured			<u>61,562</u>	
Total			<u>\$ 298,427,292</u>	

	September 30, 2020		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Life insurance	\$ 258,841,323	\$ -	\$ 258,841,323
Health insurance	24,957,259	-	24,957,259
Annuity insurance	9,025	354,213	363,238
Investment-linked insurance	50,817	-	50,817
	<u>\$ 283,858,424</u>	<u>\$ 354,213</u>	<u>284,212,637</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			64,385
Total			<u>\$ 284,327,305</u>

b. Changes in reserve for policy benefit:

	For the nine months ended September 30,	
	2021(Note 1)	2020(Note 2)
At January 1	\$ 298,418,335	\$ 260,675,996
Current net change	17,927,582	24,771,861
Gain on foreign exchange	(900,000)	(1,129,774)
At September 30	<u>\$ 315,445,917</u>	<u>\$ 284,318,083</u>

Note 1: For the nine months ended September 30, 2021, "Reserve for policy benefit-payables to the insured" is \$10,714. As of September 30, 2021, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$315,456,631.

Note 2: For the nine months ended September 30, 2020, "Reserve for policy benefit-payables to the insured" is \$9,222. As of September 30, 2020, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$284,327,305.

For the three months and nine months ended September 30, 2021 and 2020, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,005,248, \$1,856,973, \$6,026,681 and \$5,489,751, respectively.

(D) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	September 30, 2021		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 827,873	\$ -	\$ 827,873
Personal health insurance	15,506	-	15,506
Total	<u>\$ 843,379</u>	<u>\$ -</u>	<u>\$ 843,379</u>

	December 31, 2020		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 1,113,653	\$ -	\$ 1,113,653
Personal health insurance	15,532	-	15,532
Total	<u>\$ 1,129,185</u>	<u>\$ -</u>	<u>\$ 1,129,185</u>

	September 30, 2020		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 1,406,082	\$ -	\$ 1,406,082
Personal health insurance	14,897	-	14,897
Total	<u>\$ 1,420,979</u>	<u>\$ -</u>	<u>\$ 1,420,979</u>

b. Change in premium deficiency reserve:

	For the nine months ended September 30,	
	2021	2020
At January 1	\$ 1,129,185	\$ 865,166
Current net change	(272,197)	571,302
Gain on foreign exchange	(13,609)	(15,489)
At September 30	<u>\$ 843,379</u>	<u>\$ 1,420,979</u>

(E) Other reserves

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

	For the nine months ended September 30,	
	2021	2020
At January 1	\$ 3,713,616	\$ 3,918,127
Recovery	(143,382)	(143,157)
At September 30	<u>\$ 3,570,234</u>	<u>\$ 3,774,970</u>

B. Reserve for foreign exchange fluctuation

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

	For the nine months ended September 30,	
	2021	2020
At January 1	\$ 714,669	\$ 600,869
Provision		
Compulsory provision	189,958	190,102
Additional provision	388,817	651,010
Subtotal	1,293,444	1,441,981
Recovery	(960,647)	(1,076,821)
At September 30	<u>\$ 332,797</u>	<u>\$ 365,160</u>

The Yuanta Group provided additional reserve for changes in foreign exchange valuation amounting to \$300,000 in accordance with the Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises as approved by the FSC, Jin-Guan-Bao-Sho-Zi Letter No. 1100422768 and Letter No.1090425644 dated June 23, 2021 and August 4, 2020, respectively.

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the nine months ended September 30, 2021 and 2020 are as follows:

	For the nine months ended September 30, 2021		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 1,490,588	\$ 1,796,086	\$ 305,498
Earnings per share (in dollars)	0.63	0.76	0.13
Reserve for foreign exchange fluctuation	-	332,797	332,797
Total equity	28,791,900	28,510,355	(281,545)
	For the nine months ended September 30, 2020		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 2,250,116	\$ 2,438,683	\$ 188,567
Earnings per share (in dollars)	1.15	1.25	0.10
Reserve for foreign exchange fluctuation	-	365,160	365,160
Total equity	30,023,352	29,715,916	(307,436)

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 September 30, 2021, December 31, 2020 and September 30, 2020 and the movements are listed below:

	September 30, 2021	December 31, 2020	September 30, 2020
Investment-linked insurance	\$ 57,986	\$ -	\$ -

	For the nine months ended September 30,	
	2021	2020
At January 1	\$ -	\$ -
Net provision of statutory reserve	57,986	-
At September 30	\$ 57,986	\$ -

(27) Employee benefit liabilities reserve

A. Defined benefit plans:

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45~61 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Yuanta Group also established a special retention 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 recognized pension costs of \$12,855, \$15,541, \$39,638 and \$47,888 for the three months and nine months ended September 30, 2021 and 2020, respectively.
- (C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2022 amount to \$46,458.
- 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.
- (C) Termination provisions
On August 21, 2015, Ta Chong Bank entered into second amendments agreement of share conversion agreement with the Company, the agreements including secured employees’ right, the secure period was 36 months after the effective date of combination of banks. As of December 31, 2020, and September 30, 2020, the termination provision which were recognized for aforementioned event amounted to \$123,575 (recorded as “provision for liabilities”). As the application of aforementioned employees’ rights has been due on December 31, 2020, the provision for liabilities has been recognized as actual amount of payables and repaid the termination provision on January 29, 2021.
- (D) Under the defined contribution plan, the Company and its domestic subsidiaries recognized pension expense of \$134,905 (recorded as “employees’ benefit expenses” of \$133,743 and “net income other than interest” of \$1,162), \$120,241 (recorded as “employees’ benefit expenses” of \$118,536 and “net income other than interest” of \$1,705), \$394,753 (recorded as “employees’ benefit expenses” of \$390,611 and “net income other than interest” of \$4,142) and \$352,683 (recorded as “employees’ benefit expenses” of \$346,515 and “net income other than interest” of \$6,168) for the three months and nine months ended September 30, 2021 and 2020, respectively.

(E) 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., and Yuanta Investment Management (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 and nine months ended September 30, 2021 and 2020, the foreign subsidiaries recognized \$111,890, \$122,276, \$352,467 and \$371,828, respectively, of pension expense by complying with aforementioned regulations.

(28) Other financial liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Futures traders' equity	\$ 94,057,855	\$ 83,440,553	\$ 89,027,328
Structured deposit	2,605,362	3,349,248	3,607,030
Investment-linked products liabilities	31,496,256	1,923,783	1,763,616
Others	-	-	50,000
Total	<u>\$ 128,159,473</u>	<u>\$ 88,713,584</u>	<u>\$ 94,447,974</u>

(29) Other liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Guarantee deposit-in and margin deposits	\$ 40,336,530	\$ 29,366,404	\$ 32,241,666
Underwriting share proceeds collected on behalf of customers	5,028,702	4,699,339	26,502,495
Collections in advance	1,740,753	1,975,566	1,536,944
Retention bonus payable	1,263,351	1,252,976	1,333,372
Refundable deposits	2,087,907	3,947,898	2,384,424
Refundable deposits-derivative transactions	2,310,268	2,841,750	2,626,014
Others	4,632,466	2,350,652	2,117,106
Total	<u>\$ 57,399,977</u>	<u>\$ 46,434,585</u>	<u>\$ 68,742,021</u>

(30) Share capital

As of September 30, 2021, December 31, 2020 and September 30, 2020, 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</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	789,181
	<u>\$ 37,885,949</u>	<u>\$ 37,885,949</u>	<u>\$ 37,842,681</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 2020 of the Company resolved via the stockholders' meeting electronic voting system from May 8, 2021 to June 4, 2021 (the electronic voting's expiration date) by exceed the legal threshold, and resolved by the stockholders' meeting on July 8, 2021, and the earnings distribution for 2019 resolved by the stockholders' meeting on June 9, 2020 are as follows:

	2020		2019	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Cash dividends	\$ 14,564,923	\$ 1.20	\$ 7,585,897	\$ 0.65
Stock dividends	-	-	4,668,245	0.40

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

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

	2020				
	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	(\$ 3,528,386)	\$ 11,907,186	(\$ 36,730)	\$ 46,959	\$ 8,389,029
Financial assets at fair value through other comprehensive income					
- Evaluation adjustment in the period	-	6,273,501	-	-	6,273,501
- Evaluation transferred to profit or loss	-	(2,203,184)	-	-	(2,203,184)
- Evaluation transferred to retained earnings	-	(607,222)	-	-	(607,222)
Other comprehensive income on reclassification under the overlay approach	-	-	-	11,076	11,076
Changes in translation difference of foreign operating entities	(2,005,620)	-	-	-	(2,005,620)
Effects on income tax	-	(80,948)	-	(2,178)	(83,126)
Evaluation of credit risk	-	-	(1,919)	-	(1,919)
Balance, September 30	<u>(\$ 5,534,006)</u>	<u>\$ 15,289,333</u>	<u>(\$ 38,649)</u>	<u>\$ 55,857</u>	<u>\$ 9,772,535</u>

(BLANK)

(35) Net interest income

	For the three months ended September 30,	
	2021	2020
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 3,756,363	\$ 3,908,527
Financing interest income	1,846,937	1,150,702
Interest income on securities investment	3,174,560	3,168,208
Interest income from placement and call loan to other banks	165,143	266,929
Interest income on bills and bonds purchased under resale agreements	68,939	71,623
Recurring interest income from credit card	42,738	49,680
Other interest income	306,856	249,429
Subtotal	<u>9,361,536</u>	<u>8,865,098</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 929,024)	(\$ 1,127,700)
Interest expense of Central Bank and other banks' deposit	(5,118)	(2,538)
Interest expense on due to the Central Bank and other banks	(160,466)	(212,574)
Interest expense on bills and bonds sold under repurchase agreements	(190,906)	(241,599)
Interest expense of structured instruments	(12,827)	(16,702)
Coupon rate of bank debenture	(173,898)	(207,646)
Coupon rate of corporate bonds	(158,232)	(108,969)
Coupon rate of commercial papers	(67,281)	(23,770)
Interest expense from short sales	(6,655)	(6,791)
Lease liabilities interest expense	(19,393)	(23,659)
Other interest expense	(49,310)	(45,282)
Subtotal	<u>(1,773,110)</u>	<u>(2,017,230)</u>
Total	<u>\$ 7,588,426</u>	<u>\$ 6,847,868</u>

	For the nine months ended Septembere 30,	
	2021	2020
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 11,127,674	\$ 12,603,295
Financing interest income	5,060,179	2,994,689
Interest income on securities investment	9,448,594	9,623,458
Interest income from placement and call loan to other banks	536,940	1,015,682
Interest income on bills and bonds purchased under resale agreements	195,248	292,149
Recurring interest income from credit card	134,303	155,441
Other interest income	865,941	826,261
Subtotal	<u>27,368,879</u>	<u>27,510,975</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 2,712,877)	(\$ 4,121,398)
Interest expense of Central Bank and other banks' deposit	(13,922)	(29,494)
Interest expense on due to the Central Bank and other banks	(515,017)	(761,429)
Interest expense on bills and bonds sold under repurchase agreements	(552,340)	(1,136,596)
Interest expense of structured instruments	(42,022)	(136,878)
Coupon rate of bank debenture	(543,669)	(618,185)
Coupon rate of corporate bonds	(421,358)	(299,648)
Coupon rate of commercial papers	(137,512)	(134,129)
Interest expense from short sales	(18,729)	(20,872)
Lease liabilities interest expense	(60,841)	(75,791)
Other interest expense	(135,700)	(271,121)
Subtotal	<u>(5,153,987)</u>	<u>(7,605,541)</u>
Total	<u>\$ 22,214,892</u>	<u>\$ 19,905,434</u>

(36) Net service fee and commission income

	For the three months ended September 30,	
	2021	2020
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 9,842,968	\$ 7,651,075
Service fee income on insurance brokerage and stock register	354,859	307,105
Service fee on credit cards	196,293	292,263
Service fee income on trust business	946,275	889,009
Service income on credit extension	136,690	142,856
Underwriting service income	409,514	280,593
Service income from short sales	50,668	41,409
Commission – reinsurance allowance	39,415	24,717
Service income on foreign exchange	22,701	19,202
Service fee income on consigned settlement	9,626	8,723
Deposits and remittance and other service income	412,775	106,769
Subtotal	<u>12,421,784</u>	<u>9,763,721</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 354,922)	(\$ 515,289)
Service expense on trust business	(605)	(859)
Service expense on brokerage	(801,303)	(762,826)
Service expense on self-operation	(48,645)	(32,424)
Service fee expense on credit cards	(203,814)	(274,523)
Service expense on settlement	(168,351)	(160,374)
Futures commission expense	(97,383)	(122,046)
Underwriting service expense	(892)	(2,292)
Service expense on foreign exchange	(9,628)	(9,172)
Service expense on credit extension	(7,185)	(8,979)
Deposits and remittance and other service expense	(88,591)	(87,390)
Subtotal	<u>(1,781,319)</u>	<u>(1,976,174)</u>
Total	<u>\$ 10,640,465</u>	<u>\$ 7,787,547</u>

	For the nine months ended September 30,	
	2021	2020
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 29,882,412	\$ 19,070,818
Service fee income on insurance brokerage and stock register	1,029,635	1,122,163
Service fee on credit cards	686,610	854,183
Service fee income on trust business	2,716,071	2,517,608
Service income on credit extension	416,820	487,640
Underwriting service income	1,088,979	794,235
Service income from short sales	127,949	110,262
Commission – reinsurance allowance	93,610	91,425
Service income on foreign exchange	60,119	57,034
Service fee income on consigned settlement	30,466	29,552
Deposits and remittance and other service income	901,507	408,981
Subtotal	<u>37,034,178</u>	<u>25,543,901</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 1,169,822)	(\$ 1,806,187)
Service expense on trust business	(2,307)	(2,270)
Service expense on brokerage	(2,465,599)	(2,072,278)
Service expense on self-operation	(144,228)	(89,642)
Service fee expense on credit cards	(602,788)	(763,104)
Service expense on settlement	(510,903)	(460,434)
Futures commission expense	(313,742)	(367,773)
Underwriting service expense	(4,942)	(5,145)
Service expense on foreign exchange	(28,471)	(28,256)
Service expense on credit extension	(17,718)	(25,236)
Deposits and remittance and other service expense	(276,923)	(258,195)
Subtotal	<u>(5,537,443)</u>	<u>(5,878,520)</u>
Total	<u>\$ 31,496,735</u>	<u>\$ 19,665,381</u>

(37) Net income from insurance operations

	For the three months ended September 30,	
	2021	2020
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 7,976,672	\$ 12,181,143
Less: Reinsurance premium ceded	(211,384)	(249,763)
Net changes of unearned premium reserve	26,340	(21,389)
Retention earned premium income	7,791,628	11,909,991
Investment-linked product income (Note)	864,590	86,109
Subtotal	8,656,218	11,996,100
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 5,358,748)	(\$ 3,775,039)
Less: Claims recovered from reinsurers	176,275	163,997
Retention claims and policy benefits payments	(5,182,473)	(3,611,042)
Underwriting expenses	(1,279)	(2,150)
Expense from guaranty fund	(12,330)	(23,223)
Investment-linked product expenses (Note)	(864,590)	(86,109)
Subtotal	(6,060,672)	(3,722,524)
Total	\$ 2,595,546	\$ 8,273,576
	For the nine months ended September 30,	
	2021	2020
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 27,537,906	\$ 32,997,460
Less: Reinsurance premium ceded	(580,047)	(691,596)
Net changes of unearned premium reserve	(178,166)	(147,278)
Retention earned premium income	26,779,693	32,158,586
Investment-linked product income (Note)	4,506,131	25,853
Subtotal	31,285,824	32,184,439
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 12,900,531)	(\$ 9,519,661)
Less: Claims recovered from reinsurers	521,538	410,431
Retention claims and policy benefits payments	(12,378,993)	(9,109,230)
Underwriting expenses	(4,066)	(5,211)
Expense from guaranty fund	(49,914)	(62,792)
Investment-linked product expenses (Note)	(4,506,131)	(25,853)
Subtotal	(16,939,104)	(9,203,086)
Total	\$ 14,346,720	\$ 22,981,353

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 September 30,	
	2021	2020
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 55,821	\$ 46,436
Bonds	1,752,108	1,857,926
Stocks	495,684	3,527,589
Beneficiary certificates	591,760	352,718
Interest-linked instrument	(79,951)	(81,177)
Exchange rate-linked instrument	1,484,595	319,358
Other financial derivative instruments	1,313,142	4,384,963
Loss on covering of borrowed securities and bonds with resale agreements	(5,849,228)	(1,687,482)
Loss from issuing call (put) warrants	(1,793,275)	(2,059,329)
Issuing call (put) warrants expense	(128,613)	(104,719)
Others	201,512	1,175,132
Subtotal	<u>(1,956,445)</u>	<u>7,731,415</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	(\$ 2,036)	(\$ 8,396)
Bonds	(561,231)	541,760
Stocks	(6,209,790)	(468,061)
Beneficiary certificates	(679,214)	(372,478)
Interest-linked instrument	2,262,956	(1,126,351)
Exchange rate-linked instrument	(1,659,477)	1,025,052
Other financial derivative instruments	(1,306,061)	(1,490,421)
Valuation gain (loss) on borrowed securities and bonds with resale agreements	7,630,747	(1,814,075)
Gain on issuance of call (put) warrants	3,886,495	2,566,891
Others	42,098	171,784
Subtotal	<u>3,404,487</u>	<u>(974,295)</u>
Total	<u>\$ 1,448,042</u>	<u>\$ 6,757,120</u>

	For the nine months ended September 30,	
	2021	2020
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 148,832	\$ 142,044
Bonds	6,977,638	4,680,386
Stocks	9,410,025	2,631,593
Beneficiary certificates	2,575,174	(2,327,516)
Interest-linked instrument	(866,028)	(246,473)
Exchange rate-linked instrument	3,874,014	(36,879)
Other financial derivative instruments	15,463,872	5,082,780
Loss on covering of borrowed securities and bonds with resale agreements	(17,564,829)	(1,972,895)
Loss from issuing call (put) warrants	(1,559,692)	(6,861,408)
Issuing call (put) warrants expense	(355,040)	(274,804)
Others	107,545	6,255,134
Subtotal	<u>18,211,511</u>	<u>7,071,962</u>

Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss

Commercial papers	\$ 11,751	(\$ 20,065)
Bonds	(1,211,327)	2,403,424
Stocks	(1,322,454)	172,528
Beneficiary certificates	(1,277,779)	(82,274)
Interest-linked instrument	290,505	(543,484)
Exchange rate-linked instrument	(1,931,843)	1,433,890
Other financial derivative instruments	(4,424,135)	(1,843,522)
Valuation gain (loss) on borrowed securities and bonds with resale agreements	7,537,894	(3,560,604)
Gain on issuance of call (put) warrants	2,143,884	8,591,194
Others	387,924	620,652
Subtotal	<u>204,420</u>	<u>7,171,739</u>
Total	<u>\$ 18,415,931</u>	<u>\$ 14,243,701</u>

- A. The realised gains or losses on the financial assets and liabilities at fair value through profit and loss of the Yuanta Group for the three months and nine months ended September 30, 2021 and 2020, including the (loss) gain on disposal, were (\$4,433,100), \$5,481,773, \$12,941,396 and \$1,821,015, respectively, and the issuing call (put) warrants expense, were \$128,613, \$104,719, \$355,040 and \$274,804, respectively, and the dividends income were \$1,648,862, \$1,238,607, \$2,732,427 and \$1,793,870, respectively, and the interest income were \$956,406, \$1,115,754, \$2,892,728 and \$3,731,881, respectively.
- B. The Yuanta Group recognized net gain (loss) amounting to \$447,812, (\$1,838,782), (\$1,618,400) and \$1,571,795, respectively, on financial liabilities designated as at fair value through profit or loss for the three months and nine months ended September 30, 2021 and 2020.

- 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(reversal of impairment loss)

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Impairment loss (reversal of impairment loss) on investments in debt instruments measured at fair value through other comprehensive income	\$ 3,872	(\$ 144)
Impairment loss (reversal of impairment loss) on investments in debt instruments at amortised cost	726	(3,049)
Reversal of impairment loss on intangible assets	(164)	-
Reversal of impairment loss on investment property	(114)	(168)
Impairment loss (reversal of impairment loss) on other assets	<u>80</u>	<u>(667)</u>
Total	<u>\$ 4,400</u>	<u>(\$ 4,028)</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
(Reversal of impairment loss) impairment loss on investments in debt instruments measured at fair value through other comprehensive income	(\$ 7,479)	\$ 9,062
(Reversal of impairment loss) impairment loss on investments in debt instruments at amortised cost	(759)	6,251
Reversal of impairment loss on property and equipment	-	(570)
Impairment loss on intangible assets	6,377	-
Reversal of impairment loss on investment property	(4,597)	(4,193)
Impairment loss (reversal of impairment loss) on other assets	<u>195</u>	<u>(667)</u>
Total	<u>(\$ 6,263)</u>	<u>\$ 9,883</u>

(40) Net other miscellaneous income

	For the three months ended September 30,	
	2021	2020
Borrowed stock revenue	\$ 613,397	\$ 291,751
Net change of reserve for foreign exchange fluctuation	124,666 (	194,091)
Other net income	265,083	199,706
Total	<u>\$ 1,003,146</u>	<u>\$ 297,366</u>

	For the nine months ended September 30,	
	2021	2020
Borrowed stock revenue	\$ 1,371,120	\$ 970,173
Net change of reserve for foreign exchange fluctuation	381,872	235,709
Other net income	929,744	895,560
Total	<u>\$ 2,682,736</u>	<u>\$ 2,101,442</u>

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

	For the three months ended September 30,	
	2021	2020
Bad debt expense of accounts receivable	\$ 23,431	\$ 90,999
Bad debt expense of bills discounted and loans	351,978	369,500
Recognition of reserve for guarantee liabilities	40,360	17,000
Recovery of loan commitment reserve and other reserve	(1,979) (	2,590)
Recovery of bad debt expense	(223,500) (	262,426)
Total	<u>\$ 190,290</u>	<u>\$ 212,483</u>

	For the nine months ended September 30,	
	2021	2020
Bad debt expense of accounts receivable	\$ 86,919	\$ 305,429
Bad debt expense of bills discounted and loans	1,083,031	1,655,363
Recognition of reserve for guarantee liabilities	22,490	12,980
Recovery of loan commitment reserve and other reserve	(5,669) (	2,551)
Recovery of bad debt expense	(1,068,723) (	633,567)
Total	<u>\$ 118,048</u>	<u>\$ 1,337,654</u>

(42) Employee benefit expense

	For the three months ended September 30,	
	2021	2020
Wages and salaries	\$ 7,306,984	\$ 6,404,811
Labor and health insurance fees	293,090	242,096
Pension costs	258,488	256,353
Termination benefits	11,317	9,748
Other employee benefit expenses	364,470	273,623
Total	<u>\$ 8,234,349</u>	<u>\$ 7,186,631</u>

	For the nine months ended September 30,	
	2021	2020
Wages and salaries	\$ 23,681,534	\$ 17,565,140
Labor and health insurance fees	888,775	718,860
Pension costs	782,716	766,231
Termination benefits	40,882	17,519
Other employee benefit expenses	1,126,567	967,506
Total	<u>\$ 26,520,474</u>	<u>\$ 20,035,256</u>

The numbers of employees of the Yuanta Group were 14,393 and 14,248 for the nine months ended September 30, 2021 and 2020, respectively.

