Annual report is available at
Taiwan Stock Exchange Market Observation Post System：
http://emops.twse.com.tw
Yuanta's Homepage：http://www.yuanta.com/EN/Home

Stock Code：2885

Yuanta Financial Holding Co., Ltd.

2020 Annual Report

Publication date : January 31, 2021

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	Website	Telephone
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Yuanta Securities Investment Trust	18F., B1F., No.67,and 2F., No77, Sec. 2, Dunhua S. Rd., Taipei City	
	http://www.yuantafunds.com	(02)2717-5555
Yuanta Futures	11F., 11F. -1, 11F. -2, 11F. -3, 11F. -4, 12F., 12F. -1, 12F. -2, No. 225, Sec. 3, Nanjing E. Rd., Taipei City	
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Institution for stock transfer	Yuanta Securities, Registrar & Transfer Department	Telephone	(02)2586-5859
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IV. Name, Address and Telephone of credit rating agencies

credit rating agencies	Address	Telephone	Companies for rating
Taiwan Ratings Corporation	2F., No. 167, Dunhua N. Rd., Songshan Dist., Taipei City	(02)2175-6800	Yuanta Financial Holdings, Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Finance
Fitch Ratings Taiwan	Room A2, 23F., No. 68, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City	(02)8175-7600	Yuanta Financial Holdings, Yuanta Securities, Yuanta Bank, Yuanta Securities Finance, Yuanta Securities Asia Financial Services

V. Name, Accounting Firm, Address, Website and Telephone of CPAs on the 2020 Financial Statements

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Accounting Firm	PricewaterhouseCoopers Certified Public Accountants	Address	27F., No.333, Sec. 1, Keelung Rd., Taipei City
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VI. Overseas Listings and Access to the Listing Information: None.

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Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

One. Letter to Shareholders

I. Domestic and International Financial Environment

Looking back on 2020, due to COVID-19 being rampant globally, various countries have successively adopted strict control measures, such as lockdowns, border closures and restriction of movements, in order to prevent the pandemic from spreading. As a result, the economy and demand almost shut down globally, with prices of international crude oil and raw materials suffering a major setback, causing drastic fluctuations in the stock and foreign exchange markets. The US stock market has triggered the circuit breaker mechanism several times. In the second half of 2020, the pandemic was under control in certain countries and some markets were recovering. Notwithstanding, due to the variants of the coronavirus emerging in the United Kingdom and South Africa, high uncertainty still exists in the global economic outlook in the context of the pandemic. According to the latest forecast released by IHS Markit in January 2021, the global economic growth rate would be -3.9% in 2020, lower than 2.57% in 2019 by far. Despite pandemic prevention being well prepared in Taiwan, the economy still suffered an apparent decline in Taiwan due to the sharp global economic downturn in the first half of the year. As of the third quarter, various leading countries reactivated economic activities. The overseas demand recovery gradually drove the Taiwan economy to a boom. According to the latest forecast by Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS) in February 2021, the economic growth rate of Taiwan was 3.11% in 2020, more than that in the previous year, and also outperforming other countries significantly.

Looking forward to 2021, the global economy still needs to deal with multiple risk variables, such as the development of COVID-19, vaccine effectiveness and progress, various countries' schedules for the lifting of lockdowns, follow-ups on the trade and technology disputes between the USA and mainland China, and the expansionary fiscal and accommodative monetary policies that deepen the financial vulnerability, all of which are critical to the international economic outlook. Notwithstanding, international organizations generally forecast that the release of vaccines will help control the pandemic. Following the recovery of the global industrial production and consumer demand, the global economy is expected to turn from negative returns to positive ones in 2021. The economy in Taiwan was benefited from the stable increase in private investments and government expenditures. Meanwhile, driven by the pandemic, the digital transformation and remote work business opportunities were booming. The strong demand for the emerging applications, such as 5G and cloud computing, and significant increase in the production capacity of semiconductors and information communication products in Taiwan, caused the export to grow steadily. According to the latest forecast by the DGBAS at the end of February 2021, the economic growth rate of Taiwan is expected to attain 4.64% in 2021.

In terms of the financial market performance in 2020, various countries have striven to

save their markets by investing mass capital, thereby causing the global stock markets to boom. The average daily trading volume of the Taiwan stock market attained NT$253.5 billion, and even NT$335.9 billion in December of the year. Consequently, the securities broker service charges and other peripheral services were subsequently driven, and the profits of securities related businesses, such as Yuanta Securities and Yuanta Securities Investment Trust, hit a new record. Meanwhile, in order to stimulate the economy, various countries' governments started to cut interest rates successively, and the banks' interest spread revenue declined as a result. The impact was being amplified as of the second half of the year. At the same time, in response to the credit risk under the variable economic condition, Yuanta Bank provided the full allowance for bad debt potentially arising from the loan default and for the impairment on goodwill and assets, NT$1.349 billion, arising from the consolidation of Ta Chong Bank and the subsidiary, Yuanta Savings Bank (Korea), in order to strengthen the quality of assets and ability to accept risk by advanced deployment. In 2020, Yuanta Life has been through the impact posed by disadvantageous factors, such as the policy liability reserve rate being cut twice, implementation of the new insurance policies, low-interest environment, and the pandemic. Notwithstanding, with the stable ability to control risk and performance in investment operations, as well as adequate product strategies, its profit kept growing in 2020.

In 2021, the development of the pandemic is still a factor critical to the global economic recovery. However, there is no expectation toward interest escalation or cuts in the financial market for the time being, and the impact posed to the banks' interest spread tends to be stable. The repatriation of investment capital from Taiwanese businessmen has already driven the increase in capital expenditure, and, therefore, helped increase the banks' loan scale and profitability. Furthermore, benefiting from the securities market full of idle money, investors are seeking the channel to allocate their capital. Therefore, the stock market is expected to have the potential of growth. Meanwhile, the life insurance business still needs to deal with pressure in such a low-interest environment. The recurring yield before hedging is declining and the room for increase in capital gains is also limited as a result of the high-base period factor. Besides this, if the New Taiwan dollar remains as a strong currency, there might be some risk over exchange loss. Generally speaking, multiple uncertain factors still exist in the financial market due to issues including COVID-19 and political and economic conditions between the USA and mainland China in 2021. Therefore, Yuanta Financial Holding Company (FHC) will use its best efforts to take advantage of the market growth opportunity when managing its business. Meanwhile, in response to the operating environment which is difficult to predict, Yuanta FHC will still uphold its strict risk control policy as it always has.

II. Changes in Company Organization

The most significant changes in Yuanta FHC's organization in 2020 are as follows:

(I) In response to the rapid changes in the International Accounting Standards (IAS) and global taxation policies, the Chief Accounting Officer and Accounting

Department were assigned upon resolution by the Board of Directors on June 23, 2020. Meanwhile, the Financial Management Department was renamed the Finance Department.

(II) In order to upgrade Yuanta FHC's ability to make decisions on the information security issues, consolidate the promotion and coordination of information security policies and allocate resources, the Chief Information Security Officer and Information Security Department were assigned upon resolution of the Board of Directors on December 23, 2020.

In the future, Yuanta FHC will continue to adjust the capital structures of its subsidiaries in line with business development needs and strengthen the entire Yuanta Group's competitiveness through organizational restructuring. In order to create operational synergies, Yuanta FHC has adopted a joint channel strategy, setting up offices for securities and banking operation in the same location. As of the end of December 2020, a total of 49 securities and bank branches are operating from the same location, creating maximum synergy by integrating resources of Yuanta FHC.

III. Business Achievements

Looking back on 2020, despite COVID-19 being rampant globally, rapidly changing international economic and political circumstances and twists of financial markets, Yuanta FHC adopted a cautious and stable approach in dealing with external changes, and adjusted its orientation in a timely manner. The net profit after tax was NT$24.105 billion, with an earnings per share (EPS) of NT$1.99 and return on equity (ROE) of 9.93% in 2020. The profitability of Yuanta FHC grew by 18% against the trend under the impact posed by the pandemic, hitting the record again.

While developing the financial business thoroughly and creating profit, Yuanta FHC also values the promotion of positive development in such areas as environment, society, and corporate governance (ESG), and establishes a sustainable business management and service model. Yuanta FHC continued to be selected by the "Dow Jones Sustainability Index (DJSI) World Index" and "DJSI Emerging Markets Index" in 2020. In the ratings of the category of "Diversified Financials" industry, Yuanta FHC has jumped to the third place in the world. Said Index follows up the performance of global large-size enterprises in economy, environmental protection, and social responsibility, as the important reference indicators about sustainable investments by global investors.

At the same time, in the Morgan Stanley Capital International (MSCI) ESG Ratings of enterprises included in the "MSCI All Country World Index (ACWI)," Yuanta FHC won the rating A honor, suggesting that Yuanta FHC has been recognized by the world in practicing sustainable development of the environment, society, and corporate governance as the leading group in Taiwan's financial industry.

Additionally, Yuanta FHC has also continued to review and strengthen various issues concerning sustainable development and won recognition from multiple external organizations. For example, the Yuanta Group's 316 business locations throughout Taiwan received ISO14064-1 Greenhouse Gas (GHG) Inventory System Certification, with 100% assessment coverage rate. Yuanta FHC also supported and devoted itself to eco-friendly and climate change related issues, and from 2018 to 2019 for two consecutive years received a Leadership ranking with an A- rating (Leadership level) from the CDP (formerly Carbon Disclosure Project). In 2020, Yuanta FHC was upgraded to A rating (Leadership level), the highest CDP rating, making it the best performance keeper in the financial industry domestically. Meanwhile, Yuanta FHC promoted a gender-friendly workplace and was selected by the "Bloomberg Gender-Equality Index (GEI) 2020" for two consecutive years for providing an equal, friendly, healthy and safe work environment and a robust employee care and career development system, and won the "Best Company to Work for in Asia" award from *HR Asia*, Asia's leading human resources magazine. Yuanta FHC's corporate social responsibility report was certified by the British Standards Institution (BSI), and Yuanta FHC's ESG performance was considered outstanding and awarded the Taiwan Corporate Sustainability Awards Corporate Social Responsibility (CSR) Report – Gold Prize. Implementation of CSR verification won the BSI Sustainability Resiliance Pilot Award.

For corporate governance, Yuanta FHC received the Best Chief Executive Officer, Best Chief Financial Officer, and Best Investor Relation Manager in Asia, and Best Investor Relations in Taiwan awards from *Corporate Governance Asia* in 2020; the "Platinum Award for the Best ESG Enterprise" from *The Asset*; and top 5% of the listed companies in the sixth annual "Corporate Governance Assessment Award" held by the Taiwan Stock Exchange (TWSE). Further, Yuanta FHC also passed the Taiwan Corporate Governance Association's "CG6012 (2019) Corporate Governance Framework Assessment Certificate with Distinguished Honor" jointly with Yuanta Securities and Yuanta Bank, and continued to demonstrate its practices in improving its corporate governance, corporate social responsibility, and integrity management.

The business achievements of Yuanta FHC's subsidiaries are as follows:

Yuanta Securities had 145 branches and one brokerage department as of the end of December 2020, with a brokerage market share of around 12.90% in 2020, maintaining the leading position in the industry. In recent years, Yuanta Securities has continuously developed multiple businesses domestically and overseas, driven by an enterprising culture of pursuing innovation and teamwork, and received recognition from domestic and international professional financial magazines, totaling 54 awards for the year, including the "Best Brokerage in Taiwan" award from *Asiamoney* for fourteen consecutive years, and securities-related awards by various international financial magazine agencies such as *The Asset*, *FinanceAsia*, and *Euromoney*. Honors from Taiwan's competent authorities included "first place in the Electronic Order Management System Competition: Outstanding Contribution,"

"first place in TPEx Pre-listing Tutorship Performance Award," "first place in Emerging Stock Market Pre-listing Tutorship Performance Award," "first place in Futures Proprietary Trading Volume Diamond Award," "first place in Securities Trading Volume Diamond Award," and "first place in Market-Making Performance Diamond Award." Meanwhile, Yuanta Securities also received the "Wealth Management Award (*Wealth Magazine*)," "Consumers Financial Brand Award (*Wealth Magazine*)," and the National Brand Yushan Award – the "Best Products: 'Mr. Yuanta' – 2nd-Generation Mr. Yuanta and Account APP." All these awards have demonstrated that Yuanta Securities' proactive efforts in developing business as well as fulfilling customers' rights and interests have been greatly affirmed.

Given the successive interest cutting by central banks domestically and overseas, Yuanta Bank and peer companies had to deal with the impact posed by the reduced interest spread for deposits/loans to the net interest income growth in 2020. Meanwhile, under the circumstances where economic and industrial development was affected by COVID-19, in order to control risks carefully and maintain fair quality of assets, the loaning business strategy turned to focus on the adjustment of loan structures and improvement of post-loan management. Until the end of December 2020, the non-performing loans (NPL) ratio, NPL coverage ratio, and loan coverage ratio were 0.12%, 1,232.5%, and 1.50% respectively, which continued to be the excellent ones in the industry. Benefiting from the growth of securities deposits and branches' core deposits, the total assets were driven and expanded accordingly. As of the end of December 2020, Yuanta Bank's total assets had reached NT$1.4334 trillion, growing by more than NT$103.4 billion. Recently, Yuanta Bank has achieved remarkable operating results in wealth management. In 2020, it won the three major Wealth Management Awards (*Wealth Magazine*), including "Best Service," "Best Wealth Management Team" and "Best Recommended by Customers," and the three major awards for the wealth management bank and securities evaluation by *Business Today*, including the "Best Product", "Best Wealth Management Team" and "Best Trusted by Customers," reflecting that it has been recognized by customers greatly. For the digital financial payment services, Yuanta Bank's Yuanta e-Payment and Campus e-Payment services have won *The Asset* – "Best Corporate Payment in Taiwan Award" and the National Brand Yushan Award – "Best Product." In 2020, the Yuanta Bank also implemented the payment tools, such as Taiwan Pay and LINE Pay Money, in Taiwan, in order to provide customers with richer and more diversified mobile payment services.

Yuanta Life, upholding the corporate core values for "Insurance Protection, Sustainable Business, and Society's Well-being," continued to develop and promote the protection-type and long-term products to upgrade the mortality surplus stably and control expense margins. Its interest spread became positive in 2020, and its net profit after tax was NT$1.810 billion in 2020, a multiple growth from NT$910 million in 2019. Meanwhile, in response to the implementation of the four major new insurance policies in July 2020, including the policy liability reserve rate cutting, increase in the death benefit threshold, declared interest rate

stabilization mechanism, and contractual service margin (CSM) no less than zero, Yuanta Life adjusted the product portfolio and raised the weight of protection. By doing so, Yuanta Life responded to the competent authority's policy to raise the national insurance protection and practice its corporate core values. With the efforts spent in the research and development (R&D) of products, Yuanta Life won the "Insurance AI Grand Award" from *Money* and the "National Brand Yushan Award – Best Product" in 2020. It also promoted the sensitive service to all customers. The efforts spent optimizing the service experience lead to winning the "Excellence Best Insurance Rating – Best Service Quality Award" consecutively in 2019 and 2020. Considering that the requirements and expectations toward corporate social responsibility are becoming stricter worldwide, Yuanta Life identified environmental protection, social responsibility and corporate governance as the focus of business and sustainable development strategy, and checked the implementation results via the certification by an independent third-party organization. In 2020, Yuanta Life invited BSI to carry out the certification at its premises. As a result, Yuanta Life passed the BS10012:2017 Personal Information Management System Certification Criteria (continued review), ISO27001:2013 Information Security Management System International Certification, and ISO14064-1:2018 GHG Certification Criteria. Clearly, the efforts by Yuanta Life in ESG have received high recognition.

Yuanta Securities Investment Trust's net income of NT$1.719 billion in 2020 was a record high, up 44.60% from 2019. Since Yuanta Securities Investment Trust was incorporated, it has adhered to the management philosophy stressing "Stability, Integrity, Service, and Innovation" and "Devoted Entirely to Managing Your Wealth," and has been dedicated to engaging in the diversified investment and wealth management areas. Accordingly, it became the largest issuer of ETF in the same industry and received recognition from more than 950,000 ETF beneficiaries. Its ETF market share was about 30% in Taiwan, remaining stably in first place in the market. Yuatna Securities Investment Trust had publicly offered funds amounting to NT$666.9 billion, covering 1.06 million beneficiaries in total and attaining the market share of 14.6%, as the only securities investment trust company with the market share of publicly offered funds of more than 10%. In addition, Yuanta Taiwan High-yield Leading Company Fund was successfully raised in 2020, and its size reached NT$58.6 billion as of July of the same year, setting a new record for domestic equity funds. Yuanta Securities Investment Trust owns the strongest and largest-scale research team dedicated to helping investors have access to the international trends and related financial products in a timely manner and also providing diversified investment solutions, in order to satisfy investors' wealth management needs. In past years, Yuanta Securities Investment Trust's domestic/overseas funds have pursued stable performance and growth rate. Yuanta Securities Investment Trust also won multiple awards and patents from domestic/overseas professional organizations, with respect to the three indicators including product, brand, and talent, making it become a leader in the same industry.

As a leading brand of futures in Taiwan, Yuanta Futures uses its best efforts to provide investors with the best futures trading service through its transparent and strict corporate governance and internal control systems which balance R&D ability and innovation. Looking back on 2020, Yuanta Futures' net profit after tax was NT$1.07 billion. Despite certain interest income affected by the interest cut, the net income from brokerage services grew by 30%, ranking first place among professional futures firms, with an EPS after tax of NT$4.23 and ROE after tax of 10.33%. In 2020, the futures market was booming in Taiwan. The total trading volume of TAIFEX amounted to 341 million lots, growing by 31% from 261 million lots last year and breaking the record in 2018 with 308 million lots. Yuanta Futures' futures brokerage market share was 26.88%, options brokerage market share 16.30%, and foreign futures market share 25.57%, all ranking first place in the market and significantly outperforming others in the same industry. Yuanta Futures adhered to its brand core value and expected itself to become a benchmarking brand in the financial markets of Asia. Meanwhile, it has received positive recognition from many domestic/foreign professional organizations, including the "Best Futures Firm of the Year" from *FOW* and *The Asset*, "Top 5% of TWSE/TPEx-listed Companies" of the corporate governance assessment for six consecutive years, "Futures Diamond Award" of TAIFEX, and the National Brand Yushan Awards. It will continue to make every endeavor to upgrade its brand identity as a futures expert.

In implementing their respective 2020 business plans, our subsidiaries posted the following results:

Item		Total assets (NT$1,000)	Net income (NT$1,000)	EPS (NT$)
Yuanta Securities	2020	454,697,118	14,399,429	2.49
	2019	365,076,873	9,018,519	1.56
Yuanta Bank	2020	1,433,368,223	6,895,871	0.93
	2019	1,329,968,350	10,046,230	1.36
Yuanta Life	2020	343,790,499	1,810,207	0.88
	2019	284,651,026	909,534	0.93
Yuanta Securities Investment Trust	2020	6,327,666	1,719,220	7.58
	2019	5,567,382	1,188,944	5.24
Yuanta Futures	2020	95,736,549	1,070,099	4.23
	2019	73,149,665	1,135,799	4.89
Yuanta Venture Capital	2020	2,896,948	287,342	1.17
	2019	2,740,721	148,187	0.60
Yuanta Asset Management	2020	3,852,077	121,132	0.39
	2019	3,680,439	124,033	0.98

Item		Total assets (NT$1,000)	Net income (NT$1,000)	EPS (NT$)
Yuanta Securities Investment Consulting	2020	284,194	6,478	0.65
	2019	259,024	3,175	0.32

IV. Credit Ratings' Dates and Results

Domestic and international credit rating organizations have recognized Yuanta FHC's stable asset quality and business achievements. Taiwan Ratings confirmed on January 20, 2021 that Yuanta FHC's outlook should remain "stable," reflecting that the Yuanta Group has a strong capital level on a consolidated basis and is in a leading position in the relevant securities markets in Taiwan. Fitch Ratings confirmed on April 22, 2020 that Yuanta FHC's outlook should be adjusted as "negative," as a result of the COVID-19 pandemic. Notwithstanding, on November 25, 2020, it confirmed that the outlook should be adjusted from negative to stable, reflecting that the Yuanta Group was capable of responding to the impact posed by COVID-19 to its business, and recognizing Yuanta Group's strong position in the domestic market and expanding position overseas. In addition to the leadership in the domestic securities brokerage service market, the domestic banking services, overseas retail brokerage services, and wealth management services, forming a more diversified business model, also help to support the Yuanta Group's development to orient toward a comprehensive regional financial service group.

Yuanta FHC's most recent credit rating results are summarized below:

Rating category	Rating agency	Credit rating		Outlook	Effective date
		Long-term	Short-term		
International rating	Fitch Ratings	BBB+	F2	Stable	November 25, 2020
Domestic rating	Fitch Ratings	AA-(twn)	F1+(twn)	Stable	November 25, 2020
	Taiwan Ratings	twAA-	twA-1+	Stable	January 20, 2021

V. Future Development Strategies of Yuanta FHC

Yuanta FHC has always aimed to grow stably and upgrade shareholders' value. Looking back on the development history in recent years, the integration and voluntary growth, exercise of the consolidated effects of merger and acquisition (M&A) and consolidation, integration of the securities businesses overseas, and efforts used in growing the business of various business entities, have driven the significant increase in the entire business scale. As a result, Yuanta FHC owning the five major profit engines, including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures, was incorporated. Meanwhile, the differentiated services and products drove the mutual growth of the Yuanta Group's five major business entities. While growing and adjusting the business

model, the Yuanta Group's business entities still maintained their stable financial structure and excellent quality of assets. Yuanta FHC's net profit after tax and ROE upon exclusion of the non-recurring profit and loss appear to be growing stably.

Looking forward to the Post Pandemic Era, Yuanta FHC will control risks carefully, and continue to adopt the overall growth development strategy valuing "solidification of cores and driving of growth." Yuanta FHC will solidify the core businesses, continue developing its competitiveness, focus on the growing businesses, markets, and customers more, and practice the effect of the Yuanta Group's cross-industry and cross-border growth to stabilize and upgrade its earnings level effectively, in hopes of moving forward toward the objective of the "Best Financial Services Provider in the Asia Pacific Region."

The development strategies of Yuanta FHC for 2021 are summarized as follows:

(I) Yuanta Securities: Balanced business development, and promotion of layout in Asia.

Continue to solidify the core business competitiveness and position; by improving regional integration and products and extending the development of diversified and differentiated products and services, develop customer relations more thoroughly and expand the younger customer group; grasp the chance for digital Fin-tech development, and develop various innovative business to promote the growth momentum, in order to create diversified profit engines and move forward toward a regional securities firm in the Asia Region.

For the overseas layout, strive for upgrading of the operating profit, development of new businesses, and consolidated effects among the inter-group subsidiaries, with respect to the subsidiaries in the matured markets including Korea and Hong Kong, etc.; exercise the management skills, professional team, and experience of the parent company in Taiwan in the developing markets, including Thailand, Indonesia, and Vietnam, to strive for upgrading the subsidiaries' position in the local markets and the improvement of their operating efficiency and capital structure.

(II) Yuanta Bank: Expand the asset scale and diversified sources of revenue to maintain the stable profit growth.

Yuanta Bank will take its excellent capital adequacy ratio and quality of assets as its strong backup. Insofar as the credit risk is controllable, Yuanta Bank will upgrade the balanced growth of corporate banking and consumer banking operations; expand various business scales, develop the loaning projects with better yield rate, and sprout the businesses which are the sources of revenue from service charges.

Yuanta Bank's branches improve the ability to manage and develop business, and drive the loan scale growth and expansion of the assets under management pool for the branches by the growth of core deposits. In response to the market changes and

customers' needs, the wealth management operations provide diversified products, rapid service platforms, and professional wealth management teams, and also enhance the Yuanta Group's ability to develop products and expand the customer base, in order to increase the income from service charges. The financial market operations will stabilize investment-related income by improving the capital allocation and management.

Engage in the customer-oriented digital transformation development; be actively involved in mobile payment services; speed up development, planning, and execution of emerging technologies; improve customers' convenience and satisfaction in access; and enhance operating and business efficiency.

(III) Yuanta Life: Continue to develop and promote the "protection-type and long-term products" and add investment-linked products, in order to satisfy various customer groups' needs.

For the products, respond to the corporate core values for "Insurance Protection, Sustainable Business, and Society's Well-being," continue to develop the "protection-type and long-term products" as the primary orientation of product development, enrich product lines and optimize the contents of protection to satisfy the various customer groups' needs for insurance while complying with the relevant regulatory requirements. In order to deal with the aged society and low birth rate in Taiwan, Yuanta Life will continue to develop the protection-type and long-term products commensurate with the retirement life, retirement medical treatment, and retirement care needs, and alternate sales channels thereof. In response to the low-interest rate environment, continue to focus on the development of insurance policies denominated in US Dollars; also, add investment-linked products as one of the strategic highlights, enrich the retirement life planning options, provide an alternative option to customers with higher risk appetite; communicate Yuanta Life's core values to customers, and also help Yuanta Life achieve the long-term financial and business goals.

In terms of channels, select the brokers/agents and banks that are in line with the management philosophy of Yuanta Life as the channels of cooperation. The development of agency sales channels and multiple channels focuses on the lean business team, in order to train the insurance professionals to be customer-oriented. The business development is always oriented toward the protection-type and long-term products as the focus of marketing. Meanwhile, Yuanta Life also upholds the "Fair Dealing Principles" to fulfill its corporate social responsibility and improve customer service quality, and create Yuanta Life's long-term profitability and increase its brand value accordingly.

(IV) Yuanta Securities Investment Trust: Strengthen foundations and drive innovation for product lines of funds, expand AUM, and pursue stable profit growth.

Yuanta Securities Investment Trust continues to expand the asset management scale of active and passive funds. By grasping the retirement and pension asset management opportunities in the era of aging and low interest rates, Yuanta Investment Trust introduces differentiated fund products to help customers seize opportunities and create wealth. At the same time, it will strengthen the competitiveness of existing products and improve the efficiency of middle and back-office operations. In terms of new fund R&D, Yuanta Securities Investment Trust will continue to invest in ESG investment process optimization and future mega trend research, actively develop new products that are topical, and strives to meet the needs of customers in investment management, asset allocation, and wealth inheritance.

(V) Yuanta Futures: "Innovation and Sustainability Make Cross-Border Pilot," in order to solidify Yuanta Futures' leading position in the futures industry.

Yuanta Futures upholds the philosophy "Innovation and Sustainability Make Cross-Border Pilot" as the key business strategy. For innovation, Yuanta Futures strengthens the risk control mechanism. Meanwhile, it is improving the digital financial experience, optimizing the account opening procedure, and developing subscription economy to provide traders with a more convenient, stable, and rapid trading environment. For sustainable management, Yuanta Futures uses its best efforts to research and develop green products, promote green research reports, and have its corporate governance aim to have customers rest assured, make shareholders feel relieved, and have employees enjoy working. For cross-border operation, Yuanta Futures provides services to the real economy and satisfies a wide range of industrial institutional investors' needs for hedging and trading to develop the cross-border B2B brokerage services, and takes the initiative to expand the business growth momentum, in order to continue moving forward toward an international futures merchant based in the Asia Pacific Region.

Yuanta FHC's corporate governance plan and sustainable development strategy for the year 2021 are highlighted below:

Yuanta FHC pays attention to the development trend of corporate governance both domestically and internationally, and in accordance with the Financial Supervisory Commission's (FSC) "Corporate Governance 3.0 - Sustainable Development Roadmap" and various action plans, Yuanta FHC's corporate governance plan is introduced in a timely manner and is revised annually in line with the execution status to achieve effective implementation. Specific plans and measures include deepening Yuanta FHC's culture of sustainable governance, protecting shareholders' rights and treating them equally (early availability of meeting materials for shareholders meetings in both Chinese and English versions and participation of directors of the board), enhancing the functions and operations of the board of directors (appointing an external professional and independent organization to

conduct a performance evaluation of the board of directors and presenting the evaluation results and recommendations for improvement to the board of directors, as well as promoting continuous enhancement measures such as succession planning for directors and key management personnel), and improving information transparency (simultaneous disclosure of key corporate governance information in English and improved timeliness of reporting and uploading).

In terms of sustainable development strategy, the resources of the Yuanta Group has been integrated to implement the FSC's "Green Finance Action Plan 2.0." Through enhancing CSR-related products and services, issuing sustainable/green bonds, implementing the Equator Principles, following voluntary green investment principles and initiatives, and carrying out the "Sustainable Finance Guidelines" assessment, Yuanta FHC will continue to leverage the influence of financial institutions in promoting CSR. In addition, Yuanta FHC also continues to promote social welfare, uses financial technology to promote inclusive finance, persists in deepening climate-related financial disclosure (TCFD), and cooperates with the CDP (formerly Carbon Disclosure Project), credit card carbon footprint certification, etc., in order to contribute to the sustainable development of society and the environment.

Looking forward to the future, Yuanta FHC will continue to invest funds in the aspects of environment, society, and corporate governance (ESG), so as to promote and work hard for the sustainable development of Yuanta FHC.

Two.Company Profile

I. Date of Establishment: February 4, 2002.

II. Corporate Milestones

(I) Milestones

- Fuhwa Financial Holding Company (later renamed Yuanta Financial Holding Company) was formed on February 4, 2002 through a 100% equity swap between Fuhwa Securities Finance (later renamed Yuanta Securities Finance) and Fuhwa Securities (later renamed Yuanta Securities). This created a platform to leverage resources of the two business lines to enhance profitability and provide customers with more diversified products and services.
- In May 2002, Fuhwa Futures and Fuhwa Capital Management, both subsidiaries under Fuhwa Securities Finance (later renamed Yuanta Securities Finance) were later designated as direct subsidiaries of the parent company, on the same level as Fuhwa Securities Finance (later renamed Yuanta Securities Finance) and Fuhwa Securities (later renamed Yuanta Securities). This gave Fuhwa Fiancial Holding Company (later renamed Yuanta Financial Holding Company) better control over all four of its subsidiaries, providing a platform to leverage resources and enhance profitability.
- In August 2002, Fuhwa Bank (formerly known as Asia Pacific Bank, and later renamed Yuanta Bank) was acquired through a transfer of shares and Fuhwa Securities Investment Trust (formerly known as Asia Pacific Securities Investment Trust) was acquired as another subsidiary.
- In December 2002, Fuhwa Venture Capital (later renamed Yuanta Venture Capital) was established.
- In April 2003, Fuhwa Asset Management (later renamed Yuanta Asset Management) and Fuhwa Financial Consulting (later renamed Yuanta Financial Consulting) were established.
- On April 2, 2007, Yuanta FHC acquired Yuanta Core Pacific Securities via conversion of outstanding shares, launching Yuanta FHC into the top tier of financial holding companies in terms of capital, net value, and business scale.
- On September 23, 2007, Yuanta FHC completed the merger of Yuanta Securities (formerly known as Fuhwa Securities) and Yuanta Core Pacific Securities, and Yuanta Securities was held as the surviving company, while Yuanta Core Pacific Securities was held as the extinguishing company. Meanwhile, Yuanta FHC also completed the merger of Yuanta Futures and Fuhwa Futures, and Yuanta Futures was held as the surviving company, while Fuhwa Futures was held as the dissolved company.
- On September 27, 2007, Yuanta FHC was officially named “Yuanta Financial Holding Co., Ltd.”.
- On November 27, 2007, Yuanta FHC’s Board of Directors resolved that Yuanta FHC could subscribe for common stock totaling 80,000,000 shares and private placement common stock totaling 14,000,000 shares of Yuanta Futures as held by Yuanta Securities, so as to upgrade Yuanta Futures as a subsidiary wholly owned by Yuanta FHC. The Board of Directors also resolved that Yuanta FHC could subscribe

for the whole common stock of Yuanta Securities Investment Consulting as held by Yuanta Securities, totaling 30,000,000 shares, so as to upgrade Yuanta Securities Investment Consulting as a subsidiary wholly owned by Yuanta FHC.

- In October 2008, Yuanta FHC disposed of all equity in the subsidiary, Fuhwa Securities Investment Trust, and sold it to Manulife Asset Management (Hong Kong) Limited of the Manulife Group.
- On November 2008, Yuanta FHC's subsidiary, Yuanta Financial Consulting, called a directors' meeting acting on behalf of a shareholders' meeting to resolve that Yuanta Financial Consulting should wind up and be dissolved.
- On October 3, 2011, Yuanta FHC acquired a 100% shareholding in Polaris Securities through a share conversion.
- Yuanta Securities and Polaris Securities were merged on April 1, 2012, as were Yuanta Futures and Polaris MF Global Futures. The English names of the surviving companies are Yuanta Securities and Yuanta Futures.
- In May 2012, Yuanta FHC completed the merger of Yuanta Securities Investment Trust and Polaris Securities Investment Trust, and renamed the new company as Yuanta Securities Investment Trust. Meanwhile, Yuanta Securities Investment Trust became a subsidiary in which Yuanta Securities held 72.18% shares directly.
- In June 2012, Yuanta FHC's Board of Directors resolved that Yuanta FHC could subscribe for 72.18% of the equity of Yuanta Securities Investment Trust as held by the subsidiary, Yuanta Securities. Yuanta Securities Investment Trust canceled the 46,231 shares repurchased from the dissenting shareholders in the merger on July 16, 2012, and the capital reduction ratio was 0.0204%. Therefore, the proportion of equity of Yuanta Securities Investment Trust held by Yuanta FHC upon the settlement in September 2012 was 72.20%.
- In August 2012, Yuanta FHC's Board of Directors resolved that 25.17% of the equity of Yuanta Futures as held by Yuanta Securities should be transferred to Yuanta FHC. Yuanta FHC and Yuanta Securities completed the transfer of 15.18% and 9.99% of the equity of Yuanta Futures respectively on the open market in October 2012. Upon completion of said transfer, Yuanta FHC held 68.65% of the equity of Yuanta Futures directly.
- In May 2013, Yuanta FHC's subsidiary, Yuanta Financial Consulting, completed its liquidation on May 31, 2013, and reported the same to Taiwan Taipei District Court on June 28, 2013. The liquidation was approved by the Taiwan Taipei District Court for record on July 5, 2013.
- Yuanta FHC signed the equity purchase agreement with New York Life Insurance on June 25, 2013 and acquired 100% of the equity of New York Life Insurance Taiwan Corporation at the total price of NT$100 million.
- On January 1, 2014, Yuanta FHC completed the transfer of equity of New York Life Insurance, and launched into the life insurance business officially since then.
- In February 2014, Yuanta FHC's subsidiary, New York Life Insurance, was renamed Yuanta Life Insurance Co., Ltd. and carried out business under the name of Yuanta Life officially on March 10, 2014.
- In June 2014, Yuanta FHC's subsidiary, Yuanta Securities, completed the settlement to gain control of the equity of Tong Yang Securities. Tong Yang Securities

subsequently became a subsidiary of Yuanta Securities Asia Financial officially, and was renamed as Yuanta Securities (Korea).

- In November 2014, Yuanta Securities (Korea) sold its subsidiary, TONGYANG Savings Bank, owned by it wholly, to Yuanta Bank.
- In April 2015, Yuanta FHC's subsidiary, Yuanta Securities, completed the settlement of equity of PT AmCapital Indonesia and renamed he company into PT Yuanta Securities Indonesia (then renamed into PT Yuanta Sekuritas Indonesia) on July, 2015.
- On July 6, 2015, Yuanta FHC's subsidiary, Yuanta Polaris Securities, was renamed "Yuanta Securities"; Yuanta Polaris Futures was renamed "Yuanta Futures"; and Yuanta Polaris Securities Investment Trust renamed "Yuanta Securities Investment Trust".
- On January 29, 2016, upon FSC's approval, Yuanta FHC acquired a 100% share in Ta Chong Bank through share swap and consolidated Ta Chong Bank as a subsidiary wholly owned by Yuanta FHC. Yuanta FHC also set the record date of share swap at March 22, 2016.
- On April 25, 2016, Yuanta FHC's subsidiary, Yuanta Bank, completed the settlement of equity of Hanshin Savings Bank, which was renamed into Yuanta Savings Bank Korea Co., Ltd. on February 13, 2017.
- On July 8, 2016, Yuanta FHC's subsidiary, Yuanta Securities, completed the settlement of equity of KKTrade Securities Company Limited, which was renamed into Yuanta Securities (Thailand) Company Limited on September 1, 2016.
- On October 24, 2017, the liquidation of Shanghai Xinsheng Investment Consulting was completed.
- On December 7, 2017, Yuanta Securities' subsidiaries, Yuanta Securities Asia Financial Services and Yuanta Securities (HK), completed the acquisition of equity of First Securities Joint Stock Company in Vietnam in part. After that, the shareholdings of Yuanta Securities Asia Financial Services was 50.76%. The shareholdings of Yuanta Securities (HK) was 49.19%. That is, both companies held a total of 99.95% shareholdings. First Securities Joint Stock Company in Vietnam was renamed Yuanta Securities Vietnam Joint Stock Company on February 13, 2018 officially.
- On January 1, 2018, Yuanta FHC completed the consolidation of Yuanta Bank and Ta Chong Bank. Yuanta Bank is identified as the surviving company, while Ta Chong Bank was identified as the extinguished company.
- On July 26, 2018, the Board of Directors of Yuanta Securities passed the motion for dissolution and liquidation of Yuanta Securities (UK). On August 17, 2018, the FSC approved the wind-up and liquidation. The record date for liquidation was set on November 1, 2018, since then Yuanta Securities (UK) has not engaged in any business activities.
- On September 19, 2018, Yuanta Securities Vietnam completed the capital increase by VND700 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 85.23% and 14.76%, respectively. Both companies held a total of 99.99% in shareholdings.
- On November 29, 2018, Yuanta Securities' subsidiary, Yuanta Securities Asia

Financial Services, completed the acquisition of 0.01% of the remaining minority equity of Yuanta Securities Vietnam Joint Stock Company. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam Joint Stock Company were 85.24% and 14.76% respectively. That is, both companies held a total of 100% shareholdings.

- The Board of Directors of Yuanta FHC resolved on March 25, 2019 again to sell the whole equity of Yuanta Securities Finance to Yuanta Securities at the price of NT$8.818 billion, and the date for settlement would be March 26, 2019. Upon completion of the settlement, Yuanta Securities Finance became a subsidiary wholly owned by Yuanta Securities.
- Upon approval of the competent authority in Vietnam, the State Securities Commission (SSC), Yuanta Securities Vietnam Joint Stock Company was officially renamed Yuanta Securities Vietnam Limited Company on June 14, 2019.
- On September 17, 2019, Yuanta Securities Asia Financial Services increased the capital of Polaris Securities (Hong Kong) with 100% of the equity held by it in Yuanta Asia Investment in kind. Upon completion of the capital increase, Yuanta Asia Investment became a subsidiary wholly owned by Polaris Securities (Hong Kong), and Polaris Securities (Hong Kong) was renamed as Yuanta Asia Investment (Hong Kong) on September 24, 2019.
- On February 14, 2020, the registration of cancellation requested by Yuanta Securities Holdings (BVI) was approved by the BVI Companies Registry.
- SYF Information (Samoa) completed the liquidation on July 17, 2020. SYF Information owned SYF Information (Shanghai) wholly.
- On September 14, 2020, Yuanta Securities Vietnam completed the capital increase by VND500 billion. After that, the shareholdings of Yuanta Securities Asia Financial Services and Yuanta Securities (HK) in Yuanta Securities Vietnam were 90.16% and 9.84%, respectively. Both companies held a total of 100% shareholdings.
- On November 4, 2020, Yuanta Asia Investment received the approval of a certificate for liquidation from the competent local authority on BVI. Then, it completed the liquidation in kind and distributed and returned its assets to Yuanta Asia Investment (Hong Kong).

(II) Awards and honors won in the most three years

1. 2018
   (1) Yuanta FHC also ranked among the top 6%~20% of listed company groups in the 4th term "Corporate Governance Evaluation Operation" held by TWSE.
   (2) Passed the Taiwan Corporate Governance Association's "CG6011(2017) Excellence Assessment Criteria for the Corporate Governance System". (Valid from June 12, 2018 to June 11, 2020)
   (3) Awarded by The Asset - Platinum Award for Excellence in Governance, CSR, Investors and Relations Benchmarking.
   (4) Awarded by Corporate Governance Asia– Best Investor Relations Company in Taiwan and Asia's Best CEO (Investor Relations) – President Tony Shen.
   (5) Awarded 9th term Taiwan Financial Award - "CSR Excellence Award for Financial Holdings" by Wealth Magazine.

(6) The 324 business locations of Yuanta FHC and its subsidiaries throughout Taiwan have passed the "ISO 14064 -1 Greenhouse Gas Investigation" in whole, with the cover rate of inspection attaining 100%. Yuanta FHC and its nine (9) subsidiaries passed the "ISO 14001 Environment Management Standard System Certification" altogether. The subsidiaries engaged in banking, securities, investment trust, and securities finance implemented the "ISO 50001 Energy Management System" and were awarded certification by BSI.

(7) Selected nominations by FTSE4Good Emerging Index.

(8) Selected nominations by "FTSE4Good TIP Taiwan ESG Index".

(9) Honored the "Sustainability Excellence Award" by BSI.

2. 2019

(1) Yuanta FHC also ranked among the top 5% of listed company groups in the 5th term "Corporate Governance Evaluation Operation" held by TWSE.

(2) Yuanta FHC was selected by the "DJSI World Index" - Diversified Financials.

(3) Yuanta FHC was selected by the "DJSI Emerging Markets Index" - Diversified Financials.

(4) Yuanta FHC was rated by the MSCI ESG Rating as Level A for Diversified Financials.

(5) Awarded by Asiamoney as the "Most Outstanding Company in Taiwan - Financials Sector" .

(6) Awarded by Corporate Governance Asia– Best Investor Relations Company in Taiwan, Asia's Best CEO (Investor Relations) – President Tony Shen, and Asia's Best CFO (Investor Relations) - CFO Hsu Shu Mai.

(7) Selected nominations by FTSE4Good Emerging Index.

(8) Selected nominations by "FTSE4Good TIP Taiwan ESG Index".

(9) Rated by the international NPO, CDP (Carbon Disclosure Project), as Level A - (Leadership level).

(10) Honored the "Sustainability Excellence Award" by BSI.

(11) Awarded the "Exercise Enterprise Certification Mark" by the Ministry of Education. (Valid from 2019 to 2021)

3. 2020

(1) Yuanta FHC also ranked among the top 5% of listed company groups in the 6th term, "Corporate Governance Evaluation Operation" held by TWSE.

(2) Yuanta FHC was selected by the "DJSI World Index" - Diversified Financials.

(3) Yuanta FHC was selected by the "DJSI Emerging Markets Index" - Diversified Financials.

(4) Passed the Taiwan Corporate Governance Association's "CG6012 (2019) Corporate Governance Framework Assessment Certificate with Distinguished Honor." (Effective term: December 15, 2020~December 24, 2022)

(5) Yuanta FHC was rated by the MSCI ESG Rating as Level A for Diversified

Financials.

(6) Awarded by Corporate Governance Asia– Best Investor Relations Company in Taiwan, Asia's Best CEO (Investor Relations) – Chairman Tony Shen, Asia's Best CFO (Investor Relations) - CFO Hsu Shu Mai, and Asia's Best Investor Relation Manager - Executive Vice President Allen Wu.

(7) Selected nominations by FTSE4Good Emerging Index.

(8) Selected nominations by "FTSE4Good TIP Taiwan ESG Index".

(9) Rated by the international NPO, CDP (Carbon Disclosure Project), as Level A (Leadership level).

(10) Awarded the "2020 Sustainability Resilience Awards - Leadership Award" by BSI.

(11) Selected by the "2020 Bloomberg Gender-Equality Index (GEI)."

(12) Awarded the "Taiwan's Excellence in Corporate Social Responsibility Awards - New Star Award" by CommonWealth Magazine.

(13) Awarded the "Excellency Award in Education Promotion category with its project" by the 16th Annual Corporate Social Responsibility Awards by Global Views Monthly.

(14) Awarded the "Platinum Award for the Best ESG Enterprise" by The Asset.

(15) Awarded the "Insurance Dragon & Phoenix Awards - Most Attractive Financial Holding Company, Excellence Award" by Risk Management Insurance Finance Foundation.

Three. Corporate Governance Report

I. Organization

(I) Departmental duties and responsibilities

1. Secretariat Office: Responsible for the affairs of the Board of Directors and deliberations matters of all functional committees.
2. Internal Auditing Department: Responsible for internal audits as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
3. Risk Management Department: Responsible for risk control as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
4. Corporate Planning Department: Responsible for handling the Company's annual/mid-term and long-term development plans, setting operating goals and executing performance evaluations for the Company and its subsidiaries, managing and integrating important domestic business activities of the subsidiaries, promoting the corporate governance affairs, planning merger and acquisition projects, and promoting other important projects, et al. and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
5. Institutional IR Department: Responsible for maintaining relations and strategically communicating with institutional investors, providing feedback for their suggestions, etc.
6. Compliance Affairs Department: Responsible for planning, management and execution of the compliance system; establishment of various conveyance, consultation, coordination and communication systems for laws & regulations; confirmation of timely update of various operations and management regulations subject to laws & regulations; issuance or conclusion of the opinion which meets laws & regulations and internal regulations; analysis of deficiencies of various units in compliance or the causes thereof and opinion about corrective actions; performance appraisal of various units in compliance; assurance of effective operation of the compliance system; and, supervision and performance appraisal of the relevant functions assumed by subsidiaries.
7. Legal Affairs Department: Responsible for researching and drafting Company's contracts with others; audit and management; advising and processing of legal issues and non-litigious and litigious matters; and, supervision and performance appraisal of the relevant functions assumed by subsidiaries.
8. Financial Department: Responsible for the Company's fiscal management, allocation of funds, capital planning, investment and financial management, market research and analysis, and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
9. Accounting Department: Responsible for the establishment of the Company's accounting systems and operating procedures, accounting processing and management, final accounts, preparation of financial statements, a compilation of

financial plans, planning and management of taxation affairs, and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.

10. Administration Department: Responsible for planning and implementation of the Company's construction engineering, procurement affairs, asset management, shareholders service, occupational safety and health, paperwork, public affairs (including PRs, media affairs, promotional materials, CIS and CSR compilations), and oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
11. Human Resource Department: Responsible for planning and implementation of recruiting and hiring, education and training, employee development, remunerations, benefits, labor-management relations, drafting and amending of personnel regulations as well as oversight, integration and evaluation of matters relating to subsidiaries within the scope of its responsibilities.
12. Information Technology Department: Responsible for the planning, design, and implementation all the Company's IT matters as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
13. IT Security Department: Responsible for the planning, design, and implementation of all the Company's IT security matters as well as oversight, integration and evaluation of matters related to subsidiaries within the scope of its responsibilities.
14. Operational Support Department: Responsible for raising efficiency of the operational support unit of each subsidiary company, including related operating systems and procedures, workforce optimization and upgrading of operational efficiency, and oversight of the operational planning, management, implementation and evaluation of various subsidiaries.
15. Corporate Banking Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to corporate banking of the Company and its subsidiaries.
16. International Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to international affairs of the Company and its subsidiaries.
17. Digital Development Division: Responsible for planning, management, execution and evaluation of integrated effects of operations related to Digital Development of the Company and its subsidiaries.

Chief functional officers and chief executive officers shall be appointed under supervision of the president, who are responsible for implementing various functional affairs, or executing the guidance and integration of departments Business, and vice chief functional officer and vice chief executive officers may be appointed to assist the chief functional officers and chief executive officers, if necessary.

For the chief functional officers and chief executive officers' functions, the Chief Strategy Officer is responsible for oversight, integration, and implementation of matters within the Corporate Planning Department's sphere of responsibility. The Chief Compliance Affairs Officer is responsible for oversight, integration, and

implementation of issues within the Compliance Affairs Department's sphere of responsibility. The Chief Financial Officer is responsible for oversight, integration, and implementation of issues within the Financial Department's sphere of responsibility. The Chief Accounting Officer is responsible for oversight, integration and implementation of issues within the Accounting Dept.'s sphere of responsibility. The Chief Administration Officer is responsible for oversight, integration, and implementation of issues within the Administration Department's sphere of responsibility. The Chief HR Officer is responsible for oversight, integration, and implementation of issues within the Human Resources Department's sphere of responsibility. The Chief Information Officer is responsible for oversight, integration, and implementation of issues within the Information Technology Department's sphere of responsibility. The Chief IT Security Officer is responsible for oversight, integration and implementation of issues within the IT Security Dept.'s sphere of responsibility. The Chief Legal Officer is responsible for oversight, integration, and implementation of issues within the Legal Affairs Department's sphere of responsibility. The Chief Operational Support Officer is responsible for oversight, integration, and implementation of issues within the Operational Support Department's sphere of responsibility. The Chief of any other business divisions is responsible for oversight, integration, and implementation of issues within the various divisions' sphere of responsibility.

(II) Organizational Chart

(III) Relationship between the Company and its subsidiaries

Data baseline date: January 31, 2021

Note 1: PT Yuanta Sekuritas Indonesia is a 99.998% owner of PT Yuanta Asset Management; Yuanta Securities (HK) is a 0.002% owner of PT Yuanta Asset Management. Yuanta Securities is an indirect 100% owner of PT Yuanta Asset Management. Upon receipt of the approval letter Jin-Guan-Zheng-Quan-Zi No. 1090349739 dated August 13, 2020, PT Yuanta Asset Management is now under liquidation.

Note 2: Yuanta Securities Asia Financial Services holds 90.16% of shares of Yuanta Securities Vietnam Limited Company. Yuanta Securities (HK) holds 9.84% of shares of Yuanta Securities Vietnam Limited Company. Yuanta Securities holds 100% of shares of Yuanta Securities Vietnam Limited Company indirectly.

(IV) Mutual shareholding ratios, number of shares, and actual invested capital between affiliated enterprises

Data baseline date: January 31, 2021

Name of affiliated enterprise	Relationship with the Company	Invested capital (NT$ 1,000)	Investment shares (1,000)
Yuanta Securities	100%-held subsidiary	67,604,582	5,782,032
Yuanta Bank	100%-held subsidiary	97,071,284	7,394,039
Yuanta Life	100%-held subsidiary	22,352,343	2,373,570
Yuanta Securities Investment Trust	74.71%-held subsidiary	3,829,794	169,538
Yuanta Futures	66.27%-held subsidiary	4,934,977	192,167
Yuanta Venture Capital	100%-held subsidiary	2,460,000	246,000
Yuanta Asset Management	100%-held subsidiary	3,111,630	311,163
Yuanta Securities Investment Consulting	100%-held subsidiary	138,100	10,000
Yuanta Securities Asia Financial Services	100% held by subsidiary, Yuanta Securities	11,557,424	290,909
Yuanta International Insurance Brokers	100% held by subsidiary, Yuanta Securities	5,550	500
Yuanta Securities Finance	100% held by subsidiary, Yuanta Securities	8,818,069	400,000
Yuanta International Leasing	100% held by subsidiary, Yuanta Bank	100,000	10,000
Yuanta Savings Bank (Philippines)	100% held by subsidiary, Yuanta Bank	900,438	1,200,000
Yuanta Savings Bank (Korea)	100% held by subsidiary, Yuanta Bank	4,079,836	13,516
Yuanta Futures (Hong Kong)	100% held by subsidiary, Yuanta Futures	1,033,971	34,000
SYF Information	100% held by subsidiary, Yuanta Futures	350,000	35,000
Yuanta I Venture Capital	100% held by subsidiary, Yuanta Venture Capital	537,261	85,000
Yuanta Securities (HK)	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	9,151,651	2,268,133
Yuanta Asia Investment (Hong Kong)	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	1,165,143	293,892
Yuanta Hong Kong Holdings (Cayman)	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	23,529	74
Yuanta Investment Consulting (Beijing)	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	91,973	(Note 1)
Yuanta Securities (Korea)	57.39% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	8,911,207	114,558

Name of affiliated enterprise	Relationship with the Company	Invested capital (NT$ 1,000)	Investment shares (1,000)
Yuanta Securities (UK) (in liquidation)	100% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	94,096	2,000
Yuanta Securities (Thailand)	99.999999% held by subsidiary, Yuanta Securities Asia Financial Services, a subsidiary of Yuanta Securities	4,259,484	450,000
Yuanta Securities Vietnam	90.16% held by subsidiary, Yuanta Asia Financial Services, a subsidiary of Yuanta Securities, 9.84% held by Yuanta Securities (HK), an indirect subsidiary of Yuanta Securities, and a total of 100% held by both.	2,374,983	150,000
SYF Information (Shanghai)	100% held by SYF Information, which is a subsidiary of subsidiary Yuanta Futures	157,209	(Note 1)
GC Investment Consultant (Shanghai) (in liquidation)	100% held by Yuanta HK Holdings (Cayman), an indirect subsidiary of subsidiary Yuanta Securities	24,806	(Note 1)
Yuanta Finance (Hong Kong)	100% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	204,189	50,000
Yuanta International Investment (Hong Kong)	100% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	204,189	50,000
Yuanta Investment Management (Cayman)	100% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	350,108	12,500
PT Yuanta Sekuritas Indonesia	99% held by Yuanta Securities (HK), an indirect subsidiary of subsidiary Yuanta Securities	1,009,676	474
PT Yuanta Asset Management (in liquidation)	99.998% held by PT Yuanta Securities Indonesia, an indirect subsidiary of subsidiary Yuanta Securities, and 0.002% held by Yuanta Securities (HK), an indirect subsidiary of Yuanta Securities, and a total of 100% held by both.	120,914	51
Yuanta Investment	100% held by Yuanta Securities (Korea), an indirect subsidiary of subsidiary Yuanta Securities	1,662,011	6,401
Yuanta Financial (Hong Kong)	100% held by Yuanta Securities (Korea), an indirect subsidiary of subsidiary Yuanta Securities	801,918	18,954
Yuanta Securities (Cambodia)	100% held by Yuanta Financial (HK), an indirect subsidiary of subsidiary Yuanta Securities	377,160	12,500

Note 1: Said company refers to a limited liability company, and thus has only equity but no shares.

II. Information on Directors, Independent Directors and Managers

(I) Directors'/Independent Director's information

Data baseline date: January 31, 2021

Title	Name	Nationality or Place of Registration	Gender	Date when first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in the Company or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship		
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Chairman	Ting Chien Shen (Tony)	Republic of China	M	2009.04.16	2019.06.14	Three Years	4,606,315	0.04%	5,177,545	0.04%	–	–	–	–	Taipei High School of Commerce Chairman, Vice Chairman, President, Executive Vice President of Yuanta FHC; Assistant Vice President, Manager, Deputy Manager and Executive Vice President. Chairman of Yuanta Securities; Vice Chairman of Yuanta Securities Asia Financial Services; Chairman of Yuanta Securities (HK)	Chairman of Yuanta FHC; Director of Yuanta Securities; Director of Yuanta Foundation	–	–	–
Director	Wei Chen Ma (Michael)	Republic of China	M	2013.06.01	2019.06.14	Three Years	–	–	–	–	–	–	–	–	Bachelor of Business, University of Southern California Vice Chairman of Yuanta Life; Executive Vice President of Yuanta FHC; Vice Chairman of Yuanta Bank; CEO of Syspower; Director of Yuanta Core Pacific Securities; Chairman of Chih Fu InternationalCo., Ltd.; Special Assistant of Chairman of Yuanta Construction Development	Director of Yuanta Bank; Director of Yuanta Construction Development; Director of Yuan Hung Investment; Director of Yuan Hsiang Investment; Chairman of Yuanta Foundation; Director of Yuanta Life; Director of International Taipei Trade Building, World Trade Center Co., Ltd.; Director of TWSE; Director of Chih Fu InternationalCo., Ltd. ; Director of Yuanta International Investment; Director of SUNSHINE CITY GLOBAL (PTC)LIMITED; Director of EMPIRE VISION LIMITED .	–	–	–
Director	Representative of Tsun Chueh Investment Co., Ltd.: Chung Yuan Chen	Republic of China	M	2016.06.16	2019.06.14	Three Years	Holds 413,220,950 shares with Director Daniel Y.M. Song on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 2,300,000 shares	3.54%	Holds 429,749,788 shares with Director Daniel Y.M. Song on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 2,392,000 shares	3.54%	–	–	–	–	KaiNan High School of Commerce and Industry Executive Yuan Political Adviser; Managing Director of Taiwan Power Company; Chairman of Taipei City Fire Buff Association; Supervisor of Chang Jia M&E Engineering Corp.	Director of Yuanta Bank; Responsible person of Xinyi Mansion Artwork Chung-Yuan Chen; Chairman of Taipei City Jue Xiu Temple; Chairman of Board, Yanping High School	–	–	–

Title	Name	Nationality or Place of Registration	Gender	Date when first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in the Company or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship		
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Director	Representative of Modern Investment Co., Ltd.: Chao Kuo Chiang	Republic of China	M	2019.06.14	2019.06.14	Three Years	Holds 106,685,335 shares on behalf of Modern Investment Co., Ltd. and also individually holds 255,515 shares	0.91%	Holds 127,445,068 shares on behalf of Modern Investment Co., Ltd. and also individually holds 441,268 shares	1.05%	—	—	—	—	Doctor of Law, University of Hamburg Vice Chairman of Yuanta Life; Member of National Pension Supervisory Committee, Ministry of Interior; Chairman of Taiwan Insurance Guaranty Fund; Dean of College of Law, National Taipei University; Chair of Department (Graduate Institute) of Law, National Taipei University; Chairman of the Institute of Financial Law and Crime Prevention; Chairman of Taiwan Insurance Institute; Director of Central Reinsurance Corporation	Chairman of Yuanta Life; Director of Yuanta Foundation; Independent Director of Wistron Information Technology& Services Corp	—	—	—
Director	Representative of Tsun Chueh Investment Co., Ltd.: Daniel Y.M. Song	Republic of China	M	2019.06.14	2019.06.14	Three Years	Holds 413,220,950 shares together with Director Chung Yuan Chen on behalf of Tsun Chueh Investment Co., Ltd.	3.54%	Holds 429,749,788 shares with Director Chung Yuan Chen on behalf of Tsun Chueh Investment Co., Ltd. and also individually holds 124,635 shares	3.54%	—	—	—	—	Master of Law, Columbia University Partner, Lee and Li Attorneys-at-Law; Attorney-at-Law, New York, the USA; Prosecutor, Taiwan Taichung District Prosecutors Office; Prosecutor assisting Ministry of Justice	Chairman of Yuanta Asset Management; Director of Yuanta Bank; Director of UNI AIR; Director of Yuanta Life; Director of SUNSHINE CITY GLOBAL (PTC) LIMITED	—	—	—
Independent Director	Ming Ling Hsueh	Republic of China	M	2016.06.16	2019.06.14	Three Years	—	—	—	—	—	—	—	—	Masters, Soochow University Institute of Accounting; MBA, Bloomsburg University of Pennsylvania President of PwC Taiwan; Adjunct Professor of College of Technology Management, National Tsing Hua University; Adjunct Professor of National Taiwan University of Science and Technology School of Management; Member of the Board of Examiners for Senior Professional and Technical Examination of the R.O.C.; Standing Director of Taiwan Corporate Governance Association	Independent Director of Yuanta Bank, Lite-On Technology Corporation, TTY Biopharm, Walsin Lihwa Corp.; Standing Director of Taiwan Corporate Governance Association	—	—	—
Independent Director	Kuang Si Shiu	Republic of China	M	2019.06.14	2019.06.14	Three Years	—	—	—	—	—	—	—	—	Masters, Indiana University Kelley School of Business Chairman, President and Vice President of Mega Financial Holdings; Chairman and President of Mega Bank; Chairman of Hua Nan Financial Holdings; Chairman of Hua Nan Bank; Chairman of Land Bank of Taiwan; Vice President, Manager and Assistant Manager of Bank of Communications; Section Chief of Bureau of Monetary Affairs, Ministry of Finance; Assistant Auditor of Taxation Administration, Ministry of Finance; Research Associate of Council for Economic Planning and Development, Executive Yuan	Independent Director of Yuanta Bank; Supervisor of Yu Cheng Investment Co., Ltd.; Supervisor of The Promised Land Foundation; Director of Cannan Cilai Co., Ltd.; Supervisor of Ti Mo Tai Investment Co., Ltd.	—	—	—

Title	Name	Nationality or Place of Registration	Gender	Date when first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Other concurrent positions in the Company or in other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship		
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Independent Director	Yin Hua Yeh	Republic of China	M	2016.06.16	2019.06.14	Three Years	–	–	–	–	–	–	–	–	Doctor of Business, National Taiwan University Commissioner of Financial Supervisory Commission, Executive Yuan, R.O.C.; Committee Member of Special Committee on Corporate Governance Reform, Executive Yuan, R.O.C.; Vice -Head of The Valuation Division Financial Restructuring Fund, Executive Yuan, R.O.C.; Resident Supervisor of Taiwan Stock Exchange; Member of IPO Reviewing Committee, Taiwan Stock Exchange ; Director of Securities and Futures Investors Protection Center; Member of Central Deposit Insurance Corporation Advisory Committee; Management Member/Vice Chairman of Financial Research and Development Fund; Non-Member Director of Securities Investment Trust Association of R.O.C.; Vice Chairman of Taiwan Corporate Governance Association; Member of National Financial Stability Fund Management Commission, Executive Yuan	Independent Director of Yuanta Bank; Independent director of Yuanta Life; Director of Yuanta Foundation; Member of National Financial Stability Fund Management Commission, Executive Yuan; Director of Securities and Futures Institute, Supervisor of Taipei Exchange; Director of Yuanta Foundation; Professor, Institute of Finance, NCTU; Director of Taiwan Insurance Institute	–	–	–
Independent Director	Hsing Yi Chow	Republic of China	M	2019.06.14	2019.06.14	Three Years	–	–	–	–	–	–	–	–	Doctorate, Indiana University Kelley School of Business Supervisor of Taipei Exchange; Director of Securities and Futures Institute; Independent Director of Uni-President Enterprises Corporation; Independent Director of Polaris Securities; President of National Chengchi University (NCC), Dean and Vice Dean of NCC College of Commerce, and Chair of NCC Department (Graduate Institute) of Finance; Vice Chairman of Asian Finance Association; Member of Financial Restructuring Fund Commission; Member of Research, Development and Evaluation Commission, Executive Yuan; Supervisor of Securities and Futures Investors Protection Center; Director/Supervisor of Taipei Exchange; Director of Securities and Futures Institute; Assistant Professor of Department of Finance, Santa Clara University	Independent Director of Yuanta Securities; Professor of NCC Department of Finance; Independent Director of Coretronic Corp. ; Chairman of Financial Literacy & Education Association (FINLEA)	–	–	–

Note 1: The contents above, including shares and shareholding ratios, were based on actual shareholdings on January 31, 2021. Shareholding ratios for institutional shareholders do not include the personal shareholdings of representatives.
Note 2: The Company's directors of of the board were re-elected in whole on June 14, 2019, and the directors shall hold the position from June 14, 2019 until June 13, 2022.
Note 3: The Company convened the Board of Directors meeting to elect Mr. Tony Shen as the Chairman of Board on June 14, 2019.
Note 4: The date first elected is the date on which directors or representative first assumed their positions.
Note 5: Yuanta FHC had a total of 12,137,435,914 shares outstanding as of January 31, 2021.
Note 6: The Chairman of the Board of Directors and President or equivalent (the chief executive officer) of the Company are not the same person, spouses or relatives within first degree of kinship.

(II) Institutional shareholder's major owners

Data baseline date: January 31, 2021

Name of Institutional shareholder	Major shareholders of institutional shareholders
Tsun Chueh Investment Co., Ltd.	Teng Ta Investment Co., Ltd. - 19.69%, Lian Ta Investment Co., Ltd. - 19.84%, Chiu Ta Investment Co., Ltd. - 18.36%, Lien Heng Investment Co., Ltd. - 18.92%, Hsing Tsai Investment Co., Ltd. - 10.23%, Victor Ma - 8.27%, Judy Tu - 4.69%
Modern Investment Co., Ltd.	Lian Ta Investment Co., Ltd. - 41.36%, Lien Heng Investment Co., Ltd. - 19.73%, Teng Ta Investment Co., Ltd. - 17.23%, Judy Tu - 5.01%, Hsing Tsai Investment Co., Ltd. - 16.67%

(III) Key shareholders of major institutional shareholders

Data baseline date: January 31, 2021

Name of Institutional shareholder	Major shareholders of institutional shareholders
Teng Ta Investment Co., Ltd.	Lien Heng Investment Co., Ltd. - 53.58%, Mcgold Ventures Limited - 45.87%, Judy Tu - 0.55%
Lian Ta Investment Co., Ltd.	GW International Inc. - 45.79%, Lien Heng Investment Co., Ltd. - 37.14%, Chiu Ta Investment Co., Ltd. - 14.02%, Hsing Tsai Investment Co., Ltd. - 2.58%, Judy Tu - 0.47%
Chiu Ta Investment Co., Ltd.	CK Investments Group Limited - 46.06%, Lian Ta Investment Co., Ltd. - 33.26%, Teng Ta Investment Co., Ltd. - 14.27%, Lien Heng Investment Co., Ltd. - 4.72%, Modern Investment Co., Ltd. Co., Ltd. - 1.69%
Lien Heng Investment Co., Ltd.	Suchluck Investments Limited - 45.14%, Hsing Tsai Investment Co., Ltd. - 22.49%, Teng Ta Investment Co., Ltd. - 19.61%, Lian Ta Investment Co., Ltd. - 11.14%, Modern Investment Co., Ltd. - 1.25%, Chiu Ta Investment Co., Ltd. - 0.37%
Hsing Tsai Investment Co., Ltd.	Lien Heng Investment Co., Ltd. - 48.93%, Taiwan Dragon Management Limited - 46.19%, Chiu Ta Investment Co., Ltd. - 4.88%

(IV) Directors' independence status and has at least five years of their relevant working experience

Qualification / Name	Has at least five years of relevant working experience and the following professional qualifications			Compliance of independence (Note 1)												Number of positions as an Independent Director in other public listed companies (Note 2)
	Lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holder of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experience required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10	11	12	
Ting Chien Shen(Tony)			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Wei Chen Ma (Michael)			✓	✓		✓			✓		✓	✓	✓	✓	✓	0
Chao Kuo Chiang	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		1
Daniel Y.M. Song		✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓		0
Chung Yuan Chen			✓	✓		✓	✓	✓	✓		✓	✓	✓	✓		0
Ming Ling Hsueh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Yin Hua Yeh	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Kuang Si Shiu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Hsing Yi Chow	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note 1: A "✓" is marked in the space beneath a condition number when a director has met that condition during the two (2) years prior to election and during his or her period of service. The conditions are as follows:

(1) Not an employee of the company or an affiliate.

(2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country).

(3) The director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.

(4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).

(5) Not a Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 institutional shareholders of the Company, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past two years has received cumulative compensation not exceeding NT$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act.

(10) Is not the spouse or relative within the second degree of kinship of another director.

(11) Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.

(12) Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act.

Note 2: The Company's Independent Directors include, Mr. Ming Ling Hsueh who is concurrently acting as the independent director of Yuanta Bank, Mr. Yin Hua Yeh concurrently acting as the independent director of Yuanta Bank and Yuanta Life, Mr. Kuang Si Shiu concurrently acting as the independent director of Yuanta Bank, and Mr. Hsing Yi Chow concurrently acting as the independent director of Yuanta Securities. According to Paragraph 2, Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" amended and promulgated by Financial Supervisory Commission, Executive Yuan on January 15, 2020, where any independent director of a financial holding company concurrently acts as an independent director of more than one subsidiary wholly owned by the company, the number of additional subsidiaries in which he concurrently acts as an independent director shall be countd as "other unrelated" public companies.

(V) The Company's fulfillment of the board member diversity policy:

1. Yuanta FHC has established the "Procedure for Election of Directors", in which Article 3 expressly defines that the overall composition of the Board of Directors shall be taken into consideration in the selection of the directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on Yuanta FHC's business operation, business type, and development needs. It is advisable that the policy shall include, without being limited to, the following two (2) general standards:

   (1) Basic requirements and values: Gender, age, nationality, and culture, et al.

   (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

   Each board member shall have the necessary knowledge, skills, and experience to perform their duties. The abilities that must be present in the board as a whole are as follows:

   (1) Ability to make judgments about operations

   (2) Accounting and financial analysis ability

   (3) Business management ability (including ability to manage subsidiaries)

   (4) Crisis management ability

   (5) Knowledge of the industry

   (6) An international market perspective

(7) Leadership ability
(8) Decision-making ability
(9) Risk management knowledge and ability

2. Yuanta FHC's current Board (elected in 2019) consists of 9 directors, including 4 independent directors and the 6 directors elected in the capacity of natural-person (including 4 independent directors).

The Board members' professional backgrounds involve laws, economics, accounting, finance, business administration, and business studies, et al. The members are specialized and experienced in banking, securities, insurance, futures and asset management as required by the financial holdings industry. Many of the directors are also experienced in practical management or execution of merger and acquisition, information technology and construction, therefore, make a contribution to the Company's domestic/overseas business management and risk control. Such composition completely satisfies the Company's strategy transformed from the initial three-pillar development, namely securities, banking and insurance development, to the development oriented toward "solidification of cores and driving of growth".

Among the directors of the board of the eigth term, Director Tony Shen has worked for Yuanta Securities for more than three decades, who, with plentiful experience in financial management, has gone through multiple domestic and foreign merger and acquisition projects and helped upgrade the Group's profitability to hit the record, as a director specialized in securities. Director Chao Kuo Chiang has held the position as Vice Chairman and then Chairman since Yuanta FHC acquired the right to manage Yuanta Life in 2014, who led Yuanta Life to grow stably and founded brands, as the director specialized in insurance. Independent Director Kuang Si Shiu has worked in the banking industry for more than four decades, who are experienced in dealing with international banking business, global layout and OBU management, as the director specialized in banking. Independent Director Yin Hua Yeh has held some critical job positions in financial supervisor authorities and their peripheral businesses, who are well experienced in promoting corporate governance business, as the director specialized in finance. Independent Director Ming Ling Hsueh, qualified as a CPA, is the Company's independent director specialized in accounting. Furthermore, Director Wei Chen Ma (Michael), Director Chung Yuan Chen and Independent Director Hsing Yi Chow are experienced in the information industry, technology industry, and construction industry. Director Chao Kuo Chiang and Director Daniel Y.M. Song are specialized in law. Director Wei Chen Ma (Michael) and four independent directors are specialized in finance and accounting. Director Wei Chen Ma (Michael) and Director Chung Yuan Chen are experienced in engineering and information technology (IT). Meanwhile, all of the Company's

directors hold plentiful experience and expertise in mergers & acquisitions, risk management, business management, finance & banking insurance, corporate governance and sustainable business.

The average term of the Company's directors of the board is Five years. One of the directors has held the position for 12 - 14 years, one of the directors for 8 - 11 years, three of the directors for 5 - 7 years, four directors for 0 - 4 years. The Company's directors are all male, including three at the age of 51 - 60 years old, and five at the age of 61 - 70 years old, one at the age of 61 - 70 years old, one at the age of 71 - 75 years old，The average age is 63.

Concerning the diversity policy on the Board of Directors, the elected independent directors of the seventh term accounted for 30% of the elected directors, upon election of the Company's directors of the eighth term, the proportion of the Company's independent directors was increased to 44%, which has exceed the target, 40%. A total of nine (9) directors were elected at the eighth term of the Company's Board of Directors. According to the "Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company," the Company should appoint three (3) natural-person directors at the current (8th) term. Meanwhile, upon expiration of the current-term directors, the new requirements under Paragraphs 2~3 of Article 9 of the Regulations shall applicable from the ninth term, and four (4) natural-person directors shall be appointed accordingly. Given this situaion, the Company has aimed to elect four (4) natural-person directors at the eighth term. Upon election of the directors of the eighth term, the Company has elected four (4) natural-person directors. As a resul, the target for natural-person directors has been reach ahead of time.

The Company's fulfillment of the board member diversity policy is summarized as following:

Diversity Core Item / Directors	Basic composition						Term of office (years)				Industry experience							Professional knowledge/skills							
	Nationality/ place of registration	Gender	Age				0 to 4	5 to 7	8 to 11	12 to 14	Financial Holding	Bank	Insurance	Securities	Futures	Asset Management	Information/Technology/ Construction Industry	Financial	Legal	Finance / Accounting	Statistics / Actuarial	Engineering/IT	Business management	Risk management	Overseas markets/M&A
			41 to 50	51 to 60	61 to 70	71 to 75																			
Ting Chien Shen(Tony)	Republic of China	M			✓					✓	✓			✓				✓					✓	✓	✓
Wei Chen Ma (Michael)	Republic of China	M		✓					✓		✓	✓	✓	✓			✓	✓		✓		✓	✓	✓	✓
Chao Kuo Chiang	Republic of China	M			✓		✓						✓					✓	✓		✓		✓	✓	✓
Daniel Y.M. Song	Republic of China	M		✓			✓									✓			✓						✓
Chung Yuan Chen	Republic of China	M				✓		✓			✓	✓					✓	✓				✓	✓	✓	
Ming Ling Hsueh	Republic of China	M			✓			✓			✓	✓						✓	✓	✓			✓	✓	✓
Yin Hua Yeh	Republic of China	M		✓				✓			✓	✓	✓	✓				✓		✓				✓	✓
Kuang Si Shiu	Republic of China	M			✓		✓				✓	✓						✓		✓			✓	✓	✓
Hsing Yi Chow	Republic of China	M			✓		✓				✓			✓			✓	✓		✓				✓	✓

(VI) Information concerning the president, vice presidents, assistant vice presidents, and department and branch managers

Data baseline date: January 31, 2021

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
President	Republic of China	Chien Weng	M	2019.07.26	1,507,675	0.01%	6,690	0.00%	—	—	Bachelor in Law, Fu Jen Catholic University Chairman of Yuanta Venture Capital, Yuanta I Venture Capital; Executive Vice President of Yuanta FHC	Chairman of Yuanta Bank; Independent Director of FamilyMart	—	—	—
Internal Auditing Dept. Auditor-General	Republic of China	Ming Hsiu Tsai	M	2016.07.01	1,041,358	0.01%	—	—	—	—	MBA, National Chung Hsing University President of Ta Chong Bank	None	—	—	—
Risk Management Dept. Senior Vice President (Chief Risk Officer)	Republic of China	Hsuan Min Kuo	M	2020.11.20	372,792	0.00%	—	—	—	—	M.A. in International Business Administration, National Taiwan University Senior Vice President of Yuanta Securities	Supervisor of Yuanta Securities Investment Consulting	—	—	—
Secretariat Office Senior Vice President	Republic of China	Lawrence Lee	M	2017.09.01	147,658	0.00%	925,815	0.01%	—	—	Master in Law, Soochow University Chairman of Yuanta Asset Management, Ta Chong Securities; President of Yuanta Securities Finance, Yuanta Financial Consulting	Executive Vice President of Yuanta Securities	—	—	—
Senior Vice President (Chief Strategy Officer)	Republic of China	Chieh Wu	M	2020.11.20	185,451	0.00%	—	—	—	—	Master of Business Administration (MBA), Waseda University Vice Chairman of Yuanta Securities Finance; Senior Vice President of Yuanta Life	Director of Yuanta Life; Executive Vice President of Yuanta Securities; Chairman of Wei Ran Investment	—	—	—
Institutional IR Dept. Senior Vice President International Division (Chief International Operation Officer)	Republic of China	Allen Wu	M	2008.09.23 2017.01.01	738,270	0.01%	—	—	—	—	MBA, Mississippi State University Executive Vice President of Yuanta Securities; Vice Chairman of Yuanta Securities Asia Financial Services	Executive Vice President of Yuanta Bank; Chairman of Yuanta Savings Bank (Philippines)	—	—	—
Digital Development Division Senior Vice President (Chief Digital Development Officer)	Republic of China	Mei Ling Kuo	F	2019.01.02	57,171	0.00%	—	—	—	—	Master of Business Administration, National Chengchi University Executive Vice President of Capital Securities Corporation	Executive Vice President of Yuanta Securities; Director of Yuanta Futures, Yuanta Securities Finance	—	—	—
Compliance Affairs Dept. Senior Vice President (Chief Compliance Officer)	Republic of China	Wen Ching Chiu	F	2018.02.01	408,925	0.00%	—	—	—	—	Bachelor in Law, National Chengchi University Senior Vice President of Yuanta Securities	Senior Vice President of Yuanta Bank; Director of Yuanta Life	—	—	—
Information Security Dept. Senior Vice President (Chief Information Security Officer)	Republic of China	Hsiu Mei Chen	F	2020.12.28	491,389	0.00%	7,803	0.00%	—	—	MBA, National Taiwan University Senior Vice President of Yuanta FHC	Senior Vice President of Yuanta Bank	—	—	—
Financial Dept. Vice President (Chief Financial Officer)	Republic of China	Hsu Shu Mai	M	2017.07.01	884,589	0.01%	—	—	—	—	Master degree in Finance, National Taiwan University Senior Vice President of Yuanta Securities	Senior Vice President of Yuanta Bank; Director of Yuanta Life; Supervisor of Yuanta Asset Management, Yuanta Securities Finance	—	—	—

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Human Resources Dept. Vice President (Chief HR Officer)	Republic of China	Sophia Chang	F	2014.07.01	409,846	0.00%	–	–	–	–	Master of Professional Accounting, National Taiwan University Senior Vice President of Yuanta Life	Senior Vice President of Yuanta Bank	–	–	–
Administration Dept. Vice President (Chief Admin. Officer)	Republic of China	Robert C.S. Yang	M	2014.07.21	232,072	0.00%	–	–	–	–	Doctor of Philosophy in News & Mass Communication, Jinan University Professional Assistant Vice President of Yuanta Securities	Senior Vice President of Yuanta Bank	–	–	–
Corporate Banking Division Vice President (Chief Corporate Banking Officer)	Republic of China	Hsin Hui Tseng	F	2019.03.05	432,091	0.00%	–	–	–	–	Master degree in Finance, National Taiwan University Senior Vice President of Yuanta Securities	Executive Vice President of Yuanta Securities; Director of Kun Wei Enterprise Co., Ltd.	–	–	–
Operational Support Dept. Vice President (Chief Operational Support Officer)	Republic of China	Ming Lang Liu	M	2017.09.01	587,482	0.00%	–	–	–	–	Bachelor in Business Administration, Tamkang University Senior Vice President of Yuanta Securities	Director of Yuanta Life, Yuanta Securities Finance; Executive Vice President of Yuanta Securities	–	–	–
IT Dept. Vice President (Chief Information Officer)	Republic of China	Fang Ming Lo	M	2020.04.01	10,915	0.00%	40,109	0.00%	–	–	Bachelor of Computing Engineering, Tamkang University Senior Assistant Vice President Yuanta Securities	Vice President of Yuanta Securities	–	–	–
Accounting Dept. Vice President (Chief Accounting Officer)	Republic of China	Hui-Jung Lu	F	2020.07.01	247,842	0.00%	–	–	–	–	Master degree in Finance, National Taiwan University of Science and Technology Senior Vice President of Yuanta Life	Senior Vice President of Yuanta Securities	–	–	–
Legal Affairs Dept. Vice President (Chief Legal Officer)	Republic of China	Yung Chu Su	F	2021.01.01	–	–	–	–	–	–	Master of Finance Law, Boston University Junior Associate, Lee and Li, Attorneys-at-Law	Vice President of Yuanta Securities; Supervisor of Yuanta Venture Capital, Yuanta I Venture Capital, Yuanta Securities Finance; Director of EMPIRE VISION LIMITED, SUNSHINE CITY GLOBAL (PTC) LIMITED	–	–	–
Risk Management Dept. Vice President (Vice Chief Risk Officer)	Republic of China	Wen Yi Chang	M	2020.12.30	96,565	0.00%	–	–	–	–	Master degree in Finance, National Taiwan University Vice President of Yuanta Life	None	–	–	–
Corporate Banking Division Vice President (Vice Chief of Corporate Banking Officer)	Republic of China	Yi Wen Ma	F	2018.05.01	344,367	0.00%	–	–	–	–	Master of Business Administration, National Chengchi University Vice President of Yuanta Securities	Senior Vice President of Yuanta Securities	–	–	–
Administration Dept. Senior Assistant Vice President (Vice Chief Admin. Officer)	Republic of China	Po Ching Li	M	2013.07.01	373,442	0.00%	–	–	–	–	Department of Electronic Engineering, You De High School Senior Assistant Vice President Yuanta Securities	Vice President of Yuanta Securities; Responsible person of Chengde Building	–	–	–
Administration Dept. Senior Assistant Vice President	Republic of China	Chen Chun Lin	M	2011.07.01	95,936	0.00%	152	0.00%	–	–	Business Administration Department of National Taipei College of Business Assistant Vice President of Yuanta Securities Finance	Senior Assistant Vice President of Yuanta Bank	–	–	–

Title (Note 1)	Nationality	Name	Gender	Date of Election (Appointment) Date	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions (Note 2)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Corporate Planning Dept. Assistant Vice President	Republic of China	Pei Yu Chen	M	2019.12.01	88,952	0.00%	—	—	—	—	Master degree in Finance, National Taiwan University Senior Manager of Yuanta Securities	Director of Yuanta Securities Investment Trust	—	—	—
Administration Dept. Assistant Vice President	Republic of China	Hsin Tang Huang	M	2012.04.16	—	—	—	—	—	—	Bachelor in Mass Communication, Fu Jen Catholic University Assistant Vice President of Yuanta Securities	None	—	—	—
Administration Dept. Assistant Vice President	Republic of China	Hsien Chun Li	M	2016.06.01	55,926	0.00%	—	—	—	—	Electronic Equipment Maintenance Department, Chih-Kuang Senior Vocational High School of Business & Technology Senior Manager of Yuanta Securities	Assistant Vice President of Yuanta Securities	—	—	—
Financial Dept. Senior Assistant Vice President	Republic of China	Wen Ching Hsu	M	2020.08.21	175,247	0.00%	—	—	—	—	Master of Financial Management, National Sun Yat-Sen University Senior Assistant Vice President Yuanta Securities	Vice President of Yuanta Securities; Director of Yuanta Securities (HK)	—	—	—
Financial Dept. Assistant Vice President	Republic of China	Chia Hui Lin	F	2020.07.01	—	—	1,040	0.00%	—	—	Bachelor of International Trade, Chinese Culture University Senior Manager of Yuanta FHC	Director of Sonnet International, Inc.	—	—	—
Financial Dept. Assistant Vice President	Republic of China	Yu Ling Chu	F	2020.08.01	—	—	—	—	—	—	Master of Finance, St. John's University Senior Manager of Yuanta Securities	Assistant Vice President of Yuanta Securities	—	—	—
IT Dept. Assistant Vice President	Republic of China	Po Yi Wu	M	2014.04.01	5,969	0.00%	—	—	—	—	Master of Administration, National Taiwan University of Science and Technology Assistant Vice President of Yuanta Securities	None	—	—	—
Human Resources Dept. Assistant Vice President	Republic of China	Hui Ying Lin	F	2020.07.01	1,275	0.00%	—	—	—	—	Master of Industrial Education, National Taiwan Normal University Senior Manager t of Yuanta FHC	Professional Assistant Vice President of Yuanta Bank	—	—	—
Secretariat Office Assistant Vice President	Republic of China	Yu-Chin Tsao	F	2020.04.01	—	—	—	—	—	—	Master of Accounting, National Taipei University Professional Assistant Vice President of Yuanta Bank	None	—	—	—
Institutional IR Dept. Assistant Vice President	Republic of China	Tzu Miao Chen	F	2020.07.01	2,523	0.00%	—	—	—	—	MBA, The University of Sheffield Senior Manager of Yuanta FHC	Professional Senior Manager t of Yuanta Bank	—	—	—
International Division Assistant Vice President	Republic of China	Fu Mei Chen	F	2020.07.01	5,416	0.00%	—	—	—	—	Master of International Trade, Tamkang University Senior Manager of Yuanta FHC	Senior Manager of Yuanta Bank	—	—	—

Note 1: Information for all persons holding a position equivalent to president, vice president, or assistant vice president must be disclosed, regardless of title.
Note 2: The work experience of anyone above relating to their current roles, e.g. previous employment in the auditor's firm or employment in a related company, must be addressed with detailed job titles and responsibilities.
Note 3: The "Shares" and "Ratio" columns above marked with "—" denote "0"; columns under "Managers who are spouses or relatives within the second degree of kinship" marked with "—" denote "None."
Note 4: The president or equivalent (the top manager) of the Company and the chairperson of the board are not the same person, spouses of each other, or members of the same degree of kinship.

III. Remuneration paid to directors, President, Vice Presidents, consultants, etc. and distribution of employee remuneration in the most recent year

(I) Remuneration to Directors and Independent Directors

Data baseline date: December 31, 2020

Unit: NT$1,000; %

Title	Name	Remuneration to directors								Sum of A, B, C, and D as percentage of net income		Remuneration from concurrently servings as employees								Sum of A, B, C, D, E, F, and G as percentage of net income		Remuneration from investees other than subsidiaries, or parent company
		Wages (A)		Pension upon retirement (B)		Compensation to directors (C)		Service Expenses (D)				Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee Compensation (G)						
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company		Companies included into the financial statement		The Company	Companies included into the financial statement	
																Cash	Stock	Cash	Stock			
Director	Ting Chien Shen(Tony)	49,460	99,453	0	0	195,264	195,264	1,262	4,139	1.02%	1.24%	0	0	0	0	0	0	0	0	1.02%	1.24%	N/A
Director	Wei Chen Ma (Michael)																					
Director	Representative of Tsun Chueh Investment Co., Ltd.: Chung Yuan Chen																					
Director	Representative of Modern Investment Co., Ltd.: Chao Kuo Chiang																					
Director	Representative of Tsun Chueh Investment Co., Ltd.: Daniel Y.M. Song																					
Independent Director	Ming Ling Hsueh	8,640	15,360	0	0	0	0	1,000	3,493	0.04%	0.08%	0	0	0	0	0	0	0	0	0.04%	0.08%	N/A
Independent Director	Kuang Si Shiu																					
Independent Director	Yin Hua Yeh																					
Independent Director	Hsing Yi Chow																					

1.Please state the remuneration policies, systems, standards and packages about independent directors, and the connection of the factors, such as responsibilities, risk and spent hours, with the amount of remuneration:

(1)The remuneration to independent directors consists of compensation, and professional practice expenses.

(2)The remuneration to the Company's independent directors is decided based on their experience, functions, and contribution, and expected or actual risks, and the Board of Directors is authorized to resolve the remuneration based on the typical pay levels adopted by peer companies in accordance with Article 19 of the Articles of Incorporation. In order to avoid direct or indirect conflict of interest with the Company, the remuneration is paid at fixed amount on a monthly basis, excluded from the Company's allocation of remuneration to directors.

(3)The professional practice expenses refer to those incurred by independent directors' performance of job duties, including the transportation allowance and fees for attending meetings paid based on the typical pay levels adopted by peer companies.

2.Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to any companies included in the financial statement, e.g., as an advisor other than employee in the most recent year: N/A.

(II) Range of Remuneration to Directors and Independent Directors

Data baseline date: December 31, 2020

Breakdown of remuneration to directors (NT$)	Directors			
	Sum of foregoing four items (A+B+C+D)		Sum of foregoing seven items (A+B+C+D+E+F+G)	
	The Company	Companies included into the financial statement (H)	The Company	Companies included into the financial statement (I)
Below 1,000,000	Chung Yuan Chen, Chao Kuo Chiang, Daniel Y.M. Song	Chung Yuan Chen	Chung Yuan Chen, Chao Kuo Chiang, Daniel Y.M. Song	Chung Yuan Chen
1,000,000 (inclusive) ~ 2,000,000 (exclusive)				
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Ming Ling Hsueh, Kuang Si Shiu, Yin Hua Yeh, Hsing Yi Chow		Ming Ling Hsueh, Kuang Si Shiu, Yin Hua Yeh, Hsing Yi Chow	
3,500,000 (inclusive) ~ 5,000,000 (exclusive)		Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow		Ming Ling Hsueh, Kuang Si Shiu, Hsing Yi Chow
5,000,000 (inclusive) ~ 10,000,000 (exclusive)		Yin Hua Yeh		Yin Hua Yeh
10,000,000 (inclusive) ~ 15,000,000 (exclusive)				
15,000,000 (inclusive) ~ 30,000,000 (exclusive)		Chao Kuo Chiang, Daniel Y.M. Song		Chao Kuo Chiang, Daniel Y.M. Song
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	Ting Chien Shen(Tony), Modern Investment Co., Ltd.	Ting Chien Shen(Tony), Modern Investment Co., Ltd.	Ting Chien Shen(Tony), Modern Investment Co., Ltd.	Ting Chien Shen(Tony), Modern Investment Co., Ltd.
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	Wei Chen Ma (Michael), Tsun Chueh Investment Co., Ltd.	Wei Chen Ma (Michael), Tsun Chueh Investment Co., Ltd.	Wei Chen Ma (Michael), Tsun Chueh Investment Co., Ltd.	Wei Chen Ma (Michael), Tsun Chueh Investment Co., Ltd.
Over 100,000,000				
Total	11	11	11	11

Notes: (1) This table summarizes the amounts of various payments made to directors. Payments are calculated from the date the directors were appointed during the year.
(2) Remuneration disclosed herein is different from the term “income” as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.
(3) As the Company was free from any circumstances requiring that the remuneration to directors should be disclosed individually as defined in the regulations governing information to be published in annual reports, the Company disclosed aggregate remuneration information, with the name(s) indicated for each remuneration range.

(III) Remuneration to President, and Vice Presidents

Data baseline date: December 31, 2020

Unit: NT$1,000; %

Title	Name	Wages (A)		Pension upon retirement (B)		Bonuses and special allowances (C)		Employee Compensation (D)				Sum of A, B, C, and D as percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company		Companies included into the financial statement		The Company	Companies included into the financial statement	
								Cash	Stock	Cash	Stock			
President	Chien Weng	37,840	69,503	0	0	81,541	228,868	753	0	1,204	0	0.50%	1.24%	None
Internal Auditing Dept. Auditor-General	Ming Hsiu Tsai													
Risk Management Dept. Senior Vice President (Chief Risk Officer)	Hsuan Min Kuo													
Secretariat Office Senior Vice President	Lawrence Lee													
Senior Vice President (Chief Strategy Officer)	Chieh Wu													
Institutional IR Dept. and International Division Senior Vice President (Chief International Operation Officer)	Allen Wu													
Digital Development Division Senior Vice President (Chief Digital Development Officer)	Mei Ling Kuo													
Compliance Affairs Dept. Senior Vice President (Chief Compliance Officer)	Wen Ching Chiu													
Information Security Dept. Senior Vice President (Chief Information Security Officer)	Hsiu Mei Chen													
Financial Dept. Vice President (Chief Financial Officer)	Hsu Shu Mai													
Human Resources Dept. Vice President (Chief HR Officer)	Sophia Chang													
Administration Dept. Vice President (Chief Admin. Officer)	Robert C.S. Yang													

Title	Name	Wages (A)		Pension upon retirement (B)		Bonuses and special allowances (C)		Employee Compensation (D)				Sum of A, B, C, and D as percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company		Companies included into the financial statement		The Company	Companies included into the financial statement	
								Cash	Stock	Cash	Stock			
Corporate Banking Division Vice President (Chief Corporate Banking Officer)	Hsin Hui Tseng													
Operational Support Dept. Vice President (Chief Operational Support Officer)	Ming Lang Liu													
IT Dept. Vice President (Chief Information Officer)	Fang Ming Lo													
Accounting Dept. Vice President (Chief Accounting Officer)	Hui-Jung Lu													
Risk Management Dept. Vice President (Vice Chief Risk Officer)	Wen Yi Chang													
Corporate Banking Division Vice President (Vice Chief of Corporate Banking Officer)	Yi Wen Ma													
Risk Management Dept. Former Senior Vice President (Former Chief Risk Officer)	Tsai Yu Chang													
Legal Affairs Dept. Former Vice President (Former Chief Legal Officer)	Cheng Hua Sun													
Internal Auditing Dept. Former Vice President (Former Vice General Auditor)	Chen Hsiang Wu													

* Information for all persons holding a position equivalent to president, vice president (e.g. president, CEO, director and etc.) must be disclosed, regardless of title.

(IV) Range of remuneration to president and vice presidents

Data baseline date: December 31, 2020

Breakdown of remuneration to president and vice presidents (NT$)	President and vice presidents	
	The Company	Companies included into the financial statement (E)
Below 1,000,000	Lawrence Lee, Chieh Wu, Allen Wu, Mei Ling Kuo, Hsu Shu Mai, Sophia Chang, Hsin Hui Tseng, Ming Lang Liu, Fang Ming Lo, Hui-Jung Lu, Wen Yi Chang, Yi Wen Ma, Chen Hsiang Wu	Wen Yi Chang
1,000,000 (inclusive) ~ 2,000,000 (exclusive)	Wen Ching Chiu, Cheng Hua Sun	Chen Hsiang Wu
2,000,000 (inclusive) ~ 3,500,000 (exclusive)		Chieh Wu
3,500,000 (inclusive) ~ 5,000,000 (exclusive)		Hui-Jung Lu
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Hsiu Mei Chen	Hsiu Mei Chen, Fang Ming Lo
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Robert C.S. Yang	Lawrence Lee, Sophia Chang, Robert C.S. Yang, Cheng Hua Sun
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	Ming Hsiu Tsai, Hsuan Min Kuo, Tsai Yu Chang	Ming Hsiu Tsai, Hsuan Min Kuo, Allen Wu, Mei Ling Kuo, Wen Ching Chiu, Hsu Shu Mai, Hsin Hui Tseng, Ming Lang Liu, Yi Wen Ma, Tsai Yu Chang
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	Chien Weng	Chien Weng
50,000,000 (inclusive) ~ 100,000,000 (exclusive)		
Over 100,000,000		
Total	21	21

Notes: (1) This table summarizes the amounts of various payments made to presidents and vice presidents. Payments are calculated from the date the presidents and vice presidents were appointed during the year.

(2) Remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

(3) As the Company was free from any circumstances requiring that the remuneration to directors or president/vice presidents should be disclosed individually as defined in the regulations governing information to be published in annual reports, the Company disclosed aggregate remuneration information, with the name(s) indicated for each remuneration range.

(4) The pay to drivers, NT$1,184 thousand, was excluded from the remuneration.

(5) The Company's vice presidents who were not serving throughout the year are as follows:

Chieh Wu held the position from November 20, 2020. Hsiu Mei Chen held the position from January 1, 2020 until March 31, 2020 and held the position from December 28, 2020. Fang Ming Lo held the position from April 1, 2020. Hui-Jung Lu held the position from July 1, 2020. Wen Yi Chang held the position from December 30, 2020. Tsai Yu Chang held the position until November 19, 2020. Cheng Hua Sun held the position until December 31, 2020. Chen Hsiang Wu held the position until January 31, 2020.

Hui-Jung Lu held the position from July 1, 2020. Wen Yi Chang held the position from December 30, 2020. Tsai Yu Chang held the position until November 19, 2020. Cheng Hua Sun held the position until December 31, 2020.

Chen Hsiang Wu held the position until January 31, 2020.

(V) Managers receiving employee compensation and state of distribution

Data baseline date: December 31, 2020
Unit: NT$1,000; %

Title		Name	Stock	Cash	Total	The sum as percentage of net income (%)
Managers	President	Chien Weng	0	793	793	0.003%
	General Auditor, Internal Auditing Dept.	Ming Hsiu Tsai				
	Senior Vice President, Risk Management Dept. (Chief Risk Officer)	Hsuan Min Kuo				
	Senior Vice President, Secretariat Office	Lawrence Lee				
	Senior Vice President (Chief Strategy Officer)	Chieh Wu				
	Institutional IR Dept. and International Division Senior Vice President (Chief International Operation Officer)	Allen Wu				
	Senior Vice President, Digital Development Division (Chief Digital Development Officer)	Mei Ling Kuo				
	Senior Vice President, Compliance Affairs Dept. (CCO)	Wen Ching Chiu				
	Senior Vice President, Information Security Dept. (CISO)	Hsiu Mei Chen				
	Vice President, Financial Dept. (CFO)	Hsu Shu Mai				
	Vice President, Human Resources Dept. (CHRO)	Sophia Chang				
	Vice President, Administrative Management Dept. (CAO)	Robert C.S. Yang				
	Vice President, Corporate Banking Division (Chief Corporate Banking Officer)	Hsin Hui Tseng				
	Vice President, Operational Support Dept.(Chief Operational Support Officer)	Ming Lang Liu				
	Vice President, Information Dept. (CIO)	Fang Ming Lo				
	President, Accounting Dept. (CAO)	Hui-Jung Lu				
	Vice President, Risk Management Dept. (Vice Chief Risk Officer)	Wen Yi Chang				
	Vice President, Corporate Banking Division (Vice Chief of Corporate Banking Officer)	Yi Wen Ma				
	Senior Assistant Vice President, Admin. Management Dept. (Vice CAO)	Po Ching Li				
	Assistant Vice President, Corporate Planning Dept.	Pei Yu Chen				
	Former Senior Vice President, Risk Management Dept. (Former Risk Officer)	Tsai Yu Chang				
	Former Vice President, Legal Affairs Dept. (Former CLO)	Cheng Hua Sun				
	Former Vice President, Internal Auditing Dept. (Former Vice General Auditor)	Chen Hsiang Wu				

Note: The employee remuneration allocated to managers in 2020 was only the estimated amount. The managers who were allocated the employee remuneration shall actually be identified based on the name list passed by the Company's Board of Directors.

(VI) An explanation on remuneration paid to directors (including independent directors), president, and vice presidents in the last two years

1. Ratio of directors' (including independent directors), presidents' and vice presidents' remuneration to net income after tax of the entity or individual financial report

Unit: NT$1,000; %

Year/ Item	Net income	Directors' remuneration		Ratio of directors' remuneration to net income		Remuneration of president and vice presidents		Ratio of president and vice presidents' remuneration to net income	
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement
2019	20,445,508	240,327	311,346	1.18%	1.52%	123,710	278,591	0.61%	1.36%
2020	24,104,576	255,626	317,709	1.06%	1.32%	120,134	299,575	0.50%	1.24%

2. Remuneration policies, standards and packages; procedures for determining remuneration and its connection with business performance and future risk exposure.

(1) Directors (including Independent Directors)

A. Director and Independent Director

The remuneration to directors shall be allocated in the manner referred to in Article 33 of the Company's Articles of Incorporation. That is, if the Company has profit at the year's final accounting, the remuneration to directors shall be no more than 0.9% of the remainder after the profit less accumulated loss, if any. The allocation of remuneration to directors shall be subject to the overall operating performance for the year, and follow the typical pay levels adopted by peer companies and consider the reasonableness of the correlation with future risk exposure. The actual allocation shall be based on the self-appraisal result on the Board of Directors members, hours of directors' attendance at meetings and continuing education, and negative qualifications, and calculated on a pro-rata basis subject to the session of the Board of Directors, the number of directors seats (exclusive of independent directors) and the number of days for which the directors hold the position in the year when the earnings to be allocated as remuneration to directors were sought.

The Board of Directors is authorized to resolve the remuneration to the independent directors based on the typical pay levels adopted by peer companies. In order to avoid direct or indirect conflict of interest with the Company, the remuneration is paid at fixed amount on a monthly basis, excluded from the Company's allocation of remuneration to directors.

Meanwhile, according to the Company's Articles of Incorporation, the transportation allowance and fees for attending meetings payable to directors shall be paid based on the typical pay levels adopted by peer companies. The Company's regulations governing transportation allowance and attendance fees method stipulates that the transportation allowance is NT$10,000 per month, the attendance fees is NT$10,000 per time.

B. Chairman and Vice Chairman

Except for the remuneration to directors, the Chairman's salary shall be no more than 1.5 times the President's salary. The Vice Chairman's salary shall be no more than 1.25 times the President's salary, as resolved by the Remuneration Committee and Board of Directors. The Remuneration Committee and Board of Directors are authorized to resolve any other remuneration and benefits to Chairman and Vice Chairman based on their personal performance, company operation performance, and reasonableness of the correlation with future risk exposure and the typical pay levels adopted by peer companies. Meanwhile, the Board of Directors is authorized to resolve the severance pay/pension payable to the Chairman and Vice Chairman based on their participation in the Company's operation, contribution value and the typical pay levels adopted by peer companies, in accordance with the Company's Articles of Incorporation and Regulations Governing Severance Pay/Pension Payable to Chairman and Vice Chairman.

(2) President and managers

According to Article 29 of the Company's Articles of Incorporation, the President shall take charge of all of the Company's affairs subject to resolution made by the Board of Directors, and may be authorized by the Board of Directors to carry out transactions externally. The President and Managers shall set the annual operating objectives and performance appraisal indicators based on the Company's mid-term and long-term business strategies and annual business plan on a yearly basis.

