

YUANTA FINANCIAL HOLDING CO., LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2023 AND 2022

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.

PWCR23000152

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

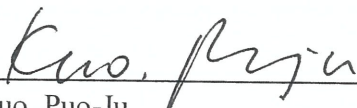
We have reviewed the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. and its subsidiaries as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated 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 the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and International Accounting Standard 34, "Interim Financial Reporting" that came into effect 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 Standard on Review Engagements No.2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of 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.

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 its subsidiaries as at September 30, 2023 and 2022, and of its consolidated financial performance for the three-month and nine-month periods then ended, and its consolidated cash flows for the nine-month periods then ended 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 International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.


Kuo, Puo-Ju
Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

November 21, 2023

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 76,414,702	3	\$ 76,338,164	3	\$ 60,294,624	2
11500	Due from Central Bank and call loans to other banks	6(2) and 8	75,583,339	2	79,690,160	3	76,666,674	3
12000	Financial assets at fair value through profit or loss	6(3), 7 and 8	514,605,127	16	420,057,382	14	414,256,858	14
12150	Financial assets at fair value through other comprehensive income	6(4) and 8	325,664,281	10	339,711,553	11	346,735,208	12
12200	Investments in debt instruments at amortised cost	6(5) and 8	532,691,730	17	540,529,315	18	554,126,585	19
12500	Investments in bills and bonds under resale agreements	6(6)	81,131,279	3	94,073,224	3	66,478,059	2
13000	Receivables – net	6(7) and 7	258,746,988	8	202,341,992	7	220,414,092	7
13200	Current income tax assets		2,624,070	-	3,026,971	-	2,606,141	-
13300	Assets held for sale – net	6(8)	80,998	-	81,469	-	86,904	-
13500	Bills discounted and loans – net	6(9) and 7	1,049,855,988	33	995,199,165	33	946,141,993	32
13700	Reinsurance contract assets – net	6(10)	1,215,470	-	1,368,195	-	1,346,861	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,346,992	-	3,431,913	-	3,162,476	-
15100	Restricted assets – net	8	3,239,418	-	2,726,292	-	4,922,497	-
15500	Other financial assets – net	6(12)	108,200,863	4	114,480,773	4	114,598,708	4
18000	Investment property – net	6(13) and 8	10,689,960	-	10,487,451	-	10,113,070	-
18500	Property and equipment – net	6(14) and 8	26,396,596	1	25,503,491	1	24,778,540	1
18600	Right-of-use assets – net	6(15)	11,429,298	-	11,515,532	-	11,411,894	-
19000	Intangible assets – net	6(17)	30,823,679	1	30,959,908	1	30,922,700	1
19300	Deferred income tax assets		6,641,175	-	5,552,131	-	7,396,816	-
19500	Other assets – net	6(18), 7 and 8	69,320,461	2	59,043,456	2	82,165,077	3
	TOTAL ASSETS		\$ 3,188,702,414	100	\$ 3,016,118,537	100	\$ 2,978,625,777	100

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
21000	Deposits from Central Bank and other banks	6(20)	\$ 14,402,244	1	\$ 38,607,095	1	\$ 23,995,120	1
22000	Financial liabilities at fair value through profit or loss	6(3)(38)	146,639,977	5	134,822,676	5	146,756,528	5
22500	Bills and bonds payable under repurchase agreements	6(6)(47) and 7	215,213,013	7	224,137,491	7	202,432,542	7
22600	Commercial paper payable – net	6(21)(47)	87,444,402	3	47,836,070	2	57,000,388	2
23000	Payables	6(22) and 7	169,075,296	5	154,026,563	5	170,854,421	6
23200	Current income tax liabilities		4,339,970	-	4,052,157	-	3,668,590	-
23500	Deposits and remittances	6(23) and 7	1,504,819,310	47	1,407,441,499	47	1,386,415,534	46
24000	Bonds payable	6(24)(47)	98,328,614	3	102,487,542	3	87,136,022	3
24400	Other borrowings	6(25)(47)	51,022,688	2	48,460,199	2	50,320,211	2
24600	Provisions	6(26)(27)	379,569,361	12	363,676,625	12	364,442,552	12
25500	Other financial liabilities	6(28) and 7	129,867,651	4	140,319,398	5	137,693,239	5
26000	Lease liabilities	6(47)	4,678,984	-	4,712,163	-	4,552,731	-
29300	Deferred income tax liabilities		6,951,848	-	4,914,735	-	6,378,068	-
29500	Other liabilities	6(29) and 7	77,063,460	2	63,241,416	2	68,716,832	2
	TOTAL LIABILITIES		<u>2,889,416,818</u>	<u>91</u>	<u>2,738,735,629</u>	<u>91</u>	<u>2,710,362,778</u>	<u>91</u>
31000	Equity attributable to owners of the parent company							
31100	Share capital							
31101	Common stock	6(30)	126,890,824	4	125,015,590	4	125,015,590	4
31500	Additional paid-in capital	6(31)	38,173,889	1	38,010,564	1	37,928,633	1
32000	Retained earnings							
32001	Legal reserve	6(32)	22,561,044	1	20,481,785	1	20,481,785	1
32003	Special reserve	6(32)	13,517,403	-	6,549,234	-	6,549,234	-
32011	Undistributed earnings	6(33)	78,555,615	2	73,279,144	2	71,996,219	2
32500	Other equity							
32500	Other equity interest	6(34)	(1,392,730)	-	(6,968,170)	-	(13,363,064)	-
39500	Non-controlling interests		<u>20,979,551</u>	<u>1</u>	<u>21,014,761</u>	<u>1</u>	<u>19,654,602</u>	<u>1</u>
	TOTAL EQUITY		<u>299,285,596</u>	<u>9</u>	<u>277,382,908</u>	<u>9</u>	<u>268,262,999</u>	<u>9</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 3,188,702,414</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>	<u>\$ 2,978,625,777</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
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
41000 Interest income	6(35) and 7		\$ 16,390,985	59	\$ 11,715,160	47	\$ 45,794,178	59	\$ 31,966,132	43
51000 Less: Interest expense	6(35) and 7		(8,441,616)	(30)	(3,990,446)	(16)	(22,955,385)	(30)	(8,676,721)	(12)
49600 Net interest income	6(35)		<u>7,949,369</u>	<u>29</u>	<u>7,724,714</u>	<u>31</u>	<u>22,838,793</u>	<u>29</u>	<u>23,289,411</u>	<u>31</u>
Net non-interest income										
49800 Net service fee and commission income	6(36) and 7		7,713,612	28	5,874,503	24	19,561,683	25	19,819,615	26
49810 Net income from insurance operations	6(37) and 7		1,542,808	6	2,195,330	9	7,528,656	10	12,538,323	17
49820 Gain or loss on financial assets and financial liabilities at fair value through profit or loss	6(38) and 7		(447,595)	(2)	(4,194,219)	(17)	10,292,735	13	(13,944,988)	(18)
49825 Gain on investment property	7		70,767	-	78,496	-	152,956	-	357,091	1
49835 Realised gain on financial assets at fair value through other comprehensive income			(148,600)	-	1,329,041	5	2,581,260	4	2,201,839	3
49850 Net gain or loss arising from derecognition of financial assets measured at amortised cost	6(5)(9)		(629,421)	(2)	(22,857)	-	(757,114)	(1)	136,687	-
49870 Foreign exchange gain or loss			7,034,457	25	11,894,020	48	10,151,616	13	24,491,491	33
49880 Reversal gain or loss on asset impairment	6(39)		3,262	-	(4,724)	-	21,402	-	4,757	-
49890 Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)		18,974	-	(16,581)	-	4,469	-	157,925	-
49898 Gain or loss on reclassification under the overlay approach			1,900,424	7	591,700	2	(1,435,630)	(2)	4,696,002	6
49921 Net gain on sale of non-performing loans			68,247	-	64,940	-	231,803	-	211,603	-
49945 Consultation service income			1,474,486	5	1,011,250	4	3,892,952	5	3,182,672	4
49999 Net other miscellaneous income or loss	6(40) and 7		<u>1,139,073</u>	<u>4</u>	<u>(1,587,554)</u>	<u>(6)</u>	<u>2,756,886</u>	<u>4</u>	<u>(1,911,884)</u>	<u>(3)</u>
49700 Total net non-interest income			<u>19,740,494</u>	<u>71</u>	<u>17,213,345</u>	<u>69</u>	<u>54,983,674</u>	<u>71</u>	<u>51,941,133</u>	<u>69</u>
Net profit			27,689,863	100	24,938,059	100	77,822,467	100	75,230,544	100
58100 Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)		(106,059)	(1)	(77,809)	-	(268,785)	-	(169,147)	-
58300 Net change in provisions for insurance liabilities	6(26)		(3,682,849)	(13)	(3,926,582)	(16)	(11,705,509)	(15)	(16,519,520)	(22)
Operating expenses										
58501 Employee benefit expense	6(42) and 7		(7,948,781)	(29)	(6,416,784)	(26)	(22,452,141)	(29)	(19,615,165)	(26)
58503 Depreciation and amortization	6(43)		(810,327)	(3)	(781,301)	(3)	(2,412,276)	(3)	(2,378,090)	(3)
58599 Other business and administrative expenses	6(44) and 7		(4,320,691)	(15)	(3,616,724)	(14)	(11,718,274)	(15)	(10,966,426)	(15)
58500 Total Operating Expenses			<u>(13,079,799)</u>	<u>(47)</u>	<u>(10,814,809)</u>	<u>(43)</u>	<u>(36,582,691)</u>	<u>(47)</u>	<u>(32,959,681)</u>	<u>(44)</u>
61000 Consolidated income from continuing operations before income tax			10,821,156	39	10,118,859	41	29,265,482	38	25,582,196	34
61003 Income tax expense	6(45)		(1,671,968)	(6)	(1,666,015)	(7)	(4,276,763)	(6)	(4,960,333)	(7)
69000 Consolidated net income			<u>\$ 9,149,188</u>	<u>33</u>	<u>\$ 8,452,844</u>	<u>34</u>	<u>\$ 24,988,719</u>	<u>32</u>	<u>\$ 20,621,863</u>	<u>27</u>

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items		Notes	Three months ended September 30				Nine months ended September 30											
			2023		2022		2023		2022									
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%								
Other comprehensive income																		
Components of other comprehensive income that will not be reclassified to profit or loss																		
69561	Gains (losses) on remeasurements of defined benefit plans		\$	72,300	-	\$	209,858	1	(\$	21,682)	-	\$	242,924	-				
69563	Share of other comprehensive income or loss of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(11)	(	735)	-		866	-		751	-		1,047	-			
69565	Change in fair value of financial liability attributable to change in credit risk of liability	6(34)		227	-	(	94)	-		411	-		113	-			
69567	Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(4)(34)		5,161,046	19		4,113,791	16		5,128,569	7		3,388,083	4				
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(34)(45)		23,444	-	(	41,943)	-	(	35,989)	-	(	346,624)	-	
Components of other comprehensive income that will be reclassified to profit or loss																		
69571	Exchange differences on translation of foreign financial statements	6(34)		464,339	2	(753,092)	(3)	(927,469)	(1)	(759,693)	(1)	
69585	Revaluation gain or loss from investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	(800,816)	(3)	(5,248,863)	(21)		2,385,489	3	(20,658,354)	(27)	
69587	Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	(	6,214)	-	(	1,032)	-	(	7,762)	-	(	12,490)	-
69590	Other comprehensive gain or loss on reclassification under the overlay approach	6(3)(34)	(1,900,424)	(7)	(591,700)	(2)		1,435,630	2	(4,696,002)	(6)	
69579	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(34)(45)		105,549	-		135,378	-		164,235	-		731,951	1				
69500	Other comprehensive income (loss) (net of tax)		<u>\$</u>	<u>3,118,716</u>	<u>11</u>	(<u>\$</u>	<u>2,176,831</u>	(<u>9</u>)	<u>\$</u>	<u>8,122,183</u>	<u>11</u>	(<u>\$</u>	<u>22,109,045</u>	(<u>29</u>)
69700	Total comprehensive income (loss)		<u>\$</u>	<u>12,267,904</u>	<u>44</u>	<u>\$</u>	<u>6,276,013</u>	<u>25</u>	<u>\$</u>	<u>33,110,902</u>	<u>43</u>	(<u>\$</u>	<u>1,487,182</u>	(<u>2</u>)		
Consolidated net income attributable to:																		
69901	Parent company		\$	8,562,428	31	\$	8,082,613	32	\$	23,531,969	30	\$	19,605,427	26				
69903	Non-controlling interests			586,760	2		370,231	2		1,456,750	2		1,016,436	1				
			<u>\$</u>	<u>9,149,188</u>	<u>33</u>	<u>\$</u>	<u>8,452,844</u>	<u>34</u>	<u>\$</u>	<u>24,988,719</u>	<u>32</u>	<u>\$</u>	<u>20,621,863</u>	<u>27</u>				
Consolidated comprehensive income attributable to:																		
69951	Parent company		\$	11,416,733	41	\$	6,243,937	25	\$	31,775,820	41	(\$	2,263,594)	(3)		
69953	Non-controlling interests			851,171	3		32,076	-		1,335,082	2		776,412	1				
			<u>\$</u>	<u>12,267,904</u>	<u>44</u>	<u>\$</u>	<u>6,276,013</u>	<u>25</u>	<u>\$</u>	<u>33,110,902</u>	<u>43</u>	(<u>\$</u>	<u>1,487,182</u>	(<u>2</u>)		
Earnings per share (in New Taiwan Dollars)											6(46)							
70001	Basic earnings per share from continuing operations		\$		0.67	\$		0.64	\$		1.85	\$		1.55				

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
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Retained Earnings					Other equity interest					
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Gains on debt instruments at fair value through other comprehensive income	Other financial assets on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk	Non-controlling interests	Total equity
For the nine months ended September 31, 2022											
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 1,072,737)	(\$ 47,621)	\$ 20,044,244	\$ 289,079,705
Consolidated net income for the period	-	-	-	-	19,605,427	-	-	-	-	1,016,436	20,621,863
Other comprehensive income (loss) for the period	-	-	-	-	120,136	(98,726)	(17,172,833)	(4,717,711)	113	(240,024)	(22,109,045)
Total comprehensive income (loss) for the period	-	-	-	-	19,725,563	(98,726)	(17,172,833)	(4,717,711)	113	776,412	(1,487,182)
Appropriation of 2021 earnings											
Legal reserve	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(18,206,154)	-	-	-	-	-	(18,206,154)
Stock dividend	3,641,230	-	-	-	(3,641,230)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	42,684	-	-	-	-	-	-	-	-	42,684
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,166,054)	(1,166,054)
Disposal of investments in equity instruments	-	-	-	-	(215,902)	-	215,902	-	-	-	-
Balance, September 30, 2022	<u>\$ 125,015,590</u>	<u>\$ 37,928,633</u>	<u>\$ 20,481,785</u>	<u>\$ 6,549,234</u>	<u>\$ 71,996,219</u>	<u>(\$ 8,498,849)</u>	<u>\$ 973,741</u>	<u>(\$ 5,790,448)</u>	<u>(\$ 47,508)</u>	<u>\$ 19,654,602</u>	<u>\$ 268,262,999</u>
For the nine months ended September 30, 2023											
Balance, January 1, 2023	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	(\$ 6,119,904)	\$ 4,445,539	(\$ 5,242,587)	(\$ 51,218)	\$ 21,014,761	\$ 277,382,908
Consolidated net income for the period	-	-	-	-	23,531,969	-	-	-	-	1,456,750	24,988,719
Other comprehensive income (loss) for the period	-	-	-	-	(11,164)	(588,775)	7,384,554	1,458,835	401	(121,668)	8,122,183
Total comprehensive income (loss) for the period	-	-	-	-	23,520,805	(588,775)	7,384,554	1,458,835	401	1,335,082	33,110,902
Appropriation of 2022 earnings											
Legal reserve	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	-
Special reserve	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(10,001,247)	-	-	-	-	-	(10,001,247)
Stock dividend	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	163,325	-	-	-	-	-	-	-	-	163,325
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,370,292)	(1,370,292)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,679,575	-	(2,679,575)	-	-	-	-
Balance, September 30, 2023	<u>\$ 126,890,824</u>	<u>\$ 38,173,889</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 78,555,615</u>	<u>(\$ 6,708,679)</u>	<u>\$ 9,150,518</u>	<u>(\$ 3,783,752)</u>	<u>(\$ 50,817)</u>	<u>\$ 20,979,551</u>	<u>\$ 299,285,596</u>

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Nine months ended September 30	
	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 29,265,482	\$ 25,582,196
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	1,958,144	1,946,284
Amortization	454,132	431,806
Provision for bad debt expense, commitment and guarantee policy reserve	1,097,455	794,187
Interest expense	22,955,385	8,676,721
Interest income	(45,794,178)	(31,966,132)
Dividend income	(8,869,981)	(5,593,305)
Reversal gain on asset impairment	(21,402)	(4,757)
Gain or loss on reclassification under the overlay approach	1,435,630	(4,696,002)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(4,469)	(157,925)
Loss on disposal of assets held for sale	-	(12,331)
Gain on disposal of investment property	(30,128)	(211,200)
Gain on disposal or retirement of property and equipment	(5,551)	(64,760)
Gain on disposal of intangible assets	-	(1,139)
Intangible assets transferred to expense	-	126
Gain or loss on lease modification	323	(133,133)
Gain on lease concession	-	(97)
Net change in insurance liabilities	11,799,853	21,556,963
Changes in operating assets and liabilities		
Changes in operating assets		
Due to Central Bank and call loans to other banks	(2,824,176)	(2,521,003)
Financial assets at fair value through profit or loss	(94,547,745)	114,985,283
Financial assets at fair value through other comprehensive income	21,560,942	(25,511,987)
Investments in debt instruments measured at amortised cost	7,842,050	(45,504,094)
Receivables	(55,936,647)	44,210,010
Bills discounted and loans	(55,794,519)	(62,828,738)
Reinsurance contract assets	112,783	(110,592)
Restricted assets	(513,126)	(2,450,468)
Other financial assets	7,127,482	(1,896,033)
Other assets	(10,203,788)	4,948,900
Changes in operating liabilities		
Deposits from Central Bank and other banks	(24,204,851)	(1,629,004)
Financial liabilities at fair value through profit or loss	11,817,695	(11,929,098)
Payables	13,258,707	(44,178,080)
Deposits and remittances	97,377,811	11,413,151
Provisions	400,414	(1,155,742)
Other financial liabilities	(11,221,471)	9,663,364
Other liabilities	13,822,473	(33,814,537)
Cash outflow generated from operations	(67,685,271)	(32,161,166)
Interest received	44,267,275	31,301,493
Dividend received	8,892,542	5,705,735
Interest paid	(21,285,680)	(8,201,882)
Income tax paid	(1,276,391)	(8,736,729)
Net cash flows used in operating activities	(37,087,525)	(12,092,549)

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Nine months ended September 30	
	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for under the equity method	(\$ 1,801,616)	(\$ 267,139)
Proceeds from liquidation of investments accounted for under the equity method	1,752,179	148,644
Acquisition of investment property	(654,023)	(275,728)
Proceeds from disposal of investment property	147,142	960,881
Acquisition of property and equipment	(1,523,618)	(1,405,749)
Proceeds from disposal of property and equipment	17,470	291,446
Acquisition of intangible assets	(220,349)	(219,002)
Proceeds from disposal of intangible assets	8	2,409
Proceeds from disposal of assets held for sale	-	120,880
Acquisition of right-of-use assets	(422)	(287)
Net cash flows used in investing activities	(2,283,229)	(643,645)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	-	(839,700)
(Decrease) increase in bills and bonds payable under repurchase agreements	(8,924,478)	18,566,693
Increase in commercial paper payable	39,735,275	7,094,747
Proceeds from issuance of bonds	5,500,000	8,752,585
Repayments of bonds	(9,500,000)	(4,363,552)
Proceeds from issuance of bank debentures	-	2,000,000
Repayments of bank debentures	-	(2,000,000)
Increase in other borrowings	2,562,489	(9,677,989)
Principal payment for lease liabilities	(1,078,483)	(1,309,794)
Cash dividends paid	(10,001,247)	(18,206,154)
Decrease in non-controlling interests	(1,370,292)	(1,166,054)
Net cash flows from (used in) financing activities	16,923,264	(1,149,218)
Net effect of foreign exchange rate changes	2,651,086	7,269,824
Net decrease in cash and cash equivalents	(19,796,404)	(6,615,588)
Cash and cash equivalents at beginning of period	206,929,363	167,631,719
Cash and cash equivalents at end of period	<u>\$ 187,132,959</u>	<u>\$ 161,016,131</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 76,414,702	\$ 60,294,624
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	29,586,978	34,243,448
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	81,131,279	66,478,059
Cash and cash equivalents at end of reporting period	<u>\$ 187,132,959</u>	<u>\$ 161,016,131</u>

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

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

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

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

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

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

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

The Company engages in the business of a financial holding company and its operations are limited to investing and investment management. According to the Financial Holding Company Act, the businesses in which the Company can invest in are securities, banking, bills finance, credit cards, trusts, insurance, futures, venture capital, foreign financial institutions that are authorised by the government authority, and other related financial businesses that are recognised by the government authority. Additionally, the Company was accredited by the Taiwan Corporate Governance Association with Corporate Governance Assessment Advanced Certification (CG6013) on December 29, 2022.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on November 21, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

(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 and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

A. IFRS 17, 'Insurance contracts'

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

B. Amendments to IFRS 17, 'Insurance contracts'

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

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

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

9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

4. Summary of material accounting policies

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

(1) Compliance statement

- A. The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the “Yuanta Group”) have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and IAS 34, ‘Interim Financial Reporting’ that came into effect 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, 2022.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (B) Financial assets at fair value through other comprehensive income.
 - (C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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. Subsidiaries are all entities (including structured entities) controlled by the Yuanta Group. The Yuanta Group controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair

value, and shares of non-controlling interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio are directly recognised in the consolidated statements of comprehensive income. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	100.00	
	Yuanta Bank	Commercial banking	100.00	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. (“Yuanta Life”)	Life insurance business	100.00	100.00	100.00	
	Yuanta Futures Co., Ltd. (“Yuanta Futures”)	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	66.27	66.27	
	Yuanta Securities Investment Trust Co., Ltd. (“Yuanta Securities Investment Trust”)	Securities investment trust	74.71	74.71	74.71	
	Yuanta Venture Capital Co., Ltd. (“Yuanta Venture Capital”)	Venture capital investments	100.00	100.00	100.00	
	Yuanta Asset Management Co., Ltd. (“Yuanta Asset Management”)	Providing monetary debt management services for financial institutions	100.00	100.00	100.00	
Yuanta Securities	Yuanta Securities Investment Consulting Co., Ltd. (“Yuanta Securities Investment Consulting”)	Securities investment consultant	100.00	100.00	100.00	
	Yuanta Securities Asia Financial Services Private Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	100.00	Note 1
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance brokerage services	100.00	100.00	100.00	
	Yuanta Securities Finance Co., Ltd. (“Yuanta Securities Finance”)	Securities financing and refinancing to securities firms and related business	100.00	100.00	100.00	
Yuanta Securities Asia Financial Services	Yuanta Wealth Management (Singapore) Pte. Ltd. (“Yuanta Wealth Management (Singapore)”)	Note 2	100.00	100.00	100.00	Note 2
	Yuanta Securities (Hong Kong) Co., Ltd. (“Yuanta Securities (Hong Kong)”)	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions’ financing, asset management services	100.00	100.00	100.00	
	Yuanta Asia Investment (Hong Kong) Ltd. (“Yuanta Asia Investment (Hong Kong)”)	Securities trading, asset management services	100.00	100.00	100.00	
	Yuanta Investment Consulting (Beijing) Co., Ltd. (“Yuanta Investment Consulting Beijing”)	Investment and management consultancy, financial consultancy, enterprise management consultancy, business information consultancy, economic and trade consultancy, marketing strategy and plan, technique promotion and technique service	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Yuanta Securities Asia Financial Services	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	58.49	57.89	57.57	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	
	Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument	99.99	99.99	99.99	
	Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	94.10	92.62	92.62	Note 3
Yuanta Securities (Korea)	Yuanta Investment Co., Ltd.	Venture investment	58.49	57.89	57.57	
	Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”)	Investment holding	58.49	57.89	57.57	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	58.49	57.89	57.57	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta International Investment (Hong Kong)”)	Issuance of 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	
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	5.90	7.38	7.38	Note 3
Yuanta Investment Co., Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	25.07	24.81	24.67	
Yuanta Bank	Yuanta International Leasing Co., Ltd. (“Yuanta International Leasing”)	Leasing business	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Yuanta Bank	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited (“Yuanta Futures Hong Kong”)	Financial services	66.27	66.27	66.27	
	SYF Information Limited (“SYF Information”)	Information service	66.27	66.27	66.27	
	Yuanta Global (Singapore) Pte. Ltd.	Note 4	66.27	66.27	-	Note 4
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd.(“Yuanta I Venture Capital”)	Venture capital investments	100.00	100.00	100.00	

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

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

Note 3: In September 2022, the Board of Directors approved Yuanta Securities Asia Financial Services’ capital increase to Yuanta Securities (Vietnam) and the process was completed in January 2023.

Note 4: On November 23, 2022, Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures through reinvestment, and its main business activities are currently under approval by Singapore authorities.

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C. The structured entities controlled by Yuanta Securities (Korea) are as follows:
September 30, 2023

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Wangji the 1st. 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
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
YK Saetbyul Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing
Jayonloyal Co., Ltd.	Asset-backing
Perfect-dream the 5th. Co., Ltd.	Asset-backing
YFI yangsan Co., Ltd.	Asset-backing
YK Land the 1st. Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing

December 31, 2022

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Gaon Co., Ltd.	Asset-backing
YK Wangji the 1st. 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
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YK Merchant Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
YK Saetbyul Co., Ltd.	Asset-backing
YK Mars the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing
Jayonloyal Co., Ltd.	Asset-backing
Mountain Quad the 1st. Co., Ltd.	Asset-backing
Perfect-dream the 5th. Co., Ltd.	Asset-backing
YFI yangsan Co., Ltd.	Asset-backing

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Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing
YK Gaon Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
Walkerhill PI the 1st. Co., Ltd.	Asset-backing
YK Manhattan the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YK Merchant Co., Ltd.	Asset-backing
YK Figaro Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
YK Saetbyul Co., Ltd.	Asset-backing
YK Mars the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing
Jayonloyal Co., Ltd.	Asset-backing
Mountain Quad the 1st. Co., Ltd.	Asset-backing
Perfect-dream the 5th. Co., Ltd.	Asset-backing

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

D. Subsidiaries not included in the consolidated financial statements:

None.

E. Adjustments for subsidiaries with different balance sheet dates:

None.

F. Significant restrictions:

None.

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

As of September 30, 2023, December 31, 2022, and September 30, 2022, the non-controlling interests amounted to \$20,979,551, \$21,014,761 and \$19,654,602, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

		Non-controlling interests					
		September 30, 2023		December 31, 2022		September 30, 2022	
Subsidiary	Principal place of business	Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	\$ 15,044,991	41.51%	\$ 15,362,015	42.11%	\$ 14,230,532	42.43%

The comprehensive income (loss) attributable to this non-controlling interests were \$361,171, (\$275,894), \$166,496 and \$106,838 for the three months and nine months ended September 30, 2023 and 2022, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

		Yuanta Securities (Korea) and its subsidiaries		
		September 30, 2023	December 31, 2022	September 30, 2022
Current assets		\$ 323,727,869	\$ 311,610,272	\$ 312,133,985
Non-current assets		14,800,545	15,166,768	14,405,472
Current liabilities	(	293,892,577)	(278,270,851)	(281,877,584)
Non-current liabilities	(	6,908,075)	(10,669,569)	(9,744,217)
Total net assets		<u>\$ 37,727,762</u>	<u>\$ 37,836,620</u>	<u>\$ 34,917,656</u>

Consolidated statements of comprehensive income

		Yuanta Securities (Korea) and its subsidiaries	
		For the three months ended September 30,	
		2023	2022
Revenue	\$	5,081,335	\$ 3,735,330
Profit before income tax		795,032	492,015
Income tax expense	(	186,864)	(157,456)
Net loss		608,168	334,559
Other comprehensive income (loss) (net of tax)		244,607	(925,873)
Total comprehensive income (loss) for the period	\$	852,775	(\$ 591,314)
		Yuanta Securities (Korea) and its subsidiaries	
		For the nine months ended September 30,	
		2023	2022
Revenue	\$	14,145,612	\$ 9,755,056
Profit before income tax		1,610,846	1,196,252
Income tax expense	(	404,257)	(336,535)
Net income		1,206,589	859,717
Other comprehensive loss (net of tax)	(	768,068)	(580,351)
Total comprehensive income for the period	\$	438,521	\$ 279,366
<u>Consolidated statements of cash flows</u>			
		Yuanta Securities (Korea) and its subsidiaries	
		For the nine months ended September 30,	
		2023	2022
Net cash (used in) provided by operating activities	(\$	7,786,243)	\$ 2,176,938
Net cash (used in) provided by investing activities	(	38,831)	517,427
Net cash provided by (used in) financing activities		6,664,326	(131,215)
Effects of exchange rate changes		130,224	350,919
(Decrease) increase in cash and cash equivalents	(	1,030,524)	2,914,069
Cash and cash equivalents, beginning of period		14,687,558	14,286,007
Cash and cash equivalents, end of period	\$	13,657,034	\$ 17,200,076

(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, 2022. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2022 for information on significant accounting policies.

A. Employee benefits

(A) Short-term employee benefits

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

(B) Pensions

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

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

c. Deposits

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

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation 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 accounted for as changes in estimates.

B. Income tax

(A) Current income tax

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

(B) Deferred income tax

- a. Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.
- b. The land revaluation appraisal due to the revaluation assessment in compliance with relevant regulations, deemed as taxable temporary difference, is recognised as deferred income tax liabilities.
- c. If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realised in the future, the proportion of realization is deemed as deferred income tax asset.

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

(D) The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(E) If a change in tax rate is enacted or substantively enacted in an interim period, the Yuanta Group recognises the effect of the change on items recognised outside profit or loss immediately in the interim period in which the change occurs and spread the effect of the change on items recognised in profit or loss over the remainder of the annual reporting period via an adjustment to the estimated annual effective income tax rate.

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

There have been no significant changes as of September 30, 2023. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. Details of significant accounts

(1) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 6,177,522	\$ 8,717,834	\$ 6,319,038
Deposits in banks	65,862,215	63,687,758	49,702,271
Futures excess margin and cash equivalents	2,678,177	2,403,832	3,530,869
Checks for clearing	1,696,788	1,528,740	742,446
Total	<u>\$ 76,414,702</u>	<u>\$ 76,338,164</u>	<u>\$ 60,294,624</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Reserve for deposits - account A	\$ 11,562,175	\$ 10,967,640	\$ 7,088,576
Reserve for deposits - account B	45,514,146	42,591,672	41,875,654
Deposits by foreign subsidiary to designated accounts of respective local central banks	3,660,585	3,192,805	1,916,467
Reserve for deposits	13,233,031	10,224,932	10,247,492
Call loans to banks	1,613,402	12,713,111	15,538,485
Total	<u>\$ 75,583,339</u>	<u>\$ 79,690,160</u>	<u>\$ 76,666,674</u>

A. Reserves for deposits placed with the Central Bank are calculated monthly at prescribed rates on the average daily balances of various deposit accounts and structured accounts and then lodged into reserve for deposits account of Central Bank. The reserve for deposits - account A is non-interest bearing and call on demand. Reserve for deposits - account B is interest bearing and its use is restricted to monthly adjustment in the reserve for deposits only according to relevant regulations.

B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of September 30, 2023, December 31, 2022 and September 30, 2022.

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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 92,917,666	\$ 46,433,021	\$ 39,670,553
Beneficiary certificates / securities	56,018,868	41,201,887	39,407,024
Listed stocks	45,563,749	29,243,102	35,561,837
Emerging stocks	1,782,173	1,206,148	1,083,325
Government bonds	22,596,012	24,965,814	16,232,690
Bank debentures	91,460,042	88,580,934	90,002,415
Corporate bonds	36,481,818	37,739,641	37,437,505
Convertible corporate bonds	60,699,726	63,351,719	65,196,534
Derivative financial instruments	18,881,809	19,629,863	31,749,320
Structured products	16,805,603	10,662,464	6,248,738
Reserve for claims of customers' deposits with KSFC (Note 1)	53,886,722	52,617,228	55,790,363
Other marketable securities	23,441,665	17,674,966	10,556,699
Valuation adjustment	(5,930,726)	(13,249,405)	(14,680,145)
Total	<u>\$ 514,605,127</u>	<u>\$ 420,057,382</u>	<u>\$ 414,256,858</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial liabilities held for trading			
Derivative financial instruments	\$ 34,662,883	\$ 27,683,180	\$ 47,239,214
Non-derivative financial instruments	33,584,638	34,600,597	38,329,261
Valuation adjustment of non-derivative financial instruments	(403,167)	(1,233,298)	(4,872,954)
Liabilities for issuance of ETNs	1,369,240	1,648,324	1,669,232
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	54,569,352	48,482,434	40,556,306
Convertible bond asset swap not qualifying for derecognition (Note 2)	22,857,031	23,641,439	23,835,469
Total	<u>\$ 146,639,977</u>	<u>\$ 134,822,676</u>	<u>\$ 146,756,528</u>

Note 1: KSFC stands for Korea Securities Finance Corporation.