- A. After covering accumulated deficit with the year-end earnings (that is income before taxes less income before employees' compensation provisions), 0.01% to 0.5% was appropriated as employees' compensation and an amount less than 0.9% was appropriated as directors' and supervisors' remuneration.
- B. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation was accrued at \$7,789, \$7,661, \$25,483 and \$17,617, respectively; directors' and supervisors' remuneration was accrued at \$70,105, \$68,950, \$229,348 and \$158,557, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2020 as resolved by the Board of Directors in 2020 was in agreement with those amounts recognized in the 2020 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 September 30,	
	2021	2020
Investment property depreciation	\$ 23,348	\$ 22,458
Property and equipment depreciation	270,717	259,017
Right-of-use asset depreciation	340,121	351,586
Intangible asset amortization	119,916	120,552
Deferred assets amortization	12,566	15,328
Total	<u>\$ 766,668</u>	<u>\$ 768,941</u>

	For the nine months ended September 30,	
	2021	2020
Investment property depreciation	\$ 71,205	\$ 68,331
Property and equipment depreciation	817,030	757,015
Right-of-use asset depreciation	1,040,994	1,114,076
Intangible asset amortization	359,617	361,157
Deferred assets amortization	40,063	46,245
Total	<u>\$ 2,328,909</u>	<u>\$ 2,346,824</u>

(44) Other business and administrative expenses

	For the three months ended September 30,	
	2021	2020
Tax	\$ 1,568,648	\$ 1,009,196
Computer science expense	371,027	326,533
Commission expense	244,483	218,867
Professional expense	156,099	158,646
Postage and telephone costs	193,969	182,402
Miscellaneous expenses	169,648	174,988
Security borrowing expenses	301,916	182,184
Others	1,045,725	1,027,282
Total	<u>\$ 4,051,515</u>	<u>\$ 3,280,098</u>

	For the nine months ended September 30,	
	2021	2020
Tax	\$ 4,443,821	\$ 2,799,850
Computer science expense	1,086,185	964,632
Commission expense	867,863	628,050
Professional expense	528,188	483,686
Postage and telephone costs	561,527	531,451
Miscellaneous expenses	531,622	633,037
Security borrowing expenses	838,344	601,316
Others	3,327,366	2,814,416
Total	<u>\$ 12,184,916</u>	<u>\$ 9,456,438</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:

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Income tax from current income period	\$ 2,341,319	\$ 2,037,647
Adjustments in respect of prior years	(87,553)	(22,414)
Total current tax	<u>2,253,766</u>	<u>2,015,233</u>
Deferred tax:		
Origination and reversal of temporary differences	(580,443)	(472,175)
Impact of change in tax rate	(17)	-
Total deferred tax	<u>(580,460)</u>	<u>(472,175)</u>
Income tax expense	<u>\$ 1,673,306</u>	<u>\$ 1,543,058</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Income tax from current income period	\$ 6,445,837	\$ 4,399,455
Income tax on unappropriated earnings	354,787	291,578
Adjustments in respect of prior years	(56,904)	(139,306)
Total current tax	<u>6,743,720</u>	<u>4,551,727</u>
Deferred tax:		
Origination and reversal of temporary differences	(325,278)	(589,090)
Impact of change in tax rate	2,872	-
Total deferred tax	<u>(322,406)</u>	<u>(589,090)</u>
Income tax expense	<u>\$ 6,421,314</u>	<u>\$ 3,962,637</u>

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 26,878)	(\$ 88,487)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	4,312	14,007
Other comprehensive income or loss on reclassification under the overlay approach	(39,976)	2,612
Share of profit or loss of associates and joint ventures accounted for using equity method	(32)	(773)
Gain or loss on remeasurements of defined benefit plans	<u>12,098</u>	<u>3,475</u>
Total	<u>(\$ 50,476)</u>	<u>(\$ 69,166)</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 201,976)	\$ 9,741
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	102,691	95,001
Other comprehensive income or loss on reclassification under the overlay approach	(39,312)	2,178
Share of profit or loss of associates and joint ventures accounted for using equity method	246	24,426
Gain or loss on remeasurements of defined benefit plans	<u>(637)</u>	<u>(1,879)</u>
Total	<u>(\$ 138,988)</u>	<u>\$ 129,467</u>

B. As of September 30, 2021, the information on the Yuanta Group’s income tax returns that have been assessed by the Tax Authority are as follows:

	<u>Assessment Information</u>
Yuanta Financial Holdings	Assessed through 2016
Yuanta Securities	Assessed through 2016
Yuanta Bank	Assessed through 2016
Yuanta Securities Finance	Assessed through 2019(Note)
Yuanta Venture Capital	Assessed through 2016
Yuanta Asset Management	Assessed through 2016
Yuanta Securities Investment Consulting	Assessed through 2016
Yuanta Futures	Assessed through 2018
Yuanta Securities Investment Trust	Assessed through 2019
Yuanta Life	Assessed through 2016
Yuanta International Insurance Brokers	Assessed through 2019
Yuanta International Leasing	Assessed through 2019
Yuanta I Venture Capital	Assessed through 2019

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

(A) The administrative remedies which were applied from 2012 to 2014 income tax returns by Yuanta Securities have been denied. As of September 30, 2021, the amount was \$1,004,250.

(B) The administrative remedy regarding 2011 income tax which was applied by the dissolved company, Polaris Securities, has been denied. As of September 30, 2021, the amount was \$61,137.

(47) Changes in liabilities from financing activities

	2021				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 216,621,187	\$ 27,417,489	\$ 78,790,127	\$ 57,796,061	\$ 6,368,836
Changes in cash flow from financing activities	(21,720,866)	22,189,387	9,212,858	(1,655,888)	(1,109,183)
Impact of changes in foreign exchange rate	-	-	(266,567)	-	(245,136)
Amortisation of a premium or a discount on interest expense	-	14,440	54,117	-	-
Changes in other non-cash items	-	-	-	-	875,920
At September 30	<u>\$ 194,900,321</u>	<u>\$ 49,621,316</u>	<u>\$ 87,790,535</u>	<u>\$ 56,140,173</u>	<u>\$ 5,890,437</u>
	2020				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 198,665,918	\$ 38,621,728	\$ 68,849,634	\$ 60,847,992	\$ 5,527,660
Changes in cash flow from financing activities	26,426,006	(14,760,204)	4,993,895	(3,109,220)	(1,045,869)
Impact of changes in foreign exchange rate	-	-	(85,479)	-	(118,444)
Amortisation of a premium or a discount on interest expense	-	(13,710)	51,444	-	-
Changes in other non-cash items	-	-	-	-	1,777,560
At September 30	<u>\$ 225,091,924</u>	<u>\$ 23,847,814</u>	<u>\$ 73,809,494</u>	<u>\$ 57,738,772</u>	<u>\$ 6,140,907</u>

7. Related party transactions

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

(1) Names and relationship of related parties

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)	(Has become a related party since June 22, 2020.)
Yuanta Diamond Funds SPC	"
Wei Ran Co., Ltd.	" (Note)
	A management personnel of Yuanta Group acting as its key management personnel
	(No longer a related party since November 20, 2020.)

Names of related parties	Relationship with the Group
He's Education Foundation	A management personnel of Yuanta Group acting as its key management personnel (No longer a related party since January 1, 2021.)
Taiwan Securities Association	"
2011 KIF-TONGYANG IT Venture Fund	(No longer a related party since January 1, 2021.) Investments accounted for using the equity method of Yuanta Securities (Korea) (No longer a related party since April 5, 2021.)
TONGYANG AGRI-FOOD INVESTMENT Fund II	"
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	"
Yuanta SPAC V	"
Yuanta SPAC VI	"
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 Diamond Funds SPC's Funds	Funds managed by Yuanta Securities(Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment
Yuanta Asia Growth Investment, L.P.	"
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group.

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

(2) Significant transactions and balances with related parties

A. Deposits

September 30, 2021			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	<u>\$ 10,145,311</u>	<u>0.73</u>	0.000~5.800

December 31, 2020			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	<u>\$ 9,746,070</u>	<u>0.80</u>	0.000~6.065

September 30, 2020			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	<u>\$ 11,409,975</u>	<u>0.99</u>	0.000~6.065

Apart from an interest rate limit on staff demand savings deposits of 5.80% and 5.80% ~ 6.065%, respectively, for the nine months ended September 30, 2021 and 2020, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 3.00% and 0.00% ~ 4.60%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the three months and nine months ended September 30, 2021 and 2020, interest expense on the above deposits were \$8,512, \$16,306, \$25,273 and \$64,847, respectively.

(BLANK)

B. Loans

Yuanta Bank and its subsidiaries

September 30, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	306	\$ 108,900	\$ 63,595	\$ 63,595	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Home mortgage loans	509	4,408,013	3,733,579	3,733,579	-	Real estate	None
Other loans	85	357,177	222,463	222,463	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 4,019,637	\$ 4,019,637	\$ -		

December 31, 2020

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	384	\$ 121,628	\$ 65,606	\$ 65,606	\$ -	Deposits, real estate, movables and credit loans	None
Home mortgage loans	499	4,242,226	3,682,393	3,682,393	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	-	-	-	Real estate	None
	YFYCPG	254,800	-	-	-	Credit loans	None
	He's Education Foundation	27,000	-	-	-	Deposits	None
	94	412,222	211,013	211,013	-	Stock, deposits, policy and real estate	None
Total			\$ 3,959,012	\$ 3,959,012	\$ -		

September 30, 2020

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	337	\$ 102,719	\$ 66,593	\$ 66,593	\$ -	Deposits, real estate, movables and credit loans	None
Home mortgage loans	478	3,852,459	3,413,627	3,413,627	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	YFYCPG	30,400	24,400	24,400	-	Credit loans	None
	He's Education Foundation	27,000	27,000	27,000	-	Deposits	None
	91	376,701	200,894	200,894	-	Stock, deposits, policy and real estate	None
Total			\$ 3,752,514	\$ 3,752,514	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.20% and 1.35% ~ 2.00% for the nine months ended September 30, 2021 and 2020, respectively, the interest rates on the remaining loans are ranging from 0.00% ~ 6.42% and 0.00% ~ 6.69% for the nine months ended September 30, 2021 and 2020, respectively, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2021 and 2020, interest income resulting from the above loans amounted to \$13,823, \$12,589, \$40,397 and \$39,581, respectively.

(BLANK)

C. Property transactions

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 5,881,035	\$ 8,732,186	\$ 8,025,998
Global Growth Investment	18,916	30,099	41,504
Yuanta Diamond Funds SPC’s funds	48,994	62,403	65,086
Yuanta Asia Growth Investment, L.P.	206,392	192,546	196,406
	<u>\$ 6,155,337</u>	<u>\$ 9,017,234</u>	<u>\$ 8,328,994</u>

	<u>Proceeds on disposal</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 121,793,040	\$ 109,721,875
Yuanta Asia Growth Investment, L.P.	1,946	-
	<u>\$ 121,794,986</u>	<u>\$ 109,721,875</u>

	<u>Proceeds on disposal</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 309,881,695	\$ 325,339,485
Yuanta Asia Growth Investment, L.P.	1,946	-
	<u>\$ 309,883,641</u>	<u>\$ 325,339,485</u>

	Realised Gain	
	For the three months ended September 30,	
	2021	2020
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 392,587	\$ 965,307
Yuanta Asia Growth Investment, L.P.	1,172	-
	<u>\$ 393,759</u>	<u>\$ 965,307</u>

	Realised Gain	
	For the nine months ended September 30,	
	2021	2020
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 1,259,960	\$ 2,623,653
Yuanta Asia Growth Investment, L.P.	1,172	-
	<u>\$ 1,261,132</u>	<u>\$ 2,623,653</u>

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

	September 30, 2021			
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company’s directors:				
Others	\$ 250,042	\$ 50,000	0.20~0.20	
Others	5,564	5,564	0.20~0.30 (Note: USD)	USD 200 thousand
Other related parties:				
Others	1,344,298	<u>1,104,633</u>	0.20~0.25	
		<u>\$ 1,160,197</u>		

	December 31, 2020			
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company’s directors:				
Others	\$ 570,000	\$ 250,042	0.25~0.40	
Others	14,778	5,702	0.30~1.65 (Note: USD)	USD 200 thousand
Other related parties:				
Others	1,398,452	<u>973,591</u>	0.25~0.40	
		<u>\$ 1,229,335</u>		

September 30, 2020				
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:				
Others	\$ 570,000	\$ 470,012	0.30~0.40	
Others	14,901	5,825	0.40~1.65 (Note: USD)	USD 200 thousand
Other related parties:				
Others	1,398,452	<u>1,066,120</u>	0.30~0.40	
		<u>\$ 1,541,957</u>		

Note: For foreign currency repo trade.

Interest expense			
For the three months ended September 30,			
	2021	2020	
Company's directors:			
Others	\$ 19	\$ 441	
Other related parties:			
Others	<u>556</u>	<u>918</u>	
	<u>\$ 575</u>	<u>\$ 1,359</u>	

Interest expense			
For the nine months ended September 30,			
	2021	2020	
Company's directors:			
Others	\$ 210	\$ 1,379	
Other related parties:			
Others	<u>1,673</u>	<u>2,810</u>	
	<u>\$ 1,883</u>	<u>\$ 4,189</u>	

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

	September 30, 2021	December 31, 2020	September 30, 2020
Company's directors:			
Others	\$ -	\$ 26,914	\$ 51,274
Other related parties:			
Others	<u>-</u>	<u>7,531</u>	<u>7,946</u>
	<u>\$ -</u>	<u>\$ 34,445</u>	<u>\$ 59,220</u>

E. Equity of futures traders

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 30,130,827	\$ 28,223,681	\$ 34,943,006
Others	<u>74,839</u>	<u>73,478</u>	<u>63,222</u>
	<u>\$ 30,205,666</u>	<u>\$ 28,297,159</u>	<u>\$ 35,006,228</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 2,374,454</u>	<u>\$ 4,142,436</u>	<u>\$ 622,235</u>

	<u>Refundable deposits receivable lending</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ -</u>	<u>\$ 38,647</u>	<u>\$ 68,814</u>

	<u>Borrowing expense payable</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 17,812</u>	<u>\$ 1,403</u>	<u>\$ 424</u>

	<u>Security borrowing expense</u>	
	<u>For the three months ended September 30,</u>	<u>2021</u>
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 34,456</u>	<u>\$ 2,325</u>

	<u>Security borrowing expense</u>	
	<u>For the nine months ended September 30,</u>	<u>2021</u>
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 53,398</u>	<u>\$ 5,733</u>

Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 53,398</u>	<u>\$ 5,733</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Company's directors:			
Others	\$ 1,815	\$ 3,970	\$ 4,471
Other related parties:			
Others	<u>165,649</u>	<u>206,629</u>	<u>200,134</u>
	<u>\$ 167,464</u>	<u>\$ 210,599</u>	<u>\$ 204,605</u>
	<u>Interest income on loans to employees</u>		
	<u>For the three months ended September 30,</u>		
	<u>2021</u>	<u>2020</u>	
Company's directors:			
Others	\$ 6	\$ 16	
Other related parties:			
Others	<u>1,484</u>	<u>1,853</u>	
	<u>\$ 1,490</u>	<u>\$ 1,869</u>	
	<u>Interest income on loans to employees</u>		
	<u>For the nine months ended September 30,</u>		
	<u>2021</u>	<u>2020</u>	
Company's directors:			
Others	\$ 25	\$ 84	
Other related parties:			
Others	<u>4,736</u>	<u>5,746</u>	
	<u>\$ 4,761</u>	<u>\$ 5,830</u>	

H. Income from distribution fee

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's directors:		
Others	\$ 414	\$ -
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	-	2,419
Others	236	-
	<u>\$ 650</u>	<u>\$ 2,419</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's directors:		
Others	\$ 1,234	\$ -
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	-	9,419
Others	654	-
	<u>\$ 1,888</u>	<u>\$ 9,419</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Yuanta Secondary No.3 Private Equity Fund	\$ 5,256	\$ 11,414	\$ 11,070
Yuanta Secondary No.2 Fund	14,859	25,370	18,285
KVIC-Yuanta 2015 Overseas Advance Fund	5,421	10,409	7,637
2016 KIF-Yuanta ICT Venture Fund	5,516	8,024	5,581
IBKC-TONGYANG Growth 2013 Private Equity Fund	1,664	1,924	2,209
Others	1,998	2,223	10,257
	<u>\$ 34,714</u>	<u>\$ 59,364</u>	<u>\$ 55,039</u>

	Management fee income	
	For the three months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Secondary No.3 Private Equity Fund	\$ 5,381	\$ 10,995
Yuanta Secondary No.2 Fund	4,813	5,979
2011 KIF-TONGYANG IT Venture Fund	(418)	-
Yuanta Innovative Job Creation Fund	5,927	-
Kiwoom-Yuanta 2019 Scale-up Fund	4,830	4,960
Others	8,788	9,652
	<u>\$ 29,321</u>	<u>\$ 31,586</u>

	Management fee income	
	For the nine months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Secondary No.3 Private Equity Fund	\$ 15,998	\$ 32,922
Yuanta Secondary No.2 Fund	15,678	18,258
2011 KIF-TONGYANG IT Venture Fund	26,378	-
Yuanta Innovative Job Creation Fund	17,503	-
Kiwoom-Yuanta 2019 Scale-up Fund	13,562	8,390
Others	27,460	31,179
	<u>\$ 116,579</u>	<u>\$ 90,749</u>

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

	<u>Fund management fee income</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 906,523	\$ 926,235
Yuanta Diamond Funds SPC’s funds	25,275	5,806
Yuanta Asia Growth Investment, L.P.	6,401	5,162
Global Growth Investment, L.P.	146	255
	<u>\$ 938,345</u>	<u>\$ 937,458</u>

	<u>Fund management fee income</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 2,641,009	\$ 2,428,710
Yuanta Diamond Funds SPC’s funds	46,096	17,479
Yuanta Asia Growth Investment, L.P.	18,538	12,224
Global Growth Investment, L.P.	484	1,151
	<u>\$ 2,706,127</u>	<u>\$ 2,459,564</u>

	<u>The balance of fund</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 5,881,035	\$ 8,732,186	\$ 8,025,998
Yuanta Asia Growth Investment, L.P.	206,392	192,546	196,406
Yuanta Diamond Funds SPC’s funds	48,994	62,403	65,086
Global Growth Investment, L.P.	18,916	30,099	41,504
	<u>\$ 6,155,337</u>	<u>\$ 9,017,234</u>	<u>\$ 8,328,994</u>

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

	<u>Receivable from transfer-agent services</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Others	\$ 10	\$ 10	\$ 10

	<u>Income from transfer-agent services</u>		
	<u>For the three months ended September 30,</u>		
	<u>2021</u>	<u>2020</u>	
Other related parties:			
Others	\$ <u>31</u>	\$ <u>31</u>	
	<u>Income from transfer-agent services</u>		
	<u>For the nine months ended September 30,</u>		
	<u>2021</u>	<u>2020</u>	
Other related parties:			
Others	\$ <u>91</u>	\$ <u>91</u>	
L. <u>Investment refund receivable</u>			
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
IBKC-TONGYANG Growth	\$ 48,245	\$ 53,739	\$ 50,908
2013 Private Equity Fund			
TONGYANG AGRI-FOOD			
INVESTMENT FUND II	<u>39,086</u>	<u>42,132</u>	<u>39,933</u>
	<u>\$ 87,331</u>	<u>\$ 95,871</u>	<u>\$ 90,841</u>
M. <u>Receivable of securities business money lending</u>			
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Company's directors:			
Others	\$ 20,606	\$ -	\$ -
Other related parties:			
Others	<u>110</u>	<u>12,925</u>	<u>10,221</u>
	<u>\$ 20,716</u>	<u>\$ 12,925</u>	<u>\$ 10,221</u>
N. <u>Accounts receivable</u>			
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 307,591	\$ 292,651	\$ 302,556
Yuanta construction			
development	<u>3,114</u>	<u>1,173</u>	<u>-</u>
	<u>\$ 310,705</u>	<u>\$ 293,824</u>	<u>\$ 302,556</u>
O. <u>Accounts receivable – settlement</u>			
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 2,650</u>	<u>\$ -</u>	<u>\$ -</u>

P. Refundable deposits

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Taiwan Securities Association	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</u>

Q. Accounts payable - settlement

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Company's directors:			
Others	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>

R. Other financial liabilities and Interest expense

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

	<u>Other financial liabilities</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Company's directors:			
Others	\$ 28,798	\$ 35,635	\$ 34,391
Other related parties:			
Others	<u>9</u>	<u>10</u>	<u>10</u>
	<u>\$ 28,807</u>	<u>\$ 35,645</u>	<u>\$ 34,401</u>

	<u>Interest expense</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's directors:		
Others	\$ 13	\$ 13
Other related parties:		
Others	<u>-</u>	<u>-</u>
	<u>\$ 13</u>	<u>\$ 13</u>

	<u>Interest expense</u>	
	<u>For the nine months ended Septembere 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's directors:		
Others	\$ 42	\$ 63
Other related parties:		
Others	<u>1</u>	<u>4</u>
	<u>\$ 43</u>	<u>\$ 67</u>

S. Other payables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Company's directors:			
Others	\$ 5	\$ 15	\$ -
Other related parties:			
Others	40	9	59
	<u>\$ 45</u>	<u>\$ 24</u>	<u>\$ 59</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
YFYCPG	\$ 268	\$ 116,194	\$ 153,450
Yuanta SPAC III	-	17,457	16,546
Yuanta SPAC IV	18,236	20,345	19,282
Yuanta SPAC V	23,177	25,857	24,508
Yuanta SPAC VI	-	25,857	24,508
Yuanta SPAC VII	22,354	24,938	-
Yuanta SPAC VIII	23,295	25,989	-
	<u>\$ 87,330</u>	<u>\$ 256,637</u>	<u>\$ 238,294</u>

Proceeds on disposal

For the three months ended September 30,
2021 2020

Other related parties:		
YFYCPG	<u>\$ 290,771</u>	<u>\$ -</u>

Proceeds on disposal

For the nine months ended September 30,
2021 2020

Other related parties:		
YFYCPG	<u>\$ 989,800</u>	<u>\$ -</u>

Realised gains

For the three months ended September 30,
2021 2020

Other related parties:		
YFYCPG	<u>(\$ 1,958)</u>	<u>\$ -</u>

Realised gains

For the nine months ended September 30,
2021 2020

Other related parties:		
YFYCPG	<u>\$ 49,411</u>	<u>\$ -</u>

U. Credit transaction between the Yuanta Group and related parties

	September 30, 2021		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	\$ 6,470	\$ 80,824	\$ 68,455
Other related parties:			
Others	2,800	77,901	30,010
	<u>\$ 9,270</u>	<u>\$ 158,725</u>	<u>\$ 98,465</u>
	December 31, 2020		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	\$ 3,438	\$ 7,830	\$ 56,421
Other related parties:			
Others	4,036	13,510	26,398
	<u>\$ 7,474</u>	<u>\$ 21,340</u>	<u>\$ 82,819</u>
	September 30, 2020		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	\$ 15,096	\$ 41,718	\$ 42,729
Other related parties:			
Others	3,526	24,155	39,250
	<u>\$ 18,622</u>	<u>\$ 65,873</u>	<u>\$ 81,979</u>

	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
	Security short-selling interest payable	Security financing interest receivable	Security short-selling interest payable	Security financing interest receivable
Company's directors:				
Others	\$ 13	\$ 938	\$ 2	\$ 427
Other related parties:				
Others	<u>4</u>	<u>658</u>	<u>3</u>	<u>389</u>
	<u>\$ 17</u>	<u>\$ 1,596</u>	<u>\$ 5</u>	<u>\$ 816</u>
			<u>September 30, 2020</u>	
			Security short-selling interest payable	Security financing interest receivable
Company's directors:				
Others			\$ 10	\$ 499
Other related parties:				
Others			<u>5</u>	<u>409</u>
			<u>\$ 15</u>	<u>\$ 908</u>
	<u>For the three months ended September 30,</u>			
	<u>2021</u>		<u>2020</u>	
	Security short- selling interest expenditures	Security financing interest revenue	Security short- selling interest expenditures	Security financing interest revenue
Company's directors:				
Others	\$ 25	\$ 903	\$ 14	\$ 595
Other related parties:				
Others	<u>12</u>	<u>373</u>	<u>12</u>	<u>316</u>
	<u>\$ 37</u>	<u>\$ 1,276</u>	<u>\$ 26</u>	<u>\$ 911</u>
	<u>For the nine months ended September 30,</u>			
	<u>2021</u>		<u>2020</u>	
	Security short- selling interest expenditures	Security financing interest revenue	Security short- selling interest expenditures	Security financing interest revenue
Company's directors:				
Others	\$ 43	\$ 2,312	\$ 42	\$ 1,564
Other related parties:				
Others	<u>30</u>	<u>1,146</u>	<u>33</u>	<u>1,010</u>
	<u>\$ 73</u>	<u>\$ 3,458</u>	<u>\$ 75</u>	<u>\$ 2,574</u>

V. Other Operating expenses

(A) Professional fee

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's related parties:		
Other	\$ 4,469	\$ -

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Company's related parties:		
Other	\$ 4,469	\$ -

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

(B) ETF redemption fees

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 10,955	\$ 25,525

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 36,991	\$ 74,554

(C) Warrants business fee paid to Securities Association

	<u>For the three months ended September 30, 2020</u>
Other related parties:	
Taiwan Securities Association	\$ 3,743

	<u>For the nine months ended September 30, 2020</u>
Other related parties:	
Taiwan Securities Association	\$ 10,232

(D) Membership fees

	<u>For the three months ended September 30, 2020</u>
Other related parties:	
Taiwan Securities Association	<u>\$ 2,673</u>
	<u>For the nine months ended September 30, 2020</u>
Other related parties:	
Taiwan Securities Association	<u>\$ 8,244</u>

W. Operating expenses

For the three months ended September 30, 2021 and 2020, the operating expenses - donation expenditure were both \$0.