A. Target setting

The Company's President and managers set the annual operating objectives and performance appraisal standards based on the Company's business strategies (including sustainable development goals) and annual business plan. The operating objectives consist of the operating development strategies, annual operating highlights, operations and human resource management, group resource integration and supporting, internal control and compliance. The management team holds a meeting on a monthly basis to review, discuss and timely modify the Company's operating performance, promotion of operating highlights and effect of integration, and practices the strategies and achieves the performance under the performance management mechanism dedicated to "initial

target setting, mid-term follow-up and improvement, and final review and appraisal".

B. Performance appraisal

According to the Company's Performance Management Regulations, the Company must conduct the mid-term and final performance appraisals each year to rate the performance, subject to the physical result per target, based on the operating objectives and performance appraisal indicators for the President and managers. The performance appraisal results are categorized into 5 levels (5~1 levels). Specifically, Level 5 stands for excellent performance beyond the expected target. Level 4 stands for the performance higher than the standard and occasionally excellent performance. Level 3 stands for the performance satisfying what is expected and the operating objectives. Level 2 stands for the performance less than the expected target and to be improved. Level 1 stands for the performance far less than the expected target, namely failure. Upon weighted summing up of all objectives, the results are reported to Chairman to help the Chairman conduct the performance appraisal on the President and managers. The results about performance appraisal on the President and managers, and correspondent performance bonus, must be submitted to the Remuneration Committee and directors' meeting for review and approval.

C. Remuneration policies and business performance, and future risk exposure

70% of the operating objectives to be set by the Company's President reside in the business development objectives, including the operating profit achievement rate, ROE achievement, achievement rate of subsidiaries' core business lines and growth-driven business, and results of promotion of sustainability and corporate social responsibility of Yuanta FHC and its subsidiaries. 30% thereof reside in the internal management objectives, including supervision on the achievement rate of co-marketing objectives of the Group's subsidiaries, successors selection and cultivation, and fulfillment of compliance and internal control. Both of said operating objectives are primarily based by the performance appraisal and performance bonus about the President. The standards governing allocation of the annual remuneration to the President must follow the typical pay levels adopted by peer companies and also take into consideration the entire contribution of the President to the Group achieved by his operation of the Group and operating performance. The annual remuneration allocated to the President and all contributions he/she achieves are related to each other positively.

The Company values the managers' contribution and value to the Group. 70% of the annual operating objectives set by the Company's managers subject to their job responsibilities reside in the business

development objectives, while 30% thereof reside in internal management objectives, including intra-company system integration and backup, successors selection and cultivation, and fulfillment of compliance and internal control, etc.. The policy, system, standard and structure of the salary and remuneration to the Company's managers must be reviewed by Remuneration Committee and then submitted to the Board of Directors for resolution on the remuneration to managers. When resolving the salary and remuneration to individual managers, the Board of Directors must follow the profit earned by or typical pay levels adopted by peer companies, and take into consideration the individual performance and the managers' business performance and contribution to the Company. In order to ensure and align with the profit earned upon the risk exposure adjustment, the bonus to the President and managers must be changed based on specific proportion to make it related to the profit earned by the Company and the Company's stock price in the form of the deferring savings shareholding trust. Notwithstanding, if any other significant risk events affecting the Company's goodwill adversely arise, the Company may cut or withhold the bonus to have the President and managers share the future risk exposure with the Company, so as to develop oriented toward the corporate sustainability management philosophy. The Company's remuneration system balancing business performance and risk management helps recruit and retain excellent talents and encourage the talents to develop their potentials effectively. In conclusion, the management team consisting of excellent talents would create more excellent business performance for the Company and shareholders inevitably. The Company feeds the operating results back to the managers reasonably, so that the managers' personal operating objectives may align with the Company's operating objectives and shareholders' equity permanently and closely to help create the mutual interest for the individuals, the Company and shareholders, and achieve a win-win-win situation.

(VII) Information about Chairmen and presidents rehired as consultant after retiring

Data baseline date: December 31, 2020
Unit: NT$1,000

Title	Nationality	Name	Gender	Job responsibility before retirement		Date when acting the advisor	Purpose of employment	Division of responsibilities and duties	Remuneration	Ratio of remuneration to net income
				Institution and Title	Date of retirement					
Supreme Advisor	Republic of China	Rong Jou Wang	M	Chairman of Yuanta FHC	2019.6.14	2019.6.15	Provide consulting services and recommendations about the Company's legal expertise, business management, finance, and corporate governance, subsidiary supervision.	1. The ownership of intellectual property rights remain vested in the Company. 2. Only provide consulting services and recommendations, without the authority to execute and approve documents. 3. In the case of any conflict of interest with the mission assigned to him, he shall notify the Company in writing voluntarily and settle or terminate the consulting service in a legal and proper manner.	2,400	0.01%

(VIII)Whether the Company establishes any successor cultivation planning for the Board members and key management, and the operation of such planning

1. Member of Board of Directors

The nomination system is adopted for the election of the Company's Board members. The Nomination Committee recruits and recommends competent candidates based on the quota of electees and qualifications required from the electees. Then, the directors will be elected among the candidates together with the nominees recommended by shareholders at a shareholders' meeting upon approval of the Board of Directors meeting.

The successor cultivation planning for the Company's Board members shall not only satisfy the conditions required by laws and regulations, but also recruit competent candidates based on the Company's development orientation and mid-term and long-term strategic goals and by taking into account the diversified background and independence standards, such as professional knowledge, expertise, experience, and gender of the Board members. The candidates of the Company's director successors shall hold the diversified professional knowledge and skills (e.g., law, accounting, industry, finance, marketing or technology) and industry experience, and as a whole, they shall also hold the abilities including the ability to make judgments about operations, accounting and financial analysis ability, operational ability(including the management of subsidiaries), ability to manage crisis, industrial knowledge, international market perspective, leadership, decision-making ability, and risk management knowledge and ability.

Additionally, in order to balance the planning for appointment of professional directors of the financial holding Company's board of directors and the Company's strategic business development, the Board members shall hold not only said abilities but also the abilities related to the focus of the Company's operations and mid-term and long-term stable growth development strategies and continued upgrading of the corporate governance, so as to practice the Board of Directors' functions to make decisions and supervise.

All of the Company's key management team and chief functional officers should attend the Board of Directors meetings and related meetings. They shall be familiar with the operation of the Board of Directors meetings and related meetings, and shall also hold specific professional knowledge and ability in adoption and development of the Company's strategies, supervision and execution of the internal control and compliance, and have control over and the response to risk management.

Basically, the directors of the Company and its subsidiaries all hold specific professional knowledge & skills and industrial experience. By acting directors in various subsidiaries, they participate in the supervision and management of development planning, internal control, compliance and risk control of the Company and, therefore, hold the comprehensive ability to manage business.

The Company will conduct the performance appraisal on the directors and

those appointed as directors of various subsidiaries on a yearly basis. Meanwhile, the Company will also conduct performance appraisal on its senior management as the reference for future selection of the director successors.

Generally, the Company's director successor planning not only recruits the professionals outside the Company, but also reserves successors by training the Company's and subsidiaries' directors and senior management, in order to balance "profession" and "transfer of experience" to set up a fair foundation for the Company's sustainability. The Company re-elected the Board of Directors in whole on June 14, 2019. The former Chairman, Rong Jou Wang, transferred the powers to the former President, Tony Shen, in order to practice the successor planning physically.

2. Successor cultivation planning for the key management, and the operation of such planning

According to Article 53-1 of the "Yuanta FHC Corporate Governance Best-Practice Principles," "the Company shall establish the succession planning for the management and have the Board of Directors evaluate the development and execution of such planning periodically, in order to ensure the corporate sustainability." The Company's key management include President, General Auditor, chief functional officers, chief executive officers and department heads, 94.4% of whom held the position after job transfer and internal promotion. Yuanta FHC values the training of successors. 93.9% of the supervisors of departments or above in Yuanta Group and its subsidiaries were promoted internally.

The Company selects the key management's successors based on the expertise and experience, work performance, development potential, compatibility with the enterprise's core value and individual development willingness of the key talents. For the time being, 1~3 successor candidates would be nominated for each key manager. Meanwhile, the successor candidates need to undergo the cross-department or cross-functional job training and attend the courses on compliance, finance, strategic management and corporate governance. They will also be assigned to attend the Company's important meetings, such as performance review meetings, periodically, and act as a key manager's functionary substitute. In conclusion, said diversified development model might help each successor candidate have the in-depth knowledge about the Group's overall development strategies, policy-making logic, cross-department communication and negotiation mechanism, and execution of policies, in order to train them about the logic and sophistication which the management shall have in thinking and execution.

The talent training and successor cultivation have been included as an important indicator for the Company's performance appraisal on the management at all levels. The Company conducts interim and final performance appraisals to

measure the development results and maturity of the successor each year, adequately adjust the training and job transfer development plans for next year, and report the status of annual training development and successor cultivation to the Board of Director of each year.

For the appointment of management, the Company will review the successor candidates' qualifications in accordance with the Yuanta FHC Regulations Governing Appointment and Management of Managers and job descriptions, ask its directors for authorization of the recommended candidates, and then report the same to the Board of Directors for review and approval.

The examples about succession to the Company's key management in 2020 include the following: President Chien Weng served as Chairman of Yuanta Bank concurrently; the former Chief Risk Officer, Tsai Yu Chang, was transferred and served as Vice Chairman of Yuanta Bank; the former Chief Strategy Officer, Hsuan Min Kuo, served as the Chief Risk Officer; the former Vice Chairman of Yuanta Securities Finance, Chieh Wu, was transferred and served as the Chief Strategy Officer; the former Senior Vice President of Yuanta Life, Hui-Jung Lu, was transferred and served as the Chief Accounting Officer; Vice Chief of IT Dept., Fang Ming Lo, served as the Chief Information Officer; the former General Auditor of Yuanta Life, Wen Yi Chang, was transferred and served as the Vice Chief Risk Officer. Said persons were all promoted or transferred internally, as the Company valued the profession and work experience transfer and development mechanism, which lay the solid foundation of the Group's sustainability.

IV. Status of Corporate Governance

(I) Operation of the Board of Directors

1. The board held 13(A) meetings during 2020; the attendance of directors is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Ting Chien Shen(Tony)	13	0	100	
Director	Wei Chen Ma (Michael)	13	0	100	
Director	Representative of Tsun Chueh Investment Co., Ltd.: Chung Yuan Chen	13	0	100	
Director	Representative of Modern Investment Co., Ltd.: Chao Kuo Chiang	12	1	92	
Director	Representative of Tsun Chueh Investment Co., Ltd.: Daniel Y.M. Song	13	0	100	
Independent Director	Ming Ling Hsueh	13	0	100	
Independent Director	Yin Hua Yeh	13	0	100	
Independent Director	Kuang Si Shiu	13	0	100	
Independent Director	Hsing Yi Chow	13	0	100	

Other items to be stated:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors, and the Company's resolution of said opinions:

(I) For resolution(s) passed pursuant to Article 14 -3 of the Securities and Exchange Act: Not applicable, as the Company has established the Audit Committee and Article 14 -5 of the Act shall apply.

(II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

II. In instances where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, reason for not voting and actual voting counts:

(I) 11th meeting of the 8th Board of Directors on January 16, 2020

For performance appraisal on the group performance bonus for the Company's Chairman of Board in 2019.

Resolution:

1. Chairman Tony Shen, as a stakeholder, recused himself from discussion and voting, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(II) 14th meeting of the 8th board of directors on March 23, 2020

For the construction project budget of the Head Office Building of Yuanta Bank, a subsidiary of Yuanta FHC.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Daniel Y.M. Song, Independent Director Ming Ling Hsueh, Independent Director Kuang Si Shiu and Independent Director Yin Hua Yeh, the stakeholders, recused themselves from discussion and voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(III) 14th meeting of the 8th board of directors on March 23, 2020

Motion for allocation of remuneration to employees 2019.

Resolution: Except Director Daniel Y.M. Song, who recused himself from the discussion and voting on the motion as a stakeholder, the remaining directors present agreed to pass the motion unanimously.

(IV) 14th meeting of the 8th board of directors on March 23, 2020

Motion for allocation of remuneration to directors 2019

Resolution:

1. Except for independent directors, Chairman Tony Shen, Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Chao Kuo Chiang and Director Daniel Y. M. Song recused themselves from discussion and voting on the motion as the stakeholders, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(V) 15th meeting of the 8th board of directors on April 29, 2010

For enactment of the "Yuanta FHC Regulations Governing Remuneration to Directors."

Resolution:

1. Chairman Tony Shen, Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Chao Kuo Chiang and Director Daniel Y. M. Song recused themselves from discussion and voting on the motion as the stakeholders, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(VI) 17th meeting of the 8th board of directors on June 23, 2020

For allocation of remuneration to the directors and supervisors of invested enterprises appointed by the Company in 2019.

Resolution: Except Director Wei Chen Ma (Michael), who recused himself from the discussion and voting on the motion as the stakeholder, the remaining directors present agreed to pass the motion unanimously.

(VII) 17th meeting of the 8th board of directors on June 23, 2020

For allocation of remuneration to the Company's directors (exclusive of independent directors) in 2019.

Resolution:

1. Except independent directors, Chairman Tony Shen, Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Chao Kuo Chiang and Director Daniel Y. M. Song recused themselves from discussion and voting on the motion as the stakeholders, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

(VIII) 18th meeting of the 8th board of directors on July 29, 2020

The audit report made per the FSC's letter dated May 23, 2020 is submitted accordingly.

Resolution:

1. Director Wei Chen Ma (Michael), Director Chung Yuan Chen, Director Chao Kuo Chiang and Director Daniel Y. M. Song, who were interested parties to the case, have recused themselves from the report on the case.

2. Apart from the interested parties, who recused themselves, the remaining directors present have noted the case, and agreed to follow the competent authority's instruction.

(IX) 18th meeting of the 8th board of directors on July 29, 2020
For allocation of remuneration to employees 2019.
Resolution: Except Director Daniel Y.M. Song, who recused himself from the discussion and voting on the motion as a stakeholder, the remaining directors present agreed to pass the motion unanimously.

(X) 24th meeting of the 8th board of directors on January 27, 2021
For authorization of weights of performance bonus for the Company's Chairman of Board
Resolution:
1. Chairman Tony Shen, as a stakeholder, recused himself from discussion and voting, and Independent Director Kuang Si Shiu acted as the chairperson at the time of voting.
2. Apart from the interested party, who recused himself, the remaining directors present agreed to pass the motions.

III. The TWSE/TPEx-listed company shall disclose the appraisal cycle and period, scope of appraisal, method and contents of appraisal about the Board of Directors' self (or peer) performance appraisal, and specify in the following Table.

Appraisal cycle (Note 1)	Once per year
Appraisal period (Note 2)	From January 1, 2020 to December 31, 2020.
Scope of appraisal (Note 3)	The Company takes into account the Company's condition and needs when determining the scope of performance appraisal on the Board of Directors, which shall at least consist of the following five major elements: I. Degree of participation in the Company's operation; II. Upgrading the quality of the Board of Directors' decision making; III. Formation and structure of the Board of Directors; IV. Election and continuing education of directors; V. Internal control. The performance appraisal (self or peer) on the Board of Directors members shall at least consist of the following six elements: I. Alignment with the Company's goals and mission; II. Awareness toward directors' responsibilities and duties; III. Degree of participation in the Company's operation; IV. Management of internal relations and communication; V. Expertise and continuing education of directors; VI. Internal control. The performance appraisal on the Audit Committee shall at least consist of the following five elements: I. Degree of participation in the Company's operation; II. Awareness toward Audit Committee's responsibilities and duties; III. Upgrading the quality of the Audit Committee's decision making; IV. Formation and election of Audit Committee members; V. Internal control. The performance appraisal on the Remuneration Committee shall at least consist of the following five elements: I. Degree of participation in the Company's operation; II. Awareness toward Remuneration Committee's responsibilities and duties; III. Upgrading the quality of the Remuneration Committee's decision making;

		IV. Formation and election of Remuneration Committee members; V. Internal control. The performance appraisal on the Corporate Sustainability Committee shall at least consist of the following five elements: I. Degree of participation in the Company's operation; II. Awareness toward Corporate Sustainability Committee's responsibilities and duties; III. Upgrading the quality of the Corporate Sustainability Committee's decision making; IV. Formation and election of the Corporate Sustainability Committee members; V. Internal control. The performance appraisal on the Nomination Committee shall at least consist of the following six elements: I. Degree of participation in the Company's operation; II. Awareness toward the Nomination Committee's responsibilities and duties; III. Nomination review and decision making; IV. Upgrading the quality of the Nomination Committee's decision making; V. Formation and election of the Nomination Committee members; VI. Internal control.
	Method of appraisal (Note 4)	The Company conducts the self-assessment in the form of questionnaire. The execution unit responsible for the performance appraisal collects the information about the Board of Directors and functional committee activities, and complete Schedule 1 hereto, "Board of Directors Self-Assessment Questionnaire," Schedule 2 hereto, "Board Members (Self or Peer) Assessment Questionnaire," Schedule 3 hereto, "Audit Committee Self-Assessment Questionnaire," Schedule 4 hereto, "Remuneration Committee Self-Assessment Questionnaire," Schedule 5 hereto "Corporate Sustainability Commission Self-Assessment Questionnaire," and Schedule 6 hereto, "Nomination Committee Self-Assessment Questionnaire," respectively. Then, the questionnaires are collected uniformly, and the unit record the assessment report based on the scores per the assessment indicators, and submit the report to the Nomination Committee and then to the Board of Directors for discussion and improvement.
	Contents of appraisal (Note 5)	The Board of Directors' and functional committees' 2020 self-assessment results were handled in accordance with "Regulations Governing Performance Appraisal on Board of Directors and Functional Committees of Yuanta Financial Holding Co., Ltd." passed at the 18th meeting of the Board of Directors of the 8th Term on July 29, 2020. The relevant assessment results were also reported at 23th meeting of the Board of Directors of the 8th Term on December 23, 2020. **1. Board of Directors** The "Board of Directors Self-Assessment Questionnaire": Consisting of 5 elements and 45 assessment items, as self-assessed by 9 directors (including independent directors). **<u>Statistic results</u>** (1) Degree of participation in the Company's operation (12 questions in total): Positive comments given by all directors and independent directors. (2) Upgrading the quality of the Board of Directors' decision making (12 questions in total): Positive comments given by all directors and independent directors. (3) Formation and structure of the Board of Directors (7 questions in total): Positive comments given by all directors and independent directors. (4) Election and continuing education of directors (7 questions in total): Positive comments given by all directors and independent directors.

		(5) Internal control (7 questions in total): Positive comments given by all directors and independent directors. The entire assessment results show that all of the 9 directors (including independent directors) gave positive comments on all of the elements. **2. Board members** The "Board Members (Self or Peer) Assessment Questionnaire": Consisting of 6 elements and 26 assessment items, as self-assessed by 9 directors (including independent directors). **<u>Statistic results</u>** (1) Alignment with the Company's goals and mission (3 questions in total): Positive comments given by all directors and independent directors. (2) Awareness toward directors' responsibilities and duties (6 questions in total): Positive comments given by all directors and independent directors. (3) Degree of participation in the Company's operation (8 questions in total): Positive comments given by all directors and independent directors. (4) Management of internal relations and communication (3 questions in total): Positive comments given by all directors and independent directors. (5) Expertise and continuing education of directors (3 questions in total): Positive comments given by all directors and independent directors. (6) Internal control (3 questions in total): Positive comments given by all directors and independent directors. The entire assessment results show that all of the 9 directors (including independent directors) gave positive comments on all of the elements. **3. Audit Committee** The "Audit Committee Performance Self-Assessment Questionnaire": Consisting of 5 elements and 34 assessment items, as self-assessed by 4 members. **<u>Statistic results</u>** (1) Degree of participation in the Company's operation (9 questions in total): Positive comments given by all members. (2) Awareness toward Audit Committee's responsibilities and duties (5 questions in total): Positive comments given by all members. (3) Upgrading the quality of the Audit Committee's decision making (8 questions in total): Positive comments given by all members. (4) Formation and election of Audit Committee (5 questions in total): Positive comments given by all members. (5) Internal control (7 questions in total): Positive comments given by all members. The entire assessment results show that all of the 4 members gave the positive comments on all of the elements. **4.Remuneration Committee** The "Remuneration Committee Performance Self-Assessment Questionnaire": Consisting of 5 elements and 26 assessment items, as self-assessed by 4 members. **<u>Statistic results</u>** (1) Degree of participation in the Company's operation (5 questions in total): Positive comments given by all members. (2) Awareness toward Remuneration Committee's responsibilities and duties (7 questions in total): Positive comments given by all members. (3) Upgrading the quality of the Remuneration Committee's decision making (8 questions in total): Positive comments given by all members. (4) Formation and election of Remuneration Committee (4 questions in total): Positive comments given by all members.

		(5) Internal control (2 questions in total): Positive comments given by all members. The entire assessment results show that all of the 4 members gave the positive comments on all of the elements. **5.Corporate Sustainability Committee** The "Corporate Sustainability Committee Performance Self-Assessment Questionnaire": Consisting of 5 elements and 31 assessment items, as self-assessed by 5 members. **Statistic results** (1) Degree of participation in the Company's operation (9 questions in total): Positive comments given by all members. (2) Corporate Sustainability Committee's responsibilities and duties (3 questions in total): Positive comments given by all members. (3) Corporate Sustainability Committee's responsibilities and duties (3 questions in total): Positive comments given by all members. (4) Formation and election of Corporate Sustainability Committee (4 questions in total): Positive comments given by all members. (5) Internal control (5 questions in total): Positive comments given by all members. The entire assessment results show that all of the 5 members gave the positive comments on all of the elements. **6.Nomination Committee** The "Nomination Committee Performance Self-Assessment Questionnaire": Consisting of 6 elements and 31 assessment items, as self-assessed by 5 members. **Statistic results** (1) Degree of participation in the Company's operation (6 questions in total): Positive comments given by all members. (2) Awareness toward Nomination Committee's responsibilities and duties (6 questions in total): Positive comments given by all members. (3) Nomination review and decision making (5 questions in total): Positive comments given by all members. (4) Upgrading the quality of the Nomination Committee's decision making (7 questions in total): Positive comments given by all members. (5) Formation and election of Nomination Committee (3 questions in total): Positive comments given by all members. (6) Internal control (4 questions in total): Positive comments given by all members. The entire assessment results show that all of the 5 members gave the positive comments on all of the elements. **Summarized results of the annual assessment:** According to the performance assessment results, all directors (including independent directors) gave positive comments on the efficiency and operation of the Board of Directors and functional committees. The Board of Directors and functional committee members have assessed the elements including "Degree of participation in the Company's operation", "Awareness toward directors' responsibilities and duties", "Quality of committing meeting decision making", "Training and professional development", "Assessment and supervision of risk management mechanism", "Supervision of legal compliance and best practice principles", and "Due diligence and duty", and all considered that the Board and committees operated satisfactorily and practice their functions thoroughly.

Note 1: To specify the cycle of appraisal on the Board of Directors, e.g. once per year.

Note 2: To specify the period for which the appraisal on the Board of Directors will persist, e.g. the

performance appraisal on the Board of Directors persisting from January 1, 2020 to December 31, 2020.

Note 3: The scope of appraisal covers the performance appraisal on the Board of Directors, individual Board members, and functional committees.

Note 4: The method of appraisal includes Board of Directors self-assessment, Board members' self-assessment, peer assessment, external professional organization's assessment, and performance appraisal by experts or in any other adequate manners.

Note 5: The contents of appraisal shall consist of, at least, the following elements, subject to the scope of appraisal:

(1) Performance appraisal on Board of Directors: To cover, at least, degree of participation in the Company's operation, Quality of the Board of Directors' decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control, et al..

(2) Performance appraisal on individual Board member: To cover, at least, alignment with the Company's goals and mission, awareness toward directors' responsibilities and duties, degree of participation in the Company's operation, management of internal relations and communication, expertise and continuing education of directors, and internal control, et al..

(3) Performance appraisal on functional committees: degree of participation in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional decision making, formation of the functional committees and election of members, and internal control, et al.

IV. Measures undertaken during the current year and in the most recent year in order to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment on their implementation:

(I) In the spirit of ethical management and by upholding the enterprise culture, the Company follows the corporate governance, compliance and risk control mechanism. It manages business stably in the changeable financial environment in order to provide stakeholders with comprehensive and fine-quality services. In order to expressly declare and also keep demonstrating the Company's upgrading and improvement of the corporate governance, corporate social responsibility and ethical management practices, the Company appoints the third independent organization, Taiwan Corporate Governance Association, to perform an in-depth assessment on the corporate governance system periodically. It reviews the completeness of the related system, fulfillment of the same and validity of the feedback mechanism to provide the reference information helping the Company establish the future corporate governance system development plan. The Company passed the Taiwan Corporate Governance Association's "CG6012 (2019) Corporate Governance Framework Assessment Certificate with Distinguished Honor" in 2020. This certification is effective from December 25, 2020 to December 24, 2022.

(II) In order to practice the concept of sustainable operation, implement corporate governance, strengthen the board of directors' commitment in ethical management and performing corporate social responsibility, the amendments to the relevant articles on organization and the "Sustainability Committee Charter" were approved at the 34th meeting of the 7th term board of directors on November 28, 2018, establishing the Sustainability Committee to operate under the board of directors. Meanwhile, the motion to amend the "Regulations Governing Establishment of Corporate Sustainability Committee" in part was passed at the 6th meeting of the 8th term Board of Directors on September 25, 2019.

(III) The Company has appointed Taiwan Corporate Governance Association to perform the 2018 external assessment on performance of the Board of Directors in December 2018, including A. composition of Board of Directors; B.Direction by Board of Directors; C.Authorization by Board of Directors; D. Supervision by Board of Directors; E.Communication with Board of Directors; F.Internal control and risk management; G.Self-discipline of Board of Directors; H. Others, such as directors' meetings and supporting systems with respect to the 8 major aspects, assess performance of the Board of Directors through questionnaire and on-site visit. The Company will continue to improve the Board of Directors' function based on the assessment results. The Company will conduct the external assessment on the performance of the Board of

Directors, which is executed once per three years, in 2021.

(IV) In order to strengthen the functions of the board of directors and its management mechanism, the Company approved the establishment of the Nominating Committee at the 36th meeting of the 7th term board of directors on January 23, 2019. The motion to amend the "Articles of Association for Corporate Sustainability Committee" in part was passed at the 20th meeting of the 8th term Board of Directors on September 23, 2020.

(V) The motion to amend the "Parliamentary Rules for Board of Directors' Meetings" in part was passed at 10th meeting of the 8th term Board of Directors on December 25, 2019, which expressly provide that each director's annual attendance ratio is advised to attain 80% or more, and the annual attendance ratio is included into the performance appraisal on directors as one of the indicators. A total of 13 Board of Directors meetings were convened in 2020. The directors' average attendance ratio attained 99%, while each director's attendance ratio attained more than 92%.

(VI) In order to practice the corporate governance, strengthen the support to help directors exercise powers and facilitate the Board of Directors to practice its functions, the Board of Directors meeting on November 28, 2018 resolved that the corporate governance officer should be appointed, and served by the secretary-general of the Board of Directors. Then, the Board of Directors meeting on March 6, 2019 resolved to adjust the position as the "Chief Corporate Governance Officer" primarily responsible for providing directors (including independent directors) with the information required by them to perform their duties, help the directors with compliance affairs, and process the affairs related to directors' meetings and shareholders' meetings pursuant to laws to protect shareholders' equity and enhance the Board of Directors' functions. Meanwhile, according to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," a newly appointed chief corporate governance officer shall complete a minimum of 18 continuing professional education hours within the year from the person's appointment and a minimum of 12 continuing professional education hours per year in each following year. The Company's Chief Corporate Governance Officer has held the position since November 28, 2018, and completed the continuing professional education for at least 12 hours annually on November 3, 2020.

By company	Name	Title	Course name	Organizing agency	Continuing professional education hours (hrs)	Total hours annually
Financial Holding	Lawrence Lee	Chief Corporate Governance Officer	Corporate Governance Framework Well-founded by Intellectual Property Management - Promotional Campaign for TWSE/TPEX-Listed Company Board's Obligation to Manage Intellectual Property	Institute for Information Industry	2.5	17.5
			Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	Taiwan Securities Association	3	
			AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	Taiwan Securities Association	3	
			Financial Consumer Protection Act and Fair Dealing	Taiwan Securities Association	3	
			TWSE-Listed Company Corporate Governance 3.0 - Corporate Sustainability Roadmap Summit Forum	Taiwan Stock Exchange Corporation (TWSE)	3	
			Innovation, Virtuality and Openness - FinTech Legal System Reform	Taiwan Securities Association	3	

Note 1: The name and representative of the institutional shareholder of any director who is a corporation, if any, shall be disclosed.

Note 2: The Company's directors (including independent directors) of the 8th term were elected on June 14, 2019.

Note 3: (1) Where a specific director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) Where a reelection may be held for filling the vacancies of directors before the end of the fiscal year, list both the new and the discharged directors, and specify if they are the former directors, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

2. Attendance of independent directors at various Board of Directors meetings in the most recent year (2020)

◎: In person; ☆: By proxy; *: Absent; -: Not yet take office/Not attending upon dismissal

2020	1	2	3	4	5	6	7	8	9	10	11	12	13
Ming Ling Hsueh	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎
Kuang Si Shiu	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎
Yin Hua Yeh	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎
Hsing Yi Chow	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎

(II) Functions, Annual Key Work and Operations of the Audit Committee

1. The number of persons, term of office and authority of the Company's audit committee shall be subject to Article 3, Article 4, Article 5 and Article 6 of the Articles of Association for the Company's Audit Committee. The relevant regulations are disclosed in the "Corporate Governance Best-Practice Principles and related regulations" in the section of "Corporate Social Responsibility" on the Company's website.

2. The Audit Committee held 12 (A) meetings in the most recent year (2020). The attendance of independent directors is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%)[B/A] (Note 3)	Remarks
Independent Director	Ming Ling Hsueh	12	0	100	
Independent Director	Yin Hua Yeh	12	0	100	
Independent Director	Kuang Si Shiu	12	0	100	
Independent Director	Hsing Yi Chow	12	0	100	

Other items to be stated:

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, Audit Committee's resolution and the Company's resolution of Audit Committee's opinions:

(I) The circumstances referred to in Article 14 -5 of the Securities and Exchange Act; (The motions related to the circumstances referred to in Article 14 -5 of the Securities and Exchange Act shall be specified.)

1. 11th meeting of the 8th audit committee on January 21, 2020
   For the assessment on independence of the Company's independent auditors, and appointment of and remuneration to the independent auditors in 2020.
   Resolution made by the Audit Committee: approved by all present members unanimously.
   The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 12th meeting of the 8th board of directors on February 5, 2020.
2. 13th meeting of the 8th audit committee on March 17, 2020
   Motion for the Company's consolidated financial statements 2019.
   Resolution made by the Audit Committee: approved by all present members unanimously.
   The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 14th meeting of the 8th board of directors on March 23, 2020.
3. 13th meeting of the 8th audit committee on March 17, 2020
   For the Company's issuance of new shares upon capital increase from earnings 2019
   Resolution made by the Audit Committee: approved by all present members unanimously.
   The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 14th meeting of the 8th board of directors on March 23, 2020.
4. 13th meeting of the 8th audit committee on March 17, 2020
   Motion for submission of the Company's 2019 Statement on Internal Control System.
   Resolution made by the Audit Committee: approved by all present members unanimously.
   The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 14th meeting of the 8th board of directors on March 23, 2020.
5. 13th meeting of the 8th audit committee on March 17, 2020
   For the construction project budget of the Head Office Building of Yuanta Bank, a

subsidiary of Yuanta FHC.
Audit Committee's resolution: According to Article 8 and Article 9 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", resolutions at meetings of the Audit Committee shall be adopted with the consent of a majority of the members. Notwithstanding, since a majority of the entire members recused themselves from resolving the motion, the motion was transferred to a Board of Directors meeting for resolution.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 14th meeting of the 8th Board of Directors on March 23, 2020. Except those recused themselves due to their conflict of interest with the motion, the remaining directors present agreed to pass the motions.

6. 16th meeting of the 8th audit committee on June 16, 2020
For issuance of the Company's "unsecured common corporate bonds."
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 17th meeting of the 8th board of directors on June 23, 2020.
7. 13th meeting of the 8th audit committee on March 17, 2020
For the transfer of the Company's chief accounting officer and accounting manager
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 14th meeting of the 8th board of directors on March 23, 2020.
8. 16th meeting of the 8th audit committee on June 16, 2020
For appointment of the Company's managers
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 17th meeting of the 8th board of directors on June 23, 2020.
9. 17th meeting of the 8th audit committee on July 21, 2020
For the Company's issuance of new shares upon capital increase from earnings in 2019 and determination of the record date for distribution of stock dividends and record date for issuance of new shares upon capital increase, etc.
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 18th meeting of the 8th board of directors on July 29, 2020.
10. 18th meeting of the 8th audit committee on August 18, 2020
Motion for the Company's consolidated financial statements Q2 of 2020.
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 19th meeting of the 8th board of directors on August 21, 2020.
11. 18th meeting of the 8th audit committee on August 18, 2020
For the Company's planning to participate in the subscription for partial equity, 40 million shares issued upon the cash capital increase by Yuanta Futures in 2020, based on its original shareholdings and as a specific person and the stock price set as NT$47 per share (the final issue price shall apply) preliminarily and the subscription amount no more than NT$1.487 billion.
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 19th meeting of the 8th board of directors on August 21, 2020.
12. 20nd meeting of the 8th audit committee on October 20, 2020
For the amendments to certain articles of the "Yuanta FHC Rules Governing Job Responsibilities of Independent Directors."
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 21st meeting of the 8th board of directors on October 28, 2020.
13. 23th meeting of the 8th audit committee on January 19, 2020
For the assessment on independence of the Company's independent auditors, and

appointment of and remuneration to the independent auditors in 2021.
Resolution made by the Audit Committee: approved by all present members unanimously.
The Company's action against the Audit Committee's opinion: Approved by all present directors unanimously at 24th meeting of the 8th board of directors on January 27, 2021.

(II) Aside from said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two thirds of the Board of Directors: None.

II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, reason for not voting and actual voting counts:

(I) 13th meeting of the 8th audit committee on March 17, 2020
For the construction project budget of the Head Office Building of Yuanta Bank, a subsidiary of Yuanta FHC.
Resolution: Except Independent Director Ming Ling Hsueh, Independent Director Kuang Si Shiu and Independent Director Yin Hua Yeh, who were the stakeholders, recused themselves from discussion and voting. According to Article 8 and Article 9 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", resolutions at meetings of the Audit Committee shall be adopted with the consent of a majority of the members. Notwithstanding, since a majority of the members recused themselves from resolving the motion, the motion was transferred to a Board of Directors meeting for resolution.

III. Communication between independent directors and internal auditing officers as well as CPAs on company finances and business situation (such as items discussed, means of communication and results, etc.):

(I) In order to upgrade the efficiency and effect of operations and strengthen the interaction with the internal auditing unit and accounting unit, the Company's Audit Committee adopted the "Communication Procedures for Audit Committee and Auditing Dept." and "Communication Procedures for Audit Committee and Independent Auditors" to supervise the auditing unit's performance and exercise of its duties and functions.

1. Status of communication between independent directors and CPAs:

(1) The Company's Audit Committee members consist of the whole independent directors. In order to upgrade the efficiency and effect of operations and strengthen the interaction with independent auditors, Audit Committee adopted the "Communication Procedures for Audit Committee and Independent Auditors" to supervise the adequate expression in the Company's financial statements, as well as the independence and performance of the independent auditors.

(2) The issues to be communicated periodically under the "Communication Procedures for Audit Committee and Independent Auditors" shall be communicated when the independent auditors are planning the audit, in the process of the audit, and prior to completion of the audit report. The Company discloses the communication and results on its website. Besides, under any circumstances requiring communication, the communication may take place from time to time to maintain the fair communication between the independent auditors and Audit Committee.

(3) The 2020 communication meeting between Audit Committee and independent auditors provided the explanation about finance and income upon audit (review) per quarter. Meanwhile, the important issues are summarized as follows:

A. Discussion about the impact posed by the new calculation basis for a statutory reserve to the Group.
B. Discussion about evaluation on the Group's goodwill impairment, and audit procedures.
C. Discussion about tax relief and tax authorization system for the Group's profit-seeking business income tax.
D. Followup on the effect posed by COVID-19 epidemic to the Group.

2. Status of communication between independent directors and internal audit officers:

(1) The Company sets up Internal Auditing Dept. subordinated to the Board of Directors, which is responsible for determining the organization, system and functions of the internal auditors, and also establishes the general auditor in charge of the audit affairs and reporting the operation of the audit affairs of the Company and its subsidiaries to Audit Committee and Board of Directors on a monthly basis.

(2) The Company's Internal Auditing Dept. continues to follow up the inspection comments or deficiencies mentioned in the internal auditing unit's and internal units' self-inspection report, and the improvements required in the Statement on Internal Control System, until they are corrected completely, and submit report to Audit Committee on a semi-annual basis.

(3) The Company's Internal Auditing Dept. reports the internal auditing system and self-inspection on internal control system to Audit Committee from time to time, and submits the amendments to annual audit plans, laws & regulations of the Internal Auditing Dept. ("Regulations Governing Implementation of Internal Audit" and "Directions Governing Performance Appraisal on Subsidiaries' Audit Operations") and Statement on Internal Control System to Audit Committee for review.

(4) The Audit Committee holds the communication meeting with internal auditors each year. The general auditor shall compile the status of internal controls in the Company and its subsidiaries. The meeting is intended to communicate the issues concerned by Audit Committee.

(5) When the Company or any of its subsidiaries reports any contingency, the Company's Internal Auditing Dept. will notify all directors via email or message at the same time, and then report it to the Audit Committee to help the Audit Committee control the information at the very beginning.

(II) The Company discloses the summary about the communication between independent directors and chief internal audit officers and CPAs in the "Other Committees/ Audit Committee" in the section of "Investor relations" > "Corporate Governance" on the Company's website. Website: https://www.yuanta.com/EN/IR/Governance/Committees.

IV. Operation and functions of the audit committee：

(I) The Company's Audit Committee shall be responsible for "improve Yuanta FHC's internal mechanism and assist the Board of Directors in enhancing corporate governance performance". The Committee members consist of independent directors in whole, and the Committee is the most important functional committee in the operation of the Company's Board of Directors. The Audit Committee will establish the "Annual plan for events and agenda" based on the Company's mid-term and long-term development strategies each year, as the core of the execution of annual strategic objectives by the Company's Board of Directors. The annual work focuses include review on the Company's annual business and strategic planning, corporate governance-related issues, financial reports, internal audit affairs and risk management, et al. The Audit Committee and Board of Directors will execute the same and review the results of execution each year.

(II) The Audit Committee functions primarily in order to supervise the adequate expression in the Company's financial statements, appointment (dismissal), independence and performance of independent auditors, effective implementation of the Company's internal control, compliance with related laws and rules, and control over the Company's existing or potential risks.

(III) The responsibilities and duties of the Audit Committee are as follows:

1. Adoption of or amendments to the internal control system.
2. Appraisal on effectiveness of the internal control system.
3. Adoption of or amendments to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.

5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. Offering, issuance, or private placement of equity-type securities.
8. Appointment or dismissal of the independent auditor CPA, or remuneration to the independent auditor.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Financial reports of Q2 to be signed or affixed with a seal by the Chairman, managers and chief accountant, and also audited and certified by a CPA.
11. Any other material matter so required by the Company or the competent authority.

The Audit Committee holds regular monthly meetings. Within the scope of its powers, managers of relevant departments may be invited; internal auditors, accountants, legal advisers or other personnel to attend the meetings and provide relevant and necessary information. However, they should leave the meeting during discussions and voting.

(IV) The Audit Committee has convened 12 meetings in total in 2020, which primarily reviewed the following motions and annual key work:

1. 2019 "Consolidated financial Statements" and "Statement on Internal Control System."
2. 2021 "Audit Plan," "Transfer of Chief Accounting Officer and Accounting Manager," "Assessment on Independence of Independent Auditors, and Appointment of and Remuneration to the Independent Auditors," "Consolidated Financial Statements Q2," "Issuance of Unsecured Common Corporate Bonds," "Issuance of New Shares upon Capital Increase from Earnings 2019," "the Company's Preparation of Financial Statements and Evaluate/Adjust Related Internal Controls," and "Issuance of New Shares upon Capital Increase from Earnings in 2019 and Determination of the Record Date for Distribution of Stock Dividends and Record Date for Issuance of New Shares upon Capital Increase, etc.."
3. "Participation in Subscription for New Shares Issued Upon the Subsidiary Yuanta Futures' 2019 Plan to Increase Capital in Cash," "Descriptions about Subscription for Residual Common Stocks from the Subsidiary, Yuanta Securities Investment Trust," "Subsidiaries' Donation to Social Welfare Groups Totaling NT$100,002,000," and "Participation in the Subscription for Partial Equity 40 million Shares Issued Upon the Cash Capital Increase by Yuanta Futures in 2020, Based on Its Original Shareholdings and as a Specific Person."
4. "Subsidiary Yuanta Bank's Application for Building Capacity Transfer for Its Head Office Building Construction Project and Payment of Monetary Substitution to Taipei City Government," "Construction Project Budget of the Head Office Building of Subsidiary Yuanta Bank," "Subsidiary Yuanta Life's Transfer of Yijiang Building from Property for Own Use to Investment-Linked Property in Order to Promote the Effect of Investment by Fund and Save Expenses," "Payment of Monetary Substitution Authorized by Taipei City Government and Price Difference to be Covered With Respect to Incentives for Subsidiary Yuanta Bank's Application for Building Capacity Transfer for Its Head Office Building Construction Project," and "Subsidiary Yuanta Life's Report on Lease of the Premises at Nos. 77 and 79, Nanjing E. Rd., and Parking Space at Basement to Stakeholder."
5. Enactment of the "Regulations Governing Prevention of Conflict of Interest in Domestic Equity Investment."
6. Amendments to the "Parliamentary Procedures for Shareholders' Meetings," "Rules Governing Job Responsibilities of Independent Directors," "AML/CTF Policy," "Regulations Governing Implementation of Whistle-Blowing System," "Articles of Association for Risk Management Committee," "Articles of Association for Audit Committee," "Articles of Association," "Articles of Incorporation," "Accounting System," "Regulations Governing Self-Disciplined Disclosure of MA Information," "Regulations Governing Appointment and Dismissal of Internal Audit Officers and Accounting Managers of Direct Subsidiaries," "Regulations Governing Management of Investees,"

"Regulations Governing Operations Related to Financial Transactions with Affiliated Companies," Operating Procedures for Handling Internal Material Information," "Rules Governing Transactions with Related Parties," "Regulations Governing Management of Evaluation on Non-TWSE/TPEx-Listed Equity Securities," and "Notes to and SOP for Merger & Acquisition.

(V) The information about Audit Committee is disclosed in the "Other Committees/ Audit Committee" in the section of "Investor relations" > "Corporate Governance" on the Company's official website. Website: https://www.yuanta.com/EN/IR/Governance/Committees.

Note 1: The Company's independent directors were elected on June 29, 2007, and the audit committee was set up on the same day.

Note 2: The Company's independent directors of the 8th term were elected on June 14, 2019.

Note 3: (1) Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(III) Items disclosed in accordance with the Corporate Governance Best-Practice Principles for Financial Holding Companies

On the home page of the Company's website, the "Corporate Social Responsibility" section discloses information related to the operations of corporate governance at the company. (https://www.yuanta.com/EN/CSR/Governance)

(IV) Status of corporate governance, departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and reasons for such departures

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
1. Equity structure and shareholders' rights of financial holding company				There was no departure in this respect.
(1)Whether the financial holding company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?	✓		(1)The Company has disclosed the ways to communicate with the Company in the "Contact Us" and Contact Person identified in the "Service" under the "Investor Relations" Section of its website. The shareholders' suggestions, questions, disputes, and legal actions will be judged by the processing unit personnel based on the contents to determine whether the same shall be processed by themselves, or transferred to the shareholders service agent or responsible unit. Then, the relevant unit will verify the root cause, take appropriate responsive actions and provide feedback as soon as possible.	
(2)Whether the Company controls the name lists of the financial holding Company's major shareholders and their ultimate owners?	✓		(2)According to Article 11 of the "Regulations Governing Approvals of the Same Person's or Same Related Parties' Applications to Own More Than a Certain Percentage of the Issued Voting Shares of a Financial Holding Company", the Company will, on a monthly basis, disclose the information about any change in the major shareholders' equity on MOPS, and check the consistency with the roster of shareholders whenever the transfer registration is suspended, in order to control the information about major shareholdings. Meanwhile, the Company sets up the "Shareholder Structure"	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			section under the "Investor Information" of the "Investor Relations" on the Company's website that provides relevant forms for download.	
(3)Whether the financial holding company establishes and implements some risk control and firewall mechanisms between the Company and its affiliates?	✓		(3)A. The company has established a "Risk Management Department" being responsible for supervising and implementing risk management measures. Each subsidiary has an independent risk management unit in place, depending on their business sizes and risk attributes, to monitor the various risks involved. B.The Company has complied with Articles 44 and 45 of the Financial Holding Company Act, regarding credit and non-credit transactions with related parties. C.The Company has established the "Regulations Governing Operations Related to Financial Transactions with Affiliated Companies," "Rules Governing Transactions with Related Parties," "SOP for the General Power of Attorney Regarding the Non-Credit Transactions Between Yuanta FHC and Stakeholders Defined in Article 45 of the Financial Holding Company Act," "Rules Governing the Transactions Between Yuanta FHC and Self-Disciplined Counterparts" and "Regulations Governing Confidentiality and Prevention of Conflict of Interest With Respect to Information Provided by or Database Established by Subsidiaries" for the fulfillment of risk control and firewall mechanism.	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
(4)Whether the Company's internal rules are adopted and disclosed on the Company's official website, which prohibit the insiders, such as the Company's directors or employees, from seeking profit based on the information unavailable on the market?	✓		(4)A.Requirements and Announcements: Article 15 of the Company's "Procedures for Ethical Management and Guidelines for Conduct" expressly provides that insider trading is strictly prohibited, which is also disclosed on the Company's official website: Investor Relations>Corporate Governance> 「Other Committees / Corporate Sustainability Committee」 (at: https://www.yuanta.com/Files/4.2.2-386c8c7e67518765-en/Procedures%20for%20Integrity%20Management%20and%20Guidelines%20for%20Conduct.pdf). In order to enable all staffs of the Company and its subsidiaries to have the correct knowledge and basic judgment towards relevant laws and ethical conduct, the Company organizes the "Ethical Management & Compliance Promotion" training program periodically each year. The courses cover the issues related to financial consumers' data protection, related party transactions, insider trading regulations, disclosure of M&A information, financial personnel's integrity, ethics and legal responsiblities, compliance resources and the whistle-blowing system. All staffs are required to attend the courses and pass relevant tests. The courses were attended by a total of 10,561 trainees in 2020, and all of the trainees passed the tests. There were 10,156 training hours in total. In order to implement continuing education for directors, the directors atteneded two corporate governance seminars, "AML Trend and Policy	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			Development After APG Third Round Mutual Evaluation Procedures for AML/CFT" on July 7, 2020 and "Financial Consumer Protection Act and Fair Dealing" on September 1, 2020. B. According to the Codes of Ethical Conduct and Implementation Guidelines for Compliance System, the Company organized the "Ethical Management & Compliance Promotion" training program for the managers and all employees in November 2020. The courses covered the ethical management best-practice principles, insider trading, and promotion of the regulations and guiding cases about compliance. The employees were required to take the relevant test in order to enhance the employees' awareness toward the important rules of laws, including the Codes of Ethical Conduct, non-disclosure obligation, and prohibition of insider trading, form correct awareness and behavior, and report the status thereof to the Board of Directors periodically each year.	
2. Composition and responsibilities of board of directors (1)Has the financial holding company established diversified policies about the members of the Board of Directors and discloses the fulfillment of such diversified policies at the Company's website?	✓		(1)The Company has established the "Procedure for Election of Directors", in which Article 3 expressly defines that the overall composition of the Board of Directors shall be taken into consideration in the selection of the directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operation,	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			business type, and development needs. It is advisable that the policy shall include, without being limited to, the following two (2) general standards: A. Basic requirements and values: Gender, age, nationality, and culture, et al. B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience. Each board member shall have the necessary knowledge, skills, and experience to perform their duties. The abilities that must be present in the board as a whole are as follows: A. Ability to make judgments about operations B. Accounting and financial analysis ability C. Business management ability (including ability to manage subsidiaries) D. Crisis management ability E. Knowledge of the industry F. An international market perspective G. Leadership ability H. Decision-making ability I. Risk management knowledge and ability The information about diversified policies on the Board of Directors is disclosed in the “Board of Directors” in the section “Investor relations” > “Corporate Governance” on the Company’s website at Website: https://www.yuanta.com/EN/IR/Governance/Board	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
(2)Is the financial holding company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees?	✓		(2)The Company has established the Remuneration Committee and Audit Committee pursuant to laws. In order to fulfill the promotion of corporate governance, strengthen the Board of Directors' governance of ethical corporate management, and fulfill the corporate social responsibility, the Company's Board of Directors passed the motion for expansion of the Ethical Management Committee to include the corporate social responsibility affairs and reformation to the Corporate Sustainability Committee subordinated to the Board of Directors on November 28, 2018. The "Corporate Sustainability Committee" governs the "Ethical Corporate Management Promotion Center" and "Corporate Social Responsibility Promotion Center" responsible for promoting and coordinating the relevant routine affairs, and report work plans and execution results to the Committee and Board of Directors periodically. In order to solidify the functions of the Board of Directors and strengthen the management mechanism, the Company passed the motion for establishment of the "Nomination Committee" on January 23, 2019. Meanwhile, the nomination and election of the directors/independent directors of the 8th term have been completed in June 2019.	
(3)Has the financial holding Company's board of directors assessed the independence of the external auditor periodically (at least once per year), and also disclosed the assessment	✓		(3)According to Article 46 of the Company's "Corporate Governance Best Practice Principles," it is necessary to assess the independence and competence of the independent auditor periodically (at least once per	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
procedure honestly?			year). The assessment procedures consist of assessing whether the independence satisfies the Statement on Auditing Procedure No. 46 and on the competence indicators, such as ethical conduct, professional ability and quality of audit service. Said assessment report, together with the "Statement of Independent Audit" issued by the independent auditor, will be submitted to the Audit Committee and Board of Directors. Then, the motion for employment will be subject to a resolution made by the Board of Directors. In 2021, the Company assessed that Chou Chien-Hung, Lo Chiao-Sen and Chen Li-Yuan, CPAs of PricewaterhouseCoopers Certified Public Accountants met the Company's independence assessment criteria, and acquired the Statement of Independent Audit. The most recent assessment was discussed and approved by the 23rd meeting held by the Audit Committee of 8th term on January 19, 2021 and was submitted to the 24th meeting of the Board of Directors of 8th term on January 27, 2021 and approval.	
(4)Have the regulations or procedures governing appraisal on performance of the Board of Directors established by the financial holding company is approved by the Board of Directors: A. Is the self-assessment conducted at least once per year and the performance appraisal result disclosed at the Company's website as the reference for remuneration to individual directors and nomination, and is the	✓		(4)The Company has enacted the "Regulations Governing Performance Appraisal on the Board of Directors and Functional Committee." The amendments to the same have been resolved and approved at the 18th meeting of the Board of Directors of 8th term on July 29, 2020. A. The Board of Directors and functional committees conduct the performance appraisal on the Board of Directors and functional committees pursuant to the appraisal procedure and indicators referred to in	(4)A. No difference from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
assessment result disclosed on the Company's website? (Note 2)			Article 6 and Article 8, and record the assessment report based on the scores per the assessment indicators referred to in Article 8, and submit the report to the Nomination Committee and then to the Board of Directors for discussion and improvement. The self-assessment result on the performance of the Board of Directors and functional committee and the Board members (self or peer) 2020 has been reported at 6th meeting of the Nomination Committee of 8th term on December 10, 2020 and 23rd of the Board of Directors of 8th term on December 23, 2020. The directors (including independent directors) commented based on the self-assessment results that all committees operated well and exercised their functions satisfactorily.	
B. Is it expressly stated that the external appraisal should be conducted at least once per three (3) years and within the time limit defined in the relevant regulations, and the implementation and appraisal results should be disclosed at the Company's website?	✓		B. Paragraph 2, Article 3 of the Company's Regulations Governing Performance Appraisal on Board of Directors and Functional Committees (formerly Paragraph 3, Article 5 of the "Regulations Governing Appraisal on Performance of the Board of Directors (Functional Committee)"): The assessment on the performance of the Company's Board of Directors shall be contracted to an external professional and independent organization, or external experts/scholars for once per three (3) years. The Company has appointed "Taiwan Corporate Governance Association" at the end of 2018 to appraise the performance of the Board of Directors	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			from November 1, 2017 to October 31, 2018. The Association delegated three experts to appraise the Board of Directors' performance, in the form of questionnaire and on-site survey, in terms of 8 elements subject to 38 indicators, including 1. Composition and Board of Directors, 2. Direction by Board of Directors, 3. Authorization by Board of Directors, 4. Supervision by Board of Directors, 5. Communication with Board of Directors, 6. Internal Control and Risk Management, 7. Self-Discipline of Board of Directors, and 8. Others, Such as the Board of Directors' meetings and supporting systems. The Association and experts had no business transactions with the Company and, therefore, acted independently. The appraisal report was provided on January 16, 2019. The Company reported the appraisal results at 37th meeting of the 7th term Board of Directors on March 6, 2019, and continued to improve the Board of Directors' functions based on the appraisal results. The general comments and recommendations provided by the Association, and the corrective actions taken by the Company are stated as follows: (A)General comments: 1. You (namely, Yuanta FHC), upgraded the "Ethical Management Committee" to the "Corporate Sustainability Committee" in November 2018. This demonstrates your commitment and undertaking to the corporate	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			social responsibility and sustainability-related issues. 2. You acknowledge the independent directors' value and respect the constructive opinion given by the independent directors. The following cases reflect the Company's positive response to individual independent directors' opinion: ● Ethical Management Committee upgraded to Corporate Sustainability Committee ● Changes of the suggestion about appointment of any important subsidiary's internal audit officers 3. You establishes the Board of Directors' performance assessment system, conducts the assessment each year, and appoints an independent third party to help the assessment once per three years. This reflects the Board's accountability cultures for the stakeholders, and shall be identified as the model of the management department. 4. You value introduction of professional directors and provide considerable supports, and encourage and assist the professional directors to make contributions with their expertise." (B) Recommendations: 1. The Company's current Board of Directors (elected in 2016) consists of 13 directors,	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			including 4 independent directors and 9 juristic person directors' representatives. Suggested that the Company should consider cutting the number of juristic person directors' representatives and addition to the number of general directors or independent directors to further enhance the Board of Directors' independence. 2. The Company has established the Board of Directors' performance appraisal system, and conducted the appraisal periodically. Suggested that the Company should review and update the scope of appraisal periodically, and consider that the appraisal results should be able to clearly demonstrate the variance and change in quality and quantity to help comparison, review and improvement. (C) Corrective action: 1. The Company's general shareholders' meeting elected the directors of the 8th term on June 14, 2019, and 9 directors were elected (including 4 independent directors). Among the other things, 6 directors were elected in the capacity of natural-person, i.e. 67% of the total directors, and 4 independent directors for 44% of the total directors. 2. In October 2019, subject to the reference templates provided by TWSE and the Company's practices, the Company had the	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			Remuneration Committee and Board of Directors review and amend the Company's Regulations Governing Performance Appraisal on Board of Directors and Functional Committees, covering the individual directors and various functional committees. Meanwhile, the scale for the assessment items was amended from "Yes/No" to 5 options. The assessment results have clearly demonstrated the difference and change in quality and quantity, thereby helping improve the Board of Directors' performance and upgrade the corporate governance level. The information about the regulations or procedures governing appraisal on performance of the Board of Directors is disclosed in the "Major Internal Policies" in the section of "Corporate Social Responsibility" on the Company's website at Website: https://www.yuanta.com/EN/IR/Governance/Internal-Policies The information about the self-appraisal result on performance of the Board of Directors (functional committee) and the board members (self or peer) is disclosed in the "Board of Directors" in the section of "Investor relations" > "Corporate Governance" on the Company's official website at Website: https://www.yuanta.com/EN/IR/Governance/Board	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
(5)Has the financial holding company disclosed the connection between the performance appraisal on and remuneration to directors and managers?	✓		(5)Except for independent directors, the Company shall allocate remuneration to directors in accordance with the Articles of Incorporation. The allocation of remuneration to directors shall be subject to the overall operating performance for the year, and follow the typical pay levels adopted by peer companies and consider the reasonableness of the correlation with future risk exposure. The actual allocation shall be based on the self-appraisal result on the Board of Directors members, hours of directors' attendance at meetings and continuing education, and negative qualifications, and calculated on a pro-rata basis subject to the session of the Board of Directors, the number of directors seats (exclusive of independent directors) and the number of days for which the directors hold the position in the year when the earnings to be allocated as remuneration to directors were sought. The Board of Directors is authorized to resolve the remuneration to the Company's independent directors based on the typical pay levels adopted by peer companies. In order to avoid direct or indirect conflict of interest with the Company, the remuneration is paid at fixed amount on a monthly basis, excluded from the Company's allocation of remuneration to directors. The Company's managers set their personal operating objectives (including the operating development strategies, annual key works, operations and human resource management, group resource integration and supporting, internal controls and compliance) based on	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			the Company's business strategies and sustainable development objectives. According to the Company's Performance Management Regulations, the Company must conduct the mid-term and final performance appraisals each year to rate the managers' performance, subject to the physical execution result of the operating objectives set by them. Upon weighted summing up of all objectives, the Chairman reported the results to help the Chairman conduct the performance appraisal on the managers. The Company has set forth relevant incentive compensation rules, whereby it may provide performance bonus subject to the Company's operating performance and earnings each year, which is decided by the Remuneration Committee and Board of Directors based on their personal performance, company operation performance, and reasonableness of the correlation with future risk exposure, as well as the typical pay levels adopted by peer companies.	
(6)Has the financial holding Company disclosed the information about independent communication between independent directors and related units (or executive officers) and CPAs (e.g. means, items discussed and results of communication on the Company's financial report and business overview, et al.) on the Company's website?	✓		(6)The Company has disclosed about communication means, discussed items, resolutions and related information among Independent Directors , Risk Management Departments, Chief Internal Audit Officers and CPAs, at the its own official website which are in "Committees>Audit Committee" under the section of "Investor Relations section>Corporate Governance". The website address is: https://www.yuanta.com/EN/IR/Governance/Committees	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
3. Whether the Company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors with the information needed to perform their duties, helping directors with compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.), and disclosed the scope of authority, annual business focus and status of continuing education on the Company's website and in the annual report?	✓		3. The Company has delegated the unit and personnel dedicated to (concurrently in charge of) corporate governance: (1)The Company's Secretariat Office would be responsible for handling the affairs related to meetings held by the Board of Directors and Audit Committee, and designating the personnel dedicated to communicating and providing the relevant information required by directors for carrying out business and helping independent directors and the general directors draft their annual continuing education plans and arrange courses. (2)The Company's Administration Department would be responsible for the convention of shareholders' meetings and registration of incorporation and changes . (3)In order to practice the corporate governance, strengthen the support to help directors exercise powers and facilitate the Board of Directors to practice its functions, according to the competent authority's policy planning about the new corporate governance roadmap, the Company's Board of Directors meeting on November 28, 2018 resolved that the corporate governance officer should be appointed, and served by the secretary-general of the Board of Directors. Then, the Board of Directors meeting on March 6, 2019 resolved to adjust the position as the "Chief Corporate Governance Officer." who shall have the professional qualifications for serving as the management dedicated to legal affairs, finance, shareholders	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			service and parliamentary management, as well as corporate governance affairs, in financial institutions and public companies for more than three years. The chief corporate governance officer of Yuanta FHC is primarily responsible for providing directors (including independent directors) with the information required by them to perform their duties, help the directors with compliance affairs, and process the affairs related to directors' meetings and shareholders' meetings pursuant to laws to protect shareholders' equity and enhance the Board of Directors' functions. (4)The Company's chief corporate governance officers processed the affairs related to board meetings and shareholders' meetings, and also helped the Board of Directors solidify the various commissions' mechanism pursuant to laws, and provide the directors with information required by them to perform their duties in 2020. The annual business was executed in the following manners: A.Research and draft various regulations to help the Board of Directors and committees build adequate operating procedures and make arrangements in advance in response to laws and "Corporate Governance 3.0 - Corporate Sustainability Roadmap." B. Process the affairs related to 2020 shareholders' meetings: (A) Coordinate various units to process the parliamentary operations about shareholders' meetings according to the	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			Articles of Incorporation and Article 57-2 of the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies. (B) Help shareholders' meetings solidify related operations and boost the parliamentary procedures successfully. (C) Help shareholders understand the Company's corporate governance practices, and update data on webpages timely, to ensure the shareholders' equity. C. Supervise the research, amendment and adjustment of the Company's important regulations, including amendments to the Company's articles of incorporation, articles of association, and corporate governance best-practice principles, etc.. D. Process the parliamentary operations related to the Board of Directors and related committees to strengthen the parliamentary procedure compliance and avoidance of conflict of interest. E. Provide the relevant information required by directors for performance of job duties, and remind directors of the related laws and regulations to be followed when performing job duties or at the time of/after resolution made by the Board of Directors. F. Process the continuing education courses to be attended by directors to help directors practice the continuing education mechanism. G. Conduct the assessment on performance of the	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			Board of Directors and functional committees. H. Help conduct evaluation under the CG6012 (2019) corporate governance system. (5) The Company's Board of Directors Chief Secretary, Lawrence Lee, has held the position as Chief Corporate Governance Officer since November 28, 2018, and completed the continuing professional education for at least 17.5 hours in 2020. (Note 3) (6) The information about the chief corporate governance officers is disclosed in the "Board of Directors" > "Chief Corporate Governance Officer" in the section of "Investor relations" > "Corporate Governance" on the Company's website at Website: https://www.yuanta.com/EN/IR/Governance/Board	
4. Whether the financial holding company establishes communication channels with stakeholders (including but not limited to, shareholders, employees, and customers, et al.) , and sets up a section for stakeholders at the official website of the Company with the proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	✓		The Company establishes the well-founded spokesperson system pursuant to the "Uniform Spokesman Procedure", and appoints the spokesperson and deputy spokesperson to release any public information, policy or other related information to the public on behalf of the Company officially. The Company and all of its subsidiaries use their best efforts to provide adequate information to stakeholders such as customers, correspondent banks, vendors, employees, and shareholders, and has established the "CSR" >in the section of "Stakeholders Engagement" on its website to disclose the identification of major concerns about stakeholders, channels of communication with the stakeholders and investigation on certain concerns. Meanwhile, the Company attaches great importance to the rights and interests of stakeholders and to maintain fair	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			channels of communication with them via mailbox or phone. The Company's Legal Affairs Department assists with and handles possible legal disputes. Where the opinion fed back by any stakeholder is considered material, the responsible unit must report the same to the Audit Committee and Board of Directors under the Company's internal control system. Website: https://www.yuanta.com/EN/CSR/Stakeholder - Engagement The Company's website also set up the "Investor Relations" section where the information about the Group's operating performance and credit rating, and other financial information are available. (Website: https://www.yuanta.com/EN/IR) Meanwhile, the exclusive email address/department is set up to maintain effective communication with investors. (Website: https://www.yuanta.com/EN/IR/Service/Contact-Us) In order to establish the ethical and transparent enterprise culture, promote the sound management and encourage whistle-blowing against misconduct in the Company, the Company set up the "Whistle-Blowing System" in the section of "Investor relations" > "Corporate Governance" on the Company's official website to disclose the requirements about the whistle-blowing system, whistle-blowing hotline and email box . Website: https://www.yuanta.com/EN/IR/Governance/Reporting-Mechanism.	
5. Information Disclosure (1)Establishment of a corporate website to disclose	✓		(1)On the home page of the Company's website, the	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
information concerning financial affairs and corporate governance?			"About Us" section discloses corporate strategy, organizational charts and other related information. The "Corporate Social Responsibility" section discloses information related to the operations of corporate governance by the Company. The "Group" section describes the business carried out by each of the Group's subsidiaries. The "Investor Relations" section provides financial information and announcements related to shareholders and public information. The "Corporate Governance" in the section of "Investor relations" discloses the members, functions, operations and related regulations of the Board of Directors and other committees (e.g., Audit Committee, Remuneration Committee, Sustainability Committee and Nomination Committee, etc.), the risk management policies and organizational framework, information security management framework, policies and management programs, intellectual property management plans, and practices and results thereof, and internal audit system, summary of whistle-blowing system, and information to be reported and disclosed under Article 46 of the Financial Holding Company Act. Meanwhile, according to the "TWSE Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds" and "TWSE Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities", the Company discloses the public	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			information about the Company's and its subsidiaries' finance, business and corporate governance.	
(2)Other information disclosure channels (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and the broadcasting of investor conferences via the company website)?	✓		(2) The Company has set up an English website, established a spokesperson and deputy spokesperson system, and delegated the personnel dedicated to collecting and disclosing the Company's important information, and releasing the information about investors' profiles and financial position in the "Investor Relations" section on the Company's website. Website:https://www.yuanta.com/EN/IR	
(3)Whether the Company announces and reports the annual financial report within the time limit prescribed by the Financial Holding Company Act and Securities and Exchange Act at the end of each fiscal year, and the financial report for Q1, Q2, and Q3 and monthly operation overview before the prescribed time limit?	✓		(3) The Company has announced and reported the quarterly/annual financial reports and monthly operation overview for 2020 within the prescribed time limit. The financial reports for Q1, Q2, and Q3 of 2020 and the annual financial report were already announced and reported on May 22, 20209, August 21, 2020, November 20, 2020, and March 23, 2021 .	
(4)Whether the Company establishes any information security risk management structure, information security policy and concrete management program, and discloses the same on the Company's website?	✓		(4) A.Information security risk management structure: The Company implemented ISO 27001:2005 ISMS and also passed the certification by BSI in 2011. Thereafter, the Company would complete the continuing review once per year and the re-examination once per three years. Meanwhile, the Company also completed the ISO 27001:2013 revision to keep strengthening the information security management and control via the PDCA cycle. B.Concrete management program: (A) In order to improve Yuanta FHC' strength in	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			making decisions against information security issues, enhance the information security supervision, and consolidate information security policies to boost coordination and allocation of resources, Yuanta FHC Board of Directors passed the articles of association in December 2020, in order to establish the independent and dedicated information security unit, "Information Security Dept.," and "CISO," responsible for regulating, planning and supervising the information security throughout the Company and boosting the implementation of information security management operations, and reporting the information security practices to the Board of Directors periodically. (B) The Company expressly states the information security objectives and information security responsibilities in its information security policy and establishes the multi-departmental information security taskforce, which coordinate and research the handling and review on the information security policy, plan, allocation of resources, implementation, and crisis management through the taskforce's meetings and the information security management review meeting to be held at least once per year, and also to enhance the information security management system. C. In order to control the information security	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			management system effectively, the Company establishes the relevant policy, regulations (guidelines and enforcement rules, et al.), procedures (guidebook on the information security business) and QR/FM (Quality Records/Form) to be followed by the entire information business operation, management and control. The related information is disclosed on the Company's website "Investors Relations" > "Corporate Governance" > "Information Security", at https://www.yuanta.com/EN/IR/Governance/Information-Security	
6. Other important information enabling a better understanding of the Company's corporate governance (including but not limited to employee rights and interests, employee care, investor relations, stakeholders' rights and interests, continuing education of directors and supervisors, implementation of risk management policies and procedures, disclosure of risk management scope, organization framework and operations thereof, implementation of customer policy, purchase of liability insurance by the Company for directors and supervisors, and donations to political parties, interested parties and public welfare groups)?	✓		(1)Employee rights and interests: The Company's human resources management mechanisms all comply with labor laws and regulations and internal control requirements, safeguarded employees' legitimate rights and interests. The Company will call a labor and employer meeting periodically to urge the sufficient communication between both parties and gather the common consensus between both parties to make the relations between both parties more harmonious. (2)Employee care: The Company cares about the physical and mental health of its employees and undertakes education and training, group insurance, employee shareholding trusts, and health checkups, and employee assistance programs, etc.. Meanwhile, it encourages employees to cultivate diversified hobbies, participate in various	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			social clubs, and get used to having fun when working. The Company also strives to realize employees' potential, and trains and rewards excellent talents so as to enhance employees' on-the-job competitiveness and market value and create a diversified and friendly working environment by encouraging a positive attitude toward corporate sustainability. (3)Investor relations and stakeholders interests: In its "Corporate Governance Best-Practice Principles," the company has defined the contents of investor relations and stakeholders' interests. These principles are implemented in the Company's day to day business and focus on the following aspects: A. The company maintains open channels of communication with investors, and respects and protects their legal rights. B. Taking advantage of the convenience of the Internet, the Company has established a website, which carries information on financial affairs and corporate governance for the reference of shareholders and stakeholders. The Company also set up the English version of the official website to provide the information in Chinese and English languages at the same time and make the real-time information about the Company available to foreign investors, including the corporate governance practices, financial information, credit rating, activities and public notice, etc.. (4)Continuing education of directors: See Pages 160 ~ 163.	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			In order to practice the continuing education mechanism for directors, the Company organized the four directors' internal training programs in 2020, including the "Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants" dated June 2, "AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT" dated July 7, "Financial Consumer Protection Act and Fair Dealing" dated September 1, and "Innovation, Virtuality and Openness - FinTech Legal System Reform" dated November 3. The courses cover risk management, money laundering laws & regulations, interpretation about insider trading cases, fair dealing, and digital financial development issues, et al.. As to the external training programs, the Company would help directors apply for enrollment into the related programs organized by TWSE or Taiwan Corporate Governance Association to help the directors improve their expertise and understand the laws and regulations, for the duly fulfillment of the corporate governance system. (5)Risk management policies and procedures disclosing risk management scope, organization framework and operations thereof: A.In order to establish the Company's risk management standards and ensure the completeness, validity and reasonableness of the risk management, the Company has had the Board of Directors	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			approve the "Risk Management Policy" and various risk management criteria. B. The risk management policy refers to the Company's ultimate guidelines governing risk management. The risks which the Company are facing can be categorized into three major risks, namely "business risk," "compliance & legal risk" and "environmental risk." The "business risk" consists of market risk, credit risk, market liquidity risk, asset-liability matching risk, large risk exposure, insurance risk, operational risk, information security risk, human resource risk, and new risk. The "compliance & legal risk" consists of compliance risk, legal risk, ML/TF risk, and ethical management risk. The "environmental risk." consists of responding to issues related to climate change and natural disasters. Various risk management systems shall be defined based on the policy, attributes of various risks, and effects imposed by the risks to the Company's operating stability and capital safety. C. Subsidiaries shall establish the "risk management systems" that meet their business portfolio, business scale and capital scale, according to the Company's risk management policy, to measure and manage effectively the various risks to be borne by them. D. Yuanta FHC' entire risk management structure covers the Board of Directors, Audit	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			Committee, Risk Management Committee, management, Risk Management Dept., Compliance Dept., Legal Dept., IT Dept., and other business departments. The Company has disclosed its risk management policies in the "Corporate Social Responsibility" > "Internal Rules and Regulations" on its official website, to expressly define the Company's risk management scope, primary responsible units and responsibilities for risk management, risk management procedures and disclosure of information. E.The company regularly reports to the board of directors on the operation of the risk management system, including: (A)The Risk Management Committee convenes a meeting per quarter. The resolutions made at the meeting would be reported to the Audit Committee and Board of Directors. (B)The Risk Management Dept. submitted the risk management system's evaluation report 2020 to the 22th meeting of the 8th term Audit Committee. The Audit Committee chairperson reported the the risk management system's evaluation results 2020 to the 23th meeting of the 8th term Board of Directors. (C)The Risk Management Dept. submitted the Internal and external business risk assessment report 2021 to the 22th meeting of the 8th term Audit Committee. The Audit Committee	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			chairperson reported the Internal and external business risk assessment results 2021 to the 23th meeting of the 8th term Board of Directors. The operations of the Risk Management Committee are disclosed in the "Corporate Social Responsibility" > "Other Committees" > "Risk Management Committee" on its official website. (6)Implementation of customer policy: The company protects customer privacy based on "Confidentiality Measures on Customer Information for Yuanta FHC and Its Subsidiaries", "Personal Data Protection Policy of Yuanta FHC" and "Personal Data Management Rules of Yuanta FHC". The company uses customer information in accordance with the forgoing measures and within the scope of the law so as to fulfill its obligations in maintaining the confidentiality of customer information and protect customer privacy. (7)Purchase of liability insurance by the Company for directors and managers: The Company continues to purchase the directors/supervisors and managers liability insurance for its directors (including independent directors) and managers, in order to pass on the Company's business risk and help establishment of a well-founded corporate governance mechanism. (8)Donations to political parties, interested parties, and non-profit organizations: A. Handled in accordance with the Company's guidelines governing public donations. Public	

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
			donations mean those donations which comply with the following laws and regulations: (A) Donations to political parties, political groups and political candidates in accordance with Political Donations Act. (B) Donations to the public welfare groups and syndicates defined in the General Provisions of the Civil Code, or any other educational, cultural, public welfare or charity agencies or groups which are registered with the competent authorities or incorporated validly in accordance with other relevant laws and regulations. B. Where the donated subject is a related party, the donations shall be reported to the Board of Directors for resolution, regardless of the amount of the donations, and material information shall be announced in accordance with Paragraph 1.43 of Article 4 of the "Taiwan Stock Exchange Corporation's (TWSE) Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities".	

7. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies.
   (1) Yuanta FHC ranked among the top 6%~20% of listed company groups in the "Corporate Governance Evaluation Operation" of 7th term held by TWSE in 2020.
   (2) With respect to the indicators in the "Corporate Governance Evaluation Indicators" of the 7th term in 2020, the Company shall take corrective actions against the deficiencies in Indicator 2.27, "Whether the company has set the IP management plan structured with the business objectives, and disclosed the status in implementation of the plan on the company's website or in the annual report, and reported the same to the board of directors at least for once per year?"and Indicator 3.20 "Whether the company is invited to convene (or convenes voluntarily) at least two institutional investor conferences, and the interval between

Scope of Assessment	Status (Note 1)			Departures from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons
	Yes	NO	Summary	
the two institutional investor conferences convened at the beginning and end of the evaluated year is more than three months?" To this end, the Company will plan to pass the certification in 2021 by the Taiwan Intellectual Property Management System (TIPS) or any similar intellectual property management system, and be invited to convene one institutional investor conference.				

Note 1: Regardless of "Yes" or "No", the status shall be stated in the "Summary" section.
Note 2: Describe the deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
Note 3: The continuing education attended by the Company's Corporate Governance Officer in 2020 is stated as follows:

Course Date		Course name	Organizing agency	Course hours (hrs)	Total continuing education hours in then year
From	To				
2020.01.16	2020.01.16	Corporate Governance Framework Well-founded by Intellectual Property Management - Promotional Campaign for TWSE/TPEX-Listed Company Board's Obligation to Manage Intellectual Property	Institute for Information Industry	2.5	17.5
2020.06.02	2020.06.02	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	Taiwan Securities Association	3	
2020.07.07	2020.07.07	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	Taiwan Securities Association	3	
2020.09.01	2020.09.01	Financial Consumer Protection Act and Fair Dealing	Taiwan Securities Association	3	
2020.09.21	2020.09.21	TWSE-Listed Company Corporate Governance 3.0 - Corporate Sustainability Roadmap Summit Forum	Taiwan Stock Exchange Corporation (TWSE)	3	
2020.11.03	2020.11.03	Innovation, Virtuality and Openness FinTech Legal System Reform	Taiwan Securities Association	3	

(V) Describe the composition, duties and operations of the remuneration committee:

1. Information about members, functions and operations of Remuneration Committee

(1) Information about Remuneration Committee Members

Position Title (Note 1)	Qualification / Name	Has at least five years of relevant working experience and the following professional qualifications			Compliance of independence (Note 2)										Number of positions as a Remuneration Committee Member in other public listed companies (Note 3)	Remarks
		Lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holder of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experience required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10		
Independent Director	Kuang Si Shiu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	—
Independent Director	Ming Ling Hsueh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4	—
Independent Director	Yin Hua Yeh	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	—
Independent Director	Hsing Yi Chow	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	—

Note 1: Please specify director, independent director or others.

Note 2: "✓" is marked in the space beneath a condition number when a member has met that condition during the two years prior to election and during his or her period of service. The conditions are as follows:

(1) Not an employee of the company or an affiliate.

(2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country).

(3) The director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.

(4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).

(5) Not a Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 institutional shareholders of the Company, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country) .

(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past two years has received cumulative compensation not exceeding NT$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act.

(10)Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.

Note 3: Information about the Company's Remuneration Committee Member acting as the remuneration committee member in other publicly listed companies concurrently:

(1)Member Kuang Si Shiu is concurrently serving as the remuneration committee member of Yuanta Bank.

(2)Member Ming Ling Hsueh of the Company's Remuneration Committee is concurrently serving as the remuneration committee member of Walsin Lihwa Corp., Lite-On Technology Corporation, TTY Biopharm Company Limited and Yuanta Bank respectively.

(3)Member Yin Hua Yeh is concurrently serving as the remuneration committee member of Yuanta Bank.

(4)Mr. Hsing Yi Chow is concurrently serving as the remuneration committee member of Coretronic Corp. and Yuanta Securities.

(2) Duties of Remuneration Committee

The Company's Remuneration Committee shall perform the following duties honestly with due diligence, and submit their motions to the Board of Directors for discussion:

A. Determine and periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standard and structure;

B. Periodically evaluate and determine the Company's remuneration to directors and managers.

(3) Information concerning the remuneration committee

A. The Company establishes the "Annual plan for events and agenda" of Audit Committee and deliverables to be met by the Company's operation in accordance with the "Regulations on the Establishment of Remuneration Committees by TWSE/TPEx Listed Companies and their Exercise of Powers".

B. The Company's remuneration committee consists of 4 members.

C. Term of office to be held by the current members: June 14, 2019~June 13, 2022. In the most recent year (2020), the Remuneration Committee has held 7 meetings (A). The attendance of the Committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Kuang Si Shiu	7	0	100	
Member	Ming Ling Hsueh	7	0	100	
Member	Yin Hua Yeh	7	0	100	
Member	Hsing Yi Chow	7	0	100	

Other items to be stated:

I. If the Board of Directors does not adopt or amend the remuneration committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the remuneration committee's opinions (if the remuneration approved by the Board of Directors is superior than that suggested by the remuneration committee, please specify the deviation and reason): None.

II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: None.

D. The motions discussed by the Company's Remuneration Committee in the most recent year (2020) and resolutions thereof, and the Company's handling of the members' opinion are stated as following:

Remuneration Committee	Motion	Resolution	The Company's handling of the Remuneration Committee members' opinion
6th of 8th term January 16, 2020	1. For performance appraisal on the group performance bonus for the Company's Chairman of Board in 2019. 2. The motion for performance appraisal on the group performance bonus of the Company's President, chief functional officers, Chief Executive Officer and Auditor-General in 2019. 3. Amendments to the Company's Performance Management Regulations.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
7th of 8th term March 17, 2020	1. Motion for allocation of remuneration to employees 2019. 2. Motion for allocation of remuneration to directors 2019.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
8th of 8th term April 21, 2020	Enactment of the Company's Regulations Governing Remuneration to Directors.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
9th of 8th term June 16, 2020	1. For allocation of remuneration to the directors and supervisors of invested enterprises appointed by the Company in 2019. 2. Allocation of remuneration to the Company's directors (exclusive of independent directors) in 2019. 3. Enactment of the Company's Regulations Governing Shareholdings by Senior Management. 4. Amendments to the Company's Articles of Association for Remuneration Committee.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
10th of 8th term July 21, 2020	1. Allocation of remuneration to the Company's managers 2019. 2. Amendments to the Company's Regulations Governing Appraisal on Performance of the Board of Directors and Functional Committees.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
11th of 8th term August 18, 2020	1. Periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standard and structure. 2. Amendments to the Company's Regulations Governing Appointment and Management of Managers. 3. Amendments to the Company's Performance Management Regulations.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously
12th of 8th term December 15, 2020	1. Amendments to the Company's Regulations Governing Appointment and Management of Managers. 2. Amendments to the Company's Performance Management Regulations. 3. Amendments to the Company's Regulations Governing Remuneration to Employees.	Agreed by the members unanimously	Submitted to the Board of Directors meeting Agreed by all present directors unanimously

2. Information about members' position titles, job responsibilities and operations of Corporate Sustainability Committee

(1) Information about Sustainability Committee members' position titles

Position Title (Note 3)	Qualification / Name	Has at least five years of relevant working experience and the following professional qualifications			Compliance of independence (Note 4)										Number of positions as a Corporate Sustainability Committee Member in other public listed companies (Note 5)	Remarks
		Lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holder of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experience required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10		
Director	Ting Chien Shen(Tony)			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	0	—
Independent Director	Ming Ling Hsueh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	—
Independent Director	Yin Hua Yeh	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—
Independent Director	Kuang Si Shiu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—
Independent Director	Hsing Yi Chow	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—

Note 1: Please specify director, independent director or others.

Note 2: "✓" is marked in the space beneath a condition number when a member has met that condition during the two years prior to election and during his or her period of service. The conditions are as follows:

(1) Not an employee of the company or an affiliate.

(2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country).

(3) The director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.

(4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).

(5) Not a Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 institutional shareholders of the Company, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to the Company or any

affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past two years has received cumulative compensation not exceeding NT$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act.

(10) Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.

Note 3: The Company's Sustainability Committee members who hold the position as a member of any other company's Sustainability Committee are stated as follows:
Member Ming Ling Hsueh of the Company's Sustainability Committee is concurrently serving as the Sustainability Committee member of Walsin Lihwa Corp., Lite-On Technology Corporation and TTY Biopharm Company Limited, respectively.

(2) Functions of Sustainability Committee members

The Committee is subordinated to the Board of Directors to take charge of the following operations:

A. Helping integrate the value of ethical corporate management and corporate social responsibility into the Company's business strategies;

B. Establishing the related policies ensuring ethical corporate management and fulfilling corporate social responsibility in line with laws;

C. Supervising and fulfilling the execution of ethical corporate management and corporate social responsibility policies, and assessing the results thereof;

D. Establishing any other policies concerning ethical corporate management and corporate social responsibility, and supervising the execution thereof.

(3) Information about operations of Sustainability Committee

A. According to Article 2 of the Regulations Governing Establishment of Sustainability Committee, the Committee must consist of 3~7 members, who must be served by the Company's directors, and at least half of the members must be served by independent directors.

B. The Sustainability Committee of the current term consists of 5 members (including 4 independent directors). Member Ming Ling Hsueh has served as the Executive Director of Taiwan Corporate Governance Association since March 2010 until now. Member Yin Hua Yeh once served as the Committee Member of Special Committee on Corporate Governance Reform, Executive Yuan and Vice Chairman/Executive Director of Taiwan Corporate Governance Association for more than 5 years. Both of them are specialized in the corporate sustainability committee affairs.

C. Term of office to be held by 8th term members: from June 14, 2019 to June 13, 2022. The term of office to be held by the Committee member shall be identical with that held by the director, unless otherwise provided by laws, or the Company's articles of incorporation or charters.

D. In the most recent year (2020), the Sustainability Committee has held 5 meetings (A). The attendance of the committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Ting Chien Shen(Tony)	5	0	100	
Member	Ming Ling Hsueh	5	0	100	
Member	Yin Hua Yeh	5	0	100	
Member	Kuang Si Shiu	5	0	100	
Member	Hsing Yi Chow	5	0	100	

Other items to be stated:

I. If the Board of Directors does not adopt or amend the Sustainability Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Sustainability Committee's opinions: None.

II. For resolution(s) made by the Sustainability Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: None.

III. Other important motions and results of execution thereof:

(I) 5th meeting of the 8th Sustainability Committee on February 18, 2020

1. Report on the "Results of Execution in the second half of 2019" by the Ethical Corporate Management Promotion Center.
2. Report on the "Results of Execution of the Whistle-Blowing System in the second half of 2019" by the Company.
3. Report on the Company's "Results of Ethical Management Practices 2019."
4. Report on the "Ethical Management Practices 2019" of the Company's direct subsidiaries.
5. Report on the Company's "Social Responsibility Practices 2019."
6. Discussion about the Transfer of Responsible Person of the Ethical Corporate Management Promotion Center.

(II) 6th meeting of the 8th Sustainability Committee on March 23, 2020

1. Report on the "Results of Execution in the second half of 2019" by the Corporate Social Responsibility Promotion Center.

(III) 7th meeting of the 8th Sustainability Committee on May 19, 2020.

1. Report on Concrete Planning About the Unethical Conduct Risk Assessment System and Related Operations of the Company and its Direct Subsidiaries.
2. Report on the Company's "Communication of Issues Concerned by Stakeholders in 2019 ."
3. Report on "Yuanta FHC 2019 CSR Report."
4. Discussion about amendments to certain articles of the "Yuanta FHC Corporate Social Responsibility Best-Practice Principles."

(IV) 8th meeting of the 8th Sustainability Committee on August 18, 2020.

1. Report on the "Results of Execution in the first half of 2020" by the Ethical Corporate Management Promotion Center.
2. Report on the "Results of Execution in the first half of 2020" by the Corporate Social Responsibility Promotion Center.
3. Report on the "Results of Execution of the Whistle-Blowing System in the first half of 2020" by the Company.
4. Discussion about amendments to certain articles of the "Yuanta FHC Procedures for Ethical Management and Guidelines for Conduct."

(V) 9th meeting of the 8th Sustainability Committee on November 20, 2020

1. Report on 2020 fulfillment of suppliers' management policies by the Company.
2. Discussion about the "2021 Work Plan" by the Ethical Corporate Management Promotion Center.
3. Discussion about the "2021 Work Plan" by the Corporate Social Responsibility Promotion Center.
4. Discussion about the "2021~2025 Group Corporate Sustainability Strategic Roadmap" of the Corporate Social Responsibility Promotion Center.

3. Information about job responsibilities and operations of Nomination Committee

(1) Nomination Committee members

Position Title (Note 3)	Qualification / Name	Has at least five years of relevant working experience and the following professional qualifications			Compliance of independence (Note 4)										Number of positions as a nomination committee member in other public listed companies (Note 5)	Remarks
		Lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holder of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experience required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10		
Independent Director	Ming Ling Hsueh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	—
Independent Director	Yin Hua Yeh	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—
Independent Director	Kuang Si Shiu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—
Director	Ting Chien Shen(Tony)			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	0	—
Director	Wei Chen Ma (Michael)			✓	✓		✓			✓		✓	✓	✓	0	—

Note 1: Note 3:Please specify director, independent director or others.

Note 2: "✓" is marked in the space beneath a condition number when a member has met that condition during the two years prior to election and during his or her period of service. The conditions are as follows:

(1) Not an employee of the company or an affiliate.

(2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act or laws of the registered country).

(3) The director, or his or her spouse or minor child, does not hold, in his or her own name or another name, more than 1% of the Company's total outstanding shares, nor is one of the Company's ten largest natural-person shareholders.

(4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).

(5) Not a Director, Supervisor, or employee of any institutional shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 institutional shareholders of the Company, or the institutional shareholders who appoint their representatives to serve as the Director or Supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the director seats or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which has been appointed concurrently in accordance with Securities and Exchange Act, or laws of the registered country).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act, or laws of the registered country).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that provides auditing services to the Company or any

affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past two years has received cumulative compensation not exceeding NT$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the related laws and regulations, including the Securities and Exchange Act or Business Mergers and Acquisitions Act.

(10) Is not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.

Note 3: The Company's Nomination Committee members who hold the position as a member of any other company's Nomination Committee are stated as follows:
Member Ming Ling Hsueh of the Company's Nomination Committee is concurrently serving as the Nomination Committee member of Walsin Lihwa Corp., Lite-On Technology Corporation and TTY Biopharm Company Limited, respectively.

(2) Functions of Nomination Committee

The Committee is subordinated to the Board of Directors to take charge of the following operations:

A. Establishing the criteria governing such diversified backgrounds as professional knowledge, technology, experience and gender, and independence, required from the Board of Directors members, and searching, reviewing and nominating the candidates for director.

B. Constructing and developing the structural framework of the Board of Directors and various committees.

C. Establish and periodically review the directors' continuing education and succession plans.

D. Researching and amending the Company's Corporate Governance Best-Practice Principles.

E. Serving as the execution unit engaged in performance appraisal on the Board of Directors and various functional committees.

F. Other deliverables to be satisfied by the Committee per resolutions by the Board of Directors.

(3) Status

A. According to Article 4 of the Articles of Association for Nomination Committee, the Committee must consist of no less than 3 directors elected by the directors, and a majority of the members must be served by independent directors.

B. The Nomination Committee of the current term consists of 5 members (including 3 independent directors). Member Kuang Si Shiu served as the Chairman/President of Mega Financial Holdings for about one decade, who has plentiful experience in management and practices, and is specialized in the nomination committee affairs. Member Ming Ling Hsueh is now serving as the Executive Director of the Taiwan Corporate Governance Association. She has served as the president of PwC Taiwan, adjunct professor of College of Technology Management, National Tsing Hua University and adjunct professor of National Taiwan University of Science and Technology School of Management once, and also won the Excellence in Teaching Award for Adjunct

Professor awarded by National Taiwan University of Science and Technology School of Management (2020) and Excellence in Teaching Award awarded by College of Technology Management, National Tsing Hua University (2014), who has ample experience in corporate governance and business management practices and is specialized in the nomination committee affairs.

C. Term of office to be held by 8th erm members: from June 14, 2019 to June 13, 2022. The term of office to be held by the Committee member shall be identical with that held by the director, unless otherwise provided by laws, or the Company's articles of incorporation or charters.

D. In the most recent year (2020), the Nomination Committee has held 3 meetings (A). The attendance of the Committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Ming Ling Hsueh	3	0	100	
Member	Yin Hua Yeh	3	0	100	
Member	Wei Chen Ma (Michael)	3	0	100	
Member	Ting Chien Shen(Tony)	3	0	100	
Member	Kuang Si Shiu	3	0	100	

Other items to be stated:

I. If the Board of Directors does not adopt or amend the Nomination Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Nomination Committee's opinions: None.

II. For resolution(s) made by the Nomination Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of said opinions: None.

III. Other important motions and results of execution thereof:

(I) 4th meeting of the 8th Nomination Committee on May 19, 2020

1. Discussion about amendments to certain articles of the "Yuanta FHC Corporate Governance Best-Practice Principles."

(II) 5th meeting of the 8th Nomination Committee on August 21, 2020.

1. Discussion about amendments to certain articles of the "Yuanta FHC Articles of Association for Nomination Committee."
2. Discussion on Directors' Succession Plans.

(III) 6th meeting of the 8th Nomination Committee on December 10, 2020.

1. Discussion on the results of the Company's performance appraisal on the Board of Directors and Functional Committees 2020.
2. Discussion about recheck results and recommendation of organizational framework of the Board of Directors and various committees.
3. Discussion about periodic review on the directors' continuing education plans.

(VI) Social Responsibility Practices, and Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
1.Exercising Corporate Governance (1)Whether the Company establishes the full-time (part-time) functional units dedicated to promoting the corporate social responsibility that conducts the risk assessment on the environment, society and corporate governance issues related to the Company's operation and adopts related risk management policies or strategies, and disclose the same on the Company's website?	✓		(1)A. The Company established the "Corporate Social Responsibility Work Promotion Center" in 2011. In November 2018, the "Corporate Sustainability Committee" subordinated to the Board of Directors was established. The Chairman of Board served as the Committee convener, and 4 independent directors served as the Committee members in order to enhance the Board of Directors' ethical management and practice its corporate social responsibility. In the same year, the "Corporate Social Responsibility Work Promotion Center" was renamed the "Corporate Social Responsibility Promotion Center." Meanwhile, the organizational framework was adjusted at the same time to govern seven functional teams with the functions covering environment, society and corporate governance (ESG) aspects in order to include the ESG target into the Company's business strategies and help the Company keep sprouting development and fulfill its corporate social responsibility in a purposeful, systematic and structured manner. B. The Company has included climate change in its corporate governance and business strategies as an important part. Meanwhile, pursuant to the materiality principle, the Company conducted the	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			related risk assessment on major issues and adopted the related risk management policies or strategies as follows, based on the assessed risks, and disclosed on the following website: https://www.yuanta.com/EN/CSR/Stakeholder-Engagement/Material-Aspects	
(2)Does the Company define corporate social responsibility policies, systems, framework and related management policies, review the effect of implementation thereof, and disclose the same on the Company's website?	✓		(2)A.The Company has established its "CSR Best Practice Principles" in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies" and current practices. These principles were passed by the Board of Directors on October 26, 2010 to serve as guidance for the Company's corporate social responsibilities principles. On December 28, 2010, the Board of Directors passed the "Corporate Social Responsibility Policy and Management Rules" to establish the Company's CSR policy and the organizational structure and functions of the units dedicated to promoting CSR. The corporate social responsibility policy adopted by the Company is stated as follows. Meanwhile, the Company promises to keep promoting the concept about practicing of corporate citizen based on the policy: (A) Enhance the corporate governance quality; (B) Value employee rights and interests, train talents, and create a healthy and safe work environment; (C) Dedicated to energy saving and carbon reduction to ensure the environmental sustainability; (D) Comply with the code of ethical conduct and ethical management requirements;	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			(E) Expand social participation and feedback to the society; (F) Maintain customer interest and right, and win long-term reliance; (G) Provide investors with the correct, timely and transparent information about the Company. B. The Company amended the Company's "Corporate Social Responsibility Best Practice Principles" in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies" in 2019. Meanwhile, in order to precisely fulfill and follow up the effect of implementation of various functions, the Company amended the "Corporate Social Responsibility Policy and Management Rules". The same were passed 36th meeting of 7th term Board of Directors on January 23, 2019. C. In November 2018, the Company established the "Corporate Sustainability Committee" subordinated to the Board of Directors. The Chairman of the Board served as the Committee convener, and 4 independent directors served as the Committee members, in order to enhance the Board of Directors' ethical management and practice its corporate social responsibility. The "Corporate Social Responsibility Work Promotion Center" was renamed as the "Corporate Social Responsibility Promotion Center" at the same time to govern seven functional teams dedicated to boosting and managing the CSR-related projects on ESG aspects. The Corporate Social	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			Responsibility Promotion Center shall meet at least once per quarter and submit the meeting minute to the Corporate Sustainability Committee to follow up the execution of various projects and ensure the execution quality in a timely manner. D. The Company integrates corporate social responsibility into its business strategies. It focuses on the thorough development of the key topics able to create sustainable value in order to create the source of future competitiveness. The Company communicates with stakeholders periodically to verify their needs and continue responding to them voluntarily. Meanwhile, with the help from members from the 7 functional teams subordinated to the Corporate Social Responsibility Promotion Center's, the Company reviews the key topics about environment, society and corporate governance critical to the Company's operation each year to lay the foundation for Yuanta Group to continue the research and adoption of sustainability strategies and goals. The Company set the goals under the "Corporate Social Responsibility Promotion Center Action Program" for 2016~2020 in 2016 to practice the strategic roadmap in order to respond to and support the SDGs. In response to the international sustainability trend and the Company's needs for development, the Company conducted a rolling review on the action programs. Corporate Social Responsibility Promotion Center completed the "2021~2025 Group Corporate Sustainability Strategic	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			Roadmap" in 2020. It proposed the same to the 23rd meeting of the Board of Directors of 8th term on December 23, 2020, in order to improve the Group's competitiveness in corporate sustainability. The CSR Best Practice Principles and Corporate Social Responsibility Policy and Management Rules are disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Internal-Policies	
(3)Does the Company periodically organize any corporate social responsibility education and training program?	✓		(3)A.The Company engages in propagating the compliance and anti-bribery/corruption and organizes the relevant test each year, in order to strengthen the employees' ethical conduct and correct knowledge about rules of law. B. The Company organizes the general CSR courses and the professional courses for the dedicated personnel periodically each year, in order to propagate the idea about CSR and actual results to the whole employees and lead the employees to fulfill the CSR. In 2020, the Company has organized a total of 16 sessions for CSR-related courses attended by 10,590 trainees. Meanwhile, the Company also invited external exports and advisors to organize the CSR-related educational courses periodically each year. In 2020, the Company has held a total of 21 sessions for CSR and DJSI educational courses for the units and personnel dedicated to promoting CSR, lasting for more than 39.5 hours and attended by more than 310 trainees.	
(4)Has the Company established a unit dedicated to	✓		(4)A.Article 4 of the Company's "Corporate Social	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
(concurrently engaged in) promoting corporate social responsibility under supervision by the high-rank management authorized by the Board of Directors who shall be responsible for reporting the status thereof to the Board of Directors and stating the operations and execution of such unit on the Company's website?			Responsibility Policy and Management Rules" outlined the structure and duties of the Corporate Social Responsibility Promotion Center. A convener and a deputy convener were already appointed on December 30, 2010. Meanwhile, on October 26, 2016, to deal with the adjustment in the Company's organization, the Company modified the structure and duties of the Center. The related amendments to the structure and duties were approved by the Board of Directors. In response to the establishment of the "Corporate Sustainability Committee" at the end of 2018, the Center was renamed into the "Corporate Social Responsibility Promotion Center." B. In order to practice the corporate sustainability management philosophy and boost the corporate governance, the Board of Directors passed the motion for expansion of the Ethical Corporate Management Committee to include the corporate social responsibility affairs and reformation to the "Corporate Sustainability Committee" subordinated to the Board of Directors directly at the meeting of the Board of Directors in November 2018. The Committee members shall be served by the Company's directors, at least one-half of whom shall be independent directors. The Company's "Nomination Committee" will review their qualifications and potential conflict of interest. Then the members are appointed upon approval of the Board of Directors, one of whom shall be elected as the convener. The term to be served by the members	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			shall end at the same time as that of the directors. When a member is dismissed for any reason, resulting in there being less than three members, a meeting of the Board of Directors shall be convened to appoint an alternate member. The Chairman of Yuanta FHC serves as the current convener, and four independent directors as the members. Accordingly, the Committee consists of five members. The Corporate Sustainability Committee is primarily responsible for establishing the related policies ensuring ethical corporate management and fulfilling corporate social responsibility, supervising and fulfilling the execution of ethical corporate management and corporate social responsibility policies, and assessing the results thereof. The Committee governs the "Ethical Corporate Management Promotion Center" and "Corporate Social Responsibility Promotion Center," consisting of related personnel from the Company and its subsidiaries responsible for promoting and coordinating the relevant routine affairs. Meanwhile, the "Corporate Sustainability Committee" would report work plans and execution results to the Board of Directors periodically. The Corporate Social Responsibility Promotion Center is identified as the unit dedicated to promoting the corporate social responsibility, which governs 7 functional teams including the Corporate Governance Team, Customer Care Team, Green Business Team, Employee Care Team, Environmental Sustainability Team, Social Participation Team and General Affairs Team. The	

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			Corporate Social Responsibility Promotion Center holds the work meeting per quarter to report the various results to the Corporate Sustainability Committee periodically each year, and to the Board of Directors for twice per year. The amendments to related rules and structure shall be subject to the approval by the Board of Directors, for the purpose of effective management and fulfillment of the Company's CSR policy. C.Operations and execution of the unit on the Company's website: https://www.yuanta.com/EN/CSR	
(5)Has the Company defined some reasonable compensation policy, integrated corporate social responsibility with employees' performance evaluation, and established some clear and effective reward/disciplinary system?	✓		(5)A.The pay to the Company's new employees is decided subject to the complexity and importance of the new employees' job duties, expertise, and academic background/work experience. The Company also attends the market salary survey periodically in order to provide a robust and competitive remuneration system. Since 2015, the Company has been selected by Taiwan HC 100 Index of TWSE each year. The Company's efforts to pay reasonable remuneration and feedback of profit to employees and fulfillment of corporate social responsibility are recognized. B.According to the Company's Performance Management Regulations, the Company's chief officers and employees shall set the annual operating objectives based on the Company's mid-term and long-term business strategies (including corporate sustainability objectives) and annual business objectives, and shall measure the execution results of	

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			annual business objectives and business plans, assess the performance based on the results, and link the remuneration with the performance evaluation results, under the performance management mechanism dedicated to "initial target setting, mid-term follow-up and improvement, and final review and appraisal." C. In order to encourage and urge employees to work with due diligence, the Company has defined the reward & punishment rules. Should an employee's conduct violate these norms, he/she will be required to correct the conduct, and the violation will be reported and punished depending on the severity of the circumstances. The reward and punishment results will be linked with the performance appraisal system and the remuneration policy. The employees are expected to comply with the relevant laws and internal control system when engaging in various operating activities, in order to fulfill the corporate social responsibility.	
(6)Has the Company defined some policy to reflect the operating performance or result on the remuneration to employees?	✓		(6)The Company's work rules expressly provide that the remuneration to employees includes salary and bonus. In order to encourage colleagues to work harder and practice their work performance, the Company may provide a performance bonus subject to the operation performance and earnings achieved by the Company, and pay other benefits based on personal performance rating and work performance each year. According to the Articles of Incorporation, if the Company has profited at the year's final accounting, the remuneration to employees shall be 0.01%~0.5% of the remainder, if	

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			any, after the profitless accumulated loss. Meanwhile, the Company may adjust the employees' salary, subject to the commodity price fluctuation, pay level adopted by peer companies, the Company's overview of operation and employees' annual performance each year. The information about the average raise of the Company's employees is disclosed in the "Disclosure of Employees' Benefit Policy and Interest & Right Protection Measures" on the MOPS (Website: https://mops.twse.com.tw/mops/web/t100sb12)。	
2.Fostering a Sustainable Environment (1)Does the Company endeavor to upgrade the efficient use of available resources, and the use of environmental-friendly materials?	✓		(1)The Company's measures to raise resource utilization efficiency and its use of renewable materials are explained below: A.The Company recycle and reuse energy-intensive articles. This includes advocating as well as promoting the recycling and reuse of paper products, the use of recycled paper and resource recycling as well as reporting on execution status. B.The Company properly dispose of waste. This includes advocating and promoting waste sorting and reduction, waste water treatment and reporting on the outcome. C.The Company adopts low-consumption and green OA appliances and devices and procures the products with eco-friendly, energy-conservation and water-conservation logos as the first priority. The office renovation work is primarily required to satisfy the criteria for green construction materials.	There was no departure in this respect.