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

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged to others as collateral as of September 30, 2023, December 31, 2022 and September 30, 2022.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Equity instruments			
Domestic stocks	\$ 5,828,738	\$ 8,857,480	\$ 8,507,785
Overseas stocks	-	-	59,579
	<u>5,828,738</u>	<u>8,857,480</u>	<u>8,567,364</u>
Domestic beneficiary certificates	21,740,887	12,405,800	11,470,271
Overseas beneficiary certificates	782,036	1,069,798	1,143,398
	<u>\$ 28,351,661</u>	<u>\$ 22,333,078</u>	<u>\$ 21,181,033</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>2023</u>	<u>2022</u>
Loss recognised in accordance with IFRS 9	(\$ 230,681)	(\$ 459,594)
Less: Profit that would have been recognised under IAS 39	(1,669,743)	(132,106)
Loss from adopting the overlay approach	(\$ 1,900,424)	(\$ 591,700)
Effects on income tax	(\$ 6,782)	(\$ 70,725)

	For the nine months ended September 30,	
	2023	2022
Profit (loss) recognised in accordance with IFRS 9	\$ 4,620,160	(\$ 4,508,736)
Less: Profit that would have been recognised under IAS 39	(3,184,530)	(187,266)
Profit (loss) from adopting the overlay approach	\$ 1,435,630	(\$ 4,696,002)
Effects on income tax	\$ 23,205	(\$ 21,709)

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

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

Items	September 30, 2023	December 31, 2022	September 30, 2022
Debt instruments			
Government bonds	\$ 58,483,236	\$ 66,141,036	\$ 62,268,780
Bank debentures	68,408,382	69,146,868	70,188,007
Corporate bonds	167,203,141	169,249,746	177,107,745
Commercial paper	775	27,282	36,269
Others	1,859,281	1,507,887	1,468,281
Valuation adjustment	(17,845,181)	(20,358,290)	(22,026,473)
Subtotal	278,109,634	285,714,529	289,042,609
Equity instruments			
Listed stocks	\$ 9,625,989	\$ 18,307,697	\$ 23,213,234
Unlisted stocks/Emerging stocks	4,586,491	4,614,049	4,458,842
Others	2,658,072	2,659,126	3,589,640
Valuation adjustment	30,684,095	28,416,152	26,430,883
Subtotal	47,554,647	53,997,024	57,692,599
Total	\$ 325,664,281	\$ 339,711,553	\$ 346,735,208

A. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of September 30, 2023, December 31, 2022 and September 30, 2022, the fair value of such investments were \$47,554,647, \$53,997,024 and \$57,692,599, respectively.

B. The Yuanta Group disposed equity instruments at fair value through other comprehensive income for purposes of investment portfolio adjustment and asset allocation. For the three months and nine months ended September 30, 2023 and 2022, the fair value of such equity investments sold amounted to \$15,026,044, \$352,241, \$25,275,572 and \$7,560,386, and accumulated gains (losses) on disposal were \$4,379,853, (\$183,346), \$2,756,752 and (\$228,872), respectively.

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

	For the three months ended September 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,161,046	\$ 4,113,791
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 1,086,379	(\$ 165,930)
Dividend income recognised in profit or loss		
Held at end of period	\$ 179,973	\$ 1,803,903
Derecognised in the current period	636,947	31,124
	<u>\$ 816,920</u>	<u>\$ 1,835,027</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 1,766,674)	(\$ 5,754,823)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 5,876)	(\$ 1,058)
Reclassified due to derecognition	965,520	505,986
	<u>\$ 959,644</u>	<u>\$ 504,928</u>
Interest income recognised in profit or loss	<u>\$ 1,394,223</u>	<u>\$ 995,543</u>
	For the nine months ended September 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,128,569	\$ 3,388,083
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 2,679,575	(\$ 215,902)
Dividend income recognised in profit or loss		
Held at end of period	\$ 1,568,575	\$ 2,629,627
Derecognised in the current period	2,811,502	52,953
	<u>\$ 4,380,077</u>	<u>\$ 2,682,580</u>

	For the nine months ended September 30,	
	2023	2022
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	\$ 586,284	(\$ 21,136,265)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 7,374)	(\$ 15,320)
Reclassified due to derecognition	1,798,817	480,741
	<u>\$ 1,791,443</u>	<u>\$ 465,421</u>
Interest income recognised in profit or loss	<u>\$ 3,823,433</u>	<u>\$ 2,766,945</u>

D. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of September 30, 2023, December 31, 2022 and September 30, 2022, are provided in Note 8.

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

(5) Investments in debt instruments at amortised cost

Items	September 30, 2023	December 31, 2022	September 30, 2022
Government bonds	\$ 116,641,073	\$ 118,653,300	\$ 119,884,811
Time deposits	118,864,400	173,075,000	183,735,000
Bank debentures	124,251,231	108,753,511	110,276,018
Corporate bonds	176,658,265	143,771,283	143,956,466
Subtotal	536,414,969	544,253,094	557,852,295
Less: Accumulated impairment	(162,839)	(163,379)	(165,310)
Statutory deposits	(3,560,400)	(3,560,400)	(3,560,400)
Total	<u>\$ 532,691,730</u>	<u>\$ 540,529,315</u>	<u>\$ 554,126,585</u>

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

	For the three months ended September 30,	
	2023	2022
Interest income	\$ 3,489,147	\$ 3,048,111
Impairment loss	(2,613)	(5,782)
Losses on disposal	(629,421)	(27,049)
	<u>\$ 2,857,113</u>	<u>\$ 3,015,280</u>
	For the nine months ended September 30,	
	2023	2022
Interest income	\$ 10,039,761	\$ 8,417,124
Reversal gain (impairment loss)	563	(16,441)
(Losses) gains on disposal	(757,114)	130,702
	<u>\$ 9,283,210</u>	<u>\$ 8,531,385</u>

- B. The Yuanta Group sold certain financial assets at amortised cost for the three months and nine months ended September 30, 2023 and 2022, due to factors such as considering pay back, mandatorily redeemed by the issuer, increase in credit risk, or individual and aggregated sales amount that is non-significant. The (loss) gain on disposal of investments in debt instruments at amortised cost were (\$629,421), (\$27,049), (\$757,114) and \$130,702, respectively.
- C. 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. As of September 30, 2023, December 31, 2022 and September 30 2022, Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$3,560,400 in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.
- D. Details of the Yuanta Group's financial assets at amortised cost pledged to others as collateral as of September 30, 2023, December 31, 2022 and September 30 2022, 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bills and bonds purchased under resale agreement	<u>\$ 81,131,279</u>	<u>\$ 94,073,224</u>	<u>\$ 66,478,059</u>
Interest rate range	0.90% ~ 6.65%	0.56% ~ 5.90%	0.43% ~ 10.00%
Contract resale amount	<u>\$ 81,407,307</u>	<u>\$ 94,442,928</u>	<u>\$ 66,591,070</u>
 Bills and bonds sold under repurchase agreement	 <u>\$ 215,213,013</u>	 <u>\$ 224,137,491</u>	 <u>\$ 202,432,542</u>
Interest rate range	0.50% ~ 5.90%	0.45% ~ 4.85%	0.35% ~ 9.00%
Contract repurchase amount	<u>\$ 221,232,431</u>	<u>\$ 229,074,828</u>	<u>\$ 207,093,890</u>

(7) Receivables – net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Interest receivable	\$ 11,219,323	\$ 9,692,421	\$ 8,525,938
Receivable of securities business money lending	60,603,162	50,876,971	50,556,526
Factoring receivable	9,208,809	6,749,712	8,382,665
Margin loans receivable	98,284,585	84,058,674	86,747,060
Spot exchange receivable	4,161,590	2,006,360	2,334,567
Credit card receivable	8,981,807	8,883,926	8,267,175
Net exchange clearing receivable	6,215,431	6,110,052	6,286,817
Settlement price receivable	38,597,030	25,014,002	34,103,323
Securities sold receivable	14,742,169	4,511,972	7,060,442
Other receivables	<u>8,857,056</u>	<u>6,447,984</u>	<u>10,292,139</u>
Subtotal	260,870,962	204,352,074	222,556,652
Less: Allowance for credit losses	(2,123,974)	(2,010,082)	(2,142,560)
Total	<u>\$ 258,746,988</u>	<u>\$ 202,341,992</u>	<u>\$ 220,414,092</u>

- A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the nine months ended September 30, 2023 and 2022, 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, 2023, December 31, 2022 and September 30, 2022, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were 6.90%~10.20%, 7.00%~10.40% and 6.45%~9.95%; the annual interest rates range of Yuanta Securities (Hong Kong) were 2.68%~13.75%, 0.25%~13.50% and 1.93%~13.00%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were all 16.00%~18.00%; the annual interest rates range of Yuanta Securities (Thailand) were 5.31%~5.65%, 4.13%~4.50% and 3.85%~4.50%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 8.00%~13.50%, 6.79%~15.51% and 6.00%~12.00%, respectively.

(8) Assets held for sale

In order to enhance the efficiency of asset utilization, the Yuanta Group approved the sale of its own real estate by those authorised, and expected to complete the sale within a year therefore, the relevant assets were reclassified to “assets held for sale”. After remeasuring, the original assets at the lower of its carrying amount or fair value less costs to sell, the balance of assets held for sale is \$80,998, \$81,469 and \$86,904 as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. The fair value of the assets held for sale is based on the valuation results by independent valuation experts, which was categorised as level 2 of the fair value hierarchy. For the three months and nine months ended September 30, 2022, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal all amounted to \$52,000 and \$120,880, and gain on disposal amounted to \$520 and \$12,331, respectively. For the nine months ended September 30, 2023, there were no sales transaction. For the three months and nine months ended September 30, 2023 and 2022, the Yuanta Group recognised related (impairment loss) reversal gain were \$0, \$0, (\$471) and \$890, respectively.

(9) Bills discounted and loans - net

	September 30, 2023	December 31, 2022	September 30, 2022
Bills discounted	\$ 84,338	\$ 10,663	\$ 84,652
Overdrafts	3,774	3,634	3,597
Short-term loans	143,813,016	130,844,368	116,406,100
Short-term loans secured	104,113,553	90,689,357	84,696,620
Medium-term loans	152,889,996	141,328,962	119,233,501
Medium-term loans secured	226,296,230	228,098,646	223,965,409
Long-term loans	4,701,477	4,823,525	5,059,764
Long-term loans secured	423,018,402	404,064,697	400,978,463
Import-export negotiations	107,004	37,855	-
Accounts receivable financing	182,800	489,648	721,532
Automatic policy loans	1,640,107	1,601,933	1,579,688
Life insurance policy loans	6,223,130	6,049,114	5,914,500
Loans transferred to non-performing loans	2,200,117	1,513,972	1,578,643
Subtotal	1,065,273,944	1,009,556,374	960,222,469
Less: Allowance for credit losses	(15,408,470)	(14,367,092)	(14,088,261)
Less: Adjustment for discount or premium	(9,486)	9,883	7,785
Total	\$ 1,049,855,988	\$ 995,199,165	\$ 946,141,993

A. The Yuanta Group recognised the appropriate allowance for credit losses for the bills discounted and loans. For the details of changes in allowance for credit losses in relation to bills discounted and loans for the nine months ended September 30, 2023 and 2022, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bills discounted and loans including adjustment for premium			
Yuanta Bank	\$ 1,045,757,817	\$ 990,145,956	\$ 941,877,603
Yuanta Securities	11,643,405	11,769,254	10,858,463
Yuanta Life	7,863,236	7,651,047	7,494,188
Subtotal	<u>1,065,264,458</u>	<u>1,009,566,257</u>	<u>960,230,254</u>
Allowance for credit losses			
Yuanta Bank	(\$ 14,349,473)	(\$ 13,400,050)	(\$ 13,207,210)
Yuanta Securities	(1,058,997)	(967,042)	(881,051)
Subtotal	<u>(15,408,470)</u>	<u>(14,367,092)</u>	<u>(14,088,261)</u>
Total	<u>\$ 1,049,855,988</u>	<u>\$ 995,199,165</u>	<u>\$ 946,141,993</u>

C. For the three months and nine months ended September 30, 2022, the Consolidated Company has recognised gain of \$4,192 and \$5,985, respectively, when derecognising credit assets measured at amortised cost. There was no derecognition for the nine months ended September 30, 2023.

(10) Reinsurance contract assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Claims recoverable from reinsurers	\$ 510,789	\$ 640,013	\$ 617,911
Due from reinsurers and ceding companies	87,396	153,324	111,829
Reinsurance reserve assets			
Ceded unearned premium reserve	406,283	436,945	387,871
Ceded claims reserve	114,083	123,363	121,965
Overdue receivables	96,919	14,550	107,285
Total	<u>\$ 1,215,470</u>	<u>\$ 1,368,195</u>	<u>\$ 1,346,861</u>

(11) Investments accounted for under the equity method

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management						
Company Limited	\$ 347,509	24.50%	\$ 346,416	24.50%	\$ 348,378	24.50%
GC Investment Consultant						
(Shanghai) Co., Ltd.	23,373	100.00%	22,324	100.00%	22,922	100.00%
Woori Asset Management						
Corp.	811,561	27.00%	793,797	27.00%	717,650	27.00%
TONGYANG AGRI-FOOD						
INVESTMENT FUND II	-	-	72,028	40.74%	67,755	40.74%
KVIC-Yuanta 2015 Overseas						
Advance Fund	86,416	44.00%	162,026	44.00%	163,330	44.00%
IBKC-TONGYANG Growth						
2013 Private Equity Fund	47,506	10.71%	67,762	10.71%	82,018	10.71%
2016 KIF-Yuanta ICT						
Venture Fund	50,323	16.67%	74,120	16.67%	74,869	16.67%
Yuanta Secondary No.2 Fund	201,595	12.28%	212,851	12.28%	187,141	12.28%
Yuanta Secondary No.3						
Private Equity Fund	788,300	15.26%	810,130	15.26%	697,934	15.26%
SJ-ULTRA V 1st FUND	28,632	34.48%	29,014	34.48%	26,731	34.48%
Yuanta-HPNT Private Equity						
Fund	4,723	0.09%	4,838	0.09%	4,409	0.09%
Kiwoom-Yuanta 2019						
Scale-up Fund	403,137	15.20%	410,896	15.20%	391,423	15.20%
Yuanta SPAC VII	-	-	-	-	1,981	0.91%
Yuanta SPAC VIII	-	-	480	0.15%	435	0.15%
Yuanta Innovative Job						
Creation Fund	194,115	22.73%	189,764	22.73%	176,465	22.73%
Yuanta Quantum Jump No.1						
Fund	115,198	12.50%	86,292	12.50%	62,092	12.50%
Yuanta Great Unicorn No.1						
Fund	112,934	17.65%	116,684	17.65%	106,643	17.65%
Yuanta Innovative Growth						
MPE Fund	129,036	14.02%	30,950	14.02%	29,412	14.02%
Yuanta SPAC IX	472	0.19%	480	0.19%	222	4.17%
Yuanta SPAC X	472	0.17%	528	0.17%	222	4.35%
Yuanta SPAC XI	526	0.19%	24	4.17%	222	4.17%
Yuanta SPAC XII	410	0.21%	21	3.70%	222	3.70%
Yuanta SPAC XIII	307	0.10%	244	0.81%	-	-
Yuanta SPAC XIV	447	0.22%	244	1.85%	-	-
	<u>\$3,346,992</u>		<u>\$3,431,913</u>		<u>\$3,162,476</u>	

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

		For the three months ended September 30,	
		2023	2022
Net gain (loss) for the period from continuing operations		\$ 18,974	(\$ 16,581)
Other comprehensive (loss) gain (net of tax)		(656)	719
		For the nine months ended September 30,	
		2023	2022
Net gain for the period from continuing operations		\$ 4,469	\$ 157,925
Other comprehensive gain (net of tax)		508	931
(12) <u>Other financial assets - net</u>			
	September 30, 2023	December 31, 2022	September 30, 2022
Non-loans reclassified to non-performing loans	\$ 937,098	\$ 899,922	\$ 867,204
Less: Allowance for credit losses	(936,050)	(898,458)	(865,583)
	<u>1,048</u>	<u>1,464</u>	<u>1,621</u>
Purchase of claim receivable	1,799,424	1,814,911	1,819,361
Valuation adjustment on purchase of claim receivable	(23,711)	(22,158)	(21,198)
	<u>1,775,713</u>	<u>1,792,753</u>	<u>1,798,163</u>
Customer margin account	74,987,322	81,222,971	79,586,671
Investment-linked insurance product assets	31,122,735	30,353,012	32,135,416
Receivables from security lending	148,310	846,335	828,255
Others	<u>165,735</u>	<u>264,238</u>	<u>248,582</u>
Total	<u>\$ 108,200,863</u>	<u>\$ 114,480,773</u>	<u>\$ 114,598,708</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, 2023, December 31, 2022 and September 30, 2022, as well as for the three months and nine months ended September 30, 2023 and 2022, details about the investment insurance products - separate accounts were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Investment – linked insurance product assets			
Financial assets at fair value through profit or loss	\$ 31,085,206	\$ 30,324,039	\$ 32,065,767
Other receivables	<u>37,529</u>	<u>28,973</u>	<u>69,649</u>
	<u>\$ 31,122,735</u>	<u>\$ 30,353,012</u>	<u>\$ 32,135,416</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product			
– insurance contract	\$ 7,130,357	\$ 6,694,344	\$ 6,807,710
– investment contract	23,977,288	23,636,016	25,307,689
Other payables	15,090	22,652	20,017
	<u>\$ 31,122,735</u>	<u>\$ 30,353,012</u>	<u>\$ 32,135,416</u>
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Revenue on investment – linked insurance products			
Premium income	\$ 71,184	\$ 310,509	
Gain (loss) on financial assets at fair value through profit or loss	65,989	(118,608)	
Exchange loss	(1,098)	(2,233)	
Interest income	1,265	1,305	
Other losses	187	3,831	
	<u>\$ 137,527</u>	<u>\$ 194,804</u>	
Expenses on investment – linked insurance products			
Claims and policy benefit payments	\$ 97,110	\$ 55,552	
Net change in reserve for investment-linked insurance product-insurance contract	(33,877)	55,490	
Administrative expenses and other expenses	74,294	83,762	
	<u>\$ 137,527</u>	<u>\$ 194,804</u>	
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Revenue on investment – linked insurance products			
Premium income	\$ 202,271	\$ 2,129,488	
Gain (loss) on financial assets at fair value through profit or loss	783,249	(1,002,513)	
Exchange loss	(1,472)	(5,009)	
Interest income	3,779	3,837	
Other income	187	4,492	
	<u>\$ 988,014</u>	<u>\$ 1,130,295</u>	
Expenses on investment – linked insurance products			
Claims and policy benefit payments	\$ 336,350	\$ 170,408	
Net change in reserve for investment-linked insurance product-insurance contract	434,541	716,762	
Administrative expenses and other expenses	217,123	243,125	
	<u>\$ 988,014</u>	<u>\$ 1,130,295</u>	

(13) Investment property - net

September 30, 2023				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 1,811,516	\$ -	(\$ 198,746)	\$ 1,612,770
Buildings	1,700,347	(751,373)	(36,200)	912,774
Right-of-use assets	6,472,063	(356,799)	-	6,115,264
Investment property under construction	2,049,152	-	-	2,049,152
Total	<u>\$ 12,033,078</u>	<u>(\$ 1,108,172)</u>	<u>(\$ 234,946)</u>	<u>\$ 10,689,960</u>

December 31, 2022				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,113,291	\$ -	(\$ 201,558)	\$ 1,911,733
Buildings	1,926,328	(814,205)	(37,574)	1,074,549
Right-of-use assets	6,472,693	(278,194)	-	6,194,499
Investment property under construction	1,306,670	-	-	1,306,670
Total	<u>\$ 11,818,982</u>	<u>(\$ 1,092,399)</u>	<u>(\$ 239,132)</u>	<u>\$ 10,487,451</u>

September 30, 2022				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,097,124	\$ -	(\$ 204,601)	\$ 1,892,523
Buildings	1,851,098	(766,582)	(39,049)	1,045,467
Right-of-use assets	6,470,219	(251,248)	-	6,218,971
Investment property under construction	956,109	-	-	956,109
Total	<u>\$ 11,374,550</u>	<u>(\$ 1,017,830)</u>	<u>(\$ 243,650)</u>	<u>\$ 10,113,070</u>

Change in investment property of the Yuanta Group:

	For the nine months ended September 30,	
	2023	2022
Cost		
At January 1	\$ 11,818,982	\$ 12,185,874
Additions	743,534	378,122
Disposals	(138,065)	(1,065,430)
Transferred out to property and equipment	(387,269)	(299,347)
Transferred in from property and equipment	33,043	277,992
Others	-	(16,796)
Foreign exchange adjustment and others	(37,147)	(85,865)
At September 30	<u>\$ 12,033,078</u>	<u>\$ 11,374,550</u>

	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Accumulated depreciation		
At January 1	(\$ 1,092,399)	(\$ 1,240,700)
Depreciation	(44,856)	(53,782)
Disposals	21,051	312,648
Transferred out to property and equipment	68,266	22,685
Transferred in from property and equipment	(2,615)	(17,128)
Others	-	2,687
Foreign exchange adjustment and others	(57,619)	(44,240)
At September 30	<u>(\$ 1,108,172)</u>	<u>(\$ 1,017,830)</u>

	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Accumulated impairment		
At January 1	(\$ 239,132)	(\$ 251,652)
Reversal of impairment loss	13,812	5,010
Disposals	-	3,101
Transferred in from property and equipment	(9,626)	(109)
At September 30	<u>(\$ 234,946)</u>	<u>(\$ 243,650)</u>

- A. The fair value of the investment property held by the Yuanta Group as of September 30, 2023, December 31, 2022 and September 30, 2022, were \$12,833,366, \$12,524,213 and \$12,027,581, respectively, according to the result of valuation by an independent valuation expert using the income approach, comparison approach, cost approach and land development analysis approach. As of September 30, 2023, the fair value included the amounts of \$2,914,626 and \$9,918,740; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2022, the fair value included the amounts of \$3,252,372 and \$9,271,841; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of September 30, 2022, the fair value included the amounts of \$3,286,034 and \$8,741,547 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the three months and nine months ended September 30, 2023 and 2022, rental income from the lease of the investment property were \$40,103, \$40,144, \$121,006 and \$131,938, respectively.
- C. Please refer to Note 8 for details of the Yuanta Group's investment property pledged to others as collateral.

(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2023

Cost	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659
Additions	-	1,089	323,545	10,457	72,496	1,116,031	1,523,618
Disposals	(2,789)	(9,159)	(167,898)	(20,242)	(161,546)	-	(361,634)
Transferred in from investment property	253,031	134,238	-	-	-	-	387,269
Transferred out to investment property	(24,024)	(9,019)	-	-	-	-	(33,043)
Others	-	-	259,009	1,700	24,830	(300,492)	(14,953)
Translation difference	(6,297)	(19,451)	(34,566)	422	4,550	264	(55,078)
At September 30	\$ 15,216,107	\$ 7,167,880	\$ 4,662,419	\$ 199,895	\$ 1,747,259	\$ 4,580,278	\$ 33,573,838
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	\$ -	(\$ 6,434,820)
Depreciation	-	(152,464)	(491,451)	(17,381)	(217,133)	-	(878,429)
Disposals	-	4,752	167,856	17,615	159,492	-	349,715
Transferred in from investment property	-	(68,266)	-	-	-	-	(68,266)
Transferred out to investment property	-	2,615	-	-	-	-	2,615
Others	-	-	2	-	(2)	-	-
Translation difference	-	7,987	28,561	(335)	(4,548)	-	31,665
At September 30	\$ -	(\$ 2,543,676)	(\$ 3,151,667)	(\$ 143,928)	(\$ 1,158,249)	\$ -	(\$ 6,997,520)
<u>Accumulated impairment</u>							
At January 1	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)
Transferred out to investment property	5,419	4,207	-	-	-	-	9,626
At September 30	(\$ 125,321)	(\$ 54,103)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 179,722)
Net carrying amount	\$ 15,090,786	\$ 4,570,101	\$ 1,510,752	\$ 55,967	\$ 588,712	\$ 4,580,278	\$ 26,396,596

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

2022

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

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

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

(15) Leasing arrangements — lessee

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,542,417	\$ 8,642,912	\$ 8,674,516
Buildings	2,744,818	2,701,303	2,578,889
Machinery and equipment	58,462	92,732	94,301
Transportation equipment	28,943	33,979	31,755
Others	54,658	44,606	32,433
	<u>\$ 11,429,298</u>	<u>\$ 11,515,532</u>	<u>\$ 11,411,894</u>
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
Land	\$ 5,002	\$ 4,967	
Buildings	323,006	316,290	
Machinery and equipment	11,020	11,085	
Transportation equipment	3,262	3,413	
Others	2,135	(351)	
	<u>\$ 344,425</u>	<u>\$ 335,404</u>	
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
Land	\$ 15,004	\$ 14,931	
Buildings	969,337	962,011	
Machinery and equipment	34,290	34,179	
Transportation equipment	10,357	10,100	
Others	5,871	6,255	
	<u>\$ 1,034,859</u>	<u>\$ 1,027,476</u>	

- C. For the three months and nine months ended September 30, 2023 and 2022, the additions to right-of-use assets amounted to \$382,549, \$221,527, \$1,096,467 and \$1,204,931, respectively.

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

	For the three months ended September 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 15,030	\$ 12,385
Expense on short-term lease contracts	21,811	22,031
Expense on leases of low-value assets	1,343	1,041
Gain on sublease of right-of-use assets	3,749	3,055
Gain (loss) on lease modification	109 (	1,195)

	For the nine months ended September 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 54,212	\$ 48,925
Expense on short-term lease contracts	63,362	65,119
Expense on leases of low-value assets	4,135	4,373
Gain on sublease of right-of-use assets	10,332	9,403
(Loss) gain on lease modification	(323)	133,133

E. For the nine months ended September 30, 2023 and 2022, the Yuanta Group's total cash outflow for leases amounted to \$1,200,192 and \$1,428,211, respectively.

(16) Leasing arrangements – lessor

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

	For the three months ended September 30,	
	2023	2022
Finance income from the net investment in the finance lease	\$ 41	\$ 137
	For the nine months ended September 30,	
	2023	2022
Finance income from the net investment in the finance lease	\$ 197	\$ 482

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

	September 30, 2023	December 31, 2022	September 30, 2022
2022	\$ -	\$ -	\$ 2,115
2023	2,116	8,463	8,463
Total	\$ 2,116	\$ 8,463	\$ 10,578

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Undiscounted lease payments	\$ 2,116	\$ 8,463	\$ 10,578
Unearned finance income	(17)	(214)	(328)
Net investment in the lease	<u>\$ 2,099</u>	<u>\$ 8,249</u>	<u>\$ 10,250</u>

E. For the three months and nine months ended September 30, 2023 and 2022, the Yuanta Group recognised rent income in the amounts of \$40,124, \$40,154, \$121,067 and \$131,968, 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, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>
2023	\$ 50,631	2023	\$ 107,402	2022	\$ 52,441
2024	76,365	2024	63,395	2023	78,969
2025	46,791	2025	35,402	2024	33,775
2026	10,045	2026	7,555	2025	19,797
2027	7,061	2027	5,113	2026	7,450
After 2028	4,712	After 2028	3,917	After 2027	8,850
Total	<u>\$ 195,605</u>	Total	<u>\$ 222,784</u>	Total	<u>\$ 201,282</u>

(BLANK)

(17) Intangible assets - net

	2023					
Cost	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,496,813	\$ 385,472	\$ 5,079,715	\$ 3,045,314	\$ 4,367,806	\$ 44,375,120
Additions	-	-	196,047	-	24,302	220,349
Disposals	-	-	(71,909)	-	-	(71,909)
Reclassifications	-	-	95,265	-	-	95,265
Translation difference	1,007	700	(78,789)	-	(14,001)	(91,083)
At September 30	<u>\$ 31,497,820</u>	<u>\$ 386,172</u>	<u>\$ 5,220,329</u>	<u>\$ 3,045,314</u>	<u>\$ 4,378,107</u>	<u>\$ 44,527,742</u>
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 374,975)	(\$ 4,152,345)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ 10,141,836)
Amortisation	-	-	(257,491)	(2,813)	(174,278)	(434,582)
Disposals	-	-	71,901	-	-	71,901
Translation difference	-	(206)	72,518	-	1,210	73,522
At September 30	<u>\$ -</u>	<u>(\$ 375,181)</u>	<u>(\$ 4,265,417)</u>	<u>(\$ 3,044,689)</u>	<u>(\$ 2,745,708)</u>	<u>(\$ 10,430,995)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 2,956,649)	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ 3,273,376)
Translation difference	(62)	-	-	-	370	308
At September 30	<u>(\$ 2,956,711)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 316,357)</u>	<u>(\$ 3,273,068)</u>
Net carrying amount	<u>\$ 28,541,109</u>	<u>\$ 10,991</u>	<u>\$ 954,912</u>	<u>\$ 625</u>	<u>\$ 1,316,042</u>	<u>\$ 30,823,679</u>

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

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

(18) Other assets - net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Refundable deposits - net	\$ 9,338,789	\$ 6,313,415	\$ 14,283,128
Deposits on securities borrowed	31,330,218	25,663,435	37,872,858
Operating guarantee deposits and settlement and clearing fund	5,615,506	5,188,796	5,215,334
Prepayments	1,280,916	1,013,577	984,570
Bank deposits - amounts held for settlement	20,672,881	20,495,962	22,897,232
Others	1,082,151	368,271	911,955
Total	<u>\$ 69,320,461</u>	<u>\$ 59,043,456</u>	<u>\$ 82,165,077</u>

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

(19) Impairment of non-financial assets

Accumulated impairment on various non-financial assets were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Investment property	\$ 234,946	\$ 239,132	\$ 243,650
Property and equipment	179,722	189,348	190,721
Intangible assets - goodwill	2,956,711	2,956,649	2,887,415
Intangible assets - other	316,357	316,727	315,272

(20) Deposits from Central Bank and other banks

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Overdrafts with other banks	\$ 3,469,082	\$ 1,923,082	\$ 2,010,980
Call loans from other banks	10,933,162	36,684,013	21,511,221
Redeposit from the directorate general of postal remittance	-	-	472,919
Total	<u>\$ 14,402,244</u>	<u>\$ 38,607,095</u>	<u>\$ 23,995,120</u>

(21) Commercial paper payable - net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Commercial paper payable	\$ 87,698,486	\$ 47,963,211	\$ 57,116,747
Less: Discount on commercial paper payable	(254,084)	(127,141)	(116,359)
Total	<u>\$ 87,444,402</u>	<u>\$ 47,836,070</u>	<u>\$ 57,000,388</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022, the annual interest rate of commercial paper payable were 1.470%~5.450%, 0.950%~5.990% and 0.900%~4.080%, respectively.