<u>Name of related parties</u>	<u>Nature</u>	<u>For the nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 50,000
Polaris Research	Donation expenditure	<u>21,000</u>	<u>21,600</u>
		<u>\$ 101,000</u>	<u>\$ 71,600</u>

X. Premium income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Others	<u>\$ 57,465</u>	<u>\$ 84,503</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Others	<u>\$ 248,764</u>	<u>\$ 280,888</u>

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

	For the three months ended September 30,	
	2021	2020
Company's directors:		
Others	\$ 9,186	\$ 8,391
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	59,594	73,481
Others	11,920	7,430
	<u>\$ 80,700</u>	<u>\$ 89,302</u>
	For the nine months ended September 30,	
	2021	2020
Company's directors:		
Others	\$ 30,013	\$ 17,863
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	170,641	211,314
Others	31,756	21,774
	<u>\$ 232,410</u>	<u>\$ 250,951</u>

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

	For the three months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Construction Development	\$ 2,038	\$ 171
Polaris Research	283	549
Yuanta Foundation	16	10
	<u>\$ 2,337</u>	<u>\$ 730</u>
	For the nine months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Construction Development	\$ 6,487	\$ 513
Polaris Research	850	1,646
Yuanta Foundation	41	30
	<u>\$ 7,378</u>	<u>\$ 2,189</u>

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Foundation	\$ <u>2</u>	\$ <u>-</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Foundation	\$ <u>3</u>	\$ <u>-</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Yuanta Construction			
Development	\$ 1,510	\$ 1,580	\$ 1,580
Polaris Research	189	189	729
Yuanta Foundation	<u>10</u>	<u>7</u>	<u>7</u>
	<u>\$ 1,709</u>	<u>\$ 1,776</u>	<u>\$ 2,316</u>

AC. Gain on investment property

(A) Imputed interest on deposits

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Construction Development	\$ <u>3</u>	\$ <u>-</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Construction Development	\$ <u>9</u>	\$ <u>-</u>

(B) Other income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Construction Development	\$ <u>478</u>	\$ <u>-</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta Construction Development	\$ <u>762</u>	\$ <u>-</u>

AD. Other operating income—Dividend income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 7,466	\$ 14,017
YFYCPG	963	-
	<u>\$ 8,429</u>	<u>\$ 14,017</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 42,583	\$ 27,255
YFYCPG	963	-
	<u>\$ 43,546</u>	<u>\$ 27,255</u>

AE. Other operating income—Interest income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Taiwan Securities Association	\$ -	\$ -

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Taiwan Securities Association	\$ -	\$ 3

AF. Other operating expense—Financial costs

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 736	\$ 17

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 1,275	\$ 9,783

AG. Other operating revenue—Underwriting business revenue

(A) Fee income from security proxy sale

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
YFYCPG	\$ 3,628	\$ -
	<u> </u>	<u> </u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
YFYCPG	\$ 4,228	\$ -
	<u> </u>	<u> </u>

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta SPAC VIII	(\$ 86)	\$ -
Yuanta SPAC VI	5,649	-
Yuanta SPAC III	(59)	-
	<u>\$ 5,504</u>	<u>\$ -</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties:		
Yuanta SPAC VIII	\$ 5,431	\$ -
Yuanta SPAC VI	5,649	-
Yuanta SPAC III	3,724	-
	<u>\$ 14,804</u>	<u>\$ -</u>

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

	For the three months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 1,667,624	\$ 1,531,884
Termination benefits	1,611	3,817
Other long-term benefits	2,641	2,030
Post-employment benefit	34,312	37,118
Total	<u>\$ 1,706,188</u>	<u>\$ 1,574,849</u>

	For the nine months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 5,485,625	\$ 4,284,112
Termination benefits	42,141	8,694
Other long-term benefits	8,286	8,825
Post-employment benefit	108,814	108,028
Total	<u>\$ 5,644,866</u>	<u>\$ 4,409,659</u>

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

September 30, 2021			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 76,969,252</u>	<u>5.38</u>	0.000~5.800

December 31, 2020			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 45,339,692</u>	<u>3.64</u>	0.000~6.065

September 30, 2020			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 68,176,507</u>	<u>5.63</u>	0.000~6.065

Apart from an interest rate limit on staff demand savings deposits of 5.80% and 5.80% ~ 6.065%, respectively, for the nine months ended September 30, 2021 and 2020, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 3.00% and 0.00% ~ 4.60%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the three months and nine months ended September 30, 2021 and 2020, interest expense on the above deposits were \$42,965, \$52,972, \$123,390 and \$234,352, respectively.

(B) Loans

September 30, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	306	\$ 108,900	\$ 63,595	\$ 63,595	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Home mortgage loans	509	4,408,013	3,733,579	3,733,579	-	Real estate	None
Other loans	Yuanta Securities	24,105	-	-	-	Real estate	None
	85	357,177	222,463	222,463	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 4,019,637	\$ 4,019,637	\$ -		

December 31, 2020

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	384	\$ 121,628	\$ 65,606	\$ 65,606	\$ -	Real estate, movables, deposits and credit loans	None
Home mortgage loans	499	4,242,226	3,682,393	3,682,393	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	-	-	-	Real estate	None
	YFYCPG	254,800	-	-	-	Credit loans	None
	He's Education Foundation	27,000	-	-	-	Deposits	None
	94	412,222	211,013	211,013	-	Stock, deposits, policy and real estate	None
Total			\$ 3,959,012	\$ 3,959,012	\$ -		

September 30, 2020

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	337	\$ 102,719	\$ 66,593	\$ 66,593	\$ -	Deposits, real estate, movables and credit loans	None
Home mortgage loans	478	3,852,459	3,413,627	3,413,627	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	YFYCPG	30,400	24,400	24,400	-	Credit loans	None
	He's Education Foundation	27,000	27,000	27,000	-	Deposits	None
	91	376,701	200,894	200,894	-	Stock, deposits, policy and real estate	None
Total			\$ 3,752,514	\$ 3,752,514	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.20% and 1.35% ~ 2.00% for the nine months ended September 30, 2021 and 2020, respectively, the interest rates on the remaining loans are ranging from 0.00% ~ 6.42% and 0.00% ~ 6.69% for the nine months ended September 30, 2021 and 2020, respectively, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2021 and 2020, interest income resulting from the above loans amounted to \$13,823, \$12,589, \$40,398 and \$39,581, respectively.

(BLANK)

(C) Service fee income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 181,022	\$ 96,570
Yuanta Securities Investment Trust	10,107	13,541
Yuanta Securities (Hong Kong)	1,734	1,250
	<u>\$ 192,863</u>	<u>\$ 111,361</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 693,655	\$ 531,748
Yuanta Securities Investment Trust	26,086	28,315
Yuanta Securities (Hong Kong)	6,246	2,942
	<u>\$ 725,987</u>	<u>\$ 563,005</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Life	\$ 94,196	\$ 22,897	\$ 16,972
Yuanta Securities Investment Trust	2,882	2,074	3,800
Yuanta Securities (Hong Kong)	1,335	-	210
	<u>\$ 98,413</u>	<u>\$ 24,971</u>	<u>\$ 20,982</u>

(D) Rental expense

	<u>Usage</u>	<u>For the three months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	<u>\$ 54,132</u>	<u>\$ 39,083</u>
		<u>For the nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	<u>\$ 152,798</u>	<u>\$ 103,255</u>

The transaction conditions were in line with the contract based on mutual agreement, and the relevant refundable deposits were as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Securities	\$ 6,000	\$ 5,494	\$ 5,494
(E) Current income tax assets/liabilities			
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income			
tax return receivable	\$ 106,795	\$ 1,395,127	\$ 1,497,361
Consolidated income			
tax return payable	\$ 483,537	\$ 11,794	\$ -

(F) Leasing arrangements—Lessee

a. Yuanta Bank and its subsidiaries leased buildings from Yuanta Securities, Yuanta Securities Finance and Yuanta Life. The leases are with 3~5 years period and the rents are paid every month.

b. Right-of-use assets — net

<u>Name of related parties</u>	<u>Right-of-use assets</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Life	\$ 53,595	\$ 56,412	\$ -
Yuanta Securities	47,356	45,925	27,062
Yuanta Securities Finance	3,126	5,001	5,626
	<u>\$ 104,077</u>	<u>\$ 107,338</u>	<u>\$ 32,688</u>

Depreciation expense

For the three months ended September 30,

<u>Name of related parties</u>	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 6,322	\$ 7,111
Yuanta Life	3,272	-
Yuanta Securities Finance	626	626
	<u>\$ 10,220</u>	<u>\$ 7,737</u>

Depreciation expense

For the nine months ended September 30,

<u>Name of related parties</u>	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 20,118	\$ 21,384
Yuanta Life	9,580	-
Yuanta Securities Finance	1,876	1,876
	<u>\$ 31,574</u>	<u>\$ 23,260</u>

- i. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities amounting to \$24,014 and \$6,685 for the nine months ended September 30, 2021 and 2020, respectively.
 - ii. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities Finance amounting to \$0 and \$7,502 for the nine months ended September 30, 2021 and 2020, respectively.
 - iii. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Life amounting to \$10,296 and \$0 for the nine months ended September 30, 2021 and 2020, respectively.
 - iv. 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 and for the nine months ended September 30, 2021.
 - v. Yuanta Bank and its subsidiaries have losses arising from lease modifications with Yuanta Securities in the amount of \$0 and \$26 of lease contract for the three months and for the nine months ended September 30, 2021.
- c. Lease liabilities

Name of related parties	Lease liabilities		
	September 30, 2021	December 31, 2020	September 30, 2020
Fellow subsidiary:			
Yuanta Life	\$ 58,004	\$ 58,423	\$ -
Yuanta Securities	47,229	46,325	27,511
Yuanta Securities Finance	3,148	5,022	5,644
	<u>\$ 108,381</u>	<u>\$ 109,770</u>	<u>\$ 33,155</u>

Name of related parties	Interest expense	
	For the three months ended September 30,	
	2021	2020
Fellow subsidiary:		
Yuanta Life	\$ 97	\$ -
Yuanta Securities	79	63
Yuanta Securities Finance	6	12
	<u>\$ 182</u>	<u>\$ 75</u>

Name of related parties	Interest expense	
	For the nine months ended September 30,	
	2021	2020
Fellow subsidiary:		
Yuanta Life	\$ 302	\$ -
Yuanta Securities	227	229
Yuanta Securities Finance	24	40
	<u>\$ 553</u>	<u>\$ 269</u>

(G) Bonds sold and purchased

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

There were no relevant transactions for the nine months ended September 30, 2020.

(H) Property transactions (recorded as “bank debentures payable”)

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

B. Yuanta Securities and its subsidiaries

(A) Futures trading

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

	September 30, 2021		
	Futures margins		
	Own funds	Excess margins	Securities
Fellow subsidiary:			
Yuanta Futures	\$ 4,201,564	\$ 3,914,692	\$ -
Others	59,596	115,257	-
	<u>\$ 4,261,160</u>	<u>\$ 4,029,949</u>	<u>\$ -</u>
December 31, 2020			
Futures margins			
	Own funds	Excess margins	Securities
Fellow subsidiary:			
Yuanta Futures	<u>\$ 4,316,780</u>	<u>\$ 3,055,538</u>	<u>\$ -</u>
September 30, 2020			
Futures margins			
	Own funds	Excess margins	Securities
Fellow subsidiary:			
Yuanta Futures	<u>\$ 3,753,219</u>	<u>\$ 3,977,986</u>	<u>\$ -</u>
Clearing and settlement service charge payable			
	September 30, 2021	December 31, 2020	September 30, 2020
Fellow subsidiary:			
Yuanta Futures	<u>\$ 3,339</u>	<u>\$ 3,554</u>	<u>\$ 3,938</u>

	<u>For the three months ended September 30, 2021</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 6,630	\$ 22,296
Others	-	1,608
	<u>\$ 6,630</u>	<u>\$ 23,904</u>

	<u>For the three months ended September 30, 2020</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 9,706	\$ 29,441
Others	-	2,906
	<u>\$ 9,706</u>	<u>\$ 32,347</u>

	<u>For the nine months ended September 30, 2021</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 22,989	\$ 70,299
Others	-	2,293
	<u>\$ 22,989</u>	<u>\$ 72,592</u>

	<u>For the nine months ended September 30, 2020</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 28,453	\$ 85,442
Others	-	2,906
	<u>\$ 28,453</u>	<u>\$ 88,348</u>

- b. Commission income receivable (recorded as “accounts receivable”) and commission income -futures arising from futures introducing broker transactions on behalf of related parties are as follows:

	<u>Commission income receivable</u>		
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Futures	<u>\$ 20,676</u>	<u>\$ 23,737</u>	<u>\$ 23,413</u>

	<u>Commission income - futures</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Futures	\$ <u>74,847</u>	\$ <u>70,472</u>

	<u>Commission income - futures</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Futures	\$ <u>242,934</u>	\$ <u>221,774</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>September 30, 2021</u>	
	<u>Ending balance of</u>	<u>Other receivables – interests</u>
	<u>bank deposits</u>	<u>receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>18,347,187</u>	\$ <u>3,789</u>

	<u>December 31, 2020</u>	
	<u>Ending balance of</u>	<u>Other receivables – interests</u>
	<u>bank deposits</u>	<u>receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>14,488,729</u>	\$ <u>2,855</u>

	<u>September 30, 2020</u>	
	<u>Ending balance of</u>	<u>Other receivables – interests</u>
	<u>bank deposits</u>	<u>receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>36,418,464</u>	\$ <u>1,847</u>

	<u>Other gains and losses – interest income (Note)</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>9,230</u>	\$ <u>9,802</u>

	<u>Other gains and losses – interest income (Note)</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>23,280</u>	\$ <u>66,961</u>

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

b. As of September 30, 2021, December 31, 2020 and September 30, 2020, 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 \$6,130,000, \$407,000 and \$407,000, respectively.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	\$ 878,489	\$ 895,230	\$ 895,230
Consolidated income tax return payables	\$ 2,273,180	\$ 1,628,629	\$ 1,276,336

(D) Operating guarantee deposits

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000

(E) Refundable deposits for lending auction

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ 350,000	\$ 350,000	\$ 350,000

(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>September 30, 2021</u>	<u>December 31, 2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 64,471	\$ 21,719
		<u>10,540</u>
		<u>Commission income</u>
		<u>For the three months ended September 30,</u>
		<u>2021</u>
		<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 194,175	\$ 96,964
		<u>Commission income</u>
		<u>For the nine months ended September 30,</u>
		<u>2021</u>
		<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 953,613	\$ 377,292

(I) Amounts held for settlement

As of September 30, 2021, December 31, 2020 and September 30, 2020, Yuanta Securities and its subsidiaries had amounts held for settlement of \$1,317,311, \$1,450,643 and \$601,351, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(J) Property transactions

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

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

b. Bonds sold and purchased (recorded as "financial assets at fair value through profit or loss")

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

There were no bonds sold and purchased with related parties during the three months ended September 30, 2021 and 2020, and the nine months ended September 30, 2020.

(K) 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		
	September 30, 2021	December 31, 2020	September 30, 2020
Fellow subsidiary:			
Yuanta Life	\$ 432,994	\$ 484,606	\$ -
Yuanta Bank	13,669	19,182	23,011
	<u>\$ 446,663</u>	<u>\$ 503,788</u>	<u>\$ 23,011</u>

	Financial cost	
	For the three months ended September 30, 2021	2020
Fellow subsidiary:		
Yuanta Life	\$ 674	\$ -
Yuanta Bank	32	47
	<u>\$ 706</u>	<u>\$ 47</u>

	Financial cost	
	For the nine months ended September 30, 2021	2020
Fellow subsidiary:		
Yuanta Life	\$ 2,212	\$ -
Yuanta Bank	109	144
	<u>\$ 2,321</u>	<u>\$ 144</u>

(L) Customer margin accounts

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Futures	\$ 185,397	\$ 202,484	\$ 176,028
Others	1,074	-	-
	<u>\$ 186,471</u>	<u>\$ 202,484</u>	<u>\$ 176,028</u>

(M) Other operating expense

a. Professional fee

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	\$ 51,960	\$ 44,700
Other related parties:		
Others	4,469	-
	<u>\$ 56,429</u>	<u>\$ 44,700</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	\$ 155,880	\$ 134,100
Other related parties:		
Others	4,469	-
	<u>\$ 160,349</u>	<u>\$ 134,100</u>

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

b. ETF redemption fees

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	\$ 7,771	\$ 11,364
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	10,955	25,525
	<u>\$ 18,726</u>	<u>\$ 36,889</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	\$ 21,115	\$ 36,386
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	36,991	74,554
	<u>\$ 58,106</u>	<u>\$ 110,940</u>

(N) Brokerage fee revenue

The transaction details of Yuanta Securities and its subsidiaries' brokerage fee revenue from securities brokerage business by related parties are as follows:

	For the three months ended September 30,	
	2021	2020
Fellow subsidiary:		
Yuanta Bank	\$ 8,188	\$ 10,171
Yuanta Life	9,341	11,074
Others	904	1,576
Company's directors :		
Others	9,186	8,391
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	23,232	42,433
Others	9,827	6,157
	<u>\$ 60,678</u>	<u>\$ 79,802</u>
	For the nine months ended September 30,	
	2021	2020
Fellow subsidiary:		
Yuanta Bank	\$ 33,462	\$ 22,994
Yuanta Life	25,521	22,880
Others	4,018	3,298
Company's directors :		
Others	30,013	17,863
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	68,397	96,296
Others	25,612	16,893
	<u>\$ 187,023</u>	<u>\$ 180,224</u>

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

(O) Rebate receivable and rebate income

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

	Rebate receivable		
	September 30, 2021	December 31, 2020	September 30, 2020
Fellow subsidiary:			
Yuanta Bank	<u>\$ 18,080</u>	<u>\$ 14,330</u>	<u>\$ 13,143</u>

		<u>Rebate income</u>	
		<u>For the three months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Fellow subsidiary:			
Yuanta Bank		<u>\$ 82,976</u>	<u>\$ 60,658</u>
		<u>Rebate income</u>	
		<u>For the nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Fellow subsidiary:			
Yuanta Bank		<u>\$ 203,878</u>	<u>\$ 134,972</u>
(P) Funds and beneficiary certificates managed by fellow subsidiary (recorded as “financial assets at fair value through profit or loss”)			
		<u>September 30, 2021</u>	<u>December 31, 2020</u>
		<u>September 30, 2020</u>	
Other related parties:			
Fund managed by Yuanta			
Securities Investment Trust		<u>\$ 4,206,586</u>	<u>\$ 5,325,750</u>
		<u>\$ 4,653,192</u>	
		<u>For the three months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust		<u>\$ 119,354,697</u>	<u>(\$ 8,460)</u>
		<u>\$ 107,339,997</u>	<u>\$ 926,374</u>
		<u>For the nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust		<u>\$ 305,606,242</u>	<u>\$ 851,009</u>
		<u>\$ 320,346,453</u>	<u>\$ 2,528,170</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
YFYCPG	\$ 268	\$ 116,194	\$ 153,450
Yuanta SPAC III	-	17,457	16,546
Yuanta SPAC IV	18,236	20,345	19,282
Yuanta SPAC V	23,177	25,857	24,508
Yuanta SPAC VI	-	25,857	24,508
Yuanta SPAC VII	22,354	24,938	-
Yuanta SPAC VIII	23,295	25,989	-
	<u>\$ 87,330</u>	<u>\$ 256,637</u>	<u>\$ 238,294</u>

For the three months ended September 30,

	<u>2021</u>		<u>2020</u>	
	<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>	<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>
Parent subsidiary:				
Yuanta Financial Holdings	\$ 463,340	(\$ 3,338)	\$ 2,475	\$ 7

Other related parties:

YFYCPG	<u>290,771</u>	<u>(1,958)</u>	<u>-</u>	<u>-</u>
	<u>\$ 754,111</u>	<u>(\$ 5,296)</u>	<u>\$ 2,475</u>	<u>\$ 7</u>

For the nine months ended September 30,

	<u>2021</u>		<u>2020</u>	
	<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>	<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>
Parent subsidiary:				
Yuanta Financial Holdings	\$ 736,781	(\$ 3,470)	\$ 49,705	(\$ 66)
Fellow subsidiary:				
Yuanta Futures	-	-	2,198	38

Other related parties:

YFYCPG	<u>989,800</u>	<u>49,411</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,726,581</u>	<u>\$ 45,941</u>	<u>\$ 51,903</u>	<u>(\$ 28)</u>

(R) Credit transaction

Please refer to Note 7(2)U.