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(2)Has the Company established environmental policies suitable for the Company's industrial characteristics?	✓		D.The Company has been honored by Protection Administration, Executive Yuan, as the excellent green procurement benchmarking entity for nine consecutive years. (2)The Company established the environmental management system exclusively applicable to the financial business based on ISO 14001 environment management standard systems, and acquired the BSI certification. Meanwhile, the Company also delivered the ISO 14064-1 Greenhouse Gas Investigation System into its eight subsidiaries extensively in three steps. The Group's 316 business locations throughout Taiwan received ISO14064-1 Greenhouse Gas Investigation System Certification, with the cover rate of inspection attaining 100%. Meanwhile, own buildings where banks, securities, life and other subsidiaries are located have introduced the ISO 50001 energy management system, and also received the BSI certification. The on-going environmental management is stated as following: A.Environmental policies were drafted or amended per the Company's operating policies, assessment result considered in terms of important environment or the management review resolution. B.Fulfill the "Corporate Social Responsibility", and establish the Energy and Climate Transformation Management Policy in order to deal with such issues as shortage of international energy and climate transformation and include sustainable operation into the Company's management and operation. C.The Company set internal management rules for indoor air conditioning temperature in office that follow Taipei City Government's Self-Government Regulations Governing Energy Saving and Carbon Reduction of Industrial and Commercial Business.	

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			D. Review the result about consumption of such energy as water and electricity, on a year basis, in order to realize water conservation, energy conservation, and carbon and greenhouse gas reduction. E. Draft the environmental objective and action plans, set the manners in which various departments should set the objectives, and establish the plan to achieve the environmental objectives. F. Smoking is completely prohibited inside our offices. Smokers must use designated outdoor places. In order to meet regulations we regularly carry out disinfection, rodent and insect control. G. The headquarters building's management committee functions as a dedicated environmental management unit to maintain the environment. (A) Global warming results in increasing frequencies of an outbreak of extreme weather events and thereby creates a threat to the infrastructure of the financial market. The Company not only pays close attention to the effect caused by changes of climate to operating activities, but also applies multiple tangible safety prevention measures to protect against risks of such changes of climate, including maintenance of fire insurance and additional insurance against the Company's own assets and electronic insurance against information equipment, installation of watertight gates, and periodic maintenance of fire protection, monitoring and back-up supporting equipment, in order to control contingent climate risk and reduce the loss of the Company's operation and equipment. (B) The Company is a financial service business, instead of a manufacturer who is used to discharging massive quantities of greenhouse gas.	

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			The primary sources of the Company's emission of greenhouse gas refer to power, water and fuel of transportation means. The Company has conducted an investigation into the emission of greenhouse gases by said energies, and has had the emission of greenhouse gases emissions have passed the certification of external organizations since 2015. (C) The Company promotes environmental protection and fulfills the energy saving/carbon reduction measures as its strategies to manage greenhouse gas: a. Promote recycling and adopt green procurement; b. Permanently encourage staff to move by stairs instead of elevators if the length of distance is no more than two floors to save power and encourage the partaking of exercise. Elevators are categorized into those exclusive for floors of odd and even numbers separately, so that the energy used by the elevators to stop and open/close the doors may be saved. c. Require that the room temperature at the office premises shall be set as no less than 26°C. d. The areas of sun exposure shall be equipped with window shades to reduce radiant heat. e. Promote that the plugs of OA equipment shall be pulled out, if the equipment will remain inactive permanently, and staff shall turn off the lights immediately before leaving the office. f. Set the PCs in the manner that the screensavers will be activated automatically once the PCs are inactive. g. Reduce water yield of faucets	

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(3)Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues?	✓		comprehensively, and persuade colleagues to confirm that the faucet is turned off tightly after use. h. Promote videoconferencing to save the staff from consuming the energy used in commuting. i. Plan to replace traditional lighting with LED to save power. j. The communication of official letters, internal and external, has been replaced by an online approval system to save consumption of paper and carbon powder. (3)The Company supports the Task Force on Climate-Related Financial Disclosures (TCFD) actively. As promoted by the "Corporate Sustainability Committee", the Company have established Energy and Climate Change Management Policy for Yuanta FHC and Subsidiarie, and reviewed regularly every year, the company and its subsidiaries have identified and assessed the related climate risks and opportunities subject to their business characteristics and research and draft responsive strategies and mitigation measures with respect to various risks opportunities over climate changes. The Company discloses the work progress and results by the four major aspects, including governance, strategy, risk management, and indicator & objective, and also enacts and implements countermeasures in order to have the Company's internal responsive strategies and mitigation measures with respect to various climate risks become more flexible and resilient. Meanwhile, the Company also encourages customers to transform themselves toward the low-carbon industry and utilize their capital to help the global green economic development in order to demonstrate the	

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			Company's determination to boost corporate sustainability. The subsidiaries also follow the Company's policy by including the risks and opportunities over climate changes into the business decision and actively delivering and certifying standard procedures, in line with the international trend development or assessment standards. The Company has identified the industries subject to climate risk, including the steel industry, cement industry, plastic industry and car industry. When developing and engaging in financial products and services, the Company and its subsidiaries shall carefully assess whether the trading counterparts in credit extension and investment transactions or the transactions per se carry potential ESG risk to ensure the controllability of risk. It is disclosed in the section "2019 Important Results and Sustainability Management Performance" in the CSR Report on the website at: https://www.yuanta.com/Files/fa98e702-3a51-49ae-8026-dfd9d6d1fa2f/2019_CSR_en.pdf	
(4)Whether the Company discloses the annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods?	✓		(4)The Group has physically practiced sustainability in terms of climate transformation, energy-saving and carbon reduction, and green environmental protection. From 2016 to 2017, it continued to procure the green power accumulated as 1 million degrees. Meanwhile, in 2018 and 2019, it turned to subscribe for 500 Renewable Energy Certificates, respectively, equivalent to the green power of 500,000 degrees. In 2020, it increased the subscription for renewal energy certificate by 2%, namely 510 pcs. The green power and renewal energy certificate procured by it in the past years s generated the green power of 2.51 million degrees, corresponding to the absorption of CO_2 of 3.4 Daan Forest Parks each year to use its best efforts to care for	

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			the Earth and environmental sustainability. The Group s taken the green building planning into account when constructing its own buildings (including the Yuantai Plaza and Yuanta Bank Head Office Building under construction and Tatung Building). The Group will also adopt the same standard planning when constructing any building in the future. The Group takes carbon risk very seriously. Since 2016, it has become a member of the Carbon Disclosure Project (CDP). In 2018 and 2019, it was rated by the CDP as A- for "Leadership," and as A in 2020, as the highest rating in the CDP and also ranking the best among peer companies domestically. In addition to dealing with the governmental energy saving/carbon reduction policies and promoting multiple related measures, the Company also defines the goal for energy saving in accordance with the "Regulations Governing Energy Subscribers' Identification of Goals for Energy Saving and Implementation Plan", promulgated by Ministry of Economic Affairs, in order to achieve the power saving rate more than 1% each year from 2015 to 2020 and also to achieve the average power saving rate more than 1% for the five years. The actual power consumption and power saving rate of Financial Holding Building was about 6% in 2015 and 2016. The Company also replaced all LED lighting fixtures in 2017. The actual power consumption was saved by 596,600 degrees and electricity bill saved 11.21% in 2017 from 2016. The actual power consumption was saved by 949,500 degrees and electricity bill saved by 20.10% in 2018 from 2017. In order to ensure uninterrupted operations, various epidemic prevention and response measures have been implemented since the beginning of 2020, which increased the actual annual electricity consumption by	

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(5)Has the Company received the certification from ISO14001, ISO50001 or any similar environment or energy management system, and discloses the same on the Company's website or in its CSR report?	✓		approximately 16.3%. The Company establishes the "Environmental Policy" dedicated to fulfilling environmental protection, environmental management and energy saving in 2016. Meanwhile, in order to deal with such issues as shortage of international energy and climate transformation, in 2017, the Company established the "Energy and Climate Transformation Management Policy" to respond to the energy saving and carbon reduction trend actively, and also defined the energy saving objectives and programs to include sustainable operation into the Company's management and operation. A.The Group's statistics about waste classified and recycled as supported by documentary evidence in 2020 are stated as follows: Unit: mt Incineration: 452.32; Recycle: 239.51; Total: 691.83 B.The Group's water consumption totaled 194,442.43degrees in 2020. (5)The Group has built the ISO 14064-1 system since 2015, and also conducted the investigation into greenhouse gases of the Company and the Group's subsidiaries. From 2015 to 2017, following the increasing expansion of the investigation boundary, the data about the Group's greenhouse gas emissions and primary energy consumption tend to be complete increasingly day by day. According to the original target planning, the system was supposed to be implemented by subsidiaries successively. Notwithstanding, in 2018, the total 316 business locations of the subsidiaries have implemented the ISO14064-1 system, with a cover rate of 100%. This is beyond the target set initially. The total emissions of CO_2 were 3,016.77 tons -	

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			CO_2/year in 2015. The total emissions of CO_2 were 4,451.74 tons -CO_2/year in 2016. The total emissions of CO_2 were 25,741 tons -CO_2/year in 2017. The total emissions of CO_2 were 25,767 tons -CO_2/year in 2018. The total emissions of CO_2 were 21,512 tons -CO_2/year in 2019. The total emissions of CO_2 were 23,880 tons -CO_2/year in 2020. Note 1: The range of data in 2015 extended to the fuel consumed by Yuanta FHC Building and shuttle buses and company vehicles, and the greenhouse gas emissions referred to the related emissions of energy primarily. Note 2: The range of data in 2016 extended to all subsidiaries that built the ISO 14064-1 greenhouse investigation system. Note 3: The range of data in 2017 extended to the 324 business locations including Yuanta FHC and all subsidiaries, which built the ISO 14064-1 greenhouse investigation system. Note 4: The range of data in 2018 ~ 2020 extended to the 316 business locations including Yuanta FHC and all subsidiaries, which built the ISO 14064-1 greenhouse investigation system. The Company received the ISO 14001 certification in March 2016, and kept operating the system and passed the BSI certification in January 2017, January 2018 and April 2019 (Date of certification: March 22, 2016, Valid term: July 18, 2022). The own buildings where the subsidiaries, including Yuanta Bank, Yuanta Securities and Yuanta Life, etc. are located have implemented the ISO 50001 energy	

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			management system successively. All of them expanded the introduction parameters and also received the BSI certification based on their annual plan. Yuanta Bank started to install the ISO 50001 system from January 2016, and passed the certification in July 2016. Yuanta Securities and Yuanta Securities Investment Trust invested in the installation of the ISO 50001 system in 2017 too, and passed the certification in April 2017. The buildings including Yuanta FHC building, Yuanta Securities (Taipei Tatung Building, Taipei Chengde Building, and Taipei Baoqing building), Yuanta Bank (Taipei Chengde Building, Tainan Yongkang Building and Tainan Fucheng Building), Yuanta Securities Finance (Taichung Chongde Building), and Yuanta Securities Investment Trust (Taipei Tatung Building) have successively passed the ISO 50001 certification in 2018. It is expected that all of the buildings owned by Yuanta FHC throughout Taiwan may pass the related certification in 2021, in order to keep improving the energy utilization efficiency and mitigate the environmental impact. (Date of certification/Valid term: See the attachment.) The Company discloses said information in the "CSR Report-Environmental Sustainability" section. Website: https://www.yuanta.com/EN/CSR/Environmental-Sustainability	

	Financial Holding	Securities	Bank	Securities Investment Trust
Standard version	ISO 50001:2018	ISO 50001:2018	ISO 50001:2018	ISO 50001:2018
Date of certification	110.04.09	110.04.09	110.04.09	110.03.15
Valid term	113.04.09	113.04.09	113.04.09	113.03.15

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3.Preserving Public Welfare (1)Has the Company established any human rights protection policy in accordance with the relevant laws and international human rights conventions?	✓		(1)A.In order to maintain and protect the human rights, the Company establishes the human rights protection policy in accordance with the human rights protection spirit and basic principles disclosed in the Universal Declaration of Human Rights, United Nations Global Compact and International Labour Convention, in order to regulate the protection of human rights in workplaces, supply of healthy and safe workplaces and propagation of human rights policies, and fulfill the responsibility for respecting and protecting human rights. B.Meanwhile, in order to practice the "Human Right Policy." the Company identifies risks and adopts correspondent management policies with respect to the human right issues, assess the results periodically and adjusts the management measures based on the assessment results, in order to control and mitigate the risk and solidify the Company's human right protection policies.	There was no departure in this respect.
(2)Does the Company disclose the identified interested parties' identity, concerned issues, communication channels and responses on the Company's website?	✓		(2)The Company's website set up the Stakeholder Engagement section. The interested parties identified by the Company are primarily categorized into seven groups, including shareholders and investors/creditors, governmental entities, current employees, potential employees, customers/debtors, communities, suppliers and media. The Corporate Social Responsibility Promotion Center discusses and verifies said	

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			interested party groups, lists the primary counterparts, issues, and ways and channels for reaching agreement, include the issues concerned by stakeholders into the corporate social responsibility routine operations management and annual plan, holds meetings to follow up the progress periodically, and makes amendment and adjustment if necessary. The stakeholder types, focus, channel of communication, responsive measure, and frequency were already compiled and reported at the 17th meeting of the 8th term Board of Directors of Yuanta FHC on June 23, 2020. Website: https://www.yuanta.com/EN/CSR/Stakeholder-Engagement/Contacts	
(3)Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately?	✓		(3)A.The Company's work rules expressly provide that the remuneration to employees includes salary and bonus. In order to encourage colleagues to work harder and practice their work performance, the Company may provide a performance bonus subject to the operation performance and earnings achieved by the Company, and pay other benefits based on personal performance rating and work performance each year. According to the Articles of Incorporation, if the Company has profited at the year's final accounting, the remuneration to employees shall be 0.01%~0.5% of the remainder, if any, after the profitless accumulated loss. B.For the employees' days off, the Labor Standards	

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			Act, Act of Gender Equality in Employment, and Regulations of Leave-Taking of Workers, etc. shall apply. C. The Company provides employee benefit measures, including the bonus for three major festivals, birthday gift money, marriage subsidies, maternity subsidies, hospitalization and medical treatment subsidies, funeral subsidies, emergent relief, scholarship for workers' children, and social activities, etc.. In order to mitigate the employees' burden to help them build a sweet home, the Company offers the preferential house loan interest rate, all-risk group insurance and group annuity policy to the employees in an effort to enable the employees to achieve a perfect balance between their work and life. Further, the Company established an employee shareholders' association in August 2003. When employees set aside a certain amount of money each month for stock purchases, the Company will match the employees' contributions, encouraging employees to be the Company's shareholders. D. In order to take care of the workers' retirement life, the Company has set forth the Pension Management Guidelines pursuant to laws and made monthly contribution equivalent to 2% of the total employees' salary as the pension fund saved in the exclusive account maintained with the Bank of Taiwan. Meanwhile, the Company established the Pension Fund Supervisory Committee responsible for auditing the contribution, deposit and expenditure of the	

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			pension fund and payment of pension in order to protect the workers' interests and rights. Following the Labor Pension Act promulgation on July 1, 2005, the Company has made monthly payments, equivalent to 6% of the insured value maintained by the individual employee into the employee's personal labor pension account。 E. The related employee benefit measures are disclosed on the Company's website: https://www.yuanta.com/EN/CSR/Employees/Benefits.	
(4)Has the Company established any employee complaint mechanism and channel, and takes care of such complaints adequately?	✓		(4)A.The Company calls a labor and employer meeting periodically to establish a communication platform between laborers and employer to upgrade employees' participation and identification in the Company's policies so as to form a positive interactive model and to create a win-win situation. B. The Company has established the employee complaints system. Employees may reflect their comments and suggestions via adequate channels, and may file the complaint with the internal/external appeal entity and responsible person in charge of processing complaints according to the claim and procedure stated in the public notice for employees' complaints. Meanwhile, the Company also installed a sexual harassment complaint hotline and email box dedicated to processing complaints against sexual harassment filed by any employee in the workplace, in order to establish a safe and friendly working	

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(5)Whether the Company provides the existence of a safe and healthy work environment and personal safety protection measures, conducts regular health and safety training for employees, and discloses the same on the Company's website?	✓		environment. (5)A.In order to provide employees and customers with a safe and healthy environment, we continue to promote the workplace environment safety protection, and adopts the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the "Occupational Safety and Health Act" and related sub laws. B. Organize the online training courses and disaster prevention drill for the occupational safety and health training and four major programs for occupational safety and health, with respect to new and current employees, pursuant to laws each year. Organize the occupational safety management training, fireproof management personnel training, first-aid personnel training, and disaster and earthquake prevention drill with respect to the chief occupational safety and health officers, fireproof management personnel, security personnel and first-aid personnel, each year in order to mitigate the risk derived from occupational disasters and provide employees with a safety, healthy and sanitary occupational environment. C. Yuanta FHC and its subsidiaries all provide the specialist's on-site occupational health service, hire	

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			occupational safety and health management personnel, dedicated registered nurse and occupational specialist by contract to provide employees with the medical treatment and healthcare information, as well as the health consulting and health promotion services pursuant to laws, and also screen and identify the employees' occupational health risks which are more likely to derive and plan the occupational disease prevention program based on the indicators including job type, operating environment, age & gender, and health risks each year. D. In order to take care of employees' and customers' health, various units all practice the requirements about "installation of prominent non-smoking label at all entrances." and test the carbon dioxide concentration and lightness at the office premises semi-annually in accordance with the occupational safety and health laws and regulations, and also obtain the "Air Quality Self-Management Certification". Website: https://www.yuanta.com/EN/CSR/Employees/Health-and-Safety E. In 2020, Yuanta Securities and Yuanta Bank officially implemented the ISO 45001 occupational safety and health management system, planned the entire occupational safety and health management development, and promoted a fair environment in the workplace protect employees' work environment and personal safety. Meanwhile, they passed the	

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			certification in 2021. Yuanta FHC, Yuanta Life, Yuanta Securities Investment Trust, and Yuanta Futures formally passed the ISO 45001 Occupational Safety and Health Management System certification in 2021. Yuanta FHC certificate is valid from April 23, 2021 to April 22, 2024. The Group creates a safety and health work cultures that impress people so much, the Company was awarded the "Taipei City Excellent Healthy Workplaces-Distinguished Honor" in the same year.	
(6)Has the Company established a mechanism for periodic communication with employees, and notification to employees of the circumstances that might materially affect the operation in a reasonable manner?	✓		(6)A.The Company calls the labor-management meeting periodically to establish a communication platform between the labor and management, via which the employees may provide their feedback and suggestions, to upgrade the employees' participation and identification in the Company's policies, and forms a positive interactive model by means of the various internal meetings to communicate the Company's policies and business orientations, so as to have the management and labors work with each other amicably. B. The Company releases various regulations & systems and benefit measures related to the employees via the intranet to help employees understand and search for information about their own interests and rights at any time. C. Material changes in the Company's operation will also be published via email from time to time, so that employees will have access to timely.	

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			D.The Company has made available on its website the "Important News" and also the "Important Messages" section to provide employees with the access to update information on line. E.The Company contracts the external advisor to perform the survey on Dedication of employees by inviting the employees to give feedback on their opinion regarding the corporate core value, orientation, organizational communication, learning & development, salary & benefits and human resource management, et al., assessing the employees' awareness and thoughts toward the business policies, analyzing and discussing the issues discovered in the process of the survey and drafting the corrective action plans. It continues following up the correction results to respond to the employees' opinion and create the working environment achieving a win-win situation for both the labor and management.	
(7)Has the Company established some effective career development training plan for employees?	✓		(7)The career development training plan for Yuanta FHC' employees consists of the following elements: A.Diversified development system for talents holding management function and professional function The management of Yuanta FHC find out and reserve the management and professional talents needed by the financial industry and the Group's development through talent identification, and train talents through training, assignment of missions, participation in projects, participation in meeting and work rotation. Meanwhile, the Company also encourages its	

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			employees to access various financial areas of the Group and learn the diversified functions voluntarily to help the Company and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time. Yuanta FHC encourages employees to participate in workshops and training sessions to enhance their competence or reserve the competence needed in the future. The Company will cover the full expenses for courses that are attended upon assignment or approval by the Company. Moreover, the Company encourages employees to attend international financial professional course certification and English proficiency certification by offering incentive bonus. B. Share the digital training platform and promote self-learning Yuanta FHC communicates tactic knowledge and transfer practical experience via its self-made courses available on the digital learning platform, "Yuanta e-Learning." The digital learning courses added on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, new knowledge and application of management, and strengths in workplaces, as the important knowledge treasury for the Group's employees to engage in self-learning and develop diversified functions. Based on the thought about learning curation, in line with the hit subjects in the global financial industry	

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	Yes	NO	Summary (Note 2)	
			and the Group's business focus, Yuanta FHC releases "Yuanta e-Learning/Learning Weekly" to train employees to maintain their learning motives and habits, urge employees to engage in self-learning "anytime, anywhere, on-demand." to continue enhancing the employees' professional ability and reserve their competitiveness for their future careers. C. Provide the chance for post transfer vacancies in the Group and encourage trans-disciplinary transfer to practice development Yuanta FHC makes good use of the strength in diversified financial industry of its subsidiaries to arrange the intracompany post transfer vacancies subject to the operating need periodically, and encourages employees to apply for internal vacancies, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and spread efficiency. D. Fulfillment of the Company's internal knowledge management and experience transmission Meanwhile, in order to enable employee training to meet the Group's enterprise culture and practical management needs and to signify senior employees' professional value and contribution, the Group has engaged in promoting the in-house trainer system based on the plentiful experience of in-house staff permanently, so as to fulfill the Company's internal knowledge management and experience transmission. It is also done to help enhance colleagues'	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			professional competency in the area of finance. E. The Group's employee training program 2020 offered a total of 3,330 courses, attendances by a total of 317,223 trainees. The total training hours were 556,991 hours. The total employee training budget was NT$44.50 million. Averagely, each employee accepted the training for 50.9 hours and attended the training for 29 counts, and was allocated the training budget, NT$4,066.	
(8)Has the Company established the related consumer protection policies and complaints procedures toward the R&D, procurement, production, operation and service procedures?	✓		(8)In order to fulfill the Company's responsibility to keep customer information confidential, the Company has set up the "Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures" and statement of privacy, and posted their contents on the Company's website. Each subsidiary settles the dispute over merchandising based on such principles as the "Consumption Dispute Resolution Regulations", "Fair Dealing Policy" and "Fair Dealing Strategies", in order to well-found its protection toward consumers' interest and right. The Company has established the channel for consumer complaints as follows: upon confirmation of a complaint, the Company immediately notifies the relevant units to attend to the matter, and maintain close contact with the complainant, the Company, and/or regulatory authorities, to ensure the effective and timely handling of the issue. Yuanta's subsidiaries also adhere to the regulations of their respective industries in setting their complaint handling procedures, so that each case is appropriately handled and each complainant has their concerns addressed with	

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	Yes	NO	Summary (Note 2)	
(9)Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers protection policy and complaining procedures?	✓		a satisfactory response. For details on the customer complaint channels of Yuanta FHC and its subsidiaries, please see the Yuanta FHC' website: Yuanta Homepage > Corporate Social Responsibility > Stakeholder Engagement > Stakeholder Contacts. Website: https://www.yuanta.com/EN/CSR/Stakeholder-Engagement/Contacts (9)The Company's subsidiaries value the customers' interest and right very much, and sufficiently disclose the information to customers and competent authorities honestly per the competent authorities' requirements whenever any financial instrument hit the market, including the terms and conditions of the instrument, characteristics of the instrument, DM, and various documents to be disclosed per the competent authorities' requirements. Further, the Company establishes the internal control system and related guidelines with respect to the product design and sale, and helps customers understand the products rapidly in the form of service attendants' detailed explanation, financial courses organized by various subsidiaries from time to time, social media layout, and disclosure of the product details and simplified Q&A on the official website, in order to upgrade the customers' knowledge about financial instruments. A.Yuanta Securities: The design, advertisement, sale, contract performance, consultation about service, and customer complaints with respect to protection of customers' privacy and the products or services	

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	Yes	NO	Summary (Note 2)	
			provided by it are all processed per the competent authorities' requirements and related laws & regulations. In order to fulfill the obligation to keep in confidence customers' or investors' personal data, the "Personal Data Management Rules" and "Enforcement Rules for Personal Data Management" are adopted in accordance with the "Personal Data Protection Act" and "Financial Supervisory Commission's Regulations Governing Security Measures for Personal Information Files at Designated Non-Public Agencies." as amended from time to time in response to the changes in social environment and laws & regulations. The external website also discloses the policies and regulations related to information and communications safety and non-disclosure and statement of privacy, in order to enable customers to know about the efforts spent by Yuanta Securities and how to protect their own interests and rights. In terms of marketing and labeling, Yuanta Securities establishes the internal control system with respect to product design and sales, adopts the internal regulations including the "Fair Dealing Policy" and "Fair Dealing Strategies." and practice the "Fair Dealing Principles" in the process of business promotion. Yuanta Securities organizes finance courses, arranges social media layout, and discloses the information about products/services and simplified Q&A on the official website, in order to upgrade the customers' knowledge about financial instruments. Meanwhile, it is used to providing detailed	

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	Yes	NO	Summary (Note 2)	
			information about products and services when selling products and providing services, so that the customers execute contracts and trade with it under the circumstance that they are fully informed. Customers may ask the business units or customer service center for the information related to products or services, in person, via phone, in writing, or via email and fax, or any other channels. Additionally, in order to protect banking consumers' interest and right, Yuanta Securities also adopts the "Consumption Dispute Resolution Regulations" which detail the liability and handling procedures for consumption disputes. The customer grievance system is disclosed in the Stakeholder Engagement section on its external website to ensure that the Company may respond to customers' claims via diversified channels of communication and complaint. B. Yuanta Bank: The products and services provided by it are marketed and labeled in accordance with related laws and regulations. In order to fulfill the obligation to keep in confidence customers' personal data, the "Consumers Protection Guidelines" and "Personal Data Protection Policy" are adopted. Meanwhile, the Statement of Privacy and customers' data non-disclosure measures are disclosed on Yuanta Bank's website. It also strictly implements the Group's customers data non-disclosure measures to protect customers' privacy and upgrade personal data safety.Yuanta Bank forms fair dealing as its core enterprise culture. Its board of	

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	Yes	NO	Summary (Note 2)	
			directors serves as the supreme unit overseeing the promotion of Fair Dealing Principles, and adopts the "Fair Dealing Policy" and "Fair Dealing Strategies" to be followed. Its President serves as the convener of the "Fair Dealing Principles Promotion Taskforce" to direct the promotion of various fair dealing principles of Yuanta Bank. It convenes a meeting on a monthly basis to discuss, resolve and report to the board of directors the motions about care for customers, service optimization programs, analysis on statistics about the bank-wide customers' complaints and the number of days, case study on financial consumer dispute, implementation of ISO 10002 customer complaint management certification, and fair dealing performed by the second and third lines of defense. C.Yuanta Life: In order to well found the customer's personal data protection, Yuanta Life adopts the "Personal Data Protection Policy" and related procedures to direct the workers to collect, process and utilize personal data routinely, disclose the privacy statement and non-disclosure policy on its official website, and also reviews changes in internal and external regulations and makes a correspondent adjustment to ensure that the customer's personal data are stored in the well-protected environment. Meanwhile, in order to maintain and protect customers' interest and right, it also provides diversified channels of complaint, such as in writing, via phone, in person, and leaving messages on the enterprise's website, establishes standard procedures	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			for handling complaints, has the dedicated unit take charge of it, helps customers process any consumption dispute, responds to customers' needs and comments actively, settles complaints adequately, and reviews and makes improvement in a timely manner, to upgrade Yuanta Life's overall service efficiency and quality. It convenes the Fair Dealing Principles Promotion Taskforce meeting on a monthly basis in order to analyze and discuss customers' complaints and report various optimized service policies and care for customers. The relevant discussed motions and resolutions thereof would be reported to its board of directors for compliance with the Fair Dealing Principles. D.Yuanta Futures: Yuanta Futures follows the laws & regulations related to futures firms and "Chinese National Futures Association Regulations Governing Members' Promotional Materials and Advertisements" to protect traders' interests and rights. In order to fulfill its responsibility to keep the customer's information confidential, it implements the customer data confidentiality policy to protect the customer's privacy and improve personal data safety, strictly in accordance with the "Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures," "Yuanta Financial Holding Co., Ltd. and Subsidiaries Statement of Privacy," and its "Personal Data Protection Policy" and "Personal Data Management Rules." It organizes financial training programs from	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			time to time and makes the information about products and services available on its website to enhance customers' knowledge about the products and their own interests and rights. Customers may also access sufficient information via multiple channels. In order to well found the financial consumers' interest and right protection, it has set forth the "Fair Dealing Policy" and "Fair Dealing Strategies," and practiced the same in its business development. Meanwhile, it also follows the "Consumption Dispute Resolution Regulations" and "Enforcement Rules for Handling Procedure for Customers' Complaints" of Yuanta Futures as the principles when settling any dispute over customers' transactions, establishes the sound customer complaint channel to process customers' complaints, controls the case progress and responds to the complainant. E. Yuanta Securities Investment Trust: In order to fulfill the Company's responsibility to keep customer information confidential, according to the "Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures" and "Yuanta Financial Holding Co., Ltd. And Subsidiaries Statement of Privacy." the related contents were already disclosed on the website of Yuanta Securities Investment Trust. Further, according to the "Consumption Dispute Resolution Operational Regulations," "Fair Dealing Policy" and "Fair Dealing Strategies" of Yuanta Securities Investment Trust, its President serves as the convener of the "Fair Dealing	

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	Yes	NO	Summary (Note 2)	
			Principles Promotion Taskforce," who shall convene meetings periodically to discuss and report to the board of directors the motions about customers' complaint, case study and update in laws and regulations, in order to practice the enterprise's fair dealing culture and spirit centrally, and provide more fine-quality finance services and better protect financial consumers' interest and right. Yuanta Securities Investment Trust has established the channel of complaint and adopted the rigid procedure for handing complaints. Upon verification of the consumer's complaint, Yuanta Securities Investment Trust will notify the related unit to settle it immediately, and also control the case progress and respond to the complainant or competent authority about the case progress.	
(10)Whether the Company adopts any specific suppliers' management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	✓		(10)A. The Company asks the suppliers to comply with the Ethical Corporate Management Best Practice Principles and the Company. For tangible product suppliers to enter into a procurement contract with the Company, as of June 2013, the Company will ensure they understand the Company's integrity and ethical principles and corporate social responsibility strategies and approaches in accordance with "Ethical Management and Guidelines for Conduct." The Company will also ask them to submit a written undertaking of integrity and ethical proof showing no record of corruption and bribery in order to comply with the integrity and ethical principles and fulfill the corporate social responsibility.	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			B.In an effort to make some contribution to environmental sustainability, the Company procures green products as the first priority, primarily the three types of environmental protection product which renders less impact to the environment, namely, "the product which acquires the green mark granted by Environmental Protection Administration, Executive Yuan," "the product which meets the requirements about recycling materials, low pollution, recycling and energy-saving" and "the other product with an identical or similar performance which may increase the social interest or reduce the social cost." Since 2011, the green procurement has been awarded a certificate of gratitude by the Environmental Protection Administration, Executive Yuan and Taipei City Government for nine consecutive years. C.When executing any contract with suppliers, the Company will include the "Supplier Sustainable Procurement Terms" in the contract to ensure that the suppliers will comply with labor and eco-friendly laws and regulations, respect labors' basic human rights, avoid endangering labors' basic rights, and devote themselves to sustain the environment, fulfill the enterprise culture upholding eco-friendly environment, care for the earth, cherish resources, protect the environment and save energy, and concern about the society and environment issues, hoping to exercise the Company's influence and urge the suppliers to fulfill the corporate social	

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			responsibility together. To establish a more sound "Sustainable Procurement Procedure." the Company took the initiative to implement the ISO 20400 Sustainable Procurement Guidance since in 2019 to practice the concept about sustainability into the procurement department affect up-stream suppliers' practices and practice the enterprise's commitment to sustainability. In 2020, the Company passed the third party's certification. It promoted the ISO 20400 Sustainable Procurement Guidance to all of the Company's subsidiaries extensively in an effort to promote the suppliers' management and evaluation, exercise the financial industry's influence, work with the suppliers to fulfill the sustainability practices, and fulfill its corporate social responsibility.	
4.Enhancing Information Disclosure Enhancing Information Disclosure Whether the Company discloses relevant and reliable information relating to corporate social responsibility on its website or Market Observation Post System?	✓		The Company's Corporate Social Responsibility Report has been disclosed on the Company's website, and the Market Observation Post System. Website: https://www.yuanta.com/EN/CSR/CSR-Report	There was no departure in this respect.
5.Whether the Company prepares the report disclosing the Company's non -financial information, such as CSR report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third party certification unit?	✓		The Company releases the non-financial information report periodically each year. In June 2020, the Company released the "Yuanta FHC 2019 CSR Report" (hereinafter referred to as the Report), and the relevant public notice was posted in the "CSR" section on Yuanta FHC' website, in Chinese and English languages. It covers the Group's performance in economy, society and environment in 2019 (from January 1, 2019 to December 31, 2019), and management policies and responsive measures against	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary (Note 2)	
			important topics. The Report set the organization bound based on the principles of consolidated statements, covering Yuanta FHC and its eight subsidiaries. The scope of disclosure focused on the operating activities in Taiwan. The Report was prepared primarily based on the "core" requirements under the GRI, Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, and International Integrated Reporting Framework. The financial data were prepared based on International Financial Reporting Standards and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. The ISO 14001、ISO 14046、ISO 14064-1、ISO 20400、ISO 50001；ISO 45001 for the social aspect were certified by BSI. The Report was investigated by BSI, Taiwan Branch based on AA1000 AS:2008 and GRI. Upon investigation, the Report was held satisfying the "core" requirements under GRI and AA1000 Type II guarantee.	

6.If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation:
There was no departure in this respect.

7.Other information material to the understanding of the corporate social responsibility:
Please view the "Corporate Social Responsibility" section on the home page of the Company's website (https://www.yuanta.com/EN/CSR).

8.If the Company's corporate social responsibility reports have met the assurance standards of relevant certification institutions, they should be stated below:
The Company's corporate social responsibility report 2019 passed certification by the third party organization, BSI, in May 2020. BSI has inspected the Inclusivity, Materiality and Responsiveness of the corporate social responsibility report in accordance with AA1000 AS: 2008 and GRI.
The Company's corporate social responsibility report followed the "core" options under GRI and met the AA1000 Type II medium guarantee criteria and also acquired BSI's exclusive written statement.
The Company's corporate social responsibility report in both Chinese and English versions are available. The corporate social responsibility report of Yuanta FHC may be downloaded from the following website:
https://www.yuanta.com/EN/CSR/CSR-Report

Note 1: Implementation status. If "Yes" is ticked, please specify the important policies, strategies and measures as adopted, and the implementation status thereof. If "No" is ticked, please explain the causes and specify the related policies, strategies and measures to be adopted in the future.

Note 2: Where the Company has prepared a Corporate Social Responsibility Report, the summary thereof may not be required. Only if this report specifies to refer to the Corporate Social Responsibility Report will it be needed, or may be replaced by the index page number.

Note 3: Pursuant to the materiality principle, the Company conducted the related risk assessment on major issues, and adopted the related risk management policies or strategies as following, based on the assessed risks:

Major Issue	Scope of Risk Assessment	Risk Management Policies or Strategies
Environment	Environment Governance (Including Climate Risk Management) and Sustainability Issue	According to the warning by the Adaptation Gap Report 2016, until 2030 or 2050, the increase in the global climate adjustment cost might be far beyond the current expectation and, therefore, enterprises need to take responsive actions earlier. The Company continues to promote and practice the related environmental protection policies, and implements the ISO international certification. Meanwhile, the Company has established the TCFD project to keep reviewing and assessing the impact posed by climate risk to the Company's financial position to continue enhancing the Company's management of climate risk.
Society	Digital Finance and Information Security Issue	The cyber security threats and cyber criminal attacks have posed threats to the global finance. According to the FCA's latest report, the cases about hackers' invasion fed back by the finance industry in the United Kingdom have increased by 5 times significantly in 2017. This reflected that the financial industry has become a primary target of hackers, who might cause material financial loss, impairment on the Company's goodwill and penalty by the competent authority. The Company practiced the information management system, implemented ISO 27001 information security management system (ISMS), and passed the certification by BSI, in order to enhance the monitoring and management of information security. By upgrading the employees' awareness toward information security and organizing various prevention and backup exercises to enhance the ability to respond to any contingent information security incidents. Meanwhile, the Company also enhanced the defensive framework, installed the network firewall, implemented the functions including block of malware, invasion detection, anti-spam and malicious email APT to prevent external intrusion, and enhanced the control over sent mails and transmission of data with the email audit system, Internet DLP and mobile node equipment DLP mechanism.
Governance	Compliance and Regulation Issue	Considering that the violations of anti-money laundering requirements, disclosure or unfair use of personal information, and theft of customers' trading information might cause material financial loss, infringement upon customers' privacy, impairment on the Company's goodwill and penalty by the competent authority, the Company adopted the AML/CTF mechanism and managed compliance with other related laws and regulations, including the management mechanism dedicated to identification, measurement and monitoring of ML/TF risk, implementation of the international standard certification of personal information protection including PIMS BS10012, and enhancement of the control over sent emails.
	Economic and Financial Risk	The increase in instability, potential volatility or enterprises' default rate in the financial market resulting from the changes in the global economic environment is likely to cause the increase in the loss of financial asset transactions, loans or default rate for financing, or affect the Company's capital or solvency adversely. Therefore, the Company strengthened the potential risk assessment and analysis, assessed the impact posed by core business lines to the capital adequacy ratio, and assessed and measured various potential or expected losses.

Note 4: The Corporate Social Responsibility Promotion Center is identified as the Company's unit dedicated to promoting the corporate social responsibility, which governs 7 functional teams. The organizational structure is stated as following:

(VII) Ethical Corporate Management Practices, and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
1. Enactment of ethical management policy and program (1)Whether the Company adopts the ethical management policy approved by the Board of Directors, and expressly states the ethical corporate management policy and rules, and its fulfillment by the Board of Directors and senior management in its Articles of Incorporation and public documents, and disclosed it on the Company's website?	✓		(1)A.On October 25 and December 27, 2011, the Board of Directors passed the creation of "Yuanta FHC Ethical Management Principles(''Ethical Management Principles'')" and "Yuanta FHC Procedures for Ethical Management and Guidelines for Conduct" ("Guideline for Conduct"), respectively, based on Financial Supervisory Commission's policies, and the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and "Procedures for Ethical Management and Guidelines for Conduct" published by Taiwan Stock Exchange Corporation. These rules are applicable to all subsidiaries, all foundations to which the Company has directly/indirectly donated more than 50% of operating funds. Continued to cooperate with the revision of the Procedures, the Board of Directors passed the revision of the ''Ethical Management Principles''on September 25, 2019 and the "Guidelines for Conduct" on September 23, 2020. In addition, since 2019, the directors, supervisors and senior management of the group have been urged to sign the "Written	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	NO	Summary	
			Undertaking of Integrity”, the signing rate reached 100%, and since 2020, the “Written Undertaking of Integrity” has been included in the Group’s new directors, supervisors and senior management to sign documents, promising to abide by the company’s integrity management regulations in the course of performing their duties. The business philosophy of integrity, transparency and responsibility helps the company to promote a policy based on "integrity". The relevant content of the “Written Undertaking of Integrity” is exposed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees B. In order to practice ethical management and improve corporate governance, in 2018, the Company has established the “Corporate Sustainability Committee” subordinated to the Board of Directors to govern the “Ethical Corporate Management Promotion Center” and “Corporate Social Responsibility Promotion Center.” The “Ethical Corporate Management Promotion Center” is responsible for promoting and coordinating the ethical corporate management-related affairs and report to the Committee the work plans and execution results thereof periodically. The ethical corporate management-related regulations and undertaking	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
			to practice the ethical corporate management policy are disclosed on the Company's website. The Company will also continue to promote the "ethics-based" policy and establish good corporate governance and risk management mechanisms to create a sustainable business environment based on the management philosophy upholding integrity, transparency and accountability. The relevant ethical corporate management best practice principles are disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Internal-Policies The commitment to fulfill the management policy is disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees	
(2)Whether the Company establishes the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopts the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?	✓		(2)The Company has defined the requirements about prevention of unethical conduct in the "Guidelines for Conduct" and "Codes of Ethical Conduct" and reviewed whether the regulations satisfy internal and external laws and internal operations periodically. As required, the Company has analyzed and assessed the operating activities with a higher risk of unethical conduct in the scope of business periodically, in order to conduct the risk assessment, and also reviewed the adequacy and validity of the prevention program, which shall at	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
(3)Whether the Company expressly states the SOP, guidelinees and reward and disciplinary & complaining systems in the unethical conduct prevention program, implements the same precisely, reviews amendments to said program and discloses it on the Company's website?	✓		least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and provide the assessment results to the audit unit for the unit to include the same results into the annual audit plan. (3)A.The Company's "Ethical Management Principles" and "Guidelines for Conduct" outline a list of unethical conducts and conflicting interests and prohibits any bribery, illegitimate political contributions, and improper donations, sponsorships, gifts, treatments, or benefits. The Company also has reviewed the adequacy and validity of the prevention program periodically. B. Any unethical conduct of the Company's staff, the Company will render discipline pursuant to relevant laws or the Company's regulations after verifying the same, and claim damages through legal action, if necessary, to maintain the Company's goodwill and interest. The disciplined employee who disagrees with the discipline may apply for reconsideration under the complaint system. Upon verification of the case, the relevant unit will be delegated to review the internal control system and SOP and propose the corrective action to prevent the same from occurring again and fulfill the management philosophy of ethical management.	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
			The SOPs related to ethical corporate management is disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees	
2. Implementation of ethical management (1)Has the Company assesse a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	✓		(1)The Company has already drawn up the "Checklist for Singing of Procurement Contracts" and included an ethical management clause into in the contract in accordance with the "Guideline for Conduct", to help the assessment when negotiating concluding contract with external procurement supplier involving the buyout/sellout of ownership of products. The "written undertaking for ethical management" attached to the checklist shall be signed by the external procurement supplier as proof. Furthermore, when concluding the procurement contract, the Company takes into consideration the supplier's compliance with the ethical management clause and Article 20 of the "Guideline for Conduct".	There was no departure in this respect.
(2)Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision by the Board of Directors who shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, reporting the status thereof to the Board of Directors periodically (at least for once per year), and stating the operations and execution	✓		(2)A.In November 2018, the Company established the "Corporate Sustainability Committee" subordinated to the Board of Directors, as the unit dedicated to promoting ethical corporate management practices. The "Ethical Corporate Management Promotion Center" subordinated to the Committee is responsible for promoting and coordinating the related affairs, including	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
of such unit on the Company's website?			enactment and supervision of the enforcement of the ethical management policies and prevention programs, and also reporting to the Committee the work plans and execution results thereof periodically, in order to strengthen the Board of Directors' regulations about ethical management. The Corporate Sustainability Committee reported the Board of Directors the Ethical Corporate Management Promotion Center's execution results of ethical management practices in the second half of 2019, the Company's whistle-blowing system practices in the second half of the year and ethical management practices in 2019, on March 23, 2020. And also reported the Board of Directors on the implementation results of the Integrity Management Promotion Center in the first half of 2020 and the implementation of the whistle-blowing system in the first half of 2020 and published the operation and implementation of the committee on the company's website and annual report. The relevant operating conditions are disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees B. The operations and execution in 2020 are summarized as following: (A) Education & training: The Company organized the "Ethical Management & Compliance Promotion"	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
			training program for the managers and all employees in Q4 of 2020. The courses were attended by a total of 10,561 trainees. There were 10,156 training hours in total. (B) Whistle-blowing system: A total of 1 whistle-blowing cases were accepted in 2020, while none of them involved unethical conduct issues. The related information is disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees	
(3)Has the Company defined any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely?	✓		(3)A.The Company has expressly defined the conflict of interest policy in the "Code of Ethics," "Guidelines for Conduct," "Parliamentary Procedures for Directors' Meetings," "Rules Governing Job Responsibilities of Directors" and any directors shall recuse themselves from voting for any motions involving the interest of the directors or corporations represented by the directors, as submitted to a Board of Directors' meeting, or the directors shall declare any of their transactions or relations which might cause conflict of interest voluntarily, and shall deal with it or recuse themselves adequately. B. Meanwhile, the Company's staff shall not, in their own names or in another person's name, engage in any funding, transaction of substantial assets, offering of guarantees, or other transaction	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
(4)Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct the audits?	✓		that might cause conflict of interest with the Company. The Company's staff shall perform their duties in accordance with said codes and regulations. (4)A.Under the "Ethical Management Principles", the Company has linked the other relevant internal control regulations intensively to help various departments comply with the internal control and SOPs, and to prevent any staff misconduct. For example, the Code of Ethics, Parliamentary Rules for Board of Directors' Meetings, Articles of Association for Audit Committee and Guidelines Governing Donations to the Public. The Auditing Dept. has included the "Results of Ethical Management Practices" and "Unethical Conduct Risk Assessment" into the audit when auditing the Company's business. The audit result showed no major deficiency found. B. The Company's accounting system was established in accordance with IFRSs and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. Unless otherwise provided in laws, the Company's related accounting affairs are all processed in accordance with the Company's accounting system. The quarterly financial statement would be audited (certified) by PricewaterhouseCoopers Certified Public Accountants and also reported to the Audit	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
(5)Has the Company organized internal/external education training program for ethical management periodically?	✓		Committee and Board of Directors periodically. The Company will accept the internal audit, and audit by Financial Examination Bureau and the external auditor, in order to ensure that design and execution of the Company's accounting system still works. (5)A.The Company organizes the "Ethical Management & Compliance Promotion" training program periodically. The courses cover the issues related to ethical management, such as customers, banking consumers' data protection, transactions with stakeholders, insider trading requirements, disclosure of M&A information, financial personnel's integrity, ethics and legal liability, compliance resources and a whistle-blowing system. All employees and managers have to take part in the program and pass the test, to ensure that they have correct knowledge and basic judgment of relevant laws and ethical conduct, and that the corporate ethical management policy may be fulfilled. B. The Group's "Ethical Management & Compliance Promotion" training program 2020 was attended by a total of 10,561 trainees. There were 10,156 training hours in total.	
3. Status of the Company's complaint system (1)Has the Company defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated	✓		(1)The motion for establishment of the "Regulations Governing Implementation of Complaint System" submitted by the Company has been approved by	There was no departure in this respect.

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
personnel to deal with the situation?			the Board of Directors. The Company also established the convenient complaint channels, such as hotline and email box, and also assigned the units with the independent powers to accept and investigate the complaint cases. If the complaint filed by any employee is proven, the Company's related unit will report the same to its supervisor, and the complainant will be rewarded in accordance with the Company's Guidelines Governing Reward and Punishment.	
(2)Whether the Company defines the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of complaints as accepted?	✓		(2)The Company's "Regulations Governing Implementation of Complaint System" has expressly stated the procedures for investigation and coordination in the complaint cases and the following standard operating procedures, and required that the personnel dedicated to processing complaints shall provide the written statement undertaking that they will keep the complaints' identity and contents of the complaint in confidence. The Auditing Dept. has included the "Results of Whistle-Blowing System Operation" into the audit. The audit result has been handled in the manner as prescribed.	
(3)Has the Company adopted any measures to prevent the complainants from being abused after filing complaints?	✓		(3)The protection policies adopted by the Company in accordance with the "Regulations Governing Implementation of Complaint System" include the confidentiality of the complaint's ID, non-disclosure of the information sufficient to identify	

Scope of Assessment	Status (Note 1)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	NO	Summary	
			the complainant, prohibition from firing, dismissing or demoting the complaint or cutting the complainant's salary, damaging the interest vested in the complainant pursuant to laws, contracts or customs, or rendering any decision in disfavor of the complainant on the ground of the complaint.	
4. Enhancing Information Disclosure Has the Company has disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	✓		The Company's "Code of Ethics" and "Guidelines for Conduct," and results of ethical management and practices were timely disclosed in the corporate governance section of the "CSR" on the official website. The effect of implementation thereof was disclosed in the annual reports and the Corporate Sustainability Report. Meanwhile, said two requirements were also disclosed on the MOPS.	There was no departure in this respect.
5. If the Company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: None.				
6. Other information material to the understanding of ethical management operation (e.g. discussion of an amendment to the ethical management best practice principles defined by the Company): (1)The Company's "Guidelines for Conduct" were amended in accordance with Letter Tai-Zheng-Zhi-Li-Zi No. 1090002299 issued by TWSE on February 13, 2020. In the Board of Directors' meeting in September 23, 2020, the amendments were passed and submitted to the 2021 general shareholders' meeting. (2)The Company has enacted the "Checklist for the Signing of Procurement Contracts." When procuring products of which the ownership is bought out/sold out and before signing the contract, the Company will ask the supplier to issue a written undertaking for ethical management. It will search whether the trading counterpart has any unethical management record, such as bribery or illegal political donations, and include the ethical management clauses and relevant matters into the contract.				

Note 1: Regardless of "Yes" or "No", the status shall be stated in the "Summary" section.

(VIII)Corporate Governance Best-Practice Principles and related regulations' search

Please view the "Corporate Social Responsibility" section on the home page of the Company's website (https://www.yuanta.com/EN/CSR)

(IX) Other information enabling better understanding of the Company's corporate governance:

1. For effective control of the Company's internal material information handling and disclosure mechanism, the 25th meeting of the Board of Directors of 4th term on January 21, 2009 approved the "Procedures for the Handling of Major Internal Incidents." The amendments to said Procedures were passed by the 2nd meeting of the Board of Directors of the 5th term on July 27, 2010 and by the 20th meeting of the Board of Directors of the 8th term on September 23, 2020, respectively. Then, the Procedures were uploaded to the Company's intranet. The Company's management and all employees are required to abide by them and refrain from any insider trading activities
2. The Company passed the Taiwan Corporate Governance Association's "CG6012 (2019) Corporate Governance Framework Assessment Certificate with Distinguished Honor" in 2020. This certification is effective from December 25, 2020 to December 24, 2022.
3. Other information enabling better understanding of the Company's corporate governance: Please refer to the "Corporate Social Responsibility" section of the Company website: (https://www.yuanta.com/EN/CSR) or the official website of the Market Observation Post System (http://mops.twse.com.tw/mops/web/index; company code 2885).

(X) Directors' continuing education

Data baseline date: December 31, 2020

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Chairman	Ting Chien Shen (Tony)	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Chairman	Ting Chien Shen (Tony)	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Chairman	Ting Chien Shen (Tony)	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Director	Wei Chen Ma (Michael)	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Director	Wei Chen Ma (Michael)	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Director	Wei Chen Ma (Michael)	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Director	Chao Kuo Chiang	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Director	Chao Kuo Chiang	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Director	Chao Kuo Chiang	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Director	Daniel Y.M. Song	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Director	Daniel Y.M. Song	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Director	Daniel Y.M. Song	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Director	Chung Yuan Chen	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Director	Chung Yuan Chen	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Director	Chung Yuan Chen	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Director	Chung Yuan Chen	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness-FinTech Legal System Reform	3
Independent Director	Ming Ling Hsueh	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Independent Director	Ming Ling Hsueh	2020.04.29	2020.04.29	Taiwan Corporate Governance Association	Global Enterprises' Corporate Sustainability Trend - Strategic Thinking in Response to SDGs and Promoting Circular Economy	3
Independent Director	Ming Ling Hsueh	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Independent Director	Ming Ling Hsueh	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Independent Director	Ming Ling Hsueh	2020.10.21	2020.10.21	Taiwan Corporate Governance Association	Ethical management risk and ISO37001	3
Independent Director	Ming Ling Hsueh	2020.09.09	2020.09.09	Taiwan Corporate Governance Association	Independent Director's Role in Business Administration and Corporate Governance (1)	3
Independent Director	Ming Ling Hsueh	2020.09.09	2020.09.09	Taiwan Corporate Governance Association	Independent Director's Role in Business Administration and Corporate Governance (2)	3
Independent Director	Ming Ling Hsueh	2020.12.02	2020.12.02	Taiwan Corporate Governance Association	16th Term Corporate Governance Summit Forum - Corporate Governance Moving Forward (Corporate Governance Roadmap 3.0, planning and practicing of	6

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
					Sustainability Roadmap, Independent Directors and Fighting for Right of Management, Audit Committee's and Board of Directors' supervision of internal controls and risk management, Audit Committee's and Board of Directors' supervision of M&A and public tender offers	
Independent Director	Ming Ling Hsueh	2020.12.22	2020.12.22	Taiwan Corporate Governance Association	Audit Committee's Sharing of Advanced Practices - Independent Director's Role in Business Administration and Corporate Governance	3
Independent Director	Ming Ling Hsueh	2020.12.31	2020.12.31	Taiwan Corporate Governance Association	Strategies to Make Good Use of Capital Market by Enterprises in the Current Environment	1
Independent Director	Ming Ling Hsueh	2020.10.30	2020.10.30	Taiwan Corporate Governance Association	Legal issues related to the Company' internal material information	3
Independent Director	Yin Hua Yeh	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Independent Director	Yin Hua Yeh	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Independent Director	Yin Hua Yeh	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Independent Director	Yin Hua Yeh	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Independent Director	Kuang Si Shiu	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Independent Director	Kuang Si Shiu	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Independent Director	Kuang Si Shiu	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Independent Director	Kuang Si Shiu	2020.09.21	2020.09.21	Taiwan Stock Exchange	TWSE-Listed Company Corporate Governance 3.0 - Corporate Sustainability	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
				Corporation (TWSE)	Roadmap Summit Forum	
Independent Director	Kuang Si Shiu	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Independent Director	Hsing Yi Chow	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Independent Director	Hsing Yi Chow	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Independent Director	Hsing Yi Chow	2020.10.26	2020.10.26	Taiwan Corporate Governance Association	Directors' Liability and Board of Directors' Operation Practices	3
Independent Director	Hsing Yi Chow	2020.10.26	2020.10.26	Taiwan Corporate Governance Association	The Green Swan: One of Most Important Things for Investment, ESG	3
Independent Director	Hsing Yi Chow	2020.07.22	2020.07.22	Taiwan Academy of Banking and Finance	Global Economic Trend and Enterprises' Competition Strategies in the Post-COVID-19 Epidemic	3
Independent Director	Hsing Yi Chow	2020.03.25	2020.03.25	Taiwan Academy of Banking and Finance	Risk Posed by Global Political and Economic Conditions to Business Administration	3

(XI) Managers' participation in training and education programs related to corporate governance

Data baseline date: December 31, 2020

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
President	Chien Weng	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
President	Chien Weng	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
President	Chien Weng	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Auditor-General	Ming Hsiu Tsai	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Auditor-General	Ming Hsiu Tsai	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Chieh Wu	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Senior Vice President	Chieh Wu	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Chieh Wu	2020.12.01	2020.12.01	EY Transaction Advisory Services Inc.	Quick Review on Core of IFRS17 and Impact Posed by it to Non-Life and Life Insurance Industry	3
Senior Vice President	Lawrence Lee	2020.01.16	2020.01.16	Institute for Information Industry	Corporate Governance Framework Well-founded by Intellectual Property Management - Promotional Campaign for TWSE/TPEX-Listed Company Board's Obligation to Manage Intellectual Property	2.5
Senior Vice President	Lawrence Lee	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Senior Vice President	Lawrence Lee	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Lawrence Lee	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Senior Vice President	Lawrence Lee	2020.09.21	2020.09.21	Taiwan Stock Exchange Corporation (TWSE)	TWSE-Listed Company Corporate Governance 3.0 - Corporate Sustainability Roadmap Summit Forum	3
Senior Vice President	Lawrence Lee	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Senior Vice President	Wen Ching Chiu	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Senior Vice President	Wen Ching Chiu	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Wen Ching Chiu	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Senior Vice President	Wen Ching Chiu	2020.12.01	2020.12.01	EY Transaction Advisory Services Inc.	Quick Review on Core of IFRS17 and Impact Posed by it to Non-Life and Life Insurance Industry	3
Senior Vice President	Hsuan Min Kuo	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Senior Vice President	Hsuan Min Kuo	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Hsuan Min Kuo	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Senior Vice President	Mei Ling Kuo	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Senior Vice President	Mei Ling Kuo	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Senior Vice President	Mei Ling Kuo	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Senior Vice President	Mei Ling Kuo	2020.10.23	2020.10.23	Taipei Exchange (TPEx), Taiwan Stock Exchange Corporation (TWSE)	Corporate Governance and Ethical Corporate Management Promotion Meeting for Directors/Supervisors 2020	3
Senior Vice President	Mei Ling Kuo	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Vice President	Hsu Shu Mai	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Vice President	Hsu Shu Mai	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Vice President	Hsu Shu Mai	2020.12.01	2020.12.01	EY Transaction Advisory Services Inc.	Quick Review on Core of IFRS17 and Impact Posed by it to Non-Life and Life Insurance Industry	3
Vice President	Ming Lang Liu	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Vice President	Ming Lang Liu	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Vice President	Ming Lang Liu	2020.12.01	2020.12.01	EY Transaction Advisory Services Inc.	Quick Review on Core of IFRS17 and Impact Posed by it to Non-Life and Life Insurance Industry	3
Vice President	Cheng Hua Sun	2020.06.02	2020.06.02	Taiwan Securities Association	Talk About Financial Industry's Risk Management Mechanism from Loss in Securities House's Issuance of Warrants	3
Vice President	Cheng Hua Sun	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Vice President	Cheng Hua Sun	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Vice President	Fang Ming Lo	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Assistant Vice President	Yu-Chin Tsao	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Assistant Vice President	Yu-Chin Tsao	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3
Assistant Vice President	Pei Yu Chen	2020.07.07	2020.07.07	Taiwan Securities Association	AML Trend and Policy Development After APG Third Round Mutual Evaluation Procedures for AML/CFT	3
Assistant Vice President	Pei Yu Chen	2020.09.01	2020.09.01	Taiwan Securities Association	Financial Consumer Protection Act and Fair Dealing	3
Assistant Vice President	Pei Yu Chen	2020.09.08	2020.09.08	Taiwan Corporate Governance Association	Fighting for Right of Management and Case Study	3

Title	Name	Course duration		Organizing agency	Course name	Course hours
		From	To			
Assistant Vice President	Pei Yu Chen	2020.09.18	2020.09.18	Taiwan Corporate Governance Association	【CGP- moving forward】Institutional Investors' Role in Enterprises' Upgrading of Corporate Governance	3
Professional Senior Assistant Vice President	Ho Hsing Pan	2020.11.03	2020.11.03	Taiwan Securities Association	Innovation, Virtuality and Openness - FinTech Legal System Reform	3

(XII) Implementation of the internal control system

1. Statement on Internal Control System: Please ref. to page 169.
2. CPA audit report of the internal control system: None.

Statement on Internal Control System of Yuanta FHC

We hereby declare on behalf of Yuanta Financial Holding Co., Ltd. that, in accordance with "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", from January 1, 2020 to December 31, 2020, the Company had an internal control system, performed risk management, and was audited by an impartial and independent internal auditing department, which regularly reported to the Board of Directors and the Audit Committee. After a careful assessment, it was found that except for the matters identified in the attached schedule, all units were able to effectively implement internal control and legal compliance tasks during the year. This Statement shall be included among the chief contents of the Company's annual report and prospectus, and shall be made public. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liabilities.

To:
Financial Supervisory Commission

Stated by:
Chairman: Tony Shen

President: Chien Weng

General Auditor: Ming Hsiu Tsai

Head Office CCO: Wen Ching Chiu

Date: 03/23/2021

Issues-to-be-improved and Improvement of Internal Control System of Yuanta FHC

(Basis date: 12/31/2020)

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
【Yuanta Securities】 As the subsidiary, Yuanta Securities Korea, paid some non-financial investment business the consideration structured with the trading scale or revenue from service charges. It was held violating the Financial Investment Services and Capital Markets Act and was fined by the FSC of Korea KRW1.60 million (about NT$4 million).	(I) It terminated the contract with the non-financial investment business on May 22, 2018. (II)The letter specifies that when a contract is signed with a non-financial investor, a fixed amount shall be paid.	Improvement completed.
【Yuanta Bank】 I. Yenchi Branch's loss of trading vouchers totaling 13 volumes. (I) Failure to execute the operating procedures for keeping vouchers. (II)Defective regulations governing destruction of documents. An order of rectification was issued by the FSC.	I. (I) Add the self-inspection items and conduct the same periodically to ensure that the vouchers are maintained in accordance with the relevant requirements. (II)Add the operating regulations to govern the business unit's delivery of data for storage at a warehouse and strengthen the procedures about data packing, sealing, and check. The data may be delivered to the warehouse upon acknowledgment by the supervisor to prevent a similar situation from occurring again.	Improvement completed.
II. The former wealth management specialist of Nanjing E. Road Branch provided customers with a false investment income statement.	II. Already amended the related internal regulations to strengthen the internal controls, in order to prevent a similar situation from occurring again.	Improvement completed.
【Yuanta Life】 I. Report the equity investment business in error and fail to check the deficiency; fail to complete the report or verification during transactions according to the internal rules, reflecting the deficiencies in the control mechanism design and practices.	I. Already amended the "Directions for Investment Personnel's Trading Management and Report," and also strengthen the internal training and trading verification and control mechanism.	Improvement completed.
II. Failure to retain the price negotiation and agreement information in the related	II. Already amended the "Operating Procedure for Utilization of Investment	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
investment documents when investing the bond ETFs, and defects in the manager's investment analysis and decision to trade funds.	Funds" to add the procedures for analysis and decision making of ETF-related transactions, execution of transactions, decision-making and execution of ETF trading markets and trading counterparts, and gap analysis after trading.	
III. Defective decision-making for investment in individual stock positions held by it; failure to implement the internal rules about market risk management; and failure to set forth the management mechanism in response to the suspension of investment portfolio transactions when processing the investment in foreign stocks. To deal with the circumstances referred to Items 1~3, the FSC has imposed the fine of NT$1.2 million and ordered it to make corrections.	III. Already amended the "Operating Procedure for Utilization of Investment Funds" to add the early warning and control mechanism in response to the loss rate of individual positions and the control mechanism in response to the suspended transaction of foreign stocks. Also amended the "Operating Procedure for Evaluating Financial Instruments" to expressly define the regulations governing the evaluation operations during the suspension of transactions, as the rules to be followed by investment and evaluation operations.	Improvement completed.
IV. Failure to set the system and procedure based on the contents approved internally, with respect to the operations related to customers identified as those with low risk.	IV. They were already re-submitted for approval to explain the cause of difference, received the approval; also already established the control measures, and added the control statements to enhance the controls.	Improvement completed.
V. Failure to retain records related to changes of programs, and to save password in an encrypted manner.	V. Already revised the APPs and database plain code transmission problems, completed the check on encryption of servers, adjusted the checklists, and added check items.	Improvement completed.
VI. Defective skill of speech sample and interpretation in error when providing the telemarketing service.	VI. Already revised the skill of speech sample for telemarketing service, corrected the checklist and strengthened checking tele-marketing recordings.	Improvement completed.
VII. The trading conditions of certain transactions with the stakeholders were held no superior to those provided for the transactions with similar counterparts. The written	VII. Already amended the "Operating Procedure for Utilization of Investment Funds" and "Rules Governing Any Transactions Other than	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
opinion issued by CPAs was presented as proof, while the reasonableness thereof was not assessed.	Loaning with Stakeholders," as the basis to be followed by the transactions with stakeholders; and, also required that "if a CPA is required to issue the written opinion specifying that the transaction price is the cost or expense considered reasonable," it is necessary to assess the reasonableness of such written opinion and record the same.	
VIII. Failure to build the follow-up and management mechanism in response to subsequent risk assessment and management based on the vulnerability scanning results, when processing the online information security operations; defective system logs and records and failure to set forth the SOP for information security; and defective screening and check on sent emails.	VIII. (I) Already amended the "Directions for Information Security Management," fixed the bugs, built the compensatory measures and strengthened training; amended the "System Logs Management Handbook," and adjusted the scope of system logs; added the "Directions for Information & Communications Security Information Management," and executed the operating procedures upon receipt of the information. (II) Amended the "Directions for Email Check and Management System," and added the checking frequency, and expected that email filtering and blocking rules will be adjusted before May 31, 2021.	(I) Improvement completed. (II) Expected to complete the improvement on May 31, 2021.
IX. Failure to research and draft the drill plans against leakage personal data, and to exercise the drill, review and make improvement periodically. To deal with the circumstances referred to Items 4~9, the FSC has imposed the fine of NT$1.2 million and ordered it to correct 3 deficiencies within 1 month.	IX. The scenario about leakage personal data caused by the external invasion and illegal or unfair access into the drills already included the scenario.	Improvement completed.
X. When working with insurance agents to solicit for insurance products via the telemarketing and agency sales channel, in order to make use of the customer list, it recorded the solicitors as the insurance agents, but the Company	X. Already checked the telemarketing model; set forth the "Regulations Governing Three Lines of Defense and Prevention Mechanism in Response to New Projects and Cooperative Models for	Already set forth and made the improvement, and reported to the competent authority.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
executed the related management and training operations. As a result, it was found that there were deficiencies in practicing personnel management and other business controls.	Telemarketing Service Undertaken by Business Dept. Engaged in Diversified Marketing," and proposed the same to the Board of Directors for approval; already amended the internal rules, "Operation Procedure for Launch of New Projects," included the evaluation procedure for new telemarketing cooperative projects, and also the policy requiring that the projects shall be commenced subject to prior approval of the Board of Directors.	
XI. Failure to make full disclosure of any exception case based on the processing order given by any consultation channel and to undertake the solicitation and underwriting precisely when responding to the consultation about exceptional cases found during the telephone interview for new contracts. To deal with the circumstances referred to Items 10~11, the FSC has imposed the fine of NT$1.2 million.	XI. Already amended the design of "Processing Order for Exceptional Cases Found in Telephone Interview" in the consultation system, in order to add new exception case types for the telephone interview that the telephone interviewers may choose; added the enhanced random check mechanism in the form of the "Summarization of Exception Cases Found in Telephone Interview" to be reviewed and approved by supervisor; already revised the telephone interview handbook and add the procedures for the processing of exceptional cases found in the telephone interview; compiled the insurance policies involving the exception case types on a monthly basis, and make available the same to relevant channels to help the channels' control over the cases.	Already set forth and made the improvement, and reported to the competent authority.
XII. Some customer's address was found identical with that specified in the sales representative's own insurance policy, upon the customer's application for changes of the contract. Apparently, no control mechanism was practiced to check the addresses of the sales representative and customer.	XII. Already added the function to match the information about sales representatives' own insurance policies and customers' insurance policies and information about changes of contracts by the customers; and, revised the checking mechanism about the "address/Tel. No./mobile No./email" of the proposer or insured in the "New Insurance	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
	Contract Handbook" and "Operating Procedure for Security and Controls."	
XIII. When soliciting for business via telemarketing, the telemarketing personnel were found to lead the proposers to raise their annual family income with the inadequate skill of speech, reflecting their failure to execute the internal business solicitation systems and procedures precisely.	XIII. Already added the deducted scores for the two indicators, namely "guide the proposer to raise revenue" and "interpret the main economic source/family income in error" in the sale quality control list. Already reviewed and educated the relevant personnel, and disciplined the telemarketing personnel exercising the defective skill of speech.	Improvement completed.
XIV. The inconsistency in sales representatives' data and addresses as recorded and failure to control the format of mobile No. are disadvantageous to the checking and matching operations.	XIV. Already corrected all sales representatives' addresses in the personnel system and communicated to related personnel about the accuracy in creating the address files and enhanced review and approval. Already completed the system settings for the mobile No. section in the sales representatives' personnel data.	Improvement completed.
XV. When undertaking the customer's contract for enrollment into an insurance program, it failed to disclose to the customer that any old insurance policy of the customer about the same product could be reinstated. Still, it underwrote the new insurance policy directly' or only consulted with the solicitor without verifying the customer's will, thus harming the customer's interest and right protection. To deal with the circumstances referred to Items 12~15, the FSC has imposed the fine of NT$1.2 million and ordered it to correct 2 deficiencies.	XV. Already amended the system to add in the review decision for underwriting of new contracts the reminder to customers that they still retain another insurance policy for the same product which is under suspension; also expressly defined in the "New Insurance Contract Handbook" that where the insured is found having maintained the insurance for the same product before and the old insurance policy is suspended when it is underwriting a new insurance contract, it will disclose to the insured via telephone interview about his/her related interest and right, and help the following movements desired by the customer.	Improvement completed.
【Yuanta Futures】 I. Its sales representative used persons other than its employees to solicit for the business about account opening. Therefore, it was ordered by FSC to make corrections.	I. Strengthened communication of laws and regulations and required that the advertisements for business solicitation be reported in advance. No person other than	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
	its employees should be used to solicit for business.	
II. The Company failed to announce that the crude oil might turn to be negative in a timely manner. As it was impossible for the trading host to deal with the calculation of negative value, it failed to execute the intraday trading risk controls. Meanwhile, it transferred the customer's domestic margin balance to the foreign margin account without its instruction. Therefore, the FSC imposed a fine of NT$480,000.	II. (I) The dedicated personnel were delegated to collect the trading messages and announce the same in a timely manner. (II)Already amended the system to enable the correct verification of equities based on the negative price and execute the intraday trading risk controls. (III)Strengthened communication of laws and regulations and required that the transfer of margin balance in domestic/foreign accounts must be done per the customer's instruction.	Improvement completed.
III. The Company's personnel engaged in writing off the trader's position on behalf of the trader executed the order at the floor price ROD. As a result, it was ordered by the FSC to make corrections.	III. Strengthened communication of laws and regulations and added the system's control mechanism; required the personnel engaged in writing off the trader's position on behalf of the trader executed the order at the reference price IOC.	Improvement completed.
IV. The Company failed to authorize the trading limit subject to the risk assessed based on the customer's financial position and credit. The customer's statement of account was sent to the sales representative's email. The trading limit was expanded under the situation that the customer didn't provide financial proof. The internal personnel failed to set forth the check logics when engaging in discretionary trading. Therefore, the FSC imposed a fine of NT$480,000.	IV. (I) Set different trading limits subject to the customer's risk attributes and set up controls in the system. (II)If the customer's profile is identical with any internal personnel's, the customer should be asked to change the profile; otherwise, a response measure shall be taken. (III)The customer should apply for and provide financial proof. The trading limit may be expanded only upon review and approval. (IV)Set the parameter logics for discretionary trading by different internal personnel, subject to the product types and characteristics; and set forth the relevant internal regulations.	IV. (I) Expected to complete the improvement in Q3, 2021. (II) Improvement completed. (III) Improvement completed. (IV) Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
V. The Company's internal personnel failed to separate his/her and his/her spouse's account from another client's account. Meanwhile, when the futures introducing broker's internal personnel resigned or discharged responsibilities, the account was not canceled or changed into the general one. Further, the cause why the non-internal personnel placed the order via the intranet was not verified. Given said circumstances, FSC ordered the Company to make corrections.	V. (I) Strengthened communication of laws and regulations; separated the internal personnel's and his/her spouse's account from the general accounts by account number; check the internal personnel's accounts and general accounts periodically. (II)The internal personnel and non-internal personnel should use the network segments to separate these accounts. The non-internal personnel's transactions completed via the intranet shall be checked periodically.	Improvement completed.
【Yuanta Securities Investment Trust】 I. Concurrently engaging in futures trust services (I) It adjusted the operating strategies about the Yuanta S&P GSCI Crude Oil 2x Leveraged ER Futures ETF managed by it (hereinafter referred to as the "Fund") in response to special circumstances. Notwithstanding, no relevant approving or authorization record was presented. No approving procedure was specified in the itemized list of responsibilities either. (II)The approval by a proxy mechanism in the recheck procedure in the four major procedures for the trading of the Fund was against the internal control principles. (III)The release of important messages about the Fund was not announced within the prescribed time limit. No relevant operating regulations were set forth in the internal control system. (IV)The investment analysis report on utilizing the Fund assets to engage in transactions lacked reasonable bases and theories. No review was conducted	I. (I) Already amended the internal control system when concurrently engaging in futures trust services; added and amended the related internal rules; and, enhanced the control and review mechanism, in order to prevent a similar situation from occurring. (II)Already retained the CPA to audit the improved internal control system as a special case and to issue an audit report therefor.	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
against the adjustment of operating strategies about the Fund in response to special circumstances. FSC imposed a fine of NT$600,000 and also ordered the CPA other than the independent auditor certifying the Company's financial statements to audit the improved internal control system as a special case and issue an audit report therefor.		
II. (I) The former Fund manager's related account traded the same stocks on the same day when the Fund engaged in trading stocks, thus causing concerns about disclosure of news to others. (II)With respect to the processing of CDD and risk assessment, multiple customers dealing with the same trading agent or related accounts with the same mailing address, contact number and email were excluded from the factors in the customer risk assessment. (III)With respect to the processing of CDD and risk assessment, the investigation result showed that the profile of the existing customers who have subscribed for the Fund in the most recent 3 years was defective or pending investigation. Failure to conduct the ML risk assessment precisely, which affected accuracy of the assessment on customers' ML risk rating. (IV)With respect to the report and control on interested companies, some directors were found failing to report the enterprises in which their spouses served as directors, thus affecting the control over the interested companies. FSC ordered it to make corrections, imposed a fine of NT$600,000 on the circumstances referred to in Item 2(1) separately, and suspended the former Fund manager from performing duties for one year.	II. (I) Already strengthened the communication equipment management and checking mechanism; amend the communication equipment management system procedures; and expressly defined the misconduct types as the reference for personnel performance appraisal. (II)Already strengthened communication of the requirements about conflict of interest to the investment units. Each investment unit should communicate the knowledge about information and communication equipment management and complete the declaration of statement on a monthly basis, in order to remind managers to avoid breaking the rules. Added the access controls with respect to the investment unit engaged in trading TAIEX in order to strengthen the control over the personnel's entry/exit. (III)Already amended the system to have the related account's risk scores also taken into consideration in the customer risk assessment as one of the risk factors when entering into business relations. (IV)With respect to the customers who meet the circumstances referred to in the left column, already	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
	identified the industries based on the business lines specified by Department of Commerce, Ministry of Economic Affairs and updated the customers' industries; any customer whose industry cannot be identified would be banned from the subscription. (V)Already re-stated the related laws and regulations to the whole directors and supervisors; adjusted the monthly investigation method, and specified the legal bases and penalties to directors and supervisors.	
III. When undertaking the additional offering and placement for a futures trust fund, (I) It failed to define the fund placement principles and applied the calculation basis varying depending on different funds and participating securities houses. (II)Failed to retain the approving record about the placement as decided. (III)Failed to establish the review mechanism with respect to subscribers. FSC imposed a fine of NT$360,000, and also ordered the CPA other than the independent auditor certifying the Company's financial statements to audit the improved internal control system as a special case and issue an audit report therefor.	III. (I) Already amended the internal control system when concurrently engaging in futures trust services; added and amended the related internal rules; and, enhanced the control and review mechanism, in order to prevent a similar situation from occurring. (II)Already retained the CPA to audit the improved internal control system as a special case and to issue an audit report therefor.	Improvement completed.
IV. (I) Failure to establish related control and approving procedures when the special management policy was activated for futures trust fund investment operations; and defective order placement and risk control operations. (II)The additional offering and placement of the futures trust funds at a substantial premium were held defective. The subscription funds for the placement to stakeholders	IV. (I)Already amended the internal control system when concurrently engaging in futures trust services; added and amended the related internal rules; and, enhanced the control and review mechanism, in order to prevent a similar situation from occurring. (II)When communicating laws and regulations, the Company has required all	Improvement completed.

Issues-to-be-improved	Improvement	Scheduled to Complete Improvement on
defined under the Financial Holding Company Act were collected from others in part. (III)The control mechanism about the release of public notices needs to be improved. (IV)Failure to amend the futures trust contract and prospectus within the time limit prescribed by laws.	execution units to check and respond, item by item, whether the internal system, regulations, trust contract/discretionary investment contract, or prospectus/investment policy statement should be amended.	

(XIII)Penalties imposed on the Company and its subsidiaries during the most recent two years and until the date of publication of the annual report for illegalities and major deficiencies, and improvements made.

1. Indictment of the Company's statutory responsible person or an employee by prosecutors for crimes committed on the job:

   The sales representative of Yuanta Securities, Taoxing Branch named Tang O-Hua, who was clearly aware that his/her customer was deceased, still accepted the order placed by the customer's sister named Chiu O-Ching via phone. Taiwan Taoyuan District Prosecutors Office held that Tang O-Hua and Chiu O-Ching both committed the offense of forgery of instruments under the Criminal Code and, therefore, initiated an indictment against both parties on January 31, 2020. The case is pending trial by the Criminal Division of Taiwan Taoyuan District Court.

   Improvement:

   (1) The sales representative, Tang O-Hua, was given a warning by the company.

   (2) Strengthen the communication of laws and regulations to sales representatives, and re-state to sales representatives that they shall be prohibited from "accepting any order for subscription for or trading or settlement of securities from the customer personally or the agent without a power of attorney issued by the customer."

2. Any fine imposed by the FSC for violation of a law or regulation, any deficiency for which an official reprimand was issued by the FSC, any matters in which sanctions were imposed by the FSC pursuant to Item 1 Article 54 of the Regulations Governing Information to be Published in Annual Reports of Financial Holding Company or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, where the result of such penalty could has a material effect on shareholder equity or securities prices or specified in article 2 of the Financial Supervisory Commission Regulations on the Publication of Material Penalties for Violations of Finance Laws , the annual report shall disclose the penalty, the main shortcomings, and condition of improvement:

   When Yuanta Bank promoting the business of structured notes, it failed to

keep the complete voice recording tape of the customer and, therefore, should be held have deficiencies in execution of the internal control system. Its information operational risk management appears to be defective, and it should be held violating Paragraph 1 of Article 45-1 of the Banking Act. Considering that it reported the case voluntarily, it was fined NT$2 million in accordance with the subparagraph 7 of Article 129 of the Banking Act prevailing at the time when the act was committed. (Letter Jin-Guan-Yin-Kong-Zi No. 10801032310 of August 14, 2019)

Improvement: The Bank has established the control mechanism, in order to prevent the similar situation from occurring again.

3. Disclosure of losses exceeding $50 million incurred during the year, whether individually or in total, as a result of conspiracy, material contingencies (including fraud, theft, misappropriation of assets, fictitious transactions, forgery of documents and securities, kick-backs, natural disasters, external forces, hackers' attacks, theft and leakage of confidential information, disclosure of customers' details or other major events), or accidents arising from failure to comply with Safety and Maintenance Guidelines for Financial Institutions: None.
4. Other disclosures required by the Financial Supervisory Commission: None.

(XIV)Shareholder meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report

1. Shareholders' meeting resolutions and their implementation:

Year	Date	Causes:	Resolution	Implementation status and Discussion
2020 General Shareholders' Meeting	June 9, 2020	To recognize the Company's 2019 Business Report and Financial Statements. (Proposed by the Board of Directors)	The motion was ratified upon voting.	The related statements and records have been published pursuant to laws and reported to the competent authority for record.
		To recognize the Company's 2019 earnings distribution plan. (Proposed by the Board of Directors)	The motion was ratified upon voting.	The distribution was completed per the resolution rendered by the general shareholders' meeting. 1. The cash dividend distribution was NT$0.65 per share. The record date for distribution was set on July 5, 2020, and the dividend should be distributed on July 22, 2020. 2. The stock dividend distribution was NT$0.4 per share. The record dates for distribution and the capital increase were both set on August 23, 2020. The application for change of the registration of capital has been filed with the Ministry of Economic Affairs as required. 3. The shares issued upon capital increase were already distributed and traded on September 30, 2020.
		Motion for the Company's issuance of new shares upon capital increase from earnings 2019 is proposed for resolution. (Proposed by the Board of Directors)	The motion was ratified upon voting.	
		Motion for amendments to "Yuanta FHC Articles of Incorporation" is proposed for resolution. (Proposed by the Board of Directors)	The motion was ratified upon voting.	1. The registration of changes has been approved by the Ministry of Economic Affairs on September 16, 2020. 2. Already posted on the Company's website.
		Motion for amendments to "Yuanta FHC Parliamentary Rules for Shareholders' Meetings" is proposed for resolution. (Proposed by the Board of Directors)	The motion was ratified upon voting.	Already posted on the Company's website on June 12, 2020, and followed the procedures after the amendments.

2. 13th meeting of the 8th Board of Directors on February 26, 2020
   (1) Approved organization of the general shareholders' meeting 2020 at 9:00AM on June 9, 2020 (Tuesday).
   (2) Approved enrollment into liability insurance (D&O) for the directors, supervisors and managers of the Company and its subsidiaries.
   (3) Approved the amendments to certain articles of the "Yuanta FHC Parliamentary Rules for Shareholders' Meetings."
   (4) Approved amendments to certain articles of the "Yuanta FHC Parliamentary Rules for Board of Directors Meetings."
3. 14th meeting of the 8th board of directors on March 23, 2020
   (1) Approved the Company's 2019 earnings appropriation.
   (2) Approved the Company's issuance of new shares upon capital increase from earnings 2019.
   (3) Approved the construction project budget of the Head Office Building of Yuanta Bank, a subsidiary of Yuanta FHC
   (4) Approved the amendments to agenda of 2020 general shareholders' meeting.
   (5) Approved the transfer of the Company's chief accounting officer and accounting manager.
4. 16th meeting of the 8th board of directors on May 22, 2020

   Approved amendments to certain articles of the "Yuanta FHC Parliamentary Rules for Board of Directors Meetings."
5. 17th meeting of the 8th board of directors on June 23, 2020

   Approved the motion on the "Communication of Issues Concerned by Stakeholders in 2019 ".
6. 18th meeting of the 8th board of directors on July 29, 2020

   Approved the Company's issuance of new shares upon capital increase from earnings in 2019 and determined the record date for distribution of stock dividends and record date for issuance of new shares upon capital increase, etc.
7. 19th meeting of the 8th board of directors on August 21, 2020

   Motion for the Company's consolidated financial statements Q2 of 2020.
8. 20th meeting of the 8th board of directors on September 23, 2020
   (1) Approved the amendments to certain articles of the "Yuanta FHC Articles of Association for Nomination Committee."
   (2) Approved the amendments to certain articles of the "Yuanta FHC Procedures for Ethical Management and Guidelines for Conduct."
9. 21st meeting of the 8th board of directors on October 28, 2020
   (1) Approved the amendments to certain articles of the "Yuanta FHC Rules Governing Job Responsibilities of Independent Directors."
   (2) Approved the amendments to certain articles of the "Yuanta FHC Regulations Governing Implementation of Whistle-Blowing System."
   (3) Approved the amendments to certain articles of the "Yuanta FHC AML/CTF

Policy."

10. 22nd meeting of the 8th board of directors on November 20, 2020

Approved the amendments to certain articles of the "Yuanta FHC Risk Management Policy."

11. 23rd meeting of the 8th board of directors on December 23, 2020
    (1) Approved the amendments to certain articles of the "Yuanta FHC Articles of Association."
    (2) Approved the amendments to certain articles of the "Yuanta FHC Human Rights Policy."

(XV) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of this annual report: None.

(XVI)Summary of resignation or dismissal of personnel (including the Chairman, president, financial manager, accounting manager and internal audit manager and chief corporate governance officer) who are involved with the Company's financial statements during the most recent year and up to the date of publication of this annual report:

Title	Name	Date of appointment	Date discharged	Reasons for resignation or discharge
Chief Accountant	Wei Ning Chang	2013.10.01	2020.07.01	Position Adjustment
Chief Accountant	Hui-Jung Lu	2020.07.01		Newly elected

V. Independent Auditor Fee Information

(I) Independent auditor fee information and fee table:

Accounting firm name	Name of accountant		Audit period	Remarks
Pricewaterhouse Coopers Certified Public Accountants	Chien Hung Chou	Hsien-I Chen	From January 2020 to December 2020	

Amount range \ Fee items		Audit Fee	Non-Audit Fees	Total
1	Less than NT$2 million		✓	
2	NT$2 million (inclusive) –NT$4 million			
3	NT$4 million (inclusive) –NT$6 million			
4	NT$6 million (inclusive) –NT$8 million	✓		
5	NT$8 million (inclusive) –NT$10 million			
6	Over NT$10 million (inclusive)			

(II) Independent auditing firms, their subordinate offices, and their affiliates to which non-audit fees paid by the company exceed one -fourth of audit fees:

The Company paid a total of NT$1,004 thousand in non -audit fees to independent auditing firms, their subordinate offices, and their affiliates in 2020. This constituted 14.72%, which attained no more than 25%. See the following table for relevant non -audit services and fees:

Unit: NT$1,000

Accounting firm name	Name of accountant	Audit Fee	Non-Audit Fees					Audit period	Remarks
			System Design	Business Registration	Human Resources	Others	Subtotal		
Pricewaterhouse Coopers Certified Public Accountants	Chien Hung Chou Hsien-I Chen	6,820	-	-	-	1,004	1,004	From January 2020 to December 2020	Non-audit fees - other services payments are mainly paid for the Dow Jones Sustainability Index (DJSI World) consulting service, and filling of capital increase from earnings 2019 and registration of changes, etc.

(III) Replacement of independent auditing firm and reduction in audit fees paid during the year of replacement compared with the previous year: None.

(IV) Reduction in audit fees by more than 10% compared with the previous year: None.

VI. Information about replacement of CPAs:

(I) About the former CPA

Date of replacement	Approved by the Board of Directors on January 23, 2019			
Cause and Notes	To be in line with the work shift required by the CPA firm			
To specify whether the client or CPA terminates or rejects the appointment	Counterpart / Status		Kuo, Puo-Ju, CPA	Client
	Terminate the appointment voluntarily		✓	
	No longer accept (continue) the appointment			
Issuance of the audit report other than the audit report containing unqualified opinions in the most recent two years, and cause thereof	None			
Disagree with the Company?	Yes		Accounting principles or practices	
			Disclosure of financial report	
			Scope or steps of audit	
			Others	
	None	✓		
	Notes			
Other disclosures (To be disclosed under the subparagraphs 6.1(4)~(7) of Article 10 of the Standards.)	None			

Date of replacement	Approved by the Board of Directors on January 27, 2021			
Cause and Notes	To be in line with the work shift required by the CPA firm			
To specify whether the client or CPA terminates or rejects the appointment	Counterpart / Status		Hsien-I Chen,CPA	Client
	Terminate the appointment voluntarily		✓	
	No longer accept (continue) the appointment			
Issuance of the audit report other than the audit report containing unqualified opinions in the most recent two years, and cause thereof	None			
Disagree with the Company?	Yes		Accounting principles or practices	
			Disclosure of financial report	
			Scope or steps of audit	
			Others	
	None	✓		
	Notes			
Other disclosures (To be disclosed under the subparagraphs 6.1(4)~(7) of Article 10 of the Standards.)	None			

(II) About the successor CPA

Firm name	Pricewaterhouse Coopers Certified Public Accountants
Name of accountant	Chien Hung Chou, CPA
Date of Appointment	Approved by the Board of Directors on January 23, 2019.
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result.	None
Written opinion from the successor CPA regarding the matters disagreed by the former CPA	None

Firm name	Pricewaterhouse Coopers Certified Public Accountants
Name of accountant	Lo, Chiao-Sen, CPA
Date of Appointment	Approved by the Board of Directors on January 27, 2021.
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result.	None
Written opinion from the successor CPA regarding the matters disagreed by the former CPA	None

(III) The former CPA's response to the items referred to in the subparagraphs 6(1) and (2)3 of Article 10 of the Standards: N/A.

VII. Name of Auditing Firm or Its Affiliates at Which the Company's Chairman, President, or Managers Responsible for Financial or Accounting Matters Was an Employee over the Past Year, His/Her Position and Employment Period: None.

VIII.Equity Changes, Transfers, and Pledges of Directors, Managers and Major Shareholders

(I) Changes in equity of directors, managers and major shareholders

Title	Name	2020		Ending January 31, 2021	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Ting Chien Shen (Tony)	365,222	0	0	0
Director	Wei Chen Ma (Michael)	0	0	0	0
Director (same person or same affiliated person)	Representative of Tsun Chueh Investment: Daniel Y.M. Song	16,528,838	0	0	0
Director (same person or same affiliated person)	Representative of Tsun Chueh Investment: Chung Yuan Chen				
Director (same person or same affiliated person)	Representative of Modern Investment: Chao Kuo Chiang	4,901,733	0	0	0
Independent Director	Ming Ling Hsueh	0	0	0	0
Independent Director	Yin Hua Yeh	0	0	0	0
Independent Director	Kuang Si Shiu	0	0	0	0
Independent Director	Hsing Yi Chow	0	0	0	0
President	Chien Weng	393,787	0	0	0
Auditor-General	Ming Hsiu Tsai	91,977	0	0	0
Senior Vice President	Hsuan Min Kuo	85,651	0	0	0
Senior Vice President	Lawrence Lee	38,106	0	0	0
Senior Vice President	Chieh Wu (on board since November 20 2020)	91,030	0	0	0
Senior Vice President	Allen Wu	182,608	0	0	0
Senior Vice President	Mei Ling Kuo	45,689	0	0	0
Senior Vice President	Wen Ching Chiu	90,498	0	0	0
Senior Vice President	Hsiu Mei Chen (Dismissed on April 1, 2020 and Appointed on December 28, 2020)	0	0	0	0
Vice President	Hsu Shu Mai	104,891	0	0	0
Vice President	Sophia Chang	55,493	0	0	0
Vice President	Robert C.S. Yang	53,480	60,000	0	0
Vice President	Hsin Hui Tseng	79,205	0	0	0

Title	Name	2020		Ending January 31, 2021	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Vice President	Ming Lang Liu	180,567	0	0	0
Vice President	Fang Ming Lo	10,914	0	0	0
Vice President	Hui-Jung Lu (on board since July 1, 2020)	25,790	0	0	0
Vice President	Yung Chu Su (on board since January 1, 2021)	0	0	0	0
Vice President	Wen Yi Chang (on board since December 30, 2020)	14,383	0	0	0
Vice President	Yi Wen Ma	71,069	0	0	0
Senior Assistant Vice President	Po Ching Li	62,463	0	0	0
Senior Assistant Vice President	Chen Chun Lin	3,689	0	0	0
Senior Assistant Vice President	Wen Ching Hsu (on board since August 21, 2020)	39,419	0	0	0
Professional Senior Assistant Vice President	Chin Yang (on board since February 16, 2020)	11,461	0	0	0
Professional Senior Assistant Vice President	Ho Hsing Pan	92	0	0	0
Professional Senior Assistant Vice President	Li Yun Chen	23,656	0	0	0
Professional Senior Assistant Vice President	Sheng Hui Yang	29,981	0	0	0
Professional Senior Assistant Vice President	Li Hua Yang	22,285	0	0	0
Professional Senior Assistant Vice President	Shih Chiang Li	47,210	0	0	0
Assistant Vice President	Pei Yu Chen	29,955	0	0	0
Assistant Vice President	Hsin Tang Huang	0	0	0	0
Assistant Vice President	Chia Hui Lin (on board since July 1, 2020)	0	0	0	0
Assistant Vice President	Po Yi Wu	229	0	0	0
Assistant Vice President	Hui Ying Lin (on board since July 1, 2020)	49	0	0	0
Assistant Vice President	Yu-Chin Tsao (on board since April 1, 2020)	0	0	0	0
Assistant Vice President	Tzu Miao Chen (on board since July 1, 2020)	97	0	0	0
Assistant Vice President	Fu Mei Chen (on board since July 1, 2020)	208	0	0	0
Assistant Vice President	Hsien Chun Li	2,151	0	0	0
Assistant Vice President	Yu Ling Chu (on board since August 1, 2020)	0	0	0	0

Title	Name	2020		Ending January 31, 2021	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Professional Assistant Vice President	Ko Le Wei	9,360	0	0	0
Professional Assistant Vice President	Hsiu Ling Chung (on board since December 16, 2020)	15,452	0	0	0
Professional Assistant Vice President	Ming Ju Li	229	0	0	0
Professional Assistant Vice President	Wei Ching Chien	130	0	0	0
Professional Assistant Vice President	Tsung Yao Chen (on board since March 1, 2020)	1,430	0	0	0
Same person or same affiliated person	Yu Yang Investment	12,536,538	0	0	0
Same person or same affiliated person	Yuan Hung Investment	16,525,252	0	0	0
Same person or same affiliated person	Lian Ta Investment	9,498,392	0	0	0
Same person or same affiliated person	Yuan Hsiang Investment	13,849,127	0	0	0
Same person or same affiliated person	Teng Ta Investment	9,501,459	0	0	0
Same person or same affiliated person	Hsing Tsai Investment	2,783,574	0	0	0
Same person or same affiliated person	Lien Heng Investment	13,639,752	0	0	0
Same person or same affiliated person	Chih Fu International Co., Ltd.	8,141,629	18,600,000	0	0
Same person or same affiliated person	Chiu Ta Investment	5,362,381	0	0	0
Same person or same affiliated person	Yuanta Construction and Development	1,847,883	15,300,000	0	0
Same person or same affiliated person	Hui Tung Investment	91,949	0	0	0
Same person or same affiliated person	Hsu Tong Investment	100,485	0	0	0
Former Senior Vice President	Tsai Yu Chang (resigned on November 20, 2020)	30,426	0	0	0
Former Vice President	Cheng Hua Sun (resigned on January 1, 2021)	80,254	0	0	0

Title	Name	2020		Ending January 31, 2021	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Former Assistant Vice President	Wei Ning Chang (resigned on January 1, 2021)	0	0	0	0
Former Vice General Auditor	Chen Hsiang Wu (resigned on February 1, 2020)	0	0	0	0
Former Senior Assistant Vice President	Heng Kang Wu (on board since August 1, 2020; resigned on August 16, 2020)	0	0	0	0
Former Professional Senior Assistant Vice President	Yung Hsien Chang (resigned on January 1, 2021)	1,009	0	0	0
Former Professional Senior Assistant Vice President	Yi Liang Su (resigned on September 1, 2020)	5,899	0	0	0
Former Assistant Vice President	Yung Fu Lin (resigned on October 16, 2020)	229	0	0	0
Former Assistant Vice President	Chi Wei Lai (on board since August 1, 2020; resigned on October 1, 2020)	1,240	0	0	0
Former Assistant Vice President	Chun Ching Chang (resigned on February 16, 2020)	0	0	0	0
Former Same person or same affiliated person	Ta Ta Investment (resigned on July 1, 2020)	0	0	0	0
Former Same person or same affiliated person	Zhao Yuan Investment Co., Ltd. (resigned on July 1, 2020)	0	0	0	0
Former Same person or same affiliated person	Judy Tu (resigned on July 1, 2020)	0	0	0	0
Former Same person or same affiliated person	Yuanta Foundation (resigned on July 1, 2020)	0	0	0	0
Former Same person or same affiliated person	Trust property account at Cathay United Bank commissioned by Yuanta Foundation (resigned on July 1, 2020)	0	0	0	0

(II) Equity transfer information: None.

(III) Equity pledge information: None.

IX. Information of the Top Ten Shareholders Being Related Parties

Data baseline date: 04/09/2021

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Shareholding using other's name		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and Name relationships		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Representative of Tsun Chueh Investment Co., Ltd.: Chen Kuo Huang	429,749,788	3.54%	—	—	—	—	Yu Yang Investment Co., Ltd.	1. Tsun Chueh Investment Co., Ltd. and Yu Yang Investment Co., Ltd.constitute a parent company and subsidiary respectively. 2. The same person serves as chairman of both companies.	—
Representative of Yuan Hung Investment Co., Ltd.: Chun Jin Du	429,656,571	3.54%	—	—	—	—	—	—	—
Representative of Yuan Hsiang Investment Co., Ltd.: Yung Tsang Lin	360,077,303	2.97%	—	—	—	—	Lian Ta Investment	1. Investor that accounts the company using the equity method. 2. Company director.	—
Representative of Yu Yang Investment Co., Ltd.: Chen Kuo Huang	325,949,995	2.69%	—	—	—	—	Tsun Chueh Investment Co., Ltd.	1. Tsun Chueh Investment Co., Ltd. and Yu Yang Investment Co., Ltd.constitute a parent company and subsidiary respectively. 2. The same person serves as chairman of both companies.	—
Singapore Government's investment account held in custody by Citibank (Taiwan)	292,071,192	2.41%	—	—	—	—	—	—	—
Dedicated trust property account managed by Yuanta Bank	276,432,366	2.28%	—	—	—	—	—	—	—
Representative of Bank of Taiwan: Chu Cheng Lu	271,521,094	2.24%	—	—	—	—	—	—	—
Representative of Teng Ta Investment Co., Ltd.: Hung lien Chen	247,037,955	2.04%	—	—	—	—	—	—	—
Representative of Lian Ta Investment Co., Ltd.: Hsin Chen Pao	246,958,214	2.03%	—	—	—	—	Yuan Hsiang Investment Co., Ltd.	Investor appraised by the equity method.	—
Representative of HO JIA Investment Limited.: Chen Hai Lin	238,868,760	1.97%	—	—	—	—	—	—	—

Note: 1.Data relating to the top ten shareholders are based on those as of the latest book closure date (04/09/2021).
2.The Company has a total of 12,137,435,914 shares outstanding (including common stock and preferred stock) on the data baseline date (04/09/2021).

X. Total Shareholding Ratio in Each Invested Enterprise

Units: 1,000 shares; %
Data baseline date: January 31, 2021

Invested enterprise	Investment made by the company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Yuanta Securities	5,782,032	100	-	-	5,782,032	100
Yuanta Bank	7,394,039	100	-	-	7,394,039	100
Yuanta Life	2,373,570	100	-	-	2,373,570	100
Yuanta Securities Investment Trust	169,538	74.71	-	-	169,538	74.71
Yuanta Futures	192,167	66.27	-	-	192,167	66.27
Yuanta Venture Capital	246,000	100	-	-	246,000	100
Yuanta Asset Management	311,163	100	-	-	311,163	100
Yuanta Securities Investment Consulting	10,000	100	-	-	10,000	100

Four. Financing Status

I. Corporate Capital and Shares

(I) Types of share

Unit: shares
Data baseline date: January 31, 2021

Types of share	Authorized capital stock		
	Outstanding shares	Unissued shares	Total
Common stock	12,137,435,914	5,862,564,086	18,000,000,000

Note: The outstanding common stock totaled 12,137,436 thousand shares on December 31, 2020.