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

(22) Payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable	\$ 78,413,507	\$ 76,475,038	\$ 87,422,122
Spot exchange payable	4,145,974	2,009,705	2,299,793
Accrued expenses	9,527,888	10,136,916	8,434,870
Deposit payable for short sales	6,624,802	10,153,978	9,944,109
Consigned securities payable	4,159,534	4,493,450	5,160,138
Net exchange clearing payable	4,142,619	3,335,104	1,891,386
Securities purchased payable	6,045,667	3,133,408	5,174,653
Settlement payable	36,300,578	23,618,346	33,333,086
Guarantee deposit received from short sales	5,811,992	11,091,743	8,840,261
Other payables	13,902,735	9,578,875	8,354,003
Total	<u>\$ 169,075,296</u>	<u>\$ 154,026,563</u>	<u>\$ 170,854,421</u>

(23) Deposits and remittances

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Checking deposits	\$ 4,748,758	\$ 6,041,755	\$ 4,636,150
Demand deposits	173,660,085	180,320,808	196,034,352
Time deposits	398,542,612	380,133,262	347,760,917
Negotiable certificates of deposit	18,814,900	4,694,000	194,000
Savings deposits	908,935,946	836,179,477	836,301,274
Remittances	117,009	72,197	1,487,405
The account for foreign exchange credit purposes	-	-	1,436
Total	<u>\$ 1,504,819,310</u>	<u>\$ 1,407,441,499</u>	<u>\$ 1,386,415,534</u>

(24) Bonds payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bank debentures	\$ 28,700,000	\$ 28,700,000	\$ 22,200,000
Unsecured corporate bonds	69,628,614	73,787,542	64,936,022
Total	<u>\$ 98,328,614</u>	<u>\$ 102,487,542</u>	<u>\$ 87,136,022</u>

A. The details of bank debentures as of September 30, 2023 were as follows:

First issue of subordinate bank debentures in 2014(B)

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

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

	First issue of general bank debentures in 2022
Par value	\$2,000,000
Stated interest rate	Fixed interest rate at 0.77%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Second issue of subordinate bank debentures in 2022
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 2.40%
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 subordinate bank debentures in 2022(A)
Par value	\$900,000
Stated interest rate	Fixed interest rate at 2.40%
Period	Eight 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 subordinate bank debentures in 2022(B)
Par value	\$1,900,000
Stated interest rate	Fixed interest rate at 2.55%
Period	Ten 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, 2023 were as follows:
The Company

	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2018(B)
Par value	\$8,500,000
Stated interest rate	Fixed interest rate at 0.96%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the sixth and seventh years
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2020
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.59%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2022
Par value	\$5,300,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured ordinary corporate bond in 2022
Par value	\$8,200,000
Stated interest rate	Fixed interest rate at 1.55%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the fourth and fifth years
Issue price	Priced at face value on issue date
The Yuanta Group	
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(A)
Par value	\$2,200,000
Stated interest rate	Fixed interest rate at 1.25%
Issuance date	June 6, 2019
Maturity date	June 6, 2026
Issuance area	Taiwan

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(B)
Par value	\$6,300,000
Stated interest rate	Fixed interest rate at 1.40%
Issuance date	June 6, 2019
Maturity date	June 6, 2029
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(A)
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	October 20, 2020
Maturity date	October 20, 2027
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(B)
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 0.95%
Issuance date	October 20, 2020
Maturity date	October 20, 2030
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(A)
Par value	\$4,800,000
Stated interest rate	Fixed interest rate at 0.82%
Issuance date	May 17, 2021
Maturity date	May 17, 2031
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary 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 first issue of unsecured subordinate ordinary corporate bond in 2023(A)
Par value	\$950,000
Stated interest rate	Fixed interest rate at 1.62%
Issuance date	August 15, 2023
Maturity date	August 15, 2028
Issuance area	Taiwan

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2023(B)
Par value	\$4,550,000
Stated interest rate	Fixed interest rate at 1.82%
Issuance date	August 15, 2023
Maturity date	August 15, 2033
Issuance area	Taiwan
	Yuanta Securities Finance first issue of local unsecured ordinary 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 ordinary 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 ordinary corporate bond
Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 1.707%
Issuance date	April 8, 2021
Maturity date	April 8, 2024
Issuance area	Korea
	Yuanta Securities (Korea) 88th issue of unsecured ordinary corporate bond
Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 4.215%
Issuance date	April 12, 2022
Maturity date	April 11, 2025
Issuance area	Korea
	Yuanta Futures first issue of unsecured subordinate ordinary corporate bond in 2021
Par value	\$1,500,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	November 12, 2021
Maturity date	November 12, 2028
Issuance area	Taiwan

(25) Other borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 7,354,693	\$ 8,457,322	\$ 4,701,258
Secured bank borrowings	3,687,506	4,930,967	6,139,475
KSFC secured borrowings	26,112,351	22,144,885	22,120,730
Asset-backed short-term bonds	13,868,138	12,927,025	17,358,748
	<u>\$ 51,022,688</u>	<u>\$ 48,460,199</u>	<u>\$ 50,320,211</u>
Interest rate range	<u>0.71% ~ 8.70%</u>	<u>1.69% ~ 10.40%</u>	<u>1.125% ~ 8.10%</u>

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

(26) Provisions

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Insurance liabilities	\$ 365,781,025	\$ 350,428,059	\$ 349,592,835
Reserve for foreign exchange fluctuation	4,018,654	3,988,784	5,243,011
Employee benefit provisions	4,563,946	4,553,279	5,426,391
Guaranteed policy reserve	184,382	177,637	167,871
Loan commitment reserve and letters of credit	37,491	37,202	39,163
Reserve for insurance with nature of financial instrument	188,954	130,855	137,617
Other reserves (Note)	4,794,909	4,360,809	3,835,664
Total	<u>\$ 379,569,361</u>	<u>\$ 363,676,625</u>	<u>\$ 364,442,552</u>

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately \$16.6 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately \$1.6 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of September 30, 2023, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, with the claim amount of KRW492,565 million (approximately \$11.7 billion) (which claim amount was reduced to KRW113,007 million (approximately \$2.7 billion) by the plaintiffs) and KRW50,000 million (approximately \$1.2 billion), respectively, demanding compensations totaling KRW163,007 million (approximately \$3.9 billion); both litigations were class actions. For the class action with the claim amount of KRW492,565 million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance. The plaintiffs reduced the claim amount to KRW113,516 million (approximately \$2.7 billion) on November 16, 2022. The Seoul Central District Court dismissed the plaintiffs' claim on

January 19, 2023. The plaintiffs appealed the case on February 9, 2023 with the claim amount of KRW113,007 million. For the class action with the claim amount of KRW50,000 million, the Seoul Central District Court and the Seoul High Court had dismissed the case based on procedural reasons. Subsequently, Yuanta Securities (Korea) received a judgment rendered by the Supreme Court on June 26, 2023 dismissing the appeal and the case is closed.

Former TongYang Securities Inc. has recognised a liability reserve of KRW93,400 million (approximately \$2.2 billion) on December 31, 2013 for the aforementioned sales dispute with adjustments made for actual compensation payments. As of September 30, 2023, the balance of the liability reserve related to the aforementioned financial product selling disputes and class action was KRW4,610 million (approximately \$0.1 billion), and Yuanta Securities (Korea) has reversed KRW29,554 million (approximately \$0.7 billion) in liability reserves, reflecting the status of relevant litigations and compensations.

In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, “Anbang”) filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW166,600 million (approximately \$4 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW55,643 million as of September 30, 2023 (approximately \$1.3 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above results. Anbang then applied to Seoul Central District Court for recognising and enforcing the arbitration award. Yuanta Securities (Korea) received the court’s decision on December 17, 2021 which recognised the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW131,801 million (approximately \$3.1 billion) plus subsequent interests payable. Yuanta Securities (Korea) and Anbang both filed an appeal against such decision. Yuanta Securities (Korea) received the ruling from the Seoul High Court on May 26, 2023 recognising such arbitration award. Anbang is entitled to file an enforcement for approximately KRW127,436 million (approximately \$3 billion), arbitration fees for approximately KRW23,229 million (approximately \$0.6 million) and subsequent interest payable. Yuanta Securities (Korea) has filed an appeal against the Seoul High Court’s ruling. Yuanta Securities (Korea) has recognised provision liabilities in the amount of approximately KRW176,812 million (approximately \$4.2 billion). However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions.

Furthermore, for the delay in redeeming certain funds sold by Yuanta Securities (Korea), Yuanta Securities (Korea) has made provisions about KRW12,525 million (approximately \$0.3 billion). The amount of provisions is estimated and referred to cases that the Financial Dispute Settlement Committee has granted in relevant fund sales, this amount will be adjusted once the actual compensatory payments is made. As of September 30, 2023, after reflecting the current status of actual compensatory payments, the remaining amount of provisions is about KRW6,982 million (approximately \$0.2 billion).

A. The components of insurance liabilities are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unearned premium reserve	\$ 1,109,137	\$ 1,053,928	\$ 1,064,384
Claims reserve	1,595,616	1,489,530	1,370,388
Reserve for policy benefit	358,880,732	343,632,568	343,053,991
Special reserve	439,638	235,057	-
Premium deficiency reserve	542,963	691,773	725,300
Other reserves	3,212,939	3,325,203	3,378,772
Total	<u>\$ 365,781,025</u>	<u>\$ 350,428,059</u>	<u>\$ 349,592,835</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, 2023</u>		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,478	\$ -	\$ 1,478
Personal accident insurance	330,577	-	330,577
Personal health insurance	570,817	-	570,817
Group insurance	203,588	-	203,588
Investment-linked insurance	2,677	-	2,677
	<u>\$ 1,109,137</u>	<u>\$ -</u>	<u>\$ 1,109,137</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 244,328	\$ -	\$ 244,328
Personal accident insurance	327	-	327
Personal health insurance	160,912	-	160,912
Group insurance	195	-	195
Investment-linked insurance	522	-	522
	<u>\$ 406,284</u>	<u>\$ -</u>	<u>\$ 406,284</u>

December 31, 2022			
	Financial instruments with discretionary participation features		Total
	Insurance contract		
Unearned premium reserve			
Personal life insurance	\$ 1,581	\$ -	\$ 1,581
Personal accident insurance	308,611	-	308,611
Personal health insurance	544,039	-	544,039
Group insurance	196,716	-	196,716
Investment-linked insurance	2,981	-	2,981
	<u>\$ 1,053,928</u>	<u>\$ -</u>	<u>\$ 1,053,928</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 260,583	\$ -	\$ 260,583
Personal accident insurance	392	-	392
Personal health insurance	174,198	-	174,198
Group insurance	1,127	-	1,127
Investment-linked insurance	645	-	645
	<u>\$ 436,945</u>	<u>\$ -</u>	<u>\$ 436,945</u>
September 30, 2022			
	Financial instruments with discretionary participation features		Total
	Insurance contract		
Unearned premium reserve			
Personal life insurance	\$ 1,697	\$ -	\$ 1,697
Personal accident insurance	302,439	-	302,439
Personal health insurance	561,673	-	561,673
Group insurance	195,595	-	195,595
Investment-linked insurance	2,980	-	2,980
	<u>\$ 1,064,384</u>	<u>\$ -</u>	<u>\$ 1,064,384</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 230,647	\$ -	\$ 230,647
Personal accident insurance	348	-	348
Personal health insurance	155,825	-	155,825
Group insurance	411	-	411
Investment-linked insurance	640	-	640
	<u>\$ 387,871</u>	<u>\$ -</u>	<u>\$ 387,871</u>

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

	For the nine months ended September 30,	
	2023	2022
Unearned premium reserve		
At January 1	\$ 1,053,928	\$ 979,625
Current net change	55,209	84,759
At September 30	<u>\$ 1,109,137</u>	<u>\$ 1,064,384</u>
	For the nine months ended September 30,	
	2023	2022
Ceded unearned premium reserve		
At January 1	\$ 436,945	\$ 457,017
Current net change	(31,717)	(71,394)
Gain on foreign exchange	1,056	2,248
At September 30	<u>\$ 406,284</u>	<u>\$ 387,871</u>

(B) Claims reserve and ceded claims reserve

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

	September 30, 2023		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 721,448	\$ -	\$ 721,448
Personal accident insurance	3,198	24,644	27,842
Personal health insurance	543,277	271,600	814,877
Group insurance	3,184	19,914	23,098
Investment-linked insurance	8,351	-	8,351
	<u>\$ 1,279,458</u>	<u>\$ 316,158</u>	<u>\$ 1,595,616</u>
Ceded claims reserve			
Personal life insurance	\$ 43,337	\$ -	\$ 43,337
Personal health insurance	70,746	-	70,746
	<u>\$ 114,083</u>	<u>\$ -</u>	<u>\$ 114,083</u>

December 31, 2022			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 634,012	\$ 976	\$ 634,988
Personal accident insurance	7,400	22,259	29,659
Personal health insurance	515,668	206,599	722,267
Group insurance	2,844	94,305	97,149
Investment-linked insurance	5,467	-	5,467
	<u>\$ 1,165,391</u>	<u>\$ 324,139</u>	<u>\$ 1,489,530</u>
Ceded claims reserve			
Personal life insurance	\$ 43,135	\$ -	\$ 43,135
Personal accident insurance	3	-	3
Personal health insurance	80,225	-	80,225
	<u>\$ 123,363</u>	<u>\$ -</u>	<u>\$ 123,363</u>
September 30, 2022			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 610,042	\$ 1,009	\$ 611,051
Personal accident insurance	6,945	21,106	28,051
Personal health insurance	434,137	196,770	630,907
Group insurance	3,649	91,263	94,912
Investment-linked insurance	5,467	-	5,467
	<u>\$ 1,060,240</u>	<u>\$ 310,148</u>	<u>\$ 1,370,388</u>
Ceded claims reserve			
Personal life insurance	\$ 71,387	\$ -	\$ 71,387
Personal health insurance	50,578	-	50,578
	<u>\$ 121,965</u>	<u>\$ -</u>	<u>\$ 121,965</u>

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

	For the nine months ended September 30,	
	2023	2022
Claims reserve		
At January 1	\$ 1,489,530	\$ 1,177,187
Current net change	105,114	190,917
Loss on foreign exchange	972	2,284
At September 30	<u>\$ 1,595,616</u>	<u>\$ 1,370,388</u>
	For the nine months ended September 30,	
	2023	2022
Ceded claims reserve		
At January 1	\$ 123,363	\$ 146,072
Current net change	(9,349)	(24,322)
Gain on foreign exchange	69	215
At September 30	<u>\$ 114,083</u>	<u>\$ 121,965</u>

(C) Reserve for policy benefit

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

	September 30, 2023		
	Financial instruments		
	with discretionary		
	Insurance contract	participation features	Total
Life insurance	\$ 325,303,955	\$ -	\$ 325,303,955
Health insurance	33,100,625	-	33,100,625
Annuity insurance	3,918	292,601	296,519
Investment-linked insurance	77,517	-	77,517
	<u>\$ 358,486,015</u>	<u>\$ 292,601</u>	<u>358,778,616</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			51,833
Total			<u>\$ 358,880,732</u>

	December 31, 2022		
	Financial instruments		
	with discretionary		
	Insurance contract	participation features	Total
Life insurance	\$ 312,022,943	\$ -	\$ 312,022,943
Health insurance	31,050,423	-	31,050,423
Annuity insurance	4,377	384,754	389,131
Investment-linked insurance	66,116	-	66,116
	<u>\$ 343,143,859</u>	<u>\$ 384,754</u>	<u>343,528,613</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			53,672
Total			<u>\$ 343,632,568</u>
	September 30, 2022		
	Financial instruments		
	with discretionary		
	Insurance contract	participation features	Total
Life insurance	\$ 312,062,356	\$ -	\$ 312,062,356
Health insurance	30,420,545	-	30,420,545
Annuity insurance	4,726	391,546	396,272
Investment-linked insurance	67,572	-	67,572
	<u>\$ 342,555,199</u>	<u>\$ 391,546</u>	<u>342,946,745</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			56,963
Total			<u>\$ 343,053,991</u>

b. Changes in reserve for policy benefit:

	For the nine months ended September 30,	
	2023(Note 1)	2022(Note 2)
At January 1	\$ 343,618,651	\$ 318,611,643
Current net change	11,582,871	16,494,166
Loss on foreign exchange	3,665,203	7,935,215
At September 30	<u>\$ 358,866,725</u>	<u>\$ 343,041,024</u>

Note 1: For the nine months ended September 30, 2023, “Reserve for policy benefit-payables to the insured” reclassified from reinsurance indemnity payable is \$14,007. As of September 30, 2023, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$358,880,732.

Note 2: For the nine months ended September 30, 2022, “Reserve for policy benefit-payables to the insured” reclassified from reinsurance indemnity payable is \$12,967. As of September 30, 2022, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$343,053,991.

For the three months and nine months ended September 30, 2023 and 2022, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,201,814, \$2,122,733, \$6,591,914 and \$6,334,461, respectively.

(D) Special Reserve

a. Details of special reserve are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Dividend payment reserve	\$ <u>439,638</u>	\$ <u>235,057</u>	\$ <u>-</u>

b. Change in special reserve:

	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
At January 1	\$ 235,057	\$ -
Dividend provision for participation policies	289,848	-
Reversal of dividend provision for participation policies	(85,267)	-
At September 30	\$ <u>439,638</u>	\$ <u>-</u>

(E) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	<u>September 30, 2023</u>		
	Financial instruments with discretionary participation features		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 522,416	\$ -	\$ 522,416
Personal health insurance	20,547	-	20,547
Total	\$ <u>542,963</u>	\$ <u>-</u>	\$ <u>542,963</u>
	<u>December 31, 2022</u>		
	Financial instruments with discretionary participation features		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 671,073	\$ -	\$ 671,073
Personal health insurance	20,700	-	20,700
Total	\$ <u>691,773</u>	\$ <u>-</u>	\$ <u>691,773</u>
	<u>September 30, 2022</u>		
	Financial instruments with discretionary participation features		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 705,117	\$ -	\$ 705,117
Personal health insurance	20,183	-	20,183
Total	\$ <u>725,300</u>	\$ <u>-</u>	\$ <u>725,300</u>

b. Change in premium deficiency reserve:

For the nine months ended September 30,

	2023	2022
At January 1	\$ 691,773	\$ 819,935
Current net change	(164,693)	(156,191)
Loss on foreign exchange	15,883	61,556
At September 30	<u>\$ 542,963</u>	<u>\$ 725,300</u>

(F) 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,

	2023	2022
At January 1	\$ 3,325,203	\$ 3,520,237
Recovery	(112,264)	(141,465)
At September 30	<u>\$ 3,212,939</u>	<u>\$ 3,378,772</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,

	2023	2022
At January 1	\$ 3,988,784	\$ 333,427
Provision		
Compulsory provision	343,211	231,373
Additional provision	<u>1,247,786</u>	<u>5,119,746</u>
Subtotal	5,579,781	5,684,546
Recovery	(1,561,127)	(441,535)
At September 30	<u>\$ 4,018,654</u>	<u>\$ 5,243,011</u>

(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, 2023 and 2022 are as follows:

	For the nine months ended September 30, 2023		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 3,638,899	\$ 3,615,003	(\$ 23,896)
Earnings per share (in dollars)	1.53	1.52	(0.01)
Reserve for foreign exchange fluctuation	-	4,018,654	4,018,654
Total equity	31,302,003	28,071,773	(3,230,230)

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

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

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance contract with the nature of financial products recognised on September 30, 2023, December 31, 2022 and September 30, 2022. and the movements are listed below:

	September 30, 2023	December 31, 2022	September 30, 2022
Investment-linked insurance	<u>\$ 188,954</u>	<u>\$ 130,855</u>	<u>\$ 137,617</u>
	For the nine months ended September 30,		
	2023	2022	
At January 1	\$ 130,855	\$ 58,139	
Net provision of statutory reserve	58,099	79,478	
At September 30	<u>\$ 188,954</u>	<u>\$ 137,617</u>	

(27) Employee benefit provisions

A. Defined benefit plans:

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

contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no.1106083936, no.1116069917 and no. 1126042800 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2024.

- (B) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$10,234, \$14,157, \$31,643 and \$43,473 for the three months and nine months ended September 30, 2023 and 2022, respectively.
 - (C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2024 amounted to \$44,524.
- B. Defined contribution plans:
- (A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (B) Effective July 1, 2005, a retirement plan was established by Yuanta Life, covering all its telemarketing representatives. Under the retirement plan, Yuanta Life recognises monthly an amount equal to 7% of the employees’ monthly incentive bonuses as retirement pay. The retirement plan is contributed till July 2016. Cumulated amounts will be retained until telemarketing representatives retire, after which it will be paid in lump-sum to each telemarketing representative according to their respective entitled proportions under the plan. Effective August 1, 2008, Yuanta Life established an “Incentive Award Plan”, which covered its sales agents. Under the “Incentive Award Plan”, Yuanta Life calculates monthly contributions based on the agent’s service years and a monthly commission effective for the first year. The “Incentive Award Plan” is contributed till June 2014. Cumulated amounts will be retained until sales agents retire, after which it will be paid in lump-sum to each sales agent according to their respective entitled proportions under the plan. For the aforementioned pension plan, Yuanta Life recognised employee benefit liabilities (recorded as “provisions”) amounted to \$1,588, \$1,653 and \$1,439 as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
 - (C) Under the defined contribution plan, the Company and its domestic subsidiaries recognised pension expense of \$135,374 (recorded as “employee benefit expense” of \$134,223 and “net income other than interest” of \$1,151), \$133,266 (recorded as “employee benefit expense” of \$132,623 and “net income other than interest” of \$643), \$406,794 (recorded as “employee benefit expense” of \$404,266 and “net income other than interest” of \$2,528) and \$411,326 (recorded as “employee benefit expense” of \$408,667 and “net income other than interest” of \$2,659) for the three months and nine months ended September 30, 2023 and 2022, respectively.
 - (D) The pension plans for the consolidated foreign subsidiaries are as follows:
The pension plan for Yuanta Securities Asia Financial Service is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) does 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, 2023 and 2022, the foreign subsidiaries recognised \$138,513, \$109,656, \$395,333 and \$336,333, respectively, of pension expense by complying with aforementioned regulations.

(28) Other financial liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Futures traders' equity	\$ 96,302,787	\$ 107,388,229	\$ 102,877,004
Structured deposit	2,371,167	2,578,157	2,680,819
Investment-linked products liabilities	31,122,735	30,353,012	32,135,416
Others	70,962	-	-
Total	<u>\$ 129,867,651</u>	<u>\$ 140,319,398</u>	<u>\$ 137,693,239</u>

(29) Other liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Guarantee deposit received on security lent	\$ 62,931,128	\$ 47,820,314	\$ 52,131,633
Underwriting share proceeds collected on behalf of customers	10,312	1,922,946	2,333,951
Collections in advance	2,485,664	1,778,009	1,744,695
Retention compensation payable	1,912,928	1,562,058	1,567,885
Refundable deposits	330,518	981,795	707,760
Refundable deposits-derivative transactions	3,220,893	3,595,746	4,656,872
Others	6,172,017	5,580,548	5,574,036
Total	<u>\$ 77,063,460</u>	<u>\$ 63,241,416</u>	<u>\$ 68,716,832</u>

(30) Share capital

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's total authorised capital were all \$180,000,000 and total paid-in capital were \$126,890,824, \$125,015,590 and \$125,015,590, respectively. The aforementioned total paid-in capital were 12,689,082, 12,501,559 and 12,501,559 thousand shares of common stock, each with a par value of \$10 dollars per share.

(31) Capital surplus

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Post 1998	\$ 4,036,443	\$ 4,036,443	\$ 4,036,443
Source and details of the capital surplus of the Company are as follows:			
	September 30, 2023	December 31, 2022	September 30, 2022
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	1,120,389	957,064	875,133
	<u>\$ 38,173,889</u>	<u>\$ 38,010,564</u>	<u>\$ 37,928,633</u>

(32) Legal reserve and special reserve

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

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

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

(33) Undistributed earnings

A. According to the Company's Articles of Incorporation, the annual net income will be distributed as follows:

- (A) Pay income tax;
- (B) Offset prior years' deficits;
- (C) Provide legal reserve and special reserve; and
- (D) The remaining amount and prior years' undistributed earnings shall be resolved by the stockholders during their meeting.

B. In order to continuously expand operation scale and enhance the profitability, the Company follows its long-term financial planning and relevant Articles of Incorporation to adopt a dividend surplus policy. In principle, the dividend appropriation is based on annual earnings calculated based on the above Articles of Incorporation. After the retention of capital required according to the operation scheme, the remainder shall be distributed in the form of cash dividends. However, the cash dividends shall not be less than 40% of the annual earnings to be distributed.

C. Details of the earnings distribution for 2022 resolved by the stockholders' meeting on June 9, 2023 and the earnings distribution for 2021 resolved by the stockholders' meeting on June

10, 2022 are as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Cash dividends	\$ 10,001,247	\$ 0.80	\$ 18,206,154	\$ 1.50
Stock dividends	1,875,234	0.15	3,641,230	0.30

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

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

(34) Other equity items

	2023				
	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 own credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	(\$ 6,968,170)
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	-	5,484,585	-	-	5,484,585
- Revaluation transferred to profit or loss	-	1,791,443	-	-	1,791,443
- Revaluation transferred to retained earnings	- (	2,679,575)	-	- (	2,679,575)
Other comprehensive income on reclassification under the overlay approach	-	-	-	1,435,630	1,435,630
Changes in translation difference of foreign operating entities	(588,775)	-	-	- (	588,775)
Effects on income tax	-	108,526	(10)	23,205	131,721
Evaluation of credit risk	-	-	411	-	411
Balance, September 30	(\$ 6,708,679)	\$ 9,150,518	(\$ 50,817)	(\$ 3,783,752)	(\$ 1,392,730)

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

(35) Net interest income

	For the three months ended September 30,	
	2023	2022
Interest income		
Interest income on bills discounted and loans	\$ 6,663,000	\$ 4,815,616
Financing interest income	1,599,708	1,418,722
Interest income on securities investment	4,897,372	4,050,208
Interest income from placement and call loan to other banks	1,276,045	570,155
Interest income on bills and bonds purchased under resale agreements	814,817	299,063
Credit cards revolving interest	43,331	42,896
Other interest income	1,096,712	518,500
Subtotal	16,390,985	11,715,160
Interest expense		
Interest expense of deposit	(\$ 4,294,334)	(\$ 1,900,453)
Interest expense of Central Bank and other banks' deposit	(59,641)	(45,266)
Interest expense on due to the Central Bank and other banks	(646,213)	(439,430)
Interest expense on bills and bonds sold under repurchase agreements	(1,918,280)	(836,185)
Interest expense of structured products	(41,261)	(22,960)
Coupon rate of bank debenture	(164,735)	(124,805)
Coupon rate of corporate bonds	(212,703)	(193,506)
Coupon rate of commercial papers	(383,990)	(152,638)
Interest expense from short sales	(5,683)	(8,192)
Lease liabilities interest expense	(15,030)	(12,385)
Other interest expense	(699,746)	(254,626)
Subtotal	(8,441,616)	(3,990,446)
Total	\$ 7,949,369	\$ 7,724,714

	For the nine months ended September 30,	
	2023	2022
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 18,927,020	\$ 12,865,040
Financing interest income	4,306,281	4,820,390
Interest income on securities investment	13,912,566	11,199,086
Interest income from placement and call loan to other banks	3,494,328	1,124,262
Interest income on bills and bonds purchased under resale agreements	2,199,785	534,720
Credit cards revolving interest	128,203	128,068
Other interest income	2,825,995	1,294,566
Subtotal	<u>45,794,178</u>	<u>31,966,132</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 11,642,068)	(\$ 4,234,807)
Interest expense of Central Bank and other banks' deposit	(257,392)	(72,283)
Interest expense on due to the Central Bank and other banks	(1,753,276)	(1,029,563)
Interest expense on bills and bonds sold under repurchase agreements	(5,428,014)	(1,571,142)
Interest expense of structured products	(118,932)	(51,380)
Coupon rate of bank debenture	(489,035)	(377,041)
Coupon rate of corporate bonds	(642,649)	(545,945)
Coupon rate of commercial papers	(760,199)	(315,404)
Interest expense from short sales	(19,863)	(20,989)
Lease liabilities interest expense	(54,212)	(48,925)
Other interest expense	(1,789,745)	(409,242)
Subtotal	<u>(22,955,385)</u>	<u>(8,676,721)</u>
Total	<u>\$ 22,838,793</u>	<u>\$ 23,289,411</u>

(36) Net service fee and commission income

	For the three months ended September 30,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 7,451,587	\$ 5,532,371
Service fee income on insurance brokerage and transfer-agent	171,676	153,338
Service fee on credit cards	292,251	225,101
Service fee income on trust business	862,283	751,494
Service income on credit extension	135,582	95,547
Underwriting service income	249,269	185,297
Service income from short sales	35,692	47,541
Commission – reinsurance allowance	31,256	44,611
Service income on foreign exchange	20,050	22,521
Service fee income on consigned settlement	9,664	8,923
Deposits and remittance and other service income	275,544	351,558
Subtotal	9,534,854	7,418,302
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 352,696)	(\$ 253,434)
Service expense on trust business	(281)	(293)
Service expense on brokerage	(750,649)	(612,248)
Service expense on proprietary trading	(44,882)	(35,674)
Service fee expense on credit cards	(254,826)	(226,195)
Service expense on clearing and settlement	(153,513)	(164,410)
Futures commission expense	(103,166)	(110,995)
Underwriting service expense	(1,143)	(1,262)
Service expense on foreign exchange	(15,525)	(11,053)
Service expense on credit extension	(10,317)	(9,080)
Deposits and remittance and other service expense	(134,244)	(119,155)
Subtotal	(1,821,242)	(1,543,799)
Total	\$ 7,713,612	\$ 5,874,503

	For the nine months ended September 30,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 18,971,931	\$ 18,476,136
Service fee income on insurance brokerage and transfer-agent	598,403	849,654
Service fee on credit cards	873,431	640,988
Service fee income on trust business	2,146,833	2,187,232
Service income on credit extension	364,390	324,100
Underwriting service income	654,681	748,784
Service income from short sales	86,090	126,463
Commission – reinsurance allowance	49,081	95,036
Service income on foreign exchange	60,590	64,258
Service fee income on consigned settlement	27,497	28,357
Deposits and remittance and other service income	812,440	1,081,542
Subtotal	<u>24,645,367</u>	<u>24,622,550</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 1,135,885)	(\$ 899,668)
Service expense on trust business	(822)	(1,122)
Service expense on brokerage	(1,937,252)	(1,881,810)
Service expense on proprietary trading	(104,674)	(107,518)
Service fee expense on credit cards	(741,740)	(655,448)
Service expense on clearing and settlement	(387,285)	(505,413)
Futures commission expense	(315,038)	(336,949)
Underwriting service expense	(3,832)	(4,662)
Service expense on foreign exchange	(42,239)	(31,597)
Service expense on credit extension	(27,161)	(25,660)
Deposits and remittance and other service expense	(387,756)	(353,088)
Subtotal	<u>(5,083,684)</u>	<u>(4,802,935)</u>
Total	<u>\$ 19,561,683</u>	<u>\$ 19,819,615</u>

(37) Net income from insurance operations

	For the three months ended September 30,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 8,134,037	\$ 8,611,423
Less: Reinsurance premium ceded	(210,535)	(182,111)
Net changes of unearned premium reserve	(15,769)	(50,188)
Retention earned premium income	7,907,733	8,379,124
Investment-linked product income (Note)	137,527	194,804
Subtotal	<u>8,045,260</u>	<u>8,573,928</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 6,540,533)	(\$ 6,337,394)
Less: Claims recovered from reinsurers	<u>200,688</u>	<u>170,710</u>
Retention claims and policy benefits payments	(6,339,845)	(6,166,684)
Underwriting expenses	(658)	(607)
Expense from guaranty fund	(24,422)	(16,503)
Investment-linked product expenses (Note)	(137,527)	(194,804)
Subtotal	<u>(6,502,452)</u>	<u>(6,378,598)</u>
Total	<u>\$ 1,542,808</u>	<u>\$ 2,195,330</u>
	For the nine months ended September 30,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 25,975,221	\$ 29,826,336
Less: Reinsurance premium ceded	(524,013)	(575,579)
Net changes of unearned premium reserve	(86,927)	(156,153)
Retention earned premium income	25,364,281	29,094,604
Investment-linked product income (Note)	988,014	1,130,295
Subtotal	<u>26,352,295</u>	<u>30,224,899</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 18,256,360)	(\$ 17,093,213)
Less: Claims recovered from reinsurers	<u>480,769</u>	<u>588,786</u>
Retention claims and policy benefits payments	(17,775,591)	(16,504,427)
Underwriting expenses	(1,663)	(3,154)
Expense from guaranty fund	(58,371)	(48,700)
Investment-linked product expenses (Note)	(988,014)	(1,130,295)
Subtotal	<u>(18,823,639)</u>	<u>(17,686,576)</u>
Total	<u>\$ 7,528,656</u>	<u>\$ 12,538,323</u>

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

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

	For the three months ended September 30,	
	2023	2022
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 381,665	\$ 143,835
Bonds	1,984,793	498,938
Stocks	3,504,322	771,238
Beneficiary certificates	963,981 (	773,382)
Interest-linked instrument	(118,938) (	32,287)
Exchange rate-linked instrument	(1,038,096) (	1,433,510)
Other financial derivative instruments	(536,020) (	1,374,074)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(481,461)	2,344,721
Loss from issuing call (put) warrants	(942,748) (	5,454,430)
Issuing call (put) warrants expense	(162,252) (	144,269)
Others	(85,521)	31,997
Subtotal	<u>3,469,725</u>	<u>(5,421,223)</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 10,623	\$ 7,981
Bonds	169,635 (	322,297)
Stocks	(2,340,070) (	1,369,167)
Beneficiary certificates	(990,602) (	12,708)
Interest-linked instrument	(345,567)	1,842,053
Exchange rate-linked instrument	(3,418,850) (	5,308,875)
Other financial derivative instruments	(281,806) (	90,041)
Valuation gain on borrowed securities and bonds with resale agreements	1,653,228	116,248
Gain on changes in fair value of liabilities for issuance of call (put) warrants	1,500,591	6,167,439
Others	<u>125,498</u>	<u>196,371</u>
Subtotal	<u>(3,917,320)</u>	<u>1,227,004</u>
Total	<u>(\$ 447,595)</u>	<u>(\$ 4,194,219)</u>

	For the nine months ended September 30,	
	2023	2022
Realised gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	\$ 945,476	\$ 279,522
Bonds	4,330,571	1,748,157
Stocks	10,760,336	(248,247)
Beneficiary certificates	2,960,662	(387,856)
Interest-linked instrument	206,452	(91,700)
Exchange rate-linked instrument	(4,350,609)	(2,344,535)
Other financial derivative instruments	(89,656)	(5,901,305)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(2,897,563)	3,001,255
Loss from issuing call (put) warrants	(2,964,547)	(16,102,446)
Issuing call (put) warrants expense	(463,644)	(443,855)
Others	(1,007,196)	495,497
Subtotal	7,430,282	(19,995,513)
Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	(\$ 19,727)	\$ 19,473
Bonds	4,624,283	(2,605,873)
Stocks	2,432,787	(14,704,438)
Beneficiary certificates	(297,098)	(2,455,016)
Interest-linked instrument	(4,284,992)	7,882,931
Exchange rate-linked instrument	(3,510,893)	(11,927,492)
Other financial derivative instruments	(965,464)	(898,658)
Valuation (loss) gain on borrowed securities and bonds with resale agreements	(580,023)	10,390,540
Gain on changes in fair value of liabilities for issuance of call (put) warrants	3,964,282	19,999,892
Others	1,499,298	349,166
Subtotal	2,862,453	6,050,525
Total	\$ 10,292,735	(\$ 13,944,988)

- 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, 2023 and 2022, including the gain (loss) on disposal, were \$302,753, (\$7,502,456), (\$1,189,284) and (\$25,078,836), respectively, and the issuing call (put) warrants expense, were \$162,252, \$144,269, \$463,644 and \$443,855, respectively, and the dividends income were \$1,544,174, \$1,309,678, \$4,489,904 and \$2,910,725, respectively, and the interest income were \$1,785,050, \$915,824, \$4,593,306 and \$2,616,453, respectively.
- B. The Yuanta Group recognised net (loss) gain amounted to (\$318,208), \$1,001,875, (\$4,466,181) and \$4,616,322, respectively, on financial liabilities designated as at fair value through profit or loss for the three months and nine months ended September 30, 2023 and 2022.