(S) Others

- a As of September 30, 2021, December 31, 2020 and September 30, 2020, 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 \$3,493,832, \$3,520,376 and \$3,577,936, respectively, were designated as collateral.

- b Details on the management fee receivable for fund investments accounted for under the equity method and receipts of fund management fee held by Yuanta Securities and its subsidiaries.

Please refer to Note 7(2)I.

- c Fund management fee income from fund managed and fund balances held by Yuanta Securities and its subsidiaries. (recorded as “financial assets at fair value through profit or loss”)

	Fund management fee income	
	For the three months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Diamond Funds SPC’s funds	\$ 25,275	\$ 5,806
Yuanta Asia Growth Investment, L.P.	6,401	5,162
Global Growth Investment, L.P.	146	255
	<u>\$ 31,822</u>	<u>\$ 11,223</u>

	Fund management fee income	
	For the nine months ended September 30,	
	2021	2020
Other related parties:		
Yuanta Diamond Funds SPC’s funds	\$ 46,096	\$ 17,479
Yuanta Asia Growth Investment L.P.	18,538	12,224
Global Growth Investment, L.P.	484	1,151
	<u>\$ 65,118</u>	<u>\$ 30,854</u>

	The balance of fund		
	September 30, 2021	December 31, 2020	September 30, 2020
Other related parties:			
Yuanta Asia Growth Investment, L.P.	\$ 103,439	\$ 96,161	\$ 98,245
Yuanta Diamond Funds SPC’s funds	48,994	62,403	65,086
Global Growth Investment, L.P.	18,916	30,099	41,504
	<u>\$ 171,349</u>	<u>\$ 188,663</u>	<u>\$ 204,835</u>

C. Yuanta Futures and its subsidiaries

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

	<u>September 30, 2021</u>		
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>1,131,729</u>	\$ <u>140,000</u>	\$ <u>15,373,097</u>
		<u>December 31, 2020</u>	
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>1,338,901</u>	\$ <u>140,000</u>	\$ <u>12,347,144</u>
		<u>September 30, 2020</u>	
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>1,357,225</u>	\$ <u>140,000</u>	\$ <u>11,453,903</u>

(B) Customer margin account for leverage contracts

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>222,482</u>	\$ <u>257,218</u>	\$ <u>291,528</u>

(C) Equity of futures traders

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Securities	\$ 8,161,457	\$ 7,280,656	\$ 7,642,811
Yuanta Securities (Korea)	193,609	200,709	156,634
Yuanta Securities (Hong Kong)	126,160	91,086	107,193
Yuanta Bank	27,941	-	-
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	30,130,827	28,223,681	34,943,006
Others	74,839	73,478	63,222
	<u>\$ 38,714,833</u>	<u>\$ 35,869,610</u>	<u>\$ 42,912,866</u>

(D) Lease liabilities

a. Ending balances

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ 4,527	\$ 891	\$ 1,321
Yuanta Life	163,041	188,902	-
Yuanta Securities	-	5,636	10,775
	<u>\$ 167,568</u>	<u>\$ 195,429</u>	<u>\$ 12,096</u>

b. Interests expense

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 7	\$ 3
Yuanta Life	258	-
Yuanta Securities	-	27
	<u>\$ 265</u>	<u>\$ 30</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 16	\$ 12
Yuanta Life	839	-
Yuanta Securities	8	114
	<u>\$ 863</u>	<u>\$ 126</u>

(E) Brokerage fee revenue

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 22,697	\$ 26,765
Yuanta Securities (Hong Kong)	2,452	802
Yuanta Securities (Korea)	502	1,154
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	36,362	31,048
Others	2,093	1,274
	<u>\$ 64,106</u>	<u>\$ 61,043</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 68,472	\$ 82,766
Yuanta Securities (Hong Kong)	6,039	3,075
Yuanta Securities (Korea)	1,741	3,089
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	102,244	115,018
Others	6,144	4,881
	<u>\$ 184,640</u>	<u>\$ 208,829</u>

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

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	<u>\$ 74,847</u>	<u>\$ 70,472</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	<u>\$ 242,934</u>	<u>\$ 221,774</u>

Yuanta Futures and its subsidiaries engaged with Yuanta Securities for the purpose of futures trading and consigned/entrusted foreign futures trading, that is, the Company acts as an agent for trading of futures contracts and futures option contracts for its customers. The futures commission expense and payment terms do not have any significant difference between related parties and non-related parties.

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of September 30, 2021, December 31, 2020 and September 30, 2020, Yuanta Securities Investment Consulting deposited \$206,614, \$200,755 and \$212,203, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, with annual interest rates of 0.770%, 0.770% and 0.350% ~ 0.770%, respectively.

(B) Operating income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 50,250	\$ 43,200
Yuanta Bank	3,990	3,105
Yuanta Securities Investment Trust	4,284	1,200
Yuanta Futures	900	900
Yuanta Life	-	735
Yuanta Securities Finance	1,710	1,500
	<u>\$ 61,134</u>	<u>\$ 50,640</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 150,750	\$ 129,600
Yuanta Bank	11,970	9,315
Yuanta Securities Investment Trust	5,712	3,600
Yuanta Futures	2,700	2,700
Yuanta Life	-	2,205
Yuanta Securities Finance	5,130	4,500
	<u>\$ 176,262</u>	<u>\$ 151,920</u>

E. Yuanta Securities Investment Trust

(A) Bank deposits

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ 2,623,084	\$ 2,789,237	\$ 2,590,001

(B) Accounts receivable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Life	\$ 1,981	\$ -	\$ -
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	307,591	292,651	302,556
	<u>\$ 309,572</u>	<u>\$ 292,651</u>	<u>\$ 302,556</u>

(C) Management fee income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 4,541	\$ -
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	906,523	926,235
	<u>\$ 911,064</u>	<u>\$ 926,235</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Life	\$ 5,850	\$ -
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>2,641,009</u>	<u>2,428,710</u>
	<u>\$ 2,646,859</u>	<u>\$ 2,428,710</u>

(D) Fund transactions (recorded as “financial assets at fair value through profit or loss”) Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties as of September 30, 2021, December 31, 2020 and September 30, 2020 are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Yuanta Securities			
Investment Trust	\$ 138,066	\$ 489,925	\$ 585,561
Fellow subsidiary	<u>452,083</u>	<u>1,763,685</u>	<u>1,620,914</u>
	<u>\$ 590,149</u>	<u>\$ 2,253,610</u>	<u>\$ 2,206,475</u>

(E) Commission expense

	<u>Management fee income</u>	
	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 31,737	\$ 30,918
Yuanta Bank	<u>8,832</u>	<u>12,712</u>
	<u>\$ 40,569</u>	<u>\$ 43,630</u>
	<u>Management fee income</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Securities	\$ 84,353	\$ 73,765
Yuanta Bank	<u>22,323</u>	<u>25,860</u>
	<u>\$ 106,676</u>	<u>\$ 99,625</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank (Note)	<u>\$ 866,743</u>	<u>\$ 326,453</u>	<u>\$ 252,667</u>

Note: Including other financial assets.

(B) Current income tax assets/liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	<u>\$ 2,138,907</u>	<u>\$ 2,609,424</u>	<u>\$ 2,609,424</u>
Consolidated income tax return payable	<u>\$ 629,737</u>	<u>\$ 353,690</u>	<u>\$ 361,223</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 1,536,383	\$ 2,915,162	\$ 2,757,184
Yuanta Asia Growth Investment, L.P.	<u>102,953</u>	<u>96,385</u>	<u>98,161</u>
	<u>\$ 1,639,336</u>	<u>\$ 3,011,547</u>	<u>\$ 2,855,345</u>
	<u>For the nine months ended September 30, 2021</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised loss</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 371,364	\$ 1,855,902	\$ 392,824
Yuanta Asia Growth Investment, L.P.	<u>10,035</u>	<u>1,946</u>	<u>1,172</u>
	<u>\$ 381,399</u>	<u>\$ 1,857,848</u>	<u>\$ 393,996</u>
	<u>For the nine months ended September 30, 2020</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 3,192,421	\$ 3,369,507	\$ 109,248
Yuanta Asia Growth Investment, L.P.	<u>73,054</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,265,475</u>	<u>\$ 3,369,507</u>	<u>\$ 109,248</u>

(D) Payables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company:			
Yuanta Financial Holdings	\$ 3,927	\$ 439	\$ 2,932
Fellow subsidiary:			
Yuanta Bank	77,269	23,158	17,841
Yuanta International Insurance Brokers	64,471	21,719	10,540
	<u>\$ 145,667</u>	<u>\$ 45,316</u>	<u>\$ 31,313</u>

(E) Premium income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 267	\$ 21,976
Yuanta Futures	41	2,341
Yuanta Securities Investment Trust	-	1,864
Yuanta Securities	398	29,276
Other related parties:		
Others (Note)	57,465	84,503
	<u>\$ 58,171</u>	<u>\$ 139,960</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 4,766	\$ 25,814
Yuanta Futures	52	2,346
Yuanta Securities Investment Trust	8	1,881
Yuanta Securities	474	29,353
Other related parties:		
Others (Note)	248,764	280,888
	<u>\$ 254,064</u>	<u>\$ 340,282</u>

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

(F) Commission expense

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 174,260	\$ 138,833
Yuanta International Insurance Brokers	194,175	96,963
	<u>\$ 368,435</u>	<u>\$ 235,796</u>

	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Fellow subsidiary:		
Yuanta Bank	\$ 678,898	\$ 539,203
Yuanta International Insurance Brokers	953,613	377,291
	<u>\$ 1,632,511</u>	<u>\$ 916,494</u>

(G) Information on investments entrusted to related parties

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

(H) Rental income

	<u>For the three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Parent company:		
Yuanta Financial Holdings	\$ 1,306	\$ -
Fellow subsidiary:		
Yuanta Securities	23,194	-
Yuanta Futures	8,838	-
Yuanta Bank	3,146	-
Yuanta Asset Management	1,018	-
Other related parties:		
Yuanta Construction Development	1,981	-
	<u>\$ 39,483</u>	<u>\$ -</u>
	<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Parent company:		
Yuanta Financial Holdings	\$ 3,883	\$ -
Fellow subsidiary:		
Yuanta Securities	71,875	-
Yuanta Futures	27,212	-
Yuanta Bank	9,928	-
Yuanta Asset Management	3,148	-
Other related parties:		
Yuanta Construction Development	6,088	-
	<u>\$ 122,134</u>	<u>\$ -</u>

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary:			
Yuanta Bank	\$ 950,962	\$ 419,723	\$ 686,571
Yuanta Securities (Hong Kong)	<u>5,112</u>	<u>5,254</u>	<u>13,381</u>
	<u>\$ 956,074</u>	<u>\$ 424,977</u>	<u>\$ 699,952</u>

a. For the three months and nine months ended September 30, 2021 and 2020, interest income from abovementioned bank accounts were \$754, \$543, \$1,890 and \$1,728, respectively.

b. As of September 30, 2021, December 31, 2020 and September 30, 2020, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD1,429, HKD1,429 and HKD3,560 respectively, the corresponding rate used to convert the amounts were 3.5783, 3.6775 and 3.7582, respectively.

(B) Current tax asset

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company:			
Yuanta Financial Holdings Consolidated income tax return receivable	<u>\$ 94,569</u>	<u>\$ 108,625</u>	<u>\$ 107,025</u>

H. Yuanta Asset Management

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>For the nine months ended September 30, 2021</u>		
	<u>Proceeds on disposal</u>		<u>Realised gain</u>

Other related parties:

Funds managed by Yuanta Securities Investment Trust	<u>\$ 207,855</u>	<u>\$ 7,855</u>
--	-------------------	-----------------

There have been no beneficiary related property transactions that occurred with related parties during the three months ended September 30, 2021 and 2020 and the nine months ended September 30, 2020.

8. Pledged assets

As of September 30, 2021, December 31, 2020 and September 30, 2020, the Yuanta Group's assets pledged as collateral are as follows:

Items	September 30, 2021	December 31, 2020	September 30, 2020	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 117,650	\$ 183,757	\$ 174,167	Operating guarantee deposits
Financial assets at fair value through profit or loss	140,165,882	162,244,880	166,747,362	Bonds under repurchase agreement, collateral for securities lending and OTC trading
	77,288,228	88,944,601	77,727,225	Merchant business
	51,527	52,117	52,056	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	3,941,329	3,916,503	3,490,076	Claim reserve from trust fund, collateral for securities lending business and guarantees on asset disposal
	1,216,100	1,216,100	1,216,100	Operating guarantee deposits
	62,255,912	64,401,555	65,643,773	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	2,407,229	2,407,519	2,407,617	Operating guarantee deposits
	50,134	50,987	51,269	Deposits for guarantees in the Central Bank
	184,097	195,929	196,245	Claim reserve from trust fund
	10,646,200	10,657,240	10,640,790	Overdraft guarantee for foreign currency settlement
	108,987	109,514	109,692	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	54,494	54,757	54,846	Deposit guarantees of bills merchants
	608,041	711,844	547,256	Collateral for provisional seizure
	5,231	5,257	5,265	VISA international card payment reserves
Restricted assets	2,163,898	1,475,801	1,889,080	Collateral for settlement limit, short-term loans, payable short-term bills and OTC derivative transactions
	969,838	1,462,345	1,418,103	Operating guarantee deposits-exchange, structured notes, interest rate swap account, repo trade and money lending refundable
	930	1,037	983	Overdraft guarantee
	21,994	21,838	318,905	Dividends payable arising from stock agency business
Other assets	239,344	259,147	223,711	Operating guarantee deposits
	2,001,082	2,044,765	1,864,591	Performance bond and rental deposits
	1,172,386	2,120	215,719	Underwriting share proceeds collected on behalf of customers
Property and equipment and investment property	3,001,632	3,167,446	3,110,042	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	661,605	553,358	473,834	Collateral for securities lending business

9. Significant contingent liabilities and unrecognized contract commitments

- (1) As of September 30, 2021, December 31, 2020 and September 30, 2020, capital expenditure contracted for at the balance sheet date but not yet incurred was \$3,384,163, \$3,229,972 and \$3,873,009, respectively.
- (2) As of September 30, 2021, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group were US \$7,695 thousand dollars and NT \$69,289 thousand dollars.
- (3) Stocks entrusted to custody
As of September 30, 2021, December 31, 2020 and September 30, 2020, 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 \$79,321, \$78,242 and \$77,717, 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) As of September 30, 2021, Yuanta Securities (Korea) had issued a financing commitment letter with the total commitment amount of up to KRW 22,000 million (about \$500 million) for the purpose of providing its customers with acquisition financing under its underwriting business. The impact related to the commitment letter is subject to actual developments of the case.
- (6) 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 (of which \$950,861 thousand was claimed on a joint liability or joint payment 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 case is currently under the judicial proceedings of the Taiwan Taipei District Court. Yuanta Securities has retained lawyers to handle the case.

The plaintiffs (Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital) claimed that (1) Yuanta Securities and the other party shall collaborate with the plaintiffs to apply to the Taipei City Government for the review of the urban development design plans and a change to the usage license, and obtain an approval for the change of the usage license; (2) Yuanta Securities and the other party shall jointly pay the plaintiffs \$3.3 million and interests due to the delayed application for the change of the usage license by Yuanta Securities and the other party; (3) Yuanta Securities shall pay \$1.65 million and interests for the failure to make a transfer registration of titles to certain lots of land pursuant to the agreement after the relevant land partition; (4) Yuanta Securities and the other party shall either apply to the Taipei City Government for the review of the urban development design plans and a change to the usage license to reset the rate of subsurface excavation to a rate of lower than 70% calculated based on the relevant land area and restore the basement of the building to the status in compliance with such rate adjustment, or jointly pay \$214,202 thousand and interests to the plaintiffs; (5) Yuanta Securities and the other party shall either decreased the floor area bonus attributable to the over excavation area of the building basement and obtain supporting documents evidencing the approval of the change of the usage license, or jointly pay \$623,859,840 dollars and interests to the plaintiffs; and (6) Yuanta Securities and the other party illegally reduced the area of the parking lots in contradiction with the urban development design plans, and thus shall pay \$109.5 million and interests to the plaintiffs. Considering the plaintiffs' claims, the lawyers retained by Yuanta Securities were of the opinion

that the plaintiffs' claims have no merits based on the relevant evidence, information provided by Yuanta Securities, the relevant court precedents with the following reasons: (1) the plaintiffs refused to cooperate with Yuanta Securities to apply for the certificate of division of statutory vacant space without providing a justifiable reason in the pleadings, resulting in Yuanta Securities being unable to make the relevant filings; (2) the competent authority has not had an opportunity to review the case, leading the precondition of 'having not obtained a permit from the authority' to the application for the change of the usage license has not been satisfied. Also, the plaintiffs had not specifically elaborated on and provided evidence proving its alleged damages; (3) the obligation of the land partition had not been due; (4) there had not been any agreement on the excavation area or excavation rate between Yuanta Securities and the plaintiffs; (5) the building license and the usage license were issued for the building at issue in accordance with the laws, proving that the building was constructed in compliance with the laws; (6) the Department of Urban Development of the Taipei City Government had reviewed the excavation area of such building's basement and confirmed that the excavation was implemented in compliance with the laws, evidencing that there is no illegal over excavation or breach of the contract; (7) both parties considered and addressed the floor area bonus in the terms of land and parking lots trading contract. Also, the regulation of the floor area bonus no longer applied to the location of the building; (8) in March 2004, the plaintiffs were the co-applicants for the design change, and the plaintiffs had accepted the handover of the specific parking lots and agreed that no change should be made thereto. The plaintiffs shall not be allowed to raise claims inconsistent with such facts. However, the outcome of the case has not yet been decided upon by the court.

- B. As of September 30, 2021, of the total 20 litigations against Yuanta Securities (Korea) and its subsidiaries, 2 litigations were related to the financial product sales disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 18 litigations were demanded compensation totaling KRW 34,268 million (approximately \$810 million). 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., "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 compensation amounting to KRW 166,600 million (approximately \$3.9 billion) to Anbang as well as related expenses plus accrued interests at the estimated amount of KRW 61,264 million as of September 30, 2021 (approximately \$1.4 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above description. Anbang had applied with the Seoul Central District Court for recognizing and enforcing the arbitration award with the claim amount of KRW 131,800 million (approximately \$3.1 billion). The Court is currently reviewing the case. Yuanta Securities (Korea) had recognized provision liabilities in the amount of approximately KRW 7,407 million (approximately \$170 million) based on its pro rata amount of consideration of the sale of Tong Yang Life Insurance' shares. However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions. As of September 30, 2021, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW 14,834 million (approximately \$350 million) for the abovementioned 18 litigations that were unrelated to the financial product sales disputes and 1 arbitration for which the award was issued. Separately, Yuanta Securities (Korea) filed 19 lawsuits as the plaintiff with a total claimed amount of KRW 106,637 million (approximately \$2.5 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 \$250 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. Both parties filed appeals against the judgment.
- D. As of September 30, 2021, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD 147,504 thousand (approximately \$530 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 \$280 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 \$480 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.

(7) Other lawsuits- Banks

- A. Ta Chong Bank had conducted foreign exchange derivatives transactions with Sino United International Co., Ltd. and its related party, Plosa International Co., Ltd. As Sino United International Co., Ltd. and Plosa International Co., Ltd. disputed the loss incurred for certain Target Redemption Forward (TRF) transactions when closing positions, they filed a complaint with the Taiwan Taipei District Court against Ta Chong Bank and alleged that Ta Chong Bank shall reimburse them for the loss arising from the transactions. (preferential claim of the two plaintiffs: USD 3,123 thousand and interests accrued therefrom; alternative claim of the two plaintiffs: USD 1,445 thousand and interests accrued therefrom). Yuanta Bank assumed the lawsuit after acquiring Ta Chong Bank. On January 26, 2018, the Taiwan Taipei District Court as the court of first instance ruled in favour of Yuanta Bank. Sino United International Co., Ltd. and Plosa United International Co., Ltd. disagreed with the ruling and filed an appeal with the Taiwan High Court. On March 12, 2019, the Taiwan High Court as the court of the second instance adjudicated in favour of Yuanta Bank. Sino United International Co., Ltd. and Plosa United International Co., Ltd., again, disagreed with the ruling and filed an appeal for the review of the third instance. However, the appeal of Plosa International Co., Ltd. was dismissed due to the non-payment of the court fees. The Supreme Court as the court of the third instance ruled in favour of Yuanta bank on June 24, 2021 for the appeal of Sino United International Co., Ltd. As a result, the case was concluded to be in favor of Yuanta Bank entirely.

B. Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW 28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW 19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of September 30, 2021, 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.

(8) 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. The Court ruled that the Labor Pension did not provide sufficient evidence to prove that it had suffered any damages 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 Court 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 filed an appeal pursuant to applicable laws, and the case is under review of the Court of the Second Instance.

(9) Other lawsuits- Yuanta Life Insurance

As of September 30, 2021, 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.

(10) Other lawsuits- Yuanta Venture Capital

Yuanta Venture Capital entered into an investment agreement with Alliance Developments Limited (“Alliance”), a company incorporated in the British Virgin Islands, on December 31, 2017, for subscribing the convertible bond (“CB”) issued by Alliance with the principal amount of USD 3 million. The interest rate of the CB is 7% per annum. Alliance issued the CB on March 1, 2018 and the maturity date of the CB was February 28, 2020. Alliance should pay the principal and interest of the CB in full on the maturity date. Certain major shareholders of Alliance (the “CB Guarantors”) agreed to be jointly and severally responsible for the performance of the investment agreement and the redemption of the CB by Alliance. Although all of the bondholders subsequently agreed to extend the maturity date of the CB to December 31, 2020, Alliance failed to redeem the CB on said maturity date. Yuanta Venture Capital has issued demand letter to Alliance and the CB Guarantors for repayment of their debts. However, both Alliance and the CB Guarantors did not make any repayment. Accordingly, Yuanta Venture Capital had filed a complaint with the Shanghai International Economic and Trade Arbitration Commission against Alliance and the CB Guarantors for repayment on October 9, 2021. Yuanta Venture Capital has allocated full investment amount to account receivables and recognized allowance for doubtful debt for full amount.

(11) Others

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Commitment of the securities under a repurchase agreement	\$ 198,761,228	\$ 220,352,840	\$ 229,076,298
Commitment of the securities under a resale agreement	55,192,637	58,459,272	55,512,552
Unused loan commitments	22,440,975	23,460,752	22,918,344
Credit commitment on credit card	120,011,622	119,349,211	120,560,808
Unused L/C balance	3,598,591	3,332,772	2,955,384
Other guarantees	12,858,405	13,042,579	13,845,758
Consignment collection for others	15,582,036	17,916,355	15,500,631
Trust assets	263,162,669	266,130,081	259,642,793
Items under custody	63,063,575	33,887,263	30,241,138

(12) 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 schedule of trust property are as follows: Not applicable.