(II) Equity Capital sources

Unit: shares, NT$

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Equity Capital sources	Others
2002.02	$10	5,000,000,000	50,000,000,000	2,091,000,000	20,910,000,000	1,470,000,000 shares of Fuhwa Securities Finance (renamed Yuanta Securities Finance) common stock and 621,000,000 shares of Fuhwa Securities (renamed Yuanta Securities) common stock were converted into shares of Fuhwa Financial Holdings (renamed Yuanta FHC)	Note 1
2002.08	$10	5,000,000,000	50,000,000,000	2,964,477,742	29,644,777,420	873,477,742 new shares were issued for swapping 1,211,513,628 shares of common stock of Asia - Pacific Bank (renamed Yuanta Bank)	Note 2
2002.09	$10	5,000,000,000	50,000,000,000	2,939,829,359	29,398,293,590	Fuhwa Financial Holdings (renamed Yuanta FHC) simultaneously reduced capital by 24,648,383 shares in conjunction with the annulment by Fuhwa Securities (renamed Yuanta Securities) of shares held by dissenting shareholders	Note 3

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Equity Capital sources	Others
2002.12	$10	5,000,000,000	50,000,000,000	2,826,829,359	28,268,293,590	Annulment of a total of 113,000,000 shares of treasury stock from the 3rd, 4th and 5th buybacks by Fuhwa Financial Holdings (renamed Yuanta FHC)	Note 4
2003.08	$10	5,000,000,000	50,000,000,000	2,894,444,460	28,944,444,600	Capital increase of 67,615,101 shares out of additional paid-in capital	Note 5
2004.09	$10	5,000,000,000	50,000,000,000	3,006,444,460	30,064,444,600	Capital increase of 40,000,000 shares out of additional paid-in capital and capital increase of 72,000,000 shares out of earnings	Note 6
2005.09	$10	5,000,000,000	50,000,000,000	3,161,761,593	31,617,615,930	Capital increase of 155,317,133 shares out of earnings	Note 7
2007.04	$10	10,000,000,000	100,000,000,000	8,312,114,476	83,121,144,760	Capital increase through issue of 5,150,352,883 new shares and swap with all shares of Yuanta Core Pacific Securities	Note 8
2008.01	$10	10,000,000,000	100,000,000,000	8,353,043,686	83,530,436,860	Application for conversion of overseas convertible corporate bonds to 40,929,210 shares of common stock	Note 9
2008.12	$10	10,000,000,000	100,000,000,000	8,102,105,686	81,021,056,860	Annulment of 250,938,000 shares of treasury stock from the 11th and 12th buybacks	Note 10
2011.01	$10	10,000,000,000	100,000,000,000	8,102,610,736	81,026,107,360	Application for conversion of 1st domestic unsecured convertible bonds application to 505,050 shares of common stock	Note 11
2011.08	$10	10,000,000,000	100,000,000,000	8,845,471,060	88,454,710,600	Capital increase of 742,860,324 shares out of earnings	Note 12
2011.10	$10	12,500,000,000	125,000,000,000	10,016,310,506	100,163,105,060	Capital increase through issue of 1,170,839,446 new shares and swap with all shares of Polaris Securities	Note 13
2012.03	$10	12,500,000,000	125,000,000,000	10,016,210,506	100,162,105,060	Annulment of 100,000 shares of treasury stock from 15th buyback	Note 14
2013.03	$10	12,500,000,000	125,000,000,000	9,897,335,506	98,973,335,060	Annulment of 118,875,000 shares of treasury stock from 16th buyback	Note 15

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Equity Capital sources	Others
2013.04	$10	12,500,000,000	125,000,000,000	9.893,723,506	98,937,235,060	Annulment of 3,612,000 shares of treasury stock from 14th buyback	Note 16
2014.09	$10	12,500,000,000	125,000,000,000	10,141,066,594	101,410,665,940	Capital increase of 247,343,088 shares out of earnings	Note 17
2015.08	$10	12,500,000,000	125,000,000,000	10,439,151,709	104,391,517,090	Application for conversion of 1st domestic unsecured convertible bonds application to 298,085,115 shares of common stock	Note 18
2015.09	$10	12,500,000,000	125,000,000,000	10,712,960,508	107,129,605,080	Capital increase of 273,808,799 shares out of earnings	Note 19
2016.03	$10	12,500,000,000	125,000,000,000	12,098,647,753	120,986,477,530	Capital increase through issue of 1,385,687,245 new shares and swap with all shares of Ta Chong Bank (including 100,000,000 shares of Preferred stock)	Note 20
2017.11	$10	12,500,000,000	125,000,000,000	11,989,197,456	119,891,974,560	Annulment of 109,450,297 shares of treasury stock upon capital reduction	Note 21
2018.01	$10	12,500,000,000	125,000,000,000	11,889,197,456	118,891,974,560	Annulment of 100,000,000 shares of Class A preferred stock upon capital reduction	Note 22
2018.03	$10	12,500,000,000	125,000,000,000	11,820,232,456	118,202,324,560	Annulment of 68,965,000 shares from 17th buyback of treasury stock upon capital reduction	Note 23
2018.08	$10	12,500,000,000	125,000,000,000	11,686,232,456	116,862,324,560	Annulment of 134,000,000 shares from 18th buyback of treasury stock upon capital reduction	Note 24
2019.10	$10	12,500,000,000	125,000,000,000	11,670,611,456	116,706,114,560	Annulment of 15,621,000 shares of treasury stock upon capital reduction	Note 25
2020.02	$10	18,000,000,000	180,000,000,000	11,670,611,456	116,706,114,560	Increase authorized capital	Note 26
2020.09	$10	18,000,000,000	180,000,000,000	12,137,435,914	121,374,359,140	Capital increase of 466,824,458 shares out of earnings	Note 27

Note 1: (2001) Tai -Tsai -Cheng -(4) -Zi No. 175847, December 31, 2001.
Note 2: (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910135271, July 2, 2002.
Note 3: (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910004872, September 19, 2002.
Note 4: (2002) Tai -Tsai -Cheng -(4) -Zi No. 0910164534, December 6, 2002.
Note 5: (2003) Tai -Tsai -Cheng -(4) -Zi No. 0920129910, July 4, 2003.
Note 6: (2004) Tai -Tsai -Cheng -(4) -Zi No. 0930128919, June 30, 2004.
Note 7: (2005) Jin -Guan -Cheng -(1) -Zi No. 0940130318, August 2, 2005.

Note 8: (2007) Jin -Guan -Yin -(6) -Zi No. 09600022230, March 8, 2007.
Note 9: Jing -Shou -Shang -Zi No. 09601321150, January 3, 2008.
Note 10: Jing -Shou -Shang -Zi No. 09701313360, December 11, 2008.
Note 11: Jing -Shou -Shang -Zi No. 10001094810, May 11, 2011.
Note 12: Jing -Shou -Shang -Zi No. 10001213110, September 15, 2011.
Note 13: Jing -Shou -Shang -Zi No. 10001213120, October 3, 2011.
Note 14: Jing -Shou -Shang -Zi No. 10101064400, April 12, 2012.
Note 15: Jing -Shou -Shang -Zi No. 10201064760, April 18, 2013.
Note 16: Jing -Shou -Shang -Zi No. 10201087760, May 14, 2013.
Note 17: Jing -Shou -Shang -Zi No. 10301189720, September 11, 2014.
Note 18: Jing -Shou -Shang -Zi No. 10401171690, August 19, 2015.
Note 19: Jing -Shou -Shang -Zi No. 10401192360, September 14, 2015.
Note 20: Jing -Shou -Shang -Zi No. 10501039430, March 22, 2016.
Note 21: Jing -Shou -Shang -Zi No. 10601154740, November 13, 2017.
Note 22: Jing -Shou -Shang -Zi No. 10701001940, January 31, 2018.
Note 23: Jing -Shou -Shang -Zi No. 10701032810, March 27, 2018.
Note 24: Jing -Shou -Shang -Zi No. 10701102930, August 13, 2018.
Note 25: Jing -Shou -Shang -Zi No. 10801146050, October 25, 2019.
Note 26: Jing -Shou -Shang -Zi No. 10901018360, Feburary 20, 2020.
Note 27: Jing -Shou -Shang -Zi No. 10901171110, September 21, 2020.

(III) Shareholder structure

Face value $10 per share

Data baseline date: 04/09/2021

Shareholder structure / Quantity	Government agencies	Financial institutions	Other institutions	Individuals	Foreign Institute and others	Total
Persons	12	25	979	336,322	1,466	338,804
Shares held	344,625,638	783,427,886	4,523,860,356	2,459,532,075	4,025,989,959	12,137,435,914
Shareholding ratio (%)	2.84%	6.46%	37.27%	20.26%	33.17%	100%

Note 1: The data were based on the latest book closure date (04/09/2021).
Note 2: The Company has a total of 12,137,435,914 shares of outstanding on the data baseline date (04/09/2021).

(IV) Distribution of equity

Face value $10 per share

Data baseline date: 04/09/2021

Shareholding category	Number of shareholders	Shares held	Shareholding ratio (%)
1 to 999	131,188	27,455,531	0.23%
1,000 to 5,000	131,851	285,414,611	2.35%
5,001 to 10,000	32,732	229,461,014	1.89%
10,001 to 15,000	15,640	186,198,072	1.53%
15,001 to 20,000	6,632	116,205,019	0.96%
20,001 to 30,000	7,397	179,028,355	1.48%
30,001 to 50,000	5,427	208,164,485	1.71%
50,001 to 100,000	3,908	267,705,756	2.21%
100,001 to 200,000	1,907	257,126,052	2.12%
200,001 to 400,000	902	249,145,595	2.05%
400,001 to 600,000	287	140,272,430	1.16%
600,001 to 800,000	159	109,683,833	0.90%
800,001 to 1,000,000	108	97,553,033	0.80%
Over 1,000,001	666	9,784,022,128	80.61%
Total	338,804	12,137,435,914	100%

Note 1: The data were based on the latest book closure date (04/09/2021).
Note 2: The Company has a total of 12,137,435,914 shares of outstanding on the data baseline date (04/09/2021).

(V) List of major shareholders (top ten shareholders)

Data baseline date: 04/09/2021

Major Shareholders \ Shares	Shares held	Shareholding ratio (%)
Tsun Chueh Investment Co., Ltd.	429,749,788	3.54%
Yuan Hung Investment Co., Ltd.	429,656,571	3.54%
Yuan Hsiang Investment Co., Ltd.	360,077,303	2.97%
Yu Yang Investment Co., Ltd.	325,949,995	2.69%
Singapore Government's investment account held in custody by Citibank (Taiwan)	292,071,192	2.41%
Dedicated trust property account managed by Yuanta Bank	276,432,366	2.28%
Bank of Taiwan	271,521,094	2.24%
Teng Ta Investment Co., Ltd.	247,037,955	2.04%
Lian Ta Investment Co., Ltd.	246,958,214	2.03%
HO JIA Investment Limited	238,868,760	1.97%

Note 1: The data were based on the latest book closure date (04/09/2021).
Note 2: The Company has a total of 12,137,435,914 shares of outstanding on the data baseline date (04/09/2021).

Key shareholders of major institutional shareholders

Data baseline date: 04/09/2021

Institutional shareholder	Major shareholders of institutional shareholders
Tsun Chueh Investment Co., Ltd.	Teng Ta Investment Co., Ltd. 19.69%, Lian Ta Investment Co., Ltd. 19.84%, Chiu Ta Investment Co., Ltd. 18.36%, Lien Heng Investment Co., Ltd. 18.92%, Hsing Tsai Investment Co., Ltd. 10.23%. Victor Ma 8.27%, Judy Tu 4.69%
Yuan Hung Investment Co., Ltd.	Megariches Investments Limited 45.88%, Lien Heng Investment Co., Ltd. 33.74%, Teng Ta Investment Co., Ltd. 15.38%, Judy Tu 5.00%
Yuan Hsiang Investment Co., Ltd.	Lian Ta Investment Co., Ltd. 44.38%, Lien Heng Investment Co., Ltd. 19.00%, Teng Ta Investment Co., Ltd. 18.69%, Chiu Ta Investment Co., Ltd. 9.96%, Judy Tu 5.01%, Hsing Tsai Investment Co., Ltd. 2.96%
Yu Yang Investment Co., Ltd.	Tsun Chueh Investment Co., Ltd. 100%
Singapore Government's investment account held in custody by Citibank (Taiwan)	Not applicable
Dedicated trust property account managed by Yuanta Bank	Not applicable
Bank of Taiwan	Taiwan Financial Holdings 100%
Teng Ta Investment Co., Ltd.	Lien Heng Investment Co., Ltd. 53.58%, Mcgold Ventures Limited 45.87%, Judy Tu 0.55%
Lian Ta Investment Co., Ltd.	GW International Inc. 45.79%, Lien Heng Investment Co., Ltd. 37.14%, Chiu Ta Investment Co., Ltd. 14.02%, Hsing Tsai Investment Co., Ltd. 2.58%, Judy Tu 0.47%
HO JIA Investment Limited	Chen Hai Lin 50%, Shu Chiung Tseng 50%

(VI) Market value, net value, earnings, and dividends per share during the most recent two years

Item \ Year			2019	2020	Ending January 31, 2021
Market price per share (Note 1)	Highest		20.45	20.75	22.10
	Lowest		15.00	14.00	19.90
	Average		17.99	18.03	20.95
Net worth per share (Note 2)	Before distribution		19.90	20.87	(Note 8)
	After distribution		19.25	(Note 7)	(Note 8)
EPS	Weighted average number of shares (1,000 shares)		12,137,436	12,137,436	(Note 8)
	EPS (Note 3)	Before adjustment	1.75	1.99	(Note 8)
		After adjustment	1.61	(Note 7)	(Note 8)
Dividends per share	Cash dividend		0.65	(Note 7)	(Note 8)
	Stock dividends	Out of earnings	0.40	(Note 7)	(Note 8)
		Out of additional paid -in capital	-	(Note 7)	(Note 8)
	Accumulated, unpaid dividends		-	-	-
ROI analysis	P/E ratio (Note 4)		10.28	9.06	(Note 8)
	P/D ratio (Note 5)		27.68	(Note 7)	(Note 8)
	Cash dividend yield (Note 6)		0.04	(Note 7)	(Note 8)

*If shares are distributed in connection with a capital increase out of earnings or capital reserve, please also disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: Please identify the highest and lowest market price per share of common stock for each fiscal year and calculate each fiscal year's average market price.

Note 2: Please apply the number of the outstanding issued shares at year -end as the basis and specify it based on the distribution resolved by the shareholders' meeting next year.

Note 3: If retrospective adjustment is required due to circumstances such as gratuitous allotment, the earnings per share before and after adjustment shall be shown.

Note 4: P/E ratio = Average closing price per share for the year/Earnings per share.

Note 5: P/D ratio = Average closing price per share during the current fiscal year/Cash dividend per share.

Note 6: Cash dividend yield = Cash dividend per share/Average closing price per share for the current year.

Note 7: Distribution of earnings in 2019 had not yet been resolved by the shareholders' meeting up to the date of publication of this annual report.

Note 8: Not applicable to 2020 reporting.

(VII) Dividend policy and implementation

1. Company dividend policy:

   If the Company has a profit at the year's final accounting, it shall first pay profit seeking-enterprise income tax and make up any losses from past years, and then make contributions to the statutory reserve and provide or reverse special reserve in accordance with law. The Board shall draft a distribution proposal for the remaining balance together with undistributed earnings from past years. The distribution of shareholder bonuses shall be implemented upon resolution of the shareholders' meeting. Where said statutory reserve amounts to the Company's total paid-in capital, it is not necessary to provide such reserves again.

   In order to continue expanding scale and increasing profitability, the Company adopted a residual dividend policy in accordance with its long-term financial planning and the relevant laws and regulations. According to the dividend allocation principle, allocable earnings are determined based on the earnings at the end of the fiscal year, if any, in the manner referred to in the preceding Article, and the working capital required by the Company's operations is reserved from the allocable earnings according to the Company's operational planning. The remainder, if any, shall be allocated as cash dividend, provided that the cash dividend shall be no less than 40% of the allocable earnings of that year.

2. Implementation: The Company's allocated earnings 2020 about 60.42% of the earnings after tax for the then year. The Company proposed a cash dividend distribution of NT$1.20 per share of Company stock. The total cash dividend allocated to shareholders was about NT$ 14.565 billion, which the total stock dividend was 0 share. The motion for allocation of earnings is pending resolution by the shareholders' meeting.

(VIII) The effects of stock grants proposed at this shareholders' meeting on business performance and EPS: N/A, as the Company did not publish 2021 financial forecast.

(IX) Employee and directors' remuneration

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in the Company's Articles of Incorporation:

   According to the Company's Articles of Incorporation, if the Company has profit at the year's final accounting (namely, the earnings before tax prior to deduction of remuneration to employees and directors), it shall reserve the amount sufficient to cover accumulated losses, if any. The remuneration to employees is allocated at the range from 0.01% to 0.5%, and the remuneration to directors no more than 0.9%, from the remainder, if any. The distribution of employee remuneration and directors' remuneration shall be handled in accordance with the

relevant payment standards formulate by the board of directors. When the remuneration to employee is distributed in the form of stock or in cash, it shall also be distributed to employees of affiliated companies that meet certain conditions.

The certain conditions referred to in the preceding paragraph shall be decided by the Board of Directors.

2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as the remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The remuneration to employees/directors was estimated based on the Company's net profit before tax in the given year (namely, the earnings before tax prior to distribution of the remuneration to employees and directors) multiplying by the allocation ratio referred to in the Company's Articles of Incorporation. If there is any discrepancy between the amount allocated actually and the estimated amount for the fiscal year, it shall be identified as a change in estimation and stated as the income for next year.

3. The motion for allocation of remuneration passed by the Board of Directors:
   (1) Remuneration to employees and directors allocated in cash or in the form of stock bonus:

   The Company's Board of Directors resolved to allocate the remuneration to employees, NT$3,692,466, and the remuneration to directors, NT$195,264,084, both in cash in 2020.

   (2) Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity financial statement for the current period: not applicable.

4. Actual allocation of remuneration to employees and directors in the previous year:

   The Company's allocation of earnings as the remuneration to employees and directors for 2019 as approved by the Board of Directors and reported to the shareholders' meeting did not differ from the allocation proposed by the Board of Directors. Specifically, NT$3,322,531 was allocated as the remuneration to employees and NT$166,606,521 as the remuneration to directors.

(X) Financial holding company's buyback of company shares: None.

II. Corporate Bonds

(I) Corprate bonds issued and outstanding

Data baseline date: January 31, 2021

Bond type	2015 1st unsecured bonds	2016 1st unsecured bonds	2016 2nd unsecured bonds	2018 1st unsecured bonds	2020 1st unsecured bonds
Date issued	July 24, 2015	May 27, 2016	August 1, 2016	July 20, 2018	January 15, 2021
Face value	NT$1 million	NT$1 million	NT$1 million	NT$1 million	NT$1 million
Place of issuance and exchange (Note)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Issue price	The bond is issued at full face value	The bond is issued at full face value	The bond is issued at full face value	The bond is issued at full face value	The bond is issued at full face value
Total amount	NT$1.3 billion.	NT$15 billion. Of which: Class A bonds: NT$3 billion. Class B bonds: NT$4 billion. Class C bonds: NT$8 billion.	NT$ 3.45 billion. Of which: Class A bonds: NT$1.85 billion. Class B bonds: NT$1.6 billion.	NT$10 billion. Of which: Class A bonds: NT$1.5 billion. Class B bonds: NT$8.5 billion.	NT$5 billion.
Interest rate	Annual coupon rate of 1.67%.	Class A bonds: Annual coupon rate of 0.6%. Class B bonds: Annual coupon rate of 0.8%. Class C bonds: Annual coupon rate of 1.0%.	Class A bonds: Annual coupon rate of 0.63%. Class B bonds: Annual coupon rate of 0.85%.	Class A bonds: Annual coupon rate of 0.86%. Class B bonds: Annual coupon rate of 0.96%.	Annual coupon rate of 0.59%.
Duration	Term: 7 years	Class A bonds: Term: 2 years Class B bonds: Term: 5 years Class C bonds: Term: 7 years	Class A bonds: Term: 3 years Class B bonds: Term: 6 years	Class A bonds: Term: 5 years Class B bonds: Term: 7 years	Term: 10 years
Priority of repayment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Guaranteeing institution	None	None	None	None	None
Trustee	Bank Sino Pac	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank	Cathay United Bank Company Limited	Taipei Fubon Commercial Bank
Underwriting institution	Not applicable	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.	Yuanta Securities is the leading underwriter.

Certifying attorney	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm	Yi Cheng Law Firm
Independent auditing firm	Pricewaterhouse Coopers Certified Public Accountants	Pricewaterhouse Coopers Certified Public Accountants	Pricewaterhouse Coopers Certified Public Accountants	Pricewaterhouse Coopers Certified Public Accountants	Pricewaterhouse Coopers Certified Public Accountants
Repayment method	1.Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT$1 million worth of bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be accrued either when interest or principal are collected after maturity. 2.Principal repayment method: Principal for the corporate bonds shall be repaid once at maturity.	1.Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity. 2.Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity.	1.Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity. 2.Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity.	1.Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity. 2.Principal repayment method: Principal for the Type-A bonds shall be repaid in full at maturity since the date of issuance; principle for the Type-B bonds shall be repaid by 50% in 6th and 7th years respectively since the date of issuance.	1.Method of interest computing and payment: For the corporate bonds, simple interest is calculated based on the coupon rate and paid once a year starting on the date of issuance. Interest for every NT$1 million worth of the corporate bonds is paid in a full New Taiwan Dollar amount and rounded to the nearest NT$1.0. If the date of payment for principal or interest falls on a non-business day at the place of payment, principal, or interest will be paid on the next business day, while no additional interest shall be paid. No additional interest shall be paid either when interest or principal are collected after maturity. 2.Principal repayment method: Principal for the corporate bonds shall be repaid in full at maturity since the date of issuance.

Outstanding principal balance		NT$1.3 billion.	NT$12 billion. Which respectively are: Class B bonds: NT$4 billion. Class C bonds: NT$8 billion.	Class B bonds: NT$1.6 billion.	NT$10 billion.	NT$5 billion.
Terms for redemption or early repayment		None	None	None	None	None
Restrictive terms		None	None	None	None	None
Whether included in qualifying capital		No	No	No	No	No
Name of credit rating organization, rating date, bond rating results		None	None	None	None	None
Other rights	Amount of the bonds already converted into (exchanged into or subscribed for) common shares, overseas depositary receipts, or any other securities until the date of publication of the annual report	None	None	None	None	None
	Issuance and conversion (traded or subscribed) regulations	None	None	None	None	None
Possible dilution of equity and impact on equity of existing shareholders due to issuance and conversion, trading or subscription rules, or issuance terms		None	None	None	None	None
Name of commissioned custodial institution for objects exchanged		None	None	None	None	None

Note: Not required in the case of a non-overseas corporate bond

(II) Convertible bonds: None.

(III) Exchangeable bonds: None.

(IV) Shelf registration for corporate bond issues: None.

(V) Information on corporate bonds with attached warrants: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Overseas Depository Receipts: None.

V. Issuance of Employee Stock Option Certificates: None.

VI. Information about new restricted employee shares: None.

VII. Mergers or Acquisitions

(I) CPA opinions on share exchange ratio for mergers and acquisitions or transfers to other financial institutions for the most recent year: None.

(II) Mergers and acquisitions with other financial institutions over the past five years

1. Yuanta FHC:

(1) Ta Chong Bank

The motion for swap of shares between the Company and Ta Chong Bank was resolved by both parties' special shareholders' meeting on October 13, 2015, and pursuant to Letter Jin-Guan-Yin-Kong-Zi No. 10500017770 dated January 29, 2016, the Company merged with Ta Chong Bank as a subsidiary wholly owned by the Company by swap of shares. The record date for swap was set on March 22, 2016.

2. Subsidiaries of Yuanta FHC:

(1) Yuanta Securities

A. KKTrade Securities (Thailand)

Yuanta Securities' Board of Directors resolved on April 27, 2016 to acquire 99.99% of the equity of KKTrade Securities Company Limited in Thailand via its subsidiary, Yuanta Securities Asia Financial Services. Meanwhile, pursuant to FSC's letter under Jin-Guan-Zheng-Quan-Zi No. 1050020901 dated June 14, 2016 and upon approval of the competent authority in Thailand, SEC, via its letter No. 1118/2559 dated June 23, 2016, the settlement was completed pursuant to the agreement signed on July 8, 2016 and KKTrade's capital increase in cash by BHT1 billion was completed on August 30, 2016. The common stock as acquired therefor totaled 149,999,998 shares, i.e. 99.99% of KKTrade's common stock. The total investment amount was BHT1.691 billion, approximately equivalent to NT$1.554 billion. KKTrade was renamed

into Yuanta Securities (Thailand) Company Limited on September 1, 2016.

B. The First Securities Joint Stock Company

The Board of Directors of Yuanta Securities resolved on November 26, 2015 that the subsidiaries, Yuanta Securities Asia Financial Services and Yuanta Securities (HK), should jointly acquire the equity of First Securities Joint Stock Company in Vietnam in whole. Meanwhile, pursuant to FSC's letter under Jin-Guan-Zheng-Quan-Zi No. 1050000837 dated January 30, 2016 and upon approval of the competent authority in Vietnam, SSC, via its letter No. 7860/UBCK-PTTT dated November 20, 2017, the settlement was completed pursuant to the agreement signed on December 7, 2017. The common stock as acquired therefor totaled 16,581,900 shares. The total investment amount was about US$15 million, equivalent to NT$450 million, and Yuanta Securities held 99.95% of the equity of First Securities Joint Stock Company in Vietnam. First Securities Joint Stock Company in Vietnam was renamed Yuanta Securities Vietnam Joint Stock Company on February 13, 2018 officially. Upon approval of the competent authority in Vietnam, the State Securities Commission (SSC), Yuanta Securities Vietnam Joint Stock Company was officially renamed Yuanta Securities Vietnam Limited Company on June 14, 2019.

C. Global Securities Finance Corporation

The Board of Directors of Yuanta Securities resolved on April 24, 2019 that the subsidiary, Yuanta Securities Finance, should succeed to the equity and related creditor's right in the loan secured by margin trading and short sale, refinancing and marketable securities of Global Securities Finance Corporation. Upon approval via FSC's Letter Jin-Guan-Zheng-Tou-Zi No. 1080360681 dated October 14, 2019, the final installment payment was made and the transaction was completed on November 20, 2019. The transaction price amounted to NT$15 million and, plus the collateral and related rights valuing NT$3.211 billion, totaled NT$3.226 billion.

(2) Yuanta Bank

A. HanShin Savings Bank

With reference to the acquisition of 100% of equity of HanShin Savings Bank by Yuanta Bank from AON BGN Limited Liability Company, both parties signed the equity purchase agreement on February 3, 2016, and received approval from Taiwan's FSC (Jin-Guan-Yin-Kong-Zi No. 10500026760) and the financial supervisory commission of Korea on March 17, 2016 and April 14, 2016 respectively. The settlement was completed on April 25, 2016 at the total price of KRW$143.426 billion, equivalent to approximately NT$4.082 billion. Meanwhile, HanShin Savings Bank was renamed Yuanta Savings Bank Korea Co., Ltd., Yuanta Savings Bank (Korea) in

short, on February 13, 2017.

B. Ta Chong Bank

The merger of the Bank and Ta Chong Bank was resolved by both parties' boards of directors on September 14, 2016 (exercising the duty and power of the shareholders' meeting). The existing entity upon the merger should be Yuanta Bank. Meanwhile, this merger acquired approval from FSC with Letter Jin-Kuan-Yin-Kong No, 10500320920, dated on January 17, 2017. Therefore, Yuanta Bank and Ta Chong Bank were officially consolidated on January 1, 2018 (the record date for the merger).

The share conversion proportion was, on the record date, one share of Ta Chong Bank's common stock for 0.8602 share of Yuanta Bank's common stock, and one share of Ta Chong Bank's series C registered preferred stock for 1.0625 shares of Yuanta Bank's series A registered preferred stock. Yuanta Bank and Ta Chong Bank respectively appointed Mr. William Yu of Ken Will United CPAs Firm and Ms. He-Ying Jian of Chun Yue Accounting Firm to issue the fairness opinion on share exchange ratio for merger and acquisition that the accountants have regard reasonable and fair. Furthermore, in order to deal with the expiration of Ta Chong Bank's series C preferred stock on September 30, 2017, both parties' boards of directors resolved to enter into the second amendment to the merger agreement on August 17, 2017, and canceled the conversion of preferred stock at the time of consolidation.

On the record date of merger, Yuanta Bank has issued 3,128,754,439 new shares at par value of NT$10 per share for conversion, namely each share of common stock of Ta Chong Bank for 0.8602 share of common stock of Yuanta Bank. After the merger, Yuanta Bank's paid-in capital has amounted to NT$73,940,389,820.

(III) Issuance of new shares for mergers and acquisitions with other financial institutions approved by the Board of Directors in 2020 and until January 31, 2021: None.

VIII.Implementation of Capital Utilization Plan

(I) Any negotiable securities offering or private placement that has not yet been completed up to the last quarter before the publication of this annual report: None.

(II) Plan(s) completed within the most recent three (3) years but without significant benefits as yet: None.

Five. Overview of Operations

I. Operations

(I) Yuanta FHC

1. Scope of business

(1) Main business services

Yuanta FHC is a financial holding company. According to Financial Holding Company Act, the business of a financial holding company is limited to investment in, and management of, the enterprises in which it has invested. A financial holding company may invest in the following businesses: financial holding companies, banking, bills finance, credit card, trust, insurance, securities, futures, venture capital, foreign financial organizations approved for investment by the competent authority, and other enterprises determined by the competent authority to be related to financial services.

(2) Revenue breakdown:

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Investment income recognized under the equity method	21,974,067	99.37	25,658,736	99.84
Others	139,800	0.63	41,304	0.16
Total	22,113,867	100.00	25,700,040	100.00

2. Business plans for the year

Supported by excellent asset quality and risk management ability, the Company will continue to solidify its core competitiveness - comprehensively driving its growth, strengthening overseas business performance and improving the efficiency from integration of group resources. The business highlights of the Company for the year are summarized as follows:

(1) Yuanta Securities: For brokerage-related businesses, continue to improve the market share, increase new private investors, activate dormant accounts, enhance the customer service quality for institutional investors, and provide differentiated services utilizing the Group's resources. For wealth management services, continue to provide customers with more complete options for asset allocation, expand the assets under management (AUM) and help customers accumulate wealth; for the proprietary trading related operations, continue to follow global trends in the economy and interest rate, create the most effective investment portfolio and provide stable warrant market-making quality; for the investment banking related businesses, continue to integrate the Group's resources to provide cross-industry and cross-border financial services. The overseas businesses, in addition to the group’s business integration, also develop the local niche markets and take

firm steps to increase their earnings contribution.

(2) Yuanta Bank: Continue to adjust the deposit structure, increase the current deposit base and foreign currency deposits to cut the funding cost; in response to the high-tech industry's development trend in Taiwan, expand the wholesale banking momentum and fulfill the post-loan management services under controllable risks; for wealth management services, develop differentiated wealth management products to deepen the development of the value of assets under management.Yuanta Bank will continue to improve its branches' combat power, increase deposit and remittance service personnel's and wealth management specialists' expertise and service quality in order to raise customers' satisfaction and establish a favorable brand image and reputation.

(3) Yuanta Life: Control the market trend, launch TAIEX-oriented investment-linked niche products, help customers with an accumulation of wealth and inheritance of assets; continue to increase the issuance of insurance policies denominated in USD, in consideration of the strong NTD and relatively cheap USD, in order to mitigate Yuanta Life's foreign exchange risk over investment. Meanwhile, strive to improve the competence and service quality of financial channels and insurance brokers and agents channels to build a perfect digital insurance policy platform, given the financial outlook filled with uncertainties, manage assets and liabilities and investment operations with a cautious and stable approach.

(4) Yuanta Securities Investment Trust: Continue to expand the AUM of TAIEX active and passive funds, control the market trend, strive to develop new market topical products; continue to evaluate the cost-effectiveness of existing products, and abandon weak funds but retain strong ones to strengthen the existing products' competitiveness and improve operating effectiveness of middle and back offices.

(5) Yuanta Futures: Continue to deepen the domestic/foreign futures and options brokerage business to increase its market shares and profit margin, actively develop the B2B business counterparts in the market to maintain its leadership position in the market, and promote the sub-brokerage services for foreign futures as its core business momentum to expand the business scope of leverage transaction merchants. Meanwhile, develop overseas business locations actively in line with the Group's global business expansion strategy to construct a complete overseas trading platform.

3. Industry overview

In 2020 when the global economy was affected adversely by the COVID-19 pandemic, various countries have striven to save their markets by investing mass capital with low interest, thereby causing the global stock markets to boom. Since TAIEX made history by reaching 12,000 points in July, the index has stayed high continuously. The index reached 14732.53 points at the end of the year, increasing by 22.80% throughout the year. The daily turnover of TAIEX attained NT$253.5 billion and even NT$335.9 billion in December of the year. As a result, the securities broker service charges and other peripheral services were subsequently

driven. The profit sought by the securities subsidiaries, such as Yuanta Securities, Yuanta Securities Investment Trust and Yuanta Futures, hit a new record in 2020. Meanwhile, in order to stimulate the economy, various countries' governments started to cut interest rates successively, and the banks' interest spread revenue declined accordingly. In consideration of the fluctuation in the foreign exchange rate and risk over bad debts, the profit sought by the banking business declined. Further, Yuanta Life has gone through the impact posed by disadvantageous factors, such as the policy liability reserve rate being cut twice in 2020, implementation of the new insurance system, low-interest environment and the epidemic. Notwithstanding, with the active investment operation strategies, its profit hit the record again.

Given that the global economy still needs to deal with multiple risk variables, such as COVID-19, vaccine effectiveness and progress, relations between China and the USA and changes in the geopolitics, which would affect the international economic outlook adversely, the markets generally expect that the leading economies will maintain the QE policy and continue to boost the expanding fiscal policies to support the global economic recovery. As Taiwan benefits from adequate epidemic prevention, repatriation of investment capital from Taiwanese businessmen, and booming exportation orders, the markets generally expect Taiwan's economic outlook to be optimistic. Looking forward to 2021, benefiting from the securities market full of idle money, investors are seeking the channel to allocate their capital. The stock market is expected to have the potential to keep growing, thus helping the securities business's growth. The impact posed to the banks' interest spread by interest cutting tends to be stable. The increasing repatriation of investment capital from Taiwanese business people helps increase the banks' loan scale and profitability. Notwithstanding, under the impact posed by the epidemic and geopolitical conditions, it is still necessary to deal with the challenge from credit risk. Profit sought by the banking business is expected to recover slowly. Further, the life insurance business still needs to address certain pressure, even in such a low-interest environment, from the annual decline in recurring yield before hedging. The room for the increase in capital gains is also limited due to the high-base period factor. Besides this, if the New Taiwan dollar remains a strong currency, there might be some risk over exchange loss. Generally speaking, multiple uncertain factors still exist in the financial market in 2021. Therefore, Yuanta FHC will use its best efforts to take advantage of the market growth opportunity when managing its business. Meanwhile, in response to the operating environment is difficult to predict, Yuanta FHC will still uphold its strict risk control policy.

4. Research and development

(1) Project completed in 2020

A. Yuanta Group

(A) Data center network core equipment replacement

(B) Enhanced server security protection

(C) Home and remote office environment access security control

(D) Upgrading of control mobile devices and mail systems to prevent disclosure of personal data

(E) Group information systems security professionals' project training

(F) Yuanta FHC, Yuanta Bank, Yuanta Securities, and Yuanta Life have passed the ISO 27001 information security management system (ISMS) re-assessment, and also the certification by BSI for acknowledging the validity of the certificate. Further, Yuanta Futures and Yuanta Securities Investment Trust implemented the ISO 27001 information security management system (ISMS) and also the certification by BSI in December 2020.

B. Yuanta Securities

(A) TWSE continuous trading system development project

(B) TWSE intraday odd-lot trading system development project

(C) Emerging Stock Market price tick sizes and field extension system adjustment

(D) Customer Asset Management platform - APP version

(E) E-Trading and Transaction related inquirie system host upgrading project.

(F) Low-Latency trading platform for foreign institutional investors

(G) VIP rapid trading system optimization

(H) Negotiation on the Exchange's Securities Lending Platform project

(I) TDCC STP automated project

(J) Customers' strategic trading platform.

(K) New-generation order placement system for brokerage salesperson

(L) OTC product APP-ASO e-trading platform

(M) Proprietary trading product management system database upgrading project

(N) Yuanta Account APP 3.0.

(O) Robot Process Automation (RPA) Project

(P) Paperless reporting data warehouse

(Q) Over-the-counter digital contract account opening

(R) Sales' key-in system Xin Finger host construction

(S) Email audit management system upgrading

(T) Strategic platform system host construction

(U) Backup system storage equipment capacity expansion

(V) Yuanta Securities branch offices Microsoft Windows update server replacement

(W) E-Trading platform Mr. Yuanta system capacity expansion

(X) Mr. Yuanta system new accounting system construction in Xinyi Data Center

(Y) E-trading database monitoring system construction

(Z) Information Security Assessment and Declaration Service Project

(AA)Information security risk external rating services

(BB)Mobile APP basic information security test

C. Yuanta Bank

(A) NTD core system platform upgrading project (1st stage)

(B) Insurance agency system - mobile insurance (including electronic signature) project

(C) New treasury system implement project

(D) OPEN API (2nd stage)

(E) Taiwan Pay QR Code service to implement the HCE credit card project

(F) Car loan incoming system development project

(G) Corporate internet banking HSM upgrading project

(H) HK Branch network optimization project

(I) BASEL4 capital requirement system

(J) Microsoft Windows Server upgrading and database upgrading

(K) IBM POWER6 development/test host upgrading project

(L) Development/test environment storage equipment replacement

(M) Remote control room network expansion construction and branch network equipment replacement project

(N) The computer system information security assessment project (Class I)

(O) E-payment system security management assessment project

(P) Mobile APP basic information security test

D. Yuanta Life

(A) Official website system revision construction

(B) Web accessibility construction

(C) Billing system construction

(D) Foreign exchange financial derivatives investment system construction

(E) Investment-linked product core accounting process improvement

(F) Life insurance core backup host replacement

(G) Proxy update

(H) Life insurance core backup host replacement

(I) Information system, IoT equipment security test and evaluation

(J) Mobile insurance APP basic information security test and the MAS mark acqusition

E. Yuanta Futures

(A) TAIFEX 2020 IT project & continuous disclosure project for futures quotation

(B) New-generation AI trading platform development and construction (1st stage)

(C) E-counter services-mobile online account opening platform construction project

(D) Yuanta Futures (HK) quotation center development and construction project

(E) Fine-quality customer service CRM development and construction project

(F) Sole Proprietary Dept. FPGA project construction

(G) Hong Kong Exchange sub-brokerage B2B project construction

(H) Implementation of access DLP protection and control mechanism

(I) Mobile APP basic information security test

(J) Information security health checkup and risk evaluation

(K) Information security assessment and declaration service project

F. Yuanta Securities Investment Trust

(A) Fund system revision project

(B) Online account opening system revision project

(C) Yuanta ETF-AI investment platform revision project

(D) CRM system construction project

(E) Information security assessment and declaration service project

(F) Mobile APP basic information security test

(2) Future development plans

A. Financial Holding

(A) Security information and event management (SIEM) system

In order to improve the SIEM analysis ability, plan the SIEM construction to integrate the daily logs of the information collection equipment. By setting the altering indicator, tied with the system's data connection analysis ability, integrating the latest external information analysis and generating automated compliance reports, the system is able to shorten the working hours and reduce misjudgment about events and, therefore, detects and rapidly responds to the new types of attacks and threats.

(B) External Website Risk evaluation service

In order to improve the information security risk control and seize the information about the vulnerability in the external services, plan the construction of the website security risk indicator analysis service to collect information in any manner other than invasion, and complete analysis on the information security risk and bugs in a timely manner, hoping to mitigate the business impact caused by any security information event.

B. Yuanta Securities

(A) TDCC encoding conversion project

In response to TDCC's Chinese encoding conversion, develop the related system and launch the system at the same time.

(B) Continue the Robotic process automation (RPA) implementation

Implement the Robotic process automation (RPA) and integrate the program code control and revision launching procedures in order to reduce the working hours for revision and the necessity of manual operation, thus upgrading the reliability and safety of the revision.

(C) Continue AI information security response automated system

Create the machine learning function, integrate the existing information security mechanisms (SEIM, FW, IDS/IPS and AD, et al.), and adopt the manual or automated information security enhancement and control mechanism to help shorten the information security response time and mitigate the information security risk impact.

(D) Mobile APP basic information security test

In order to strengthen the basic security protection capabilities of the APP and meet the information security review standards, the mobile application APPs released by our company are included in the test (Yuanta Know-It-All/ Action Golden Spirit/ Mr. Yuanta/ Wealth Management/ Account APP, iOS+Android).

(E) Mobile APP application confusion protection

The mobile APP application obfuscation protection mechanism prevents interested people from snooping on the internal code of the APP developed by the organization to further obtain improper trade secrets.

(F) Security information and event management (SIEM) System

In order to improve the SIEM analysis ability, plan the SIEM construction to integrate the daily logs of the information collection equipment. By setting the altering indicator, tied with the system's data connection analysis ability, integrating the latest external information analysis and generating automated compliance reports, the system is able to shorten the working hours and reduce

misjudgment about events and, therefore, detects and rapidly responds to the new types of attacks and threats.

(G) Security Vulnerability Management System

Practice vulnerability asset management, precisely tracks historical vulnerability fix status, and keep the complete audit track record, to improve the timeliness in responding to vulnerability and mitigate potential risks.

C. Yuanta Bank

(A) In response to the trade volume increasing year by year, the Bank upgrades and optimizes the NTD core system platform to improve the processing efficiency and increase trade processing capacity, reduce the system data utilization rate, increase the ways to access external networks, enhance the NTD core system's control over the external system's voluntary notification mechanism, upgrade the system's entire operating efficiency, support operating departments' business development, and upgrade customers' service quality.

(B) Develop digital finance and digital tools, plan the Bank's electronic signature, mobile insurance and paperless operations for the insurance agency services, simplify the sales burden of front-line sale representatives, and improve the efficiency of the back-office administrative operations; simplify the procedures for customers' execution of instruments by means of the mobile insurance function, to accelerate the underwriting operations and promote business more successfully.

(C) To improve the Bank's business operation performance, plan the Robotic Process Automation (RPA) project to make employees focus on more valuable business development and improve the Bank's entire competitiveness.

(D) In order to improve the Bank's financial resilience and ensure the Bank's robust risk management, plans to construct the Book-Entry Central Government Securities System and Bills Central Clearing Settlement System to provide services to the other subsidiaries in the Group, help the Group save external costs and costs payable to the clearing bank, and expand the scope of the Bank's services.

(E) In order to increase the e-trading ratio, upgrade the network banking system in Chinese and English versions by supporting diversified mobile devices and browsers, optimizing the user interface and simplifying the trading procedure in order to provide customers with a more successful and safer trading platform.

(F) In response to the competent authority's requirements, plan to construct the capital requirement system to satisfy the relevant

requirements under the new "Regulations Governing the Capital Adequacy and Capital Category of Banks."

(G) In response to the 3rd-stage OPEN API system development and launch of Financial Information Service Co., Ltd., work with a third party platform to solicit more customers and product consumption needs to the bank via OPEN API, to create good customers' experience and diversified financial services.

(H) In response to the EOS problem in Microsoft Windows Server 2012 operating system, we plan to upgrade the Microsoft Windows Server in the passbook entry machine in order to increase the resource utilization rate and cut the server's management and operation costs.

(I) In response to various subsidiaries' Internet behavior management, establish the Bank's independent Internet user project, practice the monitoring management, and separate the Bank's self-management and policies.

(J) In response to the branch's new network infrastructure planning, construct the emerging technology network-based project in order to improve the network performance and strengthen the branch's information security protection.

(K) In order to ensure the branch's network transmission performance and optimize bandwidth traffic management, construct the new-generation bandwidth manager to ensure the service quality and satisfy the large flow service.

(L) Upgrade the host hardware to improve the system's service quality, ensure the system's continuing operation; increase automatic warning notification and historical warning data analysis to strengthen the system's monitoring ability.

(M) Enhanced Endpoint Detection and Response (hereinafter referred to as "EDR")

In order to block malicious virus and attack to vulnerabilities in a timely manner to provides immediate prevention and collection of intelligence, the Bank, constructs the enhanced defensive project at the endpoints, and mitigates risks posed by introduction of malware by employees who access network, prevents internal employees from stealing data or hackers' attack, and improves the endpoint management, performance of detection on threats, and the Bank's information security protection ability, by monitoring software and analyzing users' behaviors.

(N) Vulnerability Fix and Management Platform

In order to ensure the execution of automatic notification to administrators about a new vulnerability found in the vulnerability scanning, implement the Vulnerability Fix and Management

Platform to manage vulnerability and automatic notification to information asset administrators, control the timeliness for vulnerability fix, and mitigate the chances for hackers to take advantage of any vulnerability in the system to pose any information security threats.

(O) Computer System and E-payment Platform Security Assessment

In order to check the integrity and adequacy of the Bank's entire computer information security control policies, Yuanta Bank has a third-party organization to execute the computer system information security assessment project (Class I) and e-payment security assessment to verify the threats and weakness of information security via various information security assessment operations and to upgrade the network and information systems' security defensive capabilities.

(P) ISO22301 Business Continuity Management Implementation

In response to the competent authority's "Financial Information Security Action Plan", enhance the Bank's business continuity management strength, implement ISO22301 business continuity management system to protect the Bank's business from ceasing due to any potential catastrophic event.

D. Yuanta Life

(A) Continue to improve the mobile insurance system to provide various business channels with the mobile operating platforms to deal with the digitalization and business promotion.

(B) Continue to revise and upgrade the proposal system, and provide the multi-platform device and integrate back-office administrative management with development management procedures to facilitate business promotion.

(C) Continue to optimize and update APP-iCare mobile phone interface optimization and update, and provide diversified and new-thinking APPs to raise the after-sales satisfaction from customers.

(D) Continue to participate in the Association's Blockchain, apply the new technology services actively, and expand the service platforms available to customers.

(E) Continue to adjust the service functions of the Group insurance customer relationship web-E-Form to provide diversified services.

(F) Continue to implement and construct the data-network user behavior analysis platform in order to have the business development on the Company's website driven by the data through analysis of the data from the network.

(G) Implement and construct the RPA system: Plan to implement the RPA system in order to apply it to the most boring but complicated activities in the insurance industry, so as to help simplify the

complicated life insurance administrative work, improve the administrative processing efficiency and perform the lead-time work for the enterprise's digital transformation.

(H) Implement IFRS 17 system platform in response to the schedule for implementing the standards; establish the big database and cross-system operation platform in line with the statement disclosure, retention of data, and audit tracks.

(I) Construct a group insurance network service system to provide the group insurance corporate customers with the access to enroll into/terminate the group rapidly, as well as the real-time online inquiry service.

(J) Construct the new investment management system in response to the need for future investment management; implement and use the brand new system to improve trading operation efficiency, mitigate operational risk and strengthen the trading checking mechanism under internal/external rules.

(K) Security information and event management (SIEM) system

In order to improve the security information and event analysis ability, the SIEM construction is planning to integrate the daily logs of the information collection equipment. By setting the altering indicator, tied with the system's data connection analysis ability, integrating the latest external information analysis and generating automated compliance reports, the system is able to shorten the working hours and reduce misjudgment about events and, therefore, detects and rapidly responds to the new types of attacks and threats.

(L) Cross-generation Firewall System

Utilize the L7 defense technology to upgrade the existing defense of the network layer to the defense of network and application layers in response to the new application and information security control.

E. Yuanta Futures

(A) SYSCOM domestic core accounting back-office replacement project

Per the policy upholding fast market with no slow order matching, and in order to improve the successful operations on the booming trading date subject to drastic fluctuation, subject to the close connection between the core system software and database items, Yuanta Futures optimizes and upgrades the core accounting system comprehensively, enhances more APP services, and provide a stable and fine-quality trading environment.

(B) TAIFEX 2021 IT Project

In response to the TAIFEX IT projects, the Company's modifies its internal system, complete the construction and development of various front-office trading systems and back-office accounting systems to satisfy the functions and features needed by the new systems to make investors' trading more efficient and trading information more transparent.

(C) New-generation AI Trading Platform Optimization (2nd Stage)

Continue the planning in response to the futures business development; plan, integrate and converge the existing e-platforms' functions, and continue developing and optimizing the new-generation e-platform functions.

(D) New E-counter Service Platform Construction Project

Yuanta Futures uses the best effort to practice various Fintech E-functions and plan more diversified innovative application services.

(E) Yuanta Futures (HK) HKEX DMA Development and Construction Project

In order to provide the customers/institutional investors and proprietary trading in Hong Kong with faster overseas quotation service, plan to construct Yuanta Futures (HK) HKEX DMA and quotation service environment.

(F) RPA Automated Procedure System Implementation Project

Plan to implement the RPA automated procedure system, hoping to simplify the integration and sort-out of operations repeated by manual, thus cutting the communication cost and improving efficiency significantly at the same time.

(G) Futures and Leverage Mobile Account Opening Optimization Project

Use the best efforts to plan the optimization of mobile account opening procedure, shorten the account opening procedure and strengthen users' experience, integrate OCR and LBS automatic identification technology in order to raise customers' satisfaction.

(H) Industrial Institutional Investor E-Trading System Platform Construction Project

Aiming to provide services to entity economies, and in response to LME's business growth trend in Taiwan, Yuanta Futures exercises its profession and strength in financial derivatives, uses its best effort to research and develop the industrial institutional investor's e-trading system platform, and promote e-derivative trading needed by various industries, in order to create the comprehensive increasing hedging service value for customers.

(I) Mobile Device Data Encryption Security System

Given the popularization and application of mobile devices, there is the risk of over disclosure, theft and publication of sensitive data. Therefore, the data encryption system is implemented to ensure data security.

(J) Security information and event management (SIEM) system

In order to improve the SIEM analysis ability, plan the SIEM construction to integrate the daily logs of the information collection equipment. By setting the altering indicator, tied with the system's data connection analysis ability, integrating the latest external information analysis and generating automated compliance reports, the system is able to shorten the working hours and reduce misjudgment about events and, therefore, detects and rapidly responds to the new types of attacks and threats.

(K) Organize the information security health checkup and risk evaluation

Execute various information security health checks pursuant to the Futures Merchant Information Security Protection Standards and the self-disciplined regulations published by the Chinese National Futures Association, including information security health checkups and compliance checks and discovery of vulnerabilities and information security threats, in order to achieve a sound information security framework within the organization.

F. Yuanta Securities Investment Trust

(A) TDCC encoding conversion project

In response to TDCC encoding conversion from BIG5 to Unicode, adjust the internal system's encoding principles, hoping to make the investor information more correct.

(B) Yuanta ETF and Fund & Wealth Management Revision Project

In order to optimize the customer experience and enhance customer satisfaction, the ETFs website user-friendly design to support mobile/PC MD self-adaption, optimize the UI visualization design, add the PCF modular concept, and add the ETF AI trading strategies.

(C) CRM System Construction Project

In order to improve customer/channel satisfaction and increase the repurchase rate, we plan to carry out the second phase of CRM function development, which is expected to help increase the speed of customer growth and help the company build a long-term relationship with customers, providing a more personalized and irreplaceable customer experience.

(D) EIS Business Decision-Making Analysis System Construction Project

It provides a platform for the management level to integrate information, so that the management level can quickly respond to the changes in the industry and market, and assist in making business decisions and overall strategies. It systematizes complex and repetitive tasks, reduces the burden of manual statistical data compilation, and allows users to focus on more productive tasks, and the statistical logic can be reused to avoid labor waste.

(E) Robotic process automation (RPA) implementation

Reduce repeated and low-efficiency routine work through RPA , and further improve the efficiency of internal workflow execution to enhance the overall competitiveness of our company.

(F) Remote Control Room Network HA Framework Construction Project

In consideration of the need for business continuity management, it is proposed to build a dual IDC to avoid the operational risk of accidents in a single service, and to plan the HA structure for the main systems.

(G) Security information and event management (SIEM) system

In consideration of the need for business continuity management, it is proposed to build a dual IDC to avoid the operational risk of accidents in a single service, and to plan the HA structure for the main systems.

(H) Information Security Enhancement Project

In view of the importance of information security, we intend to introduce information security monitoring tools such as file security and server parameter management.

(3) Expected important R&D expenditures, and R&D progress

Unit: NT$1,000

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Financial Holding Security Information and Event Management (SIEM) System	6,000	September 2020 ~ January 2021		
External Website Risk evaluation service	1,500	January 2021 ~ May 2021		
Yuanta Securities TDCC encoding conversion project	3,040	July 2020 ~ July 2021	1,934	Installation completed Under program certification
Robotic process automation (RPA) for securities	3,000	October 2020 ~ June 2021		Product function testing and procurement under construction
AI information security response automated system for securities	6,000	July 2020 ~ June 2021		1st-stage: Evaluation on three companies' products, and test 2nd-stage: Simultaneous certification and testing of three companies' products
Mobile APP basic information security test for securities	1,000	January 2021 ~ December 2021		The APPs available to users (Yuanta Know-It-All/ Action Golden Spirit/ Mr. Yuanta/ Wealth Management/ Yuanta Account APP, iOS+Android) have passed the information security testing and certification by a third party laboratory recognized by the TAF.
APP obfuscation protection for securities	2,000	January 2021 ~ December 2021		
Yuanta Securities security information and event management (SIEM) system	15,400	April 2020 ~ December 2021	5,940	1. The Project has completed the collection of equipment logs in August 2020 and the warning rules and report customization in December. 2. Continue to optimize the warning rules and accuracy of reports
Yuanta Securities' Security Vulnerability Management System	2,000	January 2021 ~ December 2021		
Yuanta Bank NTD core system upgrading project	23,900	June 2019 ~ April 2021	18,160	1. 1St-stage launched on March 27, 2020. 2. The others to be launched by April 30, 2021.

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Bank mobile insurance project (2nd stage - investment-linked)	12,000	July 2020 ~ June 2021	5,474	1. 1st-stage traditional insurance policy already launched in July 2020. 2. 2nd stage underway.
Yuanta Bank RPA project	6,200	February 2021 ~ December 2021		1. Platform and partial procedure already of the 1st stage already implemented on December 31, 2020, and the whole procedures scheduled to be implemented on March 31, 2021. 2. 2nd stage construction underway.
Yuanta Bank Book-Entry Central Government Securities System Construction Project	13,400	December 2020 ~ December 2021		Underway.
Yuanta Bank Bills Central Clearing-Settlement System Construction Project	7,500	October 2020 ~ December 2021		Underway.
Yuanta Bank Network Banking Revision	2,800	July 2020 ~ December 2021	1,120	2nd-stage already launched in December 2020 3rd stage underway. Expected to be launched in June 2021.
Yuanta Bank Capital Requirement System	60,000	January 2021 ~ December 2021	35,156	1st-stage already launched in August 2020.
Yuanta Bank OPEN API	20,710	May 2021 ~ December 2021		
Yuanta Bank Passbook Entry System Microsoft Windows Server Upgrading Project	2,105	February 2021 ~ June 2021		
Yuanta Bank Internet User Construction Project	9,200	January 2021 ~ April 2021		
Yuanta Bank Emerging Technology Network-based Construction Project	24,750	January 2021 ~ December 2021		Define the procurement specifications and standards; supplier's test report completed.
Yuanta Bank New-Generation Bandwidth Manager Construction Project	4,000	March 2021 ~ June 2021		Define the procurement specifications and standards; supplier's test report completed.
Yuanta Bank IBM Hosts Upgrading Project	25,000	March 2021 ~ December 2021		The equipment arrived in January 2021, estimated to be launched and converted officially in April 2021.

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Bank Enhanced Endpoint Detection and Response	4,300	January 2021 ~ June 2021		
Yuanta Bank Vulnerability Fix and Management Platform	3,000	January 2021 ~ May 2021		
Yuanta Bank Computer System and E-payment Platform Security Assessment	2,500	March 2021 ~ December 2021		
Yuanta Bank ISO22301 Business Continuity Management Implementation	3,000	April 2021 ~ June 2022		
Yuanta Life security information and event management (SIEM) platforms	5,000	January 2021 ~ December 2021		
Yuanta Life Cross-Generation Firewall System	3,800	April 2021 ~ September 2021		
Yuanta Futures SYSCOM domestic core accounting back-office replacement project	60,464	January 2021 ~ June 2023	60,000	NS7 host-foreign futures expansion and establishment
The 110-year Information Project of the Futures Exchange	7,000	January 2021 ~ December 2021		
The second stage optimization project of the new generation electronic intelligent trading platform of Yuanta Futures	2,000	January 2021 ~ December 2021	8,000	1st-stage development already completed
Yuanta Futures's e-counter services-mobile online account opening platform of Futures and leverage construction project	2,000	January 2021 ~ December 2021		
Yuanta Futures (HK) quotation center development and construction project	2,000	January 2021 ~ December 2021		
Yuanta Futures Development and establishment of a new electronic E-counter service platform	2,000	January 2021 ~ December 2021		
Yuanta Futures ISO-27001 implementation	500	January 2021 ~ June 2021		

R&D project	Estimated expenditure	Scheduled completion date	Expenditures spent in the most recent 2 years	Results generated in the most recent 2 years
Yuanta Securities Investment Trust deployment project of a remote data center and HA architecture	9,000	January 2021 ~ December 2021		
Yuanta Futures Security Information and Event Management (SIEM) System	8,000	January 2021 ~ December 2021		
Yuanta Securities Investment Trust Security information and event management (SIEM) system	6,000	January 2021 ~ December 2022		

5. Long and short-term business development plans

Looking forward to the Post Pandemic Era, Yuanta FHC will control risks carefully and continue to adopt the overall growth development strategy valuing "solidification of cores and driving of growth." The Company will solidify the core businesses, continue developing its competitiveness, focus on the growing businesses, markets and customers more, and practice the effect of the Group's cross-industry or cross-border growth to stabilize and upgrade its earnings level effectively, in hopes of moving forward toward the objective of the "Best Financial Services Provider in the Asia Pacific Region."The focus on the Company's future business development is stated as following:

(1) Yuanta Securities: Demonstration of Integration & Innovation and Overseas Deployment Effects

By controlling Taiwan capital market's long-term development trend, Yuanta Securities keeps solidifying its strength in competition and position with respect to its core business in the Taiwan market, and also strengthen the regional integration and innovation of products/services to deepen the relationship with customers, precise marketing strategies and brand image, extend the development of diversified and differentiated products and services, and create a higher service value.

In terms of overseas business, the focus in matured markets like Hong Kong and Korea will be on being continued development of the local markets and creating business synergies on the cross-border integration. In the growing markets, such as Thailand, Indonesia and Vietnam, Yuanta Securities will provide the management technology and professional teams to pursue upgrading of Yuanta Securities's market position and to strengthen the business efficiency and capital structure.

(2) Yuanta Bank: Balance Business Structure and Deepen Development of Value of Assets Under Management

Yuanta Bank will continue “balancing its business structure, dispersing its profit-making sources and increasing the efficiency of its capital utilization” as its primary business philosophy. In consideration of the uncertainty in the post-epidemic economy, in order to control the credit risk carefully, the loaning business will adjust the loan structure and fulfill the post-loan management service, replace low-interest spread but high-risk cases, and upgrade the growth of loan operations and various business scales, insofar as the risk is controllable. With respect to the channels, continue to boost the core deposit growth to deal with the growth of loans stably, increase sources of wealth management services and deepen the development of the value of assets under management.

(3) Yuanta Life: Accumulate Assets and Make Contribution to Profit Stably

Yuanta Life will maintain its development strategy focusing on “Stable Growth, Financial Control and Balancing of Business” in principle.The product strategies continue to sell the “USD” and “protection-type and long-term” fine-quality products, and also launch TAIEX-oriented investment-linked niche products to build Yuanta Life’s strengths in competition, and also balance the development of diversified channels to improve the customer service quality and upgrade the brand publicity and penetration rate. Its mid-term financial goal is to stabilize profits, support voluntary growth supported with its own profit, and become Yuanta Life's profit engine.

(4) Yuanta Securities Investment Trust: Two-Way Development of Active and Passive Products, and Stable Growth of AUM

Yuanta Securities Investment Trust aims to make its AUM and profitability grow stably. By controlling the aging and low-interest-rate society, and the business opportunities, such as management of assets for retirement pension and benefit, Yuanta Securities Investment Trust launches TAIEX-oriented active and passive differentiated products to help customers seize the opportunity and create wealth. Meanwhile, Yuanta Securities Investment Trust abandons the existing funds that are weak but retain strong ones to improve its product competitiveness and business efficiency.

(5) Yuanta Futures: Build an International Trading Platform

Yuanta Futures will focus its management on increasing new customers, improving the market share of brokerage service, providing diversified products and services in line with the Group's strategies, and building a multi-national and cross-market international trading platform to become an international futures firm as its mid- and long-term strategic goals.

For the short-term business development plan, please refer to “Four. Overview of Operations/I. Operations” for the business plans of Yuanta FHC and its subsidiaries.

(II) Business services of subsidiaries

1. Yuanta Securities

(1) Main business services

A. Brokerage of securities listed on Taiwan Stock Exchange (TWSE)

B. Proprietary trading of TWSE-listed securities

C. Brokerage of securities listed on Taipei Exchange (TPEx)

D. Proprietary trading of TPEx-listed securities

E. Margin trading and short sale for the trading of securities

F. Underwriting of securities

G. Securities transfer services

H. Introducing brokerage for futures trading

I. Proprietary trading of securities-related futures

J. Consigned trading of foreign securities

K. Short-term notes and bills

L. Trust Businesses

M. Securities investment consulting services

N. Other operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT$1,000; %

Business	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Brokerage	12,009,074	58.89	18,209,103	59.49
Proprietary	6,984,282	34.25	10,718,416	35.02
Underwriting	1,398,699	6.86	1,680,570	5.49
Total	20,392,055	100.00	30,608,089	100.00

(3) New financial products and services in development

Yuanta Securities will cooperate in response to the relevant business lines allowed by the competent authority and continue developing new financial and wealth management products, provide customers with diversified products and financial services, and increase its income at the same time. Continue to improve the “Mr. Yuanta” APP functions, integrate various mobile trading platforms and plan to add smart services, such as cloud order placement, conditional order placement and trading via automated programs, in order to provide customers with more perfect investment tools and experience.

Yuanta Securities has received the approvals for securities to engage in services for high-asset customers. In the future, it will increase the offering of various products related to transactions with high-asset customers. Meanwhile, it will allow overseas compatriots and foreigners to apply for loans secured by foreign currency and foreign currency loans secured by foreign securities after related laws and regulations take effect.

Continue to enhance brokerage, securities borrowing and lending, securities loaning, international financial business, investment banking, proprietary trading, bonds, and financial derivatives trading practices and to connect Yuanta Securities' overseas trading platforms, in order to become a professional wealth management organization able to provide customers with the opportunities to control the global financial investment in a timely manner.

(4)Business plans for the year

A. Balanced business development:

(A) Brokerage services:

Operate various channels and further develop its wealth management services to create the double profit-seeking engines for the securities and brokerage services, thus driving the revenue from the securities and brokerage services at the same time. Fulfill the group management of existing customers and visit customers, help customers abandon weak ones but retain strong ones of their inventories, and guide low-cash flow and activation of dormant accounts; establish the SOP for presentation to new customers, promote the brokerage and wealth management services extensively, and upgrade the weight and turnover rate of active transactions; sprout the development of young and retail investors by means of the intraday odd-lot trading policy and wealth management tools, such as systematic investment plan for stocks and funds, to strengthen the young customer structure; activate the securities held by investors via loans for indefinite purpose, and continue to optimize operating procedures and strengthen the risk control mechanism.

Continue to strengthen the brokerage core accounting automated operation and paperless project, improve the facilities at the wealth management service locations, assess the relocation of existing old and unusable business locations and continue to promote the corporate social responsibility (CSR) and environment, social and corporate (ESG) policies.

Further, FSC has approved that a securities house may undertake the loaning secured by securities and, therefore, accept the applications filed by overseas compatriots and foreigners for the loans in NTD secured by foreign currencies. Meanwhile, Yuanta Securities will apply for undertaking such new business lines according to laws and provide foreign institutional investors with more convenient services.

(B) Wealth Management:

Develop the wealth management service for high-asset customers, promote business oriented towards "retirement planning," "wealth

legacy," and "child education," gain deep understanding about customers' family, and help customers strengthen the retirement cash flow and long-term care planning. Continue to introduce the funds and insurance products with excellent performance, and improve the ability to produce own products to provide high-asset customers with more diversified channels for allocating capital. Optimize the CRM system to help sale representatives provide better services to promote customers' allocation of assets and position management services. In view of the remarkable performance of equity products and bonds in recent years, Yuanta Securities will continue to build the wealth management service with the characteristics of securities in the future.

The competent authority permitted in the second half of 2020 that a qualified securities house may provide high-asset customers with related financial product services as a fiduciary. Yuanta Securities became one of the first batches of qualified securities houses on December 31, 2020. Therefore, it will use the best effort to find the wealth management products that may satisfy the high-asset customers' needs and work with its overseas subsidiaries to design and develop overseas structured products to provide high-asset customers with sounder allocation of assets.

Integrate the Group's related investment research resources and solidify institutional investors, and provide complete DSU and OSU trading platforms and products. Continue to develop diversified customers, including high-asset investors, professional investing institutions, banks, and professional securities houses; strive to develop high-frequency customers to improve the market share of institutional investors while solidifying the traditional business.

Further, securities houses will be allowed to undertake the applications for foreign currency loans secured by foreign securities in second half of 2021. Yuanta Securities will provide customers with a complete trading platform combined with the other products sold by the Group. It is expected to increase Yuanta Securities' sub-brokerage trading volume and related business revenue.

(C) Securities borrowing and lending:

Use the best effort to develop the two-way securities lending for natural persons in order to upgrade the proportion of lending to natural persons. Enhance collection and borrowing/lending of the sources of securities effectively, and take advantage of the channels to continue activating the general investors' treasury stock; attract other external customers to engage in securities lending through

marketing campaigns and, therefore, maintain Yuanta Securities' leadership in the securities borrowing and lending business.

(D) Proprietary trading:

Continue optimizing the evaluation model and hedging strategies for futures, stock options, ETF and stock warrants, providing the best liquidity and reasonable price in the market, and ensuring the leadership of the low-latency trading environment the same industry. Upon the launch of the continuous matching policy in 2020, the synchronization in the spot, futures and warrants markets will be improved significantly. Accordingly, the securities houses engaged in making the market will be able to practice their strengths more thoroughly. Yuanta Securities will also keep researching and developing various new market-making strategies to provide investors with better quotation service and increase Yuanta Securities' profit derived from market making.

In order to undertake the intraday odd-lot trading policy to be launched in Q4 of 2020, Yuanta Securities plans to strive for related market-making business and combines the same with that for stocks, futures and ETF to utilize the odd-lot positions in various transactions flexibly and improve the utilization efficiency of related resources. Further, TWSE plans to launch the new market-making system for stocks with low liquidity but deriving excellent yields at the end of June 2021. Yuanta Securities will also apply for acting as a market maker, hoping to cut the cost of other stock exchanges and develop more flexible strategies to increase the room for earnings from trading.

(E) Investment banking business:

On a customer-oriented basis, provide customers with the consultation services about long-term development strategies and financial advice; focus the core business on IPO and SPO, etc., and strive to seek various business opportunities about financial advice, e.g. listing on TWSE/TPEx, merge, split, acquisition and release, etc.; and, select and accept cases satisfactory in quality and quantity.

Continue to maintain the leading position in the underwriting market and the leadership for the transactions in the emerging stock market at the same time; develop the "Investment Banking Platform" framework dedicated to linking cross-border resources of Yuanta Securities. For the IPO business, focus on the trends and industries, select fine-quality customers carefully, and approach them as early as possible; sprout the development of venture capital, CVC and core customers, and work with branches, maintain long-term relations with customers, and grow with customers altogether; help excellent companies which cannot list stocks directly soon list their stocks on the Taiwan Innovation Board at first. For the SPO,

combine the institutional investors department' and bank's resources, sprout the development of core customers, and expand the customer base accordingly. For the Financial Advice (FA) business, help customers engage in cross-industry union and integrate the supply chains, and strive for M&A projects. Finally, for the Private Placement (PP) business, increase revenue by innovating business, strive to establish the CVC channels, and communicate with RM periodically about the customers' needs for transformation and investment, etc..

Meanwhile, in response to the "Green Finance 2.0" strongly boosted by FSC, play a more positive role in financing the green industry, particularly in helping ESG corporate customers with IPO guidance, SPO fundraising and other financial advisory services. Meanwhile, in response to the IPO soft policy announced by TWSE and TPEx, Yuanta Securities will plan to submit the planning about fund-raising projects with a future development outlook in 2021. Meanwhile, the "Taiwan Innovation Board" and "Pioneer Stock Board" planned by TWSE and TPEx schedule to be launched in Q3 of 2021. Then, Yuanta Securities will continue to develop fine-quality venture capitals with the potential to provide them with diversified IPO services.

(F) Shareholders service agency:

Practice the consolidated effects for the Group and strive to act as the shareholders' service agent for investment banks of Yuanta Securities and institutional customers of Yuanta FHC; upgrade customers' engagement and strive for the shareholders' service agency of the affiliates in their groups. Meanwhile, by helping customer solidify their rights to manage, upgrade the relationship under mandatory contract for shareholders service agency as the strategic partnership.

(G) Bond business:

Concern the impact posed by global economic growth and QE policy on the global financial market, and adjust related bond trading strategies flexibly subject to the development in different markets; continue to integrate the Group's resources, and work with overseas subsidiaries to seek the opportunity to participate in cases and practice consolidated effects.

Develop related business as a foreign exchange securities house, continue to provide customers with the one-stop services related to foreign exchanges, transactions and parking funds, and strive to increase foreign currency derivatives sales. In the meantime, Yuanta Securities has received approval for providing high-asset customers with related bond trading services as a securities house via its proprietary trading channels on December 31, 2020. It will

increase the related foreign currency bond trading services in the transactions with high-asset customers to accumulate experience in selling products and improve its ability to develop self-made products.

(H) Derivatives service:

Take a leadership role in the transactions of financial derivatives, including stock warrants, equity-linked notes (ELN), exchange trade notes (ETN), credit-linked notes (CLN), convertible bond asset swap fixed income (ASW) and options (ASO), and continue to improve the quotation, trading and risk control systems, in order to integrate risks and costs correspondent to the management at the same time when improving the profitability.

Continue to invest resources in the organization of marketing campaigns and simulation games for customers to raise customers' brand recognition toward Yuanta Securities' products and upgrade the market value and product awareness of various circulating warrants and ETN products issued by Yuanta Securities. Research and plan the financial instruments issuance program, including FCN, leverage ETN, inverse ETN, and the option strategy ETN which might be permitted in the future,

Also, assist the overseas subsidiaries in Thailand and Hong Kong, etc., to develop the warrant business and build the warrant database overseas.

(I) Development of e-commerce:

Continue to innovate and optimize customers' experience and provide customers with differentiated services by analyzing different customer bases' investment experience and preference. With respect to the general investment customer bases, continue to strengthen and supplement the e-platforms' related function; concerning high-frequency customers, provide fine services and continue to optimize the strategic platform developed independently, and then plan to add the smart services, such as cloud order placement, conditional order placement and trading via automated programs, in order to upgrade the trading turnover rate; for VIP customers, continue to provide strategic programming services to enable customers to increase their investment return by self-defining the program trading strategies.

Develop the FinTech-related APP services, initiate the online services for various financial products, and collect the mass data about customers' operation and trading frequency on each trading platform to precisely analyze customers' investment preference, attributes and risk appetites and provide customers with more adequate financial products. Engage in the industry-academia cooperation projects with domestic colleges and universities, and

exchange with students in schools physically, organize various simulated trading competitions and investment seminars, etc., to help train students' professional knowledge about various financial products and make them become one of Yuanta Securities' potential trading customer bases.

B. Expand the market in Asia:

(A) Korea:

Yuanta Securities (Korea) will aim to pursue and maintain stable ROE, and continue strengthening the core business to create stable sources of revenue. For the retail operations, continue to optimize the online trading systems and organize branches' seminars to activate on-line and off-line customers simultaneously and upgrade the market share of brokerage services, and also implement diversified marketing strategies to promote the brand image; launch financial products per the market's and investors' needs, and continue to strengthen the overseas stock exchange systems to provide the customer with real-time information. Strive to develop new business and product lines, expand the institutional customer bases, and increase stable sources of revenue.

Continue to enhance the traditional IB operations, increase the IPO revenue through cooperation with external organizations, and recruit external talents to help upgrade the DCM, ECM and M&A operations; meanwhile, continue to develop financing projects to earn stable profit insofar as the risk is controllable. For proprietary trading and fixed income, increase revenue sources from equity products under diversified investment strategies, and adjust the bond trading and RP positions in response to the interest rate fluctuation in the market.

Further, the credit rating of Yuanta Securities (Korea) was upgraded by the local credit rating company on November 24, 2020. Among the other things, its long-term credit rating is AA- and credit rating outlook "Stable" now. In consideration of the existing low-interest rate environment in market, Yuanta Securities (Korea) will not exclude the opportunity for raising low-cost funds in the market.

(B) Hong Kong:

Yuanta Securities (Hong Kong) will strive to develop private wealth management services and prime brokerage services. Continue to develop new customers, and increase AUM and profit under diversified product strategies; increase FCN product trading volume and sale of fund products. Keep working with the sales, products, and research teams closely, provide existing customers with more plentiful services, and develop new customers through various research reports and online presentations.

For the proprietary trading, establish long-term relations with institutional investors and provide bond trading services via the bond trading platform; make good use of the Group's channels and overseas subsidiaries' resources and teams to provide high-asset customers with offshore private bonds and funds. Yuanta Securities has also received the competent authority's approval for acting as the local agent and guaranteeing the institution of the offshore structured notes issued by Yuanta International Investment (Hong Kong) (YII). Therefore, it will introduce the offshore structured notes issued by YII to provide high-asset customers with more diversified overseas financial products.

(C) Thailand:

Yuanta Securities (Thailand) will develop oriented towards an omnibus securities house. For the warrant business, it will strive to issue new warrant portfolio products and also add the arbitrage trading to upgrade the overall revenue; develop the sub-brokerage services to help customers proceed with allocation of diversified assets, and continue to develop IBs, fixed income, new financial products, stocks & futures operations and wealth management services, hoping to create more new growth drivers for diversified operating revenue, in addition to the core businesses. Meanwhile, it will build the futures trading system to engage in the brokerage of Yuanta Futures' products issued in Taiwan and Hong Kong.

(D) Vietnam:

Yuanta Securities Vietnam will continue developing the brokerage and financing services primarily and strive to develop IB operations to increase the diversified operating revenue channels. Develop the core system and online trading APP and provide customers with the stock selection and order placement services in response to the demand resulting from increasing e-trading and expand the business scope; strengthen the KYC operations and upgrade the quality of collaterals for financing, hoping to attend to the business expansion and risk management evenly; help Vietnamese enterprises issue corporate bonds overseas, and create consolidated effects for the Group through the cross-border cooperation with subsidiaries. Meanwhile, given the brokerage and financing business growing locally, it will continue to plan capital increase subject to the business development needs.

(E) Indonesia:

Yuanta Securities (Indonesia) will seek to solidify the brokerage and financing operations, build the e-order placement platform, and continue developing small- and middle-sized customers to expand the market shares and customer structure and also strengthen the risk controls over various business lines. It will also strive to

develop new businesses including IBs, Rps and instituition brokerage services provided through cooperation with overseas subsidiaries, hoping to create more new growth drivers for operating revenue, in addition to the core businesses.

In the future, Yuanta Securities will continue to maintain its leadership in the industry and help its overseas subsidiaries with related business development and co-development of new business growth momentum. Meanwhile, it will also continue to engage in cross-border cooperation with overseas subsidiaries to develop competitive financial products and set a differentiated competitive positioning among its peers. It expects to achieve a successful expansion in Asia and become the best securities services provider in the Asia Pacific Region.

(5) Industry overview

A. Industry status and development:

Looking back on 2020, due to COVID-19 being rampant globally, various countries have successively adopted strict control measures, such as lockdowns, restriction of movements and border closures, thus posing some severe impacts to the global economy. IHS, IMF and OECD forecast that the global economic growth rates would be -3.90%, -3.50% and -4.20% in 2020, respectively. Domestically, despite epidemic prevention being well prepared in Taiwan, the economy still suffered an apparent decline in Taiwan due to the sharp global economic decline in the first half of the year. Notwithstanding, as of Q3, various leading countries have reactivated economic activities. Meanwhile, in response to the effect posed by the U.S.A. sanction of China-based leading manufacturers, massive rush orders flew into Taiwan. They thereby resulted in the economic recovery in Taiwan in the second half of the year. The domestic economic growth rate was 3.11% in 2020, making Taiwan one of the few countries keeping positive growth in the world.

Various countries have striven to save their markets by investing mass capital at low-interest rates. Since TAIEX made history by reaching 12,000 points in July, the index has stayed high continuously. The index reached 14,732.53 points at the end of the year, increasing by 2,735.39 points, a growth rate by 22.80% throughout the year. The daily turnover attained NT$253.5 billion, an increase of NT$97.2 billion, namely a growth rate of 62.19%, from 2019. The averaged margin trade balance in the market serving as the private investors' indicator, NT$186.1 billion, was increased by NT$7.7 billion, namely a growth rate of 4.31%, from 2019. According to the statistics gathered by TWSE, the profit sought by the whole securities houses was NT$58.5 billion in 2020, i.e. a yearly increase rate of 43.51%, by NT$17.7 billion in 2019. Yuanta Securities sought the annual profit amounting to NT$14.4 billion, i.e. 24.63% of the profit sought by the whole securities

industry, which hit a record again.

Looking forward to 2021, given the continuing low-interest-rate environment in the global market, abundant capital in the market, and the epidemic expected to be diluted step by step upon launch of the vaccine into the market, international leading forecast organizations all believe that the global economic growth in 2021 would outperform that in 2020. IHS, IMF and OECD forecast that the global economic growth rates would be 4.40%, 5.50% and 4.20% in 2021, respectively. Domestically, benefiting from the reorganization of global supply chains, certain production lines' move back to Taiwan, and booming demand for emerging technologies, Taiwan's exports are expected to grow further in 2021. According to the DGBAS, the economic growth rate will be 4.64% in Taiwan in 2021.

Given the adoption of related policies in the domestic securities market in 2021, the competent authority is expected to continue to help the industrial development and successively release multiple new regulations, and policies, Upon FSC's approval for a securities house to undertake the loaning secured by securities and accept the applications filed by overseas compatriots and foreigners for the loans in NTD secured by foreign currencies, TWSE plans to publish the relevant enforcement rules on April 1, 2021. Further, whether a securities house should be permitted to undertake foreign currency loans secured by foreign securities is under review by the competent authority officially for the time being. The "Taiwan Innovation Board" and "Pioneer Stock Board" planned by TWSE and TPEx scheduled to be launched in Q3 of 2021. Ministry of Finance has announced the bill of amendments to the "Securities Transaction Tax Act" to the public officially on July 14, 2020, which suggests that the tax imposed on hedging transactions for warrants should be reduced to 0.1% from 0.3%. The bill is expected to be arranged for passage after three readings by Legislative Yuan. Further, FSC is also considering whether a securities house should be allowed to undertake the "short-term financing service for money in transit" in 2021.

B. Business development trends and competitiveness:

(A) Brokerage services

The daily turnover attained NT$253.5 billion in 2020, an increase by 62.2%, from NT$156.3 billion 2019, primarily as a result of the epidemic rampant globally. Following the step of the low-interest era, the Taiwan stock market appears to remain stable and also derive tempting yields. This urges investors to invest their capital in the Taiwan stock market. Upon the outbreak of the COVID-19 epidemic, TAIEX dropped to 8,524 points once in March 2020. Fortunately, Taiwan has plentiful experience in epidemic prevention in the past. The epidemic prevention results achieved by

all nationals are obvious to the world. After March, TAIEX started to bottom-up and even surpass history record, 12,682 points in July, after three decades. Then, the index kept staying above 10,000 points and hit a record, namely 14,733 points, at the end of the year.

Yuanta Securities has striven to control 1 million active accounts engaged in trading TAIEX. Meanwhile, it continues to develop diversified, innovative business lines and uses the best effort to satisfy customers' needs and benefit as the first priority. It also conducts the group management subject to the customer structure, makes the business decisions driven by analyzed data, fulfills the wealth management services and product KYP, and provides customers with a complete investment and wealth management information. This year, Yuanta Securities has solicited more than 200,000 securities accounts, more than 30% in the market. Those under the age of 40 years old accounted for more than 70%. Apparently, the young people's recognition of TAIEX has been upgraded.

Yuanta Securities also uses the wealth management tools, such as the systematic investment plan and intraday odd-lot trading policy, periodically, in order to sprout the development of young and retail investors and strengthen customer structure. It will also expand the loans for indefinite purposes, optimize the loaning procedure, activate the securities position held by investors, plan the related trading platform and strengthen internal risk control mechanisms. For the domestic/foreign wholesale banking operations, the Company will expand the scale stably, offer the custodian financial service, and provide customers with a one-stop service.

Given balanced quantity and quality upheld in the Taiwan stock market, Yuanta Securities can better exercise its strengths in scale. With respect to the system and equipment update or investors' training and experience, it can provide more perfect services and improve and optimize the same.

(B) Proprietary Trading business

In 2020, the global market crashed, including the Taiwan stock market, due to the effect posed by the COVID-19 epidemic and persisting Sino-US Trade War. The lockdown policies adopted globally caused economic panic and decline, affecting the market condition in the first half of the year. After that, the U.S. Fed's QE policy stabilized the capital market and attracted massive capital, which contributed to the new high record for the market condition in the second half of the year. In consideration of the remarkable achievement in epidemic prevention, Taiwan won the favor of the global capital. As a result, TAIEX hit the new record in the past three decades.

Looking forward to 2021, the epidemic is expected to persist globally. Led by the semi-conductor industry, Taiwan is also expected to create historically high fundamental profit. Notwithstanding, the variable relations between China and the USA and variants of the coronavirus still cause multiple uncertain factors in the market. Therefore, we still should act with caution. The effects posed by 5G and order transfers from China are expected to persist. The penetration rate of electric vehicles is also upgraded. All these are expected to drive a thriving business in the upstream and downstream supply industries and, therefore, become the focus of TAIEX development.

Proprietary Trading Dept. closely works with research resources, in hopes of creating new and more excellent investment portfolio. Proprietary Trading Dept. owns the best stock investment team, insists on pursuing absolute rate of return under strict risk control, controls the investment trend and opportunity precisely, continues developing toward diversified layout and investment in the world's markets, and constructs the investment team with forward-looking global view and excellent ability in investment.

(C) Quantitative trading services

Quantitative Trading Dept. is primarily engaged in various ETFs, futures and options market making services at TWSE and TAIFEX and is dedicated to providing the market with reasonable quotations and trading liquidities. In the meantime, it upholds the service spirit as a market maker. It uses the best efforts to provide quotations about stocks, raw materials & supplies, foreign exchange rate and overseas ETNs, etc., becoming the market maker providing quotations about the most product lines. In 2020, the market share of its market-making businesses made it remain the market leader stably.

In 2020, the uncertainty in epidemic and economic development caused significant variables in the entire market condition. The transactions were booming in Taiwan securities and futures markets. The daily turnover of TWSE-listed securities attained NT$200.7 billion throughout the year, and the daily trading volume of futures and options attained 1.39 million lots throughout the year, increasing by 67% and 29%, respectively, from 2019. Said circumstances benefited the development of market-making business. As a result, the earnings accumulated by Quantitative Trading Dept. hit a new record in 2020.

Looking forward to 2021, TWSE is expected to launch the market-making system in June. Quantitative Trading Dept. will apply for acting as the stock market maker in response to the plan boosted by TWSE to expand its market-making business scope and provide the

market investors with more comprehensive and high-quality services.

(D) Investment banking business

The investment banking business of Yuanta Securities is oriented toward customers' needs and assists in providing long-term development strategies and financial consulting services. The business strategies (including IPO, SPO and FA) insist on every case consistently and provide customers comprehensive financial services as a Sector Banker. It actively searches for various financial advisory business opportunities, such as listing (TWSE and TPEX), mergers, splits, acquisitions, and private placement, etc., to help customers get abundant aid from the capital market. It not only provides customized services but also develops diversified businesses. Meanwhile, it combines the Group's resources to provide customers with other business opportunities, enhance the customers' loyalty, continue to enhance the OSU platform, and engage in cross-border underwriting and international fundraising activities actively. Further, the investment banking business will be more focused on customers' ESG performance (Environmental, Social and Governance), hoping to encourage listed companies to value their ESG development via the market mechanism.

In 2020, it underwrote a total of 210 cases in the IPO/SOP markets, amounting to NT$99.1 billion in total. Among them, Yuanta Securities has participated in the bookrunner and joint bookrunner with a total of 38 cases, with a market share of 8.42% and a total underwriting amount of NT$8.34 billion. In 2020, Yuanta Securities Investment Banking Department assisted with multiple IPO and SPO cases, including the leading securities house engaged in TWSE/TPEx listing of Value Valves (4580), Amulaire (2241) and KURA SUSHI ASIA (2754), and the underwriter engaged in offering of CB of Iron Force (2228) and EirGenix (6589), cash capital increase by ITEQ (6213), EirGenix (6589), Senhwa (6492), WT Microelectronics (3036), O-Bank (2897), TSEC (6443) and HIWIN (2049), and domestic/overseas allotment of GDR of China Petrochemical Development (1314).

As the leading brand in the IPO market, Yuanta Securities have led the others in the same trade with its innovative idea and hit indicative records successively. In 2020, a total of 253 enterprises had registered the pre-IPO market. Yuanta Securities integrates resources such as securities channels, foreign-funded legal persons, and venture capital, plus a powerful trading assistance system and trading personnel with analysis capabilities, to create Yuanta Securities as a leader in Taiwan's pre-IPO market. With a 33.83%

transaction market share in the pre-IPO market, Yuanta Securities continues the glory of the top ranking.

When Yuanta Securities underwrote the IPO of Value Values (4580) as the leading bank at the beginning of 2020, the IPO price was NT$78. More than 270,000 persons participated in the subscription for 1,052 thousand shares. Apparently, the IPO cases launched by Yuanta Securities are still favored by investors in the market. With the rising awareness toward environmental protection, electric vehicles have become the mainstream products in the world now. Various country governments will successively forbid the sale of fuel vehicles to fully support the electric vehicle industry's development from 2025 to 2050. In 2020, Yuanta Securities took the chance to help Amulaire complete its IPO in order to help the company seek the capital needed by it in the capital market to develop its business and also feed plentiful return back to investors. After providing counseling services about IPO to FST CORPORATION and AutoServer many years ago, Yuanta Securities provided the counseling services to the Japan-based company again. This reflects how much the Japan-based company famous for acting with caution relied on and trusted Yuanta Securities. Yuanta Securities helped the Asian Tibetan Sushi complete the 1st-stage private placement in the pre-IPO market in the most effective manner and solicited financial and strategic investors of Taiwan. The IPO underwriting was completed successfully in September 2020. More than 510,000 persons participated in the subscription for 1,579 thousand shares, while the winning rate was only 0.3%. The company's business was affected by the COVID-19 epidemic adversely in the first half of 2020. Therefore, Yuanta Securities especially took into account the company's expansion schedule, sales recovery and investor risk when determining the underwriting schedule and pricing strategy. Eventually, the company was recommended to investors successfully and won popularity among the investors at the IPO stage.

Given the fine-quality domestic/foreign channels owned by Yuanta Securities, Yuanta Securities may exercise more strengths when underwriting large-scale projects than the others in the same trade. At the beginning of 2020, Yuanta Securities and Yuanta Securities (Hong Kong) underwrote the GDR of China Petrochemical Development (1314) exclusively. The issue amount was 18,000 thousand units. The case won high recognition from international large-scale institutional investors. As a result, it has successfully raised the fund totaling US$129 million, approx. NT$3.88 billion, eventually. This allotment framework attracted massive

institutional investors. Finally, all of them were allotted to international professional, institutional investors. This reflects the consolidated effects by integrating Yuanta Securities' investment banking platforms, international channels and allotment capacity, which are comparable with international large-scale investment banks.

Typically, it is not an easy job if the local biotech industry wishes to earn financial gains, especially for the new drugs. In consideration of the high risks and professional qualifications, the biotech company engaged in the production of new drugs might not be able to raise funds through public offering easily. For example, Yuanta Securities has worked on the case of EirGenix (6589) for more than a half year beforehand. The application for the offering was submitted in December 2019, and the listing was completed successfully in May 2020. The period covered the most critical time, March and April when the COVID-19 epidemic was spreading. Therefore, Yuanta Securities helped EirGenix communicate with its investors, provided the professional channels and finally completed the cash capital increase by NT$1 billion yuan and convertible bonds amounting to NT$300 million yuan to cover the R&D expenses and supplement its working capital. Another new drug company, Senhwa (6492), is primarily engaged in developing small molecule anti-cancer new drugs. In order to cover the R&D, clinical trials and application for drug permits, it needed to raise the fund, NT$1.8 billion, for additional working capital in 2020. Its new drug, Silmitasertib, was found to have successfully cured critically ill patients of COVID-19 during the epidemic period. Accordingly, it has raised the fund successfully.

In the financial advisory business, Yuanta Securities has accumulated the financial advisory business experience for cross-border mergers and acquisitions for tens of years. In 2020, Yuanta Securities assisted AsiaMedia Technology (5269) in planning and executing the share swap project between it and WT Microelectronics (3036). AsiaMedia Technology is specialized in the development and design of high-speed IC, while WT Microelectronics is a professional semiconductor distributor. By integrating both parties' resources in the project, it is expected that both parties may work together to deploy the business opportunities for high-speed interfaces driven by 5G, cloud computing, smart IoT and customized ICs, and also develop the market in China. Meanwhile, Yuanta Securities also assisted Walsin Lihwa (1605) in executing the share swap project between it and TECO (1504). Both parties are expected to improve their business partnership by cross-shareholding and work with each other to sprout the

development of the three major areas, namely Smart Manufacturing, Green Energy and Smart Grid. Yuanta Securities also helped Qisda (2352) acquire 19% of the equity of Alpha Networks (3380), an investee of it, through the IPO. Qisda has identified the development of smart solutions as one of its most important business policies in recent years. Alpha Networks is one of the best network communication technology companies locally. Yuanta Securities helped Qisda increase its shareholding in Alpha Networks by more than 40% to strengthen the integration of both parties' resources and form an in-depth ally between both parties in the areas of 5G, Internet of Vehicles and Smart Factory separately. It is expected that both parties may upgrade their competitiveness and market shares accordingly.

For the private placement, Yuanta Securities exercises its experience in private placement and extensive investor network to provide private placement and investment solicitation and block trade services and designs the corrective action plan of equity structure for its corporate customers. It also introduces diversified financial and strategic investors by taking into account the timeliness and valuation. Yuanta Securities' capital markets cover Greater China, and also Japan, Korea, Singapore and Vietnam, etc.. Yuanta team has experience in providing services as an international investment bank. It has kept in touch and communicated with the national institutional investors (VC and PE), including foreign investors and investors from China and Taiwan, permanently. Therefore, it can help customers evaluate, recommend and select adequate investors more effectively than the others in the same trade. From October 2019 to September 2020, Yuanta Securities has underwritten the large-sum transaction for Gatetech (1561) and executed the large-sum transaction for ITEQ (6213) and the private placement and investment solicitation of Yuen Foong Yu Consumer Products Co., Ltd. (6790). Yuen Foong Yu Consumer Products Co., Ltd. (6790) was owned by Yuen Foong Yu Group (1907) wholly. Notwithstanding, in line with the requirement about diversification of equity under the domestic listing laws and regulations, Yuanta Securities helped it release stocks to satisfy the requirement. The subscription and pricing model designed by Yuanta Securities has successfully solicited foreign and domestic renowned large-scale financial holdings, venture capital, and securities houses to participate in the investment, create the maximum shareholders' equity for sellers, and also enable companies to satisfy their listing schedules.

In response to the "Green Finance 2.0" strongly boosted by FSC in 2020, Yuanta Securities Investment Banking Department will

upgrade the financing activities and play a more positive role in the green industry. When selecting customers, Yuanta Securities Investment Banking Department will consider the customers' business outlook and the customers' ESC practices. Meanwhile, it will guide customers to improve ESG by providing counseling services and emphasizing how an enterprise should play its role in the global village for successful ESG practices. Replace EPS with ESG to make it become investors' standard for evaluation of enterprises. The ESG practice has been identified as a business goal that enterprises should not ignore.

In consideration of Yuanta Securities' innovation and diversity in investment banking business, Yuanta Securities has received multiple international professional financial and domestic competent authority's awards and honors in 2020. Yuanta Securities was honored as the "Best Investment Bank in Taiwan" and "Best ECM House in Taiwan" by FinanceAsia, and the "Best Investment Bank in Taiwan" by EUROMONEY. Then, it was honored the "Corporate & Investment Banking Awards" by Asian Banking & Finance Magazine again, and the "Best Corporate and Institutional Adviser" by The Asset. Meanwhile, in 2020, it was also honored with the "TPEx Pre-listing Tutorship Performance Award" and "Emerging Stock Market Pre-listing Tutorship Performance Award" by TPEx.

Whether Yuanta partook in IPO, SPO or FA cases, we upheld the principles of risk control, carefully selected cases, and deepened the integration of resources within as well as our competitive advantage. Through our integration platform of Taiwan, Shanghai, Beijing, Hong Kong, South Korea, Vietnam, Indonesia and Thailand investors from various locations have access and increases participation and scope of the market. By cultivating overseas markets and expanding synergies, Yuanta is providing customers with a full range of capital resources and strategic planning options. Yuanta Securities Investment Banking Dept. will maintain the leading position in the underwriting market and link the core business with cross-selling and cross-border corporate banking business, in hopes of further deepening and broadening the investment banking products. The Company expects to deepen the development in Taiwan's capital market and, therefore, extend the business overseas as a pioneer on the global investment banking product platform

(E) Bond business

The outbreak of COVID-19 in Wuhan, China, in 2020 has been spreading all over the world. As a result, the global economy initially bottomed up at the end of 2019, declined sharply again. In

order to prevent the virus from keeping spreading, various countries' governments have successively implemented policies, including lockdown and restricted flight, which posed significant impacts to each industry. In order to mitigate the harm caused by the epidemic to the economy, U.S. Fed cut the Federal Funds Rate as 0 preliminarily and implemented various policies to support credit financing at the end of March. Such policies injected new vigor into the financial market, and the 30-Year US Bond Yield even declined less than 0.7% once, and the credit interest spread on corporate bonds was narrowed accordingly. Given the epidemic, guided by the US Fed, various countries' central banks have successively adopted the QE policy. Therefore, various countries' bond markets had a long position identical to that in the US bonds market. The US Bond Yield recovered slowly only after the release of news about research and production of vaccine and anti-virus drugs. Further, upon the U.S. Presidential Election, the candidate nominated by Democratic Party, Biden, was elected as the new President eventually, who presented the political proposals, such as the expansion of social welfare expenditure and increase in industrial and state governments' subsidies. Despite the tax increment plan under construction, it is inevitable that the U.S. Treasury Department will increase the bond issuance quantity. The US Bond Yield recovered slowly at the end of the year as the issuance quantity was expected to be increased.

In 2020, in terms of trading, Yuanta Securities Bond Division adjusted the NTD and foreign currency bond trading positions rapidly in response to the market conditions. It continued to maintain the stable profit accordingly. In terms of offering, Yuanta Securities Bond Division continued to play the role as a leader in the domestic NTD bond market and win the underwriter ranking 2nd place in the market share by 7%. It underwrote a total of 140 cases, the first place in the market. Meanwhile, it kept innovating business in the NTD bond market. In 2020, it successfully led the offering of the 30-year unsecured corporate bonds (THSR 1st-term corporate bonds of 2020) amounting to NT$11.5 billion domestically. It participated in the offering of the first lot of corporate bonds issued by an enterprise (Far Eastern 4th-term corporate bonds of 2020) in response to the competent authority's approval of the laws governing foreigners' issuance of sustainability bonds denominated in NTD. With the strengths of a bond underwriter ranking the first place and high control over enterprises and investors, Yuanta Securities played the role dedicated to matching services at the capital market platforms in order to enable more enterprises engaged in boosting environmental improvement to raise funds more successfully.

Yuanta Securities also promote the government's green finance policy to provide innovative products so that investors may have more choices and a win-win-win situation achieved accordingly. For the issuance of foreign currency bonds, considering that the bond yield has kept being historically low in 2020, issuers could not help but applied for new loans to repay the old ones. Mass quantities of bonds were redeemed on the international bonds board. Yuanta Securities Bond Division strove to develop the market share of foreign currency bonds. The Bond Division has participated in 39% of the foreign currency cases in 2020. Apparently, the Bond Division acted as a leader in both NTD and foreign currency offering markets.

Looking forward to 2021, the epidemic's effect to the economy is expected to be mitigated gradually upon launch of the COVID-19 vaccine. The Global bond market is unlikely to become booming under the policy to expand fiscal expenditures advocated by the U.S. Democratic Party. Yuanta Securities will continue to note the global economic recovery in the post-epidemic era and the changes in relations between China and the USA after President Biden took office. In 2021, it is still difficult to operate bond trading. Yuanta Securities Bond Division will continue to maintain a stable profit and also develop new business lines or products to create more business opportunities.

(F) Derivatives service

Yuanta Securities is a leading securities house in Taiwan's warrant market, as it has kept developing the warrant market permanently. It always insists on the philosophy about "Stable Fluctuation but Never Fall" and uses the best effort to protect investors' interests and rights. In 2020, in order to further protect investors' right to "be well informed," it set up the "Warrant Win" page on its official website for warrants to disclose the "marking making order fluctuation rate" on a daily basis since listing of each warrant issued by Yuanta Securities, so that investors may control the reasonable price of warrants issued by Yuanta Securities immediately through the trial balance and, therefore, make the most rapid and correct investment decision. Yuanta Securities' brand image makes investors impressed and receives multiple awards and honors domestically and overseas. In 2019, Yuanta Securities won first place in the "Warrant Trading Volume Award" and "Warrant Value Excellent Award" and third place in the "Warrant Trading Volume Sprinting Award" by TWSE, and first place in the "Many Options Award" and "Unimpeded Options Award" by TPEx. In 2020, it also won first place in the "Warrant Turnover Award" and

"Warrant Listing Award," and was honored as the "Best Equity Derivatives House in Taiwan" by The Asset.

In 2020, Yuanta Securities issued a total of 9,595 warrants accumulatively, and the issuing value attained NT$106.2 billion, ranking the first place in the market. In recent years, it has kept improving the ability to collect, manage and analyze information, and make the related analysis results available to business decision-makers, in order to keep upgrading the market share and operation performance of warrant business, and also solidify Yuanta Securities' competitiveness and practice Yuanta Securities' philosophy upholding the stable management. Due to the impact posed by COVID-19 in 2020, the market has suffered significant losses, while Yuanta Securities still continued to earn a stable profit. This signifies the remarkable results achieved after Yuanta Securities kept improving its warrant market making and position risk management in the past years. For the investors' education, Yuanta Securities continues to engage in the operation of social networks and enable, via Line@ stimulated trading platform, new players to accumulate their investment experience in securities and warrants via the platform. At the same time, veterans may also improve their methods to invest warrants via the platform. The Company wishes to help various investors get more familiar with the investment in warrants and upgrade the investors' recognition toward the Yuanta Securities' brand to keep Yuanta Securities' leadership in the securities market.

In 2020, under the circumstance that Yuanta Securities continued to promote the business of structured notes, the trading volume of the equity and structured notes still led to the others in the same trade in the whole year. In recent years, structured notes have been known by domestic investors gradually. From the wealth management platform, the investors may choose an adequate asset allocation among the diversified financial instruments, subject to their risk tolerance. Looking forward to 2021, Yuanta Securities will continue to research and develop the new structured notes to satisfy the market condition. It is expected to bring the chance of development for the structured notes market.

Asset swap services derive from convertible bonds. In 2020, Yuanta Securities remained first place in the market share of the outstanding balance of asset swap services. In 2020, with the rapid injection of capital from various countries due to the effect posed by the epidemic, TAIEX remained strong and kept hitting a new record. The new domestic convertible bond issuance grew significantly from 2019, given the low-interest rate and high stock price environment. The overall asset exchange trading volume

reached a new record accordingly, and the balance thereof also grew by 14%. Looking forward to 2021, the asset exchange market is still full of challenges and opportunities. Yuanta Securities will continue to maintain its market position with its strengths in brand, capital cost and capital scale. Meanwhile, in 2020, it launched the e-trading platform ahead of the others in the same trade in order to provide customers with the trading tools helping trade conveniently, and also strictly upheld the asset quality control policy to pursue growing scale and profit.