- C. Net income on the exchange rate-linked instruments includes realised and unrealised gains and losses on forward exchange contracts, FX options, and currency futures.
- D. Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.
- E. Any change in fair value of the derivatives together managed with the financial instruments designated at fair value through profit and loss is listed under “gain and loss on financial assets and liabilities at fair value through profit and loss”.

(39) Reversal gain on asset impairment

	For the three months ended September 30,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 5,876	\$ 1,058
Impairment loss on investments in debt instruments at amortised cost	(2,613)	(5,782)
Impairment loss on other assets	(1)	-
Total	<u>\$ 3,262</u>	<u>(\$ 4,724)</u>
	For the nine months ended September 30,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 7,374	\$ 15,320
Reversal gain (impairment loss) on investments in debt instruments at amortised cost	563	(16,441)
Reversal gain on investment property	13,812	5,010
(Impairment loss) reversal gain on other assets	(347)	868
Total	<u>\$ 21,402</u>	<u>\$ 4,757</u>

(40) Net other miscellaneous income (loss)

	For the three months ended September 30,	
	2023	2022
Borrowed stock revenue	\$ 802,609	\$ 600,852
Net change of reserve for foreign exchange fluctuation	-	(2,365,613)
Other net income	336,464	177,207
Total	<u>\$ 1,139,073</u>	<u>(\$ 1,587,554)</u>
	For the nine months ended September 30,	
	2023	2022
Borrowed stock revenue	\$ 2,205,215	\$ 1,893,779
Net change of reserve for foreign exchange fluctuation	(29,870)	(4,909,583)
Other net income	581,541	1,103,920
Total	<u>\$ 2,756,886</u>	<u>(\$ 1,911,884)</u>

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

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
(Reversal of bad debt expense) bad debt expense		
for accounts receivable	(\$ 93,688)	\$ 6,469
Bad debt expense of bills discounted and loans	349,858	179,821
Provision for guarantee reserve	7,000	35,600
Reversal of commitments and other reserve	(1,919)	(1,508)
Recovery of bad debt expense	(155,192)	(142,573)
Total	<u>\$ 106,059</u>	<u>\$ 77,809</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Bad debt expense (reversal of bad debt expense)		
for accounts receivable	\$ 12,754	(\$ 40,865)
Bad debt expense of bills discounted and loans	1,077,013	801,867
Provision for guarantee reserve	6,500	33,100
Provision for commitments and other reserve	1,188	85
Recovery of bad debt expense	(828,670)	(625,040)
Total	<u>\$ 268,785</u>	<u>\$ 169,147</u>

(42) Employee benefit expense

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 6,999,183	\$ 5,507,014
Labor and health insurance fees	289,068	312,363
Pension costs	282,970	256,436
Termination benefits	7,059	5,886
Other employee benefit expenses	370,501	335,085
Total	<u>\$ 7,948,781</u>	<u>\$ 6,416,784</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 19,665,031	\$ 16,673,825
Labor and health insurance fees	782,269	992,573
Pension costs	831,242	788,473
Termination benefits	36,568	43,828
Other employee benefit expenses	1,137,031	1,116,466
Total	<u>\$ 22,452,141</u>	<u>\$ 19,615,165</u>

The numbers of employees of the Yuanta Group were 14,867 and 14,856 for the nine months ended September 30, 2023 and 2022, 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, 2023 and 2022, employees' compensation were accrued at \$7,706, \$7,274, \$21,179 and \$17,645, respectively; directors' and supervisors' remuneration were accrued at \$69,356, \$65,469, \$190,609 and \$158,804, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

	For the three months ended September 30,	
	2023	2022
Investment property depreciation	\$ 14,838	\$ 15,675
Property and equipment depreciation	297,115	283,739
Right-of-use asset depreciation	344,425	335,404
Intangible asset amortisation	148,730	135,326
Deferred asset amortisation	5,219	11,157
Total	<u>\$ 810,327</u>	<u>\$ 781,301</u>
	For the nine months ended September 30,	
	2023	2022
Investment property depreciation	\$ 44,856	\$ 53,782
Property and equipment depreciation	878,429	865,026
Right-of-use asset depreciation	1,034,859	1,027,476
Intangible asset amortisation	434,582	396,683
Deferred asset amortisation	19,550	35,123
Total	<u>\$ 2,412,276</u>	<u>\$ 2,378,090</u>

(44) Other business and administrative expenses

	For the three months ended September 30,	
	2023	2022
Tax	\$ 1,531,652	\$ 1,134,631
Computer science expense	409,293	388,380
Security borrowing expenses	382,842	282,881
Commission expense	202,938	199,136
Miscellaneous expenses	208,818	227,300
Postage and telephone costs	218,407	189,568
Others	1,366,741	1,194,828
Total	<u>\$ 4,320,691</u>	<u>\$ 3,616,724</u>

	For the nine months ended September 30,	
	2023	2022
Tax	\$ 3,822,284	\$ 3,476,473
Computer science expense	1,198,561	1,155,464
Security borrowing expenses	1,126,066	920,827
Commission expense	585,334	735,700
Miscellaneous expenses	581,469	662,168
Postage and telephone costs	612,801	561,820
Others	3,791,759	3,453,974
Total	<u>\$ 11,718,274</u>	<u>\$ 10,966,426</u>

(45) Income tax

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

A. Income tax expense

(A) Components of income tax expense:

	For the three months ended September 30,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 1,464,089	\$ 348,162
Adjustments in respect of prior years	(189,532)	(240,635)
Total current tax	<u>1,274,557</u>	<u>107,527</u>
Deferred tax:		
Origination and reversal of temporary differences	397,368	1,558,488
Impact of change in tax rate	43	-
Total deferred tax	<u>397,411</u>	<u>1,558,488</u>
Income tax expense	<u>\$ 1,671,968</u>	<u>\$ 1,666,015</u>
	For the nine months ended September 30,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 3,730,240	\$ 1,743,556
Income tax on unappropriated earnings	2,694	456,642
Adjustments in respect of prior years	(315,537)	(324,923)
Total current tax	<u>3,417,397</u>	<u>1,875,275</u>
Deferred tax:		
Origination and reversal of temporary differences	853,251	3,085,058
Impact of change in tax rate	6,115	-
Total deferred tax	<u>859,366</u>	<u>3,085,058</u>
Income tax expense	<u>\$ 4,276,763</u>	<u>\$ 4,960,333</u>

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

	For the three months ended September 30,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 112,331)	(\$ 206,103)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	(40,071)	(9,005)
Other comprehensive income or loss on reclassification under the overlay approach	6,782	70,725
Share of profit or loss of associates and joint ventures accounted for under the equity method	(79)	147
Gain or loss on remeasurements of defined benefit plans	16,706	50,801
Total	(\$ 128,993)	(\$ 93,435)
	For the nine months ended September 30,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 141,030)	(\$ 753,660)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	39,998	289,760
Other comprehensive income or loss on reclassification under the overlay approach	(23,205)	21,709
Share of profit or loss of associates and joint ventures accounted for under the equity method	243	116
Gain or loss on remeasurements of defined benefit plans	(4,269)	56,748
Change in fair value of financial liability attributable to change in own credit risk	17	-
Total	(\$ 128,246)	(\$ 385,327)

B. As of September 30, 2023, the information on the Yuanta Group's income tax returns that have been assessed by the Tax Authority are as follows:

	Assessment Information
Yuanta Financial Holdings	Assessed through 2017
Yuanta Securities	Assessed through 2017
Yuanta Bank	Assessed through 2017
Yuanta Securities Finance	Assessed through 2021(Note)
Yuanta Venture Capital	Assessed through 2017
Yuanta Asset Management	Assessed through 2017
Yuanta Securities Investment Consulting	Assessed through 2017
Yuanta Futures	Assessed through 2019
Yuanta Securities Investment Trust	Assessed through 2020
Yuanta Life	Assessed through 2017
Yuanta International Insurance Brokers	Assessed through 2021
Yuanta International Leasing	Assessed through 2021
Yuanta I Venture Capital	Assessed through 2021

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

(46) Earnings per share

	For the three months ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,562,428	12,689,082	\$ 0.67
	For the three months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,082,613	12,689,082	\$ 0.64
	For the nine months ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,531,969	12,689,082	\$ 1.85

For the nine months ended September 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 19,605,427	12,689,082	\$ 1.55

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 19, 2023 (the effective date of stock grants). Basic earnings per share before the adjustment were 0.65 and 1.57 for the three months and nine months ended September 30, 2022, which were calculated according to the ratio of capital increase from retained earnings (the effective date of stock grants) on August 20, 2022.

(47) Changes in liabilities from financing activities

	2023				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$224,137,491	\$ 47,836,070	\$102,487,542	\$ 48,460,199	\$ 4,712,163
Changes in cash flow from financing activities	(8,924,478)	39,735,275	(4,000,000)	2,562,489	(1,078,483)
Impact of changes in foreign exchange rate	-	-	(165,299)	-	(55,015)
Amortisation of a premium or a discount on interest expense	-	(126,943)	6,371	-	-
Changes in other non-cash items	-	-	-	-	1,100,319
At September 30	<u>\$215,213,013</u>	<u>\$ 87,444,402</u>	<u>\$ 98,328,614</u>	<u>\$ 51,022,688</u>	<u>\$ 4,678,984</u>

2022

	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$183,865,849	\$ 49,983,502	\$ 82,539,085	\$ 59,998,200	\$ 5,720,785
Changes in cash flow from financing activities	18,566,693	7,094,747	4,389,033	(9,677,989)	(1,309,794)
Impact of changes in foreign exchange rate	-	-	205,074	-	(33,715)
Amortisation of a premium or a discount on interest expense	-	(77,861)	2,830	-	-
Changes in other non-cash items	-	-	-	-	175,455
At September 30	<u>\$202,432,542</u>	<u>\$ 57,000,388</u>	<u>\$ 87,136,022</u>	<u>\$ 50,320,211</u>	<u>\$ 4,552,731</u>

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
SYF Information (Shanghai)	Associate of Yuanta Futures (Note 1)
Yuanta-Polaris Research Institute (Yuanta-Polaris Research)	Related party in substance
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Greatness Trading Co., Ltd.	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Yuanta Diamond Funds SPC	" (Note 2)
TONGYANG AGRI-FOOD INVESTMENT Fund II	Investments accounted for under the equity method of Yuanta Securities (Korea) (No longer a related party since May 24, 2023.)
IBKC-TONGYANG Growth 2013 Private Equity Fund	"
Yuanta Secondary No.3 Private Equity Fund	"
2016 KIF-Yuanta ICT Venture Fund	"
Yuanta SPAC IV	" (No longer a related party since March 23, 2022.)

Names of related parties	Relationship with the Group
Yuanta SPAC V	Investments accounted for under the equity method of Yuanta Securities (Korea) (No longer a related party since March 30, 2022.)
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta SPAC VII	" (No longer a related party since November 23, 2022.)
Yuanta SPAC VIII	" (No longer a related party since August 23, 2023.)
Yuanta Innovative Growth MPE Fund	"
Yuanta SPAC X	" (Has become a related party since June 8, 2022.)
Yuanta SPAC IX	" (Has become a related party since May 4, 2022.)
Yuanta SPAC XI	" (Has become a related party since September 14, 2022.)
Yuanta SPAC XII	" (Has become a related party since September 23, 2022.)
Yuanta Innovative Job Creation Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta SPAC XIII	" (Has become a related party since November 4, 2022.)
Yuanta SPAC XIV	" (Has become a related party since December 9, 2022.)
Yuanta Diamond Funds SPC's Funds	Funds managed by Yuanta Securities (Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment (Hong Kong)
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 1: On June 30, 2022, the Board of Directors of SYF Information Co., Ltd. approved the dissolution and liquidation of SYF Information (Shanghai) Limited. The record date for the liquidation was June 30, 2022.

Note 2: 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 International Investment (Hong Kong) 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, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 10,834,575	0.72	0.00~6.56
December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 14,767,836	1.05	0.00~6.44
September 30, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 11,421,457	0.82	0.00~6.31

Apart from an interest rate limit on staff demand savings deposits of 6.44% ~ 6.56% and 5.80%~6.31%, respectively, for the nine months ended September 30, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 5.82% and 0.00%~3.87%, 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, 2023 and 2022, interest expense on the above deposits were \$30,679, \$608, \$84,310 and \$37,978, respectively.

(BLANK)

B. Loans

Yuanta Bank and its subsidiaries

September 30, 2023

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	280	\$ 122,776	\$ 76,934	\$ 76,934	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	498	4,556,120	3,989,576	3,989,576	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	94	474,507	290,735	290,735	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,377,245	\$ 4,377,245	\$ -		

December 31, 2022

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	352	\$ 139,870	\$ 65,334	\$ 65,334	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	525	4,852,383	3,913,037	3,913,037	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	98	412,338	267,757	267,757	-	Deposits, stock, real estate and policy	None
Total			\$ 4,266,128	\$ 4,266,128	\$ -		

September 30, 2022

Unit: In thousands of NT dollars

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

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.75%~2.15% and 1.62%~1.76% for the nine months ended September 30, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.42% for the nine months ended September 30, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2023 and 2022, interest income resulting from the above loans amounted to \$23,341, \$17,485, \$64,217 and \$45,120, respectively.

C. Property transactions

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 15,949,396	\$ 7,843,409	\$ 7,232,395
Global Growth Investment, L.P.	17,727	19,176	17,422
Yuanta Asia Growth Investment, L.P.	348,724	266,127	306,399
	<u>\$ 16,315,847</u>	<u>\$ 8,128,712</u>	<u>\$ 7,556,216</u>
	<u>Proceeds on disposal</u>		
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 100,175,082	\$ 94,830,719	
	<u>Proceeds on disposal</u>		
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 256,889,144	\$ 277,955,715	
Yuanta Asia Growth Investment, L.P.	5,507	-	
	<u>\$ 256,894,651</u>	<u>\$ 277,955,715</u>	
	<u>Realised gain or loss</u>		
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 114,007	(\$ 89,557)	
	<u>Realised gain or loss</u>		
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 646,284	(\$ 148,347)	
Yuanta Asia Growth Investment, L.P.	3,618	-	
	<u>\$ 649,902</u>	<u>(\$ 148,347)</u>	

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

September 30, 2023				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,009	\$ 50,000	0.55	
Others	35,535	27,428	4.70~4.95 (Note : USD)	USD 850
Other related parties:				
Others	1,525,154	423,630	0.35~0.55	
		<u>\$ 501,058</u>		
December 31, 2022				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ -	0.20	
Others	29,783	10,441	0.20~3.60 (Note : USD)	USD 340
Other related parties:				
Others	1,475,275	947,905	0.20~0.50	
		<u>\$ 958,346</u>		
September 30, 2022				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ -	0.20	
Others	30,156	30,156	0.20~2.70 (Note : USD)	USD 950
Other related parties:				
Others	1,425,275	830,294	0.20~0.45	
		<u>\$ 860,450</u>		

Note: For foreign currency repo trade.

D. Futures traders' equity

	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 32,616,575	\$ 37,679,405	\$ 31,675,053
Others	55,912	89,347	123,463
	<u>\$ 32,672,487</u>	<u>\$ 37,768,752</u>	<u>\$ 31,798,516</u>

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

Deposits on securities borrowed			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ -	\$ 133,346	\$ 150,504
Receivables from deposits on securities borrowed			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 367,242	\$ 590,054	\$ 437,344
Security borrowing expenses payable			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 6,880	\$ 7,385	\$ 26,301
Security borrowing expenses			
	<u>For the three months ended September 30,</u>		
	<u>2023</u>		<u>2022</u>
Other related parties:			
Funds managed by Yuanta Securities			
Investment Trust		\$ 16,267	\$ 33,696
Security borrowing expenses			
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>		<u>2022</u>
Other related parties:			
Funds managed by Yuanta Securities			
Investment Trust		\$ 42,688	\$ 93,240

F. Receivables from loans to employees

Receivables from loans to employees			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Key management personnel:			
Others	\$ 1,010	\$ 1,283	\$ 1,339
Other related parties:			
Others	156,395	158,265	148,204
	<u>\$ 157,405</u>	<u>\$ 159,548</u>	<u>\$ 149,543</u>

G. Income from distribution fee

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Key management personnel:				
Others	\$ 519	\$ 265	\$ 731	\$ 865
Other related parties:				
Others	167	24	237	322
	<u>\$ 686</u>	<u>\$ 289</u>	<u>\$ 968</u>	<u>\$ 1,187</u>

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

	Receivables from performance fee and management fee income		
	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties:			
Yuanta Secondary No.3 Private Equity Fund	29,615	7,638	6,636
2016 KIF-Yuanta ICT Venture Fund	3,707	6,200	4,393
Yuanta Innovative Job Creation Fund	5,597	5,727	-
Yuanta Innovative Growth MPE Fund	9,557	9,778	-
Kiwoom-Yuanta 2019 Scale-up Fund	6,951	4,637	-
Others	7,332	29,362	18,854
	<u>\$ 62,759</u>	<u>\$ 63,342</u>	<u>\$ 29,883</u>

	Performance fee and management fee income	
	For the three months ended September 30,	
	2023	2022
Other related parties:		
TONGYANG AGRI-FOOD INVESTMENT Fund II	\$ 188	\$ -
Yuanta Innovative Growth MPE Fund	9,682	9,102
Yuanta Secondary No.3 Private Equity Fund	7,560	6,788
Yuanta Innovative Job Creation Fund	5,670	5,330
Kiwoom-Yuanta 2019 Scale-up Fund	4,166	4,534
Others	7,271	11,546
	<u>\$ 34,537</u>	<u>\$ 37,300</u>

	Performance fee and management fee income	
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
TONGYANG AGRI-FOOD INVESTMENT		
Fund II	\$ 26,689	\$ -
Yuanta Innovative Growth MPE Fund	28,642	27,806
Yuanta Secondary No.3 Private Equity Fund	22,129	19,858
Yuanta Innovative Job Creation Fund	16,775	16,285
Kiwoom-Yuanta 2019 Scale-up Fund	13,089	13,851
Others	25,349	178,532
	<u>\$ 132,673</u>	<u>\$ 256,332</u>

I. Fund management fee income and fund management fee receivables

	Fund management fee income	
	For the three months ended September 30,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 1,331,691	\$ 926,873
Yuanta Asia Growth Investment, L.P.	10,301	8,834
Yuanta Diamond Funds SPC's funds	2,263	7,458
Global Growth Investment, L.P.	145	138
	<u>\$ 1,344,400</u>	<u>\$ 943,303</u>
	Fund management fee income	
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 3,572,658	\$ 2,762,771
Yuanta Asia Growth Investment, L.P.	27,731	24,617
Yuanta Diamond Funds SPC's funds	10,566	19,840
Global Growth Investment, L.P.	254	416
	<u>\$ 3,611,209</u>	<u>\$ 2,807,644</u>

	Fund management fee receivables			
	September 30, 2023	December 31, 2022	September 30, 2022	
Other related parties:				
Funds managed by Yuanta				
Securities Investment Trust	\$ 439,366	\$ 365,843	\$	315,724
Yuanta Asia Growth				
Investment, L.P.	10,520	8,919		9,248
Others	449	582		452
	<u>\$ 450,335</u>	<u>\$ 375,344</u>	<u>\$</u>	<u>325,424</u>
J. <u>Income from transfer-agent services</u>				
	For the three		For the nine	
	months ended September 30,		months ended September 30,	
	2023	2022	2023	2022
Other related parties:				
Others	<u>\$ 30</u>	<u>\$ 34</u>	<u>\$ 90</u>	<u>\$ 94</u>
K. <u>Investment refund receivable</u>				
	September 30, 2023	December 31, 2022	September 30, 2022	
Other related parties:				
IBKC-TONGYANG Growth				
2013 Private Equity Fund	49,009	50,066		45,583
TONGYANG AGRI-FOOD				
INVESTMENT FUND II	-	1,544		1,255
Kiwoom-Yuanta 2019				
Scale-up Fund	12,206	12,031		10,959
SYF Information (Shanghai)	118,159	118,159		118,159
	<u>\$ 179,374</u>	<u>\$ 181,800</u>	<u>\$</u>	<u>175,956</u>
L. <u>Receivable of securities business money lending</u>				
	September 30, 2023	December 31, 2022	September 30, 2022	
Key management personnel:				
Others	\$ 1,134	\$ 231	\$	-
Other related parties:				
Others	28,481	25,579		23,969
	<u>\$ 29,615</u>	<u>\$ 25,810</u>	<u>\$</u>	<u>23,969</u>

M. Accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust (Note)	\$ 11,746	\$ 18,375	\$ 19,693
Yuanta Construction Development	<u>1,691</u>	<u>2,038</u>	<u>2,400</u>
	<u>\$ 13,437</u>	<u>\$ 20,413</u>	<u>\$ 22,093</u>

Please refer to Note 7(2)I for management fee receivables.

N. Settlement receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 2,130</u>	<u>\$ -</u>	<u>\$ -</u>

O. Other financial liabilities

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Key management personnel:			
Others	\$ 34,001	\$ 4,772	\$ 4,150
Other related parties:			
Others	<u>11</u>	<u>11</u>	<u>11</u>
	<u>\$ 34,012</u>	<u>\$ 4,783</u>	<u>\$ 4,161</u>

P. Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Key management personnel:			
Others	\$ -	\$ 11	\$ 6
Other related parties:			
Others	<u>90</u>	<u>144</u>	<u>6</u>
	<u>\$ 90</u>	<u>\$ 155</u>	<u>\$ 12</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Yuanta SPAC VII	\$ -	\$ -	\$ 21,076
Yuanta SPAC VIII	-	24,110	21,963
Yuanta SPAC IX	23,564	24,110	21,963
Yuanta SPAC X	23,564	24,110	21,963
Yuanta SPAC XI	23,564	24,110	21,963
Yuanta SPAC XII	18,803	19,240	-
Yuanta SPAC XIII	23,564	24,111	-
Yuanta SPAC XIV	23,564	24,111	-
	<u>\$ 136,623</u>	<u>\$ 163,902</u>	<u>\$ 108,928</u>

For the three months and nine months ended September 30, 2023 and 2022, no disposal has occurred.

	<u>Proceeds on disposal</u>	
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC IV	\$ -	\$ 14,019

R. Credit transaction between the Yuanta Group and related parties

	<u>September 30, 2023</u>		
	<u>Guarantee deposit receivable from short sales</u>	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:			
Others	\$ 4,949	\$ 56,445	\$ 118,489
Other related parties:			
Others	709	34,270	27,013
	<u>\$ 5,658</u>	<u>\$ 90,715</u>	<u>\$ 145,502</u>
	<u>December 31, 2022</u>		
	<u>Guarantee deposit receivable from short sales</u>	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:			
Others	\$ 11,459	\$ 81,828	\$ 82,757
Other related parties:			
Others	1,048	57,506	22,206
	<u>\$ 12,507</u>	<u>\$ 139,334</u>	<u>\$ 104,963</u>

September 30, 2022			
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 13,375	\$ 14,770	\$ 67,689
Other related parties:			
Others	2,611	21,012	26,177
	<u>\$ 15,986</u>	<u>\$ 35,782</u>	<u>\$ 93,866</u>
S. <u>Other operating expenses</u>			
(A) ETF redemption fees			
	For the three months ended September 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 15,835	\$ 7,727	
	For the nine months ended September 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 41,035	\$ 27,710	
(B) Financial costs			
	For the three months ended September 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 19	\$ 3	
	For the nine months ended September 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 91,887	\$ 2,001	

T. Operating expenses

For the three months ended September 30, 2023 and 2022, operating expenses — donation expenditure were all \$0.

		For the nine months ended September 30,	
		2023	2022
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	23,000	31,600
		<u>\$ 103,000</u>	<u>\$ 111,600</u>

U. Premium income

		For the three months ended September 30,	
		2023	2022
Other related parties:			
Others		<u>\$ 95,852</u>	<u>\$ 72,639</u>
		For the nine months ended September 30,	
		2023	2022
Other related parties:			
Others		<u>\$ 312,567</u>	<u>\$ 292,714</u>

V. The details of commissions from sales of mutual funds and insurance and fiduciary affiliated services from the Yuanta Group and its related parties

For the three months ended September 30, 2023 and 2022, commissions from sales of mutual funds and insurance and fiduciary affiliated services were \$0.

		For the nine months ended September 30,	
		2023	2022
Other related parties:			
Yuanta Construction Development		\$ 25	\$ -
Others		6	-
		<u>\$ 31</u>	<u>\$ -</u>

W. <u>The details of the brokerage service fee income from the Yuanta Group and its related parties</u>		
	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Key management personnel:		
Others	\$ 6,644	\$ 6,103
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	94,873	76,038
Others	8,134	7,373
	<u>\$ 109,651</u>	<u>\$ 89,514</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Key management personnel:		
Others	\$ 17,511	\$ 19,098
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	237,676	220,739
Others	20,873	24,190
	<u>\$ 276,060</u>	<u>\$ 264,027</u>
X. <u>Rental income from leasing the Yuanta Group's own assets to related parties</u>		
	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Construction Development	\$ 1,983	\$ 1,981
Yuanta-Polaris Research	25	255
Yuanta Foundation	16	16
	<u>\$ 2,024</u>	<u>\$ 2,252</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta Construction Development	\$ 5,949	\$ 6,064
Yuanta-Polaris Research	75	821
Yuanta Foundation	48	48
	<u>\$ 6,072</u>	<u>\$ 6,933</u>

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

	For the three months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Foundation	\$ -	\$ 2
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Foundation	\$ -	\$ 5

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

	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties:			
Yuanta Construction			
Development	\$ 1,510	\$ 1,510	\$ 1,510
Yuanta-Polaris Research	17	17	17
Yuanta Foundation	10	10	10
	<u>\$ 1,537</u>	<u>\$ 1,537</u>	<u>\$ 1,537</u>

AA. Gain on investment property

(A) Imputed interest on rental deposits

	For the three months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 6	\$ 3
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 17	\$ 9

(B) Other income

	For the three months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 540	\$ 523
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 1,594	\$ 1,517

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

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 231,520</u>	<u>\$ 37,120</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 431,470</u>	<u>\$ 81,102</u>

CC. Other operating income — revenue from underwriting securities on a firm commitment basis

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC IX	\$ -	\$ 3,463
Yuanta SPAC X	-	3,809
Yuanta SPAC XII	22	-
Yuanta SPAC XIII	43	-
Yuanta SPAC XIV	<u>2,853</u>	<u>-</u>
	<u>\$ 2,918</u>	<u>\$ 7,272</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC V	\$ -	\$ 4,524
Yuanta SPAC IX	-	3,463
Yuanta SPAC X	-	3,809
Yuanta SPAC XII	3,210	-
Yuanta SPAC XIII	6,064	-
Yuanta SPAC XIV	<u>2,853</u>	<u>-</u>
	<u>\$ 12,127</u>	<u>\$ 11,796</u>

DD. Information on compensations to the Yuanta Group's key management

	For the three months ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 1,671,267	\$ 1,386,502
Termination benefits	2,087	292
Other long-term benefits	3,132	3,093
Post-employment benefit	37,699	41,657
Total	<u>\$ 1,714,185</u>	<u>\$ 1,431,544</u>
	For the nine months ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 5,098,202	\$ 4,146,271
Termination benefits	11,885	15,476
Other long-term benefits	8,667	8,762
Post-employment benefit	116,584	124,702
Total	<u>\$ 5,235,338</u>	<u>\$ 4,295,211</u>

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

September 30, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 82,550,830</u>	<u>5.25</u>	0.00~6.56
December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 98,990,338</u>	<u>6.65</u>	0.00~6.44
September 30, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 105,233,567</u>	<u>7.15</u>	0.00~6.31

Apart from an interest rate limit on staff demand savings deposits of 6.44%~6.56% and 5.80%~6.31%, respectively, for the nine months ended September 30, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.82% and 0.00%~3.87%, 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, 2023 and 2022, interest expense on the above deposits were \$332,348, \$202,962, \$951,149 and \$368,742, respectively.

(B) Loans

September 30, 2023

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	280	\$ 122,776	\$ 76,934	\$ 76,934	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	498	4,556,120	3,989,576	3,989,576	-	Real estate	None
Other loans	Yuanta Securities	4,049,921	-	-	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	94	474,507	290,735	290,735	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,377,245	\$ 4,377,245	\$ -		

December 31, 2022

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	352	\$ 139,870	\$ 65,334	\$ 65,334	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	525	4,852,383	3,913,037	3,913,037	-	Real estate	None
Other loans	Yuanta Securities	1,450,000	-	-	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	98	412,338	267,757	267,757	-	Deposits, stock, real estate and policy	None
Total			\$ 4,266,128	\$ 4,266,128	\$ -		

September 30, 2022

Unit: In thousands of NT dollars

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

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.75%~2.15% and 1.62%~1.76% for the nine months ended September 30, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.42% for the nine months ended September 30, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the three months and nine months ended September 30, 2023 and 2022, interest income resulting from the above loans amounted to \$23,811, \$17,485, \$64,687 and \$45,178, respectively.