(13) According to Ministry of Finance, Ruling No.1030026386, disclose the information as follows:

Offshore Securities Unit of Yuanta Securities engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on September 30, 2021, December 31, 2020 and September 30, 2020 were USD 13,148 thousand dollars, USD 12,323 thousand dollars and USD 9,828 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

None.

(2) Subsidiaries:

1. On September 30, 2021, the Board of Directors of Yuanta Bank passed the resolution to adjust the combination of credit assets, and conduct the transfer of credit assets. As of financial reporting date, the principal of transferred debt amounted to \$264,727 thousand. The debt was sold at book value after deduction of bad debt reserve and the settlement had been done on October 15, 2021.
2. On September 29, 2021, the Board of Directors of Yuanta Futures approved the issuance of unsecured subordinated common corporate bonds at the maximum amount of \$3 billion for the purpose of the Company's capital increase, enhancement of its adjusted net capital and strengthening of its capital structure. The unsecured subordinated common corporate bonds will be issued in lump sum or in several tranches depending on market conditions. On November 10, 2021, the issuance proposal sent to Taipei Exchange had been approved via Zheng-Gui-Zhai-Zi Order No.11000123502 and Yuanta Futures issued the unsecured subordinated common corporate bonds amounting to \$1.5 billion. On November 12, 2021, the unsecured subordinated common corporate bonds started OTC traded at business places of securities firms.

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:

	September 30, 2021				December 31, 2020			
	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	\$ 38,987,025	\$ 37,115,016	\$ -	\$ 1,872,009	\$ 33,740,767	\$ 31,048,635	\$ -	\$ 2,692,132
Liability instruments	375,780,496	76,885,818	298,327,146	567,532	372,759,224	88,718,027	283,450,792	590,405
Others	135,375,846	49,225,569	80,692,849	5,457,428	166,905,946	62,459,581	93,295,301	11,151,064
Financial assets at fair value through other comprehensive income (Note)								
Equity instruments	41,133,821	15,834,308	-	25,299,512	28,665,135	8,576,899	-	20,088,236
Liability instruments	292,726,382	115,774,639	176,820,518	131,225	250,942,168	94,013,795	156,725,621	202,752
Other financial assets								
Purchase of claim receivable	1,818,111	-	-	1,818,111	1,831,820	-	-	1,831,820
Liabilities								
Financial liabilities at fair value through profit or loss	\$ 125,469,138	\$ 65,967,771	\$ 20,498,632	\$ 39,002,735	\$ 144,029,171	\$ 73,969,554	\$ 18,734,672	\$ 51,324,945
<u>Derivative financial instruments</u>								
Assets								
Financial assets at fair value through profit or loss	\$ 12,072,158	\$ 4,471,559	\$ 5,617,028	\$ 1,983,571	\$ 13,186,702	\$ 3,712,219	\$ 7,348,133	\$ 2,126,350
Liabilities								
Financial liabilities at fair value through profit or loss	\$ 22,639,528	\$ 4,811,724	\$ 12,712,930	\$ 5,114,874	\$ 19,428,334	\$ 2,524,216	\$ 12,478,914	\$ 4,425,204

Recurring fair value measurements	September 30, 2020			
	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	\$ 22,090,326	\$ 19,971,512	\$ -	\$ 2,118,814
Liability instruments	369,432,794	107,926,889	261,143,528	362,377
Others	141,593,662	49,396,406	82,202,414	9,994,842
Financial assets at fair value through other comprehensive income (Note)				
Equity instruments	26,664,836	7,828,993	-	18,835,843
Liability instruments	234,874,430	83,465,060	151,171,195	238,175
Other financial assets				
Purchase of claim receivable	1,836,085	-	-	1,836,085
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 120,900,435	\$ 52,010,138	\$ 20,913,771	\$ 47,976,526
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 15,748,317	\$ 6,526,874	\$ 6,826,050	\$ 2,395,393
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 16,976,309	\$ 1,829,949	\$ 9,112,089	\$ 6,034,271

Note: As of September 30, 2021, December 31, 2020 and September 30, 2020, the statutory deposits of Yuanta Life of the Yuanta Group were all \$1,216,100.

- (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 September 30, 2021, December 31, 2020 and September 30, 2020, certain foreign debt held by the Yuanta Group, totaling USD 0 thousand, USD 15,437 thousand and USD 20,316 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stockbrokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of September 30, 2021, December 31, 2020 and September 30, 2020, certain foreign debt held by the Yuanta Group, totaling USD 22,316 thousand, USD 0 thousand and USD 10,738 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

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

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

For the nine months ended September 30, 2021								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 16,559,951	\$ 1,131,049	\$ 48,013	\$ 128,304,539	\$ 222	(\$ 134,809,271)	(\$ 1,353,963)	\$ 9,880,540
Financial assets at fair value through other comprehensive income	20,290,988	(537,290)	5,744,857	13,559	-	(81,377)	-	25,430,737
Other financial assets- purchase of claim receivable	<u>1,831,820</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,755)</u>	<u>-</u>	<u>1,818,111</u>
Total	<u>\$ 38,682,759</u>	<u>\$ 593,805</u>	<u>\$ 5,792,870</u>	<u>\$ 128,318,098</u>	<u>\$ 222</u>	<u>(\$ 134,904,403)</u>	<u>(\$ 1,353,963)</u>	<u>\$ 37,129,388</u>

For the nine months ended September 30, 2020								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 16,152,436	(\$ 2,236,745)	(\$ 19,049)	\$ 28,081,769	\$ -	(\$ 26,830,480)	(\$ 276,505)	\$ 14,871,426
Financial assets at fair value through other comprehensive income	18,682,631	140,170	1,130,590	94,827	-	(974,200)	-	19,074,018
Other financial assets- purchase of claim receivable	<u>1,849,460</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,566)</u>	<u>-</u>	<u>1,836,085</u>
Total	<u>\$ 36,684,527</u>	<u>(\$ 2,096,384)</u>	<u>\$ 1,111,541</u>	<u>\$ 28,176,596</u>	<u>\$ -</u>	<u>(\$ 27,818,246)</u>	<u>(\$ 276,505)</u>	<u>\$ 35,781,529</u>

In relation to the above, valuation gains and losses are recognized in gain and loss in the period. The net gains (losses) belonging to assets as of September 30, 2021 and 2020 were \$1,089,510 and (\$2,853,345), respectively.

In relation to the above, valuation gains and losses are recognized in other comprehensive income. The net gains belonging to assets as of September 30, 2021 and 2020 were \$5,780,369 and \$1,119,584, respectively.

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

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

For the nine months ended September 30, 2020								
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	\$ 68,309,057	\$ 2,448,017	(\$ 986)	\$ 63,781,001	\$ -	(\$ 80,526,292)	\$ -	\$ 54,010,797

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 September 30, 2021 and 2020 were \$1,132,683 and \$4,773,489, respectively.

In relation to the above, valuation gains and losses are recognized in other comprehensive income. The net gains belonging to liabilities as of September 30, 2021 and 2020 were \$829 and \$1,297, respectively.

Note: For the nine months ended September 30, 2021 and 2020, 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
September 30, 2021				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 293,250	(\$ 286,508)	\$ -	\$ -
Derivative instruments	30,325	(30,325)	-	-
Financial assets at fair value through other comprehensive income	-	-	453,725	(318,980)
Other financial assets- purchase of claim receivable	74,326	(74,326)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 70,261)	\$ 70,250	\$ -	\$ -
Derivative instruments	(79,221)	79,275	-	-
December 31, 2020				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 95,995	(\$ 92,866)	\$ -	\$ -
Derivative instruments	46,827	(46,827)	-	-
Financial assets at fair value through other comprehensive income	-	-	400,275	(278,574)
Other financial assets- purchase of claim receivable	88,945	(88,945)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 43,722)	\$ 43,722	\$ -	\$ -
Derivative instruments	122,107	(122,064)	-	-
September 30, 2020				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 124,543	(\$ 121,537)	\$ -	\$ -
Derivative instruments	26,612	(26,612)	-	-
Financial assets at fair value through other comprehensive income	-	-	371,267	(265,216)
Other financial assets- purchase of claim receivable	76,114	(76,114)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 106,029)	\$ 106,029	\$ -	\$ -
Derivative instruments	52,160	(52,160)	-	-

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

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

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

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

December 31, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,692,132	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability Discount rate Stock price volatility	<=40% 7.59%~15.95% 11.01%~39.46%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	2.49%~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	590,405	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Monte Carlo Simulation 4.Discounted cash flow	Stock price volatility Credit Spread Recovery rate Discount rate	13.19%~51.02% 5.58%~5.60% 20.00%~20.00% 0.002%~4.74%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,126,350	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility Correlation coefficient Default rate Recovery rate	2.57%~22.11% 0.22~0.96 0.03%~100% 55%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
Others	11,151,064	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility Correlation coefficient Default rate Recovery rate	<=10% 17.93%~22.11% 0.22~0.96 0.03%~100.00% 55%	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. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value

December 31, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Other financial assets					
Purchase of claim receivable	\$ 1,831,820	Recoverable amount	Contact rate	3.76%~43.20%	The higher the contact rate, the higher the fair value
			Payment rate	2.87%~39.00%	The higher the payment rate, the higher the fair value
			Discount rate	3.72%~39.93%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	20,088,236	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	202,752	Discounted cash flow	Discount rate	0.002%~4.74%	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)	4,425,204	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility Correlation coefficient Default rate Recovery rate	17.93%~37.61% 0.23~0.96 0.03%~100% 55%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
Others	51,324,945	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 Correlation coefficient Default rate Recovery rate	1.14%~92.20% 0.23~0.96 0.03%~100.00% 55%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
September 30, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,118,814	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability Discount rate Stock price volatility Credit Spread Recovery rate	<=40% 5.34%~15.80% 18.39%~54.34% 2.49%~5.60% 20%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value

September 30, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 362,377	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Monte Carlo Simulation 4.Discouted Cash Flow	Stock price volatility	9.06%~48.69%	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%~25.07%	The higher the credit spread, the lower the fair value
			Recovery rate	20%	The higher the recovery rate, the higher the fair value
			Discount rate	0.002%~4.740%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,395,393	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility	2.30%~22.41%	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	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Others	9,994,842	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	17.91%~22.41%	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	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,836,085	Recoverable amount	Contact rate	1.67%~45.20%	The higher the contact rate, the higher the fair value
			Payment rate	1.66%~41.00%	The higher the payment rate, the higher the fair value
			Discount rate	1.66%~39.40%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	18,835,843	1.Market method 2.Residual income valuation model 3.Discouted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	1%	The higher the growth rate, the higher the fair value
			Discount rate	11%	The higher the discount rate, the lower the fair value
Liability instruments	238,175	Discounted cash flow	Discount rate	0.002%~4.740%	The higher the discount rate, the lower the fair value

September 30, 2020	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options traded in futures market)	\$ 6,034,271	1.FDM 2.Option Model 3.Monte Carlo Simulation	Stock price volatility	17.91%~22.41%	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	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Others	47,976,526	1.IR Model 2.Option Model 3.Hybrid Model 4.FDM 5.Monte Carlo Simulation	Stock price volatility	1.38%~203.46%	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	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value

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

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

C. Financial instruments not measured at fair value

(A) Fair value information:

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

	September 30, 2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 294,242,614	\$ 316,443,287	\$ 2,971,774	\$ 313,447,655	\$ 23,858
<u>Financial liabilities</u>					
Bonds payable	87,790,535	94,125,884	-	94,125,884	-

	December 31, 2020				
	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)	\$ 284,026,580	\$ 317,826,274	\$ 3,133,569	\$ 314,662,895	\$ 29,810

	September 30, 2020				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial liabilities</u>					
Bonds payable	78,790,127	81,283,377	-	81,283,377	-

	September 30, 2020				
	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)	\$ 281,692,631	\$ 313,590,603	\$ 3,206,777	\$ 310,350,597	\$ 33,229
<u>Financial liabilities</u>					
Bonds payable	73,809,494	76,344,233	-	76,344,233	-

Note 1: Including the statutory deposits of all \$2,344,300 of Yuanta Life of the Yuanta Group as of September 30, 2021, December 31, 2020 and September 30, 2020.

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:

- 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.
- 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.
- 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.
- 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 10 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 9~10	Weak	twBB- ~ twC	BB- ~ C
Credit impaired	Level D	Credit impairment	Credit impairment	Credit impairment

(b) Expected credit losses calculation

Impairment assessment is based on the calculation of expected credit losses, taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, which is available without undue cost or effort, including forecastable information. The Yuanta Group determines at the balance sheet date whether there has been a significant increase in credit risk since initial recognition or whether credit impairment has occurred, and 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.

Since the pandemic in Taiwan has been serious since mid-May, the consolidated company has 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 has continued to monitor and manage the sectors affected by country risk and

industries (such as transportation, tourism, catering, entertainment, etc.). The review and analysis showed that the risk is still within tolerance. In addition, the government and the financial industry had already proposed countermeasures. If the pandemic is brought under control in the near future, it is not expected that the Yuanta Group's assets will be exposed to an increase in credit risk in 2021. 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(11) 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:

(BLANK)

Bills discounted and loans

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

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

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets measured at fair value through other comprehensive income” and “financial assets measured at amortized cost”) are \$196,631,385 and \$787,957,093, 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, 2020	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	\$ 511,839,631	\$ 506,109	\$ -	\$ -	\$ 512,345,740
Internal ratings – acceptable	228,821,703	4,191,776	-	-	233,013,479
Internal ratings – weak	53,972,718	691,276	-	-	54,663,994
Internal ratings – not rated	201,335	215	-	-	201,550
Internal ratings – credit impairment	-	216,164	7,212,234	-	7,428,398
The total carrying amount	794,835,387	5,605,540	7,212,234	-	807,653,161
Allowance for bad debt	(1,523,406)	(237,135)	(4,550,166)	-	(6,310,707)
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	-	-	-	(6,909,850)	(6,909,850)
Total (Note)	\$ 793,311,981	\$ 5,368,405	\$ 2,662,068	(\$ 6,909,850)	\$ 794,432,604

Note: Including interest receivable and temporary payments for others amounting to \$651,380. In addition, allowance for doubtful receivables was \$18,817.

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 \$176,568,072 and \$678,737,464, 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

September 30, 2020	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	\$ 500,229,977	\$ 393,803	\$ -	\$ -	\$ 500,623,780
Internal ratings — acceptable	233,129,476	5,012,762	-	-	238,142,238
Internal ratings — weak	53,776,537	831,404	-	-	54,607,941
Internal ratings — not rated	195,115	411	-	-	195,526
Internal ratings — credit impairment	-	219,565	6,526,585	-	6,746,150
The total carrying amount	787,331,105	6,457,945	6,526,585	-	800,315,635
Allowance for bad debt	(1,441,574)	(266,028)	(3,360,007)	-	(5,067,609)
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	-	-	-	(8,181,553)	(8,181,553)
Total (Note)	\$ 785,889,531	\$ 6,191,917	\$ 3,166,578	(\$ 8,181,553)	\$ 787,066,473

Note: Including interest receivable and temporary payments for others amounting to \$677,411. In addition, allowance for doubtful receivables was \$18,124.

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 \$154,319,313 and \$652,315,095, 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:

September 30, 2021	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 20,086	\$ -	\$ 20,086
Bills discounted and loans	679,717,052	-	679,717,052
Financial assets at fair value through profit or loss	99,969	509,040	609,009
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,709,296	-	5,709,296
Unused credit commitment	87,964	-	87,964
Guarantees (including for non-performing loans)	4,040,135	-	4,040,135
December 31, 2020	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 124,281	\$ -	\$ 124,281
Bills discounted and loans	611,445,986	-	611,445,986
Financial assets at fair value through profit or loss	327,988	666,445	994,433
<u>For off-balance sheet accounts</u>			
Unused loan commitments	7,744,531	-	7,744,531
Unused credit commitment	137,817	-	137,817
Guarantees (including for non-performing loans)	3,526,369	-	3,526,369
September 30, 2020	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 100,228	\$ -	\$ 100,228
Bills discounted and loans	601,544,350	-	601,544,350
Financial assets at fair value through profit or loss	243,631	320,511	564,142
<u>For off-balance sheet accounts</u>			
Unused loan commitments	6,977,969	-	6,977,969
Unused credit commitment	91,783	-	91,783
Guarantees (including for non-performing loans)	3,653,497	-	3,653,497

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

h. Credit risk concentration

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

The credit risks of the Yuanta Group concentrate on accounts on and off balance sheet that occurs through obligation fulfilling or implementation of transactions (either product or service), or through trans-type exposure portfolio, including cash and cash equivalents,

loans, placements and call loan from the banks, securities investment, receivables and derivatives. The Yuanta Group does not significantly carry out transactions with single client or single counterparty, and the credit risk concentration by industry and location are shown as follows:

(a) Industry:

Industry	September 30, 2021		December 31, 2020	
	Amount	%	Amount	%
Privately owned businesses	\$ 710,384,771	25.60	\$ 704,467,933	27.46
Natural person	707,403,524	25.48	638,832,274	24.90
Financial institutions	744,592,783	26.83	692,709,449	27.01
Governmental institutions	545,705,040	19.66	466,629,428	18.19
Government-owned businesses	64,821,779	2.34	59,664,323	2.33
Others	2,500,787	0.09	2,890,523	0.11
Total	<u>\$ 2,775,408,684</u>	<u>100.00</u>	<u>\$ 2,565,193,930</u>	<u>100.00</u>

Industry	September 30, 2020	
	Amount	%
Privately owned businesses	\$ 670,657,988	27.54
Natural person	573,483,722	23.55
Financial institutions	670,936,363	27.54
Governmental institutions	467,636,181	19.20
Government-owned businesses	49,854,201	2.05
Others	2,814,247	0.12
Total	<u>\$ 2,435,382,702</u>	<u>100.00</u>

(b) Geographic location:

Geography location	September 30, 2021	December 31, 2020	September 30, 2020
Taiwan	\$ 2,009,910,565	\$ 1,751,171,519	\$ 1,642,920,424
Asia	485,111,484	515,138,728	500,955,665
America	175,557,308	192,004,909	179,936,945
Europe	75,239,918	73,387,575	77,961,096
Oceania	29,326,322	33,235,807	33,288,668
Africa	263,087	255,392	319,904
Total	<u>\$ 2,775,408,684</u>	<u>\$ 2,565,193,930</u>	<u>\$ 2,435,382,702</u>

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

(a) Credit business

For the nine months ended September 30, 2021 and 2020, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

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

For the nine months ended September 30, 2020	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	\$ 1,383,758	\$ 190,274	\$ 4,948,755	\$ 6,522,787	\$ 7,489,394	\$ 14,012,181
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(33,639)	47,546	(13,907)	-	-	-
-Transferred to credit-impaired financial asset	(6,472)	(3,952)	10,424	-	-	-
-Transferred to 12-month expected credit losses	98,042	(22,226)	(75,816)	-	-	-
-Financial assets derecognised in the current period	(424,170)	(33,412)	(1,711,599)	(2,169,181)	-	(2,169,181)
Impairment allowance for purchased or originated financial assets	650,107	9,500	35,753	695,360	-	695,360
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	-	-	-	-	683,139	683,139
Write-off as bad debt	(435,502)	(19,749)	(1,193,973)	(1,649,224)	-	(1,649,224)
Change in exchange and others	175,035	97,946	1,385,782	1,658,763	-	1,658,763
Ending balances	<u>\$ 1,407,159</u>	<u>\$ 265,927</u>	<u>\$ 3,385,419</u>	<u>\$ 5,058,505</u>	<u>\$ 8,172,533</u>	<u>\$ 13,231,038</u>

For the nine months ended September 30, 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	(1,479,854)	1,504,445 (	24,591)	-
-Transferred to credit-impaired financial asset	(995,762) (	552,526)	1,548,288	-
-Transferred to 12-month expected credit losses	672,503 (	415,909) (	256,594)	-
-Financial assets derecognised in the current period	(224,758,140) (	2,103,666) (	1,939,863) (	228,801,669)
Impairment allowance for purchased or originated financial assets	319,254,749	53,102	63,578	319,371,429
Write-off as bad debt	(42,439) (	17,396) (	548,463) (	608,298)
Change in exchange and others	(37,005,813) (	442,901) (	130,654) (	37,579,368)
Ending balances	<u>\$ 849,857,897</u>	<u>\$ 3,623,501</u>	<u>\$ 5,902,477</u>	<u>\$ 859,383,875</u>

For the nine months ended September 30, 2020, 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	\$ 773,421,211	\$ 5,042,739	\$ 9,009,936	\$ 787,473,886
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(3,368,431)	3,395,166 (	26,735)	-
-Transferred to credit-impaired financial asset	(743,313) (	268,294)	1,011,607	-
-Transferred to 12-month expected credit losses	1,125,870 (	785,627) (	340,243)	-
-Financial assets derecognised in the current period	(230,161,450) (	983,144) (	2,828,256) (	233,972,850)
Impairment allowance for purchased or originated financial assets	288,680,446	465,137	72,691	289,218,274
Write-off as bad debt	(435,502) (	19,749) (	1,193,973) (	1,649,224)
Change in exchange and others	(41,841,447) (	395,987)	805,572	(41,431,862)
Ending balances	<u>\$ 786,677,384</u>	<u>\$ 6,450,241</u>	<u>\$ 6,510,599</u>	<u>\$ 799,638,224</u>

(b) Receivables and other financial assets

I. The Yuanta Group applies the simplified approach to estimate expected credit loss for certain accounts receivable(including trading securities receivable and settlement price). Expected credit loss rate is determined by assessing historical information and examining whether a significant changes in past events, current conditions and future economic conditions are incurred. As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of accounts receivable amounted to \$71,567,663, \$68,044,604 and \$31,526,620, respectively. For the nine months ended September 30, 2021 and 2020, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	For the nine months ended September 30,	
	2021	2020
January 1	(\$ 871)	(\$ 1,299)
Reversal of impairment loss	197	370
September 30	<u>(\$ 674)</u>	<u>(\$ 929)</u>

(BLANK)

II. For the nine months ended September 30, 2021 and 2020, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

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

For the nine months ended September 30, 2020	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	\$ 299,538	\$ 159,325	\$ 2,641,649	\$ 3,100,512	\$ 92,848	\$ 3,193,360
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(13,826)	28,402 (	14,576)	-	-	-
-Transferred to credit-impaired financial asset	(4,260)	(1,126)	5,386	-	-	-
-Transferred to 12-month expected credit losses	54,946 (	38,297)	(16,649)	-	-	-
-Financial assets derecognised in the current period	(10,050)	(461)	(2,979)	(13,490)	-	(13,490)
Impairment allowance for purchased or originated financial assets	8,449	3,700	11,670	23,819	-	23,819
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	-	-	-	-	(16,948)	(16,948)
Write-off as bad debt	(22,812)	(11,636)	(224,604)	(259,052)	-	(259,052)
Change in exchange and others	(51,124)	21,781	369,578	340,235	-	340,235
The ending balances	<u>\$ 260,861</u>	<u>\$ 161,688</u>	<u>\$ 2,769,475</u>	<u>\$ 3,192,024</u>	<u>\$ 75,900</u>	<u>\$ 3,267,924</u>

For the nine months ended September 30, 2021 and 2020, 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

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

For the nine months ended September 30, 2020	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	\$ 47,767	\$ 16,002	\$ 45,879	\$ 109,648	\$ 87,899	\$ 197,547
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(559)	598	(39)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(24)	25	-	-	-
-Transferred to 12-month expected credit losses	12,181	(11,841)	(340)	-	-	-
-Financial assets derecognised in the current period	(16,682)	(1,969)	(16,787)	(35,438)	-	(35,438)
Impairment allowance for purchased or originated financial assets	15,302	280	15,443	31,025	-	31,025
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	-	-	-	-	7,795	7,795
Change in exchange and others	(6,761)	10,380	941	4,560	-	4,560
The ending balances	<u>\$ 51,247</u>	<u>\$ 13,426</u>	<u>\$ 45,122</u>	<u>\$ 109,795</u>	<u>\$ 95,694</u>	<u>\$ 205,489</u>

I. For the nine months ended September 30, 2021 and 2020, there were no significant changes to guarantee reserve and loan commitment reserve.