In 2020, the ETN market development became booming. The market value thereof grew by 5.5 times and the trading value thereof by nearly 3 times. Yuanta Securities participated in offering the first ETN in April 2019 and issued 2 ETNs in 2019. In 2020, it continued to develop the product lines and issued a total of 3 ETNs, namely Yuanta Taiwan Stock Market Leaders ETN, Yuanta Taiwan Electric Vehicles Supply Chain Representatives ETN and Yuanta TPEx Semiconductor Leaders Total Return Index ETN.

Until the end of 2020, Yuanta ETNs have accounted for about 36% market share. In 2020, Yuanta Securities will strive to manage the ETN operations actively. The Company will keep offering new products and organize marketing and promotional activities and investors' seminars. Meanwhile, the Company will provide investors with fine-quality market making services in the secondary market.

(G) Wealth management services

In order to deepen the customer services, provide complete products, Yuanta Securities sought the approval from the competent authority in March 2011 to run the wealth management business under the trust framework, and played the important role as a pioneer in the market of wealth management run by securities firms.

Yuanta Securities' wealth management business has matured after several years of development. The customers' needs became more and more diversified, while the depth and width of services needed by the clientele were high. In order to deal with more and more special and professional customers' needs, Wealth Management Dept. continued to include various wealth management products. Meanwhile, in order to meet customers' needs more and serve high-asset customers, it integrated internal resources to design and develop self-made products so that any different customers may enjoy financial services. FSC permitted securities firms to underwrite the employee benefit trust in December 2016. Yuanta Securities applied for the license of "Employee Benefit Trust" with the competent authority in 2017. Upon receipt of the license and

reporting of the offering, Yuanta Securities moved forward toward a new age for asset management as a securities firm and further fulfilled its corporate social responsibilities with due diligence.

Since Yuanta Securities offered the securities wealth management trust business, it has led the others in sale and management of funds. Therefore, since 2012, the total assets of customers under its non-discretionary money trust business has ranked 1st place in the market, far ahead of the others in the same trade. This primarily resulted from mass business locations of Yuanta Securities' subsidiaries and intensive relationship between it and customers, as well as the quality of its study report ranking 1st place in the same trade. Meanwhile, its fund platform has selected 27 domestic trust investment companies and 21 overseas fund companies so far, offered more than 2,000 products, and owned the most complete network interface and order placing system in the same trade. For customers, they may deserve such strengths as professionalism, completeness of portfolio and convenience, if they choose Yuanta Securities to manage wealth on behalf of them.

Statistics of the money trust balance managed by the wealth management department until the end of December 2020 (NT$ million)

AUM	2018	2019	2020
Yuanta	37,211	39,131	47,507
KGI	12,491	18,177	21,140
Mega	10,340	10,481	11,936
Capital Securities Corp	12,803	14,200	12,981
Sino Pac Securities	13,654	18,159	24,875
Total Amount	104,304	123,293	142,742

Source of data: Trust Association of R.O.C

Statistics of the accumulated accounts opened for money trust managed by the wealth management department until the end of December 2020

Number of opened accounts	2018	2019	2020
Yuanta	124,926	136,027	250,559
Sino Pac Securities	57,261	67,289	80,199
KGI	39,812	48,509	56,024
Capital Securities Corp	41,322	45,611	48,636
Master Link	18,664	21,648	28,147
Total	339,146	387,659	562,705

Source of data: Trust Association of R.O.C

Since Yuanta Securities offered the wealth management trust lending operations in May 2013, Yuanta Securities has built the asset pool for the stock which was most likely to be lent and

pursued the efficiency of lending as its business development policy. Notwithstanding, in response to the lifting of laws and regulations, since Yuanta Securities started the retails two-way lending in February 2016, it has focused on the two-way lending operations for natural persons primarily and the trust lending operations secondarily. The asset pool for the trust lending operations was based on the customers' permanent idle stocks which were lent frequently, in order to generate the maximum income for customers and Yuanta Securities together with the two-way lending operations for natural persons.

Statistics of the securities trust balance managed by the wealth management department until the end of December 2020 (NT$ million)

AUM	2018	2019	2020
KGI	11,361	10,143	13,924
Yuanta	7,751	5,004	3,826
Fubon	5,642	5,266	5,024
Mega	3,104	2,166	1,892
Entrust	1,324	1,051	288
Total	33,227	27,053	27,897

Source of data: Trust Association of R.O.C

(H) Consigned trading of foreign securities operations

To pursue extensive development and innovation of financial services, expand the scope of business and upgrade customers' service quality, given that domestic financial products cannot satisfy consumers' need for diversified investment in new products, the investment service for foreign securities demanded by the market was expanded; and, to participate in various business seminars and open policy-making procedures organized by the competent authority.

In November 2014, the competent authority approved the Shanghai-Hong Kong Stock Connect and approved professional investors to participate in foreign securities IPO at the beginning of 2015. In 2020, Yuanta Securities applied for providing services to high-asset customers and the application was approved later. Meanwhile, it researched the important policies, such as the allowance of foreign currency financing business, etc.. Yuanta Securities will always seize the opportunities as the first one in the same trade and continue providing customers with the services beyond the standard applicable in the same trade in response to the government policy.

Since 2017, Yuanta Securities has recruited the sale representatives to deal with high-net-worth customers to engage in direct

marketing. It set up the market and product team, and also offices in North, Central and South Taiwan dedicated to developing the private wealth management services for exclusive clientele and planning the tailor-made service needed by the exclusive clientele, in hopes of creating a new age for itself in the securities private wealth management market.

Market share of sub-brokerage services in 2020	
Cathay Securities Corporation	19.81%
Sino Pac Securities	17.46%
KGI Securities	11.89%
Fubon Securities	10.88%
Yuanta Securities	10.56%

Source of data: Taiwan Securities Association

(I) Securities borrowing and lending

At the end of 2020, a total of 20 Securities & Securities Finance Companies offered products & services of Securities Borrowing & Lending (SBL), a highly competitive OTC marketplace. Lending balance from above-mentioned companies increased substantially from NT$152.9 billion at the end of 2019, to NT$230.1 billion at the end of 2020, proving a solid 50% growth of the market. With its excellent and savvy business conducts, Yuanta Securities concluded its SBL market share at higher than 30%, leading competitors with a large distance. Furthermore, in order to more efficiently utilize resources, the securities borrowing and lending services provided by Yuanta Securities in the past five years also expanded to general local customers and inter-broker trading. This not only increased participants revenue and trading flexibility, but also enhanced the Company's income and created remarkable synergies. At the aforementioned resources-developing side of business, Yuanta Securities has secured more than 40% market share, ranking first place among peers in the same category.

(J) International institutional business

Foreign investors accounted for 23.63% of the market turnover in 2020, and the demand from market participants become more diversified as well. Yuanta Securities' international institutional business put the best effort to strengthen the differentiation among local securities firms by integrating its resources and products in order to provide a broader and more convenient platforms. Looking forward to 2021, by the one-stop platform, Yuanta Securities can continue to enhance our FINI business in Taiwan and further extend our reach in Asia.

(K) Shareholders service agency

Given the market competition, Yuanta Securities Shareholders Service Dept. adjusted the expansion strategy. It gave up the policy to solicit for customers through the price war. Still, it strove to control the opportunities for cooperation with new customers based on its own resources and experience. Meanwhile, it enhanced the relationship with customers, integrated customers' resources and exerted the Group's consolidated effects by providing differentiated services and financial holding resource services.

(L) International services

For the time being, Yuanta Securities is the leader in the securities market of Taiwan. Notwithstanding, it is not only satisfied with its leadership in the domestic securities market but also highly values the internationalized business development, in order to pursue the diversification of profit-making sources and structural upgrading of profit-making model while based in Taiwan and aiming at the international markets. Yuanta Securities used the best efforts to expand its overseas business locations. Its overseas layout has been extended from Korea in North East Asia to South East Asia, including Thailand, Indonesia and Vietnam, by integrating its strength in funding sources and product niche in Mainland China, Hong Kong, and Taiwan. It deepened the local business of various subsidiaries and utilized the market characteristics and funding strengths everywhere to form characteristic products and link the synergies of various overseas subsidiaries to build a Pan-Asian trading platform. This was done in hopes of providing customers with more diversified options in investment, more complete product lines and more diversified investment visions, so as to maximize the value of Yuanta Securities, which will ultimately be rooted in Taiwan, and complete the multi-national and global layout of Yuanta Securities

(6) Research and development

In 2020, Yuanta Securities continued the R&D to apply for multiple design patents about FinTech. It launched the strategic trading platform to provide customers with diversified investment tolls and develop high-end customers. It also applied for serving as the local agent about the sub-brokerage or trust business for high-asset customers and overseas subsidiaries' offshore structured notes, in order to provide high-asset customers with a diversified financial investment portfolio.

In 2021, Yuanta Securities will continue to improve the "Mr. Yuanta" APP functions and integrate various mobile trading platforms. Yuanta Securities will start new business lines to satisfy investors' need, according to the competent authority's policy, regulations and license to the securities industry. Meanwhile, Yuanta Securities will keep providing the competent authority with suggestions about policies to seek the approval to offer more

securities business lines and new products and the opportunity for underwriting business. Further, in response to the Regulatory Sandbox policy boosted by the government, Yuanta Securities will use the best efforts to boost the proposals and tests of related new financial instruments to satisfy customers' demand for innovative financial instruments and create the win-win-win situation among the government, customers and the Company.

In response to Yuanta FHC' overall strategic planning, Yuanta Securities also participated in the business related to the ESG practices boosted by the Corporate Social Responsibility Promotion Center. In 2020, Yuanta Securities issued the Yuanta Taiwan Electric Vehicles Supply Chain Representatives ETN. They added the "Top 20% in TWSE/TPEx-Listed Companies' Corporate Governance Evaluation" and "Taiwan ESG Index" services into the "Mr. Yuanta" APP. It also established the supplier management evaluation and green procurement system, as it spared no effort in boosting the ESG practices.

(7) Long and short-term business development plans

Yuanta Securities uses the best effort to solidify the core business competitiveness and position. By improving regional integration and products and extending the development of diversified and differentiated products and services, it develops customer relations more thoroughly and expands the young customers the chance for digital Fin-tech development. Meanwhile, it develops various innovative businesses to promote the growth momentum, expands sources of diversified income and upgrades the contributions made by overseas subsidiaries step by step to secure stable returns and move forward toward a regional securities house in the Asia Region.

TWSE implemented the two new systems, namely continuous trading of stocks and intraday odd-lot trading, on March 23, 2020 and October 26, 2020, respectively, thereby driving market growth. In response to the implementation of the two new systems, Yuanta Securities has upgraded its order placement systems and functions comprehensively to provide investors with a more optimized trading experience and drive the growth of investors' securities exchanges. In consideration of the financial liberalization and FinTech developed rapidly and consistently and the increasing e-trading proportions, Yuanta Securities will continue to invest the R&D in related areas. It will seize related business opportunities to provide investors with diversified products and increase Yuanta Securities' diversified business revenue under the government financial policy to open new business lines and products. Yuanta Securities' long-term and short-term business development plans are explained as follows:

A. Short-term business development plans:

(A) Continue to solidify the core brokerage services and sprout the development of wealth management services, promote the systematic investment plan for fund, develop the young and retail

investors, solicit for new customers, activate dormant accounts and distinguish the customer group structure to practice the diversified management of customer groups; integrate related business units to better perfect the products available on the wealth management product platform in width; seize the business opportunities derived from new financial policies for wealth management services to promote the momentum for wealth management services.

(B) Improve the functions of the order placement APP, Mr. Yuanta, integrate various mobile trading platforms, provide investors with better investment experience; optimize the back-office operations, integrate E-counters, upgrade online services, enhance competitiveness among peers; enhance the e-trading platform security mechanism and customers' data protection.

(C) Continue to implement the diversified marketing model integrating loaning, develop different customer structures and complement its financing activities effectively. Develop the online securities borrowing and lending platform, enhance the securities lending operations, develop the two-way lending operations for natural persons, utilize the sources of securities effectively, and increase the revenue from the related commission. Continue to promote overseas sub-brokerage services, add the trading markets, overseas instruments and sub-brokerage financing that comply with laws and regulations.

(D) Continue to proceed with the R&D, design and sale of self-made structured notes and upgrade the asset management scale of Yuanta Securities; continue organizing various marketing campaigns aiming at raising customers' brand recognition toward Yuanta Securities to secure market leadership; promote the ETN development; expand product lines and increase market value and market share; complete the new version of the securities and warrant system.

(E) Participate in the underwriting of related bonds, and maintain the leadership in the market; develop baby bonds denominated in foreign currencies and build the e-trading platform; increase the trading volume of spot foreign exchange; join Taipei Foreign Exchange Market, increase external trading counterparts, reduce the capital cost; participate in overseas subsidiaries' fixed income market, and build the Group's institutional investor platform for international cases.

(F) Actively develop the investment banks' overseas market and cooperation of investment banks' cross-border platforms, and upgrade the proportion of revenue from overseas operations; refer the opportunities for business cooperation to the Group and affiliates; integrate related business resources, provide customers

with the Total Solution, balance the quality of cases and business development, and conduct the business by weighing quality and quantity equivalently

(G) Continue to expand the scope of market making and extend participation in various notes and instruments listed on TWSE and TAIFEX; develop the ETN operations, and develop ELN and FCN available for sale via the channels.

(H) Adjust the investees' capital and organizational framework; continue to strengthen fund liquidity, large-sum exposure to financing position, proprietary trading and product issuance risk management mechanism, an early warning system for risk and mechanism for reporting material contingencies; practice overseas subsidiaries' compliance with internal and external laws and regulations; execute transparent corporate governance policies.

(I) Yuanta Securities will keep watching the environment of laws & regulations for the entire capital market and the development in the same trade in Mainland China, and following up the schedule adopted by the cross-strait securities competent authorities to lift certain policies to control the chance to access the market in Mainland China.

(J) Promote the development of ESG practices, establish the "business office green power model," adopt renewable energy in steps, and urge business locations to adopt green power step by step, as expected to make two business locations become the financial channels adopting 100% green power in 2021.

B. Long-term business development plans:

(A) Have the channels develop wealth management services comprehensively, exert the brokerage and wealth management double engines completely, and stabilize customers' and sales representatives' revenue related to flow (trading) and inventory (AUM). Fulfill customers' group service and position management, provide customers with premium wealth management services, and deepen customers' loyalty.

(B) Utilize FinTech, big data analysis and AI, and engage in precision marketing subject to customer groups, in order to elaborate the account management; sprout the development of customer assets, fulfill the asset legacy and continue the relationship between Yuanta Securities and customers.

(C) Work hard to develop onshore and offshore financial instruments actively, innovate and diversify products, upgrade the omnibus mobile financial service and FinTech innovation and application, and provide customers with the one-stop trading service. Integrate resources of the Group's domestic and overseas subsidiaries, upgrade the consolidated

effects of domestic and overseas operations, create diversified business cooperation models and solidify its market leadership.

(D) Solidify the wholesale banking operations and provide the one-stop service with the strengths in business, product, and teamwork to build the Company's position in the brokerage services for institutional investors in the territories of Asia

(E) Train the professional talents for regional investment banks in Asia; enhance the cross-border cooperation and integration of resources, develop new markets overseas, develop multinational platforms, and provide customers with omnibus financial consulting services needed by customers at various stages of operation, in order to become the top regional international investment bank in Asia

(F) Maintain the market leadership in futures, options and ETF market making, expand the scope of countries for overseas investment, construct the secondary trading platform in foreign currency and increase the revenue from related overseas transactions. Develop foreign exchange derivatives, increase the trading volume of spot foreign exchange and trade in Taipei Foreign Exchange Market.

(G) All overseas subsidiaries' earnings to the whole earnings gained by Yuanta Securities attained the specific target. Utilize the business platforms effectively, line business development opportunities, and expand the operating scale. Enhance overseas subsidiaries' standard information security protection to ensure the safety of connection with multinational network systems. Keep concerning the opportunities for the layout of investment overseas and choose the optimal market to reproduce a successful experience

(H) Construct Yuanta Securities (HK) to be the international trading platform center to link the markets of Taiwan, Hong Kong, Korea, Thailand, Indonesia and Vietnam; utilize the strength and characteristics of the cross-border financial trading to provide customers with more diversified investment visions and professional financial services; work with overseas subsidiaries, develop the Group's foreign currency bonds marketing platform and work with overseas subsidiaries to issue and sell the bonds; participate in overseas subsidiaries' fixed income market and engage in secondary transactions of bonds with its overseas subsidiaries.

(I) Promote the ESG practices, establish related dedicated taskforces to promote related operations at different levels, develop ESG-related products, and build green financing business locations in steps

In conclusion, Yuanta Securities' business plans and development strategies 2021 aim to balance domestic and overseas business development, solidify its

market leadership in various business types, lay out its overseas investment, and actively connect with related business types. It also intends to continue to expand its business domain in the Asian market, in hopes of becoming the best securities service provider in the Asia Pacific Region.

2. Yuanta Bank

(1) Main business services

A. Deposit and remittance services

B. Wholesale banking services

C. Retail banking services

D. Wealth management services

E. Trusts services

F. Foreign exchange services

G. Financial operation and financial trading services

H. Digital financial services

I. Overseas services

(2) Revenue breakdown

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Net profit	Percentage (%)	Net profit	Percentage (%)
Net interest income	13,466,946	57.62	12,620,747	62.28
Net service fee income	5,679,413	24.30	4,869,613	24.03
Income from financial assets and liabilities at fair value through profit or loss	746,098	3.19	1,085,812	5.36
Realized gain or loss on financial assets at fair value through other comprehensive income	1,355,627	5.80	1,597,703	7.88
Exclude financial asset gains and losses measured at amortized cost	-	-	341,217	1.68
Exchange gain or loss	1,969,497	8.43	934,910	4.61
Loss on asset impairment	(8,570)	(0.04)	(1,356,670)	(6.69)
Net profit or loss other than other interests	162,538	0.70	171,617	0.85
Total	23,371,549	100.00	20,264,949	100.00

(3) New financial products and services in development

A. Retail banking services:

(A) In response to the digital financial trend, Yuanta Bank will work with its suppliers to build and optimize the property appraisal operating system. Therefore, customers may estimate the mortgage lendable to them online at the Bank's official website.

(B) Implement National Development Council's MyData platform; permit new accounts to waive such steps as photographing and uploading of financial proof when applying for credit cards in order to raise customers' willingness and convenience to apply for the cards online.

(C) Optimize and boost the interface and exchange and verification process on the credit card bonus point platform, and cut the equipment threshold for the platforms participated in by suppliers significantly to allow cardholders to have more diversified choices for exchange and, therefore, achieve a win-win situation for cardholders, suppliers and Yuanta in such bonus point system.

B. Wealth management and trust services:

(A) In order to promote the "Trust 2.0" operations, Yuanta Bank will optimize the related system functions of the "Employee Welfare Trust" and boost the relevant business development. Meanwhile, in order to fulfill the corporate social responsibility, Yuanta Bank will plan the IPO and custody operations for ESG-related funds to improve the omnibus trust service.

(B) Yuanta Bank will build the Coupon+fund dividends and bond interest income reinvestment system to assist customers upgrade the value of their assets, to diversity wealth management services and to increase the Bank's income.

(4) Business plans for the year

Yuanta Bank will uphold "Expansion of Business Scale, Increase Sources of Income and Upgrade Digital Financial Competitiveness" as its primary business philosophy. Insofar as the good asset quality is maintained, the Bank will expand various business scales step by step to increase the return on shareholders' equity. The Bank's primary business philosophy is stated as follows:

A. Expansion of the loan scale will help increase the net interest income throughout the Bank through the growth of the loaning scale and loan-to-deposit ratio, as the interest rate on loan business is better than the bond yield. The Bank aims to achieve balanced growth of wholesale banking and retail banking operations in the loan scale. With respect to wholesale banking, the Bank will select cases in industries that are less affected by the epidemic and reflecting better outlook. Also, the Bank will focus on transaction type loan with self-liquidating, etc., in order to further deepen transactions with customers and increase the revenue from service charges. With respect to retail banking, the Bank will select and grant loans to fine-quality customers in order to pursue stable growth and maintain the yield.

B. Under the low-interest rate and aged social and economic environment, the demand for wealth management services are expected to become

booming. Therefore, Yuanta Bank will expand the dimension of its wealth management products and management of the customer bases, strengthen its ability to introduce or design differentiated products and create more sources of diversified revenue from service charges. Meanwhile, through the cooperation of all staff throughout the Bank, the Bank will expand the management of high net worth customers and enhance its cross-selling ability to expand the wealth management basis.

C. The Bank's branches continue to manage and develop peripheral customer bases locally by planning various project and marketing activities to enhance the abilities to develop customers and solicit new capital. The Bank will also activate the development of payroll accounts to raise customers' willingness to trade with the Bank and expand the depth of transactions. Meanwhile, the growth of core deposits will be able to drive the loan scale growth and expansion of the AUM for the branches.

D. In 2020, the Bank completed the planning of and initiated the "Five-Year Plan for Emerging Technology Application and Development" and the "Digital Transformation Sprout Project," hoping to enhance its operational and business efficiency through the digital transformation. Meanwhile, the Bank strengthened the business unit's marketing ability to improve customers' convenience and satisfaction when accessing services and also build the Bank's favorable brand image and awareness.

(5) Industry overview

The outbreak of COVID-19 resulted in consumer demand decline and supply chain disruption in 2020. As a result, the global economy declined significantly. The leading economies successful fully adopted the QE policy and expanded fiscal policies to stabilize the economy and finance. Besides, the disruptions caused by international factors, including the political and economic competition between China and the USA, geopolitics, US presidential election and repeated epidemic, appear to weaken the power of global economic recovery. Notwithstanding, domestically, the adequate epidemic controls and growth in private investment, government expenditure and export volume have driven the overall economic growth. The bailout policies and repatriation of capital by Taiwanese businessmen also drove the growth in the balance of deposits/loans of domestic banks in 2020 in order to cover the interest yield lost as a result of interest cutting. Notwithstanding, the successive default cases on credit extension by the domestic banks overseas constituted the main cause affecting the banks' annual earnings adversely.

With respect to the FinTech development, the application scenarios were expanded and technologies improved too. Meanwhile, the emerging of Stay at Home Economic is driven by the epidemic, upcoming operation of internet-only banks, and the government's open banking that helped the public speed up their experience in the new digital finance business model

and changed their usage habits. The business development model under which the finance industry builds the financial ecology through horizontal cooperation became clearer.

Looking forward to 2021, despite the uncertain factors, such as the demand for export affected by the global epidemic, the trade conflict between leading economies, drastic increase in various government debts, and alienation of stock markets from economic fundamentals, the domestic economic growth momentum still keeps growing in consideration of the stable growth of domestic demand, export and private investment. The economic growth and low-interest rate environment are expected to drive the domestic banks' credit extension and wealth management business opportunities, lifting of high-end wealth management policies, and rapid development of FinTech. The launch of multiple APPS, including mobile payment, information security, cloud service and blockchain, will also help the banks expand their business scope. Further, domestic banks tended to settle the NPLs provision loan reserves more carefully in 2020. Therefore, the earnings to be gained by the banking business in 2021 are expected to be more than that in the previous year.

(6) Research and development

A. Business R&D:

(A) In response to government policies, the Bank will promote the development of "Wealth Management 2.0" for high-asset customers by combining products, channels and research resources of the Group's subsidiaries engaged in securities, life insurance, investment trust and investment consulting and promoting the Bank's abilities to research and develop products and competitiveness, in order to solicit for high-asset customers and expand its AUM.

(B) The Bank will construct the customer-oriented Sales Force Automation (SFA) to upgrade the overall sales momentum.

(C) Improve customers' convenient investment & wealth management by constructing Fund+performance simulation module, plus the special Coupon+ fund dividends and bond interest income automatic re-investment system features.

(D) At the second stage of the open banking program, the Bank will work with Taiwan Depository & Clearing Corporation (TDCC). In TDCC's "ePassbook" APP, customers may access the information about the balance of deposits in NTD and foreign currencies, statement of transactions and credit card debit note or statement, etc. upon CDD and verification of powers, via the Open API functions. Therefore, the customers can access the innovative financial services more conveniently.

B. Risk management:

(A) Continue to improve and optimize the Bank's corporate/consumer banking credit rating/scoring model risk grading analysis project; continue to follow up changes of corporate/consumer banking assets; enhance the corporate/consumer banking credit risk management mechanisms.

(B) Research the compliance of the market risk management with FRTB and the new capital requirement system construction project which is related to the FRTB and FRTBCVA applicable to capital requirements.

(C) Research and draft the responsible measures against Libor exit mechanism, including determination of the impact caused by the interest rate benchmark of alternative indicators on contracts and of interest rate curve applicable to the risk assessment and pricing based on the indicative interest rate.

(D) Continue to improve and optimize the Bank's stress test planning and execution per the latest stress test specifications promulgated by the competent authority and frameworks adopted by advanced countries and estimate the incomes and statutory capital effects under the stress scenario to strengthen the long-term capital adequacy assessment, planning and management.

(E) Plan to control the total exposure in Mainland China and high-risk industries systematically, and continue to optimize the total exposure system function to complete the centralized risk control better.

(F) Continue to plan the day funding from banking book, and measure the most optimal management mechanism for net interest revenue and economic value under the expected changes in market interest rate.

(G) According to the international regulations and latest laws & regulations enacted and amended by FSC, the Bank plans to apply the "Loan-to-Value" method to the capital requirement for "property exposure" instead and apply the "SACCR" to the trading counterpart's credit risk instead of the "CEM," and implement them into the new capital requirement system, in order to upgrade the Bank's sensitivity in assessing risk and capital adequacy ratio

C. Information R&D:

In response to the business continuity and business development, and to practice the information security management, the Bank plans to execute the following:

(A) Information system R&D and upgrading: The important information projects include personal online banking revision (including English version) 2nd stage, upgrading of Microsoft Windows Server, Open API 3rd Stage, easy card/icash Pay account

e-payment function, capital requirement system 2nd stage, IBM host upgrading, emerging technology network infrastructure, independent network access construction, new generation bandwidth controller construction, Bancs system core platform upgrading, mobile insurance, RPA project (2nd stage), central government securities settlement system construction, and bills agency and clearing system construction, etc..

(B) Information security protection and information security management: The important information security projects include enhanced EDR defensive project at the endpoints, information security scanning, computer system information security assessment (Class 1), e-payment platform security assessment, vulnerability scanning management platform, and implementation of ISO 22301 business continuity management, etc..

(7) Long and short-term business development plans

A. Short-term business development plans:

(A) Expand deposit/loan business scale and adjust the structure thereof

a. Increase the core deposits, continue to expand the capital of stable deposits and wealth management basis, and raise the current deposit scale by developing the payroll operations and corporate accounts' cash management service.

b. The wholesale banking business centralized to regional centers. Meanwhile, to upgrade the wholesale banking business momentum, the Bank will plan a wholesale banking business improvement project to boost the business growth and control asset quality by setting forth mid- and long-term strategies.

c. The retail banking business will continue to adopt the strategies, such as market segment and differentiated product marketing, to promote the number of products held by customers and customers' contribution. For the credit card business, the Bank will continue the business model to develop the specific credit card business among the target customers to practice the segment marketing strategy.

(B) Strengthen the wealth management operations in depth and width

a. The wealth management business will work with wholesale banking and retail banking to develop HNW and high-consumption customer bases, and provide the perfect wealth management customer membership plan and develop the bonus point platform available for customers to exchange discretionarily by clustering the customers in groups to manage and promoting the family membership system, in order to expand the scale of wealth management customers and AUM

and upgrade the number of active customers and customers' contribution.

b. Promote the multinational financial service professionals training plan; select the senior wealth management advisors of HNW customers from and among the internal excellent senior wealth management specialists; and, arrange and provide wealth management advanced training programs, including but not limited to, analysis of enterprises' financial statements, retirement and property transfer planning, cross-border finance and global taxation planning, organization of property rights and organizational design, and family wealth or business transfer, in order to expand the wealth management specialists' knowledge and global vision.

(C) Improve the functions of digital financial platforms and application of UM patents.

a. On a customer-oriented basis, continue to develop the online services and availability and diversity thereof on the platforms, including mobile banking, online banking, online corporate banking, and Yuanta e-counter, et al..

b. Promote Taiwan Pay and Line Pay Money service to link the payment scenario in the customers' daily life and also the payment life circle by integration of multiple payment tools.

c. Increase the media exposure and interaction with customers via operation of social media to achieve the effect of the word of mouth marketing.

d. Engage in horizontal cooperation via Open API to create the financial scene.

e. With respect to highly repetitive and logical operations, evaluate the implementation of RPA (Robotic Process Automation) to upgrade the operating efficiency and reduce errors.

(D) Enhance consumers protection and practice Treating Customers Fairly

a. In order to strengthen the promotion of Treating Customers Fairly, the "Treating Customers Fairly Principles Promotion Taskforce" has been promoted and became the "Treating Customers Fairly Promotion Committee" governed by the President to supervise the Bank's fair dealing practices since January 1, 2021.

b. Build the three lines of defense under the Treating Customers Fairly principles; the fair dealing will be practiced by regularly reviewing and following up adoption of related systems and regulations, and execute training program, care for customers, prevention of fraud and anti-money laundering, optimization of

operating procedures, and upgrading of customer service satisfaction and processing of customers' complaints.

c. Value customers' assets, monitor the market messages and price fluctuation closely and practice the customer care mechanism.

(E) Fulfill compliance with laws and risk management, and maintain stable asset quality.

a. Comply with external laws and regulations, and continue to strengthen the completeness of such operating procedures as anti-money laundering, information security, personal data protection, and corporate governance, etc.. Conduct the case study on the sanctions in the same trade and promote the correct countermeasures against individual cases to enhance the clerks' compliance concept.

b. For compliance with AML/CTF requirements, continue to adjust the system's functions per the need for integration of practices and implement the data comparison and search operations into the automated procedure to upgrade the operational efficiency.

c. Collect and publish the latest update in financial laws and regulations, and amend the internal regulations in a timely manner; ensure the compliance with various laws and regulations through training, execution of compliance self-assessment and appraisal.

d. Enhance the risk control, compliance and internal audit/internal control of overseas branch and subsidiaries.

B. Long-term business development plans:

(A) Upgrade the channel's value and operation performance to hit the record of earnings again.

a. Expand the customer base through product design, marketing, and system's aid, strengthening cross-selling to and sprout management of the existing customers.

b. Grasp the business opportunities posed by the industrial consolidation and Taiwan-based 5G manufacturers' supply chain development; integrate the Group's resources to provide omnibus financial service and financing program, and actively solicit for transactions with an excellent corporate customer base.

c. Enhance the professional consulting services provided by the wealth management team and the wealth management product and convenient trading platforms that satisfy customers' demand; maintain the competitiveness in the market and promote the growth of commission revenue.

d. Continue to integrate the tangible and digital channels to enable the tangible channels to exert the characteristics of local deepened development service, and the digital channels to

provide the convenient services linked with the wealth management, deposits, loan, payment or application under various scenarios to make the banking service available everywhere.

(B) Strengthen the practical application and development of FinTech, and expand the scope of services and market competitiveness.

a. Hold the market trend to enhance the development of FinTech products and services, or provide the innovative financial services needed by customers via external cooperation.

b. Implement the big data analysis, and develop new financial instruments and adopt precision marketing based on customers' needs to upgrade their loyalty and contribution via customized services.

c. Comply with the government's digital finance policies, continue to work with Financial Information Service Co., Ltd. or research institutes to develop such FinTech application services like blockchain, mobile payment and robo-advisor, etc.

(C) Expand the overseas branches' customer bases and develop niche businesses to upgrade their contribution to earnings.

a. Hong Kong Branch aims to expand the customer base to reduce the centralization of deposits, and to enhance the business links between domestic branches and Hong Kong Branch. It also will continue to develop the syndicated and cross-border financing operations and actively strive to undertake cases of more local enterprises and self-liquidating loans in Hong Kong to expand the business scale.

b. The subsidiary in Korea strengthens the cooperation with Yuanta Securities (Korea), develops the wholesale banking business scope, and evaluates the fund types underwritten to expand the loan scale in a more diversified and stable manner. Further, the Bank will expand the time deposit service for pension funds by developing digital financial products.

c. The subsidiary in the Philippines will sprout the development of local fine-quality wholesale banking customer bases, such as Taiwanese businessman's investees and listed companies in the Philippines, in order to help customers engage in various business activities in the Philippines and South East Asia and serve as the basis for the Bank's southbound policy.

3. Yuanta Life

(1) Main business services: life insurance agency underwriting life insurance, medical insurance, accident insurance and investment-linked products.

(2) Revenue breakdown

Unit: NT$1,000; %

Business	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Life Insurance	45,967,170	79.12	45,039,946	75.51
Personal Accident insurance	167,020	0.29	175,555	0.29
Health insurance	4,251,470	7.32	4,389,507	7.36
Annuity insurance	18,979	0.03	1,355	0.00
Group insurance	135,680	0.23	143,416	0.24
Premium revenue	50,540,319	86.99	49,749,779	83.40
Less: Reinsurance premium ceded	(883,544)	-1.52	(1,022,062)	-1.71
Less: Net changes of premium ceded reserve	(34,873)	-0.06	(120,361)	-0.20
Commission reinsurance allowance	111,718	0.19	110,767	0.19
Revenue from service charges	22,019	0.04	19,944	0.03
Net income from investments	7,884,620	13.57	10,591,477	17.76
Other operating revenue	21,019	0.04	54,689	0.09
Separate Account on Investment-linked Insurance Products income	434,052	0.75	260,592	0.44
Total	58,095,330	100.00	59,644,825	100.00

(3) New financial products and services in development

A. In terms of products: In order to deal with an aging society and low birth rate in Taiwan, Yuanta Life will continue to develop the protection type and long-term products commensurate with the retirement life, retirement medical treatment and retirement care needs, and alternate sales channels thereof. In response to the current low-interest rate environment, Yuanta Life will continue to focus on the development of insurance policies denominated in USD and increase investment-linked products. Provide the adequate solutions subject to the customers' attributes and needs to achieve the customer segment management. The Company is used to upholding Insurance Protection as its corporate core value. In response to the sound insurance product structure-related regulations promulgated by the competent authority, it will orient its product design toward those with higher protection and less savings elements.

B. For the channels, the Company will uphold the corporate core value for "Insurance Protection, Sustainability and Society's Well-being" to promote business, and focus on protection type and long-term products primarily, and provide fine-equality services secondarily. Its operations focus on the four major aspects, namely, retirement planning, medical

treatment and protection, care for disability, and asset inheritance. The customer-oriented operations aim to provide omnibus family protection and safe financing planning and develop the group insurance market and promote the work-site marketing model to expand its customer base.

(4) Business plans for the year

Yuanta Life's entire business strategy in the year:

A. Channel strategies: The Company will uphold the corporate core value for "Insurance Protection, Sustainability and Society's Well-being" to promote business, and focus on protection type and long-term products primarily, and provide differentiated services secondarily to create the Company's long-term stable profit and enhance the Company's brand value. Meanwhile, Yuanta Life will execute customer base-focused business and provide differentiated services to improve the customer service quality. The various major channels' strategies are stated as following:

(A) Bank & Securities Insurance channels: Continue to sprout the development of internal channels and expand cooperation with external channels; provide differentiated services, and improve the knowledge about insurance products and underwriting & claim practices through training programs. Sprout the development of protection-type product market, assist nationals planning the insurance programs for retirement life, medical treatment and care, and also provide personal insurance and group insurance products to help business owners fulfill the corporate social responsibility to care employees, hoping to become the best insurance partner in the management of customers of such channels.

(B) Brokerage channel: Focus on promotion of the business, including long-term asset transfer, retirement planning products and medical protection by the selected fine-quality brokers' business teams; arrange for a wide range of marketing aspects, expand customer bases and upgrade the market share to increase the company's long-term value, as the primary source of the Company's stable growth and protection-type & long-term product sales.

(C) Agency sales channels: Sprout the development of business management, provide customers with service with due diligence, target at the medical protection, retirement planning and asset transfer markets, and provide protection-type & long-term products as the solution to satisfy customers' needs and provide the omnibus family protection and safe financing planning.

(D) Diversified marketing channels: Select defined target customer bases, and provide high-protection products to satisfy customers' needs for accidental and medical protection insurance and practice a life insurance policy's function to hedge against risks.

(E) Digital finance: Categorize the online applicants for enrollment into insurance programs in detail and strengthen the power of digital marketing in order to help target different subjects precisely. Also, introduce the insurance information in a graphically visualized manner to quickly understand insurance products and upgrade the overall marketing results accordingly.

B. Product strategy: In response to the corporate core values for "Insurance Protection, Sustainability and Society's Well-being", continue to develop the protection-type and long-term products as focus, and provide fine-quality, and omnibus product solutions:

(A) Plan the protection-type and long-term products on a customer-oriented basis, provide adequate protection and services, and demonstrate the product characteristics and competitiveness by differentiating the entire appeal for sale.

(B) In response to the low-interest rate environment, develop the investment-linked products as the first priority, and plan to add product platforms and investment portfolio successively in order to supplement the investment-linked product lines.

(C) Provide customized products per the target customers' needs to fulfill the segment marketing strategy for high-asset, aging population and work-site marketing customer bases.

(5) Industry overview

According to the statistics of the Life Insurance Association, the insurance premium revenue based on new business in the life insurance business was NT$0.92trillion in 2020, a decline from the same period in 2019 by 28.1%.

Statistics of insurance premium under new business in the life insurance business in 2020(insurance premium revenue + liabilities)

Unit: million dollar

Item	2019	2020	Growth rate (%)
First Year Premium	1,274,733	916,790	-28.1

Source of data: Life Insurance Association

According to the analysis of insurance premium under new business by type of insurance, it is NT$576.4billion for life insurance, i.e. 62.9% of the revenue from insurance premium under new business, NT$286.4 billion for annuity insurance, i.e. 31.2% of said revenue, NT$42.9billion for health insurance, i.e. 4.7% of said revenue, and NT$11.1 billion for accident insurance, i.e. 1.2% of said revenue.

There are two things to be clarified about Yuanta Life's sales performance in 2020:

A. For the traditional insurance products: In consideration of the downward adjustment on policy liability reserve rate at the beginning and in the

middle of the year, the declining interest rate on the interest rate sensitive life insurance policies, poor sales of traditional insurance policies, and FSC's announcement of the implementation of interest rate stabilization mechanism in July, expressly defining that the interest rate declared by the life insurance business should be close to the fixed income bond yields as possible as it could and CSM should not be negative, the sales of traditional products declined accordingly. Further, as affected by the epidemic, the revenue from traditional insurance premiums of the first year decreased by 36.5% from the same period last year.

B. For investment-linked insurance products: In addition to said effect posed by the epidemic, the Insurance Bureau also set forth the new management policy about target bond funds upon maturity, which were considered the main force in the market, to restrict the grades of bonds investable by the funds. As a result, the policy-linked fund yield decreased and thereby affected the overall sales of investment-linked policies.

Statistics of insurance premium by insurance type in the life insurance business (insurance premium + liabilities)

Unit: million dollar

Insurance type		2019	2020	Growth rate (%)
Life insurance	Traditional	752,400	477,627	-36.5
	Investment-linked	170,328	98,797	-42.0
	Subtotal	922,728	576,424	-37.5
Accident insurance	Traditional	12,230	11,117	-9.1
Health insurance	Traditional	39,832	42,880	7.7
Annuity insurance	Traditional	55,081	44,965	-18.4
	Investment-linked	244,862	241,404	-1.4
	Subtotal	299,943	286,369	-4.5
Total	Traditional	859,543	576,589	-32.9
	Investment-linked	415,190	340,201	-18.1
	Total	1,274,733	916,790	-28.1

Source of data: Life Insurance Association

According to the analysis of the percentage of insurance premium by channel, the bank & securities insurance channel accounted for 52.3% of the insurance premium based on new business from 2020, Yuanta Life’s own marketing channels 38.7% thereof, and traditional broker channel 9.0%. Personal life insurance and investment-linked insurance are primarily sold via the bank & securities Insurance channel. Traditional accident insurance and health insurance are still primarily sold via the Company’s own marketing channels.

Statistics from insurance premium in the life insurance business by source in 2020 (insurance premium revenue + liabilities)

Unit: million dollar

By source	Life insurance	Bank broker	Traditional broker	Total
Insurance premium	354,683	479,144	82,963	916,790
Rate (%)	38.69	52.26	9.05	100.00
Individual life insurance	179,150	251,785	43,092	474,027
Individual annuity	22,255	19,151	3,281	44,687
Investment-linked	106,713	207,311	26,177	340,201
Personal Accident insurance/health	33,368	502	6,634	40,504

Source of data: Life Insurance Association

Looking forward to 2021, the 2020 revenue from the new contract premium declined by 28.1% due to the implementation of the regulatory measures and transformation of product sales. It is generally expected that no effect would be produced by the discontinued sale in the market in the first half of 2021 and, therefore, the sales might decline by a further 10%. Additionally, despite the uncertainty caused by the epidemic factor in the global capital market, when the traditional savings-type insurance policies are affected by the regulatory measures and the low-interest rate environment, Yuanta Life will develop investment-linked insurance policies that allow customers to call back fixed assets and grow capital stably. Accordingly, sales are expected to grow in 2021.

(6) Research and development

A. R&D expenditure for the most recent two years:

Yuanta Life has kept researching and developing products that meet various customers' needs, developed diversified products, satisfied the market's need for insurance, and also practice inclusive financing. In the most recent two years, it has researched, developed and launched the products, including the endorsement for exclusion of waiting period of notifiable communicable diseases, NTD/USD high protection multiple interest rate sensitivity life insurance, house loan life insurance, life long term health insurance applicable to fetus, small amount whole life insurance and group micro-insurance, etc..

B. Future R&D development plan:

Yuanta Life will orient the development of products toward the "protection-type and long-term" products. In response to the population structure of aged society, it will continue to develop insurance products commensurate with retirement life, retirement medical treatment and retirement care needs. Meanwhile, to deal with the low-interest rate environment, the investment-linked insurance policy will become one of the main products to be developed and linked with the quasi-discretionary investment-linked policies form the diversified product

lines. It will also provide adequate solutions subject to the customers' attributes and needs to achieve the customer segment management and continue to upgrade its long-term value by complying with the regulatory measures.

Considering the diversified applications of the insurtech, Yuanta Life will work with related insurtech units to rapidly build its competitiveness. First of all, it will participate in the Association's blockchain. After completing the "one-stop claims/security insurance application service" and e-policy authentication and certification services, it will continue to participate in the research in order to provide more online services. For the new digital technologies, Yuanta Life researches and evaluates the implementation of AWS APP - AI-supported auxiliary diagnosis of claims, in order to simplify and improve the procedure for underwriting claims. Upon completion of the de-identification, the cloud service technology is applied to transform them into structured data through AI algorithms. Then, the API technology is applied to integrate the internal systems and provide real-time comparison results in order to improve the internal administrative staff's operational efficiency.

(7) Long and short-term business development plans

In response to the changes in the domestic financial market and the competent authority's regulatory policies, and in order to secure a competitive advantage in the insurance market, Yuanta Life will focus on the following key services and development items in the future:

A. Short-term development plans:

(A) Customer base management: Provide the protection policies correspondent to the issues concerned by various customer bases; arouse customers' needs; provide correspondent insurance products; create sales opportunities; and, become an insurance partner of the channels engaged in customer base management.

(B) Extension of marketing aspects: Provide complete supporting services, including the training on products, marketing skills, cause-related marketing and activities. Reproduce the own channels' successful marketing model to the selected external channels to expand the cooperative channels, develop new customer bases, expand market shares, upgrade brand awareness and penetration rate.

(C) Promotion of work-site marketing: Penetrate the work site deeply through the group insurance business management, provide specific enterprises' employees with the concept about protection by insurance and solutions, and have the elite counseling team create personal insurance marketing niche to boost the insurance protection.

(D) Enhanced promotion of protection-type and long-term policies: Build the full medical protection brand, improve the characteristics and strengths of health insurance riders, drive sales of the main life insurance contracts, and upgrade product sales broadly and diversely. Raise customers' insurance protection and focus on high-asset and retirement planning customer base marketing.

(E) Enhanced data analysis: Apply the big data to build a fine-quality list module to upgrade the performance in the execution of the list and competitiveness in sales.

B. Long-term development plans:

(A) Sell the protection type and long-term products as the focus of the business, probe into the demand of channels, design competitive and differentiated products and construct complete protection type product lines to plan complete family protection for customers.

(B) Continue to practice the activity content management to form a correct working habit to build a high-performance team and maintain stable monthly business growth.

(C) Sprout the existing partners and adopt balanced development of major partners to form long-term strategic partnerships. Strengthen the teamwork and staffing by professional training and cultural cultivation in order to form the sales forces weighing quality and quantity.

(D) Build the work-site insurance protection marketing model through the group insurance business management to provide employers and employees with a one-stop shopping service and satisfy employees' needs for protection.

(E) Amplify the digital marketing impact, control the products and market demand more precisely by following up the digital footprints online at the official website, and analyze the profile about prospective customers of offline products to provide information to business units and internal product development units for reference as the bridge connecting companies and online customers.

4. Yuanta Securities Investment Trust

(1) Main business services

A. Securities investment trust

B. Discretionary investment

C. Securities investment consulting

D. Futures Trust

E. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Revenue from Management fees	2,614,515	92.48	3,333,846	93.72
Revenue from transaction fees	10,189	0.36	15,410	0.43
Revenue from sale	181,194	6.41	184,457	5.19
Revenue from marketing reimbursement	20,106	0.71	16,636	0.47
Other operating revenue	1,264	0.04	6,662	0.19
Total	2,827,268	100.00	3,557,011	100.00

(3) New financial products and services in development

A. Provide solutions for retirement plan and wealth management:

In recent years, labor pension fund and pension reform issues have been valued by nationals increasingly. As result, retirement plan & wealth management became a focus concerned by all nations throughout Taiwan. Young workers who prefer early deployment or soon to be retirees are preparing an adequate retirement plan. Soon to be retirees viewed stable distribution of dividends as their first priority. Notwithstanding, given the world's low-interest environment, savings deposit insurance policy favored by the retired in the past has been gradually losing its competitive edge. Therefore, Yuanta Securities Investment Trust launches fine-quality and yield products in response to the demand for retirement planning and wealth management.

B. Active promotion of Discretionary services:

Consolidating the different needs of insurance companies and distributing through different channels, Yuanta Securities Investment Trust aims to grow its discretionary business.

(4) Business plans for the year

A. Re-marketing of Taiwan equities funds and high margin funds:

As Taiwan equities continues to set new records, this led to the increase of participation of Taiwan active equities fund. In order to prevent investors who keep riding on the fence from missing investment opportunity, Yuanta Securities Investment Trust continues to educate investors the importance of asset allocation and regular savings plan.

In regards of re-marketing of Taiwan equities funds, Yuanta Securities Investment Trust will focus on Yuanta High-yield Leading Company Fund and Yuanta Excellence Equity Fund, along with any other high dividend yield products, in order to satisfy investors' needs for retirement plans or diversified wealth management. On the other hand, Yuanta Securities Investment Trust 5G related ETF, Yuanta Global NextGen Communication and Yuanta Global NextGen Communication Innovative Technology will be targeting those investors who are trend driven oriented will be distributed through securities broker channels to create a win-win scenario for all parties.

B. Existing Funds Evaluation:

Yuanta Securities Investment Trust will evaluate exiting fund performance, scale and market trends base on periodically review and non-periodical review. Should any existing funds are deem to be lack of value, Yuanta SITC will either liquidate or fund merge to increase investment value for investors while reducing operation cost.

C. Implement business analysis and decision-making system:

Monitor business context through the business analysis and decision-making system; create organization's memory and internal database. Business decision-making system is designed by reviewing and tracing back to the business startup, and combining Yuanta Securities Investment Trust's development roadmap, such functions covering business administration, market/peer dynamics, project/target management, customer base analysis, fund performance management and financial management, to increase control of company's important information, such as business scale, product performance, market share and target achievement, and review effectiveness of the company's resources allocation and execution of business policies.

(5) Industry overview

Surrounded by the shadow of the epidemic globally, the stock and bond markets experienced significant turmoil in 2020. With remarkable epidemic prevention, Taiwan economic growth rate kept rising drove the booming investment in the domestic fund market. At the end of 2020, the domestic public fund scale reached NT$4.52 trillion, YOY 12.95%. Benefited from launched of Yuanta High-yield Leading Company Fund while Taiwan equities market kept setting new high, the entire active fund market scale grew by 41.65% annually, while Taiwan equities ETF grew by 105.28% annually. Further, the Taiwan ETF feeder funds designed for channel's customers also grew by 114.35% annually. As volatility increases and global

market reaching new high, leveraged and inverse ETF AUM also grew tremendously, off-shore leveraged and inverse ETF AUM each grew 551.14% and 266.07% respectively.

(6) Research and development

A. Implementation of ESG investment procedure:

Rule out enterprises with high ESG risk and not take any corrective actions from the investable scope via the ESG rating database; establish a set of systems dedicated to ESG risk assessment on a daily basis with respect to investable underlying. Should the invested underlying ESG rating drops to warning bracket, the investment team will utilized fundamental analysis to assess the underlying ESG risk and decides whether positions should be held or liquidated, in order to practice the investment risk controls.

B. Trend investment, overseas and domestic equity products:

Research the Mega Trend related product to take the initiative of issuing innovative products favored by investors.

C. Build AI investment portfolio:

Yuanta ETF-AI investment platform will provide various investment portfolio programs according to investors' target and needs, including retailed investors' portfolio, diversified dividend and yield portfolio for the retired, target date portfolio, industrial trend portfolio and quasi-absolute return portfolio., The platform's new function, "Investment Portfolio Trial Calculator," helps investors find the investment portfolio correspondent to their risk attributes and improve their fund investment opportunities and long-term asset allocation concept.

(7) Long and short-term business development plans

A. Short-term plans:

(A) Promotion of automated business procedure and digital transformation

Use the RPA to implement optimization of SOPs; check whether key operating procedures for routine affairs can be further simplified, or try to replace the heavy routine operations and repeated operations with the RPA through the system to conduct feasibility studies, aiming to reduce complicated and repetitive work and urge HRs to focus on outputs more.

(B) Digitalized operating procedure

Analyze the feasibility of the replacement of the existing paperwork with online in order to mitigate the burden borne by manual operations, e.g. account opening and subscription/redemption, and improve efficiency of over-the-counter services. Those with high replaceable, workload, manpower consumption and repetitiveness should be replaced as

the first priority in order to mitigate manual workload and cut operating costs.

(C) Stable fund performance

Continue to outperform the benchmark return as its target and focus more on enhancing fund characteristics and control over changes in the market, aiming to enhance and stabilize fund performance further under the bottom-up management strategy to facilitate investment return.

B. Long-term and mid-term business development plans:

(A) Deepen cooperation with the Group's subsidiaries on business development

Integrating Group's resources, expand cooperation projects among subsidiaries; and create consolidated effects of business management. Continuation cooperation with Yuanta Securities, Yuanta Bank and Yuanta Life to fully utilize Group's professional resources, talents' exchange, improve business performance.

(B) Create convenient digital finance

In response to the expanding epidemic, acceleration of digital financial development became top priority and Yuanta Securities Investment Trust online account opening system is upgraded completely. Investors may open an account and activate their wealth management accounts through online directly. The new online account opening system also includes the function dedicated to upgrading old accounts in order to enable customers who never accessed digital service, such as online transactions, search and changes, Then, the digital financial services may be extended to old accounts without previous access. Yuanta Securities Investment Trust will adjust UI/UX interfaces on its official website in order to provide users with real-time and personalized information. Customers may manage their wealth by investing in funds and ETFs to boost e-trading and e-service growth.

(C) Practice the inclusive finance and green investment

Taiwan regulators is keen to promote and popularize financial knowledge by investors' education of correct investment and wealth management concept. RSP promoted by Yuanta Securities Investment Trust is an example of practicing inclusive finance.

Another policy promoted by the regulators green investment, which is in line with Yuanta Securities Investment Trust product development. Other than ESG investment and implementation of ESG investment procedure, Yuanta Securities Investment Trust also focuses on ESG-related products development as part of ESG contributions to society.

(D) Talent training and prevent personnel's moral hazard

As business grow, Yuanta Securities Investment Trust values talent training highly. Prevention and promotion of the employment risk are parts of the company's main focus, as it can reduce the possibility of moral hazard. Product innovation, business development talents management and customer service are all of part Yuanta Securities Investment Trust's future development plans along with delivering stable performance to our investors.

5. Yuanta Futures

(1) Main business services

A. Futures brokerage services

B. Futures proprietary trading

C. Futures consulting services

D. Futures Settlement and Commissioned Settlement

E. Concurrent engaging in proprietary trading of securities

F. Concurrent engaging in securities trading supporting services

G. Leverage transaction merchant trading system

H. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Brokerage revenue	2,808,416	96.23	3,717,441	95.87
Proprietary trading revenue	89,357	3.06	157,934	4.07
Counseling service revenue	11,766	0.41	13,487	0.35
Other revenue	8,786	0.30	(11,237)	(0.29)
Total	2,918,325	100.00	3,877,625	100.00

(3) New financial products and services in development

A. New-generation e-trading and AI trading platforms:

In response to the innovating digital technology development, Yuanta Futures will continue the planning and keep in line with the futures business development to plan and integrate the existing e-platform functions and develop the new-generation e-platform. The new-generation e-trading and AI trading platforms provide the interfaces with flexible windows, modern display style and convenience, integrating the most complete domestic/foreign futures and warrants product, in order to satisfy customers' needs in trading speed, smart strategies, trading via programs and real-time monitoring.

B. Sprout leverage transaction merchant trading system:

Promote leverage transaction merchant's foreign exchange margin trading (Forex) and OTC derivatives operations; research and develop innovative and diversified financial instruments in line with the OTC markets in the Asia-Pacific Region; utilize the ability to develop innovative products to build the products and services differentiated from the peers', satisfy customers' multi-dimensional needs for products and build the new engine for brokerage revenue.

C. Sprout leverage transaction merchant trading system:

Develop leverage transaction merchant's foreign exchange margin trading (Forex) and derivatives operations; research and develop innovative and diversified financial instruments; introduce international financial platforms to be in line with the over-the-counter markets in the Asia-Pacific area; utilize the ability to develop innovative products to build the products and services differentiated from the peers', satisfy customers' multi-dimensional needs for products and build the new engine for brokerage revenue.

(4) Business plans for the year

In 2020, Yuanta Futures strengthened various management aspects, including upgrading of profitability of shareholders' equity, fulfillment of risk management, execution of proprietary services and brokerage objectives, and already achieved the various business objectives. In terms of financial performance, Yuanta Futures made a profit after tax of NT$1.070 billion in 2020, ranking 1st among professional futures firms, with an EPS after tax of NT$4.23 and an ROE after tax of 10.33%. In terms of business performance, Yuanta Futures' futures brokerage market share was 26.88% and options brokerage market share 16.30%. The market shares of said business lines all ranked 1st place in the market and leading in the same trade remarkably.

Looking forward to 2021, Yuanta Futures will aim to "Innovation and sustainability, leading cross-border business" as its business philosophy, in order to continue maintaining its leading position in the industry. Yuanta Futures has used the best efforts to invest resources in digital finance permanently, and continued to upgrade the e-system software and hardware, utilize the big data and AI strategies, deeply cultivate customer service and experience. The Company achieves the integration of cros -border and cross-industry services in Asia-Pacific area, combines overseas brokerage operations, overseas B2B operations and overseas service entity economy and develop new international operating strategies to become an international large-sized futures firm.

The business plan to be boosted by Yuanta Futures in 2021 is highlighted as follows:

A. "Deepen the domestic/foreign futures and options brokerage market shares, and upgrade profit margin"

By digitalizing the marketing channels, and via online social

networks, the Company combines the online and offline omnibus fine-quality services to provide 24-hour global operating center services, and also develops domestic futures and options products, as well as foreign futures and 8 major options products, based on the professional research reports and in line with the international political, economic and current issues, in order to enhance the value-added services to customers and continue upgrading the brokerage market shares and profit margin.

B. “Development of brokerage services to domestic/foreign institutional investors“

Promote the futures and options brokerage services to domestic banking institutional investors and foreign institutional investors; combine the Group’s and overseas business development to create the consolidated effect for the Group and upgrade the institutional investor brokerage market shares and AUM; deepen the services to domestic/foreign industrial institutional investors; practice the enterprise entity economic development; expand AUM scale; integrate and upgrade the capital management efficiency.

C. “Exercise competitiveness to upgrade Yuanta Futures’ brand identity as a futures expert”

In Taiwan, Yuanta Futures holds multiple advantages, including the most foreign futures exchange memberships (16), most business locations (250) and 24-hour global operation center services. It optimizes its brand identity as a futures expert on the trading platform combining securities and futures.

D. “Deploy the international brokerage operations in response to Yuanta FHC’ Asian Cup”

Develop customers for overseas locations actively in response to the international layout by Yuanta FHC; with Yuanta Group’s successful experience, practice the consolidated effects for the Group; cultivate Yuanta Futures’ overseas locations as the global commodity and trading platform; supplement the futures product lines, strengthen the B2B business, develop futures business channels combining various exchanges’ resources in new markets, fulfill the service entity economy, promote cross-border enterprise hedging operations, and plan the overseas asset management hub.

E. “Enhance leverage business growth and attend to risk controls at the same time”

Develop the contract for difference with the general customers and industrial institutional investors, and develop customized OTC derivatives primarily subject to the industrial institutional investors’ needs. Continue to launch customized, innovative products, strengthen products denominated in foreign currencies in depth and width, enhance the platform's competitiveness, and satisfy customers’ need for financial

hedging and trading; meanwhile, improve the leverage internal audit and internal control standards, develop business stably under the risk management, establish the mechanism by weighing business and management evenly, and create a win-win situation between customers and it.

F. "Develop the advantageous trading strategy and improve the performance of proprietary operations."

Develop sources actively to improve the performance of proprietary operations, strictly control the risk over trading strategies, and orient the development toward market making and smart strategic platforms; continue recruiting and training human resources specialized in quantitative finance, develop the global futures strategies and establish modules thereof, set up 24-hour trading globally, develop advantageous strategies centrally, develop overseas markets with high volatility and upgrade the operational performance.

G. "Fulfill corporate social responsibility and build ESG benchmark"

Establish the corporate governance culture, practice corporate social responsibility, and fulfill the vision and commitments for ESG. Continue to sprout the development of corporate governance, environmental policy, social responsibility, ethical management and fair dealing; value ethical management and practice the fair dealing policy to provide customers with the warmest services. For the ESG practices, use the best efforts to research and develop green products, promote green research report, and have the corporate governance aim to have customers rest assured, make shareholders feel relieved and enable employees to enjoy working, thus becoming a role model for ESG practices among domestic futures houses.

(5) Industry overview

Due to the black swan events caused by the COVID-19 epidemic, the world economic activities suffered a huge impact posed by the disruptions in supply chains, lockdown and closed-door policy caused therefor in 2020. Various countries successively adopted their bailout policies, including interest cutting by central banks or the USA's unlimited QE policy, which caused significant volatility in the trading of most futures products and the booming trading in Taiwan's futures market. This year, the total trading volume of TAIFEX amounted to 341 million lots, growing by 31% from 261 million lots last year and breaking the record in 2018, 308 million lots. Among the other things, the night trading volume amounting to 85.4 million lots, i.e. 33% of the day trading volume of the same products. The trading volume even broke through 1 million lots a day for 4 consecutive trading days, from March 12 to March 17. Apparently, TAIFEX provided the market hedging and trading needs in the course of TAIEX trading hours, and traders may hedge and trade in response to the futures & spot market conditions in Europe and the USA, so that traders' needs could be satisfied satisfactorily,

despite the huge volatility in the market. The night trading hours are opened to provide more flexibility in trading hours. Besides, the entire financial turmoil drove the significant growth of demand for hedges, and the booming spot market also drove the significant growth of individual stocks and futures. All of these are identified as the important factors causing the trading volume in TAIFEX to hit new records consistently.

The rampant epidemic caused the demand for crude oil to decline significantly. As no agreement was reached through the oil-producing countries' negotiation, the WTI futures contract for May, which is about to expire on April 20, reflected a negative oil price for the first time, which even hit US$-40.32/barrel, the lowest, in the intraday trading (US$65.65/barrel, the highest, at the beginning of January this year). As a result, a huge impact was posed on the global financial market adversely. Given this, various countries have successively implemented their bailout policies. The oil-producing countries reached an agreement to cut the output. The vaccine supply made positive progress after November. Therefore, the WTI futures index bottomed up back to US$48/barrel in December. Besides, the COVID-19 epidemic also caused the gold futures index to rise by more than 30%, breaking the record in 2011 and even US$2,000 per ounce. As a result, various major analysis organizations have successively adjusted their gold price forecast upward. In terms of the index futures, the global financial market experienced the largest turmoil this year. The rampant epidemic and interest cutting by Fed without warning made the market more panic. The three major indices in the USA have touched the price drop range of 7% defined under the circuit breaker mechanism four times in March this year and also touched the same range many times in March, respectively. After all, the last time when a circuit breaker mechanism was activated was in 1997 when Asian Financial Crisis broke out. VIX index remained 13.74% only on February 12 this year. Notwithstanding, given the rampant epidemic, the index hit 82.69% on March 16, more than 80.86%, the highest record hit on November 20, 2008 when the financial tsunami arose. For micro NQ futures, the price drop range from February 19 to March 23 attained 28%. Following the QE policy adopted by Fed, more bailout policies were applied. The vaccine problem has made positive progress. Benefiting from the epidemic resulting in changes of human life, the micro NQ futures of technology stocks have grown by 90% from March, in which the lowest was hit, until December. The volatility in the international market was also increased, and the international futures trading volume also grew from the same period of last year.

As far as the domestic market is concerned, the annualized volatility of TIFs was 24.92% in 2020, increasing by double, from 10.71% in 2019. The total trading volume of TAIFEX grew significantly from 2020, hitting NT$341 million lots. Among the other things, TAIEX options accounted for about 202 million lots, TIFs 46 million lots, MTX 60 million lots, and stock

futures 26 million lots. The trading volume of the newly listed ESG leaders index futures and biotechnology index futures were 98,500 lots and 56,600 lots respectively. The trading volume of the TPEx 200 Index grew to 153,700 lots in 2020. The number of futures accounts opened by natural persons was 1.95 million and that of new accounts 84,984, making the total number of accounts attained 1.96 million on the market, growing by 4.6% from last year. In contrast, the number of trading accounts declined slightly, and the trading volumes for natural persons and institutional investors remained 49:51. Apparently, the index futures were still identified as the main products for the futures trading in the domestic market, accounting for 90% of the total trading volume. This year, the individual stock futures (including ETF futures) amounted to 27.01 million lots, growing by 27% from 21.22 million lots last year, i.e. 8% of the total trading volume.

(6) Research and development

A. Yuanta Futures upholds the main philosophy for "Market-Oriented and Customer-Based." In order to control the transactions with customers more precisely, Yuanta Futures will optimize and develop the second-generation CRM system to record data in real-time, provide multi-dimensional data and record, and increase the sales unit's knowledge about customers comprehensively, in order to upgrade the customers' satisfaction and loyalty.

B. Yuanta Futures will continue to uphold the same spirit in 2020. Research Dept. will continue to improve research reports by including illustrations and text compiled alternatively to improve the accessibility to the reports. Also, in response to the trend to combine futures and industry, Research Dept. will invest more resources in the industrial institutional investor business, including the industrial institutional investors' need for strategic hedging and various forward-looking analyses.

C. Yuanta Futures IT Dept. will orient its R&D toward replacement of the domestic core accounting systems and adopt the policy upholding "fast market with no slow order matching." Meanwhile, it will improve the successful operations on the booming trading date subject to drastic fluctuation, depending on the close connection between the core system software and database items. Yuanta Futures will optimize and upgrade the core accounting system comprehensively and also enhance more APP services, in order to provide a stable and fine-quality trading environment.

(7) Long and short-term business development plans

A. Short-term business development plans:

(A) Establish a brokerage operations-oriented value chain: Promote futures, options, leverage and securities product brokerage channels, provide complete financial product services through the steering current mechanism applied to customers, develop the two-in-one

business model for securities and futures, and continue to recruit and train excellent talents to provide fine-quality services and enhance the Company's differentiation in the competition with peers.

(B) Maintain the quality of charges for the brokerage operations: Combine the research reports and consulting strategic smart services, provide value-added business services, and exercise the customer risk management and care at the same time to sprout the brokerage operations and maintain the quality of charges with the fine-quality and heartwarming service quality.

(C) Sprout the development of IB channels to expand operating results: Speed up the introduction of securities IB customers to create a niche, and combine the channels to promote individual stocks and futures, night trading and foreign futures, expand external partners, strive for other futures IB operations and concurrent operations of the futures sub-brokerage.

(D) Practice the consolidated effects for the Group's and subsidiaries' operations: Co-develop customers of entity economy, develop the business needs for settlement in kind and futures hedging, and sprout financial and industrial institutional investors at the same time to increase the Company's business width to achieve the consolidated effect for the Group, and continue to exercise the business momentum to expand the business domain.

B. Long-term business development plans:

(A) Transform and upgrade channels to increase diversified income: The brokerage service team engages in improving the organizational quality, and builds the team dedicated to integrating physical and virtue channels by virtue of new products, new thoughts and new models, and uses the best effort to achieve innovation and optimization through the new platforms and inter-departmental marketing.

(B) Develop the international market to join international securities houses: Develop customers for overseas locations actively in response to the international layout by the Group to practice consolidated effects. Cultivate Yuanta Futures' overseas locations as the global commodity and trading platform to build the complete futures product lines.

(C) Enhance risk controls and guard customers' assets: Utilize the risk management technologies and expertise accumulated by Yuanta Futures in R&D of FinTech products and services, and combine resources intensively to develop new business lines actively.

(D) Protect shareholders' equity and pursue ESG development: Uphold the highest ethical management principle and use the best to protect

shareholders' equity. Integrate the corporate social responsibility into the Company's business purposes and service management model, and promote ESG practices and goals through corporate governance, fair dealing, green finance, social participation, and healthy workplace.

6. Yuanta Venture Capital

(1) Main business services

A. Provide capital directly to invested enterprises.

B. Provide corporate operation, management, and consulting services to investee enterprises.

C. Commissioned consultation on business administration.

(2) Revenue breakdown

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Equity in investee income recognized under the equity method	396	0.20	18,442	5.80
Net gain or loss on financial assets at fair value through profit or loss	174,017	87.89	275,099	86.55
Dividends revenue	23,584	11.91	24,325	7.65
Total	197,997	100.00	317,866	100.00

(3) Business plans for the year

A. Achieve the annual budget objective:

Yuanta Venture Capital has successively disposed of the investees of Yuanta Venture Capital and Yuanta I Venture Capital successively in 2021 to achieve the objective of budget.

B. Weigh core business and growing business equivalently:

Subject to the conditions, such as markets and industries for the target portfolio, Yuanta Venture Capital's investment business may be divided into two types, namely "Core Business" and "Growing Business." The "Core Business" primarily aims at the industries known better by the investment, or more matured markets, with low risk but stable income. The "Growing Business" aims at pre-matured markets, with higher investment risk but a good chance to seek better returns.

In consideration of the significant impact to the market and industry by COVID-19 in 2020, and the overall market assessment that the epidemic is not likely to become sluggish significantly in 2021, Yuanta Venture Capital's investment strategies in 2021 will continue to solidify the "Core Business" and also increase the proportion of the "Growing Business"; notwithstanding, Yuanta Venture Capital will select the investment portfolio about leading technology which are also

certified as the first priority and also select investment portfolio cautiously, in order to balance risks and return.

The investment strategies are stated as following:

Investment strategy	Selection strategy	Selected industry	2021 Percentage (%)	2022 Percentage (%)	2023 Percentage (%)
Core business (Existing technology / pre-matured market)	1. Lower P/E ratio 2. Reasonable dividend yield 3. High liquidity (in the case of open trading market) 4. Familiar with the company and the team	Internal Electronic industry (software and hardware), manufacturing, IC design, traditional manufacturing, ship and aviation industry, automotive industry, chain store industry (e.g catering, pharmacy and store, et al.), and agricultural technology Overseas Traditional industry: e.g. manufacturing (light assets primarily); Domestic demand: e.g. chain restaurant, consumer goods, recreational industry	45	40	35
Growing business (Existing technology / pre-matured market)	1. Leader in the field or scale of the technology 2. Products or services have already been authenticated by the market. 3. Lower risk	e.g. AR/VR, FINTECH (e.g. Blockchain application), e-commerce, Big Data, AI, edge computing, Internet of Vehicles, Smart Factory, Smart Family, high-rank medical devices, medical services, digital contents and management, advanced materials, and 5G etc.	55	60	65

C. Control the business opportunities locally and attend to overseas markets at the same time:

Given the coming Biden era, the launch of vaccines, and new changes in the global economic, trading and consumption activities,

Yuanta Venture Capital will act more cautious in assessing overseas investment projects. Particularly, the information about Mainland China is not transparent, and the assessment shall be conducted more conservatively. Repatriation of capital from Taiwanese businessmen drove business opportunities. In the next year, Yuanta Venture Capital will keep noting the investment opportunities locally. Based on the cautious assessment result on regional risks and investment conditions, Yuanta Venture Capital is planning that investment areas should cover Taiwan, China, Korea and South East Asia within 3 years. Please see the following:

Scope		2020(F) (Add)	2021(F) (Add)	2022(F) (Add)
Internal	Taiwan	75%	72%	70%
Oversea	Mainland China	5%	5%	5%
	Korea	8%	10%	12%
	South East Asia / others	12%	13%	13%
Total		100%	100%	100%
Projected total investment amount		NT$600 million	NT$600 million	NT$600 million

(4) Industry overview

According to the 2019 questionnaire survey performed by Taiwan Venture Capital Association on the venture capitals in 2020, the overview of venture capital market in Taiwan is discussed in terms of domestic venture capital's financing status, investment status, invested industry, investment stages and invested territories:

A. Financing Status:

In terms of the venture capital's financing status, 12 new venture capitals were founded in 2019, with the total capital amounted to NT$2.233 billion. The number of new venture capitals decreased by 5 from 17 in 2018, but the total capital increased by NT$217 million from NT$2.013 billion in 2018. Apparently, the new venture capitals' total capital was declining, but the total capital grew slightly in 2019. In conclusion, the economy still has not yet recovered as usual.

B. Investment status:

In 2019, there were a total of 331 investment projects by venture capital in Taiwan, decreasing by 36 cases from 367 cases in the previous year (2018). The total investment capital was NT$10.159 billion in 2019, decreasing by NT$2.569 billion from the total investment capital, NT$12.728 billion in the previous year (2018). As a whole, the number of investment projects and total investment capital in 2019 both decreased from 2018.

C. Invested industry:

According to the statistics, in 2019, the total invested value in the IT industry (NT$2.862 billion) became the largest, and followed by the manufacturing industry (NT$2.301 billion), bio-tech including new drug and medical device (NT$1.712 billion), service industry (NT$1.606 billion), green energy and environmental protection (NT$539 million), venture capital industry (NT$419 million), national defense/aerospace industry (NT$238 million), and culture and creative industry (NT$109 million).

Compared with the invested industries in 2019 and 2018, apparently the IT industry has returned to first place by investment capital since 2014. The investment capital thereof decreased by NT$1.303 billion in 2019 (NT$4.165 billion in 2018). The manufacturing industry has been in second place for two years consecutively, with the investment capital thereof decreased by NT$122 million (NT$2.423 billion in 2018). The bio-tech, including new drugs and medical devices, has been in the first place for 3 years consecutively, but dropped to the third place since 2018. The investment capital thereof decreased by NT$460 million from NT$2.172 billion in 2018 to NT$1.712 billion. The green energy and environmental protection industry has been in seventh place in 2017 but rose to fourth place in 2018, dropping to fifth place in 2019, with the investment capital decreasing from NT$1.299 billion in 2018 to NT$539 million in 2019. The service industry was in fifth place in 2018, and upgraded to the fourth place in 2019, with the investment capital increasing to NT$1.606 billion (NT$1.292 billion in 2018). The national defense/aerospace industry was growing this year, with the investment capital increasing to NT$238 million (NT$61 million in 2018). Obviously, Yuanta Venture Capital continued to invest in the IT industry, manufacturing industry and bio-tech including new drug and medical device primarily.

D. Investment stage:

In terms of the investment stages, in 2019, the proportion of investment by the venture capital in Taiwan at the following various stages is: Expansion (42.30%), Maturity (30.21%), Foundation (19.03%), Seed (8.17%). The proportion of investment by the venture capital in Taiwan at the following various stages is: Expansion (46.39%), Maturity (24.11%), Foundation (22.05%), Seed (8.17%). In the past years, the proportion of investment by domestic venture capital business at the earlier stages (Seed and Foundation) was about 30% or more. Such consequences shall result from the policy strongly boosted by the government dedicated to promoting the industrial innovation and creativity that caused massive emerging businesses or startups to be founded and become the focus of the venture capitals. In 2019, the domestic venture capitals' investments were centralized at the Expansion and Maturity stages. The total number of projects or total

investment capital would attain 70% or more at both stages.

E. Invested territories:

According to said statistics, the investment behavior by territory in 2019 showed that the domestic investment was still the first priority, accounting for about 64.25%, increasing by 9.79% from the proportion of investment in domestic business, 54.46%, in 2018. For the territories outside Taiwan, the territories of Asia (including Mainland China, Hong Kong and Macao and other territories of Asia) ranked the second place, i.e. 11.94%, decreasing by 11.22% from 23.16% in 2018, the largest drop range in the recent years; the territories of Europe increased from 2019 and became 0.31% (0.11% in 2018); Silicon Valley accounted for 6.55% in 2019, increasing from 5.19% in 2018, by 1.36%.

(5) Research and development

A. Actively seek out and identify quality investment targets:

In the epidemic era, Yuanta Venture Capital will focus on the investment portfolio in the territories of Taiwan primarily, control the business opportunities arising from the repatriation of capital from Taiwan businessmen, and develop overseas markets secondarily.

B. Strengthen employee training:

Yuanta Venture Capital will improve employee training and continue to refine its operational competence.

(6) Long and short-term business development plans

Yuanta Venture Capital's short-term business development plans consist of the following: 1. Review the investment position, control risks, and upgrade profitability; 2. Deploy mid-term and long-term investment projects; 3. Focus on the investment in industries that are likely to be booming in the future, including 5G, information communications, high-end medical equipment and AI applications, etc.. Permanently, Yuanta Venture Capital will work hard to upgrade profit and achieve the objective for ROE more than 10%.

7. Yuanta Asset Management

(1) Main business services

A. Acquisition and disposition of secured NPL by financial institutions

B. Acquisition and disposition of non-secured NPL by financial institutions

C. Succession to and auction of real property

D. Real estate management and maintenance

E. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Disposition of NPL	241,405	86.61	274,178	77.33
Disposition and lease of real property	37,308	13.39	34,838	9.83
Real estate management and maintenance	-	0.00	45,517	12.84
Total	278,713	100.00	354,533	100.00

(3) New financial products and services in development

Considering that the competent authority has approved and adjusted some business lines that may be undertaken by AMC in 2019, the Company has started to research the relevant operating model. For the time being, Yuanta Asset Management still values the acquisition and integration of creditor's right and right of things, and inter-group real estate management and maintenance:

A. Acquisition and integration of creditor's rights:

With Yuanta Asset Management's professional core competency, it will primarily proceed with the integration relying on the completeness of debt and single large debt to create the potential value of integration of credit and debit. For NPL management practical operations, debtors are frequently troubled and restricted by tremendous and complicated debts. If Yuanta Asset Management will, with its expertise and practical attitude, move in the direction of debt integration, under well-founded plan, professional negotiation, and sufficient funding.

B. Acquisition and integration of right of things:

Yuanta Asset Management will start from the integration of creditors' rights secured by real estate valuable for development and make improvements on real estate where appropriate to create gains. Most of the collaterals required by financial organizations refer to real estate. However, it is frequently impossible to dispose of the same

amicably subject to different banks or creditors and, therefore, the potential value cannot be exerted or the realized price depreciates drastically. Therefore, if by integrating creditor's rights and then integrating real estate, added value of the real property will be increased accordingly.

(4) Business plans for the year

A. NPL plan:

(A) Sprout and refine secured cases

Improve the existing traditional method, and flexibly utilize diversified approaches to seek income, and seek the most advantageous models after reviewing each case carefully. By means of court auction, sale of creditor's rights, bid and debt clearance negotiation.

(B) Fulfill the management of non-secured cases

Given the current status of the NPL market and restrictions imposed by the competent authority on NPL released by financial organizations, there is almost no NPL bids offered in the market now. Yuanta Asset Management will move forward to delicate management to achieve the annual objective. Operate in coordination with objective management, warehousing management, performance management, and audit operation.

(C) Bidding and disposition of real estate

a. Yuanta Asset Management will decide to take part in the bidding for real property in the auction market in a timely manner subject to the rate of return and increment value of the property.

b. Yuanta Asset Management utilizes the decoration, lease of the real estate before disposal to increase income and dispose of the real estate after adding value and making improvement thereto.

B. Inter-group real estate management and maintenance:

According to said AMC principles, Yuanta Asset Management may be contracted by Yuanta Financial Holdings (Bank) and its subsidiaries to manage and maintain real estate. Therefore, Yuanta Asset Management engages in the inter-group real estate management and maintenance in order to exercise the Group's consolidated effects, keep consistent management and satisfy the financial institution's need for strict supervision.

C. Urban renewal and dangerous old cases:

Amend the extend part in accordance with the AMC principles, evaluate the relevant urban renewal ordinance, urban hazard and accelerated reconstruction of old buildings or the reconstruction or reconstruction of real estate such as dilapidated buildings, sea sand houses, etc., choose a shorter integration time, reconstruction or reconstruction Real estate with high willingness and investment property

to evaluate, and the cases that can be participated in are reported in a timely manner.

D. Diversified business models:

Yuanta Asset Management's plan will be oriented toward multiple developments, transform the traditional one internally and turn to the model of diversified income. Externally, it will contact the competent authority voluntarily, strive to offer domestic and foreign asset management services and research the operating model for new business lines.

(5) Industry overview

Due to the fact that the competent authority requires various banks that unless in the case of NPL more than 3%, sale of NPL will be forbidden. If it is the case, AMC will reduce the sources of acquisition of NPL sharply and the room for profitability will be reduced accordingly. Given this, the competent authority has approved the amendments to business lines (e.g. Expressly define the "government entities," and expressly define the "disbursements," and "invested capital") and adjusted (the invested capital and acquisition of real estate when being allowed to act as the enforcer of urban renewal) the business lines, in part, for the future operation of AMC invested by Yuanta FHC and Yuanta Bank on May 24, 2019.

For the time being, the domestic leading AMCs are primarily engaged in the bidding for real property in the auction market. To deal with the yearly shrinkage of NPL release in the financial market as a whole, AMC will move in the direction of greater diversification in terms of business development in the future.

(6) Research and development

A. Research and evaluation of court-auctioned real estate:

Yuanta Asset Management shall participate in the bid for court-auctioned properties and acquire collateral secured under NPLs and real property auctioned by governmental entities in a timely manner, subject to the real property market trend. It bid the investment-linked real property with investment potential.

B. Research and assessment on bond trading by non-financial institutions:

Assess the validity, recovery rate and quality of the bonds of non - financial institutions (e.g. Telecommunication bonds and corporate receivable accounts), and select to subscribe for or submit tender for the bonds of non-financial institutions which may render return of investment.

C. Debt and collateral consolidation:

Yuanta Asset Management will start from the integration of creditors' rights. It will expand into the improvement of right of thing and create potential value for creditors' rights and property rights so as to generate the best possible profits for the group.

D. Future plans:

Yuanta Asset Management will continue developing bids for court-auctioned properties, public tender invited by government entities, urban renewal cases (including unsafe and old buildings) and NPL market, keep in touch and communicate with the competent authority fairly, and research any potential products and services as the Company's long-term and mid-term business development.

For the time being, Yuanta Asset Management is researching extension of peripheral business based on NPL, court-auctioned properties and public tender invited by government entities in hopes of enhancing the drive for new products and services with its existing experience, technology and human resource and by integrating the Group's plentiful resources.

(7) Long and short-term business development plans

A. Short-term business development plans:

(A) Achieve the annual financial budget objective

(B) Deepen disposition of existing assets

(C) Fulfill management of NPLs

(D) Assessment on auctioned real property

(E) Inter-group real estate management and maintenance

(F) Urban renewal and unsafe and old buildings cases

B. Long-term business development plans:

(A) Support the financial holding group's need, provide the assessment on real estate and select the best assessment report on real estate:

Yuanta Asset Management has engaged in processing secured NPLs primarily. Therefore, it is very experienced concerning assessment of real estate collateral and disposal of the collateral. With its experience in real estate, it expects to provide various subsidiaries of Yuanta FHC with a consultation platform for bidding, assessment and planning of real estate and activation and management of property, and then participate in development, improvement and addition of value of real estate together.

(B) Communicate with the competent authority to develop new business lines:

In the future, Yuanta Asset Management will continue to communicate with the competent authority to seek the new business lines, which meet AMC, so as to enable Yuanta Asset Management to manage more diversified business lines.

(C) Be in line with the Group's entire planning and help participation in new business lines:

In recent years, various financial organizations have been in line with the government's financial liberalized and internationalized

policies and promotion of urban renewal, and have provided assistance to meet the need for overseas development. Yuanta Asset Management will also be in line with the Group's internal business planning, help the Group with development of new business lines overseas, innovation and sale of financial instruments, and verification of the supervision highlights, related laws & regulations and risk control of the supervision authorities in various countries, in order to upgrade Yuanta FHC' competitiveness overseas.

8. Yuanta Securities Investment Consulting

(1) Main business services

A. Securities investment consulting services

B. Other relevant operations approved by the competent authority

(2) Revenue breakdown:

Unit: NT$1,000; %

Item \ Year	2019		2020	
	Operating revenue	Percentage (%)	Operating revenue	Percentage (%)
Consulting fees revenues	205,335	100.00	203,384	100.00
Periodical revenue	6	0.00	7	0.00
Total	205,341	100.00	203,391	100.00

(3) New financial products and services in development

Yuanta Securities Investment Consulting will continue to expand consulting services to securities traded in Hong Kong, Shanghai, Shenzhen, New York, NASDAQ, and NYSE Amex markets to satisfy client needs. Adhering to our goals of FinTech development and business strategy diversification, Yuanta Securities Investment Consulting will continue to provide theme-based investment portfolio advice. Going forward, investors will be able to utilize the investment portfolio suggestions offered exclusively online by Yuanta Securities Investment Consulting.

(4) Business plans for the year

A. Providing in-depth and rigorous research and analysis in both Chinese and English to offer domestic & foreign clients with high-quality services:

Yuanta Securities Investment Consulting strives to ensure that its industry and company research meets international standards. It provides domestic & foreign clients with Chinese and English versions of company reports, industry & topic reports, overseas stock comments and macroeconomic reports covering domestic TWSE/TPEx listed companies and targets traded in overseas securities markets. Meanwhile, it plans to apply the ESG rating system to provide a more

comprehensive basis for assessment. In response to important global events, it will also provide timely analysis reports on specific events in order to provide more high-quality services to domestic & foreign clients.

Meanwhile, Yuanta Securities Investment Consulting has built an asset allocation model to actively strengthen new researchers' analytical skills, in order to meet demand from various clients. It also makes regular adjustments to the format and content of research reports to attain the goal of business expansion set for every division in the Yuanta Group. Yuanta Securities Investment Consulting also helps the Group to avoid risky targets for loans/securities lending, in order to improve credit quality.

B. Strengthening services provided for and communications with clients:

Yuanta Securities Investment Consulting arranges regular interactions with clients through organizing speeches, educational training, presentation conferences and industry forums, and continues to strengthen services and communications. Meanwhile, it actively hosts seminars for high net worth investors or high-turnover customers in response to customer demand.

C. Enhancing international presence:

In 2020, Yuanta Securities Investment Consulting was ranked third in the Asia regional poll for "Overall Research" from the internationally renowned finance and economics magazine, Asiamoney, and once again ranked first for "Overall Research" in Taiwan, winning 14 research analyst awards in Taiwan. This proves Yuanta Securities Investment Consulting's research team has received high recognition, with the team's high-quality research reports well-received by all related parties.

We hope to maintain such award-winning quality moving forward. Besides further developing the Taiwan market, Yuanta Securities Investment Consulting is working closely with the Group's overseas subsidiaries to enhance its presence internationally through cross-border research cooperation as the Group deepens its overseas market cultivation.

D. Providing online signing of securities investment consulting service agreements:

In response to the e-commerce development trend, the FSC now allows clients receiving securities investment consulting services to sign mandated contracts for securities investment consulting services online. In addition to execution in writing adopted originally, Yuanta Securities Investment Consulting also now allows customers to sign contracts in electronic form to speed up the contract-signing process, thereby enhancing business development.

(5) Industry overview

The Securities Investment Trust & Consulting Association of the R.O.C. has a total of 85 members registered as of the end of 2020. Among them, 75 members were from the investment trust industry, trust industry, securities firms, and futures securities concurrently engaged in securities investment consulting business. Categorized by operation, there were 15 investment consulting enterprises engaged in the general agency of offshore funds, and 20 investment consulting enterprises engaged in discretionary investment business.

(6) Research and development

A. Research team:

Yuanta Securities Investment Consulting is staffed with teams of researchers experienced in analysis of industries and individual stocks. Apart from continuing to pass on skills to assistant researchers, we also continue strengthening the competency of the entire research team through asset allocation models. Meanwhile, Yuanta Securities Investment Consulting will continue to support the Group's related business and develop externally to seek clients outside the Group and expand securities investment consulting services.

B. Digital services:

Following the mobile communication, big data and cloud technology trends, in order to increase convenience for consumers and satisfy clients' diversified needs, Yuanta Securities Investment Consulting will continue to provide the latest market information and suggestions on theme-based investment portfolios through mobile communication software. Going forward, investors may select the investment portfolios offered by the Company exclusively online for reference.

(7) Long and short-term business development plans

In order to support the Group's FinTech transformation endeavors, Yuanta Securities Investment Consulting will implement the following development plans:

A. Continue to digitalize existing operations to improve the efficiency of services provided for domestic & overseas clients.

B. Provide our research report database to help clients better understand the content and make research reports more accessible.

Looking forward to 2021, Yuanta Securities Investment Consulting will continue to develop FinTech business and provide clients with comprehensive services. With respect to consulting services on TWSE/TPEx-listed companies, industries and professional educational training programs, the Company will uphold the utmost standards of professionalism and diligence to provide clients with real-time market information, well-founded evaluation and fund-planning, and create maximum satisfaction and value for clients. In addition to the Group's existing clientele, Yuanta Securities

Investment Consulting will also strive to cooperate with other corporations in order to expand the reach of its services, enhance the quality of client services, and orient itself toward an increasingly diversified client base, in hopes of becoming a securities investment consulting company that will be the first choice of domestic & foreign investment institutions.

II. Cross-Selling and Joint Marketing

The subsidiaries of Yuanta FHC include Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures, Yuanta Securities Investment Trust, Yuanta Securities Investment Consulting, Yuanta Venture Capital, and Yuanta Asset Management, etc. Since November 2019, the subsidiary, Yuanta Bank, has set up banking counters in the business places of Yuanta Securities' subsidiaries to provide the service for opening of account in NTD. Until the end of 2020, it has set up the banking counters at 77 subsidiaries of Yuanta Securities. The cross-selling via the Group's own marketing channels accounted for 50.3% of Yuanta Life's insurance premium at the beginning of 2020.

Since Yuanta FHC was incorporated, it has kept sprouting the development of Taiwan and expanding overseas, hoping to become the "Best Financial Services Provider in the Asia Pacific Region." By integration of the Group's resources, it provided complete cross-industry and cross-border financial services, satisfied customers' needs for comprehensive financial services, such as wealth management, and practiced "living locally and managing wealth globally."

III. Market and Business Overview

(I) Territories where the main products (services) of financial market are sold (provided)

Main products (services) of financial market	Territories
Banking services	Taiwan, Hong Kong, Korea, Philippines
Securities services	Taiwan, Hong Kong, Korea, Thailand, Vietnam, Indonesia, Cambodia
Securities finance services	Taiwan
Futures services	Taiwan, Hong Kong
Investment trust business	Taiwan
Life insurance business	Taiwan

(II) Future supply & demand in the market

The global economy is expected to recover soon upon the release of COVID-19 vaccines. Notwithstanding, if the vaccination proceeds not as expected, or produces poor effectiveness, there might be a threat of recurrence of the epidemic, thus causing

the economic activity which is already very weak to decline again. Meanwhile, following the end of the US Presidential Election, the attitude of main economies' central banks will continue to affect the international capital flows and will, therefore, be critical to performance of the global stock, exchange and bond markets. Despite the impact posed by the epidemic and Sino-US Trade War in 2020, Taiwan has achieved remarkable positive economic growth. Looking forward to 2021, given the semiconductor suppliers' continued investment in advanced production processes, some production lines' move back to Taiwan, and strong demand for emerging technologies, the export performance is expected to grow significantly. Meanwhile, the multiple economic stimulus policies adopted by the government may drive the domestic demand. Taiwan's economic performance is expectable. According to the latest forecast by the DGBAS at the end of February 2021, the economic growth rate of Taiwan is expected to attain 4.64% in 2021.

Regarding the supply and demand in the financial market, benefiting from the booming stock market and turnover staying high, the revenue from brokerage service grew in the securities industry. At the same time, whether the capital market can keep booming is critical to the contribution of gains from other risk-based businesses. Therefore, improvement of the diversity of business structure is of essence. It is expected that following the competent authority's active boosting of the wealth management upgrading and allowance of securities houses' application for offering the wealth management services for high-asset customers, the wealth management operations are expected to become the main force to drive the securities houses' profit. Securities houses have to leverage their advantage in the capital market and release differentiated wealth management products and services to grasp the opportunity from wealth management transformation, high-asset customers and corporate service businesses.

For the banking industry, the stable economic growth is expected to infuse the loaning momentum. Though no expectation toward interest escalation/cutting exists in the market and the effect posed by spread interest on the business tends to be stable, it is still necessary to note the quality of loans to SMEs and overseas loan under the impact posed by the epidemic. The banks shall deal with the situation with stable capital structure and careful post-loan management policies to mitigate potential bad debt losses. For the non-interest revenue, in consideration of the emerging corruption by sales representatives dedicated to wealth management and deposits and remittance services in recent years, the competent authority has strengthened its supervision on wealth management products and sales. The banks shall take response measures at the same time when they are developing business, in order to mitigate the adverse effect posed to their operations therefor.

For the life insurance industry, the life insurance business still needs to deal with

pressure, even in such a low-interest environment, from the annual decline in recurring yield before hedging. Meanwhile, the increase in the bumpy range in the financial market is also testing the life insurance business's ability of capital buffer. By the same token, the product transformation and changes in the regulatory environment also pose continuing effects to the life insurance business and make the insurance recover the essence of insurance protection. In order to be in line with the IFRS 17 successfully, the competent authority released a series of regulatory policy toward finance and business. The relevant reform will slow down the asset growth speed, but will also help mitigate certain capital needs and risks to ensure the life insurance business's long-term stable operations.

(III) Yuanta FHC' business strategies and objectives

The core values upheld by the Company are "Seize opportunities and create client wealth", "Enhance performance and promote employee welfare", and "Create value and increase shareholders return". While developing the financial business thoroughly and creating profit, the Company also values the positive development in such areas as corporate governance, customer rights and interests, employee care, environmental sustainability and social welfare, in hope of moving forward in achieving the objective of "Best Financial Services Provider in the Asia Pacific Region" through the concept of sustainable business operation.

In implementation of sustainability, the Company will be dedicated to practicing the three major concepts, namely sustainable finance, environment friendly and society's mutual prosperity, into the corporate culture and business practices, by offering more diversified financial products, greener financial services, and better customer care, and urging its business partners to focus on the issue of sustainability, so as to gradually establish a sustainable business management and service model, with the goal of being continuously included by Dow Jones Sustainability Index (DJSI).

The Company's long-term and mid-term development strategy will continue to maintain the overall growth development strategy centering on "core- building and growth driven". In addition to solidifying the core businesses, and continuing to develop its competitiveness, the Company will also focus on the setting up and management of businesses, markets and customers with growth potential, as well as to leverage the Group's cross-industry or cross-border integration growth to stabilize and upgrade its profitability effectively.

(IV) Yuanta FHC' development advantages and disadvantages

1. Factors driving growth and competitive strengths:
   (1) The complete financial domain covers securities, banking, life insurance, securities finance, futures, investment trust, investment consulting, venture capital and asset management. The dense business locations and about ten

thousand financial service attendants throughout the nation may provide customers with omnibus financial services.

(2) Recognized as the benchmark in corporate governance by foreign institutional investors and professional organizations: More than 30% of the Company's shares are held by foreign institutional investors; the Company having been selected by the "Dow Jones Sustainability Indices (DJSI) World Index" and "DJSI Emerging Markets Index" for two consecutive years, and received many corporate governance honors and recognitions to become the industry benchmark in corporate governance practices.

(3) Balanced business and income structure: The Company adopts the business model balanced securities, banking and life insurance businesses. Given the diversified profit structure, the Company would be affected less from single-industry events.

(4) The leading securities brand: Yuanta Securities, Yuanta Securities Investment Trust and Yuanta Futures all secure the relevant market leadership and construct strong research teams capable of winning high brand awareness and recognition from customers, and extensively developing diversified and differentiated products and services to create a higher service value.

(5) Yuanta Securities has taken the initiative to start its overseas layout among peer companies: It extends its business in China, Hong Kong, Korea, Thailand, Vietnam, Cambodia and Indonesia, etc. By integrating the financial services in the various capital markets, it may create more opportunities to promote the cross-border business.

(6) Upon consolidation of Yuanta Bank and Ta Chong Bank, the Bank's asset scale amounted to more than one trillion NT dollars. The business carried out by the Bank also reached the economic scale. Apparently, the consolidated effects have been benefited more.

(7) With the low liability cost, stable investment and strong capital structure for insurance policy, the protection-type and long-term products as the focus of the product strategy, and additional investment-linked products, Yuanta Life satisfies customers' need for investment and wealth legacy.

2. Obstacles to development and competitive weaknesses:

(1) Considering that the operating revenue from securities operations is subject to the fluctuation of the securities market of Taiwan and the e-trading proportion is increasing year by year, the commission from brokerage service is declining accordingly. Yuanta Securities will continue to develop the wealth management business, increase overseas business operating revenue and control the opportunities brought by the opening of new business lines to diversify the sources of operating revenue and mitigate the fluctuation in earnings.

(2) Given the abundant capital, low interest spread for deposits and loans and competition among peer companies, the profit growth of the banking business in Taiwan is limited. Furthermore, the remaining effect posed by COVID-19 to the economy domestically and overseas brings multiple uncertainty factors for the economy, which are likely to increase the credit

cost for the banking business. Yuanta Bank will continue to practice the cautious and stable loan policy to balance risk and rate of return.

(3) Yuanta Life maintains a small asset scale achieving less economy of scale among peer companies. Given the few life insurance tied agents and telemarketing specialists, the Company's business primarily depends on the external channels (financial channels and traditional insurance brokers and agents channels). Yuanta Life solidifies traditional insurance brokers and agent channels, and actively develops and trains the financial channels to sell the insurance products that may satisfy customers' needs. Yuanta Life develops and sells its products primarily in niche markets, and develops differentiated products according to characteristics of channels and diversified requirements of different target customers.

(4) As affected by COVID-19, trade conflicts between China and the USA, and the QE policy adopted in various countries that increases financial vulnerability, the uncertainty in the global economy is upgraded and the international exchange and stock markets' fluctuation expanded accordingly. The Group owns the strict risk control organization and system, which help evade or reduce the loss caused by risk incidents effectively.

IV. Employee Information for the Most Recent Two Years Up to the Publication of this Annual Report

(I) Information about the general employees

Data baseline date: January 31, 2021

Year		2019	2020	Ending January 31, 2021
Number of employees	Yuanta FHC	132	157	158
	Yuanta Securities	4,772	4,860	4,866
	Yuanta Bank	4,432	4,398	4,264
	Yuanta Life	758	701	704
	Yuanta Futures	374	412	409
	Yuanta Securities Investment Trust	288	295	294
	Yuanta Securities Investment Consulting	71	72	73
	Yuanta Asset Management	17	35	36
	Yuanta Venture Capital	14	14	13
	Yuanta Securities Finance	54	-	-
	Total	10,912	10,944	10,817
Average age (Note 1)		42.41	42.07	42.08
Average years of service (Note 1)		8.27	8.11	8.07
Academic background (Note 1)	Doctorate	1.51%	1.91%	1.90%
	Master degree	52.27%	55.41%	56.33%
	University/college	40.9%	37.58%	37.34%
	Senior high school	5.32%	4.47%	4.43%
	Less than senior high school	0%	0.63%	0%
Professional certificate and license held by employees (Note 1)	Certified Public Accountants (CPA)	1	2	2
	Financial Risk Manager (FRM)	6	7	7
	Certified Internal Auditor (CIA)	4	4	4
	Associate of Society of Actuaries (ASA)	1	1	1
	Chartered Financial Analyst (CFA)	2	2	2
	Certified Anti-Money Laundering Specialist (CAMS)	3	10	10
	Certified Global Sanctions Specialist (CGSS)	-	1	1
	Certified Public Accountant (USA) (USCPA)	1	-	-
	Certified Information System Auditor (CISA)	2	3	3
	Internal Auditor	3	3	3
	Financial Auditor	1	1	1
	Securities investment analyst	2	3	3
	Senior securities specialist	40	44	43
	Securities specialist	24	21	22
	Futures specialist	34	38	37
	Sales representative of futures trust fund firm	1	-	-
	Sales representative of structured notes	4	3	3
	Securities investment trust and consulting professional	22	24	24
	Trust operations personnel	37	45	45
	Trust supervising personnel	2	1	1
	Trust management personnel	3	4	4

Year		2019	2020	Ending January 31, 2021
Professional certificate and license held by employees (Note 1)	Bill finance specialist	2	2	2
	Financial planner	14	11	11
	Foreign exchange dealer	-	1	1
	Sales representatives of wealth management	3	3	4
	Corporate internal controller	1	1	2
	Bank internal controller and internal auditor	16	19	19
	Bank internal controller	17	16	16
	Sales representative of margin trading and short sale for the trading of securities	1	1	1
	Basic proficiency test for international banking personnel	5	7	7
	Basic proficiency test for banking lending personnel	10	13	13
	Life insurance representative	35	39	41
	Investment-linked insurance product representative	8	8	8
	Fellow, Life Management Institute-1 (FLMI 1)	3	4	4
	Associate, Life Management Institute (ALMI)	-	1	1
	Fellow, Life Management Institute (FLMI)	-	1	1
	Associate Customer Service (ACS)	-	1	1
	Bond specialist	2	2	2
	Contracted debt collection personnel	1	-	-
	Stock affairs personnel	2	1	2
	Cisco Certified Network Associate (CCNA)	1	1	1
	Cisco Certified Network Professional (CCNP)	2	1	1
	Certified Information Systems Security Professional (CISSP)	2	1	1
	Personal Information Management System Constructor (BS 10012)	1	1	1
	Information Security Management Systems Auditor/ Lead Auditor (ISO 27001)	6	8	8
	Microsoft Certified Solutions Associate (MCSA)	2	2	2
	Microsoft Certified Systems Engineer (MCSE)	2	2	2
	Microsoft Certified Professional (MCP)	-	1	1
	Project Management Professional (PMP)	1	2	2
	Cisco Certified Design Professional (CCDP)	1	1	1
	Planner of Enterprise Resource Planning	-	1	1
	Certificated Ethical Hacker (CEH)	2	2	2
	Certified Information Security Manager (CISM)	1	1	1

Year		2019	2020	Ending January 31, 2021
Professional certificate and license held by employees (Note 1)	Juniper Networks JNCSP-ENT	-	1	1
	Juniper Networks JNCSP-SEC	-	1	1
	Privacy Framework Leading Auditor (ISO 29100)	1	1	1
	Chief inspector for ISO 9001	-	1	1
	Attorney-at-law	2	6	6
	Foreign attorney-at-law	1	2	2
	Financial derivatives sales personnel	3	3	3
	Financial Risk Manager (FRM)	1	1	1
	Property Insurance Representative	12	15	15
	Futures Trading Analyst	1	1	1
	Staff dedicated to anti-money laundering/countering of terrorism financing	-	7	7
	Compliance officers	6	8	7
	Level B technician for computer software application	-	1	-
	Auditor	-	5	5
	Audit officer	-	1	1
	First aid personnel	1	4	4

Note 1: Information on average age, average years of service, academic background, and professional credentials held by employees does not include data from Yuanta FHC' subsidiaries.