(C) Service fee income

		For the three months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life	\$	330,995	\$ 265,725
Yuanta Securities Investment Trust		32,022	16,257
Yuanta Securities (Hong Kong)		27,108	9,264
Yuanta Securities		4,804	5,787
	\$	<u>394,929</u>	<u>\$ 297,033</u>
		For the nine months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life	\$	1,041,227	\$ 926,902
Yuanta Securities Investment Trust		77,206	38,528
Yuanta Securities (Hong Kong)		50,070	44,013
Yuanta Securities		13,614	16,122
	\$	<u>1,182,117</u>	<u>\$ 1,025,565</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Life	\$ 161,066	\$ 56,052	\$ 79,344
Yuanta Securities Investment Trust	11,270	8,510	7,207
Yuanta Securities (Hong Kong)	8,191	1,592	5,045
	<u>\$ 180,527</u>	<u>\$ 66,154</u>	<u>\$ 91,596</u>

(D) Rental expense

Name of related parties		For the three months ended September 30,	
Usage		2023	2022
Fellow subsidiary:			
Yuanta Securities	Office / place	<u>\$ 52,715</u>	<u>\$ 47,940</u>
Name of related parties		For the nine months ended September 30,	
Usage		2023	2022
Fellow subsidiary:			
Yuanta Securities	Office / place	<u>\$ 154,617</u>	<u>\$ 150,555</u>

(E) Current income tax assets/liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income			
tax return receivable	<u>\$ 99,119</u>	<u>\$ 99,119</u>	<u>\$ 149,856</u>
Consolidated income			
tax return payable	<u>\$ 742,483</u>	<u>\$ 351,059</u>	<u>\$ -</u>

(F) Property transactions

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

<u>Name of related parties</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Futures			
Futures Margin	<u>\$ 609,420</u>	<u>\$ 105,310</u>	<u>\$ 104,371</u>

(G) Others (recorded as "Bank debentures payable")

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

B. Yuanta Securities and its subsidiaries

(A) Futures transactions

a. Futures margins arising from future transactions are as follows:

	<u>September 30, 2023</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 985,051	\$ 1,562,865
Other	<u>22,668</u>	<u>76,117</u>
	<u>\$ 1,007,719</u>	<u>\$ 1,638,982</u>
	<u>December 31, 2022</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 717,219	\$ 2,232,615
Other	<u>24,089</u>	<u>128,210</u>
	<u>\$ 741,308</u>	<u>\$ 2,360,825</u>
	<u>September 30, 2022</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,492,178	\$ 2,186,335
Other	<u>10,587</u>	<u>198,436</u>
	<u>\$ 1,502,765</u>	<u>\$ 2,384,771</u>

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

		Commission income - futures	
		For the three months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Futures		\$ 66,586	\$ 70,164
		Commission income - futures	
		For the nine months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Futures		\$ 179,328	\$ 217,971

(B) Bank deposits, loans and interest income

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

		Ending balance of Bank deposits		
		September 30, 2023	December 31, 2022	September 30, 2022
Fellow subsidiary:				
Yuanta Bank		\$ 30,547,785	\$ 34,431,718	\$ 42,112,415
		Other gains and losses		
		– interest income (Note)		
		For the three months ended September 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Bank		\$ 141,361	\$ 87,636	
		Other gains and losses		
		– interest income (Note)		
		For the nine months ended September 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Bank		\$ 440,723	\$ 144,365	

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

- b. As of September 30, 2023, December 31, 2022 and September 30, 2022, the certificates of deposit 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 and guarantee deposits on money lending amounted to \$324,123, \$521,408 and \$540,117, respectively.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	\$ <u>66,009</u>	\$ <u>-</u>	\$ <u>-</u>
Consolidated income tax return payables	\$ <u>1,112,210</u>	\$ <u>377,277</u>	\$ <u>46,789</u>

(D) Operating guarantee deposits

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>1,290,000</u>	\$ <u>1,275,000</u>	\$ <u>1,275,000</u>

(E) Refundable deposits for securities lending auction

Yuanta Securities and its subsidiaries made refundable deposits with related parties for securities lending auction. Details were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>304,000</u>	\$ <u>204,000</u>	\$ <u>304,000</u>

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

Please refer to Note 7(2)E.

(G) Receivables from loans to employees

Please refer to Note 7(2)F.

(H) Commission income

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ <u>72,067</u>	\$ <u>100,291</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ <u>296,388</u>	\$ <u>533,109</u>

(I) Trust income

	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities		
Investment Trust	\$ 60,023	\$ 26,574
	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 139,267	\$ 65,106
Investment Trust		

(J) Amounts held for settlement

As of September 30, 2023, December 31, 2022 and September 30, 2022, Yuanta Securities and its subsidiaries had amounts held for settlement of \$ \$435,618, \$831,936 and \$1,489,386, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(K) Property transactions

- a. Bonds transactions under repurchase agreements (recorded as "liabilities for bonds with repurchase agreements")
Please refer to Note 7(2)C(B).
- b. Bonds sold and purchased (recorded as "financial assets at fair value through profit or loss")
For the three months ended September 30, 2023 and 2022, no bond was sold or purchased with related parties.

	For the nine months ended September 30, 2023	
	Purchased	Sold
Fellow subsidiary:		
Yuanta Futures	\$ -	\$ 2,992,322
	For the nine months ended September 30, 2022	
	Purchased	Sold
Parent company:		
Yuanta Financial Holdings	\$ 2,300,000	\$ -
Fellow subsidiary:		
Yuanta Bank	1,400,000	-
	\$ 3,700,000	\$ -

(L) Lease transactions—Lessee

- a. Yuanta Securities and its subsidiaries lease buildings from related parties. Rental contracts are typically made for periods of 1 to 5 years and rental payments are made at the beginning of each month.

b. Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Life	\$ 222,262	\$ 301,588	\$ 327,949
Others	25,965	16,391	18,368
	<u>\$ 248,227</u>	<u>\$ 317,979</u>	<u>\$ 346,317</u>
(M) Customer margin accounts			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Futures	\$ 278,693	\$ 282,877	\$ 235,506
Others	1,227	1,188	1,216
	<u>\$ 279,920</u>	<u>\$ 284,065</u>	<u>\$ 236,722</u>

(N) Other operating expense—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>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 47,124</u>	<u>\$ 52,014</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 141,372</u>	<u>\$ 155,934</u>

(O) Brokerage fee revenue

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 6,546	\$ 1,553
Yuanta Life	2,039	3,367
Others	939	973
Key management personnel:		
Others	6,644	6,103
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	53,712	38,644
Others	6,757	4,688
	<u>\$ 76,637</u>	<u>\$ 55,328</u>

	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 18,196	\$ 18,531
Yuanta Life	9,458	16,184
Others	3,326	2,613
Key management personnel:		
Others	17,511	19,098
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	146,786	109,070
Others	16,929	16,518
	<u>\$ 212,206</u>	<u>\$ 182,014</u>

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

(P) Other operating income—dividend income

	Rebate income	
	For the three months ended September 30,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 128,381	\$ 15,361

	Rebate income	
	For the nine months ended September 30,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 169,519	\$ 35,264

(Q) 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) is as follows:

	Rebate income	
	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 64,549	\$ 64,014
	Rebate income	
	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 175,758	\$ 182,864

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	\$ <u>6,846,120</u>	\$ <u>4,753,291</u>	\$ <u>5,001,395</u>
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Proceeds on</u>	<u>Proceeds on</u>	
	<u>disposal</u>	<u>disposal</u>	<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	\$ <u>100,111,115</u>	\$ <u>114,039</u>	\$ <u>94,394,584</u> (\$ <u>74,362</u>)
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Proceeds on</u>	<u>Proceeds on</u>	
	<u>disposal</u>	<u>disposal</u>	<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	\$ <u>255,376,636</u>	\$ <u>702,401</u>	\$ <u>276,051,729</u> (\$ <u>17,928</u>)

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Yuanta SPAC VII	\$ -	\$ -	\$ 21,076
Yuanta SPAC VIII	-	24,110	21,963
Yuanta SPAC IX	23,564	24,110	21,963
Yuanta SPAC X	23,564	24,110	21,963
Yuanta SPAC XI	23,564	24,110	21,963
Yuanta SPAC XII	18,803	19,240	-
Yuanta SPAC XIII	23,564	24,111	-
Yuanta SPAC XIV	23,564	24,111	-
	<u>\$ 136,623</u>	<u>\$ 163,902</u>	<u>\$ 108,928</u>

		For the three months ended September 30,		
		2023		2022
Parent subsidiary:				
Yuanta Financial Holdings		\$ 444,569	\$	37,324
		For the nine months ended September 30,		
		2023		2022
Parent subsidiary:				
Yuanta Financial Holdings		\$ 776,081	\$	267,185
Other related parties:				
Yuanta SPAC IV		-		14,049
		\$ 776,081	\$	281,234
(T) Credit transaction				
	Please refer to Note 7(2)R.			
(U) Others				
a.	As of September 30, 2023, December 31, 2022 and September 30, 2022, the credit facilities granted by fellow subsidiary - Yuanta Bank to Yuanta Securities and its subsidiaries with land and buildings as collateral were \$11,500,000. The carrying amounts of land and building amounting to \$3,398,305, \$3,426,627 and \$3,433,862, respectively, were designated as collateral.			
b.	The fund balances held by Yuanta Securities and its subsidiaries. (recorded as “financial assets at fair value through profit or loss”)			
		The balance of fund		
		September 30, 2023	December 31, 2022	September 30, 2022
Other related parties:				
Yuanta Asia Growth				
Investment, L.P.	\$	174,362	\$	133,063
Global Growth				
Investment, L.P.		17,727	19,176	17,422
	\$	192,089	\$	152,239
			\$	170,622
c.	Details on the performance fee and management fee receivable for fund investments accounted for under the equity method and receipts of performance fee and fund management fee are as follows:			
	Please refer to Note 7(2)H.			

C. Yuanta Futures and its subsidiaries

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

	<u>September 30, 2023</u>		
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 5,135,246	\$ 140,000	\$ 20,656,264
Yuanta Securities (Korea)	-	-	24,278
Yuanta Securities (Vietnam)	-	-	219,326
	<u>\$ 5,135,246</u>	<u>\$ 140,000</u>	<u>\$ 20,899,868</u>
	<u>December 31, 2022</u>		

	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 6,098,095	\$ 140,000	\$ 25,549,016
Yuanta Securities (Korea)	-	-	4,501
Yuanta Securities (Vietnam)	-	-	279,988
	<u>\$ 6,098,095</u>	<u>\$ 140,000</u>	<u>\$ 25,833,505</u>
	<u>September 30, 2022</u>		

	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 6,387,546	\$ 140,000	\$ 23,176,731
Yuanta Securities (Korea)	-	-	3,501
Yuanta Securities (Vietnam)	-	-	332,622
	<u>\$ 6,387,546</u>	<u>\$ 140,000</u>	<u>\$ 23,512,854</u>

Yuanta Futures and its subsidiaries purchased book-entry central government securities (CGS) through Yuanta Securities for \$2,985,744 and \$0 for the nine months ended September 30, 2023 and 2022, respectively.

(B) Customer margin account for leverage contracts

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 86,371</u>	<u>\$ 123,367</u>	<u>\$ 202,481</u>

(C) Equity of futures traders

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Securities	\$ 2,569,630	\$ 2,989,090	\$ 3,774,699
Yuanta Securities (Hong Kong)	68,816	101,689	108,103
Yuanta Securities (Korea)	291,204	290,990	243,928
Yuanta Bank	609,096	105,315	104,385
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	32,616,575	37,679,405	31,675,053
Others	55,912	89,347	123,463
	<u>\$ 36,211,233</u>	<u>\$ 41,255,836</u>	<u>\$ 36,029,631</u>

(D) Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ 2,862	\$ 4,663	\$ 5,261
Yuanta Life	83,692	113,561	123,487
Yuanta Securities (Hong Kong)	8,379	13,013	-
	<u>\$ 94,933</u>	<u>\$ 131,237</u>	<u>\$ 128,748</u>

(E) Investment refund receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
SYF Information (Shanghai)	\$ 118,159	\$ 118,159	\$ 118,159

(F) Brokerage fee revenue

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 18,959	\$ 23,317
Yuanta Securities (Hong Kong)	2,841	5,480
Yuanta Securities (Korea)	748	595
Yuanta Bank	709	447
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	41,162	37,394
Others	1,376	2,685
	<u>\$ 65,795</u>	<u>\$ 69,918</u>

	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 65,022	\$ 76,878
Yuanta Securities (Hong Kong)	10,798	13,789
Yuanta Securities (Korea)	1,663	1,370
Yuanta Bank	1,627	743
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	90,890	111,669
Others	3,943	7,672
	<u>\$ 173,943</u>	<u>\$ 212,121</u>

(G) Futures commissions expense

	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	<u>\$ 66,587</u>	<u>\$ 70,165</u>
	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	<u>\$ 179,329</u>	<u>\$ 217,971</u>

(H) Interest income

	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	<u>\$ 119,676</u>	<u>\$ 84,100</u>
	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	<u>\$ 325,007</u>	<u>\$ 157,630</u>

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

(I) Financial cost

	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 2,299	\$ 1,362
Yuanta Securities (Korea)	641	174
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	19	3
	<u>\$ 2,959</u>	<u>\$ 1,539</u>
	For the nine months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 7,410	\$ 1,748
Yuanta Securities (Korea)	1,716	204
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	91,887	2,001
	<u>\$ 101,013</u>	<u>\$ 3,953</u>

(J) Property transactions

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 285,012	\$ 159,540	\$ 510

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of September 30, 2023, December 31, 2022 and September 30, 2022, Yuanta Securities Investment Consulting deposited \$218,591, \$246,731 and \$222,744, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were 1.53%, 1.03% and 1.03%, respectively.

(B) Operating income

	For the three months ended September 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 45,414	\$ 50,304
Yuanta Bank	7,500	7,500
Yuanta Securities Investment Trust	4,500	4,500
Yuanta Futures	900	900
Yuanta Securities Finance	1,710	1,710
	<u>\$ 60,024</u>	<u>\$ 64,914</u>

		For the nine months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Securities		\$ 136,242	\$ 150,804
Yuanta Bank		22,500	22,500
Yuanta Securities Investment Trust		13,500	13,500
Yuanta Futures		2,700	2,700
Yuanta Securities Finance		5,130	5,130
		<u>\$ 180,072</u>	<u>\$ 194,634</u>
E. Yuanta Securities Investment Trust			
(A) Bank deposits			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ 4,281,668	\$ 4,254,024	\$ 3,723,268
(B) Accounts receivable			
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Life	\$ 1,541	\$ 1,543	\$ 1,377
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	451,112	384,218	335,417
	<u>\$ 452,653</u>	<u>\$ 385,761</u>	<u>\$ 336,794</u>
(C) Management fee income			
		For the three months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life		\$ 4,810	\$ 4,628
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		1,331,691	926,873
		<u>\$ 1,336,501</u>	<u>\$ 931,501</u>
		For the nine months ended September 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life		\$ 12,304	\$ 11,666
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		3,572,658	2,762,771
		<u>\$ 3,584,962</u>	<u>\$ 2,774,437</u>

(D) Dividend payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company:			
Yuanta Financial Holdings	\$ 623,222	\$ -	\$ -

(E) 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 are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Yuanta Securities Investment Trust	\$ 316,512	\$ 229,318	\$ 129,721
Fellow subsidiary:			
Yuanta Life	2,256,484	1,034,914	1,041,827
Others	363,268	289,968	100,152
	<u>\$ 2,936,264</u>	<u>\$ 1,554,200</u>	<u>\$ 1,271,700</u>

(F) Sales fee

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 73,252	\$ 36,812
Yuanta Bank	30,986	15,198
	<u>\$ 104,238</u>	<u>\$ 52,010</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 173,307	\$ 97,798
Yuanta Bank	74,259	35,048
	<u>\$ 247,566</u>	<u>\$ 132,846</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank (Note)	\$ 1,613,784	\$ 1,245,595	\$ 4,438,788
Note: Including other financial assets.			

(B) Current income tax assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company:			
Yuanta Financial Holdings Consolidated income tax return receivable	\$ 5,440,231	\$ 4,962,290	\$ 3,898,968

(C) Holding the funds and beneficiary certificates being managed by related parties (recognised as financial asset at fair value through profit or loss)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 8,472,296	\$ 2,570,829	\$ 2,000,617
Yuanta Asia Growth Investment, L.P.	<u>174,362</u>	<u>133,064</u>	<u>153,199</u>
	<u>\$ 8,646,658</u>	<u>\$ 2,703,893</u>	<u>\$ 2,153,816</u>
	<u>For the nine months ended September 30, 2023</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain or loss</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 6,648,038	\$ 779,905	(\$ 59,345)
Yuanta Asia Growth Investment, L.P.	<u>23,263</u>	<u>5,507</u>	<u>3,618</u>
	<u>\$ 6,671,301</u>	<u>\$ 785,412</u>	<u>(\$ 55,727)</u>
	<u>For the nine months ended September 30, 2022</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 836,011	\$ -	\$ -
Yuanta Asia Growth Investment, L.P.	<u>8,980</u>	<u>-</u>	<u>-</u>
	<u>\$ 844,991</u>	<u>\$ -</u>	<u>\$ -</u>
Dividends income from investments in open-end funds were as follows (recorded as “profit or loss on financial assets at fair value through profit or loss”):			
	<u>For the three months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 103,013</u>	<u>\$ 21,655</u>	
	<u>For the nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 261,650</u>	<u>\$ 44,826</u>	

(D) Payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Parent company:			
Yuanta Financial Holdings	\$ 2,591	\$ 4,098	\$ 1,951
Fellow subsidiary:			
Yuanta Bank	110,120	57,406	58,916
Yuanta International Insurance Brokers	29,978	20,813	37,780
	<u>\$ 142,689</u>	<u>\$ 82,317</u>	<u>\$ 98,647</u>

(E) Premium income

Please refer to Note 7(2)U.

(F) Commission expense

	<u>For the three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 307,008	\$ 271,192
Yuanta International Insurance Brokers	72,067	100,291
	<u>\$ 379,075</u>	<u>\$ 371,483</u>
	<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 989,320	\$ 905,824
Yuanta International Insurance Brokers	296,388	533,109
	<u>\$ 1,285,708</u>	<u>\$ 1,438,933</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, 2023 and 2022 were \$29,137,506 and \$30,290,691, respectively; the trustee's compensation for the commissioned services during the nine months ended September 30, 2023 and 2022 amounted to \$ 12,305 and \$11,668, respectively. In addition, Yuanta Life entrusted Yuanta Bank to serve as the custody institution of discretionary investment-linked insurance. The custody institution's compensation for the commissioned services during the nine months ended September 30, 2023 and 2022 amounted to \$21,616 and \$22,104, respectively.

(H) Rental income

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

	For the three months ended September 30,	
	2023	2022
Parent company:		
Yuanta Financial Holdings	\$ 1,307	\$ 1,306
Fellow subsidiary:		
Yuanta Securities	23,223	23,194
Yuanta Futures	8,849	8,838
Yuanta Bank	3,149	3,146
Yuanta Asset Management	1,019	1,018
Other related parties:		
Yunta Development	1,983	1,981
	<u>\$ 39,530</u>	<u>\$ 39,483</u>
	For the nine months ended September 30,	
	2023	2022
Parent company:		
Yuanta Financial Holdings	\$ 3,922	\$ 3,917
Fellow subsidiary:		
Yuanta Securities	69,670	69,583
Yuanta Futures	26,548	26,515
Yuanta Bank	9,449	9,437
Yuanta Asset Management	3,057	3,053
Other related parties:		
Yunta Development	5,949	5,941
	<u>\$ 118,595</u>	<u>\$ 118,446</u>

G. Yuanta Ventures and its subsidiary

Bank deposits

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ 1,135,296	\$ 739,988	\$ 791,394
Yuanta Securities			
(Hong Kong)	5,892	5,627	5,778
	<u>\$ 1,141,188</u>	<u>\$ 745,615</u>	<u>\$ 797,172</u>

- a. For the three months and nine months ended September 30, 2023 and 2022, interest income from abovementioned bank accounts were \$3,039, \$1,578, \$8,712 and \$3,831, respectively.
- b. As of September 30, 2023, December 31, 2022 and September 30, 2022, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD1,429 thousand, the corresponding rate used to convert the amounts were 4.1235, 3.9383 and 4.0438, respectively.

H. Yuanta Asset Management

(A) Bank deposits

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>387,611</u>	\$ <u>446,218</u>	\$ <u>639,348</u>

For the three months and nine months ended September 30, 2023 and 2022, interest income from abovementioned bank accounts were \$1,162, \$1,401, \$3,963 and \$2,456, respectively.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other related parties:			
Funds managed by			
Yuanta Securities			
Investment Trust	\$ <u>29,456</u>	\$ <u>130,431</u>	\$ <u>100,152</u>
		<u>For the nine months ended September 30, 2023</u>	
		<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>
Other related parties:			
Funds managed by			
Yuanta Securities			
Investment Trust		\$ <u>180,928</u>	\$ <u>928</u>
		<u>For the nine months ended September 30, 2022</u>	
		<u>Proceeds on disposal</u>	<u>Realised gain (loss)</u>
Other related parties:			
Funds managed by			
Yuanta Securities			
Investment Trust		\$ <u>151,945</u>	(\$ <u>28,055</u>)

8. Pledged assets

The Yuanta Group's assets pledged as collateral are as follows:

Items	September 30, 2023	December 31, 2022	September 30, 2022	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 190,416	\$ 121,770	\$ 110,925	Operating guarantee deposits
Financial assets at fair value through profit or loss	135,930,009	133,457,339	118,526,001	Bonds and bills under repurchase agreement, collateral for securities lending and OTC
	53,886,722	52,617,228	55,790,363	Brokerage business
	50,129	50,260	50,115	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	4,311,296	4,441,970	4,908,738	Claim reserve from trust business, collateral for securities lending business and guarantees on asset disposal
	76,927,085	70,950,144	66,525,775	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve from trust fund and guarantees on asset disposal
Investments in debt instruments at amortised	3,622,540	3,622,836	3,622,938	Operating guarantee deposits
	208,360	209,857	210,363	Deposits for guarantees in the Central Bank
	224,146	182,600	182,905	Claim reserve from trust business
	10,000,000	10,000,000	10,000,000	Overdraft guarantee for foreign currency settlement
	107,553	108,092	108,274	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	53,776	54,046	54,137	Deposit guarantees of bills merchants
	263,181	286,767	315,186	Collateral for provisional seizure
	5,808	5,837	5,197	VISA international card payment reserves
	214,785	54,046	-	Settlement reserves for Taiwan Futures Exchange
Restricted assets — net	2,174,095	2,004,543	3,696,414	Collateral for settlement limit, short-term loans, payable short-term bills, securities lending and OTC derivative transactions
	1,038,153	696,307	1,200,243	Operating guarantee deposits-exchange, structured products, interest rate swap account, repo trade and money lending refundable liquidation and settlement
	940	962	876	Overdraft guarantee
	26,230	24,480	24,964	Dividends to be paid for transfer-agent services business
Other assets — net	1,010,745	569,146	589,477	Operating guarantee deposits
	6,271,712	4,228,069	9,649,532	Performance bond and rental deposits
	61,289	12,551	553,504	Underwriting share proceeds collected on behalf of customers
	10,000	-	-	Claim reserve from trust business
Property and equipment and investment property	2,475,922	2,506,252	2,501,618	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	412,227	402,462	375,803	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

- (1) As of September 30, 2023, December 31, 2022 and September 30, 2022, capital expenditure contracted for at the balance sheet date but not yet incurred were \$9,154,181, \$8,634,777 and \$8,866,880, respectively.
- (2) As of September 30, 2023, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was USD 2,683 thousand dollars.
- (3) Stocks entrusted to custody
As of September 30, 2023, December 31, 2022 and September 30, 2022, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were all 7,483 thousand shares. The market value of these entrusted stocks was approximately \$78,585, \$78,133 and \$77,949, respectively.
- (4) Transactions on behalf of customers
Yuanta Securities had several proxy delivery agreements with certain securities companies. In accordance with these agreements, these securities companies have agreed to be Yuanta Securities' first and second proxy. If Yuanta Securities is unable to fulfil its settlement obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.
- (5) Other lawsuits- Yuanta Securities
 - A. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the claimants raised its claim to \$952,511 thousand (the amount of \$950,861 thousand of which was claimed on a jointly-liaible basis). The mediation failed before the Taiwan Taipei District Court. On July 11, 2018, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a separate suit for the same matter and claimed the same compensation. The Taiwan Taipei District Court ruled to reject all the plaintiffs' claims on January 27, 2022 (i.e., Yuanta Securities and another party won the lawsuit). The plaintiffs appealed and reduced the claim amount to \$722,378 thousand (the amount of \$512,454 thousand of which is claimed by Seventh-Day Adventist Church Taiwan Conference and the amount of \$209,924 thousand of which is claimed by Taiwan Adventist Hospital). Yuanta Securities will defend the case in accordance with the law.
 - B. As of September 30, 2023, of the total 12 litigations against Yuanta Securities (Korea) and its subsidiaries, a litigation was related to the financial product selling disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 11 litigations were compensation claims totaling KRW19,083 million (approximately \$500 million). As of September 30, 2023, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW187 million (about \$4 million) for the abovementioned 10 litigations that were unrelated to the financial product selling disputes. Also, please refer to the explanation in Note 6(26) for an arbitration award to which Yuanta Securities (Korea) is subject to.
Separately, Yuanta Securities (Korea) filed 15 lawsuits as the plaintiff with a total claimed amount of KRW82,499 million (about \$2 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 THB301 million (approximately \$300 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022. The plaintiffs appealed the case to the court of the third instance for review and reduced the claim amount from THB301 million to

THB149 million (approximately \$100 million).

- D. As of September 30, 2023, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD147,504 thousand (approximately \$600 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee against all losses incurred by Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) had exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD68,552 thousand (approximately \$300 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD44 thousand (approximately \$180 thousand), the remaining loss of HKD78,908 thousand (approximately \$300 million) has been recognised. Yuanta Securities (Hong Kong) has raised a litigation proceeding against the account executive claiming the full amount of the debt owed by those margin clients based on the Guarantee Agreement. The claim amount is HKD135,191 thousand (approximately \$600 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(6) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW28 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 KRW19,599,160 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, 2023, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(7) Other lawsuits- Yuanta Life Insurance

As of September 30, 2023, 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.

(8) Others

	September 30, 2023	December 31, 2022	September 30, 2022
Commitment of the securities under a repurchase agreement	\$ 221,232,431	\$ 229,074,828	\$ 207,093,890
Commitment of the securities under a resale agreement	81,407,307	94,442,928	66,591,070
Unused loan commitments	30,101,707	17,517,117	20,737,504
Credit commitment on credit card	124,253,281	121,431,714	121,968,075
Unused L/C balance	2,651,504	2,378,257	3,618,576
Other guarantees	12,088,466	9,236,552	10,721,142
Consignment collection for others	13,614,637	14,667,670	15,427,963
Trust assets	344,953,451	308,923,240	305,854,384
Items under custody	63,442,195	61,309,258	64,855,433
Book-Entry Central Government Securities	110,072,600	117,452,000	116,576,800

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

(10) 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, 2023, December 31, 2022, and September 30, 2022 were USD5,001 thousand dollars, USD5,996 thousand dollars and USD7,375 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

On June 28, 2023, the Board of Directors of the Company resolved to issue unsecured corporate bonds in the amount of \$15 billion. Taking into consideration the repayments of maturing corporate bonds in 2024 and commercial paper which were issued for supporting the business scale and operation, the Company completed the first issuance of \$6.6 billion 2023 unsecured corporate bonds (comprising of \$1.85 billion in Class A bonds and \$4.75 billion in Class B bonds) on November 6, 2023.

(2) Subsidiaries:

On October 11, 2023, Yuanta Life Insurance signed an interior design and engineering service entrustment contract for "Lot No. 414, 414-1, 415, 415-1, 416, 417, 417-1, 426, 426-1, 435, 435-1, Chang'an Section, Zhongshan District, Taipei City" with Chen-Jia Interior Decoration Engineering Co. Ltd. for a total contract price of \$116,500.

12. Others

(1) Capital risk management

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

(A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The

calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.

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

(2) Fair value information of financial instruments

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

(A) Outline

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

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

a. Level 1

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

b. Level 2

Level 2 refers to prices in active markets other than quoted market prices that are observable, including direct (e.g. prices) or indirect (i.e. derived from prices) observable inputs from active markets. Investment of the Yuanta Group such as non-popular

government bonds, corporate bonds, bank debentures, convertible corporate bonds, most derivatives and bank debentures issued by the Yuanta Group are all classified within Level 2.

c. Level 3

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

B. Financial instruments measured at fair value

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

Recurring fair value measurements	September 30, 2023			
	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	\$ 49,988,311	\$ 47,666,044	\$ -	\$ 2,322,267
Liability instruments	305,705,313	83,331,451	221,691,669	682,193
Others	140,029,694	48,175,538	88,163,061	3,691,095
Financial assets at fair value through other comprehensive income				
Equity instruments	47,554,647	11,717,159	-	35,837,488
Liability instruments	278,109,634	131,419,052	146,690,582	-
Other financial assets				
Purchase of claim receivable	1,775,713	-	-	1,775,713
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 110,607,854	\$ 33,190,676	\$ 33,680,936	\$ 43,736,242
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 18,881,809	\$ 7,423,261	\$ 8,853,978	\$ 2,604,570
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 36,032,123	\$ 3,795,716	\$ 24,276,511	\$ 7,959,896

	December 31, 2022			
	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	\$ 30,704,236	\$ 28,301,431	\$ -	\$ 2,402,805
Liability instruments	256,124,753	69,349,109	185,999,107	776,537
Others	113,598,530	32,818,232	76,129,285	4,651,013
Financial assets at fair value through other comprehensive income				
Equity instruments	53,997,024	18,548,658	-	35,448,366
Liability instruments	285,714,529	128,391,252	157,282,929	40,348
Other financial assets				
Purchase of claim receivable	1,792,753	-	-	1,792,753
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 105,491,172	\$ 33,370,409	\$ 26,075,197	\$ 46,045,566
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 19,629,863	\$ 7,344,343	\$ 9,869,773	\$ 2,415,747
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 29,331,504	\$ 3,843,329	\$ 16,016,341	\$ 9,471,834

Recurring fair value measurements	September 30, 2022			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 34,904,961	\$ 32,635,859	\$ -	\$ 2,269,102
Liability instruments	243,068,169	62,149,753	180,263,619	654,797
Others	104,534,408	31,638,096	68,697,204	4,199,108
Financial assets at fair value through other comprehensive income				
Equity instruments	57,692,599	22,505,302	-	35,187,297
Liability instruments	289,042,609	124,858,894	164,129,093	54,622
Other financial assets				
Purchase of claim receivable	1,798,163	-	-	1,798,163
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 97,848,082	\$ 33,410,159	\$ 26,217,999	\$ 38,219,924
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 31,749,320	\$ 13,613,609	\$ 15,232,189	\$ 2,903,522
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 48,908,446	\$ 4,826,084	\$ 28,402,079	\$ 15,680,283

- (B) When quotes of financial instruments are obtained from the Stock Exchange, Reuters, Bloomberg, dealers or competent authorities and the prices represent arm's length transactions with sufficient frequency, the financial instruments are regarded as active market quotes. If the aforementioned requirements are not met, then the financial instruments are regarded as quotes without an active market. Large bid-ask spreads or low trade volumes are features of quotes without an active market. Whenever the financial instruments held by the Yuanta Group have active market quotes, the active market quotes are regarded as fair value. Publicly listed and over-the-counter traded equity instruments of primary stock exchanges along with central government bonds that are popular securities all regard active market quotes as the basis of fair value. Excluding the above-mentioned financial instruments with active market quotes, the fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the balance sheet date, and utilises the fair values derived from the calculations of financial valuation models (for example referencing the yield curve from the Taipei Exchange, Reuters' average commercial paper interest, etc.).

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

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

b. Credit risk valuation adjustment

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

(D) Transfer between Level 1 and Level 2

As of September 30, 2023, December 31, 2022 and September 30, 2022, certain foreign debt held by the Yuanta Group, totaling, USD 0 thousand, USD1,744 thousand and USD20,719 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, 2023, December 31, 2022 and September 30, 2022, certain foreign debt held by the Yuanta Group, totaling USD11,352 thousand, USD8,467 thousand and USD8,371 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

(BLANK)

(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, 2023								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,246,102	(\$ 102,299)	\$ 115,867	\$ 32,134,763	\$ -	(\$ 32,418,834)	(\$ 675,474)	\$ 9,300,125
Financial assets at fair value through other comprehensive income	35,488,714	(131,409)	523,946	-	-	(43,763)	-	35,837,488
Other financial assets- purchase of claim receivable	1,792,753	(2,116)	-	-	-	(14,924)	-	1,775,713
Total	<u>\$ 47,527,569</u>	<u>(\$ 235,824)</u>	<u>\$ 639,813</u>	<u>\$ 32,134,763</u>	<u>\$ -</u>	<u>(\$ 32,477,521)</u>	<u>(\$ 675,474)</u>	<u>\$ 46,913,326</u>
For the nine months ended September 30, 2022								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,762,239	(\$ 2,015,678)	(\$ 57,379)	\$ 11,451,549	\$ -	(\$ 9,640,358)	(\$ 473,844)	\$ 10,026,529
Financial assets at fair value through other comprehensive income	26,862,390	(274,624)	8,741,097	-	-	(86,944)	-	35,241,919
Other financial assets- purchase of claim receivable	1,813,266	410	-	-	-	(15,513)	-	1,798,163
Total	<u>\$ 39,437,895</u>	<u>(\$ 2,289,892)</u>	<u>\$ 8,683,718</u>	<u>\$ 11,451,549</u>	<u>\$ -</u>	<u>(\$ 9,742,815)</u>	<u>(\$ 473,844)</u>	<u>\$ 47,066,611</u>

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net losses belonging to assets as of September 30, 2023 and 2022 were \$836,173 and \$1,922,672, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net (losses) gains belonging to assets as of September 30, 2023 and 2022 were \$639,660 and \$8,682,405, respectively.

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

For the nine months ended September 30, 2023								
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	\$ 55,517,400	\$ 491,378	(\$ 233)	\$ 43,976,573	\$ -	(\$ 48,288,980)	\$ -	\$ 51,696,138

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

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains (losses) belonging to liabilities as of September 30, 2023 and 2022 were \$204,453 and (\$1,485,633), respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of September 30, 2023 and 2022 were \$751 and \$577, respectively.