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

(d) Bills and bonds investments

For the nine months ended September 30, 2021 and 2020, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$97,219 and \$101,586; the ending balances were \$82,973 and \$98,883, respectively. For the nine months ended September 30, 2021 and 2020, the beginning balances of the accumulative impairment of financial assets measured at amortized cost were \$145,737 and \$139,720; the ending balances were \$144,684 and \$145,689, 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 nine months ended September 30, 2021			
	September 30, 2021	VaR Average	VaR Minimum	VaR Maximum
Interest rate	157,245	151,715	115,904	213,911
Equity securities	467,434	499,501	350,481	1,639,063
Foreign exchange	225,605	238,202	202,399	281,167
Commodity	46,408	37,735	13,555	70,775
Less: diversification effects	(336,951)	(305,320)	-	-
Total VaR	559,741	621,833	494,300	1,802,244

Instrument type	For the nine months ended September 30, 2020			
	September 30, 2020	VaR Average	VaR Minimum	VaR Maximum
Interest rate	142,822	143,254	81,369	207,818
Equity securities	376,951	366,177	206,312	589,700
Foreign exchange	440,221	496,853	352,479	720,254
Commodity	26,012	23,059	2,703	241,741
Less: diversification effects	(272,102)	(305,537)	-	-
Total VaR	713,904	723,806	518,889	988,652

(b) Non-trading purpose

Sensitivity analysis on interest rate:

		September 30, 2021	December 31, 2020	September 30, 2020
Interest rate shift		Effect on other comprehensive income	Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds				
Yuanta Bank	Increase of 1 basis point	(\$ 44,609)	(\$ 39,181)	(\$ 37,372)
Yuanta Life	Increase of 1 basis point	(52,939)	(64,710)	(74,512)

d. As of September 30, 2021, December 31, 2020 and September 30, 2020, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	<u>September 30, 2021</u>		<u>December 31, 2020</u>		<u>September 30, 2020</u>	
	<u>USD position</u>	<u>Carrying amount (NTD)</u>	<u>USD position</u>	<u>Carrying amount (NTD)</u>	<u>USD position</u>	<u>Carrying amount (NTD)</u>
Foreign currency denominated financial assets						
Cash and cash equivalents	\$ 1,642,975	\$ 45,783,132	\$ 1,143,139	\$ 32,588,593	\$ 1,139,936	\$ 33,201,787
Financial assets at fair value through profit or loss	1,190,941	33,186,764	1,156,732	32,976,126	1,247,375	36,331,055
Financial assets at fair value through other comprehensive income	4,044,773	112,711,650	3,604,661	102,761,670	2,629,557	76,588,488
Financial assets at amortized cost	6,340,159	176,674,861	5,936,702	169,243,501	5,675,267	165,297,813
Bills discounted and loans	1,778,755	49,566,789	2,216,471	63,187,152	2,429,423	70,759,381
Foreign currency denominated financial liabilities						
Bills and bonds payable under repurchase agreements	1,005,411	28,016,783	1,181,705	33,688,055	622,640	18,135,024
Deposits and remittances	4,934,260	137,498,088	4,514,794	128,707,754	4,484,867	130,626,222
Other liabilities	1,234,168	34,391,328	873,037	24,888,539	964,116	28,080,851

Note: As of September 30, 2021, December 31, 2020 and September 30, 2020, USD to TWD exchange rates were 27.866, 28.508 and 29.126, respectively.

(BLANK)

e. As of September 30, 2021, December 31, 2020 and September 30, 2020, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	September 30, 2021		December 31, 2020		September 30, 2020	
	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	\$ 650,295,269	\$ 15,301,448	\$ 674,411,743	\$ 17,703,983	\$ 798,262,683	\$ 19,861,574
Financial assets at fair value through profit or loss	8,155,638,697	191,902,179	8,932,727,966	234,493,042	8,697,425,104	216,400,634
Financial assets at fair value through other comprehensive income	209,929,768	4,939,647	195,774,229	5,139,269	175,383,323	4,363,712
Accounts receivable	468,024,010	11,012,605	691,764,747	18,159,516	396,778,577	9,872,248
Other financial assets	403,682,448	9,498,648	556,346,160	14,604,643	630,523,950	15,688,066
Other current assets	122,423,501	2,880,625	126,875,789	3,330,616	150,724,816	3,750,184
Financial liabilities						
Short-term borrowings	1,728,129,883	40,662,896	1,783,056,955	46,807,028	1,735,094,457	43,170,885
Financial liabilities at fair value through profit or loss	1,632,582,579	38,414,668	1,751,608,479	45,981,474	1,703,162,477	42,376,386
Bonds sold under repurchase agreements	3,850,696,469	90,606,888	3,871,343,939	101,626,650	4,331,817,103	107,779,941
Guarantee deposit-in and margin deposits	106,148,361	2,497,671	102,015,844	2,678,018	78,565,249	1,954,782
Other financial liabilities	3,325,516,576	78,249,405	3,532,004,842	92,718,659	-	-
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted for under the equity method	104,716,619	2,463,982	89,172,093	2,340,857	844,064,408	21,001,167

Note: As of September 30, 2021, December 31, 2020 and September 30, 2020, the KRW to TWD exchange rate were 0.024, 0.026 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.

September 30, 2021

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

December 31, 2020

Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	\$ 61,982,603	\$ 15,234,266	\$ 280,329	\$ 77,497,198
Due from Central Bank and call loans to other banks	27,254,595	10,092,759	17,026,202	54,373,556
Financial assets at fair value through profit or loss	393,223,577	53,031,321	122,202,953	568,457,851
Financial assets at fair value through other comprehensive income	10,234,735	14,726,206	248,062,195	273,023,136
Investments in bills and bonds under resale agreements	58,336,318	-	-	58,336,318
Receivables	186,461,632	42,663,552	13,813,943	242,939,127
Bills discounted and loans	141,666,704	158,243,571	505,620,132	805,530,407
Reinsurance contract assets	474,044	625,413	-	1,099,457
Financial assets at amortised cost	114,612,311	30,349,573	285,337,543	430,299,427
Restricted assets	-	-	2,961,020	2,961,020
Other financial assets	75,247,715	21,998	4,023,123	79,292,836
Other assets	24,989,447	696,713	13,169,310	38,855,470
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	58,270,716	10,378,211	-	68,648,927
Cash outflow	(57,470,043)	(10,150,096)	-	(67,620,139)
Net settlement	948,663	2,216,526	1,761,726	4,926,915
Total	\$ 1,096,233,017	\$ 328,130,013	\$ 1,214,258,476	\$ 2,638,621,506
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 12,148,806	\$ 3,263,493	\$ -	\$ 15,412,299
Due to Central Bank and other banks	596,000	79,000	-	675,000
Financial liabilities at fair value through profit or loss	69,292,164	2,925,332	2,143,394	74,360,890
Bills and bonds payable under repurchase agreements	147,038,875	34,368,399	35,213,913	216,621,187
Commercial paper payable	19,497,099	7,920,390	-	27,417,489
Payables	171,798,838	21,651,552	53,329,810	246,780,200
Deposits and remittances	270,274,785	372,639,773	568,105,836	1,211,020,394
Bonds payable	3,535,198	13,690,505	58,410,734	75,636,437
Other borrowings	41,908,532	3,722,598	12,164,931	57,796,061
Other financial liabilities	79,583,504	875,539	8,254,541	88,713,584
Other liabilities	38,741,761	40,879	3,125,657	41,908,297
Lease liabilities	374,691	1,065,135	6,558,187	7,998,013
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(72,766,299)	(12,395,832)	-	(85,162,131)
Cash outflow	75,008,495	12,573,748	-	87,582,243
Net settlement	88,499	113,131	947,401	1,149,031
Total	\$ 857,120,948	\$ 462,533,642	\$ 748,254,404	\$ 2,067,908,994

September 30, 2020

Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	\$ 59,097,245	\$ 7,054,749	\$ 118,404	\$ 66,270,398
Due from Central Bank and call loans to other banks	28,781,655	9,181,707	15,980,614	53,943,976
Financial assets at fair value through profit or loss	377,754,335	43,675,833	107,467,060	528,897,228
Financial assets at fair value through other comprehensive income	9,377,391	14,452,639	231,902,760	255,732,790
Investments in bills and bonds under resale agreements	55,448,338	-	-	55,448,338
Receivables	130,914,180	41,088,361	11,887,435	183,889,976
Bills discounted and loans	135,550,745	146,215,933	516,465,969	798,232,647
Reinsurance contract assets	396,206	577,138	-	973,344
Financial assets at amortised cost	103,691,697	34,978,163	279,878,884	418,548,744
Restricted assets	-	-	3,627,071	3,627,071
Other financial assets	85,688,757	22,332	3,880,791	89,591,880
Other assets	16,318,446	577,630	12,774,536	29,670,612
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	30,893,525	11,595,558	-	42,489,083
Cash outflow	(30,460,807)	(11,390,381)	-	(41,851,188)
Net settlement	1,029,112	1,620,863	1,904,707	4,554,682
Total	\$ 1,004,480,825	\$ 299,650,525	\$ 1,185,888,231	\$ 2,490,019,581
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 7,236,067	\$ 4,633,660	\$ -	\$ 11,869,727
Due to Central Bank and other banks	11,000	664,000	-	675,000
Financial liabilities at fair value through profit or loss	50,950,090	-	1,415,789	52,365,879
Bills and bonds payable under repurchase agreements	159,816,604	33,536,951	31,738,369	225,091,924
Commercial paper payable	18,871,614	4,976,200	-	23,847,814
Payables	116,163,679	20,661,826	43,596,342	180,421,847
Deposits and remittances	272,337,342	347,598,475	534,975,108	1,154,910,925
Bonds payable	10,253	10,285,074	59,849,816	70,145,143
Other borrowings	43,137,405	3,762,595	10,838,772	57,738,772
Other financial liabilities	86,078,020	717,251	7,652,703	94,447,974
Other liabilities	34,879,710	23,312	2,349,083	37,252,105
Lease liabilities	330,857	914,496	6,426,541	7,671,894
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(29,195,123)	(12,111,555)	-	(41,306,678)
Cash outflow	30,486,560	12,339,679	-	42,826,239
Net settlement	357,921	306,922	2,190,547	2,855,390
Total	\$ 791,471,999	\$ 428,308,886	\$ 701,033,070	\$ 1,920,813,955

Maturity analysis for above deposits and remittances are amortised to each period based on historical experience. Given that all the deposits and remittances have to be paid in the shortest possible time, as of September 30, 2021, December 31, 2020 and September 30, 2020, expenses on period of 0-90 days will increase by \$708,311,220, \$597,259,138 and \$560,500,348, respectively.

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

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

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

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

	September 30, 2021			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 22,440,975	\$ -	\$ -	\$ 22,440,975
Unused credit commitment	3,598,591	-	-	3,598,591
Guarantees	12,858,405	-	-	12,858,405
Capital expenditure commitment	1,535,741	1,848,422	-	3,384,163
	December 31, 2020			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 23,460,752	\$ -	\$ -	\$ 23,460,752
Unused credit commitment	3,332,772	-	-	3,332,772
Guarantees	13,042,579	-	-	13,042,579
Capital expenditure commitment	1,730,586	1,499,386	-	3,229,972
	September 30, 2020			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 22,918,344	\$ -	\$ -	\$ 22,918,344
Unused credit commitment	2,955,384	-	-	2,955,384
Guarantees	13,845,758	-	-	13,845,758
Capital expenditure commitment	2,199,765	1,673,244	-	3,873,009

(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:

September 30, 2021		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 21,482,590	\$ 18,526,267
Bonds sold under repurchase agreements	198,078,759	194,900,321
December 31, 2020		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 18,662,717	\$ 16,468,096
Bonds sold under repurchase agreements	221,793,240	216,621,187

September 30, 2020

Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 18,892,929	\$ 17,409,334
Bonds sold under repurchase agreements	229,201,993	225,091,924

(E) Offsetting financial assets and financial liabilities

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

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

a. Financial assets

September 30, 2021

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

December 31, 2020

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	\$ 9,144,473	\$ -	\$ 9,144,473	\$ 4,523,498	\$ 3,528,033	\$ 1,092,942
Bonds purchased under resale agreements	58,336,318	-	58,336,318	53,394,111	3,633,266	1,308,941

September 30, 2020

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)			Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received		
Derivative instruments	\$ 9,069,083	\$ -	\$ 9,069,083	\$ 5,022,564	\$ 2,153,909		\$ 1,892,610
Bonds purchased under resale agreements	55,448,338	-	55,448,338	51,849,915	2,415,000		1,183,423

b. Financial liabilities

September 30, 2021

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

December 31, 2020

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	\$ 10,002,124	\$ -	\$ 10,002,124	\$ 6,896,975	\$ 1,508,225		\$ 1,596,924
Bonds sold under repurchase agreements	216,621,187	-	216,621,187	216,615,003	6,184		-

September 30, 2020

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements

Description	Gross amounts of		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)		
	recognised financial liabilities(a)	recognised financial assets set off in the balance sheet(b)		Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 11,281,263	\$ -	\$ 11,281,263	\$ 8,344,594	\$ 1,846,395	\$ 1,090,274
Bonds sold under repurchase agreements	225,091,924	-	225,091,924	225,070,079	21,845	-

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.

(F) 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 September 30, 2021, December 31, 2020 and September 30, 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Less than 1 year	(\$ 1,213,305)	(\$ 7,293,976)	(\$ 21,515,467)
1 ~5 years	17,491,741	13,171,251	13,610,980
6 ~15 years	91,042,982	90,306,283	90,649,402
More than 15 years	519,384,515	549,530,819	554,287,411
Total	<u>\$ 626,705,933</u>	<u>\$ 645,714,377</u>	<u>\$ 637,032,326</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.

With respect to the holder of policy dividend payable, as such liability has no fixed maturity date, it is excluded from the maturity analysis.

(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:

None.

(BLANK)

(11) Financial information by business segments

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

(Expressed In Thousands of New Taiwan Dollars)

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

Information by business segments for the nine months ended September 30, 2020 is as follows:

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 9,711,679	\$ 3,502,939	\$ 494,341	\$ 6,409,627	(\$ 213,152)	\$ 19,905,434
Net non-interest income	<u>6,719,213</u>	<u>28,726,591</u>	<u>1,607,222</u>	<u>23,292,411</u>	<u>3,015,865</u>	<u>63,361,302</u>
Net profit	16,430,892	32,229,530	2,101,563	29,702,038	2,802,713	83,266,736
Provision for bad debt expenses, commitment and guarantee policy reserve	(1,006,956)	(295,000)	(35,703)	6	(1)	(1,337,654)
Net change in provisions for insurance liabilities	-	-	-	(25,308,696)	-	(25,308,696)
Operating expenses	<u>(7,574,939)</u>	<u>(20,201,154)</u>	<u>(963,254)</u>	<u>(963,622)</u>	<u>(2,135,549)</u>	<u>(31,838,518)</u>
Net income from continuing operations before income tax	7,848,997	11,733,376	1,102,606	3,429,726	667,163	24,781,868
Income tax expense	<u>(994,308)</u>	<u>(2,095,576)</u>	<u>(208,579)</u>	<u>(5,302)</u>	<u>(658,872)</u>	<u>(3,962,637)</u>
Consolidated income, net of tax	<u>\$ 6,854,689</u>	<u>\$ 9,637,800</u>	<u>\$ 894,027</u>	<u>\$ 3,424,424</u>	<u>\$ 8,291</u>	<u>\$ 20,819,231</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
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Cash and cash equivalents	\$ 845,859	\$ 935,869	Commercial paper payable - net	\$ 2,194,214	\$ -
Financial assets at fair value through other comprehensive income	39,977	27,656	Payables	3,647,262	5,707,728
Investments in bill and bonds under resale agreements	-	953,460	Current income tax liabilities	5,682,178	3,667,947
Receivables - net	4,142,680	2,759,812	Bonds payable	25,900,000	24,900,000
Current income tax assets	255,211	196,336	Liabilities reserve	36,960	36,259
Equity investments accounted for under the equity method - net	294,020,738	275,953,482	Lease liability	67,805	77,816
Property and equipment - net	43,596	39,859	Other liabilities	4,596	3,360
Right-of-use assets - net	65,417	77,195	Total liabilities	<u>37,533,015</u>	<u>34,393,110</u>
Intangible assets - net	9,100	4,469	Equity		
Deferred income tax assets	50,340	47,243	Common stock	121,374,360	121,374,360
Other assets - net	14,645	12,354	Additional paid-in capital	37,885,949	37,842,681
			Retained earnings		
			Legal reserve	17,040,473	14,633,733
			Special reserve	6,549,234	6,549,234
			Undistributed earnings	71,918,245	56,442,082
			Other equity	7,186,287	9,772,535
			Total equity	<u>261,954,548</u>	<u>246,614,625</u>
Total assets	<u>\$ 299,487,563</u>	<u>\$ 281,007,735</u>	Total liabilities and equity	<u>\$ 299,487,563</u>	<u>\$ 281,007,735</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the nine months ended September 30,	
	2021	2020
Revenues		
Share of the profit or loss of associates and joint ventures accounted for using the equity method	\$ 29,817,445	\$ 20,988,667
Realised gain on financial assets at fair value through other comprehensive income	-	1,103
Other revenues	6,017	38,811
	<u>29,823,462</u>	<u>21,028,581</u>
Expenses and losses		
Operating expenses	(996,880)	(840,458)
Other expenses and losses	(211,612)	(256,135)
	<u>(1,208,492)</u>	<u>(1,096,593)</u>
Income from continuing operations before income tax	28,614,970	19,931,988
Income tax expense	(300,363)	(361,179)
Net income	<u>28,314,607</u>	<u>19,570,809</u>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	11,494	3,166
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	4,557,729	1,981,992
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	(9,700,948)	3,222
Other comprehensive (loss) income	<u>(5,131,725)</u>	<u>1,988,380</u>
Total comprehensive income	<u>\$ 23,182,882</u>	<u>\$ 21,559,189</u>
Earnings per share (in dollars)		
Basic and diluted earnings per share	<u>\$ 2.33</u>	<u>\$ 1.61</u>

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the nine months ended September 30, 2021 and 2020
(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 on reclassification under the overlay approach		
For the nine months ended September 30, 2020											
Balance, January 1, 2020	\$ 116,706,115	\$ 37,402,480	\$ 12,589,183	\$ 6,549,234	\$ 50,565,092	(\$ 3,528,386)	\$ 11,907,186	(\$ 36,730)	\$ 46,959	\$ 232,201,133	
Appropriation of 2019 earnings											
Legal reserve	-	-	2,044,550	-	(2,044,550)	-	-	-	-	-	
Cash dividend	-	-	-	-	(7,585,898)	-	-	-	-	(7,585,898)	
Stock dividend	4,668,245	-	-	-	(4,668,245)	-	-	-	-	-	
Net income for the period	-	-	-	-	19,570,809	-	-	-	-	19,570,809	
Other comprehensive income (loss) for the period	-	-	-	-	(2,348)	(2,005,620)	3,989,369	(1,919)	8,898	1,988,380	
Total comprehensive income (loss) for the period	-	-	-	-	19,568,461	(2,005,620)	3,989,369	(1,919)	8,898	21,559,189	
Changes in equity of associates and joint ventures accounted for using equity method	-	440,201	-	-	-	-	-	-	-	440,201	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	607,222	-	(607,222)	-	-	-	
Balance, September 30, 2020	<u>\$ 121,374,360</u>	<u>\$ 37,842,681</u>	<u>\$ 14,633,733</u>	<u>\$ 6,549,234</u>	<u>\$ 56,442,082</u>	<u>(\$ 5,534,006)</u>	<u>\$ 15,289,333</u>	<u>(\$ 38,649)</u>	<u>\$ 55,857</u>	<u>\$ 246,614,625</u>	
For the nine months ended September 30, 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	
Appropriation of 2020 earnings											
Legal reserve	-	-	2,406,740	-	(2,406,740)	-	-	-	-	-	
Cash dividend	-	-	-	-	(14,564,923)	-	-	-	-	(14,564,923)	
Net income for the period	-	-	-	-	28,314,607	-	-	-	-	28,314,607	
Other comprehensive income (loss) for the period	-	-	-	-	(136)	(3,629,789)	555,902	(185)	(2,057,517)	(5,131,725)	
Total comprehensive income (loss) for the period	-	-	-	-	28,314,471	(3,629,789)	555,902	(185)	(2,057,517)	23,182,882	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	241,647	-	(241,647)	-	-	-	
Balance, September 30, 2021	<u>\$ 121,374,360</u>	<u>\$ 37,885,949</u>	<u>\$ 17,040,473</u>	<u>\$ 6,549,234</u>	<u>\$ 71,918,245</u>	<u>(\$ 8,096,925)</u>	<u>\$ 17,040,403</u>	<u>(\$ 45,323)</u>	<u>(\$ 1,711,868)</u>	<u>\$ 261,954,548</u>	