Note 2: In consideration of the special business attributes, the basis for calculation of the number of persons of Yuanta Life excluded the project telemarketing personnel and contracted insurance sales representatives.

Note 3: Yuanta Securities Finance became a subsidiary wholly owned by Yuanta Securities on March 26, 2019.

(II) License/certificate acquired by the Company's personnel related to financial transparency

Data baseline date: January 31, 2021

Certificate Name	Persons	
	Financial Accounting	Auditing
Certified Public Accountants (CPA)	1	-
Financial Risk Manager (FRM)	-	1
Certified Anti-Money Laundering Specialist (CAMS)	-	1
Certified Internal Auditor (CIA)	1	1
Certified Information System Auditor (CISA)	-	1
Information Security Management Systems Auditor/ Lead Auditor (ISO 27001)	-	2
Project Management Professional (PMP)	-	1
Internal Auditor	1	1
Financial Auditor	-	1
Senior securities specialist	5	6
Securities specialist	3	1
Futures specialist	4	6
Securities investment trust and consulting professional	4	4
Trust operations personnel	5	6
Trust management personnel	-	2
Financial planner	1	4
Sales representatives of wealth management	1	-
Bank internal controller	-	5
Bank internal controller and internal auditor	2	-
Property Insurance Representative	2	3
Basic proficiency test for banking lending personnel	1	4
Basic proficiency test for international banking personnel	-	2
Sales representative of margin trading and short sale for the trading of securities	1	-
Life insurance representative	1	6
Investment-linked insurance product representative	-	1
Financial derivatives sales personnel	-	2
Staff dedicated to anti-money laundering/countering of terrorism financing	-	1
Compliance officers	-	1
Auditor	-	2
Audit officer	-	1

V. Corporate Social Responsibilities and Ethics

Yuanta Foundation was involved in organizing 577 events in 2020, including 132 self-organized events, 380 events co-organized with others and 65 sponsored events, and honored the "Outstanding Group in Promotion of Youth Volunteer Services 2019" and "Enterprise-Aided Charity and Education Business Crystal Prize" by Ministry of Education. A total of 1,420 volunteers participated in the events and the events benefited more than 570,000 participants. It worked with generous members of the community to enhance the "charity public welfare platform" by continuously investing personnel and human resources, provide opportunities, gather volunteers and call more volunteers to join the events, integrate the resources from various sectors, work together to help the people who deserve the help, and deepen and spread the power of good deeds.

Since Yuanta Foundation was founded for 18 years, it has never felt feared of any critical epidemic, but just moved forward based on what it believes. It adhered to the core philosophy about education and care, broke through the restrictions on distance for epidemic prevention, always insisted that "public welfare" should refer to continuous contribution, and devoted itself to the public welfare, upgrade the education for the disadvantaged group, and help others make their dream come true, transform life, find the truth about happiness, and create the heartwarming power for "cycles of good deeds." The Foundation is going to organize the "Dream Big Yuanta Social Welfare Plan" for the 5th year. In the 4th term, it has worked with 24 educational and social welfare groups to practice dreams. In addition to engaging in the public welfare platform, the Foundation also integrates Yuanta Group's extensive channels and plentiful human resources to promote volunteer services. In response to the epidemic, it organizes multiple types of activities. It insists on practicing the real intent of public welfare services, e.g. participation in the "Children's Guardian Angels" campaign organized by TFCF (Taiwan Fund for Children and Families), which combines the power from 305 subsidiaries' business locations to enhance the exposure of child protection and exercise the function of Yuanta "Public Welfare Platform" to the utmost.

For the "Aid for Disadvantaged Group Caring for Children and Juvenile," in response to the epidemic prevention policy, will elaborate large-scale activities into small ones accommodating only hundreds of people, and also continue to visit rural areas throughout Taiwan in order to extend its affectionate concerns to the schoolchildren's hometowns. "Yuanta Happiness Day" can be identified as one of the representative activities self-organized by it. It has been organized for 9 consecutive years, helping more than 5,000 schoolchildren engage in such educational entertainment activities and visit performance art theaters to experience different art education programs. Also, the Foundation called on 1,528 volunteers inside and outside the Group to provide the escorting services. It gave exclusive gifts to communicate the affectionate concerns from the Group and all volunteers in order to encourage these schoolchildren to study hard and pursue their dreams bravely. Yuanta

"Public Welfare Platform" not only provides economic aids but also matches adequate supplies to be donated to the units in need. For example, it donates second-hand books to schools in the rural areas, and combines the public welfare and its expertise in finance, researches and develops innovative teaching materials, trains professional volunteer trainers, practice inclusive finance education goals. By means of the teaching materials, children are taught about the investment concept and market information to learn by doing and managing their own finance from childhood.

To educate and train youth's independence, the "Yuanta Dreams Take Flight Scholarship" Program has been running for 10 years and has helped provide education to 5 graduated school students and 103 excellent university students. A total of 1,435 students have also received Yuanta scholarships. Meanwhile, the Foundation also organized the "Yuanta Excellent Talents Scholarship," which was granted to a total of 283 excellent but economically disadvantaged students from 16 senior high schools and 6 colleges/universities in the past 5 years, to enable many young excellent students to be concentrated on studies. These "Yuanta Children" who were awarded the scholarship also applied for participating in public welfare activities voluntarily to provide volunteer service and feed back to the society and thereby exercised the heartwarming power for "cycles of good deeds." Meanwhile, the Foundation spares no effort to preserve talents for enterprises and the society.

Given the constantly transforming social development, Yuanta Foundation will keep hard working hard with love and initiate physical actions of concern and care. In the spirit of "Taken from Society, Give Back to Society", by feeding back to the society physically", Yuanta Foundation would like to set an example for others to follow in undertaking good deeds. This is done in the hope of soliciting more love and empowerment, encouraging everyone to embrace transformation and be brave in dealing with the future, and creating a more harmonious, equal and better society that is grounded in a concern for public welfare.

(I) Educate and Train Youth's Independence

1. Yuanta Dreams Take Flight

To fulfill our corporate social responsibility obligations, Yuanta Foundation actively participates in various cultural, educational and social welfare events. Adhering to the expectations represented by the slogan, "People-Oriented, with the Wish that My Existence Be Another Person's Blessing", Fu Jen Catholic University worked with Yuanta Foundation to activate the "Yuanta Dreams Take Flight" program to keep introducing resources into the rural areas stably. Fu Jen Catholic University has worked with Yuanta Foundation for the 10th year on "Yuanta Dreams Take Flight" initiative. Ministry of Education recognized Yuanta Foundation's long-term concern about the disadvantaged groups in remote areas and extension of the charity events and awarded the Foundation the "Enterprise-Aided Charity and Education Business Crystal Prize" in 2020. A total of 6,333

persons were benefited.

(1) Scholarship to Train Talents in Rural Areas

Yuanta Foundation worked with Fu Jen Catholic University to boost the "Yuanta Dreams Take Flight Scholarship" Program. A total of 223 students' applications for the scholarship of college/university students, high school/high vocational school/five-year junior college students were approved in the second semester of the school year 2019 and the first semester of the school year 2020. The students came from 10 schools, including Taoyuan Municipal JieShou Junior High School, New Taipei Municipal Qinxian Junior High School, New Taipei Municipal Jian-shan Junior High School, Tzuchi Da-Ai Village, Shan-Lin District, Kaohsiung City, Chiayi Municipal Fu Jen Catholic High School, Keelung Fu Jen Sacred Heart Senior High School, National Jhuo-Lan Experimental Senior High School, Taoyuan Municipal Xin Wu Senior High School, Zhudong Station of Rerum Novarum Center, and Hualien Yuli Book House. Until 2020, the "Yuanta Dreams Take Flight" Program has trained 103 excellent undergraduates and 5 graduate students. A total of 1,435 persons have been awarded the scholarship. The Program also encourages "Yuanta Children" to apply for participating public welfare volunteer activities to pass on the heartwarming power for "cycles of good deeds". Notwithstanding, given the rampant epidemic, the award ceremony was replaced by the visits and awarded at various ends in 2020, to help school teachers and students engage in in-depth interaction with Yuanta and Fu Jen Catholic University.

(2) Summer and Winter High School Class in the rural area and Project Kangaroo

Yuanta Foundation and Fu Jen Catholic University have worked with each other to offer summer and winter high school classes in the rural area. By upholding and respecting the core cultural value of each region, the Rural Area Education and Care Team of Fu Jen Catholic University was responsible for planning the professional and plentiful courses. The university students directed the children's lessons in the summer and winter high school class, so that the children would not ignore their work due to lack of guidance during the long vacation. The "community juvenile after-school guidance program - Project Kangaroo" trained the children's identity and respect of their own life and other persons' life and also help them understand and cherish the learning resources to form their fair attitude and responsible sense, so as to ensure that the community's children are uninterrupted in their studies in the winter and summer vacation and also mitigated pressure of their parents, so that children in the rural area may enjoy the same chances to study. Until 2020, a total of 7,189 trainees have attended the High School Class in the rural area.

(3) Digital Buddy

The Ministry of Education has boosted the "Digital Buddy" program since 2006, under which computers, networks, video devices and online

teaching platforms were utilized to train university students on how to direct the learning of children from remote areas and interact with the children in daily life. In 2020, a total of 380 trainees have attended the urban area disadvantaged child student education guidance program as provided by Fu Jen Catholic University.

2. Yuanta Excellent Talents Scholarship

In 2020, a total of 57 excellent students from 16 senior high schools and 11 colleges/universities were awarded the Scholarship. A total of 283 persons have received the scholarship for the past 5 years. Yuanta Foundation will keep working hard to stay with the awardees when they are pursuing studies. Until 2020, 10% of these students have been returned to Yuanta and interact with Yuanta Foundation actively, and even joined the volunteers dedicated to feeding back to the society with their good deeds to follow in the "cycle of good deeds." In an effort to preserve talents, there were 8 students seeking job opportunities with HR Dept. upon referral by the Foundation this year. As a result, one of them was hired by Yuanta Group formally and then became one member of the Group.

(II) Involvement in Volunteers Public Welfare Platform

1. Dream Big Yuanta Social Welfare Plan

In order to amplify the spirit of social welfare, Yuanta Foundation implemented the "Dream Big Yuanta Social Welfare Plan" in 2016 to help the social welfare groups which work hard for education on every corner of the society, integrate Yuanta FHC' resources through various activities and creative ideas to build a virtual reality interactive and multi-functional social welfare platform. As of 2020, the Foundation also called on more than 2,169 volunteer workers inside and outside the Company to participate in the event to realize the dream with the education and social welfare groups to be aided. 4th term of the event has solicited more than 440,000 followers via media reports and social network platforms such as FB to amplify the power of showing mercy and enable each corner of the society to be full of positive energy.

2. Yuanta Public Welfare Platform

(1) Charity Books

Yuanta FHC and Yuanta Foundation are both always concerned about the educational issues in rural areas and using the best efforts to engage in the popularization of educational resources to each corner throughout Taiwan in order to offer any child student short of resources the chance to be educated. In 2020, the book, "Chinese Etymology Game Book," written by the media celebrity, Yu Mei-Jen, was selected as the charity book donated to fourth grade elementary school students and above. Eventually, a total of 9 schools/educational institutions have received the donated book. In this book, Teacher Yu Mei-Jen guided schoolchildren into a world full of words by

explaining complicated words in simple terms. The book creates a positive circulation of energy for education in rural areas, improves schoolchildren's learning results and develops more diversified visions. These schoolchildren's life is also enriched by the power from reading.

(2)Yuanta "Love Book Fun" Charity Reading Books

Yuanta FHC and Yuanta Foundation upheld the enterprise's feedback philosophy about care for the society and share of resources and took the initiative to contribute to the society physically. It not only donated food or supplies to the social welfare groups who needed help but also collected 3,054 second-hand books donated to 7 entities, including Zhudong Center of BoYo Social Welfare Foundation in Hsinchu County, National Jhuo-Lan Senior High School, White Children Home in Taoyuan City, Changhua County Xinhua Elementary School, Taichung City Xinshe Evangelical Formosan Church, Taoyuan City Sanmin Catholic Church and Tainan Municipal Zuojhen District Zuojhen Elementary School, hoping to expand the schoolchildren's vision with knowledge.

(III) Aid for Disadvantaged Group Caring for Children and Juvenile

1. Aid for Disadvantaged Group

(1) Yuanta Happiness Day

"Yuanta Happiness Day" has been running since 2012 and won the passionate response from public welfare groups and volunteer workers. More than 5,000 children have experienced the happiness day for the past 9 years, and 1,528 employees from Yuanta Group and their dependents and "Yuanta Children" served as volunteer workers in the events.

In response to the government's epidemic prevention policy against the COVID-19 epidemic, the three events supposed to be organized in North, Central and South Taiwan, respectively, and accommodate 4 or 5 hundred people were adjusted and allowed for participation by less than hundred people, in order to communicate to schoolchildren the correct knowledge about epidemic prevention and the feast to nourish their soul. In 2020, a total of 10 events were held for "Yuanta Happiness Day," at schools in rural areas, National Taichung Theatre and Down Syndrome Foundation R.O.C., etc.. A total of 27 public welfare groups and schools and 758 children have attended the events. Yuanta volunteer workers shared an unforgettable "Yuanta Happiness Day" with the children and also experienced the pleasure of devoted care.

(2) TFCF Outstanding Children Annual Award Ceremony

The epidemic posed some impact to various public welfare units' power in raising funds and supplies. The "Outstanding Children Annual Award Ceremony", which was supposed to be organized by Taiwan Fund for Children and Families in Taipei City, was organized by region in batch instead. As a result, 23 strong, obedient, industrious and excellent children were selected out of more than 50,000 economically disadvantaged children

to accept the commendation.Yuanta Foundation exclusively sponsored the event by offering 23 children the fellowship and the happiness gift package and the fellowship to 16 college/university students to help more students in need to continue their studies.

2. Caring for Children and Juvenile

(1) Train Local Teachers by Kids' Bookhouse in Taitung

"Kids' Bookhouse" has set up 10 bases in Taitung so far, in order to aid 250 children from economically disadvantaged families in Taitung and provide diversified learning services. Yuanta Foundation has sponsored "Kids' Bookhouse" in Taitung for 10 years consecutively to help it hire the local youth to act as the cram school teachers and encourage college graduates to return to their hometown to provide services. Yuanta Foundation also played the role of "Charity & Public Welfare Platform" engaged in matching the Bookhouse with other enterprises and public welfare units for cooperation and integrating multiple resources to provide the children with more multi-faceted aids.

(2) Character Education and Training for Children

In order to build children's awareness toward a good character, Yuanta Foundation worked with Green Field Kindergarten to organize the "Turning Happiness and Sustainable Health" campaign. A thanksgiving and results presentation was held at the Activity Center of Daan Elementary School in order to teach children about family ethics, stimulate them to care for people and things around them, train them to act empathic and grateful, and make them become a caring person. Yuanta Foundation sponsored the Kindergarten to organize a charity bazaar. The income generated from the bazaar was donated to the Garden of Hope Foundation in whole to support women, child and juvenile victims in domestic violence. Meanwhile, parents were also invited to raise second-hand toys and books and donate the same to 5 Way House in Hualien in order to expand the idea about good deeds.

(IV) Inclusive Finance/Innovation & Cultivation

1. Yuanta Wealth Management Volunteer Activity

Yuanta FHC and Yuanta Foundation upheld the enterprise's feedback philosophy about care for the society and also combined the expertise in finance and characteristics of public welfare service. In 2020, they researched and developed the dedicated Yuanta wealth management teaching materials 2.0 to release the "Ideal Life" designated by Yuanta wealth management volunteer trainers. The same, which combined the wealth management concepts and trends guided students into the investment and wealth management areas in the form of board games. Meanwhile, by taking current events and Triple Stimulus Voucher as an example, they shared with students the correct attitude toward money and purchasing habits in an effort to make wealth management become more interesting. With the companionship and tutorship from Yuanta wealth

management professional volunteers, the children could learn from doing and cultivate their correct attitude toward money. The games which could be understood easily provided the basic knowledge about wealth management, as the treasure vault full of knowledge about finance and banking.

2. Corporate Governance Summit Forum

The "16th Term Corporate Governance International Summit Forum" sponsored by Yuanta Foundation and organized by Taiwan Corporate Governance Association was held at the GIS NTU Convention Center in 2020, which invited domestic and foreign experts and scholars to share their experiences for reference by the corporate governance in Taiwan. The Forum in 2020 was themed at "Exercise Independent Directors' Functions and Enhance Board of Directors to Create Value," expecting that enterprises could continue to work on the corporate governance 3.0 ESG, fulfill the corporate governance practices, upgrade ESG development, and build a robust ESG ecosystem. Among the other things, Yuanta FHC and its subsidiaries were recognized by domestic/foreign renowned organizations in their corporate governance and information transparency. Yuanta Group's independent directors were also invited to participate in it to share the importance of corporate governance.

Yuanta FHC has been selected by the "DJSI World Index" and "DJSI Emerging Markets Index" for two consecutive years. Among the other things, it ranked third place in the category of "Comprehensive Financial Service - Global" by the industry for the "DJSI World Index." Yuanta FHC ranked as a global benchmarking enterprise in the performance of sustainability operations, including promotion of environment, society and corporate governance. In order to practice the best corporate governance model and pursue the business target for pursuing the maximum value for long-term shareholders, Taiwan Corporate Governance Association also provided the member companies with the professional database and continuing education courses about corporate governance to help companies oversee and manage their finance, internal control, compliance and potential risk controls.

(V) Healthcare, Care for the Elderly

1. Healthcare

(1) Yuanta Blood Donation Day

"Yuanta Charity Blood Donation" has been organized since 2011, at the headquarters of Yuanta FHC on Dunhua S. Road, Taipei, Tatung Building of Yuanta FHC on Nanjing E. Road, Hongtai Building on Ming Sheng E. Road, Chengde Building on Chengde Road and Changchun Blood Donation Station at the same time. Yuanta Foundation especially invited the colleagues from all of the subsidiaries and branches throughout Taiwan to donate blood at the blood donation stations in various counties/cities. More and more employees

have donated their blood or become volunteer workers. For 10 consecutive years, the Group has contributed 18,734 bags of blood, and has been honored by Taipei Blood Center, TBSF as a "Blood Donation Excellent Enterprise" for the Fifth year consecutively, to help the society and save lives through blood donation.

2. Care for the Aged

(1) Volunteer Workers' Stay With the Hualien Mennonite Christian Hospital Aged

Yuanta Foundation has worked with Mennonite Christian Hospital for 15 years to care for the aged people residing in Hualien and Taitung, and help the permanently hospitalized patients who had no way to return home to have a reunion with family members feel a heartwarming festival by providing care services at the moon festival and year-end party, combining donations and escort services, together with Yuanta Life's and Yuanta Securities' volunteers in Hualien. A total of 1,142 persons were benefited from the event organized by Yuanta Foundation and Mennonite in 2020.

(VI) Community Service & Environmental Protection

1. "Children's Guardian Angels" Campaign Organized by TFCF

Yuanta and Taiwan Fund for Children and Families are long-term public welfare partners in the area of care for children and juveniles. Since 2012, Yuanta has co-organized the "Wraparound Project" and became a "Children's Guardian Angel". In order to enable the public to better understand the claim for protection of children and enhance the presence of child protection promotions, Yuanta continued to respond to the TFCF's campaign. In 2020, Yuanta FHC, Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust were invited to join the team dedicated to protecting children and juveniles, promote the idea about child protection at a total of 305 channels/business locations, and call on the voluntary care for children and invite the public to build dense safety networks together, via LED, official websites, social media, ATMs and credit card statements of account.

2. Assist After-Care's Return to Society

Yuanta has promoted the after-care service for more than ten years in order to help rehabilitate offenders and their family members who need support from society eagerly. In 2020, Yuanta was honored by the Ministry of Justice as the "Outstanding Organization Assisting in Promotion of After-Care Service" to commend Yuanta FHC' devoted engagement in the after-care service. In the past decade, Yuanta has worked with the Agency of Correction, Ministry of Justice and Taiwan After-Care Association to organize the skill training programs, including "Sand Painting Art Workshop" and "Bronze Sculpture Art Skill School," hoping to help these rehabilitated offenders to return to the society successfully through the art skill training programs.

VI. Number of full-time non-managerial employees, average and median salaries of full-time non-managerial employees, and the difference between the aforementioned three and the same numbers of the previous year

Year / Full-time non-managerial employees	2020	2019	Difference from the previous year (%)
Number of full-time non-managerial employees (person)	9,130	9,080	0.55
Average salary (NT$:1,000)	1,276	1,090	17.06
Median salary (NT$:1,000)	1,057	894	18.23

Note: 1. In line with TWSE regulations, non-managerial employees of a financial holding company include the domestic banking, insurance, and securities subsidiaries of the of the merged entity, but exclude overseas branches as stipulated in Article 4 of the Financial Holding Company Act.
2. The above statistical standards are handled in accordance with the instructions for the declaration of salary information for full-time non-managerial employees jointly compiled and released by the Taiwan Stock Exchange and the Taipei Exchange.

VII. Information Technology and Facilities

The information facilities of the Group is mainly composed of Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures, Yuanta Securities Investment Trust and other subsidiaries. The contents are described as follows:

(I) Main Information System Hardware/Software Configuration and Maintenance

The information systems of major subsidiaries Yuanta Securities, Yuanta Bank and Yuanta Life are constructed on system architecture efficiency and business maintenance considerations. In addition to the full-time IT staffs dedicated on system maintenance and operation, the companies also signed the maintenance contract with relevant software and hardware vendors to ensure the systems' availability. Stated as follows:

1. Yuanta Securities

The information systems for securities, including Mr. Yuanta, Yeswin, eWinner, Outstanding Winner, Web Trading, Interactive Voice Response trading, Sub-brokerage, official website, Performance Bonus, Wealth Management, Market Data, Execution Report, Stock Affairs Agent, Securities Lending front-office/back-office, TWSE/TPEX and emerging stock brokerage front-office, institutional investor trading platform, DMA rapid trading system, emerging stock market making, warrants market making, proprietary trading-equity securities management, proprietary trading-fixed income management, OTC derivatives-related systems and Brokerage back-office system are equipped with the hosts for different operating systems, including AIX, Linux and Windows.

2. Yuanta Bank

Yuanta Bank's application systems, including NTD deposit/loan, remittance, cross bank service, foreign exchange, trust, accounting, data warehouse, wealth management and credit card authorization, are configured in the various operating system servers, such as IBM p-Series, IBM AS/400 i-Series, Oracle T7, EMC Greenplum, Solaris, Linux, Windows x86.

3. Yuanta Life

Yuanta Life's main information systems, including the life insurance administrative core system (including the administrative support for new contract, conservation, renewal, benefit claim, 080, accounting, finance, actuary and re-insurance) and business development system (including the business support for agency sales channels, Banca & Securities Insurance channels, brokerage channels, diversified channels and e-commerce), and accounting, financial and investment systems, are equipped with the security, monitoring and hardware equipment of different level. The operating system servers including IBM i (POWER SYSTEM), AIX(POWER SYSTEM) and Windows x86.

(II) Development and procurement projects in 2021

1. Yuanta Group
   (1) Continue the network firewall equipment replacement
   (2) Continue database audit tool replacement
   (3) Virtualized platform equipment replacement, including host and storage equipment
   (4) Automated security control update mechanism, implementation of defensive protection at the endpoints
   (5) Cloud applications, file management and collaboration
2. Yuanta Securities
   (1) FINI NTD lending
   (2) TDCC encoding conversion project
   (3) Customers' strategic trading platform
   (4) OTC product APP - small-amount e-trading platform
   (5) Customer Asset Overview - Web Edition
   (6) Develop related systems in response to new business types and trading system implemented by TWSE
   (7) Yuanta Securities TDCC e-Counter Project
   (8) Paperless reporting data warehouse - implementation of proprietary trading/bond/derivatives systems, etc.
   (9) Warrants and derivatives hedging subsidiary ledger project
   (10) Taiwan Innovation Board and Pioneer Stock Board - Proprietary Trading and Accounting System Extension Project
   (11) Co-Brander Card

(12) Overseas securities financing project
(13) Investment partner My Partner
(14) Expansion of Mr. Investment System Capacity in response to the business demand growth
(15) Continue the Robotic Process Automation (RPA)
(16) Continue AI information security response automated system - information security risk external rating services
(17) Information security risk external rating service
(18) Mobile APP basic information security test
(19) Mobile APP obfuscation protection
(20) Security information and event management (SIEM) system
(21) Security Vulnerability Management System

3. Yuanta Bank
   (1) NTD core system upgrading project
   (2) Mobile Insurance Project
   (3) RPA Project
   (4) Book-Entry Central Government Securities System Construction Project
   (5) Bills Central Clearing-Settlement System Construction Project
   (6) Yuanta Bank Network Banking Revision
   (7) Capital Requirement System
   (8) OPEN API
   (9) Passbook Entry System Microsoft Windows Server Upgrading Project
   (10) Yuanta Bank Account-Linked e-Payment Function
   (11) Yuanta Bank Internet User Construction Project
   (12) Emerging Technology Network-based Construction Project
   (13) New-Generation Bandwidth Manager Construction Project
   (14) IBM Host Upgrading Project
   (15) Enhanced Endpoint Detection and Response
   (16) Vulnerability Fix and Management Platform
   (17) Computer System and E-payment Platform Security Assessment
   (18) ISO22301 Business Continuity Management Implementation
4. Yuanta Life
   (1) Continuous mobile insurance system construction
   (2) Continuous Yuanta Life proposal system revision and update
   (3) Continuous APP - iCare Optimization and Revision
   (4) Continuous Participation in the Association's Blockchain platform System
   (5) Continuos Revision of Group Insurance Customer Relationship Web-E-Form Service
   (6) IFRS 17 System Platform Assessment
   (7) Insurance Services, Changes of Contract and Claims Key-in Procedure Reform System

(8) New Investment Management System Construction
(9) Group Insurance Web Service System Construction
(10) Customer Service Consultation and Complaint System Upgrading
(11) Robotic process automation (RPA) implementation
(12) Data - network users' behavior analysis system construction
(13) Security information and event management (SIEM) system
(14) Firewall System Update

5. Yuanta Futures
   (1) SYSCOM domestic core accounting back-office replacement project
   (2) TAIFEX 2021 IT Project
   (3) New-generation AI Trading Platform Optimization (2nd Stage)
   (4) New E-counter Service Platform Construction Project
   (5) Yuanta Futures (HK) HKEX DMA Development and Construction Project
   (6) RPA Automated Procedure System Implementation Project
   (7) Futures and Leverage Mobile Account Opening Optimization Project
   (8) Industrial Institutional Investor E-Trading System Platform Construction Project
   (9) Mobile Device Data Encryption Security System
   (10) Security information and event management (SIEM) system
   (11) Information Security Health Checkup and Risk Evaluation Project
6. Yuanta Securities Investment Trust
   (1) Remote Control Room Network HA Framework Construction Project
   (2) Security information and event management (SIEM) system
   (3) Server Parameter Update Management system Construction Project

(III) Emergency Backup and Security Protection Procedure

In order to maintain the high security and availability of the information systems, Yuanta FHC and main subsidiaries planned and created the emergency backup and security protection mechanisms based on their own business needs. The mechanisms are including following items:

1. Physical environment in the data center: The standard operating procedures for access control, fire protection, power supply, network and data security, equipment installation and removal, system monitoring, personnel control, system and data backup shall follow the guidelines and manuals of respective companies or the information security standards under ISO27001.
2. Business continuity: According to the property and the importance of the application systems, each company created their local and remote systems failover and backup procedures, perform the disaster recovery drill and stress test periodically and retain the relevant records to ensure the validity of the procedures.
3. Security protection: Establish the multi-layer defensive architecture, install systems including network firewall, web application firewall, intrusion detection

system, anti-spam filtering, mail APT, employee Internet management, USB device control, anti-virus and network management, and perform vulnerability scanning, penetration testing social engineering and DDoS drill periodically to ensure the security of the information systems.

(IV) Information security

1. Information security management framework and mechanism:

   Yuanta FHC already set forth the "Information Security Policy," which should be subject to the authorization of the Board of Directors, in order to build the information security management systems for itself and its subsidiaries, and also serve as the basis for the enactment of related information security management regulations and procedures that may ensure the confidentiality, completeness and availability of its important information. Yuanta FHC' information security policy is based on the protection of shareholders' interests. It aims to "protect the information asset security" and "keep business operating to achieve the corporate sustainability."

   In order to upgrade Yuanta FHC' ability to make decisions on the information security issues, enhance information security supervision, consolidate the promotion and coordination of information security policies and allocate resources, the articles of association were passed by the Yuanta FHC Board meeting in December 2020 to add the independent and dedicated information security unit, "Information Security Dept.," and CISO, which are appointed to take charge of the information security governance, planning and supervision throughout the company, boost the execution of information security management operations, and report the information security practices to the Board of Directors periodically.

2. International standards governing information security and personal data:

   In order to continue improving the governance system with respect to information security, all information operations are required to satisfy domestic and foreign information security laws and regulations. Meanwhile, Yuanta FHC, Yuanta Securities, Yuanta Bank and Yuanta Life also implemented the ISO 27001 ISMS standard and passed the certification by BSI. Thereafter, they were required to complete the annual review and the recertification every three years to maintain the validity of the certificate. Further, Yuanta Futures and Yuanta Securities Investment Trust also implemented the ISO 27001 information security management system (ISMS) in December 2020. They passed the certification by BSI, keeping strengthening the information security management and control via the PDCA cycle.

3. Information security protection and inspection:

   In consideration of the increasing information security threats and the

network threats and changeable risks caused by the technological development, and in response to unpredictable external attacks, the information security management shall fulfill the information governance and compliance, while the risk control shall focus on the information security protection, including internal self-check, external proactive detection, disaster response drill and enhancement of management (See Fig. 1 for the Information Security-Service Safety Protection Highlights). Yuanta FHC has actively implemented various automated detection and behavior check systems to control the real-time monitoring and blocking of external threats, access control of internal data, operations and segmentation of equipment, in order to prevent any illegal or malicious activities by the strict separation and filtration mechanism.

Information Security Protection - Service Security Protection critical point chart is stated as following:

4. Information security continuing operation:

In addition to said information security protection policies, Yuanta FHC and its subsidiaries all participate in the Financial Information Sharing and Analysis Center ((F-ISAC)), and integrate the information about threats via the information security defensive system to achieve the consolidated effect of the joint defense. Each of the subsidiaries also assesses the potential risk with the aid from an independent third party, and periodically completes the vulnerability scanning, penetration test, and computer information security inspection or assessment as required.

Further, through periodic review and update of information security management regulations to satisfy the standards required by laws and the latest

information security regulations, increasing the competency and awareness toward the crisis by executing information system disaster recovery drill per year periodical to solidify the information security management mechanism.

5. The important information security business executed in 2020 is outlined as following:
   (1) Compliance with information security with international standards:
      A. Yuanta FHC, Yuanta Securities, Yuanta Bank and Yuanta Life all passed the annual review of the ISO 27001 ISMS standards and also the certification by BSI for the validity of their certificates. Yuanta FHC certification of ISO27001 ISMS standard is validity from December 2020 to December 2023 currently.
      B. Yuanta Futures and Yuanta Securities Investment Trust also implemented the ISO 27001 information security management system (ISMS) in December 2020, and passed the certification by BSI.
   (2) Information security protection and inspection: Execute the information security assessment and inspections via an independent third party, with a view to confirm the validity of the existing controls.
   (3) Information security training: In 2020, Yuanta FHC and its subsidiaries have completed the 3-hour information security training with respect to the general staff, and 15-hour information security professional training program with respect to dedicated information security personnel penetration, in order to upgrade their ability to maintain information security. Also, the companies organized the email social engineering from time to time each year in order to raise the whole staff's awareness towards information security.
   (4) Yuanta FHC has set up the independent and dedicated information security unit, "Information Security Dept.," and CISO, on December 28, 2020, that are appointed to take charge of the information security governance, planning and supervision throughout the company, boost the execution of information security management operations, and report the information security practices to the Board of Directors periodically each year.
   (5) The report on information security management has been submitted at the 25th meeting of the 8th Board of Directors on March 3, 2021.

VIII.Relations between laborers and employer

(I) Employee benefit plans, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee benefit plans and status of the implementation thereof

The Company uses its best efforts to build a friendly workplace for the employees and provide fine-quality safety and care. By virtue of the fair remuneration and performance appraisal system, diversified educational training, and sound employees' welfare and retirement system, the Company builds the

professional and responsible enterprise culture, hoping to make all employees enjoy their work and practice what they are good at.

The Company pays remuneration under multiple packages, including basic salary, allowances, grants, bonuses, holiday bonus, employee compensation, and shareholding trust, in addition to the benefits such as vacation, insurance, cultural and recreational activities, to construct a complete salary, bonus and remuneration structure. The starting salary offered by the Company is higher than the statutory base pay. The salary is authorized per the personnel's expertise, job responsibilities and functions, based on the criteria referred to in the pay roll. The salary will not vary depending on gender. The Company uses its best efforts to build a working environment upholding equal pay for equal work, so as to practice the philosophy about the gender equality in employment.

In addition to the labor insurance and national health insurance required under laws, Yuanta FHC also funded employees' enrollment into any group insurance programs, including term life insurance policy, accident insurance, catastrophic illness insurance, cancer insurance and hospital room and board insurance. They allowed the employees' dependents to enroll into the same insurance at a preferential rate. Meanwhile, Yuanta FHC also provided employees taking business trips with the group insurance. These employees could enjoy the all-risk travel insurance, accident insurance and overseas emergency disease medical insurance, etc., at its expense.

Yuanta FHC has established the Employee Benefits Committee to contribute the Employee Benefit Fund on a monthly basis. The Fund is independently managed and utilized by the Employee Benefits Committee. Various subsidies are in place to encourage employees to organize healthy social activities. The Employee Benefits Committee has reached agreements for discount and special offer benefits with contracting merchants and often provides employees with the most up-to-date information on special offers through Yuanta FHC' internal website, thus providing employees with greater convenience and quality of life. According to the Employee Benefits Committee's subsidy regulations, employees are entitled to bonuses for three major festivals, birthday gift money, marriage subsidy, childbirth subsidy, hospitalization subsidy, funeral subsidy, emergency relief fund, and employee child scholarship, etc.. Additionally, the subsidy for professional licenses (including international financial license and English proficiency certificates, etc.), health checkup and preferential house loan rate are also available to the employees to help them achieve a perfect balance between their life and work.

To encourage employees to accumulate long-term savings, Yuanta Financial Holdings established an employee shareholders' association in August 2003.

When employees set aside a certain amount of money each month for stock purchases, Yuanta Financial Holdings will match the employees' contributions, encouraging employees and to be shareholders of Yuanta Financial Holdings. Employee shareholding not only helps safeguard employees' lives after retirement or leaving Yuanta Financial Holdings, but also boosts solidarity between Yuanta Financial Holdings and employees, thereby enhancing their work participation and sense of value to share Yuanta Financial Holdings' operating results. According to the statistics gathered by Yuanta Financial Holdings and each of its subsidiaries in 2020, the number of employees participating in the employee shareholders' association was 9,185 persons, representing 266,428 thousand shares, an increase 10.22% from 2019.

2. Pension system and implementation thereof

In order to take care of the laborers' retirement life, Yuanta FHC set forth the Pension Management Guideline requiring the contribution of the pension reserve, equivalent to 2% of the employees' total salary, to the exclusive account at Bank of Taiwan on a monthly basis. Meanwhile, it established the Labor Pension Supervisory Committee responsible for auditing contribution, deposit and disbursement of the pension reserve and payment of pension fund in order to protect labors' interest and right.Until the end of 2020, Yuanta FHC' pension fund has accumulated until NT$6,189 thousand. Following the promulgation of the Labor Pension Act on July 1, 2005, the Company has made monthly payment of the pension fund equivalent to 6% of the insured value maintained by the individual employee into the employee's personal labor pension account. In 2020, Yuanta FHC contributed a total of NT$7,681 thousand.

In order to enrich employees' retirement life, the Company worked with Yuanta Life to offer the group annuity insurance policy planned for the Group's employees exclusively, which should be paid by employees at their own expenses to save pension reserve for themselves and protect their life after retirement.

3. Status of labor-management agreements and measures for preserving employees' rights and interests

Yuanta FHC agrees and supports various international human rights conventions, including United Nations' Universal Declaration of Human Rights, and strictly complies with labor laws and regulations in order to protect employee rights and interests. It also organizes the labor-management meeting periodically to provide diversified communication channels and value employees' opinions. The labor-management relationship is maintained harmoniously.

(II) Losses as a result of labor disputes during the latest fiscal year up to the date of the publication of this annual report

Company	Competent Authority	Date of Decision	Decision No.	Violated Laws & Regulations	Contents of Violation
Yuanta Bank	Department of Labor, Taipei City Government	2020.10.22	Taipei City -Lao-Dong-Zi No. 10960675031	Paragraph 4, Article 32 of the Labor Standards Act; Paragraph 1, Article 24 of the Labor Standards Act; Paragraph 2, Article 24 of the Labor Standards Act.	Failure to notify the competent authority for record within 24 hours upon extension of working hours due to an act of God, accident or unexpected event; failure to provide additional pay for extended working hours pursuant to the relevant requirements; failure to pay for the work on days off pursuant to laws; fined NT$140,000 accordingly.
Yuanta Bank	Department of Labor, Taipei City Government	2020.07.10	Taipei City -Lao-Dong-Zi No. 10960303021	Paragraph 2, Article 38 of the Labor Standards Act	Fined NT$20,000 for failure to have workers arrange their own annual paid leave.
Yuanta Bank	Department of Labor, Taipei City Government	2020.05.08	Taipei City -Lao-Dong-Zi No. 10960294381	Paragraph 2, Article 32 of the Labor Standards Act	Fined NT$300,000 for an extension of hours beyond that prescribed by laws.
Yuanta Life	Department of Labor, Taipei City Government	2020.04.28	Taipei City -Lao-Dong-Zi No. 10960017441	Paragraph 2, Article 32 of the Labor Standards Act	Fined NT$20,000 for an extension of hours beyond that prescribed by laws.

(III) Working environment and employee safety

The Company uses the best efforts to provide employees and customers with a safe and healthy environment, and continues to promote the workplace environment safety protection, and adopts the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the "Occupational Safety and Health Act" and related sub-laws.

Yuanta Securities and Yuanta Bank both have established the occupational safety and health committees pursuant to laws, which consist of 7~11 members including the employer, labors' representatives and unit heads, and convene 4 meetings each year to review the prevention of occupational diseases, occupational safety and health management operations, employees' health and working environment safety-related issues, and follow up the same periodically.

Yuanta FHC and its subsidiaries all provide the specialist's on-site occupational health service, hire occupational safety and health management personnel, dedicated registered nurse and occupational specialist by contract to provide professional medical treatment consulting service to verify health condition and issues to be alerted, and provide employees with medical treatment and healthcare information and health consulting service with respect to major illness suffered by employees and top ten abnormal conditions for health checkup.

Yuanta FHC and its subsidiaries screen and identify the employees' occupational health risks which are more likely to derive and plan the prevention program based on the indicators including job type, operating environment, age & gender, and health risk each year.

The policies for health management and occupational disease prevention and care for employees are implemented in the following manners:

1. Yuanta FHC and its subsidiaries provide employees with regular health checkup superior than that prescribed by laws, and arrange their management to take health checkup at National Taiwan University Hospital each year, arrange long-term nighttime worker to take specific health checkup, and conduct health checkup for all employees once per two years, and after the health checkup, inquire about employees' health condition and notify the employees with abnormal results to complete a follow-up visit at the hospital.
2. Prevention plan for illness driven by abnormal workload: In response to the annual health checkup analysis result, conduct risk analysis in the form of questionnaire to identify the abnormal workload risk and adopt prevention policies.
3. Ergonomic hazard prevention plan: Conduct the conscious musculoskeletal symptoms survey on employees, promote the sore prevention, and improve the work environment.
4. Female employees' health protection plan: Conduct the comprehensive environmental risk assessment, and complete the "Mother's Health Risk Assessment Form" upon awareness about any employee's pregnancy, in order to assess the impact to mother's health rendered by the work and protect mother's safety and health.
5. Infringement prevention plan: Provide the grievance channels, conduct risk assessment, and take preventive and control measure.
6. Apart from enrolling employees in labor and health insurance and allocating/contributing pensions in accordance with the law, Yuanta FHC also protects employees' health by offering group health insurance pursuant to laws.

For the safety in the workplace, the Company follows the occupational safety and health laws and regulations. The Company conducts the test on CO_2 concentration and lightness at the office premises semi-annually and receives the "Air Quality Self-Management Certification." Further, the Company prohibits smoking in offices and business places thoroughly, and defines the "Workplace Sexual Harassment Prevention

Measures and Guidelines Governing Complaints and Disciplines" to strictly prohibit any sexual harassment and all other discriminating or violent, threatening and intimidating and to build a friendly workplace of gender equality.

The efforts spent by the Company and its subsidiaries in the occupational safety and employees' healthcare are well recognized by various sectors. The awards and certifications already received by the Company are stated as following:

1. The Company, Yuanta Bank, Yuanta Securities and Yuanta Life already received the "Peaceful Workplace Certification" from the Ministry of Health and Welfare.
2. The Company, Yuanta Bank, Yuanta Securities, Yuanta Futures, Yuanta Life and Yuanta Securities Investment Trust already received the "Sport Enterprise Certification" from Sports Administration, Ministry of Education.
3. The Company, Yuanta Bank, Yuanta Securities, Yuanta Life and Yuanta Futures already received the "Health Promotion Mark" from Ministry of Health and Welfare.
4. Yuanta Bank, Yuanta Securities and Yuanta Life already received the "Excellent Breastfeeding Room Certification" from Department of Health, Taipei City Government.
5. Yuanta Financial Holding was awarded the special honor for the "2020 Taipei City Excellent Healthy Workplaces - Distinction Award."
6. Yuanta FHC and Yuanta Bank, Yuanta Securities, Yuanta Futures, Yuanta Life and Yuanta Securities Investment Trust worked together to plan the entire occupational safety and health management development, promote fair environment in workplace, and well protect employees' work environment and personal safety.
7. In April 2020, Yuanta Bank and Yuanta Securities passed the international standard certification by ISO45001 occupational safety and health management system and awarded the certificates.
8. Yuanta FHC, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust implemented the IOS45001 occupational safety and health management system in 2020.

(IV) Employee Code of Ethics

Yuanta FHC has drafted the "Code of Ethics" in order to guide employees to act in line with ethical standards and uphold aggressive, serious and responsible attitude, abandon parochialism, value teamwork and strictly comply with the principle of good faith when performing job duties, which are also disclosed in the "Corporate Governance Section" of CSR on the official website. Meanwhile, Yuanta FHC has stepped up its ethics education programs and implementation in order to create a highly self-disciplined and trustworthy business climate.

Yuanta FHC has a comprehensive set of rules and regulation relating to ethics. It also emphasizes the need for professional skills and work ethic at all company's meetings and education and training programs.

(V) Employee continuing education and training

Yuanta FHC upholds the philosophy of "satisfying the finance industry and group business development needs" to continue training talents specialized in finance. Yuanta FHC has established diversified development system for talents holding management function and professional function, and offered the training courses and provided learning resources by the four major frameworks including the management school, professional school, license school and life school.

The talent training system for Yuanta FHC consists of the following elements:

1. Training and development system for diversified talents holding management function and professional function

   The management of Yuanta FHC find out and reserve the management and professional talents needed by the financial industry's and Group's development through talent identification, and train talents through training, project task assignment, participation in projects, participation in meeting and work rotation. Meanwhile, the Company also encourages its employees to access various financial areas of the Group and learn the diversified functions voluntarily to help the Company and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time.

2. Share the digital training platform and promote self-learning

   Since 2003, Yuanta Financia Holdings has established the digital learning platform, "Yuanta e-Learning." Yuanta FHC communicates tactic knowledge and transfer practical experience via its self-made courses available on the digital learning platform, "Yuanta e-Learning". The Group has purchased the digital contents of "Commonwealth Innovation Academy" since July 2017. The digital contents released on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, and new knowledge and application of management, as the important knowledge treasury for the Group's employees to engage in self-learning and develop diversified functions.

   Based on the thought about learning curation, in line with the hit subjects in the global financial industry and the Group's business focus, Yuanta FHC periodically releases "Yuanta e-Learning/Learning Weekly" to trigger employees' learning motive, urge employees to engage in self-learning "anytime, anywhere, on-demand." to continue enhancing the employees' professional ability and reserve their competitiveness for their future careers.

   Yuanta FHC encourages employees to participate in workshops and training sessions. They may be assigned by Yuanta FHC to attend the programs or

workshops or attend the programs or workshops authorized by Yuanta FHC. Yuanta FHC will cover the full expenses. Moreover, Yuanta FHC promulgates the incentive system to encourage employees to attend international financial professional course certification and English proficiency certification so that they may have a chance to enhance their competence or reserve the competence needed in the future.

3. Provide the chance for post transfer vacancies in the Group and encourage trans-disciplinary transfer for development

Yuanta FHC makes good use of the strength in diversified financial industry of its subsidiaries to arrange the intracompany post transfer vacancies subject to the operating need periodically, and encourages employees to apply for internal vacancies, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and spread efficiency.

Summary of the Company's implementation of 2020 education and training:

Year / Disclosure	2020
Total education & training spending	NT$44.50million
Total Number of education & training courses	3,330 items
Total hours of education & training	514,265 hours
Number of education & training trainees	259,449 attendances

The main training programs in 2020 were determined based on Yuanta FHC' business development strategy, which planned to promote the transformation and diversified functional training programs for the Group's personnel, including financial certificate and license training, financial product training, and product sale training, et al., accounting for 40.7% of the total training hours. In response to the competent authority's regulatory policies, Yuanta FHC continued to enhance the promotion of anti-money laundering, compliance and internal audit/internal control-related training, accounting for 15.9% of the total training hours. In response to the ESG trend, Yuanta FHC promoted corporate social responsibility, fair dealing, peaceful workplace, human rights and laborers' interests and rights training, accounting for 10.5% of the total training hours. Meanwhile, in response to the digital financial environment's transformation, Yuanta FHC continued to enhance personal data protection, social engineering and information security training, accounting for 9.3% of the total training hours.

In line with the financial industry's development trend, Yuanta FHC provided management training and professional training, guided its employees to improve their expertise to keep their competitive strengths in the workplace. Yuanta FHC also upheld the ESG spirit and corporate social responsibility, organized a life

school course series, combined the Company's club activities, helped employees manage the lifestyle balanced physically and mentally, and practiced care for employees. In 2020, the life school launched health promotion courses and activities, including health seminars, sports seminars, physical fitness programs, healthy weight management classes, and health consulting services of medicine specialists by contract on site. The 5 subsidiaries, including Yuanta FHC, Yuanta Bank, Yuanta Life, Yuanta Futures and Yuanta Securities Investment Trust, were awarded the "Health Workplace Certification-Health Promotion Mark" and "Sports Enterprise Certification" successively in 2019 and 2020. In 2020, Yuanta Group was invited to participate in the ratings organized by HR Asia and won the honor of "HR Asia Best Companies to Work For in Asia."

IX. Important Contracts

(I) Yuanta FHC

Data baseline date: January 31, 2020

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Equipment room lease service contract	Data communications branch, Chunghwa Telecom Co., Ltd.	Effective from December 1, 2009 to November 30, 2017. Unless either party notifies the other party not to renew the contract by giving a written notice at least 3 months prior to expiration of the contract, the contract shall be renewed for another year automatically, and so on.	Leasing of Xinyi equipment room.	If either party to this contract fails to perform its contractual obligations due to a reason attributable to that party, and it fails to make corrections after being notified by the other party to do so within a limited time period, the non-defaulting party may notify the defaulting party terminate this contract with one month prior written notice, and may request a penalty of NT$1,000,000.

(II) Yuanta Securities

Data baseline date: January 31, 2020

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Securities investment consultant appointment	Yuanta Securities Yuanta Securities Investment Consulting	Effective from January 1, 2020 to December 31, 2020.	To appoint Yuanta Securities Investment Consulting provide consulting services about the domestic and international issuer of equity securities.	None
Securities investment consultant appointment	Yuanta Securities Yuanta Securities Investment Consulting	Effective from January 1, 2021 to December 31, 2021.	To appoint Yuanta Securities Investment Consulting provide consulting services about the domestic and international issuer of equity securities.	None
Endorsement/ guarantee contract	Yuanta Securities PT Yuanta Sekuritas Indonesia	The contract was signed on June 5, 2018 and indefinite (until PT YuantaSekuritasIndonesia pays off all debts owed to PT Bank HSBC Indonesia and all contracts concerned are terminated).	Yuanta Securities provides the guarantee only with respect to the debt arising from the facility sought by PT Yuanta Sekuritas Indonesia from PT Bank HSBC Indonesia within the limit of the principal, US$3.5 million.	None
Endorsement/ guarantee contract	Yuanta Securities Yuanta Securities (Thailand)	The contract was signed on July 25, 2017 and indefinite (until Yuanta Securities (Thailand) clears all debts, as secured, owed to ANZ Bank (Thai) Public Company Limited and all contracts are terminated).	Yuanta Securities provides the corporate guarantee toward all of the obligations derived from the limit of the facility sought by Yuanta Securities (Thailand) from ANZ Bank (Thai) Public Company Limited within the limit of the principal, USD10 million.	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Endorsement/ guarantee contract	Yuanta Securities Yuanta Securities (Thailand)	It was executed on April 2, 2018. The guarantee liability was relieved on February 24, 2020	Yuanta Securities provides the corporate guarantee toward all of the obligations derived from the limit of the facility sought by Yuanta Securities (Thailand) from Mega International Commercial Bank PCL. within the limit of the principal, 550 million Baht. The guarantee liability has already been terminated on February 24, 2020, and reported to the Board of Directors on March 19, 2020.	None
Endorsement/ guarantee contract	Yuanta Securities Yuanta Securities (Thailand)	The contract was signed on August 14, 2018 and indefinite (until Yuanta Securities (Thailand) clears all debts owed to CITI Bank, N.A. Bangkok Branch and all contracts are terminated).	Yuanta Securities provides the corporate guarantee toward all of the obligations derived from the limit of the facility sought by Yuanta Securities (Thailand) from CITI Bank, N.A. Bangkok Branch within the limit of the principal, USD5 million.	None
Software/hardw are purchase contract	ACER E-ENABLING SERVICE BUSINESS INC.	July31, 2019 ~	Procurement of development tools in response to the TDCC UTF-8 Project	None
Software/hardw are purchase contract	Tatung System Technologies Inc. Kinmax Technology Inc. Softnext Technologies Corp.	February 21, 2020 ~ April 22, 2020 ~ May 28, 2020 ~	Procurement in response to Yuanta Securities' email audit management system upgrading and equipment replacement (including hosts, storage equipment and software license)	None
Software/hardw are purchase contract	Wen Wei Technology Co., Ltd. Tatung System Technologies Inc. High Performance Information Co. Ltd.	March 31, 2020 ~ February 21, 2020 ~ April 1, 2020 ~	Procurement in response to the need for construction of Yuanta Securities' strategic platform system host (including blade server, rack mount server and storage space)	None
Hardware purchase contract	Wen Wei Technology Co., Ltd.	September 9, 2020 ~	Yuanta Securities backup system storage equipment capacity expansion project (including storage device)	None
Hardware purchase contract	High Performance Information Co. Ltd.	September 9, 2020 ~	Procurement in response to Microsoft operating system updating and host replacement of Yuanta Securities' branches	None
Hardware purchase contract	High Performance Information Co. Ltd.	December 3, 2020 ~	Procurement of equipment in response to Yuanta Securities' e-trading platform Mr. Yuanta capacity expansion (including server, network equipment and network cabling, et al.)	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Hardware purchase contract	Tatung System Technologies Inc.	November 25, 2020 ~	Procurement of equipment in response to Yuanta Securities Xinyi Control Room Mr. Yuanta System New Accounting Host (including the host system)	None
Software/hardware purchase contract	Caresys Information, Inc.	March 16, 2020 ~	Procurement, installation and construction in response to Yuanta Securities Security Information and Event Management System (including application host, database host/software license, etc.)	None
Information software maintenance contract	M-Power Information Co., Ltd.	January 9, 2021 ~ January 8, 2023	Maintenance from 2021 to 2022 in response to the procurement of Oracle database	None
Information software license agreement	SYSTEX Software	January 1, 2021 ~ December 31, 2023	For the license of the procured Microsoft software for three years, from 2021 to 2023	None
Real estate trading contract	Yuanta Securities Yu, Shih-Hsien, Liu, Yi-Chih	February 18, 2020 (date of execution)	Premises at 15F.-2 & 15F.-3, No. 120, Sec. 1, Zhongyang W. Rd., Zhongli Dist., Taoyuan City (sale).	Real estate trading contract
Real estate trading contract	Yuanta Securities Victor Culture And Education Co., Ltd.	December 16, 2020 (date of execution)	Premises at 9F.-1, No. 32, Sec. 1, Chenggong Rd., Taoyuan Dist., Taoyuan City (sale).	
Real estate lease contract	Yuanta Securities Yuanta International Insurance Brokers	From February 16, 2020 to February 15, 2022	A part of the premises at 2F.-1, No. 225, Sec. 3, Nanjing E. Rd., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Bank	From February 16, 2020 to February 15, 2023	Premises at 3F.-1, No. 300, Sec. 4, Zhongxiao E. Rd., Taipei City (occupied an area of about 102.94 pings, including public facilities) and one parking lot at the basement, No. 47 (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Securities Investment Trust	From September 1, 2020 to August 31, 2025	Yeh's World Trade Center (B1, No. 67, Sec. 2, Dunhua S. Rd., Taipei City, and basement at No. 69, Sec. 2, Dunhua S. Rd., Taipei City (occupying an area of 401.92 pings, including public facilities), and 7 parking lots at the basement at Building Nos. 01992 & 02006, Sub-section 5, Tonghua Sec., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta-Polaris Research Institute	From September 1, 2020 to August 31, 2025	A part of the premises at 10F., No. 65, Sec. 2, Dunhua S. Rd., Taipei City (about 42.05 pings) and one parking lot at the basement, No. 12, Lane 63 (landlord).	

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Real estate lease contract	Yuanta Securities Yuanta Securities Investment Consulting	From September 1, 2020 to August 31, 2025	A part of the premises at 10F., No. 65, Sec. 2, Dunhua S. Rd., Taipei City (see the attached map for the location, about 128.57 pings) and two parking lots at 10F., No. 71 and B2, No. 12, Lane 63 (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Bank	From October 16, 2020 to October 15, 2023	A part of the premises at 10F., No.66, Sec. 1, Dunhua S. Rd., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta International Leasing	From November 12, 2020 to February 28, 2021	A part of the premises at 7F., No. 69, Baoqing Rd., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Financial Holding Co., Ltd.	From December 1, 2020 to November 10, 2022	A part of the premises at 10F., No. 66, Sec. 1, Dunhua S. Rd., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Bank	From January 1, 2021 to December 31, 2023	2F.-1, No. 210, Sec. 3, Chengde Rd., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Bank	From March 1, 2020 to February 28, 2023	A part of the premises at B2, No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Foundation	From April 16, 2021 to April 15, 2026	A part of the premises at 10F., No.66, Sec. 1, Dunhua S. Rd., Songshan Dist., Taipei City (landlord).	
Real estate lease contract	Yuanta Securities Yuanta Life	From November 1, 2020 to October 31, 2025	A part of 2F., 10F. and 11F., and 6F., 7F., 8F., 9F., 12F. and 14F., of the new buildings on the two lots of land at Land Nos. 769 & 769-1, Sub-section 2, Jilin Sec., Zhongshan Dist., Taipei City (tenant).	
Addendum to tenancy agreement	Yuanta Securities Yuanta Securities Investment Consulting	October 30, 2020 (date of execution)	Adjustment of the rented areas in part.	
Addendum to tenancy agreement	Yuanta Securities Yuanta-Polaris Research Institute	October 30, 2020 (date of execution)	Adjustment of the rented areas in part.	

(III) Yuanta Bank

Data baseline date: January 31, 2021

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Equipment room lease service contract	Corporate Services Office, Chunghwa Telecom Co., Ltd.	From December 1, 2020 to November 30, 2021 Unless either party notifies the other party not to renew the contract by giving a written notice at least 3 months prior to expiration of the contract, the contract shall be renewed for another year automatically, and so on.	Leasing of Xinyi equipment room.	If either party to this contract fails to perform its contractual obligations due to a reason attributable to that party, and it fails to make corrections after being notified by the other party to do so within a limited time period, the non-defaulting party may notify the defaulting party in writing to terminate this contract after one month, and may request a penalty of NT$1,000,000.
Business Cooperation Agreement	Alipay (China) Network Technology Co., Ltd.	Effective from January 23, 2015 until the date when both parties agree to terminate the contract (where neither party raise an objection upon expiration of the contract, the contract shall be renewed for another year automatically based on the same terms and conditions).	Pursuant to laws, provide the buyer in Mainland China with the online multi-territorial payment services for purchase of products or services supplied by Taiwanese businessmen.	To comply with the requirements defined by both parties' competent authorities and the related laws.
Business Cooperation Agreement	Alipay (China) Network Technology Co., Ltd.	From December 1, 2015 until the day when both parties agree to terminate (where neither party raise an objection upon expiration of the contract, the contract shall be renewed for another year automatically based on the same terms and conditions).	Pursuant to laws, provide the buyer in Mainland China with the tangible payment services for purchase of products or services supplied by Taiwanese businessmen.	To comply with the requirements defined by both parties' competent authorities and the related laws.
Business Cooperation Agreement	Alipay (China) Network Technology Co., Ltd.	From June 12, 2020 until the day when both parties agree to terminate (where neither party raise an objection upon expiration of the contract, the contract shall be renewed for another year automatically based on the same terms and conditions)	Pursuant to laws, provide Yuanta Bank users with the Bank's ATM card, which is available for shopping and payment via offshore websites and used via Yuanta Bank account as the major trading account in exchange for the commissioned collection & payment services for shopping.	To comply with the requirements defined by both parties' competent authorities and the related laws.

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Contract for creation of superficies of national non-public use land	The R.O.C. (Northern Region Branch, National Property Administration, MOF)	From September 12, 2018 to September 11, 2088	Superficies for the eighteen lots of land at 2th Sub section 114-1, Huai Sheng Section, Daan District, Taipei City	No superficies shall be rented or lent to another person for the purpose of construction projects. If the superficies or on-ground buildings are rented or lent to another person for non-construction purpose, the last day for the person's occupation thereof shall be never later than the last day of the valid term of the superficies.
Mandate Contract	Lu Chien-Hsueh Architecture Office	Effective from December 20, 2018 and terminated after the inspection and acceptance is completed	General coordination and integration of architecture planning and design, combination of architecture design ad other related consulting and design works, and architecture design-oriented (Head Office Building Construction Project).	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Mandate Contract	NIKKEN Sekkei Ltd	Effective from February 27, 2019 until the construction contract is awarded successfully.	Architecture planning & design and consulting service (Head Office Building Construction Project).	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
				and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Engineering contract	Chung-Lu Construction, Co., Ltd.	Effective from July 31, 2020 and terminated after the occupation license is obtained and the inspection and acceptance is completed upon completion of the construction project.	New construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Steel structure engineering contract	Tung Kang Steel Structure Corp.	Effective from October 2, 2020 and terminated after the inspection and acceptance are completed upon completion of the construction project.	Steel structure engineering work of the new construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Agreement for purchase and sale of steel structure materials	Tung Kang Steel Structure Corp.	Effective from October 2, 2020 and terminated after the inspection and acceptance are completed upon	Trade of steel structure materials in the new construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
		completion of the construction project.		secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.
Agreement for purchase and sale of steel bars	Tung Ho Steel Enterprise Corp.	Effective from September 1, 2020 and terminated on February 28, 2023 when the delivery is completed.	Trade of steel bar materials in the new construction project for the headquarters	The related data and information provided by either party to the other party shall be identified as the party's business secrets, which the other party shall be obligated to keep confidential. The other party shall not disclose, publicly re-state, give or re-sell the information, documents or messages, in writing, verbally or in any other manners, or engage in any other activities injuring the other party. Whether either party breaches the non-disclosure obligation and thereby causes injury to the other party, the breaching party shall bear the relevant damages.

(IV) Yuanta Life

Data baseline date: January 31, 2021

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
House lease agreement (Lessee)	Yuanta Life is referred to as the Lessee. Quan Yi Construction Co., Ltd. and Fu Tai Construction Co., Ltd. are referred to as the Lessor.	Both parties signed the Agreement on April 26, 2016. The lease shall be effective from September 1, 2016 until August 31, 2021 for five years.	Without the Lessor's prior consent, the premises shall not be subleased, sublet or assigned, or otherwise make available, to any third party, in whole or in part. The premises shall be used in accordance with laws and prohibited from being used for illegal purposes or storing any hazardous goods that affect the public safety.	General legal principles.
Engineering contract	Yuanta Life contracted Chung-Lu Construction, Co., Ltd. To complete the building construction project.	Both parties signed the Contract on April 2, 2018.	The total contract amount is NT$859,900,000. The usage license may be obtained within 29 months after the construction commencement date. The testing, inspection, and acceptance for the equipment will be completed within 6 months upon receipt of the usage license.	General legal principles.
Engineering contract	Yuanta Life contracted Fan Gu interior design CO.,LTD to complete the indoor decoration in the public zones of the office building	Both parties signed the Engineering Contract on July 9, 2020	The total contract amount is NT$167,000,000.	General legal principles.
Equipment lease agreement	Data communications branch, Chunghwa Telecom Co., Ltd.	July 1, 2018 ~ (with automatic renewal upon expiration)	Lease agreement for control room (including the remote backup control room) and network equipment of CHT and maintenance thereof.	None
Re-insurance contract	Central Reinsurance Corporation	October 1, 1992 ~	Life re-insurance services.	None
Re-insurance contract	Swiss Re-insurance Company	October 1, 1992 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	Reinsurance Group of America, Incorporated	September 1, 1999 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	Hannover Reinsurance Company	January 1, 2012 ~	Life reinsurance, health reinsurance, accident reinsurance and catastrophe reinsurance.	None
Re-insurance contract	Munich Reinsurance Company	March 2, 2015 ~	Life reinsurance, health reinsurance and accident reinsurance.	None

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Re-insurance contract	General Reinsurance AG	May 12, 2014 ~	Life reinsurance, health reinsurance and accident reinsurance.	None
Re-insurance contract	SCOR	December 18, 2017 ~	Life reinsurance, health reinsurance and accident reinsurance.	None

Note: Unless it refers to the reinsurance policy for a catastrophe contract, it shall renew automatically each year if neither party raises any objection.

(V) Yuanta Futures

Data baseline date: January 31, 2021

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Real estate lease agreement (Lessee)	Yuanta Securities	From April 1, 2018 to March 31, 2021	Lease of 11F & 12F of Tatung Building for the futures head office, Taipei Business Dept., Sole Proprietary Dept. and related departments/offices.	General legal principles.
Software purchase contract	SYSTEX Software	From January 1, 2021 to December 31, 2023	Procurement of Microsoft EA software.	None
Hardware purchase contract	Omni System Integration, Inc.	From June 19, 2018 to September 5, 2023	Network equipment replacement and Banqiao data center relocation project	None
Engineering contract	L & L INTERIORS INC.	From December 1, 2020 to March 31, 2021	Project for the general construction & maintenance engineering and office equipment of Yi Jiang Building.	None

(VI) Yuanta Asset Management

Data baseline date: January 31, 2021

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Document management service agreement	Iron Mountain Taiwan LTD. (Former name: Recall Taiwan Ltd.)	From December 29, 2017 to December 31, 2022	Contracted to compile, tally, maintain and access related documents.	General legal principles.

Six. Financial Status

I. Summary Five-Year Balance Sheets and Consolidated Income Statement

(I) Summary Consolidated Balance Sheet of the Company and Its Subsidiaries

Unit: NT$1,000

Year / Item	Financial data (Note 1)					Financial information of current year ending 01/31/2021
	2016	2017	2018	2019	2020	
Cash and cash equivalents, due from the Central Bank and placement to other banks	200,028,956	118,398,520	113,752,123	115,294,258	131,870,754	(Note 2)
Financial assets at fair value through profit or loss - net	392,778,509	432,636,863	473,939,209	504,031,079	586,592,639	
Available-for-sale financial assets - net	277,420,469	395,516,795	-	-	-	
Net financial assets at fair value through other comprehensive income	-	-	215,135,236	229,489,904	278,391,203	
Investment in debt instruments measured at amortized cost - net	-	-	352,906,087	386,452,415	430,349,520	
Investment in RS bills and bonds	36,499,146	34,827,960	33,465,734	47,603,371	58,336,318	
Receivable - net	146,219,693	175,314,970	143,272,794	174,240,497	243,990,690	
Income tax assets - current period	1,845,929	1,330,623	1,485,363	1,224,071	733,890	
Available-for-sale assets - net	36,265	-	868,288	533,632	203,730	
Discount and loan - net	791,673,242	762,319,040	770,905,662	773,480,918	793,812,907	
Re-insurance contract assets - net	415,679	435,887	580,130	903,608	1,099,457	
Financial assets held to maturity	116,136,617	143,810,470	-	-	-	
Investments under equity method - net	2,052,715	1,675,124	2,048,491	2,403,248	2,755,402	
Restricted assets - net	5,546,781	2,722,678	2,622,711	2,562,586	2,961,020	
Other financial assets - net	99,416,653	93,469,307	62,025,243	65,378,346	79,034,763	
Investment real estate - net	6,153,340	6,173,646	4,916,691	4,915,972	11,558,284	
Real property and equipment - net	20,885,538	22,630,593	21,871,922	22,242,669	23,930,017	
Right-of-use assets - net	-	-	-	13,343,880	13,181,478	
Intangible assets - net	36,600,681	35,935,777	33,669,889	33,197,460	31,498,648	
Deferred income tax assets - net	6,238,885	5,642,845	5,899,187	5,976,615	7,095,091	
Other assets - net	22,296,486	40,804,112	47,769,165	31,044,577	61,843,636	
Total Assets	2,162,245,584	2,273,645,210	2,287,133,925	2,414,319,106	2,759,239,447	
Deposits by the Central Bank and other banks, Central Bank and Interbank Financing	28,846,322	13,520,162	22,047,274	13,107,028	16,087,299	
Financial liabilities at fair value through profit or loss - net	101,204,943	120,119,516	111,982,799	123,340,228	163,457,505	
Derivative Financial Liabilities for Hedging	220	-	-	-	-	
RP bill and bond liabilities	195,838,373	197,101,189	218,570,425	198,665,918	216,621,187	
Payable commercial paper -net	19,295,184	44,704,087	36,269,123	38,621,728	27,417,489	
Accounts payable	153,687,021	168,705,371	147,690,035	161,327,046	248,347,930	
Income tax liabilities - current period	4,732,529	5,667,788	5,327,403	6,221,759	6,616,387	
Deposit and remittance	1,050,062,790	1,056,024,289	1,020,615,296	1,095,506,271	1,211,020,394	
Bonds payable	78,197,495	65,890,879	66,756,009	68,849,634	78,790,127	
Other loans payable	45,821,349	71,754,771	64,019,801	60,847,992	57,796,061	
Special stock liabilities	3,896,505	-	-	-	-	
Reserve for liabilities	161,386,351	195,038,820	232,223,123	273,860,901	313,071,935	
Other financial liabilities	74,506,891	70,098,914	79,276,919	76,069,420	88,713,584	

Item \ Year		Financial data (Note 1)					Financial information of current year ending 01/31/2021
		2016	2017	2018	2019	2020	
Lease liability		-	-	-	5,527,660	6,368,836	(Note 2)
Deferred income tax liabilities		3,879,175	3,518,474	3,705,743	3,883,527	4,878,682	
Other liabilities		21,095,871	33,403,394	41,806,215	38,283,614	46,434,585	
Total Liabilities	Before distribution	1,942,451,019	2,045,547,654	2,050,290,165	2,164,112,726	2,485,622,001	
	After distribution	1,947,816,661	2,052,040,190	2,060,793,715	2,171,698,623	(Note 3)	
Total equity attributable to the owner of parent company		201,409,875	211,195,754	218,985,562	232,201,133	253,336,589	
Capital stock	Before distribution	119,986,478	118,891,975	116,862,325	116,706,115	121,374,360	
	After distribution	119,986,478	118,891,975	116,862,325	121,374,360	(Note 3)	
Additional paid-in capital		37,956,289	37,960,694	37,200,416	37,402,480	37,885,949	
Retained earnings	Before distribution	40,441,423	50,925,653	60,114,343	69,703,509	81,516,757	
	After distribution	35,075,781	44,433,117	49,610,793	57,449,367	(Note 3)	
Other equities		4,524,288	4,554,385	5,006,084	8,389,029	12,559,523	
Treasury stock		(1,498,603)	(1,136,953)	(197,606)	-	-	
Uncontrolled equity		18,384,690	16,901,802	17,858,198	18,005,247	20,280,857	
Total equity	Before distribution	219,794,565	228,097,556	236,843,760	250,206,380	273,617,446	
	After distribution	214,428,923	221,605,020	226,340,210	242,620,483	(Note 3)	

Note 1: Data from 2016 to 2020 have been audited and certified by the independent auditors.

Note 2: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 3: Distribution of earnings in 2020 had not yet been resolved by the 2021 shareholders' meeting up to the date of publication of this annual report.

(II) Summary Balance Sheet of Individual Entity

Unit: NT$1,000

Item \ Year		Financial data (Note 1)					Financial information of current year ending 01/31/2021
		2016	2017	2018	2019	2020	
Cash and cash equivalents		2,505,320	2,366,899	6,536,303	7,499,264	881,767	(Note 2)
Financial assets at fair value through profit or loss		4,029,195	-	-	-	-	
Available-for-sale financial assets - net		16,983	19,266	-	-	-	
Financial assets at fair value through other comprehensive income		-	-	22,178	24,490	28,483	
Investment in RS bills and bonds		-	-	393,782	4,640,737	892,672	
Receivable - net		2,499,023	2,692,388	1,931,398	3,230,724	3,110,877	
Income tax assets - current period		1,138,997	327,604	808,780	319,823	196,336	
Investments under equity method - net		228,474,715	239,302,171	244,642,213	251,488,755	283,824,795	
Real property and equipment - net		29,863	26,516	21,586	24,623	36,224	
Right-of-use assets - net		-	-	-	103,917	104,957	
Intangible assets - net		6,066	4,453	7,249	4,898	6,156	
Deferred income tax assets - net		25,452	25,043	34,125	41,833	47,253	
Other assets - net		20,499	5,874	6,464	6,420	11,897	
Total Assets		238,746,113	244,770,214	254,404,078	267,385,484	289,141,417	
Payable commercial paper - net		3,951,104	5,092,029	-	-	999,866	
Accounts payable		5,534,940	4,833,787	5,468,073	6,225,431	5,668,801	
Income tax liabilities - current period		3,146,411	3,851,645	3,150,049	3,916,397	4,088,398	
Bonds payable - net		19,750,000	19,750,000	26,750,000	24,900,000	24,900,000	
Other loans payable		1,000,000	-	-	-	-	
Special stock liabilities		3,896,505	-	-	-	-	
Reserve for liabilities		35,377	38,203	39,608	36,116	36,903	
Lease liabilities		-	-	-	104,393	106,690	
Other liabilities		21,901	8,796	10,786	2,014	4,170	
Total Liabilities	Before distribution	37,336,238	33,574,460	35,418,516	35,184,351	35,804,828	
	After distribution	42,701,880	40,066,996	45,922,066	42,770,248	(Note 3)	
Capital stock	Before distribution	119,986,478	118,891,975	116,862,325	116,706,115	121,374,360	
	After distribution	119,986,478	118,891,975	116,862,325	121,374,360	(Note 3)	
Additional paid-in capital		37,956,289	37,960,694	37,200,416	37,402,480	37,885,949	
Retained earnings	Before distribution	40,441,423	50,925,653	60,114,343	69,703,509	81,516,757	
	After distribution	35,075,781	44,433,117	49,610,793	57,449,367	(Note 3)	
Other equities		4,524,288	4,554,385	5,006,084	8,389,029	12,559,523	
Treasury stock		(1,498,603)	(1,136,953)	(197,606)	-	-	
Total equity	Before distribution	201,409,875	211,195,754	218,985,562	232,201,133	253,336,589	
	After distribution	196,044,233	204,703,218	208,482,012	224,615,236	(Note 3)	

Note 1: Data from 2016 to 2020 have been audited and certified by the independent auditors.

Note 2: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 3: Distribution of earnings in 2020 had not yet been resolved by the 2021 shareholders' meeting up to the date of publication of this annual report.

(III) Summary consolidated income statement of Yuanta FHC and its subsidiaries

Unit: NT$1,000

Item \ Year	Financial data (Note 1)					Financial information of current year ending 01/31/2021
	2016	2017	2018	2019	2020	
Interest revenue	30,767,167	35,373,386	40,192,428	41,006,443	36,369,194	(Note 2)
Less: Interest expenses	11,146,301	12,315,107	14,256,266	14,873,524	9,450,242	
Net interest income	19,620,866	23,058,279	25,936,162	26,132,919	26,918,952	
Net non-interest income	64,819,920	70,726,639	75,343,411	81,475,158	88,709,914	
Net profit	84,440,786	93,784,918	101,279,573	107,608,077	115,628,866	
Bad debt expenses and guarantee liability provisions	1,092,988	746,771	856,563	1,352,694	2,152,052	
Net changes of reserve for insurance liabilities	30,788,509	33,895,878	36,611,780	42,443,850	39,928,431	
Operating expenses	35,705,713	38,726,825	39,611,658	38,270,636	42,782,105	
Continuing departments net income before tax	16,853,576	20,415,444	24,199,572	25,540,897	30,766,278	
Income tax expense	2,478,983	2,559,332	3,701,334	3,399,314	4,789,234	
Profit or loss of discontinued operations (after tax)	(74,370)	(352,057)	-	-	-	
Net profit (net loss) - current period	14,300,223	17,504,055	20,498,238	22,141,583	25,977,044	
Other consolidated income (net after tax) - current period	(3,998,132)	177,608	(1,970,215)	2,335,038	4,638,864	
Total consolidated income – current period	10,302,091	17,681,663	18,528,023	24,476,621	30,615,908	
Net profit attributable to the owner of parent	13,414,105	16,204,948	18,679,208	20,445,508	24,104,576	
Net profit attributable to uncontrolled equity	886,118	1,299,107	1,819,030	1,696,075	1,872,468	
Net profit from total consolidated income attributable to the owner of parent	9,959,024	15,879,969	16,973,756	23,571,510	28,237,885	
Total consolidated income attributable to uncontrolled equity	343,067	1,801,694	1,554,267	905,111	2,378,023	
EPS	1.16	1.37	1.59	1.68	1.99	

Note 1: Data from 2016 to 2020 have been audited and certified by the independent auditors.

Note 2: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report

(IV) Summary entity income statement of Yuanta FHC

Unit: NT$1,000

Item \ Year	Financial data (Note 1)					Financial information of current year ending 01/31/2021
	2016	2017	2018	2019	2020	
Share of the income from affiliates and joint ventures of subsidiaries recognized under equity method	15,610,065	17,800,029	19,979,027	21,974,067	25,658,736	(Note 2)
Realized gain on available-for-sale financial assets	428	439	-	-	-	
Net income (loss) from financial assets and liabilities at fair value through profit or loss	(799,737)	(190)	-	-	-	
Realized gains at fair value through other comprehensive income	-	-	974	1,076	1,103	
Other revenue	158,110	51,315	150,747	138,724	40,201	
Operating expenses	596,175	613,416	751,302	836,662	941,174	
Other expenses and losses	506,487	664,948	227,426	300,438	336,651	
Continuing departments net income before tax	13,866,204	16,573,229	19,152,020	20,976,767	24,422,215	
Benefit (expense) from income tax	(452,099)	(368,281)	(472,812)	(531,259)	(317,639)	
Net profit - current period	13,414,105	16,204,948	18,679,208	20,445,508	24,104,576	
Other consolidated income (net after tax) - current period	(3,455,081)	(324,979)	(1,705,452)	3,126,002	4,133,309	
Total consolidated income – current period	9,959,024	15,879,969	16,973,756	23,571,510	28,237,885	
EPS	1.16	1.37	1.59	1.68	1.99	

Note 1: Data from 2016 to 2020 have been audited and certified by the independent auditors.

Note 2: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

(V) Independent auditors over the past five years and their audit opinions

1. 2016: Puo-Ju Kuo, CPA, Ming-Hui Chang, CPA.

   The independent auditors issued an audit report containing unqualified opinions in the 2016 financial statements.

2. 2017: Puo-Ju Kuo, CPA, Ming-Hui Chang, CPA.

   The independent auditors issued an audit report containing unqualified opinions in the 2017 financial statements.

3. 2018: Puo-Ju Kuo, CPA, Hsien-I Chen, CPA.

   The independent auditors issued an audit report containing unqualified opinions in the 2018 financial statements.

4. 2019: Chien-Hung Chou, CPA, Hsien-I Chen CPA.

   The independent auditors issued an audit report containing unqualified opinions in the 2019 financial statements.

5. 2020: Chien-Hung Chou, CPA, Hsien-I Chen CPA.

   The independent auditors issued an audit report containing unqualified opinions in the 2020 financial statements.

II. Financial analysis for the most recent five years

(I) Financial analysis

Analysis Item (Note 2) \ Year (Note 1)			Financial analysis					Financial information of current year ending 01/31/2021 (Note 3)
			2016	2017	2018	2019	2020	
Operational ability	Total asset turnover (times)		0.04	0.04	0.04	0.04	0.04	Not applicable
	Deposit to loan ratio of subsidiary bank (%)	Yuanta Bank	69.34	66.44	69.55	66.51	62.55	
		Ta Chong Bank	75.22	69.44	-	-	-	
	NPL ratio of subsidiary bank (%)	Yuanta Bank	0.21	0.23	0.23	0.16	0.14	
		Ta Chong Bank	0.22	0.27	-	-	-	
	Average revenues per employee (NT$1,000)		5,695	6,408	7,169	7,601	8,100	
	Average earnings per employee (NT$1,000)		964	1,196	1,451	1,564	1,820	
Profitability	Return on assets (%)		1.27	1.25	1.40	1.45	1.30	
	Return on shareholders' equity (%)		6.86	7.83	8.83	9.09	9.92	
	Profit margin (%)		16.94	18.66	20.24	20.58	22.47	
	Earnings per share (NT$)		1.16	1.37	1.59	1.68	1.99	
Financial structure	Ratio of liabilities to assets (%)		89.83	89.97	89.64	89.64	90.08	
	Ratio of liabilities to net value (%)		883.76	896.79	865.67	864.93	908.43	
	Double leverage ratio of financial holding companies (%)		115.45	113.32	111.73	108.32	112.05	
Leverage	Operating leverage		5.03	4.67	4.19	4.21	3.76	
	Financial leverage of financial holding companies		1.03	1.03	1.01	1.01	1.01	
Growth rate	Asset growth rate (%)		39.40	5.15	0.59	5.56	14.29	
	Profit growth rate (%)		27.89	19.57	18.54	5.54	20.46	
Cash flow	Cash flow ratio (%)		3.05	(Note 4)	1.60	7.87	3.49	
	Cash flow adequacy ratio (%)		(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	
	Cash flow satisfaction ratio (%)		(Note 5)	(Note 5)	113.82	3,093.60	357.96	
Operating scale	Asset market share (%)		4.50	4.33	4.11	4.01	4.19	
	Net-worth market share (%)		6.54	6.14	6.42	5.58	5.58	
	Deposit market share of bank subsidiary (%)	Yuanta Bank	1.82	1.87	2.50	2.64	2.65	
		Ta Chong Bank	1.05	0.94	-	-	-	
	Loan market share of bank subsidiary (%)	Yuanta Bank	1.72	1.61	2.32	2.32	2.31	
		Ta Chong Bank	1.08	0.91	-	-	-	
Capital adequacy	Capital adequacy of subsidiaries calculated according to capital adequacy regulations for the industry in question (%)	Yuanta Securities	360.47	300.54	344.09	330.39	319.18	
		Yuanta Bank	13.06	14.45	15.39	15.57	16.98	
		Ta Chong Bank	14.28	16.23	-	-	-	
		Yuanta Securities Finance	871.65	980.87	874.32	-	-	
		Yuanta Life	292.99	313.27	366.96	300.45	597.29	
	Authorized capital of each subsidiary (NT$1,000)	Yuanta Securities	43,894,621	42,147,413	44,738,399	52,673,959	64,396,654	
		Yuanta Bank	79,546,520	81,546,814	131,000,585	133,957,094	135,484,353	
		Ta Chong Bank	48,275,862	45,291,675	-	-	-	
		Yuanta Securities Finance	9,831,981	10,136,339	9,669,905	-	-	
		Yuanta Life	6,269,936	9,253,636	11,534,747	11,628,575	27,988,739	

Analysis Item (Note 2) \ Year (Note 1)			Financial analysis					Financial information of current year ending 01/31/2021 (Note 3)
			2016	2017	2018	2019	2020	
Capital adequacy	Authorized net capital of group (NT$1,000)		151,440,281	155,244,193	168,043,480	178,231,116	199,573,780	Not applicable
	Statutory capital requirements of each subsidiary (NT$1,000)	Yuanta Securities	18,265,644	21,035,810	19,502,984	23,914,482	30,263,028	
		Yuanta Bank	52,541,093	52,183,505	84,066,025	90,332,625	83,760,534	
		Ta Chong Bank	29,148,619	25,811,954	-	-	-	
		Yuanta Securities Finance	1,691,969	1,550,103	1,658,990	-	-	
		Yuanta Life	4,280,014	5,907,844	6,286,674	7,740,748	9,371,832	
	Group's regulatory capital requirement (NT$1,000)		117,685,232	116,559,976	121,153,812	133,907,284	136,691,245	
	Group's capital adequacy ratio (%)		128.68	133.19	138.70	133.10	146.00	
Total amount (NT$1,000) of loans, endorsements, or other transactions with the same individual, same related party, or same affiliate of all subsidiaries pursuant to Article 46 of the Financial Holding Company Act.			670,003,000	797,373,000	865,705,000	1,018,067,000	1,409,804,000	
Please explain the reasons for changes in each financial ratio during the most recent two years. (Analysis is not required if the magnitude of increase or decrease is less than 20%). 1.The difference between the two periods of NPL ratio was primarily a result of the decrease in the NPL of the subsidiaries. 2.The difference between the two periods of asset growth rate was primarily a result of the increase in financial assets. 3.The difference between the two periods of profit growth rate was primarily a result of the decrease in amount of profit growth. 4.The difference between the two periods of cash flow ratio and cash flow coverage ratio was primarily a result of the increase in net cash flow from operating activities.								

Note 1: Data from 2016 to 2020 have been audited and certified by the independent auditors.

Note 2: The following calculation formulas must be listed at the end of the foregoing table:

1. Operational ability
   (1) Total asset turnover = net profit/total assets
   (2) Deposit to loan ratio of subsidiary bank = total loans made by subsidiary bank/total deposits.
   (3) NPL ratio of subsidiary bank = total value of NPLs at subsidiary bank/total value of loans.
   (4) Average revenues per employee = net profit/total number of employees.
   (5) Average earnings per employee = net earnings after tax/total number of employees.
2. Profitability
   (1) Return on assets = [after -tax income (loss) + interest expense × (1 - tax rate)]/average total assets.
   (2) Return on shareholders' equity = after -tax income (loss)/average shareholders' equity.
   (3) Net profit margin = after -tax income (loss)/net profit.
   (4) EPS = (after -tax income (loss) - preferred stock dividends)/weighted average number of outstanding shares.
3. Financial structure
   (1) Ratio of liabilities to assets = total liabilities/total assets.
   (2) Ratio of liabilities to net value = total liabilities/shareholders' equity.
   (3) Double leverage ratio of financial holding company = equity investment made in accordance with Article 36, Paragraph 2 and Article 37 of this Act/net value.
4. Leverage
   (1) Operating leverage = (net profit - variable cost losses) / pre -tax income (loss).
   (2) Financial leverage of financial holding company = pre -tax income (loss) + interest expense/pre -tax income (loss).
5. Growth rate
   (1) Asset growth rate = (total assets during the current year - total assets during the previous year)/total assets during the previous year.
   (2) Profit growth rate = (pre -tax income (loss) during the current year - pre -tax income (loss) during the previous year)/pre -tax income (loss) during the previous year.
6. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/(bank and interbank lending and overdrafts + payable commercial paper + financial liabilities stated as gain (loss) due to change in fair value + RP bill and bond liabilities + accounts payable with a maturity date within one year).
   (2) Cash flow adequacy ratio = net cash flow from operating activities during the most recent five years/(capital spending + cash dividends during the most recent five years).
   (3) Cash flow satisfaction ratio = net cash flow from operating activities/net cash flow from investment activities.

7. Operating scale
   (1) Asset market share = total assets/total assets of all financial holding companies.
   (2) Net-worth market share = net value/total net worth of all financial holding companies.
   (3) Market share of Bank subsidiary savings deposits = savings deposits total/the total amount of deposits for all financial institutions allowed to engage in savings deposits business.
   (4) Market share of Bank subsidiary loans = loan total/the total amount of loans for all financial institutions allowed to engage in the lending business.
8. Capital adequacy
   (1) Net authorized capital of the group = authorized capital of the financial holding company + (financial holding company shareholding ratio × authorized capital of each subsidiary) - items to be subtracted in accordance with regulations.
   (2) Total group statutory capital requirements = capital requirements specified in the Financial Holding Company Act + financial holding company shareholding ratio × each subsidiary's statutory capital requirement.
   (3) Group capital adequacy = net value of the group's authorized capital/the group's statutory capital requirement.

Note 3: No financial information which has not yet been audited or reviewed by an independent external auditor before the date of publication of the annual report.

Note 4: This ratio was not calculated because the net cash flow from operating activities was negative.

Note 5: The net cash flow of investment activities is an inflow, so the cash flow satisfaction ratio is not calculated.

III. Audit Committee's Report on the Latest Financial Statements

Yuanta Financial Holding Co., Ltd.

Audit Report from the Audit Committee

The Company's Financial Statements 2020, together with the Business Report and Earnings Distribution Plan, were submitted by the Board of Directors to the Audit Committee for audit. The Financial Statements were audited by independent auditors, Chien-Hung Chou and Hsien-I Chen, CPAs of PricewaterhouseCooper Certified Public Accountants, who issued the Audit Report with Unqualified Opinions.

The Audit Committee, after completing the audit of said reports and statements, believes that they are free of material misstatement, and thus has produced this report according to Article 14-4 of the *Securities and Exchange Act* and Article 219 of the *Company Act* after obtaining the consent of all Audit Committee members. The report is hereby attached for review accordingly.

Submitted to:

2021 General Shareholders' Meeting of Yuanta Financial Holding Co., Ltd.

Audit Committee of Yuanta Financial Holding Co., Ltd.

Convener: Ming Ling Hsueh

Dated: March 23, 2021

IV. The Latest Consolidated Financial Statements of the Company and Its Subsidiaries Audited and Certified by CPAs: See Appendix.

V. Any Financing Problems Encountered by the Company or Its Affiliates Which Might Affect the Company's Financial Status: None.

Seven. Discussion and Analysis of Financial Status and Financial Performance, and Risk Management

I. Comparative Analysis of Financial Conditions

(I) Consolidated Balance Sheet of the Company and Its Subsidiaries

Unit: NT$1,000

Item \ Year	December 31, 2020	December 31, 2019	Increase/Decrease	
	Amount	Amount	Amount	(%)
Cash and cash equivalents	77,497,198	69,259,573	8,237,625	12
Due from the Central Bank and placement to other banks	54,373,556	46,034,685	8,338,871	18
Financial assets	1,374,368,125	1,185,351,744	189,016,381	16
Investment in RS bills and bonds	58,336,318	47,603,371	10,732,947	23
Receivable - net	243,990,690	174,240,497	69,750,193	40
Discount and loan - net	793,812,907	773,480,918	20,331,989	3
Investments under equity method - net	2,755,402	2,403,248	352,154	15
Investment real estate - net	11,558,284	4,915,972	6,642,312	135
Real property and equipment - net	23,930,017	22,242,669	1,687,348	8
Right -of -use assets - net	13,181,478	13,343,880	(162,402)	(1)
Intangible assets - net	31,498,648	33,197,460	(1,698,812)	(5)
Other assets - net	73,936,824	42,245,089	31,691,735	75
Total assets	2,759,239,447	2,414,319,106	344,920,341	14
Deposits by the Central Bank and other banks	16,087,299	13,107,028	2,980,271	23
Financial liabilities	252,171,089	199,409,648	52,761,441	26
RP bill and bond liabilities	216,621,187	198,665,918	17,955,269	9
Payable commercial paper - net	27,417,489	38,621,728	(11,204,239)	(29)
Accounts payable	248,347,930	161,327,046	87,020,884	54
Deposit and remittance	1,211,020,394	1,095,506,271	115,514,123	11
Bonds payable	78,790,127	68,849,634	9,940,493	14
Other loans payable	57,796,061	60,847,992	(3,051,931)	(5)
Reserve for liabilities	313,071,935	273,860,901	39,211,034	14
Lease liability	6,368,836	5,527,660	841,176	15
Other liabilities	57,929,654	48,388,900	9,540,754	20
Total liabilities	2,485,622,001	2,164,112,726	321,509,275	15
Capital stock	121,374,360	116,706,115	4,668,245	4
Additional paid-in capital	37,885,949	37,402,480	483,469	1
Retained earnings	81,516,757	69,703,509	11,813,248	17
Other equities	12,559,523	8,389,029	4,170,494	50
Uncontrolled equity	20,280,857	18,005,247	2,275,610	13
Total equity	273,617,446	250,206,380	23,411,066	9

Note: 1. Analysis on changes in investment in RS bills and bonds
The increase from 2019 was primarily a result of the increase in own fund and thereby caused the increase in the investment in RS bills and bonds.

2. Analysis of change in receivables - net
The increase from 2019 was primarily a result of the increase in securities financing and settlement money receivable.

3. Analysis on changes of investment real estate
   The increase from 2019 was primarily a result of the increase in right-of-use assets.
4. Analysis on changes in other assets - net
   The increase from 2019 was primarily a result of the increase in margin for securities lending and bank deposits-payment to be settled.
5. Analysis of changes in deposits by the Central Bank and other banks
   The increase from 2019 was primarily a result of the increase in inter-bank lending.
6. Analysis on changes in financial liabilities
   The increase from 2019 was primarily a result of the increase in non-derivative instruments.
7. Analysis of change in payables
   The increase from 2019 was primarily a result of the increase in accounts payable and settlement money payable.
8. Analysis on changes in other equity
   The increase from 2019 was primarily a result of the increase in unrealized gain or loss on financial assets at fair value through other comprehensive income.

(II) Balance Sheet of Individual Entity

Unit: NT$1,000

Item \ Year	December 31, 2020	December 31, 2019	Increase/Decrease	
	Amount	Amount	Amount	(%)
Cash and cash equivalents	881,767	7,499,264	(6,617,497)	(88)
Financial assets at fair value through other comprehensive income	28,483	24,490	3,993	16
Investment in RS bills and bonds	892,672	4,640,737	(3,748,065)	(81)
Receivable - net	3,110,877	3,230,724	(119,847)	(4)
Income tax assets - current period	196,336	319,823	(123,487)	(39)
Investments under equity method - net	283,824,795	251,488,755	32,336,040	13
Real property and equipment - net	36,224	24,623	11,601	47
Right-of-use assets - net	104,957	103,917	1,040	1
Intangible assets - net	6,156	4,898	1,258	26
Deferred income tax assets - net	47,253	41,833	5,420	13
Other assets - net	11,897	6,420	5,477	85
Total Assets	289,141,417	267,385,484	21,755,933	8
Commercial Promissory Notes Payable-Net	999,866	-	999,866	-
Accounts payable	5,668,801	6,225,431	(556,630)	(9)
Income tax liabilities - current period	4,088,398	3,916,397	172,001	4
Bonds payable - net	24,900,000	24,900,000	-	-
Reserve for liabilities	36,903	36,116	787	2
Lease liability	106,690	104,393	2,297	2
Other liabilities	4,170	2,014	2,156	107
Total Liabilities	35,804,828	35,184,351	620,477	2
Capital stock	121,374,360	116,706,115	4,668,245	4
Additional paid-in capital	37,885,949	37,402,480	483,469	1
Retained earnings	81,516,757	69,703,509	11,813,248	17
Other equities	12,559,523	8,389,029	4,170,494	50
Total equity	253,336,589	232,201,133	21,135,456	9

Note: Explanation of significant changes:

1. Analysis on changes in cash and cash equivalents, and investment in RS bills and bonds
   The decrease from 2019 was primarily a result of the capital increase by NT$14 billion in cash by Yuanta Life and the capital increase by NT$1.5 billion in cash by Yuanta Futures.

2. Analysis of change in income tax assets
   The decrease from 2019 was primarily a result of the authorization of the business income tax returns for the previous years.
3. Analysis on changes in other liabilities
   The increase from 2019 was primarily a result of severance pay/pension to the employees who chose to apply the old system in 2019 but no such pay/pension occurred in the current period.
4. Analysis on other equity
   The increase from 2019 was primarily a result of the increase in unrealized gain or loss on financial assets at fair value through other comprehensive income.
   .

II. Analysis of Financial Performance

(I) Consolidated income statement of Yuanta FHC and its subsidiaries

Unit: NT$1,000

Item \ Year	2020	2019	Increase/Decrease	
	Amount	Amount	Amount	(%)
Net interest income	26,918,952	26,132,919	786,033	3
Net non-interest income	88,709,914	81,475,158	7,234,756	9
Net profit	115,628,866	107,608,077	8,020,789	7
Bad debt expenses and guarantee liability provisions	2,152,052	1,352,694	799,358	59
Net changes of reserve for insurance liabilities	39,928,431	42,443,850	(2,515,419)	(6)
Operating expenses	42,782,105	38,270,636	4,511,469	12
Continuing departments net consolidated income before tax	30,766,278	25,540,897	5,225,381	20
Income tax expense	4,789,234	3,399,314	1,389,920	41
Net profit - current period	25,977,044	22,141,583	3,835,461	17
Other consolidated income (net after tax) - current period	4,638,864	2,335,038	2,303,826	99
Total consolidated income - current period	30,615,908	24,476,621	6,139,287	25

Note: Explanation of significant changes:

1. Analysis on changes in bad debt expenses and guarantee liability provisions.
   The increase from the previous period was primarily a result of the decrease in collection of bad debts from the previous period.
2. Analysis of change in other consolidated income (net after tax) - current period.
   The increase from the previous period was primarily a result of the increase in unrealized gain or loss on financial assets at fair value through other comprehensive income.

(II) Entity income statement of Yuanta FHC

Unit: NT$1,000

Item \ Year	2020	2019	Increase/Decrease	
	Amount	Amount	Amount	(%)
Revenue				
Share of the income from affiliates and joint ventures of subsidiaries recognized under equity method	25,658,736	21,974,067	3,684,669	17
Realized gains at fair value through other comprehensive income	1,103	1,076	27	3
Other revenue	40,201	138,724	(98,523)	(71)
Subtotal	25,700,040	22,113,867	3,586,173	16
Expenses and losses				
Operating expenses	941,174	836,662	104,512	12
Other expenses and losses	336,651	300,438	36,213	12
Subtotal	1,277,825	1,137,100	140,725	12
Pretax income	24,422,215	20,976,767	3,445,448	16
Income tax expense	317,639	531,259	(213,620)	(40)
Net profit - current period	24,104,576	20,445,508	3,659,068	18

Note: Explanation of significant changes: Analysis on other revenue: The decrease from the previous period was primarily a result of the decrease in interest revenue this year.

III. Analysis of Cash Flow

(I) Analysis of liquidity in the previous two years

1. Yuanta FHC and its subsidiaries

Item \ Year	2020	2019	Increase/decrease %
Cash flow ratio (%)	3.49	7.87	(55.65)
Cash flow adequacy (%)	(30.96)	(235.86)	(86.87)
Cash reinvestment ratio (%)	2.86	6.85	(58.25)

Explanation of ratio changes:

1. The difference between the two periods of cash flow ratio and cash reinvestment ratio was primarily a result of the increase in net cash flow from operating activities.
2. The difference between the two periods of cash flow adequacy ratio was primarily a result of the increase in (net cash flow from operating activities in the latest 5 years).
3. The variance in cash reinvestment ratios of the two periods was primarily a result of the increase in (gross value of fixed assets + long-term investment + equity investment under equity method + other assets + working capital).

2. Yuanta FHC

Item \ Year	2020	2019	Increase/decrease %
Cash flow ratio (%)	80.19	108.30	(25.96)
Cash flow adequacy (%)	186.99	177.34	5.44
Cash reinvestment ratio (%)	1.55	0.19	715.79

Explanation of ratio changes:

1. The variance in cash flow ratios of the two periods was a result of the decrease in net cash flow from operating activities.
2. The variance in cash reinvestment ratios of the two periods was a result of the increase (net cash flow from operating activities-cash dividend).

(II) Analysis of liquidity in the coming year

1. Analysis of liquidity of Yuanta FHC and its subsidiaries

Unit: NT$1,000

Initial cash balance	Net cash flow from operating activities for the year	Cash flow for the year	Cash balance	Corrective measures against insufficient cash position	
				Investment plans	Financing plans
157,785,378	44,488,090	(34,520,486)	167,752,982	-	-

(1) Analysis of cash flow in the coming year:

A. Operating activities: 44,488,090

B. Investment activities: (9,738,924)

C. Financing activities: (24,781,562)

(2) Analysis of liquidity and corrective measures against projected insufficient cash position: Not applicable.

2. Analysis of liquidity of Yuanta FHC

Unit: NT$1,000

Initial cash balance	Net cash flow from operating activities for the year	Cash flow for the year	Cash balance	Corrective measures against insufficient cash position	
				Investment plans	Financing plans
1,774,439	15,335,995	(15,363,609)	1,746,825	-	-

(1) Analysis of cash flow in the coming year:

A. Operating activities: 15,335,995

B. Investment activities: (5,471,982)

C. Financing activities: (9,891,627)

(2) Analysis of liquidity and corrective measures against projected insufficient cash position: Not applicable.

IV. Major capital expenditures in the most recent year: Yuanta FHC did not have any major capital expenditures in the most recent year.

V. Investment strategies, causes for investment gains and losses, and planned improvements for the most recent year and the investment plan for the coming year

(I) Investment strategies, causes for investment gains and losses, and planned improvements

Yuanta FHC will uphold the stable development policy to plan the Group's reinvestment policy. It will plan the Group's optimal investment strategies and portfolio by taking into consideration the growth potential and complementation of various business lines, as well as such financial factors as financial solidness, funding cost and rate of return on investment, insofar as it complies with related laws and regulations, in hopes of upgrading the Company's long-term profit and stability, increasing its ROE, and maximize shareholders' equity.

For the overview of operations and business plan for various subsidiaries of Yuanta FHC, please see "Four. Overview of Operations/1. Operations/(2) Business services of subsidiaries".

(II) Investment plan for the coming year

Upon completion of the acquisition and merger of Polaris Securities and Ta Chong Bank, Yuanta Securities and Yuanta Bank have attained considerable domestic business sales. In the future, the Group's investment plan will value construction and expansion of its overseas business in order to continue to move forward toward the objective for the "Best Financial Services Provider in the Asia Pacific Region". Yuanta Life will keep expanding its scale voluntarily, in principle. Notwithstanding, if some adequate object to be acquired and merged is verified, it will also consider expanding through merger and acquisition upon evaluation. The Group will keep concerning the development of FinTech and might control new technologies and business opportunities through investment or business cooperation.

VI. Risk management

(I) Risk management structure and policy of Yuanta FHC and each of its subsidiaries

1. Risk Management structure

The Company's entire risk management structure primarily covers the Board of Directors, the Audit Committee, Risk Management Committee, management, Chief Risk Officer, Risk Management Department, Compliance Affairs Department, Legal Affairs Department, Information Technology Department and other business departments, etc.

The Board of Directors shall be the ultimate policy-making unit for the Company's risk management, whose functions include authorization of the Company's risk management policy and important risk management system, authorization of the annual risk limit and supervision of execution of the risk management system.

The Audit Committee shall help the Board of Directors perform the Board's responsibilities for risk management, and its functions include review of the Company's risk management policy and important risk management system, review of annual risk limit and assistance in Board of Directors' supervision of any existing or potential risk.