Note: For the nine months ended September 30, 2023 and 2022, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

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

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

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
September 30, 2023				
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 97,637	(\$ 94,821)	\$ -	\$ -
Derivative instruments	14,394	(14,394)	-	-
Financial assets at fair value through other comprehensive income	-	-	481,922	(381,994)
Other financial assets- purchase of claim receivable	88,620	(88,620)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	(\$ 95,719)	\$ 95,719	\$ -	\$ -
Derivative instruments	(103,030)	103,030	-	-
December 31, 2022				
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 155,334	(\$ 151,467)	\$ -	\$ -
Derivative instruments	25,035	(25,035)	-	-
Financial assets at fair value through other comprehensive income	-	-	488,359	(378,093)
Other financial assets- purchase of claim receivable	89,815	(89,815)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	(\$ 98,600)	\$ 98,600	\$ -	\$ -
Derivative instruments	(158,284)	158,266	-	-

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
September 30, 2022				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 180,024	(\$ 176,506)	\$ -	\$ -
Derivative instruments	15,119	(15,119)	-	-
Financial assets at fair value through				
other comprehensive income	-	-	585,227	(440,134)
Other financial assets- purchase of				
claim receivable	92,637	(92,637)	-	-

Liabilities

Financial liabilities at fair value				
through profit or loss	(\$ 123,332)	\$ 123,333	\$ -	\$ -
Derivative instruments	(139,966)	139,894	-	-

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, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,322,267	1.Market method	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
		2.Income method			
		3.Equity Model	Discount rate	14.01%~15.16%	The higher the discount rate, the lower the fair value
		by L. Anderson and D. Buffum	Stock price volatility	18.56%~62.54%	
		4.Discouted Cash Flow			The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	5.38%~26.62%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value

September 30, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 682,193	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	35.61%~58.83%	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	77.67%~77.69%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	3.12%~6.50%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,604,570	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.48%~25.15%	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	0.16~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	3,691,095	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	17.48%~25.15%	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	0.16~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,775,713	Recoverable amount	Contact rate	6.54%~38.53%	The higher the contact rate, the higher the fair value
			Payment rate	3.50%~34.86%	The higher the payment rate, the higher the fair value
			Discount rate	5.06%~39.64%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,837,488	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0%~1%	The higher the growth rate, the higher the fair value
			Discount rate	12.38%~12.38%	The higher the discount rate, the lower the fair value

September 30, 2023		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 trade in futures market)	\$ 7,959,896	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.48%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
			Correlation coefficient	0.16~0.97	
			Probability of Default (PD)	0.03%~100%	
			Recovery rate	0.55~0.55	
Others	43,736,242	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	0.46%~80.45%	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
			Correlation coefficient	0.16~0.97	
			Probability of Default (PD)	0.03%~100%	
			Recovery rate	0.55~0.55	
December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,402,805	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum 4.Discounted Cash Flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value
			Discount rate	11.85%~15.54%	
			Stock price volatility	19.25%~97.79%	
			Credit Spread	5.39%~26.50%	
Liability instruments	776,537	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Recovery rate	20.00%~20.00%	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
			Stock price volatility	35.61%~40.59%	
			Credit Spread	77.67%~77.69%	
			Recovery rate	20.00%~20.00%	
			Discount rate	3.05%-8.44%	

December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 2,415,747	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	18.08%~25.14%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	4,651,013	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	18.08%~25.14%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,792,753	Recoverable amount	Contact rate	6.61%~43.20%	The higher the contact rate, the higher the fair value
			Payment rate	4.99%~38.00%	The higher the payment rate, the higher the fair value
			Discount rate	4.90%~39.94%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,448,366	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0.00%~1.00%	The higher the growth rate, the higher the fair value
			Discount rate	0.1126~0.1126	The higher the discount rate, the lower the fair value
Liability instruments	40,348	Discounted cash flow	Discount rate	3.05%-8.44%	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)	9,471,834	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	18.08%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss					
Others	\$ 46,045,566	1.FDM	Stock price volatility	0.46%~85.87%	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.
		2.Option Model			
		3.IR Model			
		4.Hybrid Model			
		5.Monte Carlo Simulation			The higher the correlation coefficient, the higher the fair value
		6.Equity Model by L.Andersen and D.Buffum	Correlation coefficient	0.15~0.97	
			Probability of Default (PD)	0.03%~100%	
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
September 30, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,269,102	1.Market method	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
		2.Income method			
		3.Equity Model by L. Anderson and D. Buffum	Discount rate	12.42%~14.11%	
			Stock price volatility	21.76%~97.75%	
					The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	5.38%~24.69%	
			Recovery rate	20.00%~20.00%	
Liability instruments	654,797	1.Hybrid Model	Stock price volatility	35.61%~45.33%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		2.Equity Model by L. Anderson and D. Buffum			
		3.Discouted cash flow			
			Credit Spread	54.58%~54.60%	
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	2.12%~8.66%	
Derivative instruments (including futures and options trade in futures market)	2,903,522	1.Option Model	Stock price volatility	17.98%~23.28%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		2.FDM			
		3.Monte Carlo Simulation			
			Correlation coefficient	0.18~0.97	
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	

September 30, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Others	\$ 4,199,108	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility	<=10% 17.98%~23.28%	The higher the discount for marketability, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.18~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,798,163	Recoverable amount	Contact rate	6.48%~39.12%	The higher the contact rate, the higher the fair value
			Payment rate	5.07%~35.85%	The higher the payment rate, the higher the fair value
			Discount rate	5.23%~40.06%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,187,297	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability Expected growth rate Discount rate	<=40% 0%~1% 0.1117~0.1117	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	54,622	Discounted cash flow	Discount rate	2.12%~8.66%	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)	15,680,283	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.98%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.18~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	38,219,924	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	1.31%~79.86%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.18~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

(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.

The Yuanta Group adjusted the valuation parameters of certain underlying companies in the second quarter of 2023 to reflect the observable market information and the operations of the underlying companies at the measurement date.

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, 2023					
	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)	\$ 417,387,730	\$ 342,814,385	\$ 16,440,566	\$ 326,360,530	\$ 13,289
<u>Financial liabilities</u>					
Bonds payable	98,328,614	92,408,959	-	92,408,959	-
December 31, 2022					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 371,014,715	\$ 313,929,993	\$ 6,383,759	\$ 307,531,304	\$ 14,930
<u>Financial liabilities</u>					
Bonds payable	102,487,542	95,557,208	-	95,557,208	-
September 30, 2022					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 373,951,985	\$ 312,332,770	\$ 6,562,036	\$ 305,753,199	\$ 17,535
<u>Financial liabilities</u>					
Bonds payable	87,136,022	80,226,230	-	80,226,230	-

Note 1: Including the statutory deposits of \$3,560,400 of Yuanta Life of the Yuanta Group as of September 30, 2023, December 31, 2022 and September 30, 2022.

Note 2: The government bonds, corporate bonds, and bank debentures which are classified as debt instruments without active market.

(B) Financial valuation technique:

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

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

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

- (A) The Yuanta Group's risk management organization structure includes the Board of Directors, the Audit Committee, the Risk Management Committee, senior management, other business departments, the Risk Management Department, the Legal Compliance Department, other Risk Management departments and Internal Auditing Department. 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, monitoring the indicator threshold, 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, monitoring the indicator threshold, 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 monitor execution reports, coordinating common risk management issues between subsidiaries, and promoting 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 in preventing damage to the related information system and impact on information security risk of normal operations caused by external deliberate cyber attack 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. The Yuanta Group constantly examines each subsidiary's risk management structure to ensure that it can manage its assumed risks effectively.

(B) Risk management policy

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

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

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

(A) Credit risk

a. Source and definition of credit risk

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

b. Principle of credit risk management

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

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

c. Methods used in credit risk management

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

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

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

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

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

Credit rating of corporate finance is categorised into 11 levels upon underwriting according to the risks assessment on each credit extension case. When a loan is granted, in addition to the credit quality of the client, fund purpose, repayment

source, protection of claims and credit prediction should be considered, credit risk by credit account and facility should also be respectively assessed and rated based on the corporate or consumer risk rating referencing standards.

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

(b) Debt instruments investment and derivatives

The Yuanta Group manages the credit risk of debt instruments through consolidating external credit rating and internal credit rating model to establish internal credit rating system, and sets up credit limits for issuers and counterparties accordingly. Credit risk exposure of related business is consolidated for calculation to ensure that the overall credit risks are in compliance with limits as approved by the Yuanta Group. In addition to the establishment of credit risk management and procedures, the credit risk model is also used to quantify credit risk so that credit risk can be reasonably and effectively controlled and evaluated, so the overall credit risk will be within reasonable bearable capacity of the Yuanta Group's capital.

(c) Margin purchase and short sale

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

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

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

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

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

Credit quality	Corporate finance	Consumer finance	Debt instruments and others	
	Internal and external credit rating	Credit rating	Taiwan Ratings	Standard & Poor's Ratings
Excellent	Level 1~6	Excellent	twAAA ~ twBBB-	AAA ~ BBB-
Acceptable	Level 7~8	Acceptable	twBB+ ~ twBB	BB+ ~ BB
Weak	Level 9~11	Weak	twBB- ~ twC	BB- ~ C
Credit impaired	Level D	Credit impairment	Credit impairment	Credit impairment

(b) Expected credit losses calculation

Impairment assessment is based on the calculation of expected credit losses, taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, which is available without undue cost or effort, including forecastable information. The Yuanta Group determines at the balance sheet date whether there has been a significant increase in credit risk since initial recognition or whether credit impairment has occurred, and recognises expected credit losses according to which stage the asset belongs: no significant increase in credit risk or low credit risk at balance sheet date (Stage 1), significant increase in credit risk (Stage 2), and credit-impaired (Stage 3). 12-month expected credit losses are recognised for assets in Stage 1, and lifetime expected credit losses are recognised for assets in Stage 2 and Stage 3.

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

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

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

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

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

(I) Credit business

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

- i. The borrower is over 30 days past due.

- ii. Significant deterioration in credit quality and placed on the Yuanta Group's warning list.
 - iii. Deterioration in credit rating:
Credit rating: The Yuanta Group's internal credit rating of the asset is equivalent to a non-investment grade rating by an external agency, and the rating has dropped by more than two scales since initial recognition.
 - iv. Records of bad credit are confirmed after assessment.
- (II) Investments in debt instruments
At the balance sheet date, a debt instrument is considered to have significant increase in credit risk when the internal credit ratings of the credit reference subject is of non-investment grade and any one of the following conditions is met:
- i. The internal ratings of the credit reference subject has dropped by more than one scale since initial recognition.
 - ii. The implied credit spread of the debt instrument has increased by a certain number of basis points since initial recognition.
- (III) Other financial assets
Except for credit business and debt instruments investment, the criteria that the Yuanta Group uses to determine that there has a significant increase in credit risk at balance sheet date is as follows:
- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the terms recorded in the contract, unless the contractual terms specify it.
 - ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
 - iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, receivables have been transferred to overdue receivables or have been provided the bad debt expense, or the number of past-due days is not over the days recorded in the contract but it meets the terms of default.
- II. Definitions of financial assets in default and credit-impaired financial assets
According to the definition stated in IFRS 9, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
- (I) Credit business
- i. Principal or interest payments over 3 months (90 days) past due, or the bank has begun collection procedures or liquidation of collateral.
 - ii. New payment schedule is negotiated so that loan is not classified as non-performing.
 - iii. Non-performing loans in negotiation according to the rules of the Debt Negotiation Mechanism issued by the Bankers Association in 2006 (including pre-mediation).
 - iv. Loans that have gone through pre-mediation and have signed agreements in accordance with the Consumer Debt Clearance Act (excluding secured loans where the original terms of the loans are enforced).

- v. Cases where the court has initiated reorganization or liquidation proceedings.
 - vi. Declaration of bankruptcy in court.
 - vii. Reclassified as non-accrual.
 - viii. Special criterion for credit card products: credit card accounts closed by the issuer.
 - ix. Debtor's loans from other banking institutions have been recognised as non-performing, and reclassified as non-accrual or written off as bad debt.
 - x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.
 - xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.
 - xii. Non-performing loans where a payment installment plan has been negotiated.
 - xiii. Loans classified as "in default" according to the Yuanta Group's internal credit rating model.
- (II) Investments in debt instruments
- An investment in a debt instrument by the Yuanta Group is considered credit-impaired if any of the following conditions apply:
- i. Both internal and external credit ratings of the instrument are "in default."
 - ii. Principal or interest payments are not made in accordance with the agreement.
 - iii. Bankruptcy, reorganization, or other debt clearance proceedings has been filed.
 - iv. Other breaches of contract by the debtor as assessed on a case-by-case basis.
- (III) Other financial assets
- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is in line with the days recorded in the contract.
 - ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
 - iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, and receivables have been transferred to overdue receivables or have been provided the bad debt expense.
- (IV) Definition of default
- When assessing whether the borrower is in default, the Yuanta Group selects among the multiple loans held by the borrower the one with the lowest credit quality. The borrower is considered in default if the principal and interest payments on this selected loan is over 90 days past due or if the selected loan is reclassified as non-accrual or bad debt during the observation period.

III. Write off policy

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

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

IV. Measurement of expected credit losses

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

(I) Credit business

i. Probability of default

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

- (i) One-year PD: Calculate the actual one-year PD from historical data and use it to estimate the one-year PD parameter.
- (ii) Multi-year PD: The multi-year PD is estimated using historical data on annual marginal default rates. Applying the multi-year PD to each loan requires selecting the corresponding lifetime. The lifetime of the loan is estimated based on the length of the remaining contract.

ii. Loss given default

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

iii. Exposure at default (EAD)

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

(II) Investments in debt instruments

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

- ii. Loss given default: Calculated based on the collateral and order of compensation of the debt instrument, incorporating the average recovery rate disclosed by external credit rating agencies.
 - iii. Exposure at default: Total carrying amount, including interest receivable. Total carrying amount is the amortised cost of the financial asset before any adjustment to the loss allowance.
- V. Consideration of forecastable information

The Yuanta Group incorporates forecastable information when determining whether there has been a significant increase in credit risk in relation to the credit reference subject 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. 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(8) 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 exposed is as follows:

Bills discounted and loans

				Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	
September 30, 2023	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)		Total
Credit ratings					
Internal ratings— excellent	\$ 777,825,762	\$ 927,453	\$ -	\$ -	\$ 778,753,215
Internal ratings— acceptable	218,336,589	7,153,179	-	-	225,489,768
Internal ratings— weak	53,175,710	3,356,281	-	-	56,531,991
Internal ratings— not rated	156,397	4	-	-	156,401
Internal ratings— credit impairment	-	62,952	5,905,083	-	5,968,035
The total carrying amount	1,049,494,458	11,499,869	5,905,083	-	1,066,899,410
Allowance for credit losses (	1,804,672)	(911,032)	(2,565,055)	-	(5,280,759)
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	-	-	-	(10,151,518)	(10,151,518)
Total (Note)	<u>\$ 1,047,689,786</u>	<u>\$ 10,588,837</u>	<u>\$ 3,340,028</u>	<u>(\$ 10,151,518)</u>	<u>\$ 1,051,467,133</u>

Note: Including interest receivable and temporary payments for others amounting to \$1,625,466. In addition, allowance for doubtful receivables was \$23,807.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$212,436,767 and \$832,369,784, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

	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
December 31, 2022					
Credit ratings					
Internal ratings — excellent	\$ 710,921,062	\$ 1,192,067	\$ -	\$ -	\$ 712,113,129
Internal ratings — acceptable	243,423,036	4,269,264	-	-	247,692,300
Internal ratings — weak	45,050,252	1,400,174	-	-	46,450,426
Internal ratings — not rated	153,369	-	-	-	153,369
Internal ratings — credit impairment	-	62,936	4,308,988	-	4,371,924
The total carrying amount	999,547,719	6,924,441	4,308,988	-	1,010,781,148
Allowance for credit losses	(1,682,978)	(453,410)	(2,370,871)	-	(4,507,259)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(9,878,100)	(9,878,100)
Total (Note)	<u>\$ 997,864,741</u>	<u>\$ 6,471,031</u>	<u>\$ 1,938,117</u>	<u>(\$ 9,878,100)</u>	<u>\$ 996,395,789</u>

Note: Including interest receivable and temporary payments for others amounting to \$1,224,774. In addition, allowance for doubtful receivables was \$18,267.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$174,010,115 and \$850,325,913, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

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

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

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

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, 2023	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 17,552	\$ -	\$ 17,552
Bills discounted and loans	764,409,420	-	764,409,420
Financial assets at fair value through profit or loss	1,147,046	2,127,885	3,274,931
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,026,519	-	5,026,519
Unused credit commitment	117,766	-	117,766
Guarantees (including for non-performing loans)	3,395,010	-	3,395,010
December 31, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 18,166	\$ -	\$ 18,166
Bills discounted and loans	731,753,219	-	731,753,219
Financial assets at fair value through profit or loss	1,122,407	1,863,544	2,985,951
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,091,118	-	5,091,118
Unused credit commitment	102,140	-	102,140
Guarantees (including for non-performing loans)	2,848,121	-	2,848,121
September 30, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 22,157	\$ -	\$ 22,157
Bills discounted and loans	717,861,292	-	717,861,292
Financial assets at fair value through profit or loss	2,053,728	2,524,323	4,578,051
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,434,052	-	5,434,052
Unused credit commitment	78,029	-	78,029
Guarantees (including for non-performing loans)	2,395,120	-	2,395,120

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

g. 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, 2023		December 31, 2022	
	Amount	%	Amount	%
Privately owned businesses	\$ 835,594,936	28.50	\$ 782,691,868	27.95
Natural person	771,909,903	26.32	704,215,983	25.15
Financial institutions	820,301,804	27.97	777,788,781	27.78
Governmental institutions	448,586,631	15.30	493,309,142	17.62
Government-owned businesses	47,742,228	1.63	39,010,527	1.39
Others	8,106,885	0.28	3,061,140	0.11
Total	<u>\$ 2,932,242,387</u>	<u>100.00</u>	<u>\$ 2,800,077,441</u>	<u>100.00</u>

Industry	September 30, 2022	
	Amount	%
Privately owned businesses	\$ 755,407,734	27.37
Natural person	698,862,488	25.32
Financial institutions	772,746,408	27.99
Governmental institutions	494,971,420	17.93
Government-owned businesses	35,353,250	1.28
Others	3,069,946	0.11
Total	<u>\$ 2,760,411,246</u>	<u>100.00</u>

(b) Geographic location:

Geography location	September 30, 2023	December 31, 2022	September 30, 2022
Taiwan	\$ 2,072,308,266	\$ 1,990,532,604	\$ 1,927,422,412
Asia	486,809,697	467,593,310	480,877,065
America	231,591,849	219,048,787	219,159,721
Europe	88,733,356	79,246,441	89,292,784
Oceania	52,654,075	43,449,731	43,397,160
Africa	145,144	206,568	262,104
Total	<u>\$ 2,932,242,387</u>	<u>\$ 2,800,077,441</u>	<u>\$ 2,760,411,246</u>

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

(a) Credit business

For the nine months ended September 30, 2023 and 2022, 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, 2023						
Beginning balances	\$ 1,679,718	\$ 453,321	\$ 2,362,164	\$ 4,495,203	\$ 9,871,889	\$ 14,367,092
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(31,530)	39,475	(7,945)	-	-	-
-Transferred to credit-impaired financial asset	(9,781)	(6,991)	16,772	-	-	-
-Transferred to 12-month expected credit losses	74,671	(3,554)	(71,117)	-	-	-
-Financial assets derecognised in the current period	(524,490)	(1,228)	(79,491)	(605,209)	-	(605,209)
Impairment allowance for purchased or originated financial assets	687,428	3,213	41,421	732,062	-	732,062
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	-	-	-	-	275,144	275,144
Write-off as bad debt	(18,694)	(4,232)	(49,569)	(72,495)	-	(72,495)
Change in exchange and others	(57,021)	430,813	338,084	711,876	-	711,876
Ending balances	<u>\$ 1,800,301</u>	<u>\$ 910,817</u>	<u>\$ 2,550,319</u>	<u>\$ 5,261,437</u>	<u>\$ 10,147,033</u>	<u>\$ 15,408,470</u>

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

For the nine months ended September 30, 2023, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 998,354,115	\$ 6,909,422	\$ 4,292,837	\$ 1,009,556,374
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(6,489,371)	6,510,093	(20,722)	-
-Transferred to credit-impaired financial asset	(1,159,016)	(965,336)	2,124,352	-
-Transferred to 12-month expected credit losses	726,901	(510,854)	(216,047)	-
-Financial assets derecognised in the current period	(331,907,251)	(569,051)	(232,002)	(332,708,304)
Impairment allowance for purchased or originated financial assets	431,738,772	59,508	100,699	431,898,979
Write-off as bad debt	(18,694)	(4,232)	(49,569)	(72,495)
Change in exchange and others	(43,311,371)	26,548	(115,787)	(43,400,610)
Ending balances	<u>\$ 1,047,934,085</u>	<u>\$ 11,456,098</u>	<u>\$ 5,883,761</u>	<u>\$ 1,065,273,944</u>

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

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

(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, 2023, December 31, 2022 and September 30, 2022, the carrying amount of accounts receivable amounted to \$48,434,195, \$30,341,959 and \$39,211,890, respectively. For the nine months ended September 30, 2023 and 2022, 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,	
	2023	2022
January 1	(\$ 193)	(\$ 544)
Reversal of impairment loss	60	274
September 30	(\$ 133)	(\$ 270)

(BLANK)

II. For the nine months ended September 30, 2023 and 2022, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
For the nine months ended September 30, 2023						
The beginning balances	\$ 110,438	\$ 60,315	\$ 2,669,689	\$ 2,840,442	\$ 75,089	\$ 2,915,531
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(11,333)	18,359	(7,026)	-	-	-
-Transferred to credit-impaired financial asset	(121,244)	(1,503)	122,747	-	-	-
-Transferred to 12-month expected credit losses	35,936	(24,401)	(11,535)	-	-	-
-Financial assets derecognised in the current period	(28,485)	(61)	(4,153)	(32,699)	-	(32,699)
Impairment allowance for purchased or originated financial assets	22,505	4,350	10,251	37,106	-	37,106
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	-	-	-	-	18,324	18,324
Write-off as bad debt	(19,501)	(7,863)	(40,260)	(67,624)	-	(67,624)
Change in exchange and others	117,859	21,225	60,000	199,084	-	199,084
The ending balances	<u>\$ 106,175</u>	<u>\$ 70,421</u>	<u>\$ 2,799,713</u>	<u>\$ 2,976,309</u>	<u>\$ 93,413</u>	<u>\$ 3,069,722</u>

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

For the nine months ended September 30, 2023 and 2022, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

					Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9		Total
For the nine months ended September 30, 2023						
The beginning balances	\$ 29,264	\$ 12,275	\$ 85,263	\$ 126,802	\$ 88,037	\$ 214,839
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(366)	401	(35)	-	-	-
-Transferred to credit-impaired financial asset	(9)	(31)	40	-	-	-
-Transferred to 12-month expected credit losses	9,343	(8,232)	(1,111)	-	-	-
-Financial assets derecognised in the current period	(6,653)	(1,255)	(19,811)	(27,719)	-	(27,719)
Impairment allowance for purchased or originated financial assets	10,409	391	18,061	28,861	-	28,861
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	-	-	-	-	5,142	5,142
Change in exchange and others	(10,637)	8,403	2,984	750	-	750
The ending balances	<u>\$ 31,351</u>	<u>\$ 11,952</u>	<u>\$ 85,391</u>	<u>\$ 128,694</u>	<u>\$ 93,179</u>	<u>\$ 221,873</u>

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

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

(d) Bills and bonds investments

For the nine months ended September 30, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$62,053 and \$81,595; the ending balances were \$54,589 and \$67,767, respectively. For the nine months ended September 30, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$163,379 and \$148,842; the ending balances were \$162,839 and \$165,310, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

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

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

b. Risk management principle

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

c. Market risk assessment

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

VaR for a trading purpose:

Instrument type	For the nine months ended September 30, 2023			
	September 30, 2023	VaR Average	VaR Minimum	VaR Maximum
Interest rate	200,116	190,423	128,453	256,780
Equity securities	190,997	222,263	167,725	263,421
Foreign exchange	830,722	792,475	637,510	891,842
Commodity	37,436	33,939	6,803	123,241
Less: diversification effects	(551,171)	(519,839)	-	-
Total VaR	708,100	719,261	583,169	918,871

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

- (b) Non-trading purpose

Sensitivity analysis on interest rate:

		<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
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	(\$ 30,631)	(\$ 37,488)	(\$ 39,017)
Yuanta Life	Increase of 1 basis point	(42,037)	(28,240)	(29,196)

- d. As of September 30, 2023, December 31, 2022 and September 30, 2022, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	September 30, 2023		December 31, 2022		September 30, 2022	
	Carrying amount		Carrying amount		Carrying amount	
	USD position	(NTD)	USD position	(NTD)	USD position	(NTD)
Foreign currency denominated financial assets						
Cash and cash equivalents	\$ 1,043,456	\$ 33,670,238	\$ 1,360,789	\$ 41,787,094	\$ 710,700	\$ 22,559,758
Financial assets at fair value through profit or loss	806,644	26,028,773	670,049	20,575,871	663,694	21,067,649
Financial assets at fair value through other comprehensive income	3,826,270	123,466,089	3,853,642	118,337,628	3,693,346	117,237,890
Financial assets at amortised cost	8,523,891	275,048,917	8,057,761	247,437,727	7,959,534	252,659,503
Bills discounted and loans	1,458,030	47,047,706	1,501,188	46,098,466	1,550,010	49,201,978
Foreign currency denominated financial liabilities						
Bills and bonds payable						
under repurchase agreements	1,786,177	57,636,365	1,902,413	58,419,305	1,664,395	52,832,878
Deposits and remittances	5,712,094	184,317,852	5,589,245	171,634,525	5,887,719	186,893,850
Other liabilities	1,947,320	62,836,134	1,830,527	56,211,838	1,976,942	62,754,078

Note: As of September 30, 2023, December 31, 2022 and September 30, 2022, USD to TWD exchange rates were 32.268, 30.708 and 31.743, respectively.

- e. As of September 30, 2023, December 31, 2022 and September 30, 2022, 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, 2023		December 31, 2022		September 30, 2022	
	Carrying amount		Carrying amount		Carrying amount	
	KRW position (in thousands)	(NTD)	KRW position (in thousands)	(NTD)	KRW position (in thousands)	(NTD)
<u>Effect on profit or loss</u>						
Financial assets						
Cash and cash equivalents	\$ 544,454,731	\$ 12,959,112	\$ 570,912,905	\$ 13,904,013	\$ 712,585,484	\$ 15,808,709
Financial assets at fair value through profit or loss	7,929,615,778	188,740,715	7,303,285,224	177,864,208	7,791,041,418	172,844,254
Financial assets at fair value through other comprehensive income	428,820,362	10,206,782	226,325,293	5,511,926	266,247,338	5,906,697
Accounts receivable	552,051,125	13,139,921	194,579,155	4,738,781	315,763,942	7,005,223
Other financial assets	437,964,978	10,424,442	436,282,547	10,625,225	442,271,888	9,811,802
Other current assets	92,831,735	2,209,581	117,390,736	2,858,934	140,883,051	3,125,490
Financial liabilities						
Short-term borrowings	1,699,711,365	40,456,530	1,470,088,286	35,802,530	1,779,557,257	39,479,478
Financial liabilities at fair value through profit or loss	2,231,048,816	53,103,424	1,904,511,237	46,382,467	2,091,764,948	46,405,805
Bonds sold under repurchase agreements	3,740,181,124	89,023,791	3,771,448,650	91,849,860	3,880,214,545	86,082,560
Guarantee deposit-in and margin deposits	64,502,454	1,535,287	51,359,250	1,250,803	59,028,905	1,309,556
Other financial liabilities	2,177,985,354	51,840,407	2,211,438,271	53,857,368	2,485,056,668	55,130,982
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted for under the equity method	125,036,103	2,976,109	125,777,011	3,063,173	125,813,685	2,791,177

Note: As of September 30, 2023, December 31, 2022 and September 30, 2022, the KRW to TWD exchange rates were 0.024, 0.024 and 0.022, 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: options, non-delivery forward, interest swap settled by net cash flow and other interest contract.

II. Derivative financial instruments settled on a gross basis

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

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

(BLANK)

September 30, 2023								
Financial assets	0~90 days		91 days~1 year		Over 1 year	Total		
Non-derivative financial instruments								
Cash and cash equivalents	\$	65,984,700	\$	10,380,002	\$	50,000	\$	76,414,702
Due from Central Bank and call loans to other banks		39,501,587		15,434,417		20,647,335		75,583,339
Financial assets at fair value through profit or loss		379,219,586		46,382,894		87,938,126		513,540,606
Financial assets at fair value through other comprehensive income		31,685,600		27,712,062		263,385,733		322,783,395
Investments in bills and bonds under resale agreements		81,131,279		-		-		81,131,279
Receivables		184,837,147		57,026,008		17,200,937		259,064,092
Bills discounted and loans		301,116,953		177,792,539		585,305,454		1,064,214,946
Reinsurance contract assets		401,080		814,390		-		1,215,470
Financial assets at amortised cost		70,012,797		58,289,134		404,182,190		532,484,121
Restricted assets		-		-		3,239,418		3,239,418
Other financial assets		75,329,868		26,826		33,204,362		108,561,056
Other assets		25,500,582		375,346		20,401,036		46,276,964
Derivative financial instruments								
Financial assets at fair value through profit or loss								
Gross settlement								
Cash inflow		98,941,101		23,488,266		4,227,108		126,656,475
Cash outflow	(	95,206,989)	(	21,650,370)	(	3,567,095)	(	120,424,454)
Net settlement		625,716		786,132		579,754		1,991,602
Total	\$	1,259,081,007	\$	396,857,646	\$	1,436,794,358	\$	3,092,733,011
Financial liabilities								
Non-derivative financial instruments								
Deposits from Central Bank and other banks	\$	14,402,244	\$	-	\$	-	\$	14,402,244
Financial liabilities at fair value through profit or loss		29,640,444		-		4,910,266		34,550,710
Bills and bonds payable under repurchase agreements		147,396,361		34,291,931		33,524,721		215,213,013
Commercial paper payable		73,058,976		14,385,426		-		87,444,402
Payables		115,286,624		18,445,331		34,670,020		168,401,975
Deposits and remittances		385,471,589		515,101,169		604,246,552		1,504,819,310
Bonds payable		58,732		12,131,318		84,005,100		96,195,150
Other borrowings		39,961,903		516,499		10,544,286		51,022,688
Other financial liabilities		88,974,171		2,581,684		38,311,796		129,867,651
Other liabilities		73,589,880		2,285		1,664,624		75,256,789
Lease liabilities		280,147		975,072		4,842,353		6,097,572
Derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Gross settlement								
Cash inflow	(	71,447,321)	(	26,233,913)	(	3,052,534)	(	100,733,768)
Cash outflow		73,750,488		28,621,094		3,715,288		106,086,870
Net settlement		2,547,356		3,622,391		2,345,549		8,515,296
Total	\$	972,971,594	\$	604,440,287	\$	819,728,021	\$	2,397,139,902

December 31, 2022						
Financial assets	0~90 days		91 days~1 year		Over 1 year	Total
Non-derivative financial instruments						
Cash and cash equivalents	\$	72,897,831	\$	3,390,333	\$ 50,000	\$ 76,338,164
Due from Central Bank and call loans to other banks		45,699,051		14,887,498	19,103,611	79,690,160
Financial assets at fair value through profit or loss		320,444,256		51,875,782	79,986,427	452,306,465
Financial assets at fair value through other comprehensive income		40,211,587		23,954,186	274,166,635	338,332,408
Investments in bills and bonds under resale agreements		94,073,224		-	-	94,073,224
Receivables		140,085,745		50,292,288	12,333,095	202,711,128
Bills discounted and loans		241,491,698		198,684,721	568,412,913	1,008,589,332
Reinsurance contract assets		492,061		876,134	-	1,368,195
Financial assets at amortised cost		65,504,307		107,386,915	367,429,035	540,320,257
Restricted assets		-		-	2,726,292	2,726,292
Other financial assets		82,346,688		26,558	32,449,072	114,822,318
Other assets		15,151,595		541,570	21,472,623	37,165,788
Derivative financial instruments						
Financial assets at fair value through profit or loss						
Gross settlement						
Cash inflow		63,961,180		19,324,561	6,643,934	89,929,675
Cash outflow	(	62,550,991)	(	17,669,486)	(5,440,950)	(85,661,427)
Net settlement		654,834		1,429,610	1,051,014	3,135,458
Total	\$	<u>1,120,463,066</u>	\$	<u>455,000,670</u>	<u>\$ 1,380,383,701</u>	<u>\$ 2,955,847,437</u>
Financial liabilities						
Non-derivative financial instruments						
Deposits from Central Bank and other banks	\$	38,607,095	\$	-	\$ -	\$ 38,607,095
Financial liabilities at fair value through profit or loss		32,758,909		-	2,256,712	35,015,621
Bills and bonds payable under repurchase agreements		165,145,273		32,733,638	26,258,580	224,137,491
Commercial paper payable		43,276,548		4,559,522	-	47,836,070
Payables		108,362,439		16,100,155	29,191,749	153,654,343
Deposits and remittances		352,297,313		492,555,499	562,588,687	1,407,441,499
Bonds payable		28,668		18,095,935	82,606,350	100,730,953
Other borrowings		36,461,503		517,003	11,481,693	48,460,199
Other financial liabilities		99,360,116		1,841,150	39,118,132	140,319,398
Other liabilities		58,025,844		32,679	1,489,032	59,547,555
Lease liabilities		257,627		1,036,334	4,847,745	6,141,706
Derivative financial instruments						
Financial liabilities at fair value through profit or loss						
Gross settlement						
Cash inflow	(	74,784,126)	(	17,836,384)	(8,612,554)	(101,233,064)
Cash outflow		75,988,914		18,746,111	9,826,560	104,561,585
Net settlement		1,809,664		2,197,142	1,533,288	5,540,094
Total	\$	<u>937,595,787</u>	\$	<u>570,578,784</u>	<u>\$ 762,585,974</u>	<u>\$ 2,270,760,545</u>

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

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, 2023, December 31, 2022 and September 30, 2022, expenses on period of 0-90 days will increase by \$707,308,288, \$658,355,590 and \$668,330,327, 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, 2023				
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 30,101,707	\$ -	\$ -	\$ 30,101,707
Unused credit commitment	2,651,504	-	-	2,651,504
Guarantees	12,088,466	-	-	12,088,466
Capital expenditure commitment	4,296,320	4,857,861	-	9,154,181
December 31, 2022				
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 17,517,117	\$ -	\$ -	\$ 17,517,117
Unused credit commitment	2,378,257	-	-	2,378,257
Guarantees	9,236,552	-	-	9,236,552
Capital expenditure commitment	3,449,360	5,185,417	-	8,634,777
September 30, 2022				
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 20,737,504	\$ -	\$ -	\$ 20,737,504
Unused credit commitment	3,618,576	-	-	3,618,576
Guarantees	10,721,142	-	-	10,721,142
Capital expenditure commitment	2,186,962	6,679,918	-	8,866,880

(D) Insurance risk

a. Measurement and management of insurance risk

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

(a) Life insurance

The main risk of life insurance comprises of death rate and interest rate. The Yuanta Group assesses the premium rate of main insurance product on the market, makes related statistical measurement and analysis of death rate, such as cash flow test and experience test. Inspections are used to determine whether the death rate is higher than

pricing basis in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product.