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the nine months ended September 30, 2021 and 2020
(Expressed In Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2021	2020
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 28,614,970	\$ 19,931,988
Adjustment items		
Income and expense item		
Depreciation	42,063	36,297
Amortization	1,614	1,449
Interest expense	192,271	189,296
Interest income	(4,989)	(37,558)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(29,817,445)	(20,988,667)
Gain on lease modification	(492)	-
Gain from disposal or retirement of property and equipment	(10)	-
Changes in operating assets and liabilities		
Decrease (increase) in receivables	16,136	(205,370)
Increase in other assets	(2,748)	(5,934)
Increase in payables	47,891	235,734
Increase in liabilities reserve	57	143
Increase in other liabilities	426	1,346
Interest received	5,126	38,908
Dividend received	14,478,284	13,485,784
Interest paid	(244,074)	(250,245)
Income tax paid	(1,834,900)	(509,107)
Net cash flows generated from operating activities	<u>11,494,180</u>	<u>11,924,064</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of investments accounted for using equity method	-	(14,536,430)
Acquisition of property and equipment	(18,190)	(24,811)
Proceeds from disposal of property and equipment	1,100	-
Acquisition of intangible assets	(4,558)	(1,020)
Acquisition of right-of-use assets	(14)	-
Net cash flows used in investing activities	<u>(21,662)</u>	<u>(14,562,261)</u>
<u>Cash Flows From Financing Activities</u>		
Increase in commercial paper payable	1,195,000	-
Proceeds from issuance of bonds	5,000,000	-
Repayments of bonds	(4,000,000)	-
Cash dividends paid	(14,564,923)	(7,585,898)
Principal payment for lease liabilities	(31,175)	(26,577)
Net cash flows used in financing activities	<u>(12,401,098)</u>	<u>(7,612,475)</u>
Net decrease in cash and cash equivalents	(928,580)	(10,250,672)
Cash and cash equivalents at beginning of period	1,774,439	12,140,001
Cash and cash equivalents at end of period	<u>\$ 845,859</u>	<u>\$ 1,889,329</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 845,859	\$ 935,869
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	-	953,460
Cash and cash equivalents at end of reporting period	<u>\$ 845,859</u>	<u>\$ 1,889,329</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	(Reclassified)	LIABILITIES AND EQUITY	September 30, 2021	(Reclassified)
		September 30, 2020			September 30, 2020
Cash and cash equivalents	\$ 10,197,181	\$ 14,241,230	Deposits from Central Bank and other banks	\$ 29,113,607	\$ 11,869,726
Due from Central Bank and call loans to other banks	64,860,820	51,681,909	Due to Central Bank and other banks	806,310	675,000
Financial assets at fair value through profit or loss	189,507,419	168,208,511	Financial liabilities at fair value through profit or loss	1,705,497	2,763,311
Financial assets at fair value through other comprehensive income	204,849,495	135,265,302	Payables	6,673,296	11,001,788
Investments in debt instruments at amortised cost	269,249,388	208,832,633	Current income tax liabilities	1,159,525	539,095
Investments in bills and bonds under resale agreements	3,004,629	3,565,528	Deposits and remittances	1,419,819,322	1,202,715,455
Receivables- net	16,998,547	16,639,503	Bank debentures payable	29,000,000	34,500,000
Current income tax assets	136,912	1,659,955	Other financial liabilities	2,605,362	3,657,030
Assets held for sale- net	141,607	73,864	Liabilities reserve	1,144,368	1,256,320
Bills discounted and loans- net	818,513,830	752,645,405	Lease reserve	2,397,654	2,392,724
Equity investments accounted for under the equity method- net	4,082,080	4,615,332	Deferred income tax liabilities	464,283	626,907
Other financial assets- net	2,675	47,238	Other liabilities	1,536,207	1,488,278
Property and equipment- net	13,654,914	13,485,308	Total liabilities	1,496,425,431	1,273,485,634
Right-of-use assets- net	10,207,428	10,331,230	Common stock	73,940,390	73,940,390
Investment property- net	820,133	888,274	Additional paid-in capital	25,960,441	25,960,441
Intangible assets- net	9,341,532	10,422,335	Retained earnings	22,563,404	20,947,524
Deferred income tax assets	1,023,957	922,089	Other equity	213,515	2,817,460
Other assets - net	2,510,634	3,625,803	Total equity	122,677,750	123,665,815
Total assets	\$ 1,619,103,181	\$ 1,397,151,449	Total liabilities and equity	\$ 1,619,103,181	\$ 1,397,151,449

Yuanta Commercial Bank
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Interest income	\$ 12,636,474	78	\$ 14,048,326	85
Less: Interest expense	(3,247,126)	(20)	(4,888,511)	(29)
Net interest income	9,389,348	58	9,159,815	56
Net non-interest income	6,896,744	42	7,310,398	44
Net profit	16,286,092	100	16,470,213	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(206,958)	(1)	(970,038)	(6)
Operating expenses	(8,223,002)	(51)	(7,517,521)	(45)
Income from continuing operations before income tax	7,856,132	48	7,982,654	49
Income tax expense	(921,051)	(6)	(977,288)	(6)
Net income	6,935,081	42	7,005,366	43
Other comprehensive (loss) income (net of tax)	(3,125,850)	(19)	1,546,804	9
Total comprehensive income	<u>\$ 3,809,231</u>	<u>23</u>	<u>\$ 8,552,170</u>	<u>52</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.94</u>		<u>\$ 0.95</u>	

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 407,197,828	\$ 331,050,311	Current liabilities	\$ 337,270,338	\$ 285,423,543
Financial assets at fair value			Bonds payable	23,500,000	8,500,000
through profit or loss-non-current	51,527	52,056	Liabilities reserve- non-current	63,368	62,469
Financial assets at fair value through			Lease liabilities- non-current	599,118	234,374
other comprehensive income			Deferred income tax liabilities	2,027,858	2,146,140
-non-current	10,123,553	6,655,892	Other non-current liabilities	2,262,866	1,926,360
Equity investments accounted for			Total liabilities	<u>365,723,548</u>	<u>298,292,886</u>
under the equity method	48,863,393	44,373,421			
Property and equipment	5,011,451	4,465,144	Common stock	59,820,321	57,820,321
Right-of-use assets	849,421	411,285	Additional paid-in capital	980,441	980,443
Investment property	2,183,337	2,795,629	Retained earnings	54,188,948	40,917,270
Intangible assets	11,576,466	11,578,107	Other equity	8,290,859	6,055,781
Deferred income tax assets	716,255	541,427	Total equity	<u>123,280,569</u>	<u>105,773,815</u>
Other non-current assets	2,430,886	2,143,429	Total liabilities and equity	<u>\$ 489,004,117</u>	<u>\$ 404,066,701</u>
Total assets	<u>\$ 489,004,117</u>	<u>\$ 404,066,701</u>			

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Revenues	\$ 35,536,112	100	\$ 22,078,298	100
Service fee expense	(1,489,977)	(5)	(785,914)	(4)
Employee benefit expense	(10,097,742)	(28)	(6,700,666)	(30)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	4,540,495	13	1,732,402	8
Operating expenses	(7,285,735)	(20)	(5,237,571)	(24)
Income from continuing operations before income tax	21,203,153	60	11,086,549	50
Income tax expense	(2,592,136)	(7)	(1,419,182)	(6)
Net income	18,611,017	53	9,667,367	44
Other comprehensive income (net of tax)	834,199	2	407,447	2
Total comprehensive income	<u>\$ 19,445,216</u>	<u>55</u>	<u>\$ 10,074,814</u>	<u>46</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>3.11</u>	<u>\$</u>	<u>1.62</u>

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 42,092,439	\$ 40,920,301	Current liabilities	\$ 141,781,398	\$ 142,102,806
Financial assets at fair value			Bonds payable	135,209,861	148,117,485
through profit or loss-non-current	201,607,653	224,565,174	Liabilities reserve- non-current	754,499	442,046
Financial assets at fair value through			Lease liabilities- non-current	1,685,424	2,060,864
other comprehensive income			Other non-current liabilities	<u>22,403,501</u>	<u>22,026,472</u>
-non-current	4,956,401	4,383,025	Total liabilities	<u>301,834,683</u>	<u>314,749,673</u>
Equity investments accounted for					
under the equity method	2,406,732	2,563,767			
Property and equipment	1,207,342	1,440,960	Common stock	25,001,659	26,437,156
Right-of-use assets	1,581,115	1,965,395	Additional paid-in capital	(1,326,035)	(1,402,171)
Investment property	1,803,550	2,082,381	Retained earnings	9,705,335	5,324,458
Intangible assets	778,486	803,439	Other equity	<u>2,665,108</u>	<u>2,175,517</u>
Deferred income tax assets	837,193	1,856,250	Total equity	<u>36,046,067</u>	<u>32,534,960</u>
Other non-current assets	<u>80,609,839</u>	<u>66,703,941</u>	Total liabilities and equity	<u>\$ 337,880,750</u>	<u>\$ 347,284,633</u>
Total assets	<u>\$ 337,880,750</u>	<u>\$ 347,284,633</u>			

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

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Revenues	\$ 44,427,111	100	\$ 52,451,257	100
Service fee expense	(375,390)	(1)	(414,232)	(1)
Employee benefit expense	(6,339,376)	(14)	(4,531,611)	(9)
Operating expenses	(31,507,577)	(71)	(45,742,679)	(87)
Income from continuing operations before income tax	6,204,768	14	1,762,735	3
Income tax expense	(1,506,098)	(3)	(431,811)	(1)
Net income	4,698,670	11	1,330,924	2
Other comprehensive income (net of tax)	309,208	1	579,267	1
Total comprehensive income	<u>\$ 5,007,878</u>	<u>12</u>	<u>\$ 1,910,191</u>	<u>4</u>

Earnings per share (in dollars)

Basic and diluted earnings per share	<u>\$ 22.87</u>	<u>\$ 6.48</u>
--------------------------------------	-----------------	----------------

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

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 94,826,970	\$ 95,506,714	Current liabilities	\$ 87,287,971	\$ 89,965,008
Financial assets at fair value through other comprehensive income			Non-current liabilities	210,629	71,398
-non-current	1,865,685	1,593,786	Total liabilities	87,498,600	90,036,406
Equity investments accounted for under the equity method	1,157,953	1,228,116			
Property and equipment	589,170	588,828	Common stock	2,899,763	2,499,763
Right-of-use assets	154,386	14,133	Additional paid-in capital	3,070,484	1,624,543
Intangible assets	40,694	41,513	Retained earnings	4,631,074	4,387,280
Deferred income tax assets	34,120	35,062	Other equity	1,437,224	1,257,741
Other non-current assets	868,167	797,581	Total equity	12,038,545	9,769,327
Total assets	<u>\$ 99,537,145</u>	<u>\$ 99,805,733</u>	Total liabilities and equity	<u>\$ 99,537,145</u>	<u>\$ 99,805,733</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Revenues	\$ 2,959,904	100	\$ 2,883,079	100
Service fee expense	(608,513)	(20)	(576,159)	(20)
Employee benefit expense	(517,409)	(18)	(513,282)	(18)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(22,575)	(1)	(21,023)	(1)
Operating expenses	(925,991)	(31)	(696,989)	(24)
Income from continuing operations before income tax	885,416	30	1,075,626	37
Income tax expense	(152,653)	(5)	(208,579)	(7)
Net income	732,763	25	867,047	30
Other comprehensive income (loss) (net of tax)	259,154	9	(14,500)	-
Total comprehensive income	<u>\$ 991,917</u>	<u>34</u>	<u>\$ 852,547</u>	<u>30</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>2.53</u>	<u>\$</u>	<u>3.55</u>

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Cash and cash equivalents	\$ 20,021,735	\$ 5,199,693	Payables	\$ 1,492,762	\$ 2,919,531
Receivables	2,439,974	4,452,753	Current tax liabilities	653,816	383,708
Current income tax assets	2,156,071	2,928,717	Financial liabilities at fair value		
Financial assets at fair value			through profit or loss	1,001,113	578,523
through profit or loss	48,968,972	43,340,793	Insurance liabilities	318,078,451	287,242,411
Financial assets at fair value through			Reserve for insurance contract with		
other comprehensive income	35,456,034	37,123,517	the nature of financial products	57,987	-
Financial assets at amortized cost	217,511,576	205,250,354	Foreign exchange reserve	332,797	365,160
Other financial assets	1,000,000	3,000,000	Liabilities reserve	86,444	87,595
Right-of-use assets	316,404	82,690	Lease liabilities	1,123,419	894,746
Investment property	12,296,746	11,762,466	Deferred income tax liabilities	524,515	746,864
Loans	7,293,356	6,968,559	Other liabilities	3,296,490	3,466,540
Reinsurance contract assets	1,050,167	973,344	Investment-linked insurance		
Property and equipment	36,523	59,927	products liabilities	31,496,256	1,763,616
Intangible assets	76,395	86,735	Total liabilities	<u>358,144,050</u>	<u>298,448,694</u>
Deferred income tax assets	2,588,573	1,475,237	Common stock	23,735,695	23,735,695
Other assets	3,945,623	3,696,209	Retained earnings	5,437,483	4,260,989
Investment-linked insurance			Other equity	(662,823)	1,719,232
products assets	31,496,256	1,763,616	Total equity	<u>28,510,355</u>	<u>29,715,916</u>
Total assets	<u>\$ 386,654,405</u>	<u>\$ 328,164,610</u>	Total liabilities and equity	<u>\$ 386,654,405</u>	<u>\$ 328,164,610</u>

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Operating revenues	\$ 40,448,415	100	\$ 40,850,314	100
Operating costs	(37,601,701)	(93)	(37,337,544)	(91)
Operating expenses	(1,104,950)	(2)	(1,064,471)	(3)
Net operating income	1,741,764	5	2,448,299	6
Non-operating revenues and expenses	(2,460)	-	(4,313)	-
Income from continuing operations before income tax	1,739,304	5	2,443,986	6
Income tax benefit (expense)	56,781	-	(5,303)	-
Net income	1,796,085	5	2,438,683	6
Other comprehensive (loss) income (net of tax)	(3,073,750)	(8)	60,430	-
Total comprehensive (loss) income	(\$ 1,277,665)	(3)	\$ 2,499,113	6
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	0.76	\$	1.25

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 4,222,338	\$ 3,914,990	Current liabilities	\$ 555,242	\$ 479,805
Financial assets at fair value through other comprehensive income	318,510	166,427	Deferred income tax liabilities	160,766	160,712
Equity investments accounted for under the equity method	332,340	324,388	Lease liability- non-current	38,757	50,317
Property and equipment	326,187	287,247	Other non-current liabilities	35,401	41,343
Intangible assets	768,551	768,551	Total liabilities	790,166	732,177
Prepaid pension cost	39,238	37,531	Common stock	2,269,235	2,269,235
Deferred income tax assets	713	625	Additional paid-in capital	296,729	296,729
Right-of-use assets	50,986	67,105	Retained earnings	2,761,196	2,327,441
Other non-current assets	152,360	141,834	Other equity	93,897	83,116
Total assets	<u>\$ 6,211,223</u>	<u>\$ 5,708,698</u>	Total equity	5,421,057	4,976,521
			Total liabilities and equity	<u>\$ 6,211,223</u>	<u>\$ 5,708,698</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Operating revenues	\$ 2,784,944	100	\$ 2,640,027	100
Operating expenses	(1,097,147)	(39)	(1,138,518)	(43)
Operating profits	1,687,797	61	1,501,509	57
Non-operating revenues and expenses	110,914	4	20,507	1
Income from continuing operations				
before income tax	1,798,711	65	1,522,016	58
Income tax expense	(339,355)	(12)	(303,601)	(12)
Net income	1,459,356	53	1,218,415	46
Other comprehensive income (loss) (net of tax)	38,366	1	(13,861)	-
Total comprehensive income	<u>\$ 1,497,722</u>	<u>54</u>	<u>\$ 1,204,554</u>	<u>46</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>6.43</u>	<u>\$</u>	<u>5.37</u>

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>LIABILITIES AND EQUITY</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Current assets	\$ 2,560,033	\$ 2,434,482	Current liabilities	\$ 68,671	\$ 49,433
Financial assets at fair value through other comprehensive income	39,989	36,893	Non-current liabilities	<u>21,470</u>	<u>7,335</u>
Property and equipment	8,394	3,275	Total liabilities	<u>90,141</u>	<u>56,768</u>
Right-of-use assets	16,262	1,965	Common stock	3,220,649	3,111,630
Investment property	1,314,081	1,289,353	Additional paid-in capital	1,047	1,047
Intangible assets	-	20	Retained earnings	608,610	581,575
Deferred income tax assets	2,871	2,751	Other equity	<u>21,959</u>	<u>18,864</u>
Other non-current assets	<u>776</u>	<u>1,145</u>	Total equity	<u>3,852,265</u>	<u>3,713,116</u>
Total assets	<u>\$ 3,942,406</u>	<u>\$ 3,769,884</u>	Total liabilities and equity	<u>\$ 3,942,406</u>	<u>\$ 3,769,884</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Operating revenues	\$ 279,653	100	\$ 246,101	100
Operating expenses	(155,567)	(56)	(132,041)	(54)
Operating profits	124,086	44	114,060	46
Non-operating revenues and expenses	9,682	4	2,083	1
Income from continuing operations before income tax	133,768	48	116,143	47
Income tax expense	(23,253)	(8)	(20,551)	(8)
Net income	110,515	40	95,592	39
Other comprehensive income (net of tax)	2,854	1	1,077	-
Total comprehensive income	<u>\$ 113,369</u>	<u>41</u>	<u>\$ 96,669</u>	<u>39</u>

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 2,412,484	\$ 1,787,175	Current liabilities	\$ 113,754	\$ 64,798
Financial assets at fair value through other comprehensive income	105,034	120,564	Lease liability- non-current	318	4,110
Equity investments accounted for under the equity method	1,122,870	849,353	Other non-current liabilities	3,600	2,850
Property and equipment	2,862	3,547	Total liabilities	<u>117,672</u>	<u>71,758</u>
Right-of-use assets	4,085	7,855	Common stock	2,715,221	2,460,000
Deferred income tax assets	17,573	10,424	Additional paid-in capital	918	918
Other non-current assets	635	635	Retained earnings	803,138	240,941
			Other equity	28,594	5,936
			Total equity	<u>3,547,871</u>	<u>2,707,795</u>
Total assets	<u>\$ 3,665,543</u>	<u>\$ 2,779,553</u>	Total liabilities and equity	<u>\$ 3,665,543</u>	<u>\$ 2,779,553</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Operating revenues	\$ 904,016	100	\$ 212,067	100
Operating expenses	(166,312)	(19)	(50,904)	(24)
Operating profits	737,704	81	161,163	76
Non-operating revenues and expenses	(2,694)	-	417	-
Income from continuing operations before income tax	735,010	81	161,580	76
Income tax (expense) benefit	(9,366)	(1)	32,431	15
Net income	725,644	80	194,011	91
Other comprehensive income (loss) (net of tax)	18,925	2	(8,951)	(4)
Total comprehensive income	<u>\$ 744,569</u>	<u>82</u>	<u>\$ 185,060</u>	<u>87</u>

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
September 30, 2021 and 2020

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021	September 30, 2020	LIABILITIES AND EQUITY	September 30, 2021	September 30, 2020
Current assets	\$ 209,101	\$ 214,962	Current liabilities	\$ 96,639	\$ 91,648
Property and equipment	17,175	1,587	Non-current liabilities	33,323	38,627
Right-of-use assets	27,041	36,912	Total liabilities	<u>129,962</u>	<u>130,275</u>
Intangible assets	1,092	-	Common stock	100,000	100,000
Deferred income tax assets	5,489	6,534	Additional paid-in capital	6,017	6,017
Other non-current assets	8,624	7,862	Retained earnings	<u>32,543</u>	<u>31,565</u>
			Total equity	<u>138,560</u>	<u>137,582</u>
Total assets	<u>\$ 268,522</u>	<u>\$ 267,857</u>	Total liabilities and equity	<u>\$ 268,522</u>	<u>\$ 267,857</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2021		2020	
	Amount	%	Amount	%
Operating revenues	\$ 176,900	100	\$ 152,513	100
Operating costs	(845)	-	(900)	(1)
Operating expenses	(173,609)	(99)	(150,168)	(98)
Operating income	2,446	1	1,445	1
Non-operating revenues and expenses	735	1	1,434	1
Income from continuing operations before income tax	3,181	2	2,879	2
Income tax expense	(593)	(1)	(576)	-
Net income	2,588	1	2,303	2
Total comprehensive income	<u>\$ 2,588</u>	<u>1</u>	<u>\$ 2,303</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 nine months ended September 30,	
		2021	2020
Return on total assets	Before tax	9.72	7.27
	After tax	9.62	7.14
Return on equity	Before tax	11.11	8.33
	After tax	10.99	8.17
Net profit margin ratio		95.62	94.22

(B) Yuanta Financial Holdings and its subsidiaries

		For the nine months ended September 30,	
		2021	2020
Return on total assets	Before tax	1.30	0.99
	After tax	1.08	0.83
Return on equity	Before tax	13.44	9.63
	After tax	11.13	8.09
Net profit margin ratio		32.15	25.00

(C) Yuanta Bank

		For the nine months ended September 30,	
		2021	2020
Return on total assets	Before tax	0.51	0.58
	After tax	0.45	0.51
Return on equity	Before tax	6.37	6.50
	After tax	5.62	5.71
Net profit margin ratio		42.58	42.53

(D) Yuanta Securities

		For the nine months ended September 30,	
		2021	2020
Return on total assets	Before tax	4.49	2.88
	After tax	3.94	2.51
Return on equity	Before tax	18.06	10.75
	After tax	15.85	9.37
Net profit margin ratio		48.23	41.99

(E) Yuanta Life

		For the nine months ended September 30,	
		2021	2020
Return on total assets	Before tax	0.48	0.80
	After tax	0.49	0.80
Return on equity	Before tax	5.97	11.39
	After tax	6.16	11.36
Net profit margin ratio		63.15	69.51

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

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

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

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

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

B. Information of Yuanta Bank is as follows:

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

Unit: In thousands of NT Dollars

Month / Year		September 30, 2021					September 30, 2020					
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	442,678	242,475,856	0.18%	3,283,806	741.80%	146,871	212,560,946	0.07%	2,801,230	1,907.27%	
	Unsecured loans	543,322	165,421,833	0.33%	3,228,317	594.18%	666,857	178,604,852	0.37%	4,045,964	606.72%	
Consumer banking	Residential mortgage loans	173,805	243,294,230	0.07%	3,655,778	2,103.38%	177,960	208,981,324	0.09%	3,146,521	1,768.11%	
	Cash card services	3	35,985	0.01%	674	22,466.67%	24	54,703	0.04%	964	4,016.67%	
	Small amount of credit loans	9,005	11,921,135	0.08%	131,434	1,459.57%	7,888	10,838,975	0.07%	133,706	1,695.06%	
	Others	Secured loans	146,077	175,307,826	0.08%	1,830,928	1,253.40%	138,890	160,820,308	0.09%	1,670,677	1,202.88%
		Unsecured loans	645	3,072,757	0.02%	30,951	4,798.60%	135	2,617,035	0.01%	26,283	19,468.89%
Gross loan business		1,315,535	841,529,622	0.16%	12,161,888	924.48%	1,138,625	774,478,143	0.15%	11,825,345	1,038.56%	

Month / Year		September 30, 2021					September 30, 2020				
		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		6,050	7,849,108	0.08%	89,238	1,475.01%	6,566	8,364,164	0.08%	118,828	1,809.75%
Without recourse factoring		-	5,428,279	-	92,995	-	9,402	4,408,729	0.21%	75,262	800.49%

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

	September 30, 2021		September 30, 2020	
	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)	36,298	22,348	54,632	30,398
Perform in accordance with debt liquidation program and restructuring program (Note 2)	801,025	321,084	938,699	341,978
Total	837,323	343,432	993,331	372,376

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

Note 2: The additional disclosure requirement pertaining to the way and information disclosure of loan in the process of debt liquidation and restructuring program is in accordance with the Explanatory Jin-Guan-Yin (1) Letter No. 09700318940 of FSC dated September 15, 2008 and Jin-Guan-Yin-Fa Letter No. 10500134790 of FSC dated September 20, 2016.