The Risk Management Committee shall help the Audit Committee and Board of Directors; its functions include determination of the annual risk limit and control of indicator threshold, review of risk management report, assistance in supervision of the execution of risk management system, integration and coordination of common risk management issues between subsidiaries, and promotion and communication of important risk management motions, and performing their responsibilities of risk management.

The management shall review all risks pertaining to operating activities and make sure that the Company's risk management system can be completely and effectively executed.

The Risk Management Department is subordinated to the Board of Directors. The Department's responsibilities include research and drafting of the risk management system, establishment of effective approaches to measure risk and the risk management system, monitoring and analysis of risk, and the provision of timely alerts and reports.

The Compliance Affairs Department shall execute compliance risk control to ensure that various operations and management regulations are promptly updated in response to applicable laws & regulations, guide various units' compliance officers to implement, establish and practice related internal regulations, and help assess the compliance risk of various business lines.

The Legal Affairs Department shall execute legal risk control and help assess the legal risks potentially pertaining to various business lines, legal instruments, and contracts.

The information technology department shall primarily execute the information security risk controls to help prevent information assets from outside hackers, or any unfair use, disclosure, tampering or destruction internally, that might result in the information security risk damaging the related information system's normal operation.

The Business Department's risk management functions include thorough reviewing of the management regulations governing various risks prior to carrying out various business lines, and compliance with the regulations governing various risks.

Each subsidiary has set up its own risk management organization by adequate level and scale, subject to its business portfolio, business scale and capital scale. The Company will continue to review each subsidiary's risk management organization to ensure that it may manage the various risks to be borne by it effectively.

2. Risk management policy

In order to establish the Company's risk management standards and ensure completeness, validity and reasonableness of the risk management, the risk management policy is defined as the Company's ultimate guidelines governing risk management. Various risk management systems shall be defined based on the policy, attributes of various risks, and effect to be produced by the risks to the Company's operating stability and capital safety.

The Company's risk management systems shall cover market risk, credit risk, market liquidity risk, asset and liability matching risk (including capital liquidity risk and interest risk), large exposures, insurance risk, operational risk, compliance risk, legal risk and any other risks related to operation, law & compliance, and environment (including climate risk). The subsidiaries shall establish the risk management system which meets their business portfolio, business scale and capital scale according to the Company's risk management policy and the local competent authority's regulations, in order to manage the various risks to be borne by them effectively.

Each subsidiary has set up its own adequate risk management policy, subject to its business portfolio, business scale and capital scale. The Company will continue to review each subsidiary's risk management policy to ensure that it may manage the various risks to be borne by it effectively.

(II) Methods of risk evaluation and control used by the Company and each of its subsidiaries, and risk exposure information

1. General periodic disclosures

(1) The Company's and subsidiaries' risk management principles are stated as follows:

Based on the board-approved risk management policies, the Company and each of its subsidiaries defined various risk management mechanisms. The Company's and subsidiaries' risk management principles are stated as follows:

A. Market risk:

Market risk refers to the risk over the loss on the Company losing its position due to the market price, fluctuation rate or related changes. The market price includes index, stock price, interest rate, foreign exchange rate, commodity or credit spread. The Company's and subsidiaries' market risk management principles include set-up of effective early warning indicators, risk limits and value at risk (VaR) based on the Company's risk tolerance level to accurately estimate potential losses and effectively control market risk. Under our value at risk (VaR) measurement model, the possible maximum potential loss over the exposure on the next trading day should be estimated at a 99% confidence level.

B. Credit risk:

Credit risk refers to the risk over loss resulting from the following circumstances:

(A) Where the bond (bill) issuer, lender, counterparty or custodian breaches contract, goes bankruptcy or is liquidated and fails to perform its obligation pursuant to the terms and conditions as agreed and thereby causes risk.

(B) Where the bond (bill) issuer, lender, counterparty or custodian breaches contract, goes bankruptcy or is liquidated and fails to fulfill its liability of warranty pursuant to the terms and conditions as agreed and thereby causes risk.

(C) Where the strength of the financial instrument-linked is weakened, credit rating is degraded, or there is any circumstance constituting breach of the financial instrument contract.

The Company and each of its subsidiaries shall define the credit risk management systems subject to attributes of risk:

(A) Loan credit: To manage the applications for loan by grade according to the credit rating or rating model, and enhance the quantitative mechanism of credit risk so as to upgrade the quality of loan assets. Apply an early warning mechanism integrated with the mid-term management platform to conduct the post-loan

control over borrowers and take responsive measures to reduce the potential loss caused by credit risk.

(B) Financial trading credit risk: In order to effectively integrate the Company's and its subsidiaries' financial trading credit risk distribution and stay on top of changes in the Company's and its subsidiaries' financial trading credit risk exposure, the Company has established an internal credit rating system to implement a credit risk level system to evaluate and control financial trading credit risk exposure effectively. Meanwhile, a credit early warning mechanism has been established to implement reporting procedures so as to effectively improve the timeliness of our response to credit events.

C. Concentration risk:

Large risk arises when some business is concentrated on specific risk factors and the unexpected changes resulting from the specific risk factors, if any, might cause significant loss to the Company. The Company and each of its subsidiaries have set up the large risk exposure control systems to cover the risk over loan, investment and trading, and would also control the concentration of the overall risk exposure by the same person (enterprise), enterprise group, industry and country.

D. Market Liquidity risk:

Market liquidity risk arises when assets are sold or position is closed out because of consecutive shortages of trading volume in the market or disorder in the market resulting in a significant reduction of the trading volume, if any. To decrease the Company's and subsidiaries' market liquidity risk, the Company and subsidiaries have set up separate standards on limits of liquidity position and potential loss for different operations and different characteristics of financial products to ensure sufficient market liquidity for all positions.

E. Asset liability matching risk:

Asset and liability matching risk includes funding liquidity risk and interest rate risk. The funding liquidity risk means the risk arising from the inability to acquire sufficient fund by virtue of sale of assets or applying for loan with another banks and failure to repay the matured debt. The interest rate risk means the risk arising from the adverse changes of net interest income between assets and liabilities with interest caused by the fluctuation of market interest rate.

The Company and its subsidiaries have set appropriate funding liquidity risk control indicators depending on the nature of each operational sector, and evaluate in advance the potential capital gaps for various deadlines to effectively control overall liquidity risk. To enhance the ability to manage funding liquidity risk, the Company and each of its subsidiaries have also drawn up a capital allocation plan to cope with

systemic risk events or react to abnormal capital flows.

The Company's and subsidiaries' interest rate risk management includes identification and measurement of interest rate re-pricing risk, yield curve risk, basis risk and option properties risk, and evaluate the warning value set up based on quantitative control indicator, so as to control the adverse effects caused by fluctuations in interest rate to the net interest income on the Company's entire assets and liabilities with interest effectively.

F. Insurance risk:

It means the risk over claims and expenses made or provided pursuant to the contract suffering loss caused by unexpected changes after collecting the insurance premium to assume the specific risk transferred by the insured. The insurance risk management shall cover the risk over product design and pricing, underwriting, reinsurance, catastrophe, claims and reserve fund.

In order to manage the insurance risk effectively, Yuanta Life has established the standard operating procedures and management mechanisms with respect to various insurance risks to strengthen the risk control function through a monitoring mechanism.

G. Operational risk:

Operational risk refers to the risk of direct or indirect losses arising from negligence or errors in internal operations, staff or systems, or from external events. The Company and its subsidiaries' policy is to implement standard operating procedures and control points that have been set as standards in the internal control and audit systems, and to ensure the functioning and effectiveness of control points and check points through regular self-assessments of internal controls. We are also gradually building up an operational risk management mechanism that involves operational risk incident reporting, standard operating procedure review, operational risk measurement, risk control and self-assessment to strengthen operational risk management.

H. Information security risk:

The Information security risk refers to the risk caused by intention, negligence or natural calamity and resulting in unfair use, disclosure, tampering or destruction of the information assets, thereby damaging the business-related information system's normal operation.

I. Human resource risk:

The human resource risk refers to that related to employees' human rights issues and development and management of the Company's human resources, such as solicitation for, retention, and development of human resources.

J. New risk:

The new risk refers to a new business line or new risk type, for which no risk identification or assessment is conducted, thereby causing adverse effects to the future business operations

K. Compliance risk:

Compliance risk means the risk potentially punished by the competent authority for failure to comply with the related laws and regulations when carrying out various businesses. The Company and subsidiaries all have the Compliance Affairs Department responsible for planning, management and execution of the compliance system; establishment of various conveyance, consultation, coordination and communication systems for laws & regulations; confirmation of timely update of various operations and management regulations subject to laws & regulations; issuance or conclusion of the opinion which meets laws & regulations and internal regulations; analysis of deficiencies of various units in compliance or the causes thereof and opinion about corrective actions; performance appraisal of various units in compliance, and assurance of effective operation of the compliance system.

L. Legal risk:

Legal risk arises when a contract has no binding effect, or the contract involves any act beyond the authority, omits some provisions, or is defective in definitions of the contract and thereby makes the contract invalid, and risk over potential loss arises. The Company has the Legal Affairs Department responsible for researching and drafting Company's contracts with others; audit and management; and advising and processing of legal issues and non-litigious and litigious matters.

M. ML/TF risk:

The ML/TF risk refers to that caused by abuse of the business operations in ML or TF activities.

N. Ethical management risk:

The ethical management risk refers to that caused by the unjustified benefits provided, promised, requested or accepted, or any activities against ethics, laws or fiduciary duties conducted by the Company's directors, supervisors, managers, employees, or any persons with substantial controlling interests, directly or indirectly, when engaging in any business conduct, in order to keep or seek interests.

O. Environmental risk:

The environmental risk refers to that caused by the issues about GHG emission, carbon right management and energy management derived from responses to climate transformation and natural calamity, and by compliance with international and local environmental protection laws & regulations, e.g. environmental emission management or environmental impact assessment requirements

(2) Information covered in risk report and frequency & procedure of risk report

A. The level, contents and frequency of the Company's and its subsidiaries' risk report shall be adjusted subject to attributes of the risk and the impact rendered by the risk against the Company's business, income and net worth.

B. The Risk Management Department shall report the following risk management affairs to the administration management, Audit Committee or other functional committees dedicated to risk management and Board of Directors periodically:

(A) Overview of market risk;

(B) Overview of market liquidity risk;

(C) Overview of credit risk;

(D) Overview of funding liquidity risk;

(E) Overview of interest rate risk;

(F) Overview of insurance risk;

(G) Overview of operational risk;

(H) Overview of large risk exposure;

(I) Overview of capital adequacy ratio;

(J) Other significant risks.

(3) The policy for hedging and mitigation of risk, strategy, and procedure for monitoring the persistent effectiveness of the risk hedging and mitigation tools

The Company and each of its subsidiaries define the risk limit, hedging tools and hedging operation mechanism based on their risk acceptance, so as to effectively limit the risk to the extent as approved, via the reasonable hedging mechanism.

To execute the hedging, the risk structure and level for the entire position shall be adjusted until the risk is acceptance, by employing adequate financial instruments, subject to the market condition, business strategies, product characteristics, and risk management regulations. The Company will also periodically continue to measure and control the validity of the hedging tools dedicated to hedging and mitigating risk.

2. Quantitative information on risk exposure

(1) Yuanta FHC

A. Capital adequacy ratio

	2020/12/31	Average	Highest	Lowest
Capital adequacy ratio	146.00%	135.33%	146.00%	123.59%

B. Value at risk over trading position

Unit: NT$1,000

Risk category	2020			
	2020/12/31	Average	Highest	Lowest
Interest rate risk	177,657	149,685	81,369	207,818
Equity risk	430,311	372,149	206,312	589,700
Foreign exchange risk	485,743	491,700	352,479	720,254
Commodity risk	7,185	21,787	402	241,741
Less: Diversification benefit	(315,888)	(301,058)	-	-
Total VaR	785,008	734,263	518,889	988,652

Note: Under our value at risk (VaR) measurement model, the possible maximum potential loss over the exposure on the next trading day should be estimated at a 99% confidence level.

(2) Yuanta Securities

A. Capital adequacy ratio

	2020/12/31	Average	Highest	Lowest
Capital adequacy ratio	319%	304%	329%	281%

B. Ratio of equivalent risk amount

Data baseline date: 12/31/2020

Item	Ratio of equivalent risk amount
Market Risk	60.47%
Credit Risk	24.04%
Operational risk	15.49%
Total	100.00%

(3) Yuanta Bank

A. Capital adequacy ratio

	2020/12/31	Average	Highest	Lowest
Capital adequacy ratio	16.98%	15.78%	16.98%	15.20%

B. Exposure and accrued capital charge upon risk reduction under credit risk standardized approach

Data baseline date: 12/31/2020

Unit: NT$1,000

Type of Risk Exposure	Risk Exposure after Risk Mitigation	Accrued capital charge
Sovereigns	284,418,003	0
Non Central-Government Public Sector Entities	0	0

Type of Risk Exposure	Risk Exposure after Risk Mitigation	Accrued capital charge
Banks (Including multilateral development banks and centralized settlement counterparties)	74,720,346	2,153,874
Corporates(Securities firms and insurance companies included)	326,349,182	21,384,576
Retailed credit	74,870,253	4,474,043
Residential Property	526,586,386	24,882,301
Equity-securities investment	5,765,619	461,249
Equity securities investment in funds and venture capital businesses	0	0
Other assets	37,022,837	2,489,822
Total	1,329,732,626	55,845,865

Note: The required capital refers to the exposure upon mitigation of risk multiplied by the statutory minimum capital adequacy ratio.

C. Market risk – accrual capital charge and risk weighted assets of market risk

Data baseline date: 12/31/2020
Unit: NT$1,000

Type of Risk	Accrued capital charge	Risk weighted assets (Note)
Interest rate risk	3,980,363	49,754,537
Equity risk	215,353	2,691,913
Foreign exchange risk	615,518	7,693,975
Commodity risk	0	0
Total	4,811,234	60,140,425

Note: The amount stated is the accrued capital charge multiplied by 12.5.

D. Liquidity risk – asset liability maturity analysis

Structure analysis of time to maturity(NT$)

Data baseline date: 12/31/2020
Unit: NT$1,000

	Balance until maturity					Total
	0 – 30 days	31 days – 90 days	91 days – 180 days	181 days – 1 year	Over 1 year	
Primary funds inflow upon maturity	347,797,150	97,090,727	75,589,176	117,129,074	631,307,625	1,268,913,752
Primary funds outflow upon maturity	102,923,871	166,640,632	181,426,517	281,208,813	745,009,860	1,477,209,693
Gap	244,873,279	(69,549,905)	(105,837,341)	(164,079,739)	(113,702,235)	(208,295,941)

Note: This table only includes NT$ (not foreign currencies) held by the Head Office, domestic and overseas branches.

Structure analysis of time to maturity (US$)

Data baseline date: 12/31/2020
Units: US$1,000

	Balance until maturity					Total
	0 – 30 days	31 days – 90 days	91 days – 180 days	181 days – 1 year	Over 1 year	
Primary funds inflow upon maturity	1,316,544	539,137	272,454	511,034	3,028,783	5,667,952
Primary funds outflow upon maturity	1,528,930	846,693	859,118	1,317,774	1,680,915	6,233,430
Gap	(212,386)	(307,556)	(586,664)	(806,740)	1,347,868	(565,478)

(4) Yuanta Life

A. Capital adequacy ratio

	2020 first half of the year	2020
Capital adequacy ratio	469.19%	597.29%

(5) Yuanta Futures

A. Alternative net capital (ANC)

	2020/12/31	Average	Highest	Lowest
Alternative net capital (ANC)	54.6%	41.6%	54.6%	29.8%

(III) Impact on the Company's financial standing and business operations due to changes in domestic or foreign policies and laws, and corresponding countermeasures to such changes:

The relevant department staffs of the Company and its subsidiaries analyze all major changes to policies and laws at home and abroad before they occur and assess their impact on all business operations; relevant internal business strategies and operational procedures are also adjusted in a timely way to respond to such changes.

(IV) Impact on the Company's financial standing due to technological or industrial changes, and corresponding countermeasures:

Considering that the three major policies, namely Internet-only bank, open banking and financial cloud, will be implemented in 2020, the ability to control and innovate the Fintech, such as AI and big data analysis, becomes more and more important. In order to maintain the confidentiality, integrity and availability of information operation and to prevent the information security issues, such as disclosure of information and hackers' invasion from injuring the Company's finance and goodwill and customers' interest and right, the Company continues to strengthen the information security control mechanisms.

The Company and its key subsidiaries, Yuanta Securities, Yuanta Bank and

Yuanta Life, have implemented ISO 27001 ISMS and also passed the certification by BSI. Thereafter, they would complete the continuing review once per year and the re-examination once per three years. Meanwhile, they also keep strengthening the information security management and control via the PDCA cycle to maintain the Company's important information assets. Further, in order to deal with the changes of technology, the Company keeps researching the introduction of new technologies and new products, in order to mitigate the effect produced by the information security risk to the Company as possible as it can.

(V) Impact of changes in the corporate identity of crisis management of the company and its subsidiaries, and corresponding countermeasures:

Yuanta FHC serves its corporate and individual customers under the banner of honesty and conducts all its business operations under the principles of "Security, Liquidity and Profitability". The company has long enjoyed the trust and support of its customers, and also looks forward to upholding these ideals in serving its customers in the future, while building a good corporate image based on sound and stable management. Should there be unfounded reports about the financial status or other related operations of the Group that are likely to severely affect the Group's corporate identity, the company will issue a press release or post important information on the website of the Market Observation Post System to clarify the situation and let the truth be known.

(VI) Expected benefit(s), possible risk(s) and response action(s) of merger and acquisitions:

1. Yuanta FHC pursues mergers and acquisitions as part of its overall growth strategy and ultimately for achieving the following four (4) goals:
   (1) Leverage economies of scale;
   (2) Create competitive barriers;
   (3) Expand scope and territories of business;
   (4) Upgrade the operating performance.
2. Associated risks are detailed below:
   (1) Because asymmetric information, it might be difficult to control the real operating status of the merged and acquired prior to the merger & acquisition and to reflect the factors to the transaction price and thereby the company had to bear unexpected asset & liability risk;
   (2) Given that the profitability of the merged and acquired is less than the expectation or certain adverse changes arise, the value of merger & acquisition is overestimated;
   (3) The integration of enterprise culture and organizational framework results in loss of human resource and business and the declination or deferred production of merger & acquisition benefit;
   (4) The overseas merger & acquisition projects shall bear the risk over the local

economic and political changes and variance in the governing laws.

Yuanta FHC has strictly followed the standard operating procedures for the decision-making process of mergers and acquisitions (Yuanta FHC' Notes to and SOP for Merger & Acquisition). During the valuation process, consultants and lawyers are retained to conduct due diligence and the knowledge and expertise of the Group is enlisted to ensure careful evaluation before the merger & acquisition. Upon merger and acquisition, the Group would reduce the potential risk and loss related to the merger & acquisition through well-founded integration plans and thorough execution to have the merger & acquisition benefit exerted fully. Therefore, the Group's control over the risk related to merger & acquisition shall be considered adequate.

(VII) Risk and response action from concentrated operations:

The Company and each of its subsidiaries cover a wide range of activities including securities, banking, insurance, futures, investment trust, venture capital, investment consulting, and asset management underlining our efforts to diversify business to reduce risks associated with over-concentration. Additionally, credit limits have been established for all investment positions held by each subsidiary in accordance with relevant laws and regulations and the Company's risk management mechanisms. The limit of large exposures will be set and approved by the Board of Directors annually, in order to appropriately diversify risk and the potential risks arising from excessive concentration of business.

(VIII) Impact or risk associated with large transfers or changes in shareholdings by directors or major shareholders holding over 1%:

The Company and each of its subsidiaries are run by professional managers, and have established a full set of regulations on the empowerment of managers as well as the scope of powers at each level of the managerial hierarchy to expressly define the division of labor and responsibilities. Therefore, there will be no significant impact on the Company in the event of transfers or changes in shareholdings by a director or major shareholder holding a stake of more than 1%.

(IX) Effect and risk caused by the changes of the right to manage to the Company, and the countermeasures thereof:

The Company and each of its subsidiaries are run by professional managers, and have established a full set of regulations on the empowerment of managers as well as the scope of powers at each level of the managerial hierarchy to expressly define the division of labor and responsibilities. Therefore, there will be no significant impact on the Company in the event of the changes of the right to manage.

(X) Litigation and non-litigation matters:

1. Material litigation, non-litigious or administrative court cases, adjudicated or pending, involving the Company or its subsidiaries:

Unit: Dollar (NT$/KRW$/HK$/US$/THB$)

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
Due to the dispute over transaction of stock, the customer of the disolving company, Polaris Securities, filed a civil action against Yuanta Securities, claiming that Yuanta Securities should bear the damages jointly and severally with its employee.	NT$39,769,051	June 2013	Yuanta Securities, ○-Chih Lin and Plaintiff ○-Chiao Meng.	The claimed amount was NT$25,718,846 on June 25, 2013 at the first place, and then was increased to NT$40,310,002 on June 30, 2015 and decreased to NT$39,769,051 on August 12, 2015. The Taiwan Taipei District Court has rendered the judgment dismissing the Plaintiff's claim on October 21, 2016. The Plaintiff filed an appeal against the judgment. The Taiwan High Court rendered the judgment on May 8, 2019, holding that Yuanta Securities shall, jointly and severally, pay the damages totaling NT$25,787,434. The Plaintiff and Yuanta Securities have both filed an appeal pursuant to laws. The Supreme Court dismissed both parties' appeals on October 15, 2020. The case has become final and conclusive accordingly.	Yuanta Securities has performed as the judgment directed pursuant to laws. Upon evaluation, no material effect would be produced to Yuanta Securities' operation or shareholders' equity.
Seventy-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital claimed the damages against two (2) persons including Yuanta Securities regarding the dispute over the purchase and sale contract of land and parking lots.	NT$952,511,840	January 2018	Yuanta Securities and the other person as the defendants and Seventy-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital as the plaintiffs.	The plaintiffs initiated a mediation procedure on January 9, 2018 and initially claimed NT$574,000,000 for compensation (of which NT$572,350,000 was claimed on a joint liability basis). On January 17, 2018, the claim was raised to NT$952,511,840 (of which NT$950,861,840 was claimed on a joint liability or joint payment basis). The Taiwan Taipei District Court held that the mediation was not reached. The plaintiffs then initiated a separate action for the same case on July 11, 2018 with the same claimed amount. The case is now pending trial in the Taiwan Taipei District Court. Yuanta Securities has retained its legal counsel to defend the case pursuant to laws.	Upon evaluation, no material effect would be produced to Yuanta Securities' operation or shareholders' equity.
Anbang Group Holdings Co. Limited and Anbang Life Insurance Co., Ltd. filed a counterclaim against Yuanta Securities (Korea) and other four entities in an arbitration proceeding.	About KRW$1,143,200 million	June 2017	Yuanta Securities (Korea) and the other four entities as respondents, and Anbang Group Holdings Co. Limited and Anbang Life Insurance Co., Ltd. as the claimants, in the counterclaim.	The arbitration tribunal rendered the arbitral award on August 24, 2020, holding that the sellers including Yuanta Securities (Korea) should pay Anbang Group Holdings Co. Limited and Anbang Life Insurance Co., Ltd. KRW$166.6 billion as the compensation, and the related expenses plus interests. Notwithstanding, the precise amount of compensation payable by Yuanta Securities (Korea) might still vary depending on the subsequent legal proceedings.	Upon evaluation, no material effect would be produced to Yuanta Securities (Korea)'s operation or shareholders' equity.
Yuanta Securities (Hong Kong) raised a litigation proceeding against its account executive, claiming the guarantee liability owed by the account executive.	About HK$135 million	June 2017	Yuanta Securities (Hong Kong) and its former account executive	Yuanta Securities (Hong Kong) has incurred damages from a non-performing margin loan because the securities securing such loan was suspended for trading. These margin clients were served by an account executive who entered into a guarantee with Yuanta Securities (Hong Kong) (the "Guarantee") under which the account executive agreed to guarantee all losses of Yuanta Securities (Hong Kong) in relation to the margin loans extended to such clients. Yuanta Securities (Hong Kong) has raised a litigation proceeding requesting the	Upon evaluation, no material effect would be produced to Yuanta Securities (Hong Kong)'s operation or shareholders' equity.

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
				account executive to perform the Guarantee. The account executive denied its liability under the Guarantee. Currently, the case is pending in the court.	
The former employee of Yuanta Securities (Thailand) (formerly known as KKTrade Securities Co., Ltd.) was suspected of committing a fraud. The clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for joint liability to pay the compensation.	About THB$301 million	August 2017	Yuanta Securities (Thailand) and another person as defendants and Mr. Amnaj ○○ and the other four (4) persons as the plaintiffs.	As part of the money claimed by the plaintiffs was not remitted to the account of Yuanta Securities (Thailand), but rather directly to the account of the former employee from the plaintiffs, the liability for compensating for the claimed amount is denied by Yuanta Securities (Thailand). Yuanta Securities (Thailand) has retained lawyers to defend the case in the subsequent proceedings . The court rendered the judgment and dismissed all of the plaintiffs' claims in the first instance on October 8, 2020. Notwithstanding, both parties are still allowed to file an appeal against it.	Upon evaluation, no material effect would be produced to Yuanta Securities (Thailand)'s operation or shareholders' equity.
Trust Investment filed a complaint with the Korea's Financial Services Commission in March 2016 claiming that Yuanta Savings Bank (Korea), a subsidiary of Yuanta Bank, overcharged it fees in a loan project and, therefore, Yuanta Savings Bank (Korea) should refund KRW$4 billion that it has improperly received. Yuanta Savings Bank (Korea) considered such claim groundless and, therefore, filed an action with the court for a declaratory judgment of non-existence of the obligation to clarify the dispute.	KRW$4,024,468,690	September 2016	Plaintiff: Yuanta Savings Bank (Korea) Defendant: Trust Investment	1. When acquiring Yuanta Savings Bank (Korea) (formerly known as HanShin Savings Bank), Yuanta Bank reached an agreement with the shareholder of HanShin Savings Bank, AON BGN Limited Liability Company, that the shareholder should pledge KRW$5 billion in favor of Yuanta Bank to secure the compensation for the damages caused by this case. 2. The Seoul Southern District Court rendered the judgment in favor of Yuanta Savings Bank (Korea) in the first instance on June 16, 2017. In the second instance, the Seoul High Court rendered the judgment in favor of Yuanta Savings Bank (Korea) on May 25, 2018. Notwithstanding, Trust Investment filed an appeal with the Supreme Court of Korea for the third instance. The Supreme Court of Korea ruled in favor of Yuanta Savings Bank (Korea) in the third instance on March 12, 2020. Accordingly, the case became final and conclusive.	Upon evaluation, no material effect would be produced to Yuanta Bank's operation or shareholders' equity as Yuanta Savings Bank (Korea) has obtained the favorable and conclusive judgment.
Due to the dispute arising from the foreign exchange financial derivatives transactions between SINO UNITED INTERNATIONAL CO., LTD. and PLOSA INTERNATIONAL CO., LTD. on the one side, and Ta Chong Bank, on the other side, the two (2) companies filed a civil action claiming damages with the court.	Priority claim: US$3,123,399.47 Alternative claim: US$1,445,000 plus interest	June 2016	Plaintiff: SINO UNITED INTERNATIONAL CO., LTD. and PLOSA INTERNATIONAL CO., LTD. Defendant: Ta Chong Bank (Ta Chong Bank was merged with Yuanta Bank on January 1, 2018. Yuanta Bank subsequently assumed this litigation).	1. SINO and PLOSA dieputed losses arising from settling the foreign exchange financial derivatives transactions with Ta Chong Bank and thus filed a legal action with the Taiwan Taipei District Court, claiming that Ta Chong Bank should compensate for such losses. 2. The Taiwan Taipei District Court rendered the judgment in favor of Yuanta Bank in the first instance on January 26, 2018. Then, the Taiwan High Court also rendered the judgment in favor of Yuanta Bank in the second instance on March 12, 2019. SINO and PLOSA filed an appeal with the Supreme Court for the third instance. The appeal filed by PLOSA was dismissed by the court as PLOSA failed to pay the court fees pursuant to laws, and the judgment became final. As of January 31, 2021, the appeal filed by SINO was still pending trial in	Upon evaluation, no material effect would be produced to Yuanta Bank's operation or shareholders' equity.

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
				the Supreme Court.	
Pentagon City argued that Yuanta Savings Bank (Korea), a subsidiary of Yuanta Bank, violated the restriction on the threshold (10%) of shareholdings in unlisted companies under the Mutual Savings Bank Act (old version) of the Republic of Korea and, therefore, filed the legal action claiming a refund of the unjustified enrichment with respect to the amount received by Yuanta Savings Bank (Korea) in the capital reduction of Pentagon City that is attributable to consideration for shares in excess of the 10% threshold (KRW$19,599,160 thousand).	KRW$19,599,160 thousand	September 2018	Plaintiff: Pentagon City Defendant: Yuanta Savings Bank (Korea)	1. Yuanta Savings Bank (Korea) (formerly known as HanShin Bank) granted the loan to Pentagon City from 2006 to 2008 and exercised the pledge several times to acquire 33.3% of the shares in Pentagon City. Given the exceptional nature of the case, the restriction of the threshold (10%) of shareholdings in unlisted companies held by a savings bank under the Mutual Savings Bank Act (old version) of the Republic of Korea shall not apply. Besides, the relevant regulations under the Mutual Savings Bank Act (old version) of the Republic of Korea served merely as a restriction on certain actions, which would not render the relevant actions void. The related transactions shall still be held effective. Therefore, the claim raised by Pentagon City is groundless. 2. The Seoul Central District Court rendered the judgment in favor of Yuanta Savings Bank (Korea) in the first instance on June 20, 2019. Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court dismissed the appeal on November 3, 2020. Yuanta Savings Bank (Korea) won the case in the second instance. Notwithstanding, Pentagon City, still disagreeing with the judgment of the second instance, filed an appeal for the third-instance trial on November 18, 2020. As of January 31, 2021, the case is still pending trial in the Supreme Court of Korea.	Upon evaluation, no material effect would be produced to Yuanta Bank's operation or shareholders' equity.
Yuanta Securities Investment Trust handled the discretionary investment management under the domestic investment contract for the Bureau of Labor Funds, Ministry of Labor (formerly known as LABOR PENSION FUND SUPERVISORY COMMITTEE, reformed as of February 17, 2014, hereinafter referred to as the "Bureau"). Because Mr. Chu, the former manager of the discretionary investment management department of Polaris Securities Investment Trust Co., Ltd., committed a misconduct with respect to the trading of domestic stocks under the	NT$71,574,700 (for the damages) and a part of the punitive damages equivalent to 3 times the damages, NT$500,000 (claimed in part).	January 28, 2014	Plaintiff: Bureau of Labor Funds, Ministry of Labor (formerly known as the LABOR PENSION FUND SUPERVISORY COMMITTEE) Defendant: Yuanta Securities Investment Trust, and Mr. Chu	Taiwan Taipei District Court dismissed all of the plaintiff's claims on May 15, 2020. The tlaintiff has filed an appeal pursuant to laws. The case is now pending trial in the court of the second instance.	Upon evaluation, no material effect would be produced to Yuanta Securities Investment Trust's operation or shareholders' equity.

Facts	Claim/Dispute Amount	Commencing Date of Litigation	Major Parties involved in the litigation	Status as of the date of publication of the annual report	Remarks
discretionary investment management mandate of the Bureau from 2011 to 2012, the Bureau filed a civil complaint on January 28, 2014 along with criminal proceedings with the Taiwan Taipei District Court based on the indictment issued by the Special Investigation Division of the Supreme Prosecutor Office, claiming manager Chu and Yuanta Securities Investment Trust bear a joint and several liability for compensations.					
Due to the drastic market fluctuation on February 6, 2018, the risk indicator of the account of a customer of Yuanta Futures, Mr. Li, was below 25%. The account suffered excessive losses from the settlement. Yuanta Futures reported the customer's breach of contract. Notwithstanding, the customer has not yet repaid the debt. Therefore, a civil action was initiated against the customer.	The court of the 1st instance: NT$42,435,140	July 13, 2018	Plaintiff: Yuanta Futures Defendants: Customer Mr. Li, and his agent, Mr. Kuo	1. A provisional attachment has been obtained and executed. 2. The Taiwan Ciaotou District Court rendered the judgment in favor of Yuanta Futures in the first instance on July 31, 2020. 3. The defendants filed an appeal, which is pending trial in the Taiwan High Court, Kaohsiung Branch as the court of the second instance.	Upon evaluation, no material effect would be produced to Yuanta Futures's operation or shareholders' equity.
A customer of Yuanta Futures, Mr. Tseng, traded the e-mini crude oil products on April 20, 2020 overseas (i.e. April 21, 2020 Taiwan time); his overseas futures account suffered excessive losses accordingly. Yuanta Futures has reported the customer's breach of contract. The customer has not yet repaid the debt. Therefore, a civil action was initiated against the customer.	The court of the 1st instance: NT$15,619,670	July 13, 2020	Plaintiff: Yuanta Futures Defendant: Mr. Tseng	The case is pending trial in the Taiwan Tainan District Court as the court of the first instance.	Upon evaluation, no material effect would be produced to Yuanta Futures's operation or shareholders' equity.

(XI) Other significant risks and response actions:

The Company assesses the internal and external business risks potentially suffered by the financial business affairs and reports the results to the Board of Directors annually. Meanwhile, the Company will propose a response action plan. The internal and external risk factors include macroeconomic variations, changes of financial market, cross-border compliance and management, investees' management, information security and consumer protection, etc. The major internal and external business risks are enumerated as follows:

Risk factor	Cause	Response measure
Macroeconomic variations	IMF forecast that developed countries' government debts will attain 125% of GDP in 2021, more than that (124%) at the end of World War II, and also 80% for the Great Depression and 89% for the financial crisis. Even in emerging countries, government debts have also hit unprecedented new records. The relevant fiscal policy might not stop expanding until the concern about COVID-19 is mitigated. The economic depression caused by lockdowns resulted in the decrease in tax revenue. Given this, the fiscal revenue and expenditure might get worse at the same time.	1.Already create a name list of investable countries and country grading standards, and also set the limit of concentration by nation; 2.Monitor and control the data about changes of CDS, economic growth and fiscal deficit of trading countries periodically, and continue following up and feeding back the information about the industries and countries more significantly affected by the epidemic; 3.Monitor and control the investees' capital liquidity indicators to ensure that the Company and its subsidiaries may keep the capital liquidity safe.
Wealth management/consumer protection	In order to deal with the increasing sanctions against bank internal fraud cases and the rapidly increasing amount involved in recent years, the FSC ordered banks to establish and practice an anti-corruption control mechanism covering human resource management, internal control and internal audit, and implement the "senior managers' accountability system" under the "Regulations Governing Banks Conducting Financial Products and Services for High-Asset Customers" (for new wealth management business) in 2020. Prevention of financial crimes will be a regulatory focus in the future, in order to improve the compliance and risk management mechanism and reduce occurrence of related incidents.	1.Each subsidiary has established the relevant mechanism pursuant to the laws, including KYC and KYP, and the pricing and risk disclosure mechanism about complex and high risk products; 2.Continue to train the wealth management personnel, and improve the control over the KYE and wealth management personnel; 3.Build complaint and communication channels for customers, and extend the care for any abnormalities detected by the mechanism via phone interview; 4.Check the practice of fair dealing periodically.
Non-interrupted operations, and backup plans	Considering that various enterprises' business models were affected by the COVID-19 epidemic, the competent authority demanded that financial institutions review and establish the	1.Each subsidiary has established the urgent response plan, while continuing to optimize the

Risk factor	Cause	Response measure
	business continuity mechanism (BCM), and the business continuity plan (BCP) in response to various environmental impacts, in order to enable the enterprises to restore their business models to a specific extent as shortly as possible, under the impact posed by the epidemic.	related assessment mechanism; 2.Each subsidiary shall verify feasibility of the plan by exercising the same, improve personnel awareness and knowledge about the plan, and review the drill results in a timely manner, in order to ensure the capabilities required by the business continuity plan.

VII. Crisis Management and Emergency Response

In order to enable the Company to judge the related scenario and integration of personnel organization and resources to deal with related harm effectively and rapidly when facing any crisis, so as to mitigate the damage and loss arising from the crisis and recover the organization's normal operation rapidly, the Company has established the "policy and procedural rules for crisis management" as the ultimate guideline upon outbreak of any crisis, which shall be enforced upon approval of the Board of Directors.

Upon outbreak of any crisis, the Company shall form a crisis response taskforce as soon as is possible. The Chairman shall serve as the taskforce's convener, and appoint the Vice Chairman or President as the vice convener. Meanwhile, subject to the level and nature of the incident, the taskforce shall consist of, at least, various executive vice presidents, spokesman, Auditing Dept., Risk Management Dept., Compliance Affairs Dept., Legal Affairs Dept., Corporate Planning Dept., related departments' supervisors or heads, and other related personnel, which shall engage in analyzing and evaluating proposed response measures, keeping abreast of the latest developments, or proposing or submitting revised response plans to meet actual needs. In line with the policy and procedural rules, each subsidiary has also established a set of disaster emergency response measures for effective management.

VIII.Other Significant Events: No

Eight. Special Items

I. Information on Affiliates

(I) Consolidated business reports of affiliated enterprises

1. Organizational chart of affiliates: See page 23.
2. Basic information on affiliates

Units: $1,000 (including NT$, US$, HK$, CNY$, KRW$, PHP$, GBP$, IDR$, THB$, VND$)
Data baseline date: January 31, 2020

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta Securities	1996.06.26	13 -14F., No. 225, Sec. 3, Nanjing E. Rd., Taipei City	57,820,321	See Yuanta Securities business scope in “Five. Overview of Operations”.
Yuanta Bank	1992.01.14	1 -10F., No. 66 and 1F., 2F., 2F. -1, 7F. and 9F., No. 68, Sec. 1, Dunhua S. Rd., Songshan Dist., Taipei City	73,940,390	See Yuanta Bank business scope in “Five. Overview of Operations”.
Yuanta Life	2002.03.21	17F., No.156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City	23,735,695	See Yuanta Life business scope in “Five. Overview of Operations”.
Yuanta Securities Investment Trust	1992.08.14	18F., B1F., No.67,and 2F., No77, Sec. 2, Dunhua S. Rd., Taipei City	2,269,235	See Yuanta Securities Investment Trust business scope in “Five. Overview of Operations”.
Yuanta Futures	1997.04.09	11F., 11F. -1, 11F. -2, 11F. -3, 11F. -4, 12F., 12F. -1, 12F. -2, No. 225, Sec. 3, Nanjing E. Rd., Taipei City	2,899,763	See Yuanta Futures business scope in “Five. Overview of Operations”.
Yuanta Venture Capital	2002.12.13	10F., No.66, Sec. 1, Dunhua S. Rd., Taipei City	2,460,000	See Yuanta Venture Capital business scope in “Five. Overview of Operations”.
Yuanta Asset Management	2003.04.16	10F. -1, No. 225, Sec. 3, Nanjing E. Rd., Taipei City	3,111,630	See Yuanta Asset Management business scope in “Five. Overview of Operations”.
Yuanta Securities Investment Consulting	1988.02.11	10F., No.71, Sec. 2, Dunhua S. Rd., Taipei City	100,000	See Yuanta Securities Investment Consulting business scope in “Five. Overview of Operations”.
Yuanta Securities Asia Financial Services	1996.06.11	Clarendon House 2 Church Street Hamilton HM11, Bermuda	US$290,909	Investment holdings
Yuanta International Insurance Brokers	2001.07.05	2F. -1, No. 225, Sec. 3, Nanjing E. Rd., Taipei City	5,000	Insurance broker
Yuanta Securities Finance	1980.03.10	12F., No.66, Sec. 1, Dunhua S. Rd., Taipei City	4,000,000	Securities finance services
Yuanta International Leasing	2012.11.15	7F., No.69, Baoqing Rd., Zhongzheng Dist., Taipei City	100,000	Leasing services
Yuanta Savings Bank (Philippines)	1997.11.05	Ground Floor, Chatham House Building, 116 Valero corner Rufino Streets, Salcedo Village, Makati City, Philippines	PHP$1,200,000	Deposit, loan and foreign exchange

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta Savings Bank (Korea)	1988.06.20	542, Gangnam-daero, Gangnam-gu, Seoul, Korea	KRW$67,580,120	Deposit and loan
Yuanta Futures (Hong Kong)	2010.12.02	Unit 1304,13th/F, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong	US$34,000	1st Type: Securities trading; 4th Type: Advice on securities; 2nd Type: Futures contract trading; 5th Type: Advice on futures contract
SYF Information	2012.11.09	2F., No. 895, Sec. 4, Bade Rd., Nangang Dist., Taipei City	350,000	IT management, IT software service, IT software wholesale & retail
Yuanta I Venture Capital	2002.12.19	10F., No.66, Sec. 1, Dunhua S. Rd., Taipei City	850,000	Venture capital services
Yuanta Securities (HK)	1992.10.22	23F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong	HK$2,268,133	Securities exchange, futures contract trading, advice on securities, advice on futures contract, advice on corporate finance, asset management
Yuanta Asia Investment (Hong Kong)	1993.07.08	23F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong	HK$293,892	Securities trading, and asset management
Yuanta Hong Kong Holdings (Cayman)	1996.11.05	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	US$74	Investment holdings
Yuanta Investment Consulting (Beijing)	2013.06.17	Rm. 0706, No.113, Zhichun Str., Haidien District, Beijing 100080, P. R. China	CNY $18,428	Investment management consulting, financial consultation, business management consultation, commercial information consultation, economic and trading consultation, merchandising, technical promotion, technical service
Yuanta Securities (Korea)	1962.06.04	Yuanta Securities Bldg. #76, Euljiro, Jung-gu, Seoul, Korea	KRW1,062,543,940	Investment trading business, investment intermediary business, trust business, investment consulting business, discretionary business, concurrent business and subsidiary business, etc.
Yuanta Securities (UK) (in liquidation)	2015.04.27	18 St Swithin's Lane, London EC4N 8AD	GBP$2,000	Brokerage services for institutional investors
Yuanta Securities (Thailand)	1998.10.27	127 Gaysorn Tower, 14th-16th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330	THB$4,500,000	Securities brokerage and proprietary trading, underwriting, investment advisor, mutual fund management, private fund management, securities borrowing/lending, venture capital fund management, financial derivatives brokerage and proprietary trading
Yuanta Securities Vietnam	1999.12.28	Level 4, Saigon Centre Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1,Ho Chi Minh City, Vietnam	VND1,500,000,000	Brokerage, proprietary trading, underwriting, securities investment consulting business, and financial derivatives
SYF Information (Shanghai)	2013.04.02	Room A113, 1F, Building 4, No. 88 North Zhangjiabang Road, Pudong New District, Shanghai City	CNY$33,080	R&D and production of computer software, e -commerce software and financial software, sale of own products, and supply of the relevant technology consulting service; investment consulting services; wholesale, agency (other than auction) and import/export of metal materials (other than precious metals, rare metals and steel materials) and the products thereof, raw materials for chemical engineering (other than special chemicals and hazardous chemicals, etc.) and the products thereof, plastics and the products thereof, rubber products, mineral products (other than commodities under special control), wholesale of asphalt, commission agency (other than auction), and import/export. (Not involve state - run enterprise's trading management product but involve quota and products requiring license to be requested pursuant to the national requirements; for the scope approved pursuant to laws, the operating activities may be initiated upon approval of the related department.)
GC Investment Consultant (Shanghai) (in liquidation)	2001.09.10	Suite A & B, 12F., No. 138, Putong Avenue, Putong New District, Shanghai City	CNY $ 4,138	Investment advisory services

Company name	Date of establishment	Address	Paid-in capital	Scope of business/production
Yuanta Finance (Hong Kong)	2014.12.31	23F,Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, HK	HK$50,000	Credit loan business
Yuanta International Investment (Hong Kong)	2015.01.12	23F,Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, HK	HK$50,000	Offering of financial instruments
Yuanta Investment Management (Cayman)	1994.01.14	P.O.Box 31119 Grand Pavilion , Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands	US$12,500	Investment management
PT Yuanta Sekuritas Indonesia	1989.11.22	Equity Tower 10th Floor,Unit EFGH, SCBD Lot 9, J1. Jendral Sudirman Kav 52-53 Jakarta 12190, Indonesia	IDR$478,816,000	Securities exchange, and underwriting
PT Yuanta Asset Management (in liquidation)	2011.02.02	Equity Tower 10th Floor Unit B, SCBD Lot 9 ,J1. Jendral Sudirman Kav 52-53 Jakarta 12190, Indonesia.	IDR$51,200,000	Investment management
Yuanta Investment	1989.04.22	12F, Yuanta Securities Bldg #76 Euljiro, Jung-gu, Seoul, Korea	KRW32,003,805	Investment business
Yuanta Financial (Hong Kong)	2009.04.29	Suite 22D, 24/F., Block D, Mai Luen Industrial Bldg., Kwai Chung, Hong Kong	HK$189,540	Investment holdings
Yuanta Securities (Cambodia)	2010.02.24	4th Floor, Emerald Building, No. 64 (corner St. 178), Preah Norodom Blvd, Sangkat Chey Chumneah, Khan Daun Penh, Phnom Penh, Cambodia	US$12,500	Guidance to underwriting, financial consulting, securities brokerage and proprietary trading, investment advisor

3. Information on shareholders presumed to have a controlling and dependent relationship: None.

4. Information on business scope of the company's affiliates and division of labor

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
Yuanta Securities	Securities services	Yes	1. Yuanta Bank and Yuanta Securities have established an integrated cross-marketing relationship. 2. Yuanta Futures is appointed by Yuanta Securities to act the futures introducing broker of Yuanta Securities. 3. Yuanta Securities is appointed by Yuanta Futures to act as the securities introducing broker for Yuanta Futures. 4. Yuanta Securities sells mutual funds issued by Yuanta Securities Investment Trust. 5. Yuanta Securities sells insurance products of Yuanta International Insurance Brokers. 6. Yuanta Securities Investment Consulting provides research analysis reports and consulting services to Yuanta Securities. 7. Yuanta Securities Finance provides refinancing services for Yuanta Securities.
Yuanta Bank	Commercial Bank	Yes	1. Yuanta Bank and Yuanta Securities cooperate with Taiwan Stocks/Re-entrustment/Wealth Management Trust/Accounting and other securities fund transfer operations and the establishment and management of securities receipt and payment offices. 2. Yuanta Bank sells mutual funds issued by Yuanta Securities Investment Trust. 3. Yuanta Bank sells domestic structured products issued by Yuanta Securities. 4. Yuanta Bank helps sell the insurance products of Yuanta Life.
Yuanta Life	Insurance Services	Yes	1. Yuanta Life insurance business is solicited by Yuanta Bank. 2. Yuanta Life insurance business is solicited by Yuanta International Insurance Brokers. 3. Yuanta Securities handles the domestic stock trading for Yuanta Life. 4. Yuanta Securities (HK) handles Foreign stock trading for Yuanta Life. 5. Yuanta Securities Investment Consulting provides securities investment research and analysis reports and information services to Yuanta Life. 6. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta FHC. 7. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities. 8. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Bank. 9. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities Finance. 10. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities Investment Trust. 11. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Securities Investment Consulting.

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
			12. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Futures. 13. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Venture Capital. 14. Yuanta Life refers to the insurance company engaged in providing group insurance products and group annuity products for Yuanta Asset Management. 15. Yuanta Life refers to the insurance company engaged in providing group insurance products for Yuanta International Insurance Brokers.
Yuanta Securities Investment Trust	Securities investment trust services	Yes	1. Yuanta Securities is the fund sales agent and securities firm of fund transactions and fund trader for Yuanta Securities Investment Trust. 2. Yuanta Bank is the fund sales agent and fund trader for Yuanta Securities Investment Trust. 3. Yuanta Futures is the fund exchange futures firm and futures trust fund sales agent for Yuanta Securities Investment Trust. 4. Yuanta Securities Investment Consulting provides research analysis reports and consulting services to Yuanta Securities Investment Trust. 5. Yuanta Life provides the policyholders with fund & wealth management services for Yuanta Securities Investment Trust.
Yuanta Futures	Futures services	Yes	1. Yuanta Futures is appointed by Yuanta Securities to act the futures introducing broker of Yuanta Securities. 2. Yuanta Securities is appointed by Yuanta Futures to act as the securities introducing broker for Yuanta Futures. 3. Yuanta Futures sells futures trust funds issued by Yuanta Securities Investment Trust.
Yuanta Venture Capital	Venture capital services	Yes	Yuanta Venture Capital is a subsidiary wholly owned by the Company, which is develop, evaluate, invest and dispose of investment cases.
Yuanta Asset Management	Financial services	None	None
Yuanta Securities Investment Consulting	Securities investment consulting services	Yes	Yuanta Securities Investment Consulting provides securities investment research and analysis reports and information services to Yuanta Securities et al.
Yuanta Securities Asia Financial Services	Holdings	Yes	Yuanta Securities invested in Yuanta Securities Asia Financial Services in order to expand overseas operations and establish overseas branches.
Yuanta International Insurance Brokers	Insurance broker services Property insurance broker services	Yes	1. Yuanta Securities is an insurance services sales channel for Yuanta International Insurance Brokers. 2. Yuanta International Insurance Brokers helps sell the insurance products of Yuanta Life.
Yuanta Securities Finance	Securities finance services	Yes	1. Yuanta Securities provides refinancing services for Yuanta Securities Finance. 2. Yuanta Securities Investment Consulting provides securities investment research and analysis reports and information services to Yuanta Securities Finance.

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
Yuanta International Leasing	Leasing services	None	None
Yuanta Savings Bank (Philippines)	Banking services	None	None
Yuanta Savings Bank (Korea)	Banking services	None	None
Yuanta Futures (Hong Kong)	Financial services	Yes	Futures contract trading, futures contract consultation
SYF Information	Computer & IT management	None	None
Yuanta I Venture Capital	Venture capital services	Yes	Yuanta I Venture Capital was established by Yuanta Venture Capital to handle development, assessment, investment, and disposal matters in relation to invested projects and wholly owned by Yuanta Venture Capital.
Yuanta Securities (HK)	Securities services	Yes	1. Yuanta Securities handles domestic stock trading for Yuanta Securities (HK). 2. Yuanta Securities (HK) is the Group's securities firm in Hong Kong.
Yuanta Asia Investment (Hong Kong)	Securities services	None	None
Yuanta Hong Kong Holdings (Cayman)	Holdings	Yes	To develop its international business, invested in Yuanta HK Holdings (Cayman) to execute its overseas investments.
Yuanta Investment Consulting (Beijing)	Investment advisory services	None	None
Yuanta Securities (Korea)	Securities services	Yes	1. Yuanta Securities (Korea) is the Group's securities firm engaged in trading securities in Korea. 2. Yuanta Securities handles domestic stock trading for Yuanta Securities (Korea).
Yuanta Securities (UK) (in liquidation)	Brokerage services for institutional investors	Yes	Help develop the brokerage services for institutional investors of Yuanta Securities (HK)
Yuanta Securities (Thailand)	Securities services	Yes	Yuanta Securities (Thailand) is the securities firm appointed by the Yuanta Securities (HK).
Yuanta Securities Vietnam	Securities services	None	None
SYF Information (Shanghai)	Software development, wholesale of computer, software and auxiliary equipment, wholesale of metal and metal minerals,	None	None

Name of affiliated enterprise	Business scope	Business relationship	Description of business relationship (division of labor)
	wholesale of other chemical engineering products, trading agents, and other unspecified wholesale products		
GC Investment Consultant (Shanghai) (in Liquidation)	Investment advisory services	None	None
Yuanta Finance (Hong Kong)	Financial services	None	None
Yuanta International Investment (Hong Kong)	Financial services	None	None
Yuanta Securities Holdings (BVI) (in liquidation)	Holdings	Yes	To develop its international business, Yuanta Securities invested in Yuanta Securities Holdings (B.V.I) to execute overseas investments, but is currently not operational.
Yuanta Investment Management (Cayman)	Financial services	None	None
PT Yuanta Sekuritas Indonesia	Securities exchange and underwriting	Yes	1. PT Yuanta Sekuritas Indonesia is the securities firm appointed by the Yuanta Securities Investment Trust. 2. PT Yuanta Sekuritas Indonesia is the securities firm appointed by the Yuanta Securities (HK).
PT Yuanta Asset Management (in liquidation)	Investment management	Yes	None
Yuanta Investment	Financial services	None	None
Yuanta Financial (Hong Kong)	Securities services	None	None
Yuanta Securities (Cambodia)	Securities services	None	None

5. Information on directors, supervisors and presidents of the company's affiliates

Units: 1,000 shares; %

Data baseline date: January 31, 2020

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Securities		Representative of Yuanta FHC:	5,782,032	100%	-	-
	Chairman	Hsiu Wei Chen(Vincent)				
	Director	Wei Cherng Hwuang(Bobby)				
	Director	Ting Chien Shen (Tony)				
	Director	Ming Hong Ho				
	Director	Ku Pin Huang				
	Director	Hsien Tao Chiu				
	Director	Yung Ling Ma				
	Director	Yueh Tsang Lee				
	Director	Yu Chih Huang				
	Director	Ching Kuang Shen				
	Director	Lung Fan Lin				
	Director	Rui Chen Ma				
	Independent Director	Ching Shan Hung			-	-
	Independent Director	Yu Chun Wu			-	-
	Independent Director	Tu Mu Kuo			-	-
	Independent Director	Kun Hong Lai			-	-
	Independent Director	Hsing Yi Chow			-	-
	President	Wei Cherng Hwuang(Bobby)			-	-
Yuanta Bank		Representative of Yuanta FHC:	7,394,039	100%	-	-
	Chairman	Chien Weng				
	Vice Chairman	Tsai Yu Chang				
	Director	Song Erh Chang				
	Director	Wei Chen Ma (Michael)				
	Director	Jin Long Fang				
	Director	Jin Sheng Duann				
	Director	Chung Yuan Chen				
	Director	Yu Feng Ko				
	Director	Daniel Y.M. Song				
	Director	Kuo Yuan Liang				
	Director	Da Jing Li				
	Director	Fan-Sheng Pu				
	Independent Director	Ming Ling Hsueh			-	-
	Independent Director	Yin Hua Yeh			-	-
	Independent Director	Ching Shan Hung			-	-
	Independent Director	Kuang Si Shiu			-	-
	Independent Director	Chuan Li Chang			-	-
	President	Fan-Sheng Pu			-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Life		Representative of Yuanta FHC:	2,373,570	100%	-	-
	Chairman	Chao Kuo Chiang				
	Director	Connie Lin				
	Director	Wei Chen Ma (Michael)				
	Director	Daniel Y.M. Song				
	Director	Chieh Wu				
	Director	Wen Ching Chiu				
	Director	Hsu Shu Mai				
	Director	Ming Lang Liu				
	Director	Yuan-Chen Chen				
	Independent Director	Yin Hua Yeh			-	-
	Independent Director	Tu Mu Kuo			-	-
	Independent Director	Hsiao Wen Yang			-	-
	President	Connie Lin			-	-
Yuanta Securities Investment Trust		Representative of Yuanta FHC:	169,538	74.71%		
	Chairman	Tsung Sheng Liu			3	0%
	Vice Chairman	Yu Lan Cheng			0	0%
	Director	Chao Tang Huang			58	0.03%
	Director	Yueh Ching Tsao			35	0.02%
	Director	Pei Yu Chen(Note)			0	0%
	Director	Hung Chuan Huang			0	0%
	Director	Nian Cih He			0	0%
	Supervisor	Yi Ju Wei			0	0%
	Supervisor	Yi Ching Huang			0	0%
	President	Chao Tang Huang			58	0.03%
Yuanta Futures		Representative of Yuanta FHC:	192,167	66.27%	-	-
	Chairman	Tien Fu Lin			87	0.03%
	Vice Chairman	Hsiao Ling Chou			32	0.01%
	Director	Hsien Tao Chiu			0	0%
	Director	Yueh Tsang Lee			0	0%
	Director	Guo Cun Hsu			100	0.03%
	Director	Mei Ling Kuo			0	0%
	Independent Director	Chwo Ming Yu			0	0%
	Independent Director	Nai Kuan Huang			0	0%
	Independent Director	Huei Er Yuan			0	0%
	President	Guo Cun Hsu			100	0.03%
Yuanta Venture Capital		Representative of Yuanta FHC:	246,000	100%	-	-
	Chairman	Chi Chang Chen				
	Director	Victor Ma				
	Director	Yu Chang				
	Supervisor	Yung Chu Su				
	President	Yu Chang			-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Asset Management	Chairman Director Director Director Supervisor	Representative of Yuanta FHC: Daniel Y.M. Song Victor Ma Hsiu Wei Chen(Vincent) Sheng Hung Wang Hsu Shu Mai	311,163	100%	-	-
	President	Sheng Hung Wang			-	-
Yuanta Securities Investment Consulting	Chairman Director Director Supervisor	Representative of Yuanta FHC: Ting Hsien Huang Guan Huo Lin Fu Jung Tu Hsuan Min Kuo	10,000	100%	-	-
	President	Guan Huo Lin			-	-
Yuanta Securities Asia Financial Services	Chairman Director Director Director Director	Thean Yat Ooi Pei Shan Tan Hsiu Wei Chen(Vincent) Wei Cherng Hwuang(Bobby) Ai Khim Tay	-	-	-	-
	President	Pei Shan Tan			-	-
Yuanta International Insurance Brokers	Chairman Director Director Supervisor	Yuanta Securities Representative: Liao Chin Lin Yuan Shan Lin Lieh Hsiung Chen Ching Jen Chen	500	100%	-	-
	President	Liao Chin Lin			-	-
Yuanta Securities Finance	Chairman Vice Chairman Director Director Director Supervisor Supervisor	Yuanta Securities Representative: Shao Sing Gong Yu De Chung Rong Tin Hong Ming Lang Liu Mei Ling Kuo Yung Chu Su Hsu Shu Mai	400,000	100%	-	-
	President	Rong Tin Hong			-	-
Yuanta International Leasing	Chairman Director Director Supervisor	Representative of Yuanta Bank: Hui Kuo Chien Li Yun Chen Pei Wen Yang Wei Ning Chang	10,000	100%	-	-
	President	Pei Wen Yang			-	-
Yuanta Savings Bank (Philippines)	Chairman Director	Representative of Yuanta Bank: Allen Wu Regina V. Saga	1,200,000	100%	-	-
	Independent Director	ARTURO E. MANUEL, JR.			-	-
	Independent Director	CELIA MOJICA ESCAREAL-SANDEJAS			-	-
	Independent Director	SENEN L. MATOTO			-	-
	President	Regina V. Saga			-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Savings Bank (Korea)	Chairman of Board	Representative of Yuanta Bank: Yu Chun Lin	13,516	100%	-	-
	Representative director	JUNG, YOUNG-SEOK			-	-
	External director	PARK, CHANG-GYUN			-	-
	President	JUNG, YOUNG-SEOK			-	-
Yuanta Futures (Hong Kong)	Director Director Director Director Director	Hsiao Ling Chou Chun Chieh Wang Chun Hsing Jen Lai E,O Yen Chun Hao Chang			-	-
	President Chief Operating Officer (COO)	Chun Hsing Jen Fu Chi Hsieh			-	-
SYF Information	Chairman Director Director Supervisor	Representative of Yuanta Futures: Chun Chieh Wang Hsiao Ling Chou Hsin Hsien Li Ching Ying Chen	35,000	100%	-	-
Yuanta I Venture Capital	Chairman Director Director Supervisor	Representative of Yuanta Venture Capital: Chi Chang Chen Victor Ma Yu Chang Yung Chu Su	85,000	100%	-	-
	President	Yu Chang			-	-
Yuanta Securities (HK)	Chairman Director Director Director Director Director Director Director	Yi Ming Wang(Tony) Hsiu Wei Chen(Vincent) Wei Cherng Hwuang(Bobby) Wen Ching Hsu Miao Ju Chen Pei Shan Tan Tsung Hsien Wen Feng Hsiang Kuo	-	-	-	-
	President	Miao Ju Chen			-	-
Yuanta Asia Investment (Hong Kong)	Director Director Director	Yi Ming Wang(Tony) Miao Ju Chen Hsiao Tsui Yu			-	-
	President	Hsiao Tsui Yu				
Yuanta Hong Kong Holdings (Cayman)	Director Director	Yi Ming Wang(Tony) Tai Yuan Tai			-	-
Yuanta Investment Consulting (Beijing)	Executive Director Supervisor	Representative of Yuanta Securities Asia Financial Services: Wen Ping Shih Ming Jen Ku	-	100%	-	-
	President	Wen Ping Shih			-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Securities(Korea)	Director	Myung Suk SUH			0	0%
	Director	Ming Cheng Kuo(Frank)			0	0%
	Non-executive Director	Wei Cherng Hwuang(Bobby)			0	0%
	Independent Director	Seung Hoon LEE			0	0%
	Independent Director	Jung Jin LEE			0	0%
	Independent Director	Duk Yi KIM			0	0%
	President	Ming Cheng Kuo(Frank)			0	0%
Yuanta Securities (UK) (in liquidation)	Director	Pei Shan Tan (Liquidator)			-	-
Yuanta Securities (Thailand)	Director	Charnsak Thanataecha			0	0%
	Director	Thean Yat Ooi			0	0%
	Director	Pei Shan Tan			0	0%
	Director	Ai Khim Tay			0	0%
	Director	Wei Cherng Hwuang(Bobby)			0	0%
	Director	Cheow Kheng Ong			0	0%
	Director	Feng Hsiang Kuo			0	0%
	Director	Boonporn Boriboonsongsilp			0	0%
	Director	Padermpob Songkroh			0	0%
	Director	Wei Ching Chien			0	0%
	Director	I Wen Lai			0	0%
	CEO	Boonporn Boriboonsongsilp			0	0%
Yuanta Securities Vietnam	Chairman	Thean Yat Ooi			0	0%
	Authorized representative	Thean Yat Ooi			0	0%
	Authorized representative	Le Minh Tam			0	0%
	Authorized representative	Pei Shan Tan			0	0%
	Authorized representative	Feng Hsiang Kuo			0	0%
	Authorized representative	Wei Ching Chien			0	0%
	Authorized representative	Jen Kai Chao			0	0%
	Authorized representative	Wei Cherng Hwuang(Bobby)			0	0%
	Authorized representative	Yi Ming Wang(Tony)			0	0%
	Controller	Ong Cheow Kheng			0	0%
	Controller	Mai Thi Ngoc Duyen			0	0%
	Controller	Mac Huu Danh			0	0%
	CEO	Le Minh Tam			0	0%
SYF Information (Shanghai)		Representative of SYF Information:	-	100%	-	-
	Chairman	Chun Hsing Jen				
	Director	Hsiao Ling Chou				
	Director	Lai E,O Yen				
	Supervisor	Ching Ying Chen			-	-
GC Investment Consultant (Shanghai) (in Liquidation)	Executive Director	Ku Pin Huang			-	-

Company name	Title	Name of individual or representative(s)	Shares held		Remarks (shareholding of individual or representative(s))	
			Shares (1,000)	Shareholding ratio	Shares (1,000)	Shareholding ratio
Yuanta Finance (Hong Kong)	Director	Kuei Ling Pan	-	-	-	-
	Director	Miao Ju Chen				
	Director	Tsung Hsien Wen				
	President	Tsung Hsien Wen				
Yuanta International Investment (Hong Kong)	Director	Miao Ju Chen	-	-	-	-
	Director	Che Jung Kuo				
	Director	Wu Kuang Yang				
Yuanta Investment Management (Cayman)	Director	Miao Ju Chen			-	-
	Director	Yi Ming Wang(Tony)				
	Director	Tai Yuan Tai				
PT Yuanta Sekuritas Indonesia	Director	Surya Widjaja			4	1%
	Director	Luki Suryanto			0	0%
	Director	Helda Gunawan			0	0%
	Director	Setiawan Darmawidjaja			0	0%
	Commissioner	Thean Yat Ooi			0	0%
	Independent Commissioner	Mohamad Fiscana, Se, Mh			0	0%
	Commissioner	Tung Tai Yu			0	0%
	CEO	Surya Widjaja			4	1%
	President Director	Surya Widjaja			4	1%
PT Yuanta Asset Management (in liquidation)	Director	Lily Haryati	-	-	-	-
	Director	Prima Yulianto				
	Commissioner	Ai Khim Tay				
	Commissioner	Tsung Sheng Liu				
	CEO	Lily Haryati			-	-
	President Director	Lily Haryati			-	-
Yuanta Investment	Director	Ki Suk YANG			-	-
	Director	Choong Hoon KIM				
	Non-executive Director	Guen Woo LEE				
	Supervisor	Sang Eun LEE			-	-
	President	Ki Suk YANG			-	-
Yuanta Financial (Hong Kong)	Director	Sang Eun LEE			-	-
Yuanta Securities (Cambodia)	Director	Kyung Tae HAN			-	-
	Director	Yeo Cheol Yoon				
	Director	Myeong Ho Shin				
	Director	Guen Woo LEE				
	Director	Sim Dara				
	President	Kyung Tae HAN			-	-

Note : The Director of Yuanta Securities Investment Trust, Mr. Chang Tsai Yu term of office expired on June 30, 2020 and reassigned of Director Mr. Chen Pei Yu since July 1, 2020.

Operating profile of affiliated companies

Unit: NT$1,000
Data baseline date: December 31, 2020

Company name	Capital	Total Assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Current Profit and Losses (After-tax)	EPS (NT$) (After-tax)
Yuanta Securities	57,820,321	454,697,118	343,143,323	111,553,795	30,608,089	12,442,670	14,399,429	2.49
Yuanta Bank	73,940,390	1,433,368,223	1,309,425,483	123,942,740	19,872,881 [Note 1]	8,017,100 [Note 1]	6,895,871	0.93
Yuanta Life	23,735,695	343,790,499	314,002,479	29,788,020	59,644,825	1,567,630	1,810,207	0.88
Yuanta Securities Investment Trust	2,269,235	6,327,666	876,683	5,450,983	3,557,011	2,093,515	1,719,220	7.58
Yuanta Futures	2,899,763	95,736,549	83,877,987	11,858,562	3,721,526	525,295	1,070,099	4.23
Yuanta Venture Capital	2,460,000	2,896,948	93,646	2,803,302	317,866	239,346	287,342	1.17
Yuanta Asset Management	3,111,630	3,852,077	113,181	3,738,896	354,533	144,445	121,132	0.39
Yuanta Securities Investment Consulting	100,000	284,194	142,000	142,194	203,391	6,408	6,478	0.65
Yuanta I Venture Capital	850,000	877,959	8,486	869,473	27,508	27,107	18,442	0.22
Yuanta International Leasing	100,000	106,912	1,409	105,503	1,305	794	1,105	0.11
Yuanta Savings Bank (Korea)	1,774,046	13,222,951	9,453,487	3,769,464	403,937 [Note 1]	115,695 [Note 1]	109,051	8.07
Yuanta Savings Bank (Philippines)	712,440	2,038,514	1,458,623	579,891	60,728 [Note 1]	(27,564) [Note 1]	(35,646)	(0.03)
Yuanta Futures (Hong Kong)	976,760	2,763,339	1,838,576	924,763	163,550	(46,555)	(16,339)	(0.48)
SYF Information	350,000	282,487	149	282,338	-	(791)	(8,214)	(0.23)
SYF Information (Shanghai)	144,944	115,048	57	114,991	98	(5,881)	(5,879)	-
Yuanta Securities Asia Financial Services	8,293,237	39,788,083	4,156,871	35,631,212	138,116	(29,981)	1,862,684	6.40
Yuanta International Insurance Brokers	5,000	255,476	52,921	202,555	674,725	239,762	191,950	383.90
Yuanta Securities Finance	4,000,000	34,643,045	22,872,678	11,770,367	828,802	346,915	533,430	1.33
Yuanta Securities (Hong Kong)	8,341,057	40,403,985	32,648,917	7,755,068	2,059,866	263,444	30,623	0.01
Yuanta Asia Investment (Hong Kong)	1,080,787	1,091,316	36,190	1,055,126	43,851	(987)	27,056	0.09
Yuanta Investment Consulting (Beijing)	80,746	21,636	2,765	18,871	4,802	(3,805)	(3,791)	-
Yuanta Hong Kong Holdings (Cayman)	2,098	39,048	1,005	38,043	(63)	(650)	919	12.42
Yuanta Securities (Thailand)	4,282,650	20,669,048	15,942,275	4,726,773	1,984,339	214,990	199,169	0.44

Company name	Capital	Total Assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Current Profit and Losses (After-tax)	EPS (NT$) (After-tax)
Yuanta Securities Vietnam	1,854,000	4,753,181	2,749,466	2,003,715	345,777	60,178	71,870	0.48
Yuanta Securities (Korea)	27,892,841	392,326,080	355,916,036	36,410,044	15,254,410	3,125,350	2,632,339	13.19
Yuanta Investment	840,132	2,029,852	34,158	1,995,694	184,283	19,510	153,434	23.97
Yuanta Financial (Hong Kong)	697,033	422,729	101	422,628	1,345	27	27	-
Yuanta International Investment (Hong Kong)	183,875	1,202,849	975,211	227,638	12,172	(2,238)	(232)	-
Yuanta Finance (Hong Kong)	183,875	911,851	711,450	200,402	4,360	(7,403)	(3,008)	(0.06)
Yuanta Investment Management (Cayman)	356,350	1,596,444	1,264,187	332,257	85,952	34,809	34,843	2.79
PT Yuanta Sekuritas Indonesia	971,996	2,361,827	1,982,546	379,281	(126,749)	(319,702)	(309,304)	(645.73)
GC Investment Consultant (Shanghai) (in Liquidation)	18,129	24,989	663	24,326	-	180	180	-
PT Yuanta Asset Management (in Liquidation)	103,936	6,925	361	6,564	339	(9,244)	3,629	71.16
Yuanta Securities (Cambodia)	356,350	354,746	13,125	341,621	41,399	13,152	11,968	0.96

Note 1: Operating revenue for Yuanta Bank refers to net income, and operating profit refers to net profit before tax of the continuing operating departments.

Note 2: Foreign exchange rate on December 31, 2020

	(P Rate) January~December	End of December
HKD-->TWD	3.814717	3.677500
SGD-->TWD	21.453600	21.579800
USD-->TWD	29.587620	28.508000
CNY-->TWD	4.287044	4.381600
KRW-->TWD	0.025068	0.026251
PHP-->TWD	0.595692	0.593700
IDR-->TWD	0.002040	0.002030
GBP-->TWD	37.969314	38.922000
VND-->TWD	0.001274	0.001236
THB-->TWD	0.945915	0.951700

Note 3: SYF Information (Samoa) has completed the liquidation on July 17, 2020.

Note 4: Yuanta Securities (UK), with the capital $77,844 (thousand), is under liquidation.

Note 5: Yuanta Securities Holdings (BVI) was dissolved and liquidated successfully on February 14, 2020.

Note 6: Yuanta Asia Investment (BVI) has completed the liquidation on November 4, 2020.

(II) Consolidated financial statements of affiliates: See Appendix for details.

(III) Consolidated business reports of affiliated enterprises

1. Relationship between the subordinate company and the controlling company: N/A.
2. Information on transactions:
   (1) Purchase (sales) transactions: None
   (2) Property transaction: None.
   (3) Capital financing: None.
   (4) Assets leasing: None.
   (5) Other important transactions: None.
3. Endorsements and guarantees: Not applicable to financial companies.
4. Other matters of financial or operational significance: None.

Independent Auditors' Review of the Affiliation Report

(110)Zi-Hui-Zong-Zi No. 20008260

To: Yuanta Financial Holding Co., Ltd.

You declare that the Affiliation Report for 2020 was prepared by you pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and that there are no significant inconsistencies between the information given above and the supplementary information disclosed in the financial statements for the above period.

We have compared the Affiliation Report prepared by you pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" with the notes to your financial statements 2020 and found that there were no significant inconsistencies in said declaration.

Pricewaterhouse Coopers Certified Public Accountants

Chien Hung Chou

CPA

Hsien-I Chen

Approval Letter No. (88) Tai-Cai-Zheng (6) No. 95577 from the Securities and Futures Commission (formerly named) of the Ministry of Finance
Approval Letter No. from the Securities and Futures Commission (formerly named) of the Ministry of Finance: (82) Tai-Cai-Zheng (6) No. 39230
Date: March 23, 2021

PricewaterhouseCoopers Taiwan
27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
*T:+886(2)2729 6666, F:+886(2)2729 6686, www.pwc.tw**

II. Status of Securities in Private Placement: None.

III. Shares of the Company Held or Disposed of by Subsidiaries: None.

IV. Other Important Supplementary Information

(I) Key performance indices: capital adequacy and double leverage ratios for the past five years

Unit: NT$1,000; %

Item \ Year		2016	2017	2018	2019	2020
Capital adequacy	Group's net authorized capital	151,440,281	155,244,193	168,043,480	178,231,116	199,573,780
	Group's regulatory capital requirement	117,685,232	116,559,976	121,153,812	133,907,284	136,691,245
	Group's capital adequacy ratio (%)	128.68	133.19	138.70	133.10	146.00
Double leverage ratio (%)		115.45	113.32	111.73	108.32	112.05

(II) Financial information

1. Division (Business Unit):

2020

Unit: NT$1,000

Item \ Business Unit	Banking services	Securities services	Futures services	Insurance services	Other service	Consolidated total
Net interest income (loss)	12,875,087	5,136,383	593,674	8,599,699	(285,891)	26,918,952
Net non-interest income	7,011,193	40,126,690	2,061,097	35,375,247	4,135,687	88,709,914
Net profit	19,886,280	45,263,073	2,654,771	43,974,946	3,849,796	115,628,866
Bad debt expenses and guarantee liability provisions (reversals)	(1,942,978)	(174,808)	(34,492)	227	(1)	(2,152,052)
Net changes of reserve for insurance liabilities	-	-	-	(39,928,431)	-	(39,928,431)
Operating expenses	(10,022,968)	(27,466,833)	(1,244,622)	(1,401,873)	(2,645,809)	(42,782,105)
Continuing departments net income before tax	7,920,334	17,621,432	1,375,657	2,644,869	1,203,986	30,766,278
Income tax gains (expenses)	(1,135,956)	(2,916,936)	(255,480)	249,055	(729,917)	(4,789,234)
Consolidated net profit (loss) after tax	6,784,378	14,704,496	1,120,177	2,893,924	474,069	25,977,044

(III) Evaluation criteria and basis for assets and liabilities allowances

Net receivables: The Company's net receivables provision is calculated based on past collection experience and an assessment on the possibility of collection in the future. At the end of 2020, net receivables stood at approximately NT$3,110,877,000,due primarily to the Group's use of linked filing of business income tax returns, which generated approximately NT$2,013,510,000 in receivables from affiliates. Since there are no major abnormalities in the collectability of these

receivables, an allowance was not made.

(IV) Accounting for asset impairment

According to IAS 36 "Impairment of Assets" and IAS 9 "Financial Instruments: Recognition and Measurement", the Company had no assets that required impairment testing as of December 31, 2020.

(V) Hedge accounting handling and objectives: the Company did not adopt hedge accounting, it was not applicable.

(VI) Earnings per share adjusted for employee stock bonuses (calculated based on market price)

Distribution of earnings for 2020 to be proposed in the upcoming shareholders' meeting does not include employee stock bonuses.

(VII) Endorsements and guarantees from affiliated companies, lending funds to other parties and transaction information for financial derivative products

The said procedures have been disclosed in the appendix to the annual report, and in this year's consolidated financial reports page 632 to 633, and page 537 to 548.

V. Significant Issues Which Might Affect Shareholders' Equity or Price of Shares Pursuant to Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Past Year and Up to the Publication of this Annual Report: None.

Appendix. The Latest Consolidated Financial Statement Audited and Certified by CPAs

Yuanta FHC and Its Subsidiaries

Consolidated Financial Report and Auditing Report

2020 and 2019

(Stock Code 2885)

Address: 6F., 10F., 12-13F., No.66, Sec. 1, Dunhua S. Rd., Songshan Dist., Taipei City
TEL: (02) 2781-1999

YUANTA FINANCIAL HOLDINGS CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

pwc 資誠

Independent Auditors' Report

PWCR20000328

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

Opinion

We have audited the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. (the "Company") and subsidiaries (collectively "Yuanta Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yuanta Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of Yuanta Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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Key audit matters for the Yuanta Group's consolidated financial statements of the current period are stated as follows:

Impairment evaluation of bills discounted and loans

Description

For the accounting policy of the impairment evaluation of bills discounted and loans, please refer to Note 4(10); for critical accounting estimates and assumption uncertainty of expected credit loss on bills discounted and loans, please refer to Note 5; for the details on bills discounted and loans, please refer to Notes 6(9) and 12(3). Total bills discounted and loans (including adjustment for premium or discount) and the allowance for credit losses, arising from Yuanta Commercial Bank Co., Ltd. of Yuanta Group, as at December 31, 2020 were NTD 782,770,760 thousand and NTD 11,730,288 thousand, respectively.

The impairment evaluation of bills discounted and loans arising from Yuanta Commercial Bank Co., Ltd. is conducted in accordance with IFRS 9, 'Financial Instruments', "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and relevant regulations. The management's considerations on bills discounted and loans impairment appropriation are primarily based on reasonable and supportable information about past events, current conditions, and forecasts of future economics. At each financial reporting date, bills discounted and loans are categorized into one of the following three stages based on whether there has been significant increase in credit risk since initial recognition: no significant increase in credit risk or low credit risk at balance sheet date, significant increase in credit risk and credit-impaired and considered relevant laws and regulations of the allowance for credit losses. Because the amount of bills discounted and loans is material with respect to the total consolidated assets and impairment evaluation involves management's professional judgment and is highly uncertain, we have thus included the impairment evaluation of bills discounted and loans as one of the key audit matters.

How our audit addressed the matter

We obtained and gained an understanding of Yuanta Commercial Bank Co., Ltd.'s policies, internal controls, and operation procedures in relation to the credit risk management and the impairment evaluation of bills discounted and loans and performed sample tests. We conducted the following procedures on the impairment evaluation of bills discounted and loans as at December 31, 2020: sample examined the stage classification for expected credit losses; sample tested the calculation of the probability of default, loss given default, and exposure at default; sample examined documents regarding management's individual evaluation of future cash flows and collateral value; and evaluated whether the provision for impairment loss amount complied with the competent authority's related regulations.

Fair value valuation of unlisted stocks

Description

For the accounting policy of unlisted stocks (accounted under financial assets at fair value through other comprehensive income), please refer to Note 4(7); for critical accounting estimates and assumption uncertainty of the fair value of unlisted stocks, please refer to Note 5; for the details on unlisted stocks, please refer to Notes 6(4) and 12(2). The carrying amount of the financial assets at fair value through other comprehensive income – unlisted stocks as at December 31, 2020 was NTD 20,088,236 thousand.

Because there are no active market quoted prices for the financial assets at fair value through other comprehensive income –unlisted stocks held by Yuanta Group, the management uses valuation techniques and the assistance of experts to estimate the fair value. The valuation techniques used by Yuanta Group are primarily the market method and the discounted cash flow method. The market method's main assumption is determining similar and comparable companies in order to obtain the related parameters as a reference for calculations. The discounted cash flow method's main assumption is the financial forecast of unlisted companies in order to obtain their related parameters as a reference for calculations. Because models and parameters used in valuation techniques are made by management's professional judgments and estimates, such accounting judgments and estimates are highly uncertain; we have thus included the fair value valuation of unlisted stocks as one of the key audit matters.

How our audit addressed the matter

We obtained and understood management's valuation procedures for unlisted equity securities. We sample tested the management authorization procedures for the fair value valuation reports of unlisted equity securities.

In addition, we and our valuation specialist discussed with management and sample tested Yuanta Group's valuation data for unlisted stocks, including the valuation documents provided by the management's experts, evaluated whether the valuation methods used by management were commonly used; we and our valuation specialist also evaluated the reasonableness of the comparable companies under the market method and sample tested related supporting documents regarding the parameters used in the valuation.

Impairment assessment of goodwill

Description

For the accounting policy of the impairment assessment of goodwill (intangible assets), please refer to Notes 4(12) and 4(19); for the critical accounting estimates and assumption uncertainty of impairment assessment of goodwill, please refer to Note 5; for the details on goodwill, please refer to Note 6(17).

Goodwill after accumulated impairment as at December 31, 2020 was NTD 28,605,784 thousand.

Yuanta Group periodically performs impairment assessments on goodwill at the end of each year. Such assessments are based on cash generating units identified through operating segments and Yuanta Group engaged specialists to assist in measuring the recoverable amounts of cash generating units based on future cash flows. Because the amount of goodwill is material and the models and parameters used in calculating recoverable amounts are made by management's professional judgments and are critical accounting estimates, such as future cash flows, estimated growth rate and discount rate, we have thus included the impairment assessment of goodwill as one of the key audit matters.

How our audit addressed the matter

Our main audit procedures included obtaining asset impairment evaluation data prepared by management, sample testing the authorization procedures for impairment testing reports, and understanding and assessing management's estimation process for future cash flows. In addition, we and our valuation specialist reviewed the management's prior year operation plan execution result; sample assessed the reasonableness of key assumptions used in impairment testing models, such as estimated growth rates and discount rates; and sample tested the parameters and calculation formulas of impairment testing models.

Reserves for policy benefit and adequacy of insurance liabilities

Description

For the accounting policy of reserve for policy benefit and adequacy of insurance liabilities, please refer to Note 4(28); for critical accounting estimates and assumption uncertainty of adequacy of insurance liabilities, please refer to Note 5; for the details on insurance liabilities, please refer to Note 6(26). Reserve for policy benefit under insurance liabilities as at December 31, 2020 was NTD 298,427,292 thousand.

For long-term insurance contracts, Yuanta Life Insurance Co., Ltd. recognised reserve for policy benefit in accordance with related insurance regulations, the life chart of annuity, and the specified interest rates prescribed within the insurance product statements as approved by the competent authority. The discount rates are the specified interest rates as approved by the competent authority. Liability adequacy testing is required to be conducted on insurance contracts at balance sheet date in accordance with IFRS 4, 'Insurance Contracts' in order to reflect the current estimate of future cash flows, which is made by management's professional judgment. Considering that the provision of policy reserves has a material impact on the financial statements, and if insurance liabilities are not adequate, the financial statements will be materially impacted, we have thus included the reserve for policy benefit and adequacy of insurance liabilities as one of the key audit matters.

How our audit addressed the matter

The audit procedures we performed include understanding and assessing the policies, internal controls, and procedures relevant to reserve for policy benefit; sample examining authorization documents for the configuration of new products in order to confirm the accuracy of configurations for the reserves system of new products; sample inspecting the number of effective policies in the policy system and the actuarial system in order to confirm the completeness of the calculations for reserve for policy benefit; sample examining the consistency between policy information of new products and information in the policy system in order to confirm the accuracy of policy information for calculating reserve for policy benefit. Our actuarial specialists assisted us in sample testing representative new products in the current period in order to confirm that the method and results of provisioning reserves were consistent with those of the insurance product statement submitted to the competent authority; performing trend analysis (excluding new products) on each insurance type and performed roll analysis on each product type in order to assess the reasonableness of reserve for policy benefit on the balance sheet date.

We also used the work of actuarial specialist to assist in assessing the adequacy of insurance liabilities, comparing whether there were significant differences between the current period and the previous period for the mortality rate, morbidity rate, lapse rate, and expense rate. If there were significant differences, then related documents and explanations with regard to Yuanta Life Insurance Co, Ltd. were obtained; also, current period assumptions were compared to actual experiences in order to examine the reasonableness of each assumptions. Furthermore, the actuarial specialist assisted us in referencing current market interest rate information to assess the reasonableness of the elected discount rate for future cash flows from insurance contracts; confirming the accuracy of the cash flow model through independent sample testing; recalculating the current estimates of future cash flows using the overall cash flow and discount rates assumptions provided by Yuanta Life Insurance Co., Ltd.; comparing the carrying amount of insurance liabilities to the current estimate of future cash flows from insurance contracts.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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 Companies, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management

determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Yuanta Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yuanta Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Yuanta Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yuanta Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Yuanta Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such

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disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yuanta Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yuanta Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chou, Chien-Hung　　Chen, Hsien-I

For and on behalf of PricewaterhouseCoopers, Taiwan

March 23, 2021

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

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

	ASSETS	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
11000	Cash and cash equivalents	6(1)	$ 77,497,198	3	$ 69,259,573	3
11500	Due from Central Bank and call loans to other banks	6(2)	54,373,556	2	46,034,685	2
12000	Financial assets at fair value through profit or loss	6(3)(39)	586,592,639	21	504,031,079	21
12150	Financial assets at fair value through other comprehensive income-net	6(4)	278,391,203	10	229,489,904	10
12200	Investments in debt instruments at amortised cost-net	6(5)	430,349,520	16	386,452,415	16
12500	Investments in bills and bonds under resale agreements	6(6)	58,336,318	2	47,603,371	2
13000	Receivables – net	6(7)	243,990,690	9	174,240,497	7
13200	Current income tax assets		733,890	-	1,224,071	-
13300	Assets held for sale – net	6(8)	203,730	-	533,632	-
13500	Bills discounted and loans – net	6(9)	793,812,907	29	773,480,918	32
13700	Reinsurance contract assets – net	6(10)	1,099,457	-	903,608	-
15000	Equity investments accounted for under the equity method – net	6(11)	2,755,402	-	2,403,248	-
15100	Restricted assets – net		2,961,020	-	2,562,586	-
15500	Other financial assets – net	6(12)	79,034,763	3	65,378,346	3
18000	Investment property – net	6(13)	11,558,284	-	4,915,972	-
18500	Property and equipment – net	6(14)	23,930,017	1	22,242,669	1
18600	Right-of-use assets, net	6(15)	13,181,478	1	13,343,880	1
19000	Intangible assets – net	6(17)	31,498,648	1	33,197,460	1
19300	Deferred income tax assets	6(46)	7,095,091	-	5,976,615	-
19500	Other assets – net	6(18)	61,843,636	2	31,044,577	1
	TOTAL ASSETS		$ 2,759,239,447	100	$ 2,414,319,106	100

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

	LIABILITIES AND EQUITY	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
21000	Deposits from Central Bank and other banks	6(20)	$ 15,412,299	1	$ 13,107,028	1
21500	Due to Central Bank and other banks		675,000	-	-	-
22000	Financial liabilities at fair value through profit or loss	6(3)(39)	163,457,505	6	123,340,228	5
22500	Bills and bonds payable under repurchase agreements	6(6)	216,621,187	8	198,665,918	8
22600	Commercial paper payable – net	6(21)	27,417,489	1	38,621,728	2
23000	Payables	6(22)	248,347,930	9	161,327,046	7
23200	Current income tax liabilities		6,616,387	-	6,221,759	-
23500	Deposits and remittances	6(23)	1,211,020,394	44	1,095,506,271	45
24000	Bonds payable	6(24)	78,790,127	3	68,849,634	3
24400	Other borrowings	6(25)	57,796,061	2	60,847,992	3
24600	Liabilities reserve	6(26)(27)	313,071,935	11	273,860,901	11
25500	Other financial liabilities	6(28)	88,713,584	3	76,069,420	3
26000	Lease liabilities		6,368,836	-	5,527,660	-
29300	Deferred income tax liabilities	6(46)	4,878,682	-	3,883,527	-
29500	Other liabilities	6(29)	46,434,585	2	38,283,614	2
	TOTAL LIABILITIES		2,485,622,001	90	2,164,112,726	90
31000	**Equity attributable to owners of the parent company**					
31100	Share capital					
31101	Common stock	6(30)	121,374,360	4	116,706,115	5
31500	Additional paid-in capital	6(31)	37,885,949	1	37,402,480	2
32000	Retained earnings					
32001	Legal reserve	6(32)	14,633,733	1	12,589,183	-
32003	Special reserve	6(32)	6,549,234	-	6,549,234	-
32011	Undistributed earnings	6(33)	60,333,790	2	50,565,092	2
32500	Other equity					
32500	Other equity interest	6(34)	12,559,523	1	8,389,029	-
39500	**Non-controlling interests**		20,280,857	1	18,005,247	1
	Total Equity		273,617,446	10	250,206,380	10
	TOTAL LIABILITIES AND EQUITY		$ 2,759,239,447	100	$ 2,414,319,106	100

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

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

			For the years ended December 31,				Changes Percentage (%)
			2020		2019		
	Items	Notes	AMOUNT	%	AMOUNT	%	
41000	Interest income		$ 36,369,194	31	$ 41,006,443	38	(11)
51000	Less: Interest expense		(9,450,242)	(8)	(14,873,524)	(14)	(36)
49600	**Net interest income**	6(36)	26,918,952	23	26,132,919	24	3
	Net non-interest income						
49800	Net service fee and commission income	6(37)	27,210,777	23	17,796,223	17	53
49810	Net income from insurance operations	6(38)	35,509,066	31	40,738,914	38	(13)
49820	Gain on financial assets and financial liabilities at fair value through profit or loss	6(39)	21,778,524	19	14,042,591	13	55
49825	Gain on investment property		228,633	-	248,121	-	(8)
49835	Realised gain on financial assets at fair value through other comprehensive income		4,219,371	4	2,896,324	3	46
49850	Net gain arising from derecognition of financial assets measured at amortised cost	6(5)(9)	1,073,825	1	759,683	1	41
49870	Foreign exchange losses		(6,664,689)	(6)	(635,767)	(1)	948
49880	Asset impairment losses	6(40)	(1,424,908)	(1)	(20,383)	-	6891
49890	Share of the profit or loss of associates and joint ventures accounted for using the equity method	6(11)	295,854	-	145,843	-	103
49898	Loss on reclassification under the overlay approach		(325,009)	-	(415,946)	-	(22)
49921	Net gain on sale of non-performing loans		277,593	-	253,046	-	10
49945	Consultation service income		4,218,196	4	3,395,057	3	24
49999	Net other miscellaneous income	6(41)	2,312,681	2	2,271,452	2	2
49700	**Total net non-interest income**		88,709,914	77	81,475,158	76	9
	Net profit		115,628,866	100	107,608,077	100	7
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(42)	(2,152,052)	(2)	(1,352,694)	(1)	59
58300	Net change in provisions for insurance liabilities	6(26)	(39,928,431)	(35)	(42,443,850)	(40)	(6)
	Operating expenses						
58501	Employee benefit expense	6(43)	(26,983,562)	(23)	(23,276,027)	(21)	16
58503	Depreciation and amortization	6(44)	(3,137,501)	(3)	(3,273,730)	(3)	(4)
58599	Other business and administrative expenses	6(45)	(12,661,042)	(11)	(11,720,879)	(11)	8
58500	**Total Operating Expenses**		(42,782,105)	(37)	(38,270,636)	(35)	12
61000	**Consolidated income from continuing operations before income tax**		30,766,278	26	25,540,897	24	20
61003	Income tax expense	6(46)	(4,789,234)	(4)	(3,399,314)	(3)	41
69000	**Consolidated net income**		$ 25,977,044	22	$ 22,141,583	21	17

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

	Items	Notes	For the years ended December 31, 2020 AMOUNT	2020 %	2019 AMOUNT	2019 %	Changes Percentage (%)
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss						
69561	Losses on remeasurements of defined benefit plans	6(27)	($ 866,856)	(1)	($ 223,162)	-	288
69563	Share of other comprehensie income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(11)	(2,554)	-	7,452	-	(134)
69565	Change in fair value of financial liability attributable to change in credit risk of liability	6(34)	(16,009)	-	(13,553)	-	18
69567	Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(4)(34)	3,293,779	3	1,419,418	1	132
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(34)(46)	(64,081)	-	22,036	-	(391)
	Components of other comprehensive income that will be reclassified to profit or loss						
69571	Exchange differences on translation of foreign financial statements	6(34)	(776,596)	(1)	(1,812,057)	(2)	(57)
69585	Gain on valuation of investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	2,924,803	3	2,891,352	3	1
69587	(Reversal gain) impairment loss on investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	(3,563)	-	6,278	-	(157)
69590	Other comprehensive gains on reclassification under the overlay approach	6(3)(34)	325,009	-	415,946	-	(22)
69579	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(34)(46)	(175,068)	-	(378,672)	-	(54)
69500	**Other comprehensive income (net of tax)**		$ 4,638,864	4	$ 2,335,038	2	99
69700	**Total comprehensive income**		$ 30,615,908	26	$ 24,476,621	23	25
	Consolidated net income attributable to:						
69901	Parent company		$ 24,104,576	21	$ 20,445,508	19	18
69903	Non-controlling interests		1,872,468	1	1,696,075	2	10
			$ 25,977,044	22	$ 22,141,583	21	17
	Consolidated comprehensive income attributable to:						
69951	Parent company		$ 28,237,885	24	$ 23,571,510	22	20
69953	Non-controlling interests		2,378,023	2	905,111	1	163
			$ 30,615,908	26	$ 24,476,621	23	25
70001	**Earnings per share (in New Taiwan Dollars)**	6(47)					
	Basic and diluted earnings per share		($ 1.99		$ 1.68		

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
			Retained earnings			Other equity interest						
For the year ended December 31, 2019	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Other comprehensive income on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk	Treasury shares	Non-controlling interests	Total equity
Balance, January 1, 2019	$ 116,862,325	$ 37,200,416	$ 10,721,262	$ 6,549,234	$ 42,843,847	($ 2,409,469)	$ 7,775,718	($ 330,367)	($ 29,798)	($ 197,606)	$ 17,858,198	$ 236,843,760
Effects of retrospective application and retrospective adjustment	-	-	-	-	(95,849)	-	-	-	-	-	(55,695)	(151,544)
Balance, January 1, 2019 after adjustments	116,862,325	37,200,416	10,721,262	6,549,234	42,747,998	(2,409,469)	7,775,718	(330,367)	(29,798)	(197,606)	17,802,503	236,692,216
Consolidated net income for the year	-	-	-	-	20,445,508	-	-	-	-	-	1,696,075	22,141,583
Other comprehensive income (loss) for the year	-	-	-	-	(132,001)	(1,118,917)	4,006,526	377,326	(6,932)	-	(790,964)	2,335,038
Total comprehensive income (loss) for the year	-	-	-	-	20,313,507	(1,118,917)	4,006,526	377,326	(6,932)	-	905,111	24,476,621
Appropriation of 2018 earnings												
Legal reserve	-	-	1,867,921	-	(1,867,921)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(10,503,550)	-	-	-	-	-	(452,397)	(10,955,947)
Retirement of treasury shares	(156,210)	(41,396)	-	-	-	-	-	-	-	197,606	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	243,460	-	-	-	-	-	-	-	-	75,900	319,360
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(325,870)	(325,870)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(124,942)	-	124,942	-	-	-	-	-
Balance, December 31, 2019	$ 116,706,115	$ 37,402,480	$ 12,589,183	$ 6,549,234	$ 50,565,092	($ 3,528,386)	$ 11,907,186	$ 46,959	($ 36,730)	$ -	$ 18,005,247	$ 250,206,380
For the year ended December 31, 2020												
Balance, January 1, 2020	$ 116,706,115	$ 37,402,480	$ 12,589,183	$ 6,549,234	$ 50,565,092	($ 3,528,386)	$ 11,907,186	$ 46,959	($ 36,730)	$ -	$ 18,005,247	$ 250,206,380
Consolidated net income for the year	-	-	-	-	24,104,576	-	-	-	-	-	1,872,468	25,977,044
Other comprehensive income (loss) for the year	-	-	-	-	(688,708)	(938,750)	5,470,485	298,690	(8,408)	-	505,555	4,638,864
Total comprehensive income (loss) for the year	-	-	-	-	23,415,868	(938,750)	5,470,485	298,690	(8,408)	-	2,378,023	30,615,908
Appropriation of 2019 earnings												
Legal reserve	-	-	2,044,550	-	(2,044,550)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(7,585,898)	-	-	-	-	-	-	(7,585,898)
Stock dividend	4,668,245	-	-	-	(4,668,245)	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	483,469	-	-	-	-	-	-	-	-	-	483,469
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(102,413)	(102,413)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	651,523	-	(651,523)	-	-	-	-	-
Balance, December 31, 2020	$ 121,374,360	$ 37,885,949	$ 14,633,733	$ 6,549,234	$ 60,333,790	($ 4,467,136)	$ 16,726,148	$ 345,649	($ 45,138)	$ -	$ 20,280,857	$ 273,617,446

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

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

	For the years ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income from continuing operations before tax	$ 30,766,278	$ 25,540,897
Adjustments		
Income and expense items		
Depreciation	2,592,592	2,538,831
Amortization	544,909	734,899
Provisions for bad debt expense, commitment and guarantee policy reserve	2,928,286	3,009,338
Interest expense	9,450,242	14,873,524
Interest income	(36,369,194)	(41,006,443)
Dividend income	(3,614,415)	(3,681,058)
Impairment loss on financial assets	1,424,908	20,383
Loss reclassified by applying overlay approach	325,009	415,946
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(295,854)	(145,843)
Gain on disposal of assets classified as held for sale	(12,765)	(18,827)
Gain on disposal of investment property	(11,152)	(55,823)
Gain from disposal or retirement of property and equipment	(200,098)	(7,179)
(Gain) loss on disposal of intangible assets	(1,405)	133
Loss on lease modification	789	-
Gain on rent concessions	(9,736)	-
Net change in insurance liabilities	38,242,994	41,672,167
Changes in assets and liabilities relating to operating activities		
Changes in assets relating to operating activities		
Increase in due from Central Bank and call loans to other banks	(3,617,396)	(2,508,337)
Increase in financial assets at fair value through profit or loss	(82,561,560)	(30,091,870)
Increase in financial assets at fair value through other comprehensive income	(42,695,392)	(10,049,776)
Increase in investments in debt instruments measured at amortised cost	(43,903,331)	(33,543,992)
Increase in receivables	(70,280,393)	(31,648,490)
Increase in bills discounted and loans	(22,965,591)	(5,286,623)
Increase in reinsurance contract assets	(196,572)	(323,594)
(Increase) decrease in restricted assets	(398,434)	60,125
Increase in other financial assets	(14,066,564)	(3,048,101)
(Increase) decrease in other assets	(31,268,276)	8,416,575
Changes in liabilities relating to operating activities		
Increase (decrease) in due to Central Bank and other banks	2,305,271	(8,940,246)
Increase in financial liabilities at fair value through profit or loss	40,104,608	11,346,686
Increase in payables	87,276,409	13,890,611
Increase in deposits and remittances	115,514,123	74,890,975
Increase (decrease) in liabilities reserve	100,285	(312,578)
Increase (decrease) in other financial liabilities	12,655,744	(3,355,210)
Increase (decrease) in other liabilities	8,151,035	(3,386,713)
Cash (outflow) inflow generated from operations	(84,646)	20,000,387
Interest received	37,110,620	41,362,089
Dividend received	3,690,074	3,677,371
Interest paid	(10,162,343)	(15,143,200)
Income tax paid	(4,277,495)	(2,494,938)
Net cash flows generated from operating activities	26,276,210	47,401,709

(Continued)

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

	For the years ended December 31,	
	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	($ 482,258)	($ 441,415)
Proceeds from disposal, liquidation and capital reduction of investments accounted for using equity method	380,990	142,440
Acquisition of investment property	(263,491)	(206,126)
Proceeds from disposal of investment property	62,676	208,315
Acquisition of property and equipment	(7,744,355)	(1,339,054)
Proceeds from disposal of property and equipment	359,528	31,383
Acquisition of intangible assets	(143,727)	(175,554)
Proceeds from disposal of intangible assets	17,078	5,878
Proceeds from disposal of assets held for sale	473,200	241,880
Acquisition of right-of-use assets	(186)	-
Net cash flows used in investing activities	(7,340,545)	(1,532,253)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	675,000	-
Increase (decrease) in bills and bonds sold under repurchase agreements	17,955,269	(19,904,507)
(Decrease) increase in commercial paper payable	(11,177,948)	2,302,597
Proceeds from issuance of bonds	9,993,895	8,500,000
Repayments of bonds	-	(2,274,656)
Repayments of bank debentures	-	(3,500,000)
Decrease in other borrowings	(3,051,931)	(3,171,809)
Principal payment for lease liabilities	(2,110,281)	(1,314,518)
Cash dividends paid	(7,585,898)	(10,503,550)
Other financing activities	46,959	174,537
Decrease in non-controlling interests	(102,413)	(778,267)
Net cash flows generated from (used in) financing activities	4,642,652	(30,470,173)
Net effect of foreign exchange rate changes on cash and cash equivalents	113,730	(2,227,848)
Net increase in cash and cash equivalents	23,692,047	13,171,435
Cash and cash equivalents at beginning of year	134,093,331	120,921,896
Cash and cash equivalents at end of year	$ 157,785,378	$ 134,093,331
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	$ 77,497,198	$ 69,259,573
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	21,951,862	17,230,387
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	58,336,318	47,603,371
Cash and cash equivalents at end of year	$ 157,785,378	$ 134,093,331

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, 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. were exchanged for shares of the Company. The regulatory procedure for the share exchange was completed on the exchange date of February 4, 2002 and the Company was listed on the Taiwan Stock Exchange on the same date.