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

(b) Variable life insurance

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

(c) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise of the occurrence of the accident rate and the morbidity rate. The Yuanta Group tracks loss rate of each insurance type, assesses the premium rate of main insurance products on the market, and makes related statistical measurement of occurrence of the accident rate and the morbidity rate, such as cash flow test and experience test in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product. The Yuanta Group could also arrange 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", complying with the operation procedures in each developing phase of an insurance product and controlling product designing and pricing by putting in place quantitative mechanisms such as probability testing.

b. Insurance risk concentration

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

c. Liability adequacy test

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience as time goes by. Pursuant to IFRS 4, 'Insurance contracts', the Yuanta Group should perform liability adequacy test accordingly to determine whether or not the recognised insurance liability is adequate. In respect of overall insurance contracts of the Yuanta Group as of September 30, 2023, December 31, 2022 and September 30, 2022, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

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

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

(a) Credit risk

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

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

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

(b) Liquidity risk

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

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

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Less than 1 year	(\$ 3,464,787)	(\$ 2,003,722)	(\$ 2,594,137)
1 ~5 years	20,499,704	23,126,077	21,887,538
6 ~15 years	117,801,115	105,179,714	102,972,412
More than 15 years	585,715,378	570,041,728	571,447,534
Total	<u>\$ 720,551,410</u>	<u>\$ 696,343,797</u>	<u>\$ 693,713,347</u>

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

(c) Market risk

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

based on the current information as at the balance sheet date to assess whether recognised insurance liabilities are adequate. Please refer to the liability adequacy test for the impact of market risk variables on the current liability adequacy of the Yuanta Group.

C. Climate-related Risk Management:

The Yuanta Group has established three lines of defense for risk management and an Enterprise Risk Management (ERM) mechanism. Each line of defense has clear organization, responsibilities, and functions to ensure the effective operation of the risk management mechanism. The assessment and management of transition risk or physical risk related to climate risk are integrated into the existing risk management framework, including qualitative and quantitative analysis.

The climate risk and opportunity management process of our group mainly consists of four steps, from risk and opportunity identification, measurement, monitoring to reporting, and the responsibilities and management actions of each step are described as follows:

(A) Risk and opportunity identification:

- a. Each subsidiary conducts climate risk and opportunity identification annually based on its business characteristics.
- b. The Risk Management Department of the Yuanta Financial Holdings integrates overall risk and opportunity identification.
- c. Refers to international organizations' climate risk reports.

(B) Risk and opportunity measurement:

- a. Each subsidiary evaluates the impact and influence of each risk and opportunity based on its business characteristics.
- b. The scope of measurement includes impact pathways, impact time and geographical scope, the position of the impact value chain, and financial impact.
- c. The Risk Management Department of the Yuanta Financial Holdings establishes a climate risk value measurement model to enhance quantitative management of climate risk.

(C) Risk and opportunity monitoring:

- a. Include environmental and social risk factors of each industry in the industry risk level assessment mechanism.
- b. Establish quantifiable indicators and limits for climate risk, and conduct analysis, monitoring, and reporting monthly.

(D) Risk and Opportunity Reporting:

- a. Develop response strategies for each risk and opportunity and report to the Sustainability Committee and the Board of Directors.
- b. Regularly report on the use of various risk indicators or limits at the Risk Management Committee and the Board of Directors.
- c. Report climate risk-related information to the Risk Management Committee and the Board of Directors on an irregular basis.

D. Transfer of financial assets

Transferred financial assets not fully derecognised

- (A) The Yuanta Group has financial assets that are fully or partially derecognised 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 derecognised. If the Yuanta Group still retains most of the risks and compensation of rights, the Yuanta Group should continue recognises the financial assets. If the Yuanta Group does not transfer or retains most of the risks and compensation of rights and maintains control over the assets, the Yuanta Group should continue recognise 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) bills and 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 derecognised in its entirety.

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

September 30, 2023		
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	\$ 26,406,533	\$ 22,857,031
Bonds sold under repurchase agreements	203,167,981	201,505,473
Bills sold under repurchase agreements	13,051,689	13,087,237
Securities Lending Agreement	357,802	-
December 31, 2022		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 25,532,094	\$ 23,641,439
Bonds sold under repurchase agreements	214,155,002	212,822,398
Bills sold under repurchase agreements	11,294,413	11,315,093

September 30, 2022			
Financial assets category	Carrying amount of transferred financial assets		Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$	25,726,826	\$ 23,835,469
Bonds sold under repurchase agreements		198,399,033	197,249,950
Bills sold under repurchase agreements		5,176,577	5,182,592

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, 2023							
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	\$ 12,010,044	\$ -	\$ 12,010,044	\$ 7,374,519	\$ 1,190,468	\$ 3,445,057	
Bonds purchased under resale agreements	78,324,648	-	78,324,648	76,364,648	1,938,592	21,408	
Bills under resale agreements	2,806,631	-	2,806,631	2,527,308	-	279,323	

December 31, 2022

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements						
				Related amounts not set off in the balance sheet(d)(Note 1)		
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)	Financial instruments (Note 2)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 12,444,763	\$ -	\$ 12,444,763	\$ 8,984,759	\$ 1,467,786	\$ 1,992,218
Bonds purchased under resale agreements	72,876,818	-	72,876,818	69,671,818	3,153,146	51,854
Bills under resale agreements	21,196,406	-	21,196,406	20,946,600	-	249,806

September 30, 2022

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

(B) Financial liabilities

September 30, 2023

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements						
				Related amounts not set off in the balance sheet(d)(Note 1)		
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)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 22,743,990	\$ -	\$ 22,743,990	\$ 12,452,861	\$ 7,008,698	\$ 3,282,431
Bonds sold under repurchase agreements	202,125,776	-	202,125,776	201,367,711	758,065	-
Bills sold under repurchase agreements	13,087,237	-	13,087,237	13,051,689	-	35,548

December 31, 2022

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

Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		
				Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 20,624,935	\$ -	\$ 20,624,935	\$ 14,631,689	\$ 4,011,072	\$ 1,982,174
Bonds sold under repurchase agreements	212,822,398	-	212,822,398	212,485,262	337,136	-
Bills sold under repurchase agreements	11,315,093	-	11,315,093	11,294,413	-	20,680

September 30, 2022

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

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

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

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

Note 3: Including net settled master netting arrangements.

F. Interest Rate Benchmark Reform

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

In order to effectively control the risk of interest rate benchmark reform, Yuanta Group has a LIBOR transition plan, including the governance framework for top-down and cross segment, internal training and continuous evaluating and identifying the effects of contract remediation, communicating with trading counterparty, risk management and valuation model, operating process and system, accounting and tax. As of September 30, 2023, the Group has completed all the transition and has no relevant exposure.

(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, 2023 is as follows:

(Expressed In Thousands of New Taiwan Dollars)

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 11,755,360	\$ 1,450,853	\$ 1,341,806	\$ 8,577,871	(\$ 287,097)	\$ 22,838,793
Net non-interest income	6,473,744	33,280,133	1,371,774	9,418,191	4,439,832	54,983,674
Net profit	18,229,104	34,730,986	2,713,580	17,996,062	4,152,735	77,822,467
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(208,593)	(96,747)	37,301	(746)	-	(268,785)
Net change in provisions for insurance liabilities	-	-	-	11,705,509	-	11,705,509
Operating expenses	(8,982,412)	(22,478,771)	(1,206,709)	(1,177,647)	(2,737,152)	(36,582,691)
Net income from continuing operations before income tax	9,038,099	12,155,468	1,544,172	5,112,160	1,415,583	29,265,482
Income tax expense	(1,611,670)	(1,596,194)	(311,076)	(243,624)	(514,199)	(4,276,763)
Consolidated income, net of tax	\$ 7,426,429	\$ 10,559,274	\$ 1,233,096	\$ 4,868,536	\$ 901,384	\$ 24,988,719

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

(Expressed In Thousands of New Taiwan Dollars)

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

(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, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Cash and cash equivalents	\$ 920,288	\$ 1,481,822	Commercial paper payable - net	\$ 4,795,910	\$ 2,999,423
Financial assets at fair value through other comprehensive income	64,489	65,889	Payables	6,801,338	5,149,388
Receivables - net	2,556,389	290,937	Current income tax liabilities	2,196,778	2,056,589
Current income tax assets	2,591,632	2,398,741	Bonds payable	27,000,000	28,300,000
Equity investments accounted for under the equity method - net	312,893,997	282,772,614	Provisions	35,354	37,739
Property and equipment - net	38,855	42,668	Lease liability	97,613	25,298
Right-of-use assets - net	94,570	24,005	Other liabilities	13,489	7,701
Intangible assets - net	14,740	12,374	Total liabilities	40,940,482	38,576,138
Deferred income tax assets	46,505	78,609	Equity		
Other assets - net	25,062	16,876	Common stock	126,890,824	125,015,590
			Additional paid-in capital	38,173,889	37,928,633
			Retained earnings		
			Legal reserve	22,561,044	20,481,785
			Special reserve	13,517,403	6,549,234
			Undistributed earnings	78,555,615	71,996,219
			Other equity	(1,392,730)	(13,363,064)
			Total equity	278,306,045	248,608,397
Total assets	\$ 319,246,527	\$ 287,184,535	Total liabilities and equity	\$ 319,246,527	\$ 287,184,535

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the nine months ended September 30,	
	2023	2022
Revenues		
Share of the profit or loss of associates and joint ventures accounted for under the equity method	\$ 24,812,460	\$ 20,834,448
Realised gain on financial assets at fair value through other comprehensive income	1,405	1,519
Other revenues	<u>113,546</u>	<u>129,705</u>
	<u>24,927,411</u>	<u>20,965,672</u>
Expenses and losses		
Operating expenses	(1,115,888)	(888,823)
Other expenses and losses	(268,985)	(205,214)
	<u>(1,384,873)</u>	<u>(1,094,037)</u>
Income from continuing operations before income tax	23,542,538	19,871,635
Income tax expense	(10,569)	(266,208)
Net income	<u>23,531,969</u>	<u>19,605,427</u>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	(1,831)	20,236
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	4,852,549	2,846,075
Components of other comprehensive income that will be reclassified to profit or loss (net of tax)		
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>3,393,133</u>	(24,735,332)
Other comprehensive income (loss)	<u>8,243,851</u>	(21,869,021)
Total comprehensive income (loss)	<u>\$ 31,775,820</u>	<u>(\$ 2,263,594)</u>
Earnings per share (in dollars)		
Basic and diluted earnings per share	<u>\$ 1.85</u>	<u>\$ 1.57</u>

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the nine months ended September 30, 2023 and 2022
(Expressed In Thousands of New Taiwan Dollars)

	Retained Earnings					Other equity					
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through othercomprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total equity	
<u>For the nine months ended September 30, 2022</u>											
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 47,621)	(\$ 1,072,737)	\$ 269,035,461	
Appropriation of 2021 earnings											
Legal reserve	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-	
Cash dividend	-	-	-	-	(18,206,154)	-	-	-	-	(18,206,154)	
Stock dividend	3,641,230	-	-	-	(3,641,230)	-	-	-	-	-	
Net income for the period	-	-	-	-	19,605,427	-	-	-	-	19,605,427	
Other comprehensive income (loss) for the period	-	-	-	-	120,136	(98,726)	(17,172,833)	113	(4,717,711)	(21,869,021)	
Total comprehensive income (loss) for the period	-	-	-	-	19,725,563	(98,726)	(17,172,833)	113	(4,717,711)	(2,263,594)	
Changes in equity of associates and joint ventures accounted for using equity method	-	42,684	-	-	-	-	-	-	-	42,684	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(215,902)	-	215,902	-	-	-	
Balance, September 30, 2022	<u>\$ 125,015,590</u>	<u>\$ 37,928,633</u>	<u>\$ 20,481,785</u>	<u>\$ 6,549,234</u>	<u>\$ 71,996,219</u>	<u>(\$ 8,498,849)</u>	<u>\$ 973,741</u>	<u>(\$ 47,508)</u>	<u>(\$ 5,790,448)</u>	<u>\$ 248,608,397</u>	
<u>For the nine months ended September 30, 2023</u>											
Balance, January 1, 2023	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	\$ 256,368,147	
Appropriation of 2022 earnings											
Legal reserve	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	
Special reserve	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-	
Cash dividend	-	-	-	-	(10,001,247)	-	-	-	-	(10,001,247)	
Stock dividend	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	
Net income for the period	-	-	-	-	23,531,969	-	-	-	-	23,531,969	
Other comprehensive income (loss) for the period	-	-	-	-	(11,164)	(588,775)	7,384,554	401	1,458,835	8,243,851	
Total comprehensive income (loss) for the period	-	-	-	-	23,520,805	(588,775)	7,384,554	401	1,458,835	31,775,820	
Changes in equity of associates and joint ventures accounted for under equity method	-	163,325	-	-	-	-	-	-	-	163,325	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,679,575	-	(2,679,575)	-	-	-	
Balance, September 30, 2023	<u>\$ 126,890,824</u>	<u>\$ 38,173,889</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 78,555,615</u>	<u>(\$ 6,708,679)</u>	<u>\$ 9,150,518</u>	<u>(\$ 50,817)</u>	<u>(\$ 3,783,752)</u>	<u>\$ 278,306,045</u>	

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed In Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2023	2022
Cash Flows From Operating Activities		
Profit before tax	\$ 23,542,538	\$ 19,871,635
Adjustment items		
Income and expense item		
Depreciation	46,825	45,650
Amortisation	3,932	3,035
Interest expense	268,725	205,129
Interest income	(60,917)	(13,120)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(24,812,460)	(20,834,448)
Gain on lease modification	-	(2)
Gain from disposal or retirement of property and equipment	(83)	-
Intangible assets transferred to expense	-	126
Changes in operating assets and liabilities		
Increase in receivables	(623,123)	(17,161)
Increase in other assets	(13,034)	(4,869)
Increase (decrease) in payables	113,639	(283,634)
Increase in provisions	285	110
Increase in other liabilities	3,339	2,286
Interest received	63,930	12,558
Dividend received	11,079,147	17,518,766
Interest paid	(270,941)	(251,162)
Income tax (paid) refund	(184,722)	23,970
Net cash flows generated from operating activities	<u>9,157,080</u>	<u>16,278,869</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(8,985)	(8,477)
Proceeds from disposal of property and equipment	360	-
Acquisition of intangible assets	(1,570)	(1,031)
Acquisition of right-of-use assets	-	(27)
Net cash flows used in investing activities	<u>(10,195)</u>	<u>(9,535)</u>
Cash Flows From Financing Activities		
Increase in commercial paper payable	4,800,000	211,000
Proceeds from issuance of bonds	-	5,300,000
Repayments of bonds	(9,500,000)	(2,900,000)
Cash dividends paid	(10,001,247)	(18,206,154)
Principal payment for lease liabilities	(34,005)	(33,616)
Net cash flows used in financing activities	<u>(14,735,252)</u>	<u>(15,628,770)</u>
Net (decrease) increase in cash and cash equivalents	(5,588,367)	640,564
Cash and cash equivalents at beginning of period	<u>6,508,655</u>	<u>841,258</u>
Cash and cash equivalents at end of period	\$ 920,288	\$ 1,481,822
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 920,288	\$ 1,481,822
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	-	-
Cash and cash equivalents at end of reporting period	<u>\$ 920,288</u>	<u>\$ 1,481,822</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Cash and cash equivalents	\$ 21,366,487	\$ 16,294,705	Deposits from Central Bank and other banks	\$ 14,402,244	\$ 23,995,120
Due from Central Bank and call loans to other banks	71,922,754	74,750,207	Financial liabilities at fair value through profit or loss	5,569,833	6,424,628
Financial assets at fair value through profit or loss	140,430,961	86,597,936	Bills and bonds payable under repurchase agreements	31,896,011	26,621,870
Financial assets at fair value through other comprehensive income	189,698,560	220,816,944	Payables	14,939,812	11,595,851
Investments in debt instruments at amortised cost	228,290,984	263,771,252	Current income tax liabilities	1,536,409	742,504
Investments in bills and bonds under resale agreements	46,441,387	23,523,070	Deposits and remittances	1,557,867,526	1,458,702,176
Receivables- net	24,688,176	22,899,491	Bank debentures payable	28,700,000	22,200,000
Current income tax assets	99,119	149,856	Other financial liabilities	2,442,129	2,680,819
Assets held for sale- net	80,998	86,904	Provisions	726,667	934,355
Bills discounted and loans- net	1,019,257,731	915,341,913	Lease liabilities	2,394,283	2,358,988
Equity investments accounted for under the equity method- net	4,944,248	4,534,276	Deferred income tax liabilities	781,571	889,680
Other financial assets- net	72,280	2,616	Other liabilities	3,137,597	3,597,620
Property and equipment- net	15,570,745	14,261,956	Total liabilities	1,664,394,082	1,560,743,611
Right-of-use assets- net	9,957,955	10,035,143	Common stock	73,940,390	73,940,390
Investment property- net	973,513	947,876	Additional paid-in capital	25,960,441	25,960,441
Intangible assets- net	8,597,098	8,840,615	Retained earnings	32,521,133	24,544,730
Deferred income tax assets	987,996	1,179,214	Other equity	(10,001,665)	(16,182,079)
Other assets - net	3,433,389	4,973,119	Total equity	122,420,299	108,263,482
Total assets	\$ 1,786,814,381	\$ 1,669,007,093	Total liabilities and equity	\$ 1,786,814,381	\$ 1,669,007,093

Yuanta Commercial Bank

Individual Condensed Statements of Comprehensive Income

For the nine months ended September 30, 2023 and 2022

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

	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Interest income	\$ 23,843,546	131	\$ 15,061,997	96
Less: Interest expense	(13,327,300)	(73)	(4,771,656)	(30)
Net interest income	10,516,246	58	10,290,341	66
Net non-interest income	7,679,123	42	5,362,922	34
Net profit	18,195,369	100	15,653,263	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(142,519)	(1)	(191,615)	(1)
Operating expenses	(8,995,131)	(49)	(8,337,944)	(54)
Income from continuing operations before income tax	9,057,719	50	7,123,704	45
Income tax expense	(1,605,854)	(9)	(1,142,049)	(7)
Net income	7,451,865	41	5,981,655	38
Other comprehensive income (loss) (net of tax)	3,088,477	17	(15,738,688)	(100)
Total comprehensive income (loss)	\$ 10,540,342	58	\$ 9,757,033	(62)
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 1.01		\$ 0.81	

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 391,625,944	\$ 340,289,313	Current liabilities	\$ 315,366,115	\$ 274,910,539
Financial assets at fair value through profit or loss-non-current	-	50,114	Bonds payable	29,000,000	23,500,000
Financial assets at fair value through other comprehensive income			Provisions- non-current	65,860	64,516
-non-current	14,477,721	14,455,724	Lease liabilities- non-current	451,179	489,350
Equity investments accounted for under the equity method	60,313,728	55,886,171	Deferred income tax liabilities	1,507,437	1,582,600
Property and equipment	5,288,028	5,298,225	Other non-current liabilities	1,084,591	2,171,843
Right-of-use assets	721,681	744,252	Total liabilities	347,475,182	302,718,848
Investment property	1,944,953	2,048,310	Common stock	65,924,526	65,924,526
Intangible assets	11,574,551	11,574,825	Additional paid-in capital	1,268,381	1,023,125
Deferred income tax assets	580,789	959,229	Retained earnings	59,305,243	51,848,955
Other non-current assets	2,557,134	2,364,216	Other equity	15,111,197	12,154,925
Total assets	\$ 489,084,529	\$ 433,670,379	Total equity	141,609,347	130,951,531
			Total liabilities and equity	\$ 489,084,529	\$ 433,670,379

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 26,405,136	100	\$ 23,243,613	100
Service fee expense	(1,029,598)	(4)	(932,548)	(4)
Employee benefit expense	(7,434,957)	(28)	(6,099,099)	(26)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	2,304,703	9	1,800,919	8
Operating expenses	(8,258,469)	(31)	(6,773,543)	(30)
Income from continuing operations before income tax	11,986,815	46	11,239,342	48
Income tax expense	(941,229)	(4)	(1,519,902)	(6)
Net income	11,045,586	42	9,719,440	42
Other comprehensive income (net of tax)	3,153,919	12	2,535,838	11
Total comprehensive income	\$ 14,199,505	54	\$ 12,255,278	53
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 1.68		\$ 1.47	

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 39,666,188	\$ 58,645,732	Current liabilities	\$ 128,403,498	\$ 128,309,159
Financial assets at fair value through profit or loss-non-current	196,831,850	180,630,708	Bonds payable	135,074,567	132,655,345
Financial assets at fair value through other comprehensive income-non-current	10,234,461	5,925,810	Provisions- non-current	4,549,657	3,619,658
Equity investments accounted for under the equity method	2,406,324	2,255,894	Lease liabilities- non-current	427,696	568,446
Property and equipment	1,098,565	1,024,275	Other non-current liabilities	22,029,741	15,542,728
Right-of-use assets	470,719	603,095	Total liabilities	290,485,159	280,695,336
Investment property	947,430	1,016,340	Common stock	25,290,671	23,572,537
Intangible assets	986,528	838,804	Additional paid-in capital	(1,347,911)	(1,250,237)
Deferred income tax assets	1,165,721	564,290	Retained earnings	9,205,664	7,983,400
Other non-current assets	73,164,922	63,032,693	Other equity	3,339,125	3,536,605
Total assets	\$ 326,972,708	\$ 314,537,641	Total equity	36,487,549	33,842,305
			Total liabilities and equity	\$ 326,972,708	\$ 314,537,641

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 50,092,335	100	\$ 49,572,351	100
Service fee expense	(298,933)	-	(294,848)	(1)
Employee benefit expense	(4,373,378)	(9)	(3,823,099)	(8)
Operating expenses	(43,965,096)	(88)	(44,281,408)	(89)
Income from continuing operations before income tax	1,454,928	3	1,172,996	2
Income tax expense	(342,680)	(1)	(358,959)	(1)
Net income	1,112,248	2	814,037	1
Other comprehensive income (net of tax)	70,775	-	1,062,095	2
Total comprehensive income	\$ 1,183,023	2	\$ 1,876,132	3
Earnings per share (in dollars)				
Basic earnings per share - ordinary share	\$ 5.42		\$ 3.97	
Diluted earnings per share - ordinary share	\$ 5.42		\$ 3.97	
Basic earnings per share - preferred share	\$ 5.42		\$ 3.97	
Diluted earnings per share - preferred share	\$ 5.42		\$ 3.97	

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, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 97,905,983	\$ 100,225,528	Current liabilities	\$ 87,315,926	\$ 90,996,415
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,658,337	1,704,796
-non-current	2,354,952	2,181,662	Total liabilities	88,974,263	92,701,211
Equity investments accounted for under the equity method	1,318,290	1,242,871			
Property and equipment	676,655	658,459	Common stock	2,899,763	2,899,763
Right-of-use assets	83,242	117,668	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	100,864	73,031	Retained earnings	6,130,308	4,879,648
Deferred income tax assets	27,984	31,002	Other equity	2,047,543	1,719,077
Other non-current assets	654,391	739,962	Total equity	14,148,098	12,568,972
Total assets	\$ 103,122,361	\$ 105,270,183	Total liabilities and equity	\$ 103,122,361	\$ 105,270,183

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022

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

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 2,526,953	100	\$ 2,932,892	100
Service fee expense	(450,585)	(18)	(600,194)	(20)
Employee benefit expense	(670,062)	(26)	(592,667)	(20)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	53,581	2	(27,609)	(1)
Operating expenses	269,265	10	(699,824)	(23)
Income from continuing operations before income tax	1,729,152	68	1,012,598	35
Income tax expense	(311,075)	(12)	(190,190)	(7)
Net income	1,418,077	56	822,408	28
Other comprehensive income (net of tax)	584,113	23	63,611	2
Total comprehensive income	\$ 2,002,190	79	\$ 886,019	30
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 4.89		\$ 2.84	

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Cash and cash equivalents	\$ 6,476,932	\$ 8,037,645	Payables	\$ 1,569,832	\$ 1,487,086
Receivables	3,399,923	3,070,035	Current income tax liabilities	28,813	30,829
Current income tax assets	5,455,614	3,916,251	Financial liabilities at fair value through profit or loss	7,258,432	12,697,579
Financial assets at fair value through profit or loss	34,391,894	32,550,909	Insurance liabilities	362,568,086	346,214,063
Financial assets at fair value through other comprehensive income	23,630,812	23,060,452	Reserve for insurance contract with the nature of financial products	188,954	137,617
Financial assets at amortised cost	302,364,670	284,749,018	Foreign exchange reserve	4,018,654	5,243,011
Other financial assets	1,000,000	3,300,000	Provisions	49,268	62,915
Right-of-use assets	205,385	267,066	Lease liabilities	1,024,214	1,086,943
Investment property	13,620,762	12,696,181	Deferred income tax liabilities	3,347,261	2,710,260
Loans	7,863,237	7,494,188	Other liabilities	2,200,277	1,845,540
Reinsurance contract assets	1,215,470	1,346,861	Investment-linked insurance products liabilities	31,122,735	32,135,416
Property and equipment	75,036	49,660	Total liabilities	413,376,526	403,651,259
Intangible assets	143,532	116,022	Common stock	23,735,695	23,735,695
Deferred income tax assets	1,959,593	3,026,895	Retained earnings	10,720,331	9,286,113
Other assets	8,522,704	11,873,191	Other equity	(6,384,253)	(8,983,277)
Investment-linked insurance products assets	31,122,735	32,135,416	Total equity	28,071,773	24,038,531
Total assets	\$ 441,448,299	\$ 427,689,790	Total liabilities and equity	\$ 441,448,299	\$ 427,689,790

Yuanta Life

Individual Condensed Statements of Comprehensive Income

For the nine months ended September 30, 2023 and 2022

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

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 38,049,083	100	\$ 42,213,944	100
Operating costs	(33,044,260)	(87)	(36,662,298)	(87)
Operating expenses	(1,220,982)	(3)	(1,186,186)	(2)
Net operating income	3,783,841	10	4,365,460	11
Non-operating revenues and expenses	74,786	-	(2,831)	-
Income from continuing operations before income tax	3,858,627	10	4,362,629	11
Income tax expense	(243,624)	-	(799,284)	(2)
Net income	3,615,003	10	3,563,345	9
Other comprehensive income (loss) (net of tax)	1,603,266	4	(8,759,681)	(21)
Total comprehensive income (loss)	\$ 5,218,269	14	\$ 5,196,336	(12)
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 1.52		\$ 1.50	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 5,449,361	\$ 4,439,303	Current liabilities	\$ 1,735,146	\$ 606,251
Financial assets at fair value through other comprehensive income	408,362	379,936	Deferred income tax liabilities	158,819	159,330
Equity investments accounted for under the equity method	347,509	348,378	Lease liability- non-current	11,902	25,157
Property and equipment	293,274	302,899	Other non-current liabilities	32,988	32,610
Intangible assets	768,551	768,551	Total liabilities	1,938,855	823,348
Prepaid pension cost	30,510	31,265	Common stock	2,269,235	2,269,235
Deferred income tax assets	589	621	Additional paid-in capital	296,729	296,729
Right-of-use assets	24,335	38,056	Retained earnings	2,715,003	2,829,123
Other non-current assets	89,321	77,632	Other equity	191,990	168,206
Total assets	<u>\$ 7,411,812</u>	<u>\$ 6,386,641</u>	Total equity	<u>5,472,957</u>	<u>5,563,293</u>
			Total liabilities and equity	<u>\$ 7,411,812</u>	<u>\$ 6,386,641</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 3,728,729	100	\$ 2,917,845	100
Operating expenses	(1,502,330)	(40)	(1,095,862)	(38)
Operating income	2,226,399	60	1,821,983	62
Non-operating revenues and expenses	60,578	1	(146,458)	(5)
Income from continuing operations before income tax	2,286,977	61	1,675,525	57
Income tax expense	(454,382)	(12)	(365,115)	(12)
Net income	1,832,595	49	1,310,410	45
Other comprehensive income (net of tax)	31,160	1	62,141	2
Total comprehensive income	<u>\$ 1,863,755</u>	<u>50</u>	<u>\$ 1,372,551</u>	<u>47</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 8.08</u>		<u>\$ 5.77</u>	

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 2,968,660	\$ 2,867,248	Current liabilities	\$ 95,935	\$ 64,410
Financial assets at fair value through			Non-current liabilities	17,474	18,277
other comprehensive income	46,489	37,435	Total liabilities	113,409	82,687
Property and equipment	6,626	7,843	Common stock	3,346,138	3,346,138
Right-of-use assets	8,297	12,280	Additional paid-in capital	1,047	1,047
Investment property	1,084,713	1,124,058	Retained earnings	630,282	603,459
Deferred income tax assets	3,726	3,026	Other equity	28,460	19,406
Other non-current assets	825	847	Total equity	4,005,927	3,970,050
Total assets	<u>\$ 4,119,336</u>	<u>\$ 4,052,737</u>	Total liabilities and equity	<u>\$ 4,119,336</u>	<u>\$ 4,052,737</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 309,857	100	\$ 303,474	100
Operating expenses	(188,510)	(61)	(161,207)	(53)
Operating income	121,347	39	142,267	47
Non-operating revenues and expenses	9,973	3	(23,808)	(8)
Income from continuing				
operations before income tax	131,320	42	118,459	39
Income tax expense	(25,715)	(8)	(27,039)	(9)
Net income	105,605	34	91,420	30
Other comprehensive loss (net of tax)	(1,376)	-	(2,407)	(1)
Total comprehensive income	<u>\$ 104,229</u>	<u>34</u>	<u>\$ 89,013</u>	<u>29</u>