(BLANK)

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

Unit: In thousands of NT Dollars, %

September 30, 2021			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Company A–Real Estate Development	\$ 7,302,000	5.95
2	Company B–Real Estate Development	6,340,000	5.17
3	Company C–Real Estate Leasing	6,150,000	5.01
4	Group D–Air Transport	3,524,167	2.87
5	Group E–Real Estate Development	3,501,698	2.85
6	Company F–Real Estate Development	3,443,846	2.81
7	Company G–Chemical Material Manufacturing	3,388,896	2.76
8	Group H–Real Estate Development	3,378,434	2.75
9	Group I–Real Estate Development	3,139,253	2.56
10	Group J–Activities of Amusement Parks and Theme Parks	3,050,000	2.49
September 30, 2020			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Real Estate Development	\$ 7,813,474	6.32
2	Group B–Air Transport	6,140,417	4.97
3	Company C–Real Estate Leasing	4,210,000	3.40
4	Group D–Real Estate Development	4,000,000	3.23
5	Group E–Real Estate Development	3,895,185	3.15
6	Company F–Chemical Material Manufacturing	3,636,000	2.94
7	Group G–Seasoning Manufacturing Industry	3,515,000	2.84
8	Group H–Activities of Amusement Parks and Theme Parks	2,855,000	2.31
9	Group I–Real Estate Development	2,765,998	2.24
10	Company J–Real Estate Development	2,572,000	2.08

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)

September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,475,195,330	272,706,041	120,027,665	105,717,764	75,080,583	147,711,169	753,952,108
Primary funds outflow upon maturity	1,719,094,924	61,020,202	88,059,865	186,467,749	203,705,574	334,963,830	844,877,704
Gap	(243,899,594)	211,685,839	31,967,800	(80,749,985)	(128,624,991)	(187,252,661)	(90,925,596)

September 30, 2020

(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	1,232,957,833	215,475,572	118,780,423	90,914,434	66,678,813	116,766,537	624,342,054
Primary funds outflow upon maturity	1,459,994,671	33,218,318	76,420,874	188,776,184	191,132,750	251,009,373	719,437,172
Gap	(227,036,838)	182,257,254	42,359,549	(97,861,750)	(124,453,937)	(134,242,836)	(95,095,118)

b. Structure analysis of time to maturity (USD)

September 30, 2021

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	6,052,488	1,385,105	460,975	276,262	282,004	3,648,142
Primary funds outflow upon maturity	7,225,354	2,133,413	1,010,578	916,353	1,308,062	1,856,948
Gap	(1,172,866)	(748,308)	(549,603)	(640,091)	(1,026,058)	1,791,194

September 30, 2020

(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	5,639,549	1,546,420	407,378	279,912	370,386	3,035,453
Primary funds outflow upon maturity	6,314,587	1,617,403	882,612	1,047,148	1,194,832	1,572,592
Gap	(675,038)	(70,983)	(475,234)	(767,236)	(824,446)	1,462,861

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

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

September 30, 2021

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	918,049,746	51,727,173	55,384,303	318,304,522	1,343,465,744
Interest-rate-sensitive liabilities	305,465,499	798,257,995	171,277,412	25,590,158	1,300,591,064
Interest-rate-sensitive gap	612,584,247	(746,530,822)	(115,893,109)	292,714,364	42,874,680
Total equity					120,959,632
Ratio of interest-rate-sensitive assets to liabilities					103.30
Ratio of interest-rate-sensitive gap to equity					35.45

September 30, 2020

(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	797,938,580	47,677,861	34,967,468	248,410,208	1,128,994,117
Interest-rate-sensitive liabilities	287,066,515	646,286,678	113,055,497	35,831,725	1,082,240,415
Interest-rate-sensitive gap	510,872,065	(598,608,817)	(78,088,029)	212,578,483	46,753,702
Total equity					119,329,202
Ratio of interest-rate-sensitive assets to liabilities					104.32
Ratio of interest-rate-sensitive gap to equity					39.18

Note 1: The amounts listed above represent the items denominated in NT dollars (i.e., excluding foreign currency) for both head office and domestic branches and overseas branches, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those interest earned assets and interest bearing liabilities, revenues and costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to NTD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities)

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

September 30, 2021

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	2,287,948	252,775	20,986	2,910,325	5,472,034
Interest-rate-sensitive liabilities	2,211,097	567,333	970,294	1,527,902	5,276,626
Interest-rate-sensitive gap	76,851	(314,558)	(949,308)	1,382,423	195,408
Total equity					60,032
Ratio of interest-rate-sensitive assets to liabilities					103.70
Ratio of interest-rate-sensitive gap to equity					325.51

September 30, 2020

(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	3,474,412	281,568	56,353	1,463,016	5,275,349
Interest-rate-sensitive liabilities	2,041,197	675,508	761,167	1,222,630	4,700,502
Interest-rate-sensitive gap	1,433,215	(393,940)	(704,814)	240,386	574,847
Total equity					151,596
Ratio of interest-rate-sensitive assets to liabilities					112.23
Ratio of interest-rate-sensitive gap to equity					379.20

Note 1: The above amounts included only USD denominated assets and liabilities of head office, domestic and foreign branches, and the OBU and the OBU branch, 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 September 30, 2021	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	\$ 2,282,401 (Note)	-	\$ -	-	\$ -	\$ -
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	486,252 (Note)	-	-	-	-	-
Yuanta Financial Holdings	Yuanta Life	Subsidiary of the Company	633,664 (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: 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 September 30, 2021	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Life	The Company	Parent Company	\$ 2,141,115	-	\$ -	-	\$ 248	\$ -
Yuanta Securities	The Company	Parent Company	882,818	-	-	-	4,330	-

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)	April 6, 2021	SOLLIMHELPAMC CORPORATION	Loans and Temporary Payments for Others	\$ -	\$ 4,283	\$ 4,283	-	None	Note 1
Yuanta Bank	May 18, 2021	S.C. Lowy Primary Investments, Ltd.	Medium-term Loans (International Syndicated Loan)	\$ 345,756	\$ 447,298	\$ 101,542	-	None	Note 2

Note 1: The carrying amount and the sale price of the loan was KRW0 thousand and KRW172,518 thousand, using the exchange rate of 1 KRW to 0.024828 NTD.

Note 2: The carrying amount and the sale price of the loan was USD12,452 thousand and USD16,109 thousand, using the exchange rate of 1 USD to 27.767 NTD.

(B) Sale of non-performing loans for which the amount exceeding NT \$1 billion (excluding sale to related parties): None.

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

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

I. Funds lent to other: Not applicable to subsidiaries in a financial or securities industries. For non-financial and non-securities subsidiaries, no fund has been lent except for the following:

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities	Yuanta Securities Asia Finance Service	Accounts receivable-related party	Yes	\$ 2,786,600	\$ 2,786,600	\$ -	-	Short-term loans	\$ -	Working capital	\$ -	-	\$ -	\$ 12,328,057 (Note1)	\$ 49,312,227 (Note1)
2	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	696,650	696,650	417,990	2.25%	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,402,033 (Note 2)	36,402,033 (Note 2)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,393,300	1,393,300	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,402,033 (Note 2)	36,402,033 (Note 2)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	1,393,300	1,393,300	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,402,033 (Note 2)	36,402,033 (Note 2)
5	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	835,980	835,980	-	-	Short-term loans	-	Working capital	-	-	-	36,402,033 (Note 2)	36,402,033 (Note 2)
6	PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management	Accounts receivable-related party	Yes	11,980	11,980	9,058	10.00%	Short-term loans	-	Fulfill operating cost and working capital	9,058	-	-	390,420 (Note 5)	390,420 (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: 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 3: On August 19, 2021, the Board of Directors of Yuanta Securities resolved a loan 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 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 nine months ended September 30, 2021	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	\$ 24,656,114 (Note 1)	\$ 97,531	\$ 97,531	\$ 92,887	\$ -	0.08%	\$ 49,312,227 (Note 1)	Yes	No	No	
2	Yuanta Securities	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	24,656,114 (Note 1)	417,990	417,990	-	-	0.34%	49,312,227 (Note 1)	Yes	No	No	
3	Yuanta Securities	Yuanta International Investment (Hong Kong)	More than 50% common stock-directly-owned subsidiary	24,656,114 (Note 1)	1,393,300	1,393,300	-	-	1.13%	49,312,227 (Note 1)	Yes	No	No	Note 3
4	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	36,402,033 (Note 2)	2,868,216	2,868,216	1,796,756	-	7.88%	36,402,033 (Note 2)	Yes	No	No	
5	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	36,402,033 (Note 2)	217,250	217,250	100,318	-	0.60%	36,402,033 (Note 2)	Yes	No	No	
6	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	36,402,033 (Note 2)	557,320	557,320	195,062	-	1.53%	36,402,033 (Note 2)	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: 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.

Note 3: 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.

K. Engagement in derivatives trading: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities industry. Not applicable for all the other subsidiaries and indirect subsidiaries.

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)
September 30, 2021

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	September 30, 2021				
				Number of shares (In thousands)	Book value	Percentage of ownership		Market value	Note
						(%)		
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta/P-shares Taiwan Top 50 ETF	The managing company of the fund	Financial assets at fair value through profit or loss	190	\$ 25,988	-	\$ 25,988	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	9	538	-	538	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	20	1,309	-	1,309	
	Yuanta/P-shares S&P Custom China Play 50	"	"	21	656	-	656	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	21	496	-	496	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	36	1,176	-	1,176	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	31	685	-	685	
	Yuanta S&P500	"	"	9	340	-	340	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	20	411	-	411	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	14	905	-	905	
	Yuanta/P-shares SSE50 ETF	"	"	22	787	-	787	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	7	171	-	171	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	2	23	-	23	
	Yuanta EURO STOXX 50 ETF	"	"	8	230	-	230	
	Yuanta Nikkei 225 ETF	"	"	1	49	-	49	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	1	52	-	52	
	Yuanta S&P US Dollar ER Futures ETF	"	"	1	17	-	17	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	10	407	-	407	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	5	239	-	239	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	3	80	-	80	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	8	347	-	347	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	-	13	-	13	
	Yuanta DJCI Silver ER Futures ETF	"	"	1	21	-	21	
	Yuanta MSCI China A ETF	"	"	10	286	-	286	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	11	479	-	479	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	1	38	-	38	
	Yuanta S&P U.S. High Yield Preferred Stock ETF	"	"	1	15	-	15	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	5	223	-	223	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	571	-	571	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	5	217	-	217	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	9	304	-	304	
	Yuanta Global NextGen Communications ETF	"	"	15	419	-	419	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	September 30, 2021					
				Number of shares (In thousands)	Book value	Percentage of ownership (%)		Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:								
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	The managing company of the fund	Financial assets at fair value through profit or loss	1	\$ 35	-	\$ 35		
	Yuanta Global NexGen Communication Innovative Technology ETF	"	"	18	533	-	533		
	Yuanta Wan Tai Money Market Fund	"	"	6,548	<u>100,006</u>	-	<u>100,006</u>		
					<u>\$ 138,066</u>		<u>\$ 138,066</u>		
	Stocks:								
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	3,696	\$ 309,481	0.88	\$ 309,481		
	FundRich Securities Co. Ltd.	-	"	819	<u>9,029</u>	1.37	<u>9,029</u>		
					<u>\$ 318,510</u>		<u>\$ 318,510</u>		
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	<u>\$ 332,340</u>	24.50	<u>\$ 332,340</u>		
Yuanta Asset Management	Beneficiary certificates:								
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	13,943	\$ 190,611	-	\$ 190,611		
	Franklin Templeton Sinoam Money Market Fund	-	"	9,604	100,337	-	100,337		
	Jih Sun Money Market Fund	-	"	9,369	<u>140,338</u>	-	<u>140,338</u>		
					<u>\$ 431,286</u>		<u>\$ 431,286</u>		
	Stocks:								
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 8,399	0.16	\$ 8,399		
	Sunsino Venture Co., Ltd.	-	"	443	4,142	0.93	4,142		
	DaYeh Development Co., Ltd.	-	"	333	730	2.22	730		
	Chung Yi Development Co., Ltd.	-	"	2,278	68	6.63	68		
	Global Investment Holdings Co., LTD.	-	"	1,980	15,979	1.23	15,979		
	China Trade And Development Corporation	-	"	500	<u>10,671</u>	0.76	<u>10,671</u>		
					<u>\$ 39,989</u>		<u>\$ 39,989</u>		
Yuanta Venture Capital	Stocks:								
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 8,298	0.03	\$ 8,298	Private equity	
	Taiwan Chelic Corp. Ltd.	-	"	500	27,300	0.75	27,300		
	Eurocharm Holdings Co., Ltd.	-	"	430	57,190	0.65	57,190		
	Ever Supreme Bio Technology Co., Ltd.	-	"	350	98,175	0.57	98,175		
	Tot Biopharm International Company Limited	-	"	15,606	250,168	2.59	250,168		
	Taiwan J Pharmaceuticals Co., Ltd.	-	"	1,282	14,041	1.71	14,041		

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	September 30, 2021				
				Number of shares (In thousands)	Book value	Percentage of ownership		Note
					(%)	Market value		
Yuanta Venture Capital	Stocks:							
	Jing-Jan Retail Business Co., Ltd.	-	Financial assets at fair value through profit or loss	1,408	\$ 56,686	2.35	\$ 56,686	
	Allied Supreme Corp.	-	"	572	130,216	0.83	130,216	
	M3 Technology Inc.	-	"	1,290	284,432	3.51	284,432	
	Saultech Technology Co., Ltd.	-	"	442	61,318	1.63	61,318	
	TAIWAN MICROLOOPS CORP.	-	"	855	46,700	2.28	46,700	
	Ever Fortune. AI Co., Ltd.	-	"	1,200	132,408	1.33	132,408	
	Gorilla Technology Group Inc.	-	"	95	14,976	0.83	14,976	Preferred stock B
	CGK International Co., Ltd	-	"	877	9,497	2.39	9,497	
	Veden Dental Group	-	"	246	3,078	0.64	3,078	
	Phecda Technology Co. Ltd.	-	"	252	-	0.89	-	
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	9.25	-	
	MagV Co.,Ltd	-	"	2,145	107	12.69	107	
	BRIM Biotechnology ,Inc.	-	"	3,500	25,830	5.93	25,830	
	Aprevent Medical, Inc.	-	"	394	547	2.12	547	
	Aprevent Medical, Inc.	-	"	1,808	38,667	9.71	38,667	Preferred stock B
	GenePharm Biotech Corp.	-	"	2,667	4,907	10.42	4,907	
	Great Dream Pictures, Inc.	-	"	2,000	480	19.96	480	
	Li Ling Film Co., Ltd.	-	"	1,666	7,863	2.78	7,863	
	Jump Media International Co., Ltd.	-	"	906	-	3.20	-	
	Apollomics, Inc.	-	"	1,634	8,171	0.13	8,171	
	Bioflag International Corporation	-	"	3,400	130,322	2.96	130,322	
	Pharmosa Biopharm Inc.	-	"	3,600	51,804	4.47	51,804	
	International Ocean Vessel Technical Consultant Co. Ltd.	-	"	564	37,666	5.59	37,666	
	Asia Pacific Venture Invest II L.P.	-	"	-	3,645	10.00	3,645	
	GCT Semiconductor Inc.	-	"	1,402	-	1.70	-	Preferred stock G
	Aide Engery Holdings Co., Ltd.	-	"	336	-	0.13	-	
					<u>\$ 1,504,492</u>		<u>\$ 1,504,492</u>	
	Yuanta I Venture Capital Co., Ltd.	Investee company accounted for under the equity method	Long-term equity accounted for under the equity method	85,000	<u>\$ 1,122,870</u>	100.00	<u>\$ 1,122,870</u>	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,704	0.50	\$ 9,704	
	Li Ding Venture Capital Co., Ltd.	-	"	1,391	1,864	17.39	1,864	
	Prudence Capital Management	-	"	2,539	44,071	9.00	44,071	
	Ho Ding Venture Capital Co., Ltd.	-	"	590	944	10.00	944	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	7,945	4.80	7,945	
	Lian Ding Venture Capital Co., Ltd.	-	"	1,050	4,294	15.00	4,294	

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	September 30, 2021				
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Venture Capital	Stocks:							
	Lian Xun San Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	10	\$ 208	10.00	\$ 208	
	Hwa Lu Venture Capital Co., Ltd.	-	"	261	14,763	8.70	14,763	
	Hwa Sheng Venture Capital Co., Ltd.	-	"	5	521	3.33	521	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	4,883	9.88	4,883	
	Guan Hwa Venture Capital Co., Ltd.	-	"	276	1,832	5.56	1,832	
	Qi Ding Venture Capital Co., Ltd.	-	"	670	6,151	4.35	6,151	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	319	3,896	10.00	3,896	
	Huiyang Venture Capital Co., Ltd.	-	"	67	3,958	2.46	3,958	
					<u>\$ 105,034</u>		<u>\$ 105,034</u>	

(BLANK)

(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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 4)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 6,198,792 (USD 222,450)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 200,935	\$ -	\$ -	\$ 200,935	Note 5	2.59%	\$ -	\$ 200,935	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	222,928 (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	17,892 (HKD 5,000)	(2) CAYMAN ISLANDS VEDEN DENTAL GROUP	22,762	-	-	22,762	Note 5	0.64%	-	22,762	-

Yuanta I Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 4)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,455,457 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 53,513	\$ -	\$ 12,778	\$ 40,735	Note 5	3.09%	\$ -	\$ 27,112	\$ 26,029
Ether Precision Inc. (Su Zhou)	Manufacturing and selling of a variety of discs	771,888 (USD 27,700)	(2) CAYMAN ISLANDS ETHER PRECISION INC.	32,220	-	-	32,220	Note 5	1.61%	-	32,220	-

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 17,825 (RMB 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 249	100.00%	In liquidation	\$ 20,283	\$ -

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
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	\$ 79,390 (RMB 18,428)	(2) Yuanta Securities Asia Financial Service	\$ -	\$ -	\$ -	\$ -	(\$ 4,908)	100.00%	(\$ 4,908) (2)b	\$ 13,683	\$ -

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,584,800 (RMB 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 9,248	24.50%	\$ 2,269 (2)c	\$ 332,340	\$ -

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai)	Computer software services	\$ 157,209 (RMB 33,080)	(3)	\$ 157,209	\$ -	\$ -	\$ 157,209	\$ 514	100.00%	\$ 514 (2)c	\$ 113,570	\$ -

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	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	\$304,910	\$312,881	\$2,128,723
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	83,093,456
Yuanta Securities Investment Trust	705,666	705,666	3,252,634
Yuanta Futures	157,209	174,000	7,223,127

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,547,871.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$138,489,094.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,421,057.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$12,038,545.

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 nine months ended September 30, 2021' 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 September 30, 2021.

(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	2,273,180	No significant difference from general customers	0.08%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	483,537	"	0.02%
0	Yuanta Financial Holdings	Yuanta Life	1	Receivables – net	629,737	"	0.02%
0	Yuanta Financial Holdings	Yuanta Securities	1	Payables	878,489	"	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Payables	106,795	"	0.00%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	2,138,907	"	0.07%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	815,081	"	0.03%
1	Yuanta Securities	Yuanta Futures (Hong Kong)	3	Cash and cash equivalents	114,977	"	0.00%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	391,642	"	0.01%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Payables	125,436	"	0.00%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	428,086	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	242,934	"	0.25%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	150,750	"	0.16%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income	151,468	"	0.16%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Net other miscellaneous income	268,259	"	0.28%
2	Yuanta Bank	Yuanta Savings Bank (Philippines)	3	Other assets – net	664,082	"	0.02%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	745,558	"	0.03%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	414,590	"	0.01%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	358,531	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	181,457	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	7,502,295	"	0.25%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	853,600	"	0.03%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	2,602,500	"	0.09%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	196,500	"	0.01%

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	620,800	No significant difference from general customers	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	297,000	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	17,000,377	"	0.57%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	1,318,786	"	0.04%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	1,712,775	"	0.06%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	280,844	"	0.29%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	398,054	"	0.41%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	13,688,793	"	0.46%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial assets – net	502,762	"	0.02%
3	Yuanta Futures	Yuanta Life	3	Right-of-use assets – net	148,847	"	0.00%
3	Yuanta Futures	Yuanta Securities	3	Other financial liabilities	7,999,870	"	0.27%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial liabilities	222,348	"	0.01%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	192,536	"	0.01%
3	Yuanta Futures	Yuanta Securities (Hong Kong)	3	Other financial liabilities	109,577	"	0.00%
3	Yuanta Futures	Yuanta Life	3	Lease liabilities	163,041	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	953,613	"	0.99%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	418,180	"	0.01%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong)	3	Bonds payable	521,102	"	0.02%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Financial assets at fair value through profit or loss	2,709,675	"	0.09%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Equity investments accounted for under the equity method – net	259,846	"	0.01%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Exchange differences on translation of foreign financial statements	127,637	"	0.13%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Non-controlling interests	180,411	"	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)
6	Yuanta Securities (Hong Kong)	Yuanta Investment (Hong Kong)	3	Investments in bills and bonds under resale agreements	168,034	No significant difference from general customers	0.01%
7	Yuanta Investment Management(Cayman)	Yuanta Securities (Hong Kong)	3	Receivables – net	100,303	"	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.

(BLANK)

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 nine months ended September 30, 2021

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 15,927,394	\$ 52,373,002	\$ 1,974,254	\$ 22,184,699	\$ 3,806,792	\$ -	\$ 96,266,141
Revenue (loss) from transactions with other operating segments of the same entity	619,721	1,366,294	(61,927)	(1,483,910)	536,815	(976,993)	-
Net revenues (Note)	16,547,115	53,739,296	1,912,327	20,700,789	4,343,607	(976,993)	96,266,141
Provision for bad debt expenses, commitment and guarantee policy reserve	(199,716)	131,707	3,307	(144)	(53,202)	-	(118,048)
Net change in provisions for insurance liabilities	-	-	-	(17,856,525)	-	114,706	(17,741,819)
Operating expenses	(8,475,308)	(28,566,349)	(1,030,218)	(1,104,816)	(2,536,602)	678,994	(41,034,299)
Income from continuing operations before income tax	\$ 7,872,091	\$ 25,304,654	\$ 885,416	\$ 1,739,304	\$ 1,753,803	\$ 183,293	\$ 37,371,975

Expressed in Thousands of New Taiwan Dollars

For the nine months ended September 30, 2020

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 16,430,892	\$ 32,229,530	\$ 2,101,563	\$ 29,702,038	\$ 2,802,713	\$ -	\$ 83,266,736
Revenue (loss) from transactions with other operating segments of the same entity	350,642	755,870	(784)	(770,418)	260,668	(595,978)	-
Net revenues (Note)	16,781,534	32,985,400	2,100,779	28,931,620	3,063,381	(595,978)	83,266,736
Provision for bad debt expenses, commitment and guarantee policy reserve	(1,006,956)	(295,000)	(35,703)	6	(1)	-	(1,337,654)
Net change in provisions for insurance liabilities	-	-	-	(25,423,221)	-	114,525	(25,308,696)
Operating expenses	(7,774,904)	(20,289,822)	(989,450)	(1,064,420)	(2,312,384)	592,462	(31,838,518)
Income from continuing operations before income tax	\$ 7,999,674	\$ 12,400,578	\$ 1,075,626	\$ 2,443,985	\$ 750,996	\$ 111,009	\$ 24,781,868

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.