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 2,073,832	\$ 1,920,886	Current liabilities	\$ 172,595	\$ 121,426
Financial assets at fair value through other comprehensive income	47,780	60,104	Lease liability- non-current	4,256	-
Equity investments accounted for under the equity method	992,282	924,810	Other non-current liabilities	6,700	4,700
Property and equipment	586	2,203	Total liabilities	183,551	126,126
Right-of-use assets	8,040	314	Common stock	2,715,221	2,715,221
Deferred income tax assets	74,590	38,467	Additional paid-in capital	918	918
Other non-current assets	644	635	Retained earnings	240,975	39,590
			Other equity	57,089	65,564
Total assets	<u>\$ 3,197,754</u>	<u>\$ 2,947,419</u>	Total equity	<u>3,014,203</u>	<u>2,821,293</u>
			Total liabilities and equity	<u>\$ 3,197,754</u>	<u>\$ 2,947,419</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 380,741	100	(\$ 66,825)	(100)
Operating expenses	(101,274)	(27)	(20,240)	(30)
Operating income (loss)	279,467	73	(87,065)	(130)
Non-operating revenues and expenses	6,443	2	2,919	4
Income (loss) from continuing operations before income tax	285,910	75	(84,146)	(126)
Income tax expense	(10,575)	(3)	(39,177)	(59)
Net income (loss)	275,335	72	(123,323)	(185)
Other comprehensive loss (net of tax)	(8,976)	(2)	(12,902)	(19)
Total comprehensive income (loss)	<u>\$ 266,359</u>	<u>70</u>	<u>(\$ 136,225)</u>	<u>(204)</u>

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
September 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023	September 30, 2022	LIABILITIES AND EQUITY	September 30, 2023	September 30, 2022
Current assets	\$ 220,045	\$ 224,384	Current liabilities	\$ 120,901	\$ 107,266
Property and equipment	12,111	12,048	Non-current liabilities	17,648	30,116
Right-of-use assets	15,690	23,453	Total liabilities	138,549	137,382
Intangible assets	8,839	687	Common stock	100,000	100,000
Deferred income tax assets	11,410	3,975	Additional paid-in capital	6,017	6,017
Other non-current assets	12,848	13,339	Retained earnings	36,377	34,487
			Total equity	142,394	140,504
Total assets	<u>\$ 280,943</u>	<u>\$ 277,886</u>	Total liabilities and equity	<u>\$ 280,943</u>	<u>\$ 277,886</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine months ended September 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 181,320	100	\$ 195,929	100
Operating costs	(749)	-	(859)	-
Operating expenses	(176,259)	(98)	(191,063)	(98)
Operating income	4,312	2	4,007	2
Non-operating revenues and expenses	1,531	1	906	-
Income from continuing operations before income tax	5,843	3	4,913	2
Income tax expense	(1,154)	-	(889)	-
Net income	4,689	3	4,024	2
Total comprehensive income	<u>\$ 4,689</u>	<u>3</u>	<u>\$ 4,024</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,	
		2023	2022
Return on total assets	Before tax	7.59	6.69
	After tax	7.58	6.60
Return on equity	Before tax	8.81	7.68
	After tax	8.80	7.57
Net profit margin ratio		95.43	94.44

(B) Yuanta Financial Holdings and its subsidiaries

		For the nine months ended September 30,	
		2023	2022
Return on total assets	Before tax	0.94	0.85
	After tax	0.81	0.69
Return on equity	Before tax	10.15	9.18
	After tax	8.67	7.40
Net profit margin ratio		32.11	27.41

(C) Yuanta Bank

		For the nine months ended September 30,	
		2023	2022
Return on total assets	Before tax	0.52	0.43
	After tax	0.43	0.36
Return on equity	Before tax	7.73	6.16
	After tax	6.36	5.17
Net profit margin ratio		40.95	38.21

(D) Yuanta Securities

		For the nine months ended September 30,	
		2023	2022
Return on total assets	Before tax	2.61	2.31
	After tax	2.40	2.00
Return on equity	Before tax	8.64	8.66
	After tax	7.96	7.49
Net profit margin ratio		39.90	40.31

(E) Yuanta Life

		For the nine months ended September 30,	
		2023	2022
Return on total assets	Before tax	0.90	1.07
	After tax	0.84	0.87
Return on equity	Before tax	15.15	16.38
	After tax	14.20	13.38
Net profit margin ratio		71.17	64.22

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, 2023					September 30, 2022				
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		166,577	254,520,126	0.07%	3,727,071	2,237.45%	29,327	243,314,605	0.01%	3,234,438	11,028.87%
	Unsecured loans		1,421,102	278,325,404	0.51%	3,983,143	280.29%	204,396	223,182,051	0.09%	3,740,425	1,829.99%
Consumer banking	Residential mortgage loans		32,995	280,706,183	0.01%	4,207,888	12,753.11%	67,938	266,788,646	0.03%	4,037,573	5,943.03%
	Cash card services		-	14,874	-	322	-	-	23,400	-	483	-
	Small amount of credit loans		6,120	19,633,432	0.03%	209,904	3,429.80%	3,898	15,130,312	0.03%	169,955	4,360.06%
	Others	Secured loans	73,833	208,451,769	0.04%	2,179,180	2,951.50%	96,219	190,098,300	0.05%	1,990,280	2,068.49%
		Unsecured loans	1,221	4,115,515	0.03%	41,965	3,436.94%	1,324	3,332,504	0.04%	34,056	2,572.21%
Gross loan business			1,701,848	1,045,767,303	0.16%	14,349,473	843.17%	403,102	941,869,818	0.04%	13,207,210	3,276.39%

Month / Year		September 30, 2023					September 30, 2022				
		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		7,094	9,009,182	0.08%	108,264	1,526.13%	6,233	8,276,279	0.08%	113,741	1,824.82%
Without recourse factoring		-	9,208,809	-	101,950	-	-	8,382,665	-	93,450	-

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

The amount included in overdue accounts for credit cards is in compliance with Jin-Guan-Yin (4) Letter No. 0944000378 dated July 6, 2005.

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

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

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

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

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

Note 7: Pursuant to Jin-Guan-Yin-Wai Letter No. 09850003180 dated August 24, 2009, the amount of without recourse factoring will be recognised as overdue accounts within three months after the factor or insurance company resolves not to compensate the loss.

(B) Non-performing loans and overdue receivables exempted from reporting to the competent authority

Unit: In thousands of NT Dollars

	September 30, 2023		September 30, 2022	
	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)	12,302	11,783	22,922	16,942
Perform in accordance with debt liquidation program and restructuring program (Note 2)	541,696	257,244	661,797	289,237
Total	553,998	269,027	684,719	306,179

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 the FSC dated April 25, 2006.

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

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

Unit: In thousands of NT Dollars, %

September 30, 2023			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Other Plastic Products Manufacturing	\$ 18,455,462	15.08
2	Group B–Retail Sale of Motor Vehicles	11,575,000	9.46
3	Group C–Real Estate Development	10,045,790	8.21
4	Group D–Convenience Store	8,229,875	6.72
5	Group E–Financial Holding Companies	7,966,467	6.51
6	Group F–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,300,000	5.96
7	Group G–Mold and Die Manufacturing	5,500,000	4.49
8	Group H–Packaging and Testing of Semi-conductors	5,500,000	4.49
9	Group I–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.51
10	Company J–Real Estate Development	3,800,000	3.10

Unit: In thousands of NT Dollars, %

September 30, 2022			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Iron and Steel Refining	\$ 9,945,606	9.19
2	Group B–Real Estate Development	8,581,050	7.93
3	Company C–Real Estate Development	5,930,000	5.48
4	Group D–Quarrying of Stone and Sand and Other Mining	5,803,990	5.36
5	Group E–Financial Holding Companies	5,500,000	5.08
6	Group F–Manufacture of Other Computer Peripheral Equipment	5,000,000	4.62
7	Group G–Financial Holding Companies	4,700,000	4.34
8	Group H–Manufacture of Power Generation, Transmission and Distribution Machinery	4,150,000	3.83
9	Group I–Real Estate Development	3,762,692	3.48
10	Group J–Real Estate Development	3,441,582	3.18

- Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If an outstanding loan belongs to an enterprise group, the outstanding loan of enterprise group should be categorised and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A—Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.
- Note 2: Definition of enterprise group is based on the Article 6 of “Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Reviews of Securities Listings”.
- Note 3: Total amounts of credit extensions were various loans (including import negotiations, export negotiations, bills discounted, overdrafts, short-term loans, short-term loans secured, securities financing receivable, mid-term loans, mid-term loan secured, long-term loans, long-term loans secured, and overdue accounts), remittances purchased, advance accounts for factoring receivable, acceptances receivable, and guarantees receivable.

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(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

September 30, 2023

(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	1,620,261,134	218,494,579	154,658,828	211,927,546	110,172,038	164,348,873	760,659,270
Primary funds outflow upon maturity	1,959,403,416	64,137,639	141,161,962	288,288,431	301,832,022	363,562,603	800,420,759
Gap	(339,142,282)	154,356,940	13,496,866	(76,360,885)	(191,659,984)	(199,213,730)	(39,761,489)

September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,474,297,710	149,936,749	115,493,578	140,480,207	90,293,798	237,605,487	740,487,891
Primary funds outflow upon maturity	1,732,195,603	45,419,866	117,616,951	202,434,172	246,094,655	365,980,195	754,649,764
Gap	(257,897,893)	104,516,883	(2,123,373)	(61,953,965)	(155,800,857)	(128,374,708)	(14,161,873)

b. Structure analysis of time to maturity (USD)

September 30, 2023

(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	6,675,459	2,318,005	617,625	267,601	297,575	3,174,653
Primary funds outflow upon maturity	8,481,665	2,810,193	1,691,558	1,417,814	1,677,200	884,900
Gap	(1,806,206)	(492,188)	(1,073,933)	(1,150,213)	(1,379,625)	2,289,753

September 30, 2022

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	6,272,948	1,511,721	689,571	272,881	134,235	3,664,540
Primary funds outflow upon maturity	8,259,073	2,481,493	1,735,343	1,190,134	1,659,577	1,192,526
Gap	(1,986,125)	(969,772)	(1,045,772)	(917,253)	(1,525,342)	2,472,014

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

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

September 30, 2023

(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	1,083,299,715	77,338,201	50,746,878	231,452,918	1,442,837,712
Interest-rate-sensitive liabilities	425,219,161	835,212,510	86,451,872	28,769,169	1,375,652,712
Interest-rate-sensitive gap	658,080,554	(757,874,309)	(35,704,994)	202,683,749	67,185,000
Total equity					133,679,951
Ratio of interest-rate-sensitive assets to liabilities					104.88
Ratio of interest-rate-sensitive gap to equity					50.26

September 30, 2022

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	908,749,070	72,679,663	124,176,640	243,187,766	1,348,793,139
Interest-rate-sensitive liabilities	343,212,124	777,801,069	121,245,313	26,460,729	1,268,719,235
Interest-rate-sensitive gap	565,536,946	(705,121,406)	2,931,327	216,727,037	80,073,904
Total equity					118,561,756
Ratio of interest-rate-sensitive assets to liabilities					106.31
Ratio of interest-rate-sensitive gap to equity					67.54

Note 1: The above amounts include only New Taiwan Dollars held by Yuanta Bank, excluding contingent assets and contingent liabilities.

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

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

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

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

September 30, 2023

(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	3,271,103	171,937	157,441	2,480,819	6,081,300
Interest-rate-sensitive liabilities	3,662,616	851,891	1,194,365	966,402	6,675,274
Interest-rate-sensitive gap	(391,513)	(679,954)	(1,036,924)	1,514,417	(593,974)
Total equity					(320,708)
Ratio of interest-rate-sensitive assets to liabilities					91.10
Ratio of interest-rate-sensitive gap to equity					185.21

September 30, 2022

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	2,895,892	78,371	56,537	2,664,268	5,695,068
Interest-rate-sensitive liabilities	3,610,760	645,814	1,302,410	1,273,307	6,832,291
Interest-rate-sensitive gap	(714,868)	(567,443)	(1,245,873)	1,390,961	(1,137,223)
Total equity					(293,879)
Ratio of interest-rate-sensitive assets to liabilities					83.36
Ratio of interest-rate-sensitive gap to equity					386.97

Note 1: The above amounts include only US Dollars amounts held by Yuanta Bank, excluding contingent assets and contingent liabilities.

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

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

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

(14) Information with respect to the subsidiary holding the capital share of parent company

None.

13. Other disclosure items

(1) Related information on material transaction items

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

Creditor	Counterparty	Relationship	Accounts receivable from related party as of September 30, 2023	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	\$ 1,116,652 (Note1)	-	\$ -	-	\$ -	-
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	753,743 (Note1)	-	-	-	-	-
Yuanta Financial Holdings	Yuanta Securities Investment Trust	Subsidiary of the Company	623,720 (Note2)	-	-	-	623,222	-

Note1: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

Note2: Dividend receivable from subsidiary which has been eliminated, and the dividend has been received on October 26, 2023.

- 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, 2023	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	\$ 5,441,380 (Note)	-	\$ -	-	\$ 161	\$ -
Yuanta Securities	Yuanta/P-shares Taiwan Top 50 ETF	Affiliated company	326,000	Not Applicable	-	Not Applicable	326,000	-

Note: Income tax refundable arising from filing consolidated income tax returns.

(BLANK)

F. Information regarding selling non-performing loans:

(A) Summary of selling non-performing loans:

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)	2023/4/26	KACMO	Loans and Advance	\$ 3	\$ 9	\$ 6	None	None	Note 2
Yuanta Savings Bank (Korea)	2023/5/26	KACMO	Loans and Advance	\$ 10	\$ 6	(\$ 4)	None	None	Note 3
Yuanta Savings Bank (Korea)	2023/6/28	KACMO	Loans and Advance	\$ 2	\$ 3	\$ 1	None	None	Note 4
Yuanta Savings Bank (Korea)	2023/6/28	ICL Loan Coporation	Loans and Advance	\$ 10,886	\$ 14,955	\$ 4,069	None	None	Note 5
Yuanta Savings Bank (Korea)	2023/8/4	KACMO	Loans and Advance	\$ 3	\$ 3	\$ -	None	None	Note 6
Yuanta Savings Bank (Korea)	2023/9/2	KACMO	Loans and Advance	\$ 4,267	\$ 4,296	\$ 29	None	None	Note 7

Note 1: Book value is the balance after deducting the amount of the allowance for doubtful debts to the original creditor's right.

Note 2: The carrying amount and the sale price of the loan was KRW106 thousand and KRW360 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

Note 3: The carrying amount and the sale price of the loan was KRW423 thousand and KRW255 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

Note 4: The carrying amount and the sale price of the loan was KRW75 thousand and KRW135 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

Note 5: The carrying amount and the sale price of the loan was KRW457,787 thousand and KRW628,902 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

Note 6: The carrying amount and the sale price of the loan was KRW144 thousand and KRW139 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

Note 7: The carrying amount and the sale price of the loan was KRW179,438 thousand and KRW180,635 thousand, using the exchange rate of 1 KRW to 0.023779 NTD.

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

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

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

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

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	\$ 1,613,400	\$ 1,613,400	\$ 732,484	4.00%~6.44%	Short-term loans	\$ -	Fulfill operating cost and working capital	\$ -	-	\$ -	\$ 44,323,756 (Note 1)	\$ 44,323,756 (Note 1)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,613,400	-	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,323,756 (Note 1)	44,323,756 (Note 1)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,581,440	2,581,440	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,323,756 (Note 1)	44,323,756 (Note 1)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	968,040	968,040	-	-	Short-term loans	-	Working capital	-	-	-	44,323,756 (Note 1)	44,323,756 (Note 1)
5	Yuanta Securities Asia Finance Service	Yuanta Securities Korea Co., Ltd.	Accounts receivable-related party	Yes	2,258,760	2,258,760	-	-	Short-term loans	-	Working capital	-	-	-	44,323,756 (Note 1)	44,323,756 (Note 1)

Note 1: 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 2: 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 USD50 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. The loan was repaid on July 26, 2023.

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, 2023	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
		Name of company	Relationship										
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	\$ 28,321,869 (Note 1)	\$ 112,938	\$ 112,938	\$ -	\$ -	0.08%	\$ 56,643,739 (Note 1)	Yes	No	No
2	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	28,321,869 (Note 1)	1,613,400	1,613,400	45,175	-	1.14%	56,643,739 (Note 1)	Yes	No	No
3	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	44,323,756 (Note 3)	1,298,108	1,298,108	-	-	2.93%	44,323,756 (Note 3)	Yes	No	No
4	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	44,323,756 (Note 3)	470,416	309,076	45,175	-	0.70%	44,323,756 (Note 3)	Yes	No	No
5	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	44,323,756 (Note 3)	909,960	423,360	79,380	-	0.96%	44,323,756 (Note 3)	Yes	No	No

Note 1: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", the ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities should not exceed 40% and 20% of net worth of the company's latest audited/reviewed financial statements, respectively.

Note 2: To become a local agent and guarantee institution of foreign structure instruments which are issued by the reinvested company, Yuanta Investment (Hong Kong), on September 24, 2020, Yuanta Securities' Board of Directors resolved to provide a guarantee with a limit of USD50 million. On December 16, 2020, Yuanta Securities obtained the approval from Gin-Gwen-Zheng-Quan-Zi Letter No. 1090372253 of the FSC in Taiwan. On February 25, 2021, both parties finished signing the guarantee contract after the relating process has been completed.

Note 3: According to the Company's "Procedures for Provision of Endorsements and Guarantees", total endorsements and guarantees provided to others cannot exceed the net assets value in Yuanta Securities Asia Financial Services Ltd.'s latest financial statements audited or reviewed by an independent auditor.

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

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)								
September 30, 2023								
Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta/P-shares Taiwan Top 50 ETF	The managing company of the fund	Financial assets at fair value through profit or loss	36	\$ 4,464	-	\$ 4,464	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	7	518	-	518	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	24	1,591	-	1,591	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	20	471	-	471	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	34	1,182	-	1,182	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	26	467	-	467	
	Yuanta S&P500	"	"	9	402	-	402	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	20	369	-	369	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	13	760	-	760	
	Yuanta/P-shares SSE50 ETF	"	"	19	550	-	550	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	179	-	179	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	1	21	-	21	
	Yuanta EURO STOXX 50 ETF	"	"	7	213	-	213	
	Yuanta Nikkei 225 ETF	"	"	-	6	-	6	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	11	323	-	323	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	10	-	10	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	10	359	-	359	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	18	831	-	831	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	1	24	-	24	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	10	329	-	329	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	1	38	-	38	
	Yuanta DJCI Silver ER Futures ETF	"	"	-	4	-	4	
	Yuanta MSCI China A ETF	"	"	9	195	-	195	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	9	307	-	307	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	6	283	-	283	

				September 30, 2023				
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta S&P U.S. High Yield Preferred Stock ETF	The managing company of the fund	Financial assets at fair value through profit or loss	-	\$ 1	-	\$ 1	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	6	182	-	182	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	11	375	-	375	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	6	171	-	171	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	11	356	-	356	
	Yuanta Global NextGen Communications ETF	"	"	21	629	-	629	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	-	12	-	12	
	Yuanta Global 5G & NexGen Telecommunication Components ETF	"	"	24	705	-	705	
	Yuanta De- Bao Money Market Fund	"	"	8,184	100,726	-	100,726	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	"	"	10,092	101,852	-	101,852	
	Yuanta Japan Leaders Equity Fund-(I)	"	"	9,970	97,607	-	97,607	
					<u>\$ 316,512</u>		<u>\$ 316,512</u>	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	4,803	\$ 391,828	0.88	\$ 391,828	
	FundRich Securities Co. Ltd.	-	"	819	16,534	1.36	16,534	
					<u>\$ 408,362</u>		<u>\$ 408,362</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	\$ 347,509	24.50	\$ 347,509	
Yuanta Asset Management	Beneficiary certificates:							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	17,566	\$ 244,120	-	\$ 244,120	
	Taishin Ta Chong Money Market Fund	-	"	3,457	50,340	-	50,340	
	Franklin Templeton Sinoam Money Market Fund	-	"	9,485	100,468	-	100,468	
	Hua Nan Phoenix Money Market Fund	-	"	6,032	100,553	-	100,553	
	JIH SUN MONEY MARKET FUND	-	"	3,296	50,114	-	50,114	
	Yuanta Japan Leaders Equity Fund-(A)	-	"	3,021	29,456	-	29,456	
					<u>\$ 575,051</u>		<u>\$ 575,051</u>	

					September 30, 2023				
Name of company					Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note	
Yuanta Asset Management	Stocks:								
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 6,388	0.16	\$ 6,388		
	Sunsino Venture Co., Ltd.	-	"	443	5,151	0.93	5,151		
	DaYeh Development Co., Ltd.	-	"	333	240	2.22	240		
	Chung Yi Development Co., Ltd.	-	"	2,278	91	6.63	91		
	China Investment and Development Co., Ltd.	-	"	1,980	22,018	1.23	22,018		
	China Trade And Development Corporation	-	"	500	12,601	0.76	12,601		
					<u>\$ 46,489</u>		<u>\$ 46,489</u>		
Yuanta Venture Capital	Stocks:								
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 5,997	0.03	\$ 5,997		
	Taiwan Chelic Corp. Ltd.	-	"	500	27,150	0.72	27,150		
	Eurocharm Holdings Co., Ltd.	-	"	624	106,704	0.94	106,704		
	Ever Fortune. AI Co., Ltd.	-	"	350	34,475	0.36	34,475		
	Tot Biopharm International Company Limited	-	"	15,606	127,412	2.02	127,412		
	Apollomics Inc.	-	"	117	14,174	0.13	14,174		
	Gorilla Technology Group Inc.	-	"	100	2,798	0.14	2,798		
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	61,572	2.35	61,572		
	Saultech Technology Co., Ltd.	-	"	438	20,591	1.44	20,591		
	Taiwan Microloops Co., Ltd.	-	"	920	57,375	1.81	57,375		
	Pharmosa Biopharm Co., Ltd.	-	"	2,098	185,880	1.79	185,880		
	Taiwan Speciality Chemicals Corporation	-	"	235	16,932	0.17	16,932		
	Shine-On BioMedical Co., Ltd.	-	"	300	19,608	0.60	19,608		
	Mega Union Technology Incorporated	-	"	1,362	149,167	2.24	149,167		
	OVTEC Co., Ltd.	-	"	739	52,314	4.47	52,314		
	CGK International Co., Ltd (Cayman)	-	"	877	10,418	2.00	10,418		
	Aprevent Medical Inc.	-	"	1,808	25,778	9.71	25,778	Preferred stock B	

				September 30, 2023				
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Venture Capital	Stocks:							
	Li Ling Film Co., Ltd.	-	Financial assets at fair value through profit or loss	1,666	\$ 1,516	2.78	\$ 1,516	
	Bioflag International Corporation	-	"	1,870	44,423	3.12	44,423	
	Bioflag Nutrition Corporation Ltd.	-	"	1,530	43,737	3.12	43,737	
	GRAID Technology Inc.	-	"	682	42,156	2.63	42,156	Preferred stock A
	YU-CHEN SYSTEM Technology Corp.	-	"	1,260	88,817	7.33	88,817	
	Certain Micro Application Technology Inc.	-	"	1,200	22,992	6.48	22,992	
	Song Chuan Precision Co., Ltd.	-	"	1,357	139,164	2.34	139,164	
	Aprevent Medical, Inc.	-	"	394	-	2.12	-	
	Veden Dental Group	-	"	246	-	0.50	-	
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	6.47	-	
	GenePharm Biotech Corp.	-	"	2,667	-	10.03	-	
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-	
	Asia Pacific Venture Invest II L.P.	-	"	-	747	10.00	747	
	GCT Semiconductor Inc.	-	"	1,402	-	1.10	-	Preferred stock G
					<u>\$ 1,301,897</u>		<u>\$ 1,301,897</u>	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,976	0.50	\$ 9,976	
	Prudence Capital Management			939	16,720	9.00	16,720	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	3,307	4.80	3,307	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	248	10.00	248	
	Hwa Lu Venture Capital Co., Ltd.	-	"	43	9,793	8.70	9,793	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	2,085	9.88	2,085	
	Qi Ding Venture Capital Co., Ltd.	-	"	168	338	4.35	338	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	207	2,707	10.00	2,707	
	Huiyang Venture Capital Co., Ltd.	-	"	67	2,606	2.46	2,606	
					<u>\$ 47,780</u>		<u>\$ 47,780</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>\$ 992,282</u>	100.00	<u>\$ 992,282</u>	

(4) Investments in Mainland China

A. Information of investment in Mainland China

Yuanta Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee as of September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 4)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 8,957,597 (USD 277,600)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 164,620	\$ -	\$ -	\$ 164,620	Note 5	2.02%	\$ -	\$ 164,620	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	258,144 (USD 8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	5,599	-	-	5,599	Note 5	2.00%	-	5,599	-
Orient Optical Crystal Mfg. Co	Protection glass grinding and sales	20,618 (HKD 5,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	452	-	-	452	Note 5	2.00%	-	452	-
Veden Dental Labs Inc.	Manufacturing dental restoration	342,251 (HKD 83,000)	(2) CAYMAN ISLANDS VEDEN DENTAL GROUP	22,762	-	-	22,762	Note 5	0.50%	-	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, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee as of September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 4)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,843,346 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.24%	\$ -	\$ 27,112	\$ 26,029

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee as of September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the nine months ended September 30, 2023 (Note 2)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 18,266 (CNY 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 219	100.00%	In liquidation	\$ 23,373	\$ -
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	81,352 (CNY 18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	5,017	100.00%	5,017 (2)B	20,128	-

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, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee as of September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the nine months ended September 30, 2023 (Note 2)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,648,700 (CNY 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 2,302	24.50%	\$ 557	\$ 347,509	\$ -

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, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee as of September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the nine months ended September 30, 2023 (Note 2), (2)C	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai)	Computer software services	\$ 157,209 (CNY 33,080)	(3)	\$ 157,209	\$ -	\$ -	\$ 157,209	\$ 1,186	100.00%	\$ -	\$ 118,159	\$ -

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	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	\$ 234,168	\$ 234,021	\$ 1,808,522
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	93,996,136
Yuanta Securities Investment Trust	705,666	705,666	3,283,774
Yuanta Futures	157,209	174,000	8,488,859

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,014,203.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$156,660,227.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,472,957.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$14,148,099.

Note 1: Investment methods are classified into the following three categories; fill in the number of the category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2023' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

a. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

b. The financial statements that are audited and attested by R.O.C. parent company's CPA.

c. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The investment targets are Yuanta Venture Capital and Yuanta I Venture Capital's information of investment in Mainland China and are recognised as financial assets at fair value through profit or loss, therefore, there was no investment income (loss) recognised.

Note 5: The Company's subsidiary does not have significant influence over the investee. Thus, financial information on the investee is unattainable.

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired USD16 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, 2023.

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

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	1,112,210	No significant difference from general customers	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	742,483	"	0.02%
0	Yuanta Financial Holdings	Yuanta Securities Investment Trust	1	Receivables – net	623,720	"	0.02%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	5,440,231	"	0.17%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	1,521,623	"	0.05%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	975,835	"	0.03%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	203,654	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	219,743	"	0.01%
1	Yuanta Securities	Yuanta Securities Investment Trust	3	Net service fee and commission income	139,267	"	0.18%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	179,328	"	0.23%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	136,242	"	0.18%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income	154,559	"	0.20%
2	Yuanta Bank	Yuanta Futures	3	Cash and cash equivalents	278,822	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	217,994	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	112,604	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Receivables – net	109,660	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,487,101	"	0.05%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	654,674	"	0.02%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	125,841	"	0.00%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	148,923	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	112,203	"	0.00%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	8,476,580	"	0.27%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	4,943,600	No significant difference from general customers	0.16%
2	Yuanta Bank	SYF Information (Shanghai)	3	Deposits and remittances	173,400	"	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	4,266,500	"	0.13%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	211,900	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	616,800	"	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	389,100	"	0.01%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	378,200	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	10,192,375	"	0.32%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	548,556	"	0.02%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	6,077,232	"	0.19%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	3,046,288	"	0.10%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	17,436,793	"	0.55%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	5,808,240	"	0.18%
2	Yuanta Bank	Yuanta Financial Holdings	3	Deposits and remittances	897,050	"	0.03%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	987,928	"	1.27%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	323,154	"	0.42%
2	Yuanta Bank	Yuanta Securities	3	Interest expense	216,374	"	0.28%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Interest expense	147,823	"	0.19%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial assets – net	556,954	"	0.02%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial liabilities	420,615	"	0.01%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	289,967	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	296,388	"	0.38%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	732,923	"	0.02%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Receivables – net	135,770	"	0.00%
7	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	219,326	"	0.01%

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

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

Note 2: There are three types of relationships with the counterparties and they are labeled as follows (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transactions with a subsidiary, then the subsidiary is not required to disclose the transactions; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transactions, then the other is not required to disclose the transactions) :

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

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

Note 4: The transactions disclosed are those over \$100,000.

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14. Segment information

(1) General information

A. Recognition elements of reporting segment

The Yuanta Group is mainly engaged in the investment and management of its investees; therefore, the management reports are provided to the Chief Operating Decision-Maker (“CODM”) to allocate resources to operating segments and evaluate their performance. The Yuanta Group’s management recognised reporting segments based on the policies adopted by the CODM.

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

The management has recognised reporting segments based on the reporting information used by the CODM. The Yuanta Group has five reporting segments according to the types of income sources: banking, securities, futures, insurance and others. The products and types of service of the income sources are as follows:

(A) Banking: corporate banking, personal banking and wealth management in accordance with the Banking Act.

(B) Securities: securities dealing or consignment trading, underwriting securities, registration and transfer agency service for securities, assistance of futures trading, futures dealing, and issuing call (put) warrants, derivative financial instrument transactions including interest rate swap, asset swap and structured notes.

(C) Futures: domestic and foreign futures merchant business, self-operating business, futures consultation business, futures agency, self-operating securities business and other futures relating business as approved by authorities.

(D) Insurance: the main activities comprise life insurance enterprises and provision of life, medical, accident injury and investment-oriented insurance products.

(E) Others: includes those not mentioned above, for example, investment trust, investment consulting, venture capital and asset management businesses.

(2) Measurement of segment information – measurement of the profit and loss of operating segments

The Yuanta Group’s measurement principles for profit and loss of operating segments is consistent with the significant accounting policies stated in Note 4, and the measurement of profit and loss performance is based on pre-tax profit and loss.

Inter-segmental transactions are arm’s-length transactions, and the gain and loss arising from such transactions are eliminated by the parent company in the consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

Expressed in Thousands of New Taiwan Dollars

For the nine months ended September 30, 2023

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 18,229,104	\$ 34,730,986	\$ 2,713,580	\$ 17,996,062	\$ 4,152,735	\$ -	\$ 77,822,467
Revenue (loss) from transactions with other operating segments of the same entity	<u>307,061</u>	<u>1,142,159</u>	<u>225,283</u>	<u>(1,121,105)</u>	<u>479,401</u>	<u>(1,032,799)</u>	<u>-</u>
Net revenues (Note)	<u>18,536,165</u>	<u>35,873,145</u>	<u>2,938,863</u>	<u>16,874,957</u>	<u>4,632,136</u>	<u>(1,032,799)</u>	<u>77,822,467</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(208,593)	(96,747)	37,301	(746)	-	-	(268,785)
Net change in provisions for insurance liabilities	-	-	-	(11,795,320)	-	89,811	(11,705,509)
Operating expenses	<u>(9,264,038)</u>	<u>(22,640,773)</u>	<u>(1,247,011)</u>	<u>(1,220,264)</u>	<u>(3,084,610)</u>	<u>874,005</u>	<u>(36,582,691)</u>
Income from continuing operations before income tax	<u>\$ 9,063,534</u>	<u>\$ 13,135,625</u>	<u>\$ 1,729,153</u>	<u>\$ 3,858,627</u>	<u>\$ 1,547,526</u>	<u>(\$ 68,983)</u>	<u>\$ 29,265,482</u>

For the nine months ended September 30, 2022

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 15,297,126	\$ 31,547,036	\$ 2,106,292	\$ 23,439,392	\$ 2,840,698	\$ -	\$ 75,230,544
Revenue (loss) from transactions with other operating segments of the same entity	<u>639,360</u>	<u>1,067,498</u>	<u>40,268</u>	<u>(1,257,861)</u>	<u>330,680</u>	<u>(819,945)</u>	<u>-</u>
Net revenues (Note)	<u>15,936,486</u>	<u>32,614,534</u>	<u>2,146,560</u>	<u>22,181,531</u>	<u>3,171,378</u>	<u>(819,945)</u>	<u>75,230,544</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(203,703)	32,893	2,027	(364)	-	-	(169,147)
Net change in provisions for insurance liabilities	-	-	-	(16,632,692)	-	113,172	(16,519,520)
Operating expenses	<u>(8,593,533)</u>	<u>(20,457,170)</u>	<u>(1,135,390)</u>	<u>(1,185,846)</u>	<u>(2,357,486)</u>	<u>769,744</u>	<u>(32,959,681)</u>
Income from continuing operations before income tax	<u>\$ 7,139,250</u>	<u>\$ 12,190,257</u>	<u>\$ 1,013,197</u>	<u>\$ 4,362,629</u>	<u>\$ 813,892</u>	<u>\$ 62,971</u>	<u>\$ 25,582,196</u>

Note: Net revenues include gain and loss on financial assets and liabilities at fair value through profit or loss, realised gain and loss on financial assets at fair value through other comprehensive income, foreign exchange gains and losses, and other non-interest income.