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

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

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

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

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

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

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

These consolidated financial statements were reported to the Board of Directors and issued on March 23, 2021.

3. Application of new standards, amendments and interpretations

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 ,'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020 (Note)

Note：Earlier application from January 1, 2020 is allowed by FSC.

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

Amendment to IFRS 16, 'Covid-19-related rent concessions'

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

A. Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

B. Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

C. There is no substantive change to other terms and conditions of the lease.

Please refer to Note 6(15) for related gains or losses.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

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.

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

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

(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 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment:proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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.

4. Summary of significant accounting policies

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

(1) Compliance statement

The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the "Yuanta Group") have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Companies, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (IFRSs) as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
(B) Financial assets at fair value through other comprehensive income.
(C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
(D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and relevant regulations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:
All subsidiaries are included in the Yuanta Group's consolidated financial statements (including structured entities). Subsidiaries are all entities controlled by the Yuanta Group. The Yuanta Group

controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair value, and shares of non-controlling interest are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio are directly recognised in the consolidated statements of comprehensive income. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Note
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	
	Yuanta Bank	Commercial banking	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. ("Yuanta Life")	Life insurance business	100.00	100.00	
	Yuanta Futures Co., Ltd. ("Yuanta Futures")	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	68.65	
	Yuanta Securities Investment Trust Co., Ltd. ("Yuanta Securities Investment Trust")	Securities investment trust	74.71	74.36	
	Yuanta Venture Capital Co., Ltd. ("Yuanta Venture Capital")	Venture capital investments	100.00	100.00	
	Yuanta Asset Management Co., Ltd. ("Yuanta Asset Management")	Providing monetary debt management services for financial institutions	100.00	100.00	
	Yuanta Securities Investment Consulting Co., Ltd. ("Yuanta Securities Investment Consulting")	Securities investment consultant	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Note
Yuanta Securities	Yuanta Securities Asia Financial Services Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance agency services	100.00	100.00	
	Yuanta Securities Finance	Securities financing and refinancing to securities firms and related business	100.00	100.00	
Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong) Limited	Securities and futures trading, providing opinions on securities, futures contract and agency financing and asset management services	100.00	100.00	
	Yuanta Asia Investment (Hong Kong) Limited (“Yuanta Asia Investment (Hong Kong)”)	Securities brokerage and dealing in securities, asset management services	100.00	100.00	Note 1
	Yuanta Investment Consulting (Beijing) (“Yuanta Investment Consulting Beijing”)	Investment consultation	100.00	100.00	
	Yuanta Securities Korea Co., Ltd (“Yuanta Securities (Korea)”)	Securities and futures contract trading, providing opinions on securities and futures contract, underwriting services, asset management services and financial advisory services	57.39	55.36	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	
	Yuanta Securities Thailand Limited (“Yuanta Securities (Thailand)”)	Securities brokerage, dealing in securities, underwriting and investment consultation	99.99	99.99	
	Yuanta Securities Vietnam Limited Company(“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing in securities, underwriting and investment consultation	90.16	85.24	Note 2
Yuanta Asia Investment (Hong Kong)	Yuanta Asia Investment (B.V.I.)	Venture capital funds, venture capital fund raising management, and investment advisory services	-	100.00	Note 1、Note 3
Yuanta Securities (Korea)	Yuanta Investment Co.,Ltd (“Yuanta Investment (Korea)”)	Venture investment	57.39	55.36	
	Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”)	Investment holding	57.39	55.36	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Note
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines and financial advisory services	57.39	55.36	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd.	Issue financial instruments	100.00	100.00	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	
	PT Yuanta Sekuritas Indonesia ("Yuanta Securities (Indonesia)")	Securities trading and underwriting services	99.00	99.00	
	PT Yuanta Asset Management (Indonesia)	Investment management	0.002	0.002	
	Yuanta Investment Management (Cayman)	Investment management	100.00	100.00	
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation	9.84	14.76	Note 2
Yuanta Securities (Indonesia)	PT Yuanta Asset Management (Indonesia)	Investment management	99.998	99.998	
Yuanta Asia Investment (B.V.I.)	Reksa Dana Yuanta Liquid Plus Money Market Fund	Investment in debt instruments	-	91.20	Note 4
	Reksa Dana Yuanta Fixed Income Fund	Investment in debt instruments	-	70.67	Note 5
	Reksa Dana Indeks Yuanta Sri-Kehati Index Fund	Investment in debt instruments	-	99.24	Note 5
	Reksa Dana Yuanta Equity Alpha Fund	Investment in debt instruments	-	100.00	Note 5
Yuanta Investment Management (Cayman)	Yuanta Diamonds Funds SPC - Yuanta Real Estate Securities Fund Segregated Portfolio	Investment in real estate investment trusts	19.39	-	Note 6
Yuanta Bank	Yuanta International Leasing Co., Ltd.("Yuanta International Leasing")	Leasing business	100.00	100.00	
	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited ("Yuanta Futures Hong Kong")	Financial services	66.27	68.65	
	SYF Information Limited ("SYF Information")	Information service	66.27	68.65	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Note
SYF Information	SYF Information (Shanghai) Limited ("SYF Information (Shanghai)")	Information service	66.27	-	
	SYF Information (Samoa) Limited ("SYF Information (Samoa)")	Investment holding	-	68.65	Note 7
SYF Information (Samoa)	SYF Information (Shanghai) Limited ("SYF Information (Shanghai)")	Information service	-	68.65	Note 7
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd.("Yuanta I Venture Capital")	Venture capital investments	100.00	100.00	

Note 1: In May 2019, the Board of Directors of Yuanta Securities Asia Financial Services increased capital to Yuanta Asia Investment (Hong Kong) through its investments in Yuanta Asia Investment (B.V.I.) and the process was completed in September 2019. Yuanta Asia Investment (Hong Kong) was formerly known as Polaris Securities (Hong Kong) Ltd., and was renamed in September 2019.

Note 2: In December 2019, the Board of Directors approved Yuanta Securities Asia Financial Services' capital increase to Yuanta Securities (Vietnam) and the process was completed in August 2020.

Note 3: In October 2020, the Board of Directors approved the dissolution and liquidation of Yuanta Asia Investment (B.V.I.). The record date for the liquidation was October 1, 2020. The liquidation process was completed on November 4, 2020.

Note 4: The disposal was completed in May 2020.

Note 5: The disposal was completed in April 2020.

Note 6: Subscribed in the first quarter of 2020.

Note 7: On September 25, 2019, the Board of Directors of SYF Information (Samoa) resolved to dissolve and liquidate the company to simplify the organisation. The liquidation has been approved by the competent authority on October 25, 2019, and was completed on July 17, 2020.

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

December 31, 2020	
Structured entities	Services
YK Indus Co., Ltd.	Asset-backing
YFI Yeosu Co., Ltd.	Asset-backing
DK project second Co., Ltd.	Asset-backing
YK Hotel the 1st Co., Ltd.	Asset-backing
YK HD Co., Ltd.	Asset-backing
YFI Double S2 Co., Ltd.	Asset-backing
YK Dragon. Co., Ltd.	Asset-backing
Y.K.Glory the 1th.Co., Ltd.	Asset-backing
YK MEDICINE Co., Ltd.	Asset-backing
YKWork. Co., Ltd.	Asset-backing
YK MIRACLE Co., Ltd.	Asset-backing
SJ beomcheon second Co., Ltd.	Asset-backing
YK Maritime Co., Ltd.	Asset-backing
YK Mozart ll Co., Ltd.	Asset-backing
YKSEAWORK. Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing
YK Songdo. Co., Ltd.	Asset-backing
YK Whistle Co., Ltd.	Asset-backing

December 31, 2020

Structured entities	Services
BUMERSQUARE 1st. Co., Ltd.	Asset-backing
Y.K.Blue the 5th. Co., Ltd.	Asset-backing
YK Star. Co., Ltd.	Asset-backing
YK GO. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YKDragonLake Co., Ltd.	Asset-backing
YkNineMall Co., Ltd.	Asset-backing
YKSEONHWA. Co., Ltd.	Asset-backing
Gold Poongmu the 1st Co., Ltd.	Asset-backing
YFI Jebu Co., Ltd.	Asset-backing
YFI Itaewon Co., Ltd.	Asset-backing
YK Woongcheon the 1st Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YKSUWON7 1st Co., Ltd.	Asset-backing
Wonheung first Co., Ltd.	Asset-backing
Ostiuh fifth Co., Ltd.	Asset-backing
YK Art te 1st Co., Ltd.	Asset-backing
YK Nohyung. Corp	Asset-backing
JY Pyeongtaek the first Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Balgok Co., Ltd.	Asset-backing
Y.K Air the First Co., Ltd.	Asset-backing
YK Believe the 1st., Ltd.	Asset-backing
YKNAPOLI 1st. Corp	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing
YK Godeok Co., Ltd.	Asset-backing
YK Antwerp 1st Co., Ltd.	Asset-backing
YK Gaon. Corp	Asset-backing
YKAI 1st. Corp	Asset-backing
Doublerich Co., Ltd.	Asset-backing
YK Lusia Co., Ltd.	Asset-backing
YKLT 1st. Corp	Asset-backing

December 31, 2019

Structured entities	Services
YK Hessen Co., Ltd.	Asset-backing
YK Indus Co., Ltd.	Asset-backing
YK Dway 2nd Co., Ltd.	Asset-backing
YK Biz Co., Ltd.	Asset-backing
SJ First Co., Ltd.	Asset-backing
YK Monaco Co., Ltd.	Asset-backing
YK JP the 7th Co., Ltd.	Asset-backing

December 31, 2019	
Structured entities	Services
DG.southone 1st Co., Ltd.	Asset-backing
YFI Yeosu Co., Ltd.	Asset-backing
UT sixth Co., Ltd.	Asset-backing
YK Gunsun 1st Co., Ltd.	Asset-backing
First M 2nd. Co., Ltd.	Asset-backing
First M 3rd. Co., Ltd.	Asset-backing
DK project second Co., Ltd.	Asset-backing
YK Hotel the 1st Co., Ltd.	Asset-backing
Y.K. Stone the First Co., Ltd.	Asset-backing
YK Grand. Co., Ltd.	Asset-backing
YK HD Co., Ltd.	Asset-backing
YFI Double S1 Co., Ltd.	Asset-backing
YFI Double S2 Co., Ltd.	Asset-backing
YK Dragon. Co., Ltd.	Asset-backing
Y.K.Glory the 1th. Co., Ltd.	Asset-backing
YK MEDICINE Co., Ltd.	Asset-backing
YKWork. Co., Ltd.	Asset-backing
YK BeomCheon the 1st Co., Ltd.	Asset-backing
YK MIRACLE Co., Ltd.	Asset-backing
YKCF. Co., Ltd.	Asset-backing
SJ beomcheon second Co., Ltd.	Asset-backing
YK Maritime Co., Ltd.	Asset-backing
YK Bugae the 1st Co., Ltd.	Asset-backing
YK Mozart ll Co., Ltd.	Asset-backing
YKSEAWORK. Co., Ltd.	Asset-backing
Y.K. Cherry the First Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing
YK Songdo. Co., Ltd.	Asset-backing
SJ bondong third Co., Ltd.	Asset-backing
YK Whistle Co., Ltd.	Asset-backing
BUMERSQUARE 1st. Co., Ltd.	Asset-backing
Y.K.Blue the 5th. Co., Ltd.	Asset-backing
YK Star. Co., Ltd.	Asset-backing
YK GO. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YKDragonLake Co., Ltd.	Asset-backing
Y.K. Spark the First Co., Ltd.	Asset-backing
YKDY Co., Ltd.	Asset-backing
YkNineMall Co., Ltd.	Asset-backing
YKSEONHWA. Co., Ltd.	Asset-backing
Gold Poongmu the 1st Co., Ltd.	Asset-backing
SJ gangbuk first Co., Ltd.	Asset-backing

Although Yuanta Group does not hold interests in structured entities, structured entities are included in the consolidated financial statements, taking into account the following: when the company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power 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 December 31, 2020 and 2019, the non-controlling interest amounted to $20,280,857 and $18,005,247, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2020		December 31, 2019	
Name of Subsidiary	Principal place of business	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	$ 15,126,219	42.61%	$ 14,215,077	44.64%

The comprehensive income attributable to this non-controlling interest were $1,576,542 and $155,441 for the years ended December 31, 2020 and 2019, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries	
	December 31, 2020	December 31, 2019
Current assets	$ 375,220,873	$ 303,666,064
Non-current assets	17,105,207	17,744,841
Current liabilities	(348,424,044)	(281,118,694)
Non-current liabilities	(7,491,992)	(7,370,051)
Total net assets	$ 36,410,044	$ 32,922,160

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2020	2019
Revenue	$ 15,254,410	$ 14,059,217
Profit before income tax	3,484,751	2,200,216
Income tax expense	(852,412)	(41,918)
Net income	2,632,339	2,158,298
Other comprehensive income (loss) (net of tax)	855,543	(1,817,406)
Total comprehensive income for the year	$ 3,487,882	$ 340,892

Consolidated statements of cash flows

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2020	2019
Net cash (used in) provided by operating activities	($ 16,648,486)	$ 14,661,381
Net cash provided by investing activities	966,146	87,559
Net cash provided by (used in) financing activities	14,629,008	(11,373,642)
Effect of exchange rates on cash and cash equivalents	(205,312)	(382,452)
(Decrease) increase in cash and cash equivalents	(1,258,644)	2,992,846
Cash and cash equivalents, beginning of year	19,784,783	16,791,937
Cash and cash equivalents, end of year	$ 18,526,139	$ 19,784,783

(4) Foreign currency translation

Items included in the financial statements of each of the Yuanta Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Yuanta Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions denominated in a foreign currency or required to settle in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

(B) Assets denominated in foreign currency are translated at the closing exchange rate at the balance sheet date. When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. Any translation difference is recognised as gain and loss in the period.

(C) Non-monetary assets and liabilities denominated in foreign currencies:

a. Assets and liabilities carried at cost are re-translated at the exchange rates prevailing at the original transaction date.

b. Assets and liabilities held at fair value through profit or loss are re-translated at the exchange rates prevailing at the date at which the fair value is determined.

When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income, any translation difference included in the gains and losses are also recognised in other comprehensive income. When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised as gains and losses, any translation difference included in the gains and losses are also recognised as gains and losses.

B. Translation of foreign operations

If an entity has a functional currency (not in an economy with high inflation) that is different from presentation currency in the consolidated statements, its operating results and financial position is translated into presentation currency by the following procedures:

(A) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.

(B) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.

(C) All resulting exchange differences are recognised in other comprehensive income.

(5) Cash and cash equivalents

"Cash and cash equivalents" within the consolidated balance sheet include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. From the perspective of the consolidated statements of cash flows, cash and cash equivalents refer to cash and cash equivalents within the consolidated balance sheet, and cash and cash equivalents that conform to IFRS 7's definition, as endorsed by the FSC, which are cash and cash equivalents due from Central bank and call loans to other banks, or bills and bonds purchased under resale agreements.

(6) Bills and bonds under repurchase or resale agreements

In relation to transactions of bills and securities with a condition of repurchase agreement or resale agreement, the interest expense and interest income are recognised as incurred at the date of sale and purchase and the agreed period of sale and purchase. The repo trade liabilities, bond liabilities, reverse repo trade bills and bond investments are recognised at the date of sale or purchase.

(7) Financial assets and liabilities

All financial assets and liabilities of the Yuanta Group including derivatives are recognised in the consolidated balance sheet and are properly classified in accordance with IFRSs as endorsed by the FSC.

A. Financial assets

All financial assets held by the Yuanta Group are classified into the following six categories: "bills discounted and loans", "receivables", "financial assets at fair value through profit and loss", "financial assets at fair value through other comprehensive income", "investments in debt instruments at amortised cost", and "other financial assets–purchase of claim receivable".

(A) Regular way purchase or sale

Financial assets held by the Yuanta Group are all accounted for using trade date accounting.

(B) Bills discounted and loans

Bills discounted and loans consist of export bills negotiation, export bills discount, loans, and overdue receivables arising from loans. Bills discounted and loans are measured at amortised cost using the effective interest rate method. Measurement at initial investment amount is allowed if effect of discounting is immaterial.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower so that it is required to be derecognised, entirely or partially, in accordance with IFRS 9, the old financial asset is derecognised, and a new financial asset and related gains or losses are recognised.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower, but is not required to be derecognized, or if renegotiations or modification of terms are for reasons other than financial difficulties, which rarely results in the derecognition of the asset, the carrying amount of the asset is recalculated based on the effective interest rate of original contract and the related gains or losses are recognised in profit or loss.

(C) Receivables

Receivables include those that were originated and not originated by the entity. Receivables originated by the entity refer to cash, products or services directly provided to debtors by the Yuanta Group. Receivables not originated by the entity refer to those other than whom were originated by the entity. Receivables shall be measured at amortized cost using the effective

interest rate method. However short-term receivables without bearing interest are measured at initial invoice amount if the effect of discounting is immaterial.

(D) Financial assets at fair value through profit or loss

a. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income may be designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

b. At initial recognition and subsequent measurement, the Yuanta Group measures the financial assets at fair value and recognises the gain or loss in profit or loss.

c. The Yuanta Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.

d. A financial asset held by subsidiary Yuanta Life is designated as a financial asset measured at fair value through profit or loss using the overlay approach, when the following conditions are met:

i. Financial asset is measured at fair value through profit or loss under IFRS 9, but would not have been entirely measured at fair value through profit or loss under IAS 39; and

ii. The financial asset is not held for activities unrelated to contracts in the scope of IFRS.

For assets to which the overlay approach is applied, the amount that is excluded from profit or loss and recognized in other comprehensive income is the difference between the following two amounts:

i. Profit or loss recognized in accordance with IFRS 9; and

ii. Profit or loss recognized in accordance with IAS 39.

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

a. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Yuanta Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

i. The objective of the Yuanta Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

ii. The assets' contractual cash flows represent solely payments of principal and interest.

b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. The Yuanta Group subsequently measures the financial assets at fair value:

i. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.

ii. Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(F) Investments in debt instruments at amortised cost

a. Investments in debt instruments at amortised cost are those that meet all of the following criteria:

i. The objective of the Yuanta Group's business model is achieved by collecting contractual cash flows.

ii. The assets' contractual cash flows represent solely payments of principal and interest.

b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(G) Other financial assets

Purchase of claim receivable－non-performing loans of financial institutions are measured by fair value of financial asset on initial recognition when being obtained by the Yuanta Group and will be subsequently measured by fair value with changes in fair value recognised as profit and loss in the period.

B. Financial liabilities

Financial liabilities held by the Yuanta Group include financial liabilities at fair value through profit and loss (including financial liabilities designated at fair value through profit and loss) and financial liabilities carried at amortised cost.

(A) Financial liabilities at fair value through profit or loss

Including financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

a.Hybrid (combined) contracts; or

b.They eliminate or significantly reduce a measurement or recognition inconsistency; or

c.They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

At initial recognition, the Yuanta Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Yuanta Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.

(B)Financial liabilities carried at amortised cost

Financial liabilities carried at amortised cost include liabilities not classified as financial liabilities at fair value through profit or loss, financial guarantee contracts, loan commitment with a lower-than-market interest rate and the financial liabilities incurred due to continuing engagement or that the transferring of a financial asset does not meet the requirement of derecognition.

C. Derecognition of financial assets

The Yuanta Group derecognises a financial asset when one of the following conditions is met:

(A)The contractual rights to receive cash flows from the financial asset expire.

(B)The contractual rights to receive cash flows from the financial asset have been transferred and the Yuanta Group has transferred substantially all risks and rewards of ownership of the financial asset.

(C)Risks and rewards of ownership of the financial asset have not been substantially transferred or retained, however, the control over the financial assets have not been retained.

D. Derecognition of financial liabilities

(A)A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(B)The Yuanta Group derecognises an original financial liability and recognises a new financial liability if the terms of an existing financial liability have substantial modifications and such modifications make significant differences to the original terms. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(8) Margin loans, short sale stock loans, securities lending and security-based loans

A. According to the "Rules Governing Securities Finance Enterprises" (RGSFE), margin loans primarily represent pecuniary financing to investors or refinancing to securities firms. The margin loans are accounted for as "Margin loans receivable" (recognised under "Receivables-net") as incurred and such loans are secured by the securities purchased by the investors, and the Yuanta Group records these securities at par value under the memorandum accounts "securities held for collateral" and "liability for holding collateral securities", and is not included in the balance sheets.

B. According to Article 10 of the RGSFE, when providing margin loans to principals, the Yuanta Group shall obtain the margin pursuant to the ratio prescribed by the competent authority.

C. Short sale stock loans represent securities financing affected by lending securities in custody that are received from margin loans, guarantee effects or borrowed securities, to investors. When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account "short sale stock loans". Additionally, according to Article 10 of the RGSFE, the investors need to deposit a regulated amount equal to a certain percentage of the proceeds from short sale stock financing or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as "Short sale stock deposits" (recognised under "Payables"). The Yuanta Group deals with these securities at par value under the memorandum account "Guarantee deposits". The proceeds from sale of securities lent, less any dealer's commission, financing commission and securities exchange tax, are held by the Yuanta Group as collateral and recorded under "Short sale proceeds payable" (recognised under "Payables").

D. Securities borrowed represent securities borrowed from one broker/dealer to another, who must eventually return the same security as repayment. When the securities are lent to investors, the Yuanta Group records the par value of the securities borrowed under the memorandum account "securities borrowed". The borrower needs to deposit an amount equal to a certain percentage of the proceeds from securities borrowed or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as "Refundable deposits for securities lending" (recognised under "Other assets-net"). The Yuanta Group deals with securities at par value under the memorandum account "Refundable collaterals". When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account "Short sale stock loans". Additionally, a lender needs to deposit an amount equal to a certain percentage of the proceeds from securities lent or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as "Deposits received for securities lent" (recognised under "Other liabilities"). The Yuanta Group deals with these securities at par value under the memorandum account "Collaterals received".

E. "Security-based loans" are loans provided to borrowers by Yuanta Group in accordance with "Regulations Governing Securities Finance Enterprises". Upon the occurrence of a loan, "Security-based loans" is recorded (under "Bills discounted and loans – net") and the borrower pledges securities from margin trading, central government bonds and treasury bills and others that are approved by the competent authority as collateral. For the collateral, Yuanta Group records it in its memorandum under "Securities in custody" and its converse account "Collateral received", which is not recorded in the general ledger.

(9) Financial instruments offsetting

Financial assets and liabilities are offset in the net amount 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.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, financial assets at amortised cost (including bills discounted and loans and receivables), loan commitments, L/C and financial guarantee contracts at each reporting date, the Yuanta Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition or if asset is already credit impaired after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Yuanta Group recognises the impairment provision for lifetime ECLs.

For credit assets, subsidiary Yuanta Bank assesses the loss allowance at the balance sheet date in accordance with "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and other applicable laws as well as IFRS 9 requirements. The loss allowance is provisioned at the higher of the amounts assessed in compliance with the aforementioned domestic regulations and IFRS 9.

(11) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

(12) Impairment of non-financial assets

The Yuanta Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs on disposal to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(13) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing

use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Equity investments accounted for under the equity method—associates

A. Associates are all entities over which the Yuanta Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20%~50% of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Yuanta Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Yuanta Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Yuanta Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Yuanta Group's ownership percentage of the associate, the Yuanta Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Yuanta Group and its associates are eliminated to the extent of the Yuanta Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group.

E. When overseas investments are valued under the equity method, exchange differences arising from the translation of the investee's financial statements are recognised in other comprehensive income and are cumulated under equity as "Exchange differences on translation of foreign financial statements" (and appropriately allocated to non-controlling interest).

F. When Yuanta Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When Yuanta Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Leasing arrangements (lessor)－operating leases

A. Operating lease

Payments that the Yuanta Group receives or charges under the operating lease are recognised as gain and loss on a straight-line basis during the contract term, which are recognised under "other business and administrative expenses" and "other net non-interest income", respectively.

B. Finance lease

The asset is derecognised when the finance leasing contract is signed by the Yuanta Group and the finance lease shall be recorded in the balance sheet as lease receivables at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as unrealised interest

income, which is calculated based on remaining lease receivables over the lease term and recognised as current gain and loss at the end of the period using the embedded interest rate or incremental borrowing interest rate.

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Yuanta Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate or the interest rate implicit in the lease.

Lease payments are comprised of the following:

a. Fixed payments, less any lease incentives receivable;
b. Variable lease payments that depend on an index or a rate;
c. Amounts expected to be payable by the lessee under residual value guarantees;
d. The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
e. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Yuanta Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

a. The amount of the initial measurement of lease liability;
b. Any lease payments made at or before the commencement date;
c. Any initial direct costs incurred by the lessee; and
d. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

The properties held by the Yuanta Group, with an intention to obtain long-term rental profit or capital increase or both and not being used by any other enterprises of the consolidated entities, are classified as investment property. Investment property includes the office building and land rented in a form of operating lease.

Part of the property may be held by the Yuanta Group for self-use purpose and the remaining are used to generate rental income or capital appreciation. If the property held by the Yuanta Group can be sold individually, then the accounting treatment should be made respectively. If each part of the property cannot be sold individually and the self-use proportion is not material, then the property is deemed as investment property in its entirety.

When the future economic benefit related to the investment property is highly likely to flow into the Yuanta Group and the costs can be reliably measured, the investment property shall be recognised

as assets. When the future economic benefit generated from subsequent costs is highly likely to flow into the entity and the costs can be reliably measured, the subsequent expenses of the assets shall be capitalized. All maintenance cost are recognised as incurred in the consolidated statement of comprehensive income.

When there is certain replacement occurring onto the investment property, the replacement cost should be recognised in the carrying amount of the investment property given that the criteria of recognition can be met. The carrying amount of the replaced account should be derecognised.

An investment property is stated initially at its cost and measured subsequently using the fair value model. Depreciated cost is used to calculate amortization expense after initial measurement. The depreciation method, remaining useful life and residual value should apply the same rules as applicable for property and equipment.

The fair value of investment property is disclosed in the financial statements at each consolidated balance sheet date. Valuation of fair value is annually provided by an external valuer. The management department of the Company determines the fair value of investment property by examining the characteristics, location and status of investment property along with the external valuation report on each consolidated balance sheet date.

However, the fair value of investment property does not reflect future capital expenditures that improve or benefit the property, nor does it reflect future benefits associated from those expenditures in the future.

(18) Property and equipment

The property and equipment of the Yuanta Group are recognised on the basis of cost less accumulated depreciation and accumulated impairment. Cost includes any cost directly attributable to the acquisition of the asset.

If the future economic benefit generated from subsequent expenses of the asset can be measured reliably and is very likely to flow into the Yuanta Group, the subsequent expenses of property and equipment may be individually recognised as an asset or included in the carrying amount of the asset. Significant renewals and improvements incurred to increase the future economic benefits of the assets are capitalized. Routine maintenance and repairs are charged to expense as incurred.

The property and equipment of the Yuanta Group were initially recognised at the original cost and subsequently measured by cost model.

Land is not affected by depreciation. Depreciation for other assets is provided on a straight-line basis over the estimated useful lives of the assets till salvage value. Useful life is as follows:

Buildings (including auxiliary equipment)	3~60 years
Machinery and computer equipment	1~10 years
Transportation equipment	2~6 years
Leasehold improvements	3~6 years
Other equipment	1~21 years

On each consolidated balance sheet date, the Yuanta Group appropriately adjusts the salvage value and useful life of the assets.

Any gain or loss on disposal is calculated by the difference between the carrying amounts and proceeds on disposal, which is recognised in “Other non-interest income” in the consolidated statement of comprehensive income.

(19) Intangible assets

A. Operating rights are initially recognised at the acquisition cost. Intangible assets, with limited useful lives, and other intangible assets are amortised using the straight-line method.
B. Pursuant to IFRS 3, ‘Business Combinations’ as endorsed by FSC, the excess of the consideration transferred in business combination over the net identifiable assets acquired and

the net fair value of liabilities assumed shall be recognised as goodwill. Goodwill acquired in business combination shall be tested for impairment at least once a year. An impairment loss is recognised when the goodwill is impaired. Impairment loss of goodwill that has been recognised shall not be reversed.

(20) Customer margin deposit account and futures traders' equity recognised (under Other financial assets/ Other financial liabilities)

Customer margin deposit account receives margins, premiums and differences from daily market closing prices in accordance with "Regulations Governing Futures Commission Merchants", which are all included in the customer margin deposit account.
Futures traders' equity is the margin and premium customers pay for futures trading. The differences of daily market closing prices are accounted for as current liabilities. Accounts cannot be offset except for the same type of accounts of the same customer; if borrower's balance arises from futures traders' equity, the balance shall be recognised as futures trading margin receivable, which shall be recovered from the traders.

(21) Bonds payable

A. Bank debentures payable
Bank debentures payable issued by the Yuanta Group is carried at amortised cost using the effective interest rate.
B. Corporate bonds payable
Ordinary corporate bonds issued by the Yuanta Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'interest expense' over the period of bond circulation using the effective interest method.

(22) Provisions, contingent liabilities and contingent assets

A. The Yuanta Group recognises liabilities when all of the following three conditions are met：
(A) Present obligation (legal or constructive) has arisen as a result of past event.
(B) The outflow of economic benefits is highly probable upon settlement.
(C) The amount is reliably measurable.
B. The Yuanta Group does not recognise provisions for the future operating losses. If there are several similar obligations, the outflow of economic benefit as a result of settlement is determined based on the overall obligation. Provisions should be recognised when the outflow of economic benefits is probable in order to settle the obligation as a whole even if the outflow of economic benefits from any one of the obligation is remote.
C. When the time value may have a significant impact on a currency, the reserve is measured by the present value of expense which is required for settling the anticipated obligation. The pre-tax discount rate is used with timely adjustment that reflects the current market assessments on the time value of money and the risks specific to the liabilities.
D. Contingent liability is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. Or it could be a present obligation as a result of past event but the payment is not probable or the amount cannot be measured reliably. The Yuanta Group did not recognise any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

E. Contingent asset is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. The Yuanta Group did not recognise any contingent assets and made appropriate disclosure in compliance with relevant regulations when the economic inflow is probable.

(23) Financial guarantee contracts and loan commitment

A. A financial guarantee contract is a contract that requires the Yuanta Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

B. The Yuanta Group initially recognises financial guarantee contracts at fair value on the date of issuance. The Yuanta Group charges a service fee when the contract is signed and therefore the service fee income charged is the fair value at the date that the financial guarantee contract is signed. Service fee received in advance is recognised in deferred accounts and amortised through straight-line method during the contract term.

C. The Yuanta Group measures the financial guarantee contract it issues at the greater of the following two amounts:

(A) Allowance for losses in accordance with IFRS 9 as endorsed by the FSC.

(B) The amount initially recognised less, when appropriate, cumulative effect recognized in accordance with IFRS 15.

D. The Yuanta Group's assessment of provisions for losses for loan commitments and financial guarantee contracts is described in Note 4(10). "Recognizing and measuring expected credit losses". The increase in liabilities due to financial guarantee contracts and loan commitments is recognised in "bad debt expenses, commitments and guaranty policy reserve".

E. In addition to the assessment of provisions for losses for financial guarantee contract described above, subsidiary Yuanta Bank also assesses provisions for losses in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and other applicable laws. The greater of the two amounts is recognised and included in the guaranty policy reserve.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments. Within the 12 months after the end of the reporting period when the services are rendered, the total undiscounted short-term pension benefits which the Yuanta Group needs to pay in the future are recognised as expenses.

(B) Defined benefit plans

a. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Yuanta Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit

net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Yuanta Group uses interest rates of government bonds (at the balance sheet date) instead.

b. Remeasurement arising on defined benefit plans are recognised 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.

C. Deposits

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

D. Termination benefits

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

E. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates.

(25) Classification of insurance contracts

A. Insurance products should be classified according to IFRS 4, 'Insurance contracts'. The Company has to identify whether to assume components of an insurance contract including insurance risks and other risks with respect to the insurance products issued and make judgement on whether the components of an insurance contract are unbundled and separately measurable. In addition, the Company has to make judgement on whether the insurance products issued transfer insurance risk, whether transfer of insurance risk has commercial substance, and whether the transferred insurance risk is significant when performing significant insurance risk transfer tests. Result of such judgement will affect the classification of insurance contracts. Identification and unbundling of components of an insurance contract and classification of insurance products can affect the recognition of revenue, measurement of liabilities, and presentation of financial statements.

B. An insurance contract is a contract under which the Yuanta Group accepts significant risk transferred from the policyholder by agreeing to compensate the policyholder if a future insured event adversely affects the policyholder, including reinsurance contracts with a transferrable significant risk held by the Yuanta Group. Non-insurance contracts (also called investment contracts), denote to insurance contracts with a nature of financial instruments that are exposed to financial risks but without significant transferred insurance risks. The definition of significant transferred risks employed by the Yuanta Group here refers to any event or incident that leads to the Yuanta Group's additional significant payment.

C. Insurance policies which meet the definition of insurance contracts on initial recognition shall be classified as insurance contracts before all rights and obligations expire or mature, even if the insurance risks have been significantly reduced during the coverage period. However, insurance contracts with a nature of financial instruments shall be reclassified as insurance contracts, if significant insurance risks have been transferred to the Yuanta Group.

D. Insurance contracts and investment contracts will be further classified depending on the discretionary participation feature. The discretionary participation feature is a contractual right to receive additional benefits rather than guaranteed benefits, and this kind of right will need to meet the following criteria at the same time:

(A) additional benefits that are likely to be a significant portion of the total contractual benefits;

(B) the amount or timing of additional benefits is contractually at the discretion of the Yuanta Group; and

(C) additional benefits are contractually based on the performance of specified investment portfolio of the Yuanta Group.

(26) Insurance contracts

A. Recognition and measurement

For the Yuanta Group's insurance contracts and financial instruments with discretionary participation features, premium income and commission expense are recognised when premiums are collected and the underwritings are approved for initial policies, and when premiums are collected for renewal policies. Claim and policy benefits are recognised under profit and loss accounts as incurred. In addition, the Yuanta Group shall set aside various insurance liabilities. Please refer to valuation basis for various insurance liabilities set out. Even though certain insurance contracts of the Yuanta Group do have a participation discretion feature and guarantee element, the Yuanta Group did not separately recognise but categorize the whole contract as a liability.

B. Liability adequacy test

The Yuanta Group performs liability adequacy test in accordance with IFRS 4, 'Insurance contracts'. The liability adequacy test is performed using the gross premium valuation based on the overall contracts of the whole entity in compliance with relevant regulations of The Actuarial Institute of The Republic Of China. The test is based on the comparison between carrying amount of insurance liability and current estimate of its future cash flow on each balance sheet date. The aforementioned liability adequacy test is conducted under the best possible assumption and discount the reward of the Yuanta Group's investment portfolio. If the test result shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

C. Reinsurance

With the classification of reinsurance contracts, the Yuanta Group assesses the agreements under the deposit accounting given that the objective insurance risks of reinsurance agreements are not transferred to the reinsured. Calculation of reinsurance standards for inwards and outwards, reinsurance commissions, reinsurance payments and reinsurance premiums should be managed by reinsurance contracts signed by other reinsurance companies and stated on a monthly basis.

The Yuanta Group evaluates whether privileges of reinsured, including reinsurance assets, claims recoverable from reinsurers and due from reinsurance and ceding companies are impaired on a regular basis. When objective evidence indicates that such option being exercised after the initial recognition will possibly lead to the Yuanta Group being unable to collect all receivables on the contract, and the impact of the receivables from reinsured can be reliably measured with regard to the aforementioned event. The provision for impairment loss shall be recognised to the extent that the recovered amounts are no greater than the reinsurance reserve

asset of the aforementioned rights. Also, allowance for doubtful debt should be appropriately made for the non-recoverable amounts of claims recoverable from reinsurers, due from reinsurers and ceding companies.

(27) Non-discretionary participation feature investment contracts

Except that processes for insurance contracts are applicable for "investment contracts with a discretionary participation feature", for insurance contracts classified as investment contracts due to non-transferred objective risks, IFRS 9, "Financial Instruments: Recognition and Measurement" should be applied to "investment contract with no discretionary feature" regarding any of its accrued financial assets and liabilities. The consideration received or paid accordingly should be recognised as financial assets or liabilities instead of income or expenses according to what is commonly called "deposit accounting". If no financial assets or liabilities have been created, IFRS 15, "Revenue from contracts with customers" shall be applied.

(28) Provision basis for various insurance liabilities

All reserves of insurance contracts that the Yuanta Group recognised are based on "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises". The following various insurance liabilities reserves do not apply discount method other than reserve for policy benefit, liability adequacy reserve, and premium deficiency reserve with a coverage period over one year. Provision basis of various insurance liabilities reserves are as follows:

A. Unearned premium reserve

For effective contracts with a coverage period under one year, unearned premium reserve is provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period; for casualty insurance with coverage period over one year, unearned premium reserve is provided in accordance with Jin-Guan-Bao-Cai-Zi Letter No. 09902503922 "Supplementary Information on the Calculation of Unearned Premium Reserve and Earned Premium for Casualty Insurance with Coverage Period over One Year."

B. Claims reserve

Claims reserves for health insurance, life insurance, and casualty insurance with a coverage period under one year are provided based on claim experience and expenses of various insurance types and are calculated with actuarial principles. Additionally, reserves are provided for "claims reported but not paid" and "claims incurred but not reported". For "claims reported but not paid", a reserve has been provided on an individual claim basis for each type of insurance.

For claims reserves for health insurance, life insurance, and annuity insurance with a coverage period over one year for "claims reported but not paid", a reserve has been provided on an individual claim basis for each type of insurance.

C. Reserve for policy benefit

Long-term insurance contracts are recognised and calculated in conformity with related insurance regulations and based on the life chart of annuity specified within the calculation instructions when filing to competent authorities for each product, as well as the assumed interest rate for the calculation of policy reserves. The discount rate is based on the assumed interest rate for calculating policy reserves when filing to competent authorities for each insurance product.

D. Special reserve

(A) In particular for retention policies with coverage less than a year, special reserves include "catastrophe reserve" and "risk claim reserve". Except for some reserves netting aside for regulatory purpose, special reserve, after deducting income tax, shall be recognised as special reserve under equity. Additional provision of special reserve and amounts written-off or recovered with respect to special reserve shall also be written-off or recovered from the special reserve which has been recognised under equity.

Risk claim reserve recovered from equity, net of tax (effective rate), shall all be set aside as special reserve following the resolution adopted at the shareholders' meeting in the following year. Such special reserve shall neither be distributed as dividends nor used in other ways without proper approval.

(B) Profit and loss before tax (before dividends distribution) for the Yuanta Group's participating life insurance should be assessed at each annual closing date in compliance with "The Method of Expense and Revenue Allocation to Participating and Non-participating Life Insurance". "Special reserve-dividend payment reserve" should be recognised and written off at dividend declaration date. With negative balance of "special reserve-dividend payment reserve of participating insurance", equal amount of "special reserve-dividend liability" should be recognised at the same time.

E. Premium deficiency reserve

Effective from 2001, if the issued premiums of life insurance, health insurance, and annuity insurance contract with a coverage period over one year are less than the net premium in compliance with regulation, the deficiency of subsequent periods should be recognised as premium deficiency reserve. In addition, potential claims and expenses are estimated for effective contracts yet to mature and injury insurance contracts with a coverage period over one year. If the assessed amount is more than unearned premium reserve and expected premium income, the insufficient amount should be recognised as premium deficiency reserve by product types.

F. Liability adequacy reserve

In accordance with IFRS 4, 'Insurance Contracts' and the regulations of The Actuarial Institute Of The Republic Of China, liability adequacy test is performed using the gross premium valuation based on all contracts of the Company. At each balance sheet date, liability adequacy reserve is provided for all deficiency in net carrying amount and recognised in profit or loss, through comparison between the net carrying amounts of insurance liabilities less deferred acquisition cost and related intangible assets and the present value of estimated future cash flows of insurance contracts.

(29) Foreign exchange reserve

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 (recognised as provisions) with regard to the foreign investment assets held (excluding non-investment-linked life insurance product assets denominated in foreign currency). Treatments for accumulation limit of related reserves, method for provision or writing-off, and other binding matters shall be in compliance with "Guidelines for Foreign Exchange Reserve by Life Insurance Enterprises" and relevant regulations.

(30) 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. The temporary difference of the Yuanta Group mainly occurs due to the setting aside and transferring of valuation and pension reserve of certain financial instruments (including derivatives).

(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.

(31) Share capital

If the date of dividends declared is later than the consolidated balance sheet date, common stocks are disclosed in the subsequent events.

(32) Interest income and expense

Other than those classified as financial assets and liabilities at fair value through profit and loss, all the interest income and interest expense generated from interest-bearing financial assets are calculated by effective interest rate according to relevant regulations and recognised as “interest income” and “interest expense” in the consolidated statement of comprehensive income.

(33) Net service fee and commission income

Income is recognised when the economic benefits are probable to flow into the Yuanta Group and can be reliably calculated. Details are as follows:

A. Brokerage service fee income and other related expenses are recognised at the date of securities transaction.

B. Underwriting service fee income and expenses are recognised on an accrual basis under the agreed terms.

C. Stock agency income is recognised monthly based on the contract terms.

D. Futures commission income is the commission charged to the assigned futures merchants for the assistance provided during futures trading and recognised on an accrual basis during the trading period.

(34) Investment-linked products

A. In accordance with the Insurance Law and “Regulations Governing Investment-linked Products”, premiums from these products are deposited to a separate and independent account, net of expenses, and invested as stipulated under the contracts. This separate and independent account is managed independently from other assets of the Yuanta Group.

B. The assets and liabilities of this independent account are classified under other assets and liabilities for investment-linked products, respectively, and revenues and expenses are classified under operating revenues and costs for investment-linked products, respectively. Revenues and expenses from investment-linked product, which meet the definition of insurance contracts under IFRS 4 should be recognised.

C. The value of this independent account's assets is determined based on the market price at the balance sheet date.

D. The sales commission and fee income including pre-sale charge, policy and investment related charges received from the investment from the investment-linked life products are recognised as handling fee revenue. Service income derived from relevant expenses from policy holders, which belong to investment contracts and are classified as non-discretionary participation feature products, are the consideration of services provided by the Company during the specified period. If the service is not rendered during the period the premium is received, then the service income shall be recognised as "deferred handling fee income" and amortised using the straight-line method over the period the service is provided. Relevant additional costs, such as commission expenses and sales compensation, shall also be recognised as "deferred acquisition cost" and are amortised using the straight-line method to "Other non-interest income" based on the matching principle.

(35) Business combinations

A. The Yuanta Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Yuanta Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(36) Operating segment report

The Yuanta Group's operation segment reports are consistent with the internal reports provided to the chief operating decision-maker ("CODM").

Inter-segmental transactions are arm's length transactions, and gain and loss arising from such transactions are eliminated by the Yuanta Group upon the preparation of consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

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

The accounting policies, accounting assumptions and estimates have an impact on Yuanta Group's consolidated financial statements. Thus, when applying significant accounting policies as described in

Note 4, management needs to make appropriate judgements for the information that cannot be easily obtained through other sources and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Yuanta Group's assumptions and estimates are the best assumptions based on IFRSs, and are continually evaluated and adjusted based on historical experience, the effect of Covid-19 and other factors. Certain accounting policies and management's judgements have significant impact on the recognised amounts in the consolidated financial statements are outlined below:

(1) Expected credit losses of bills discounted and loans

At each reporting date, the Yuanta Group assesses expected credit losses of bills discounted and loans after taking into consideration all reasonable and verifiable information (including forecasts.) Measurement of expected credit losses involves determining whether there is significant increase in credit risk on the assets since initial recognition, or whether the asset is credit-impaired, calculating probability of default, loss given default, and exposure at default of the credit loss model, and adjusting parameters of the model after forecastable assessments of the probability of default. Please refer to Note 6(9) for the details of the total amount of discount and loans (including discount and premium adjustment) and allowance for accounts receivable as of December 31, 2020.

(2) Fair value valuation of unlisted stocks

Financial instruments with no active market or quoted price use valuation techniques to determine the fair value. Under such condition, fair value is assessed through the observable information or models of similar financial instruments. If there is no observable input available in the market, the fair value of financial instrument is assessed through appropriate assumptions. When valuation models are adopted to determine the fair value, all the models should be calibrated to ensure that the output can actually reflect actual information and market price. Models should try to use only observable information as much as possible. Please refer to Note 12(2) for details of the carrying amount of unlisted financial assets at fair value through other comprehensive income as of December 31, 2020.

(3) Impairment assessment of goodwill

Yuanta Group assesses regularly the impairment of goodwill at the end of year. The recoverable amounts of related cash-generating units are determined based on value-in-use calculations. The calculations use estimate of expected future cash flows and discount rate. Please refer to Note 6(17) for details of the assessment of goodwill impairment as of December 31, 2020.

(4) Insurance contract liabilities

The Company evaluates long-term insurance contract liabilities in compliance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises". The assumptions of mortality rate, lapse rate, and discount rate are as follows: The mortality rate is based on Taiwan Standard Ordinary Experience Mortality Table. The lapse rate are based on the Company's past experience, industry experience, and experience obtained from reinsurers. The discount rate is based on the interest rate of reserve for policy benefit from newly issued contracts and treated in compliance with calculation basis for insurance products and relevant regulations as approved by the competent authority. The above assumptions are locked-in during price setting in accordance with related regulations.

However, it is reasonably possible that changes in assumption from the competent authority may have an impact on gains, losses, or equity. The liability adequacy testing is conducted by discounting the Company's overall return on investment under the best estimate on valuation date. If the test result shows that the liability is inadequate, the entire deficiency is recognised in expenses and losses in the period. If there is a change in the future best estimate assumption, incremental reserve for adverse movement in such assumption shall be made. Please refer to Note 6(26), for details of reserves of insurance liabilities as of December 31, 2020.

6. Details of significant accounts

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash	$ 5,772,596	$ 7,536,848
Deposits in banks	66,269,968	58,462,906
Futures excess margin and cash equivalents	4,843,308	2,670,354
Excess settlement reserve fund	12	2,575
Checks for clearing	611,314	586,890
Total	$ 77,497,198	$ 69,259,573

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

	December 31, 2020	December 31, 2019
Reserve for deposits - account A	$ 12,431,950	$ 10,186,274
Reserve for deposits - account B	32,177,999	28,589,351
Deposits by overseas branches to designated accounts of respective local central banks	2,631,752	3,164,861
Reserve for deposits	4,704,230	2,387,759
Call loans to banks	2,427,625	1,706,440
Total	$ 54,373,556	$ 46,034,685

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

B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of December 31, 2020. There was no due from Central Bank and call loans to other banks pledged to others as collateral as of December 31, 2019.

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

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

	December 31, 2020	December 31, 2019
Financial assets mandatorily measured at fair value through profit or loss		
Commercial paper	$ 71,776,369	$ 35,665,553
Beneficiary certificates / securities	67,542,853	58,878,065
Stocks of companies listed on TSE or OTC	27,588,569	33,247,996
Emerging stocks	1,799,443	1,338,224
Government bonds	37,610,576	39,711,043
Financial bonds	116,517,856	117,549,551
Corporate bonds	91,510,940	75,637,003
Overseas bonds	295,960	882,793
Convertible corporate bonds	48,286,841	45,514,594
Derivative financial instruments	13,186,702	12,534,264
Structured products and others	9,225,592	17,518,059
Reserve for claims of customers' deposits with KSFC (Note 1)	88,944,601	61,372,357
Other marketable securities	7,525,152	4,619,722
Valuation adjustment	4,781,185	(438,145)
Total	$ 586,592,639	$ 504,031,079
Financial liabilities held for trading		
Derivative financial instruments	$ 18,961,577	$ 16,671,818
Non-derivative financial instruments	65,667,664	22,270,873
Valuation adjustment of financial liabilities held for trading－non-derivative financial instruments	8,301,890	861,833
Financial liabilities designated as at fair value through profit or loss		
Structured products (Note 2)	53,591,521	67,372,332
Convertible bond asset swap not qualifying for derecognition (Note 2)	16,468,096	16,078,956
Others	466,757	84,416
Total	$ 163,457,505	$ 123,340,228

Note 1: KSFC stands for Korea Securities Finance Corporation.

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

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged as collateral as of December 31, 2020 and 2019.

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

	December 31, 2020	December 31, 2019
Equity instruments		
Domestic stocks	$ 1,566,179	$ 6,570,938
Overseas stocks	574,443	91,293
	2,140,622	6,662,231
Debt instruments		
Overseas corporate bonds	-	257,622
Domestic beneficiary certificates	20,104,429	11,285,369
Overseas beneficiary certificates	848,135	180,004
	$ 23,093,186	$ 18,385,226

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:

	For the years ended December 31,	
	2020	2019
Profit recognised in accordance with IFRS 9	$ 3,077,141	$ 1,851,872
Less: Profit that would have been recognised under IAS 39	(2,752,132)	(1,435,926)
Profit from adopting the overlay approach	$ 325,009	$ 415,946
Effects on income tax	($ 26,319)	($ 38,620)

D. Please refer to Note 6(39) 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	December 31, 2020	December 31, 2019
Debt instruments		
Government bonds	$ 31,239,956	$ 30,110,729
Bank debentures	52,114,254	53,200,447
Corporate bonds	161,804,262	113,033,913
Commercial paper	124,062	137,102
Others	615,373	723,407
Valuation adjustment	5,044,261	1,527,764
Subtotal	250,942,168	198,733,362
Equity instruments		
Listed stocks	6,109,711	12,391,640
Unlisted stocks/Emerging stocks	4,710,737	5,067,893
Others	1,916,102	919,946
Valuation adjustment	15,928,585	13,593,163
Subtotal	28,665,135	31,972,642
Statutory deposits	(1,216,100)	(1,216,100)
Total	$ 278,391,203	$ 229,489,904

A. As of December 31, 2020 and 2019, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of $1,216,100 in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.

B. The Yuanta Group elects to classify strategic equity investments not held for trading as financial assets measured at fair value through other comprehensive income. As of December 31, 2020 and 2019, the fair value of such investments were $28,665,135 and $31,972,642, respectively.

C. For the years ended December 31, 2020 and 2019, the Yuanta Group sold the equity shares in order to avoid systematic risk resulting from structural changes in the industry, market interference and increase of uncertainties and adjusts the investment portfolio, and the liquidation of investee who asked shareholders to transfer equity interest. The fair value of such equity investments sold amounted to $24,941,062 and $15,833,860, and the corresponding accumulated gains (losses) on disposal were $634,640 and ($115,046), respectively.

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

	For the years ended December 31,	
	2020	2019
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 3,293,779	$ 1,419,418
Cumulative gains (losses) reclassified to retained earnings due to derecognition	$ 651,523	($ 124,942)
Dividend income recognised in profit or loss		
Held at end of period	$ 892,891	$ 829,386
Derecognised in the current period	791,861	842,173
	$ 1,684,752	$ 1,671,559
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 5,446,747	$ 4,110,239
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	$ 9,112	$ 12,156
Reclassified due to derecognition	(2,534,619)	(1,224,765)
	($ 2,525,507)	($ 1,212,609)
Interest income recognised in profit or loss	$ 3,779,878	$ 4,475,647

E. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of December 31, 2020 and 2019 are provided in Note 8.

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

(5) Investments in debt instruments at amortised cost - net

Items	December 31, 2020	December 31, 2019
Government bonds	$ 101,263,694	$ 99,186,400
Time deposits	148,667,240	131,241,060
Bank debentures	81,985,856	70,135,126
Corporate bonds	100,922,767	86,629,549
Subtotal	432,839,557	387,192,135
Less: Accumulated impairment	(145,737)	(139,720)
Statutory deposits	(2,344,300)	(600,000)
Total	$ 430,349,520	$ 386,452,415

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

	For the years ended December 31,	
	2020	2019
Interest income	$ 8,972,481	$ 8,632,367
(Impairment loss) recovery gain	(6,226)	2,966
Gains on disposal	734,770	759,683
	$ 9,701,025	$ 9,395,016

B. The Yuanta Group sold certain financial assets at amortised cost for the years ended December 31, 2020 and 2019, due to factors such as pay back in advance, mandatorily redeemed by the issuer, increase of credit risk, infrequent sales or single and total amount that is non-significant, and considering for capital management purposes. The disposal gains were $734,770 and $759,683, respectively.

C. As of December 31, 2020 and 2019, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of $2,344,300 and $600,000, respectively in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.

D. Details of the Yuanta Group's financial assets at amortised cost pledged to others as collateral as of December 31, 2020 and 2019, 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

	December 31, 2020	December 31, 2019
Bills and bonds purchased under resale agreement	$ 58,336,318	$ 47,603,371
Interest rate range	0.11%～1.68%	0.45%～2.75%
Contract resale amount	$ 58,459,272	$ 47,671,245
Bills and bonds payable under repurchase agreement	$ 216,621,187	$ 198,665,918
Interest rate range	-0.30%～1.60%	-0.30%～3.50%
Contract repurchase amount	$ 220,352,840	$ 200,782,844

(7) Receivables - net

	December 31, 2020	December 31, 2019
Interest receivable	$ 7,038,467	$ 7,779,893
Refinance guaranty receivable	34,546,103	31,025,769
Acceptances receivable	578,620	231,477
Factoring receivable	4,150,504	5,704,407
Margin loans receivable	92,285,455	71,048,860
Spot exchange receivable	11,545,120	4,753,631
Credit card receivable	8,781,748	10,212,562
Trading securities receivable	2,277,246	818,338
Settlement price	16,043,185	5,590,498
Settlement price receivable	58,138,311	30,473,918
Securities sold receivable	4,707,144	4,150,335
Other receivables	6,035,017	5,056,901
Subtotal	246,126,920	176,846,589
Less: Allowance for doubtful accounts	(2,136,230)	(2,606,092)
Total	$ 243,990,690	$ 174,240,497

A. The Yuanta Group recognised appropriate allowance for debts for receivables. For the years ended December 31, 2020 and 2019, details are provided in Note 12(3).

B. Margin loans receivable uses the securities purchased through financing as collateral. As of December 31, 2020 and 2019, 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 both 5.95%~9.75%; the annual interest rates range of Yuanta Securities (Hong Kong) were 0.72%~12.88% and 2.25%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were both 18.00%; the annual interest rates range of Yuanta Securities (Thailand) were 4.15%~9.25% and 5.15%~9.25%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 7.00%~12.00% and 9.00%~14.00%, respectively.

(8) Non-current assets held for sale and discontinues operations

In order to improve the efficiency of asset utilization, Yuanta Bank approved the sale of its own real estate by the Board of Directors on November 20, 2020, October 25 and November 8, 2018, and the relevant assets were reclassified to “assets held for sale”. After remeasuring the fair value less costs to sell, the balance of assets held for sale is $203,730 and $533,632 as of December 31, 2020 and 2019. The fair value of the assets held for sale is based on the result of valuation by independent valuation experts, which was categorized within level 2 in the fair value hierarchy. For the years ended December 31, 2020 and 2019, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal amounted to $473,200 and $241,880, respectively, and gain on disposal amounted to $12,765 and $18,827, respectively. For the years ended December 31, 2020 and 2019, the Yuanta Group recognized $349 and ($21,518), respectively of related impairment reversal gains (losses).

(9) Bills discounted and loans - net

	December 31, 2020	December 31, 2019
Bills discounted	$ 155,817	$ 83,830
Overdrafts	25,702	64,824
Short-term loans	59,749,704	59,844,378
Short-term loans secured	69,524,551	68,038,450
Medium-term loans	120,466,376	149,907,926
Medium-term loans secured	203,092,313	178,326,297
Long-term loans	7,818,832	8,039,848
Long-term loans secured	334,411,270	310,916,280
Import-export negotiations	63,994	5,007
Accounts receivable factoring	916,721	633,455
Automatic policy loans	1,452,487	1,375,456
Policy loans	5,620,591	5,394,014
Loans transferred to non-performing loans	3,703,423	4,844,121
Subtotal	807,001,781	787,473,886
Less: Allowance for credit losses	(13,201,740)	(14,012,181)
Less: Adjustment for premium	12,866	19,213
Total	$ 793,812,907	$ 773,480,918

A. The Yuanta Group recognised appropriate allowance for bad debts for the bills discounted, loans and receivables. For the details of changes in allowance for bad debts in relation to bills discounted and loans for the years ended December 31, 2020 and 2019, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	December 31, 2020	December 31, 2019
Bills discounted and loans including adjustment for premium		
Yuanta Bank	$ 782,770,760	$ 759,762,271
Yuanta Securities	17,165,665	20,944,188
Yuanta Life	7,078,222	6,786,640
Subtotal	807,014,647	787,493,099
Allowance for credit losses		
Yuanta Bank	($ 11,730,288)	($ 12,518,507)
Yuanta Securities	(1,471,375)	(1,493,415)
Yuanta Life	(77)	(259)
Subtotal	(13,201,740)	(14,012,181)
Total	$ 793,812,907	$ 773,480,918

C. For the year ended December 31, 2020, the Yuanta Group disposed credit assets measured at amortised cost and recognised a gain of $339,055. For the year ended December 31, 2019, no credit assets measured at amortised cost were derecognised.

(10) Reinsurance contract assets

	December 31, 2020	December 31, 2019
Claims recoverable from reinsurers	$ 358,339	$ 223,005
Due from reinsurers and ceding companies	115,705	108,058
Reinsurance reserve assets		
ceded unearned premium reserve	547,152	505,791
Ceded claims reserve	78,261	66,754
Total	$ 1,099,457	$ 903,608

(11) Investments accounted for under the equity method

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Associates:				
CR Yuanta Fund Management Company Limited	$ 335,729	24.50%	$ 329,553	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	20,845	100.00%	21,914	100.00%
Yuanta Security(U.K)	57,971	100.00%	61,221	100.00%
Woori Asset Management Corp.	790,688	27.00%	742,961	27.00%
Polaris Ocean Private Equity Fund	84,751	3.26%	38,347	3.26%
KoFC-TongYang Pioneer Champ 2010-5 Venture Capital Fund	-	-	14,322	16.22%
KoFC-KVIC Green Growth Venture Capital Fund	-	-	-	18.00%
2011 KIF-TONGYANG IT Venture Fund	50,457	17.20%	35,689	17.20%
TONGYANG AGRI-FOOD INVESTMENT FUND II	93,591	40.74%	121,985	40.74%
IBKC-TONGYANG Growth 2013 Private Equity Fund	149,666	10.71%	211,345	10.71%
KVIC-Yuanta 2015 Overseas Advance Fund	245,465	44.00%	354,213	44.00%
2016 KIF-Yuanta ICT Fund	127,613	16.67%	160,911	16.67%
Yuanta Secoundary No.2 Fund	196,947	12.28%	192,295	12.28%
Yuanta Secoundary No.3 Private Equity Fund	458,903	15.26%	74,312	15.26%
Yuanta SPAC III	1,662	0.83%	1,656	0.83%
SJ-ULTRA V 1st FUND	32,753	34.48%	25,443	34.48%
Yuanta SPAC IV	1,237	0.54%	1,219	0.54%
Yuanta-HPNT Private Equity Fund	5,240	0.09%	5,201	0.09%
Yuanta SPAC V	769	0.25%	391	0.25%
Yuanta SPAC VI	765	0.22%	391	0.22%
Yuanta Securities Holding (B.V.I.) Co., Ltd.	-	-	9,879	100.00%

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Associates:				
Kiwoom-Yuanta 2019 Scale-up Fund	$ 97,401	15.20%	$ -	-
Yuanta SPAC VII	2,351	0.91%	-	-
Yuanta SPAC VIII	598	4.17%	-	-
	$ 2,755,402		$ 2,403,248	

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

	For the years ended December 31,	
	2020	2019
Net gain for the period from continuing operations	$ 295,854	$ 145,843
Other comprehensive (loss) income (net of tax)	(27,200)	7,592

(12) Other financial assets - net

	December 31, 2020	December 31, 2019
Non-loans reclassified to non-accrual loans	$ 973,496	$ 660,745
Less: Provision for credit losses	(938,395)	(578,696)
	35,101	82,049
Purchase of claim receivable	1,853,059	1,871,125
Valuation adjustment on purchase of claim receivable	(21,239)	(21,665)
	1,831,820	1,849,460
Customer margin deposit account	74,750,544	57,600,601
Investment-linked product assets	1,923,783	1,935,363
Securities borrowing and lending refundable deposits	249,142	126,207
Others	244,373	3,784,666
Total	$ 79,034,763	$ 65,378,346

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

B. 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 December 31, 2020 and 2019, as well as for the years ended December 31, 2020 and 2019, details about the assets on insurance products, separated accounts were as follows:

	December 31, 2020	December 31, 2019
Investment-linked insurance product assets		
Cash in bank	$ 424	$ 576
Financial assets at fair value through profit or loss	1,919,545	1,931,133
Other receivables	3,814	3,654
	$ 1,923,783	$ 1,935,363

	December 31, 2020	December 31, 2019
Investment-linked insurance product liabilities		
Reserve for investment linked insurance product-insurance contract	$ 1,913,038	$ 1,923,374
Reserve for investment linked insurance product-investment contract	7,998	8,990
Other payables	2,747	2,999
	$ 1,923,783	$ 1,935,363

	For the years ended December 31,	
	2020	2019
Revenue on investment-linked insurance products		
Premium income	$ 224,048	$ 232,133
Gain on financial assets at fair value through profit or loss	19,644	185,115
Exchange gain	2,188	1,680
Interest income	6,176	6,762
Other income	8,536	8,362
	$ 260,592	$ 434,052
Expenses on investment-linked insurance products		
Claims and policy benefit payments	$ 173,417	$ 192,365
Net change in reserve for investment-linked insurance product-insurance contract	(8,148)	147,236
Administrative expenses and other expenses	95,323	94,451
	$ 260,592	$ 434,052

(13) Investment property - net

	December 31, 2020			
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	$ 3,067,011	$ -	($ 217,021)	$ 2,849,990
Buildings	2,973,293	(1,088,771)	(43,233)	1,841,289
Right-of-use assets	6,691,088	(176,872)	-	6,514,216
Investment property under construction	343,828	-	-	343,828
Prepayments for land and buildings	8,961	-	-	8,961
Total	$ 13,084,181	($ 1,265,643)	($ 260,254)	$ 11,558,284

	December 31, 2019			
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	$ 3,080,186	$ -	($ 277,516)	$ 2,802,670
Buildings	3,060,441	(1,087,230)	(50,042)	1,923,169
Right-of-use assets	256,993	(66,860)	-	190,133
Total	$ 6,397,620	($ 1,154,090)	($ 327,558)	$ 4,915,972

Change in investment property of the Yuanta Group:

	For the years ended December 31,	
	2020	2019
Cost		
At January 1,	$ 6,397,620	$ 6,463,708
Changes of retrospective adjustment	-	297,684
Cost after retrospective adjustment	6,397,620	6,761,392
Additions	1,702,864	206,126
Disposals	(71,805)	(177,535)
Transferred out to property and equipment	(112,938)	(212,783)
Transferred in from property and equipment	4,831,092	-
Others	318,836	-
Foreign exchange adjustment	18,512	(179,580)
At December 31,	$ 13,084,181	$ 6,397,620

	For the years ended December 31,	
	2020	2019
Accumulated depreciation		
At January 1,	($ 1,154,090)	($ 1,109,855)
Changes of retrospective adjustment	-	(48,404)
Accumulated depreciation after retrospective adjustment	(1,154,090)	(1,158,259)
Depreciation	(95,431)	(90,805)
Disposals	18,797	18,364
Transferred out to property and equipment	36,548	38,786
Others	21,256	-
Foreign exchange adjustment	(92,723)	37,824
At December 31,	($ 1,265,643)	($ 1,154,090)

	For the years ended December 31,	
	2020	2019
Accumulated impairment		
At January 1,	($ 327,558)	($ 437,162)
Recovery	6,037	13,895
Disposals	1,484	6,680
Transferred out to property and equipment	59,783	89,029
At December 31,	($ 260,254)	($ 327,558)

A. The fair value of the investment property held by the Yuanta Group as of December 31, 2020 and 2019 were $14,528,555 and $7,216,461, respectively, according to the result of valuation by an independent valuation expert using the income method, comparison method, market approach and land development analysis approach. As of December 31, 2020, the fair value included the amounts of $4,842,846 and $9,685,709 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2019, the fair value included the amount of $4,918,786 and $2,297,675 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
B. For the years ended December 31, 2020 and 2019, rental income from the lease of the investment property were $217,481 and $192,298, respectively.
C. In 2020, the consolidated company, Yuanta Life, acquired investment property (including right-of-use assets and investment property under construction) by entering into "The contract of establishment of superficies for state-owned (non-public use)" on January 30, 2020, with National Property administration, Ministry of Finance, Northern Region Branch and acquired right of superficies of nine lands on No. 414, Sec. 3, Chang'an Rd., Zhongshan Dist., Taipei City. The total contract amount was made based on the appraisal report of real estate appraiser and acquired by auction of $5,330,000. The payment for construction integrated with Mass Rapid Transit amounting to $232,128 was classified as investment property under construction.
D. The land rent of superficies was reduced by 20% for 2020 in accordance with Tai-Cai-Chan-Bei-Gai-Zi No. 10950005400 by the National Property Administration, Ministry of Finance. The Yuanta Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to $5,579 by decreasing lease liability and investment property - investment property under construction for 2020.
E. To improve the efficiency of capital investment, the Board of Directors of Yuanta Life of the Yuanta Group resolved on May 26, 2020 to transfer the owner-occupied properties, located in Nanjing E. Rd. and Yijiang St., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.), to investment properties.
F. Please refer to Note 8 for details of Yuanta Group's investment property pledged to others as collateral.

(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

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, 2020	$ 14,577,211	$ 7,152,721	$ 3,916,823	$ 211,086	$ 1,739,464	$ 1,205,145	$ 28,802,450
Additions	4,140,405	1,206,245	379,932	12,780	113,159	1,891,834	7,744,355
Disposals	(141,485)	(335)	(490,413)	(27,022)	(296,135)	(131)	(955,521)
Transferred out to investment property	(4,186,917)	-	-	-	-	(644,175)	(4,831,092)
Transferred in from investment property	3,654	112,960	-	-	-	-	116,614
Others	(45,267)	1,091	242,901	4,678	91,764	(354,820)	(59,653)
Translation difference	(2,297)	9,498	(16,690)	(1,130)	(22,733)	(966)	(34,318)
At December 31, 2020	$ 14,345,304	$ 8,482,180	$ 4,032,553	$ 200,392	$ 1,625,519	$ 2,096,887	$ 30,782,835
Accumulated depreciation							
At January 1, 2020	$ -	($ 2,371,822)	($ 2,758,061)	($ 112,353)	($ 1,119,167)	$ -	($ 6,361,403)
Depreciation	-	(183,293)	(544,873)	(28,335)	(266,213)	-	(1,022,714)
Disposals	-	187	489,236	17,699	288,969	-	796,091
Transferred in from investment property	-	(40,224)	-	-	-	-	(40,224)
Others	-	17,279	-	(486)	14	-	16,807
Translation difference	-	(4,920)	7,747	673	14,424	-	17,924
At December 31, 2020	$ -	($ 2,582,793)	($ 2,805,951)	($ 122,802)	($ 1,081,973)	$ -	($ 6,593,519)
Accumulated impairment							
At January 1, 2020	($ 135,885)	($ 62,195)	$ -	$ -	($ 298)	$ -	($ 198,378)
Impairment loss	(1,139)	1	-	-	-	-	(1,138)
Transferred in from investment property	(55,590)	(4,193)	-	-	-	-	(59,783)
At December 31, 2020	($ 192,614)	($ 66,387)	$ -	$ -	($ 298)	$ -	($ 259,299)
Net carrying amount	$ 14,152,690	$ 5,833,000	$ 1,226,602	$ 77,590	$ 543,248	$ 2,096,887	$ 23,930,017

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, 2019	$ 14,393,687	$ 7,098,130	$ 3,951,882	$ 232,644	$ 1,858,921	$ 452,969	$ 27,988,233
Changes of retrospective adjustment	-	-	(33,427)	-	(6,600)	-	(40,027)
Cost after retrospective adjustment	14,393,687	7,098,130	3,918,455	232,644	1,852,321	452,969	27,948,206
Additions	-	193	262,740	35,449	104,924	935,748	1,339,054
Disposals	-	-	(313,486)	(39,175)	(247,969)	(734)	(601,364)
Transferred in from investment property	211,779	1,004	-	-	-	-	212,783
Others	-	124,088	139,704	(19,722)	21,120	(182,546)	82,644
Translation difference	(28,255)	(70,694)	(90,590)	1,890	9,068	(292)	(178,873)
At December 31, 2019	$ 14,577,211	$ 7,152,721	$ 3,916,823	$ 211,086	$ 1,739,464	$ 1,205,145	$ 28,802,450
Accumulated depreciation							
At January 1, 2019	$ -	($ 2,146,204)	($ 2,662,707)	($ 115,243)	($ 1,082,808)	$ -	($ 6,006,962)
Changes of retrospective adjustment	-	-	25,432	-	550	-	25,982
Accumulated depreciation after retrospective adjustment	-	(2,146,204)	(2,637,275)	(115,243)	(1,082,258)	-	(5,980,980)
Depreciation	-	(175,973)	(519,867)	(30,410)	(282,391)	-	(1,008,641)
Disposals	-	-	312,860	27,505	236,795	-	577,160
Transferred in from investment property	-	(38,786)	-	-	-	-	(38,786)
Others	-	(34,090)	1,343	6,444	10,844	-	(15,459)
Translation difference	-	23,231	84,878	(649)	(2,157)	-	105,303
At December 31, 2019	$ -	($ 2,371,822)	($ 2,758,061)	($ 112,353)	($ 1,119,167)	$ -	($ 6,361,403)
Accumulated impairment							
At January 1, 2019	($ 79,043)	($ 30,008)	$ -	$ -	($ 298)	$ -	($ 109,349)
Transferred in from investment property	(56,842)	(32,187)	-	-	-	-	(89,029)
At December 31, 2019	($ 135,885)	($ 62,195)	$ -	$ -	($ 298)	$ -	($ 198,378)
Net carrying amount	$ 14,441,326	$ 4,718,704	$ 1,158,762	$ 98,733	$ 619,999	$ 1,205,145	$ 22,242,669

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

The Yuanta Group set land and buildings which were classified as operating lease, and the assets belonging and not belonging to operating lease are as follows:

	Land			Buildings		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal
Cost						
At January 1, 2020	$ 14,384,557	$ 192,654	$ 14,577,211	$ 7,124,840	$ 27,881	$ 7,152,721
Additions	4,140,405	-	4,140,405	1,206,245	-	1,206,245
Disposals	(141,485)	-	(141,485)	(335)	-	(335)
Transferred out to investment property	(4,186,917)	-	(4,186,917)	-	-	-
Transferred in from investment property	3,654	-	3,654	112,960	-	112,960
Others	(45,267)	-	(45,267)	1,091	-	1,091
Translation difference	(2,297)	-	(2,297)	9,498	-	9,498
At December 31, 2020	$ 14,152,650	$ 192,654	$ 14,345,304	$ 8,454,299	$ 27,881	$ 8,482,180
Accumulated depreciation						
At January 1, 2020	$ -	$ -	$ -	($ 2,368,392)	($ 3,430)	($ 2,371,822)
Depreciation	-	-	-	(181,965)	(1,328)	(183,293)
Disposals	-	-	-	187	-	187
Transferred in from investment property	-	-	-	(40,224)	-	(40,224)
Others	-	-	-	17,279	-	17,279
Translation difference	-	-	-	(4,920)	-	(4,920)
At December 31, 2020	$ -	$ -	$ -	($ 2,578,035)	($ 4,758)	($ 2,582,793)
Accumulated impairment						
At January 1, 2020	($ 135,885)	$ -	($ 135,885)	($ 62,195)	$ -	($ 62,195)
Impairment loss	(1,139)	-	(1,139)	1	-	1
Transferred in from investment property	(55,590)	-	(55,590)	(4,193)	-	(4,193)
At December 31, 2020	($ 192,614)	$ -	($ 192,614)	($ 66,387)	$ -	($ 66,387)
Net carrying amount	$ 13,960,036	$ 192,654	$ 14,152,690	$ 5,809,877	$ 23,123	$ 5,833,000

	Land			Buildings		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal
Cost						
At January 1, 2019	$ 14,201,033	$ 192,654	$ 14,393,687	$ 7,070,249	$ 27,881	$ 7,098,130
Additions	-	-	-	193	-	193
Transferred in from investment property	211,779	-	211,779	1,004	-	1,004
Others	-	-	-	124,088	-	124,088
Translation difference	(28,255)	-	(28,255)	(70,694)	-	(70,694)
At December 31, 2019	$ 14,384,557	$ 192,654	$ 14,577,211	$ 7,124,840	$ 27,881	$ 7,152,721
Accumulated depreciation						
At January 1, 2019	$ -	$ -	$ -	($ 2,144,102)	($ 2,102)	($ 2,146,204)
Depreciation	-	-	-	(174,645)	(1,328)	(175,973)
Transferred in from investment property	-	-	-	(38,786)	-	(38,786)
Others	-	-	-	(34,090)	-	(34,090)
Translation difference	-	-	-	23,231	-	23,231
At December 31, 2019	$ -	$ -	$ -	($ 2,368,392)	($ 3,430)	($ 2,371,822)
Accumulated impairment						
At January 1, 2019	($ 79,043)	$ -	($ 79,043)	($ 30,008)	$ -	($ 30,008)
Transferred in from investment property	(56,842)	-	(56,842)	(32,187)	-	(32,187)
At December 31, 2019	($ 135,885)	$ -	($ 135,885)	($ 62,195)	$ -	($ 62,195)
Net carrying amount	$ 14,248,672	$ 192,654	$ 14,441,326	$ 4,694,253	$ 24,451	$ 4,718,704

(15) Leasing arrangements－lessee

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

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Land	$ 8,898,397	$ 9,034,582
Buildings	4,023,721	4,229,162
Machinery and equipment	205,963	14,529
Transportation equipment	18,506	39,323
Others	34,891	26,284
	$ 13,181,478	$ 13,343,880

	For the years ended December 31,	
	2020	2019
	Depreciation charge	Depreciation charge
Land	$ 22,998	$ 22,274
Buildings	1,371,837	1,341,668
Machinery and equipment	53,566	44,593
Transportation equipment	15,264	17,198
Others	10,782	13,652
	$ 1,474,447	$ 1,439,385

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets amounted to $1,586,203 and $1,073,875, respectively.

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

	For the years ended December 31,	
	2020	2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 99,796	$ 105,046
Expense on short-term lease contracts	74,574	147,444
Expense on leases of low-value assets	10,331	9,296
Gain on sublease of right-of-use assets	12,973	14,310
Loss on lease modification	(789)	-

E. For the years ended December 31, 2020 and 2019, the Yuanta Group's total cash outflow for leases amounted to $7,592,824 and $1,576,304, respectively.

F. The Yuanta Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to $9,736 by decreasing rent expense as of December 31, 2020.

(16) Leasing arrangements – lessor

A. The Yuanta Group leases various assets including buildings. 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 years ended December 31,	
	2020	2019
Finance income from the net investment in the finance lease	$ 1,305	$ 2,092

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

	December 31, 2020	December 31, 2019
2020	$ -	$ 8,462
2021	8,462	8,462
2022	8,463	8,463
2023	8,463	8,463
Total	$ 25,388	$ 33,850

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

	December 31, 2020	December 31, 2019
Undiscounted lease payments	$ 25,388	$ 33,850
Unearned finance income	(1,770)	(3,075)
Net investment in the lease	$ 23,618	$ 30,775

E. For the years ended December 31, 2020 and 2019, the Yuanta Group recognized rent income in the amounts of $229,572 and $206,698, 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:

	December 31, 2020		December 31, 2019
2021	$ 212,124	2020	$ 127,613
2022	125,208	2021	47,029
2023	50,080	2022	16,396
2024	24,624	2023	9,699
2025	16,582	2024	3,312
After 2026	10,817	After 2025	5,120
Total	$ 439,435	Total	$ 209,169

(17) Intangible assets - net

Cost	Goodwill	Operating rights	Computer software	Customer relationship	Others	Total
At January 1, 2020	$ 31,505,838	$ 385,200	$ 4,604,348	$ 3,045,314	$ 4,432,247	$ 43,972,947
Additions	-	-	133,796	-	9,931	143,727
Disposals	-	-	(166,658)	-	(21,646)	(188,304)
Reclassifications	-	-	95,586	-	-	95,586
Translation difference	(11,130)	(712)	16,200	-	(6,625)	(2,267)
At December 31, 2020	$ 31,494,708	$ 384,488	$ 4,683,272	$ 3,045,314	$ 4,413,907	$ 44,021,689
Accumulated amortization						
At January 1, 2020	$ -	($ 370,109)	($ 3,983,321)	($ 3,030,626)	($ 1,878,442)	($ 9,262,498)
Amortization	-	(1,641)	(245,284)	(3,750)	(232,703)	(483,378)
Disposals	-	-	164,807	-	-	164,807
Translation difference	-	209	(21,211)	-	(574)	(21,576)
At December 31, 2020	$ -	($ 371,541)	($ 4,085,009)	($ 3,034,376)	($ 2,111,719)	($ 9,602,645)
Accumulated impairment						
At January 1, 2020	($ 1,475,943)	$ -	$ -	$ -	($ 37,046)	($ 1,512,989)
Impairments	(1,412,591)	-	-	-	(2,227)	(1,414,818)
Disposals	-	-	-	-	7,824	7,824
Translation difference	(390)	-	-	-	(23)	(413)
At December 31, 2020	($ 2,888,924)	$ -	$ -	$ -	($ 31,472)	($ 2,920,396)
Net carrying amount	$ 28,605,784	$ 12,947	$ 598,263	$ 10,938	$ 2,270,716	$ 31,498,648

Cost	Goodwill	Operating rights	Computer software	Customer relationship	Others	Total
At January 1, 2019	$ 31,526,065	$ 385,419	$ 4,683,786	$ 3,030,314	$ 4,474,296	$ 44,099,880
Additions	-	-	153,773	15,000	6,781	175,554
Disposals	-	-	(138,383)	-	(6,007)	(144,390)
Reclassifications	-	-	96,074	-	-	96,074
Translation difference	(20,227)	(219)	(190,902)	-	(42,823)	(254,171)
At December 31, 2019	$ 31,505,838	$ 385,200	$ 4,604,348	$ 3,045,314	$ 4,432,247	$ 43,972,947
Accumulated amortization						
At January 1, 2019	$ -	($ 368,532)	($ 4,014,774)	($ 2,911,800)	($ 1,624,740)	($ 8,919,846)
Amortization	-	(1,641)	(289,541)	(118,826)	(255,605)	(665,613)
Disposals	-	-	138,340	-	39	138,379
Reclassifications	-	-	(382)	-	-	(382)
Translation difference	-	64	183,036	-	1,864	184,964
At December 31, 2019	$ -	($ 370,109)	($ 3,983,321)	($ 3,030,626)	($ 1,878,442)	($ 9,262,498)
Accumulated impairment						
At January 1, 2019	($ 1,475,943)	$ -	$ -	$ -	($ 34,202)	($ 1,510,145)
Impairments	-	-	-	-	(3,676)	(3,676)
Translation difference	-	-	-	-	832	832
At December 31, 2019	($ 1,475,943)	$ -	$ -	$ -	($ 37,046)	($ 1,512,989)
Net carrying amount	$ 30,029,895	$ 15,091	$ 621,027	$ 14,688	$ 2,516,759	$ 33,197,460

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

B. Goodwill is allocated to cash generating units as identified by operating segments. Recoverable amounts are determined according the value-in-use, which is calculated according to management's estimate of future cash flows for future periods. For cash flows that exceed the aforementioned future periods, the following estimated growth rates are used for calculations.
The goodwill of the Yuanta Group was tested for impairment every end of the year. Because the impact from COVID-19 pandemic made fluctuations of financial market and affected the discount rate, the operating situation was different from expectation. The Yuanta Group engaged experts to issue the goodwill impairment test report. There were only recoverable amount of cash generating units of banking subsidiaries- international financial department and Yuanta Savings Bank (Korea) and securities subsidiary- reinvestment department (Thailand) less than their carrying amount. Thus, for the year ended December 31, 2020, these cash generating units recognised impairment on goodwill in the amount of $950,438, $398,490 and $63,663, respectively. The other cash generating units' recoverable amount exceeds their carrying amount. The main assumptions which were used in calculating value in use by the Yuanta Group were set out below:

	Bank subsidiaries					
	Corporate finance	International finance	Personal finance	Financial management	Financial market	Yuanta Savings Bank (Korea) Inc.
2020						
Growth rate	2.00%	2.00%	2.00%	2.00%	2.00%	3.20%
Discount rate	8.50%~9.60%	10.20%~11.40%	8.50%~9.60%	8.50%~9.60%	8.50%~9.60%	10.00%~10.90%

	Securities subsidiaries				
	Brokerage Segment	Investment Bank Segment	Investment Segment	Futures	Securities Investment Trust
2020					
Growth rate	2.00%	2.00%	3.00%~3.20%	2.00%	2.00%
Discount rate	8.70%	8.60%	14.40%~17.30%	9.00%	14.00%

	Bank subsidiaries					
	Corporate finance	International finance	Personal finance	Financial management	Financial market	Yuanta Savings Bank (Korea) Inc.
2019						
Growth rate	2.00%	2.00%	2.00%	2.00%	2.00%	3.00%
Discount rate	7.50%	9.30%	7.50%	9.30%	7.50%	9.10%

	Securities subsidiaries				
	Brokerage Segment	Investment Bank Segment	Investment Segment	Futures	Securities Investment Trust
2019					
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%
Discount rate	8.40%	8.40%	14.00%~16.00%	8.60%	14.00%

(18) Other assets - net

	December 31, 2020	December 31, 2019
Refundable deposits	$ 4,190,962	$ 3,649,586
Refundable deposits for securities lending	29,728,039	6,767,161
Operating guarantee deposits and settlement fund	4,936,468	3,166,064
Prepaid expenses	805,716	1,186,068
Bank deposits - amounts held for settlement	21,688,529	15,334,258
Others	493,922	941,440
Total	$ 61,843,636	$ 31,044,577

Please refer to Note 8 for details of the Yuanta Group's other assets pledged to others as collateral as of December 31, 2020 and 2019.

(19) Non-financial asset impairment losses

As of December 31, 2020 and 2019, accumulated impairment on various financial assets were as follows:

	December 31, 2020	December 31, 2019
Investment property	$ 260,254	$ 327,558
Property and equipment	259,299	198,378
Intangible assets - goodwill	2,888,924	1,475,943
Intangible assets - other	31,472	37,046

(20) Deposits from Central Bank and other banks

	December 31, 2020	December 31, 2019
Overdrafts from other banks	$ 2,567,621	$ 2,188,789
Call loans from other banks	7,738,100	5,811,661
Redeposit from the directorate general of postal remittance	5,106,578	5,106,578
Total	$ 15,412,299	$ 13,107,028

(21) Commercial paper payable - net

	December 31, 2020	December 31, 2019
Commercial paper payable	$ 27,474,589	$ 38,652,537
Less: Discount on commercial paper payable	(57,100)	(30,809)
Total	$ 27,417,489	$ 38,621,728

As of December 31, 2020 and 2019, the annual interest rate of commercial paper payable were 0.288%~1.550% and 0.648%~2.200%, respectively.

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

December 31, 2020	December 31, 2019
CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.
China Bills Finance Corporation	Taipei Fubon Commercial Bank Co., Ltd.
Taipei Fubon Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
Taishin International Bank Co., Ltd.	Taiwan Finance Corporation
Bank Sinopac Co., Ltd.	Union Bank of Taiwan Co., Ltd.
Cathay United Commercial Bank Co., Ltd.	Ta Ching Bills Finance Corporation
Hua Nan Commercial Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Sunny Bank Ltd.	Grand Bills Finance Corp.
Grand Bills Finance Corp.	Cathay United Commercial Bank Co., Ltd.
Taiwan Business Bank Co., Ltd.	Taiwan Business Bank Co., Ltd.
Union Bank of Taiwan Co., Ltd.	China Bills Finance Corporation
Taiwan Finance Corporation	E.Sun Commercial Bank Co, Ltd.
KGI Commercial Bank Co., Ltd.	Sunny Bank Ltd.
Shinhan Bank	
Meritz Securities Co., Ltd.	
KB Securities Co., Ltd.	
KTB Securities Co., Ltd.	
Eugene Investment & Securities	
KIWOOM Securities.Co., Ltd.	
Bookook Secruities Co., Ltd.	
Asia Plus Securities Co., Ltd.	
True Corporation Public Company Limited	
United Overseas Bank PLC	
Namchow (Thailand) Co. LTD	
Thai President Foods Public Company Limited	

(22) Payables

	December 31, 2020	December 31, 2019
Accounts payable	$ 115,112,359	$ 83,601,357
Demand remittance payable	11,470,481	4,755,085
Bankers' acceptances payable	578,620	231,675
Interests payable	1,511,734	2,168,012
Commission payable	326,497	537,297
Accrued expenses	11,473,665	9,071,384
Taxes payable	287,853	259,581
Collections payable for customers	1,091,507	795,571
Proceeds payable from underwriting	742,337	1,033,662
Due to reinsurers and ceding companies	573,315	544,877
Collateralized proceeds payable from securities lending	8,253,964	9,216,987
Consigned securities payable	14,988,418	4,990,149
Settled price	2,858,884	808,597
Securities purchased payable	9,468,087	4,879,672
Settlement payable	58,683,722	28,129,520
Deposits received on securities lending	7,645,125	8,025,210
Checks for clearing	610,952	585,996
SBL refund payable	266,692	153,271
Other payables	2,403,718	1,539,143
Total	$ 248,347,930	$ 161,327,046

(23) Deposits and remittances

	December 31, 2020	December 31, 2019
Checking deposits	$ 5,236,168	$ 5,181,275
Demand deposits	176,440,113	131,892,732
Time deposits	263,422,721	305,342,019
Negotiable certificates of deposit	13,504,500	24,423,500
Savings deposits	752,279,752	628,523,549
Remittances	137,140	143,196
Total	$ 1,211,020,394	$ 1,095,506,271

(24) Bonds payable

	December 31, 2020	December 31, 2019
Financial bonds	$ 34,500,000	$ 34,500,000
Unsecured corporate bonds	44,290,127	34,349,634
Total	$ 78,790,127	$ 68,849,634

A. The details of financial debentures as of December 31, 2020 were as follows:

	Third issue of subordinate financial debentures in 2011(B)
Par value	$4,500,000
Stated interest rate	Fixed interest rate at 1.95%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	First issue of subordinate financial debentures in 2014(A)
Par value	$1,600,000
Stated interest rate	Fixed interest rate at 1.80%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	First issue of subordinate financial 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

	Second issue of subordinate financial debentures in 2014
Par value	$1,700,000
Stated interest rate	Fixed interest rate at 1.85%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Third issue of subordinate financial debentures in 2014
Par value	$3,500,000
Stated interest rate	Fixed interest rate at 2.05%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Fourth issue of subordinate financial debentures in 2014
Par value	$900,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Fifth issue of subordinate financial debentures in 2014
Par value	$600,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Third issue of non-cumulative perpetual bonds for 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 financial 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 non-cumulative perpetual bonds for 2015
Par value	$1,450,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date

	Sixth issue of subordinate financial debentures in 2015
Par value	$2,000,000
Stated interest rate	Fixed interest rate at 2.08%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	First issue of subordinate financial debentures in 2016
Par value	$5,000,000
Stated interest rate	Fixed interest rate at 1.80%
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 December 31, 2020 were as follows:
The Company

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2015
Par value	$1,300,000
Stated interest rate	Fixed interest rate at 1.67%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(B)
Par value	$4,000,000
Stated interest rate	Fixed interest rate at 0.80%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(C)
Par value	$8,000,000
Stated interest rate	Fixed interest rate at 1.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings second issue of local unsecured normal corporate bond in 2016(B)
Par value	$1,600,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Six years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(A)
Par value	$1,500,000
Stated interest rate	Fixed interest rate at 0.86%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(B)
Par value	$8,500,000
Stated interest rate	Fixed interest rate at 0.96%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

The Yuanta Group

	First issue of unsecured subordinate normal corporate bond in 2019(A)
Par value	$2,200,000
Stated interest rate	Fixed interest rate at 1.25%
Issuance date	June 6, 2019
Maturity date	June 6, 2026
Issuance area	Taiwan

	First issue of unsecured subordinate normal corporate bond in 2019(B)
Par value	$6,300,000
Stated interest rate	Fixed interest rate at 1.40%
Issuance date	June 6, 2019
Maturity date	June 6, 2029
Issuance area	Taiwan

	First issue of unsecured subordinate normal corporate bond in 2020(A)
Par value	$1,300,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	October 20, 2020
Maturity date	October 20, 2027
Issuance area	Taiwan

	First issue of unsecured subordinate normal corporate bond in 2020(B)
Par value	$3,700,000
Stated interest rate	Fixed interest rate at 0.95%
Issuance date	October 20, 2020
Maturity date	October 20, 2030
Issuance area	Taiwan

	Yuanta Securities Asia Financial Services USD denominated unsecured privately placed bonds
Par value	USD 50,000 thousand (USD 31,260 thousand outstanding)
Stated interest rate	Fixed interest rate at 4.10%
Issuance date	August 2, 2018
Maturity date	August 2, 2023
Issuance area	Hong Kong

	Yuanta Securities Finance first issue of local unsecured normal corporate bond in 2020(A)
Par value	$2,300,000
Stated interest rate	Fixed interest rate at 0.63%
Issuance date	May 6, 2020
Maturity date	May 6, 2025
Issuance area	Taiwan

	Yuanta Securities Finance first issue of local unsecured normal corporate bond in 2020(B)
Par value	$2,700,000
Stated interest rate	Fixed interest rate at 0.67%
Issuance date	May 6, 2020
Maturity date	May 6, 2027
Issuance area	Taiwan

(25) Other borrowings

	December 31, 2020	December 31, 2019
Short-term borrowings		
Unsecured bank borrowings	$ 5,412,015	$ 11,827,493
Secured bank borrowings	5,577,018	4,341,814
KSFC secured borrowings	27,901,800	19,948,508
Issuance of short-term bond	18,905,228	21,319,419
Unsecured short-term bond	-	3,410,758
	$ 57,796,061	$ 60,847,992
Interest rate-short-term (%)	0.60%~8.60%	0.86%~7.50%

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

(26) Provisions for other liabilities

	December 31, 2020	December 31, 2019
Insurance liability	$ 304,868,061	$ 266,738,866
Reserve for foreign exchange fluctuation	714,669	600,869
Employee benefit liabilities reserve	6,629,634	5,814,732
Guaranteed policy reserve	151,060	147,163
Loan commitment reserve and letters of credit	44,148	48,360
Other reserves (Note)	664,363	510,911
Total	$ 313,071,935	$ 273,860,901

Note: For former TongYang Securities Inc.'s disputes with investors, incident to the sale of financial products issued by associates of the Tong Yang Group, for which investors have filed complaints with the competent authority of Korea, the competent authority of Korea, since July 31, 2014, has announced the results of the first mediation through the subsequent tenth mediation, concluding total disputed sales of KRW 697,000 million (approximately NT$18.3 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW 67,678 million (approximately NT$1.8 billion). Starting from the end of September 2014, other than a minority of customers who filed complaints, disagreeing with the above-mentioned mediated results by the competent authority, former TongYang Securities Inc. has commenced paying compensations.

In addition, as of December 31, 2020, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned dispute on financial products selling, demanding compensations totaling KRW 542,565 million (approximately NT$14.2 billion); of all were class actions, demanding compensation of KRW 492,565 million (approximately NT$12.9 billion) and KRW 50,000 million (approximately NT$1.3 billion). For the KRW 492,565 million class action, the Seoul High Court found the relevant formal conditions of the class action (such as commonality and efficiency) were already in place on October 28, 2019 and permitted the procedure application of this class action. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would proceed to the substantive trial and the Court would determine whether the plaintiffs' request is justified. For the KRW 50,000 million class action, the Seoul Central District Court and the Seoul High Court had rejected through the adjudication procedure, the plaintiffs filed an appeal on October 22, 2018 and the class action was in the process of the third instance.

Former TongYang Securities Inc. has recognised a liability reserve of KRW 93,400 million (approximately NT$2.5 billion) on December 31, 2013 for the aforementioned sales dispute. Other than adjustments made for actual compensation payments, former TongYang Securities Inc., after comprehensively considering the status of litigations and compensations, has reversed KRW 24,067 million (approximately NT$600 million) in liability reserves as of December 31, 2020. As of December 31, 2020, the balance of the liability reserve related to the aforementioned dispute on sales of financial products was KRW 5,066 million (approximately NT$130 million).

A. The components of insurance liabilities are as follows:

	December 31, 2020	December 31, 2019
Unearned premium reserve	$ 795,764	$ 633,319
Claims reserve	802,204	638,183
Reserve for policy benefit	298,427,292	260,684,071
Premium deficiency reserve	1,129,185	865,166
Other reserves	3,713,616	3,918,127
Total	$ 304,868,061	$ 266,738,866

(A) Unearned premium reserve and ceded unearned premium reserve

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

	December 31, 2020		
	Insurance contract	Financial instruments with discretionary participation features	Total
Unearned premium reserve			
Personal life insurance	$ 1,927	$ -	$ 1,927
Personal accident insurance	254,260	-	254,260
Personal health insurance	363,940	-	363,940
Group insurance	173,290	-	173,290
Investment-link insurance	2,347	-	2,347
	$ 795,764	$ -	$ 795,764
Ceded unearned premium reserve			
Personal life insurance	$ 379,447	$ -	$ 379,447
Personal accident insurance	702	-	702
Personal health insurance	164,367	-	164,367
Group insurance	1,790	-	1,790
Investment-link insurance	846	-	846
	$ 547,152	$ -	$ 547,152

	December 31, 2019		
	Insurance contract	Financial instruments with discretionary participation features	Total
Unearned premium reserve			
Personal life insurance	$ 1,320	$ -	$ 1,320
Personal accident insurance	218,920	-	218,920
Personal health insurance	250,051	-	250,051
Group insurance	160,602	-	160,602
Investment-link insurance	2,426	-	2,426
	$ 633,319	$ -	$ 633,319
Ceded unearned premium reserve			
Personal life insurance	$ 343,694	$ -	$ 343,694
Personal accident insurance	300	-	300
Personal health insurance	160,688	-	160,688
Group insurance	272	-	272
Investment-link insurance	837	-	837
	$ 505,791	$ -	$ 505,791

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

	For the years ended December 31,	
	2020	2019
Unearned premium reserve		
At January 1,	$ 633,319	$ 458,865
Provision	795,764	633,319
Recovery	(633,319)	(458,865)
At December 31,	$ 795,764	$ 633,319

	For the years ended December 31,	
	2020	2019
Ceded unearned premium reserve		
At January 1,	$ 505,791	$ 366,325
Current net change	42,084	139,581
Loss on foreign exchange	(723)	(115)
At December 31,	$ 547,152	$ 505,791

(B) Claims reserve and ceded claims reserve

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

	December 31, 2020		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	$ 392,894	$ 438	$ 393,332
Personal accident insurance	3,776	40,729	44,505
Personal health insurance	231,260	108,467	339,727
Group insurance	4,399	19,322	23,721
Investment-link insurance	902	17	919
	$ 633,231	$ 168,973	$ 802,204
Ceded claims reserve			
Personal life insurance	$ 28,489	$ -	$ 28,489
Personal health insurance	49,772	-	49,772
	$ 78,261	$ -	$ 78,261

	December 31, 2019		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	$ 364,404	$ 270	$ 364,674
Personal accident insurance	3,560	36,074	39,634
Personal health insurance	145,420	74,800	220,220
Group insurance	-	11,644	11,644
Investment-link insurance	2,000	11	2,011
	$ 515,384	$ 122,799	$ 638,183
Ceded claims reserve			
Personal life insurance	$ 36,019	$ -	$ 36,019
Personal accident insurance	81	-	81
Personal health insurance	30,654	-	30,654
	$ 66,754	$ -	$ 66,754

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

	For the years ended December 31,	
	2020	2019
Claims reserve		
At January 1,	$ 638,183	$ 406,408
Provision (Note)	802,272	638,575
Recovery	(638,183)	(406,408)
Gain on foreign exchange	(68)	(392)
At December 31,	$ 802,204	$ 638,183

	For the years ended December 31,	
	2020	2019
Ceded claims reserve		
At January 1,	$ 66,754	$ 29,749
Current net change	11,507	37,005
At December 31,	$ 78,261	$ 66,754

Note: For the years ended December 31, 2020 and 2019, the appropriated amount of the unreported and unpaid compensation reserves were $168,973 and $122,799, respectively.

(C) Reserve for policy benefit

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

	December 31, 2020		
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	$ 272,311,960	$ -	$ 272,311,960
Health insurance	25,592,354	-	25,592,354
Annuity insurance	8,517	352,808	361,325
Investment-link insurance	49,808	-	49,808
	$ 297,962,639	$ 352,808	298,315,447
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			61,562
Total			$ 298,427,292

	December 31, 2019		
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	$ 237,376,061	$ -	$ 237,376,061
Health insurance	22,798,809	-	22,798,809
Annuity insurance	9,624	328,343	337,967
Investment-link insurance	52,346	-	52,346
	$ 260,236,840	$ 328,343	260,565,183
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			68,605
Total			$ 260,684,071

b. Changes in reserve for policy benefit:

	For the years ended December 31,	
	2020(Note 1)	2019(Note 2)
At January 1,	$ 260,675,996	$ 218,459,623
Provision	50,506,400	49,823,274
Recovery	(10,860,523)	(6,953,056)
Gain on foreign exchange	(1,903,538)	(653,845)
At December 31,	$ 298,418,335	$ 260,675,996

Note 1: For the year ended December 31, 2020, "Reserve for policy benefit-payables to the insured" is $8,957. As of December 31, 2020, the total reserve for policy benefit amount of changes in reserve for policy benefit is $298,427,292.

Note 2: For the year ended December 31, 2019, "Reserve for policy benefit-payables to the insured" is $8,075. As of December 31, 2019, the total reserve for policy benefit amount of changes in reserve for policy benefit is $260,684,071.

For the years ended December 31, 2020 and 2019, the interest expense, reflecting on the contract liabilities over a period of time, were $7,422,697 and $6,568,059, respectively.

(D) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

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

	December 31, 2019		
	Insurance contract	Financial instruments with discretionary participation features	Total
Personal life insurance	$ 851,667	$ -	$ 851,667
Personal health insurance	13,499	-	13,499
Total	$ 865,166	$ -	$ 865,166

b. Change in premium deficiency reserve:

	For the years ended December 31,	
	2020	2019
At January 1,	$ 865,166	$ 1,340,561
Provision	298,739	(468,044)
Recovery	(5,158)	(5,288)
Gain on foreign exchange	(29,562)	(2,063)
At December 31,	$ 1,129,185	$ 865,166

(E) Other reserves

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

	For the years ended December 31,	
	2020	2019
At January 1,	$ 3,918,127	$ 4,103,376
Recovery	(204,511)	(185,249)
At December 31,	$ 3,713,616	$ 3,918,127

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 years ended December 31,	
	2020	2019
At January 1,	$ 600,869	$ 893,568
Provision		
Compulsory provision	255,245	268,261
Additional provision	1,072,411	1,033,640
Subtotal	1,928,525	2,195,469
Recovery	(1,213,856)	(1,594,600)
At December 31,	$ 714,669	$ 600,869

Yuanta Life of the Yuanta Group provided additional reserve for changes in foreign exchange valuation in the amount of $300,000 and $200,000, respectively, in accordance with the Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises as approved by the FSC, Jin-Guan-Bao-Sho-Zi Letter No.1090425644 and No. 1090431764 dated August 4, 2020 and Octobor 29, 2020, respectively.

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of Yuanta Life of the Yuanta Group for the years ended December 31, 2020 and 2019 are as follows:

	For the year ended December 31, 2020		
	Ineligible amount	Eligible amount	Impact
Net income	$ 1,901,247	$ 1,810,207	($ 91,040)
Earnings per share (in dollars)	0.92	0.88	(0.04)
Reserve for foreign exchange fluctuation	-	714,669	714,669
Total equity	30,375,063	29,788,020	(587,043)

	For the year ended December 31, 2019		
	Ineligible amount	Eligible amount	Impact
Net income	$ 675,375	$ 909,534	$ 234,159
Earnings per share (in dollars)	0.69	0.93	0.24
Reserve for foreign exchange fluctuation	-	600,869	600,869
Total equity	13,712,806	13,216,803	(496,003)

(27) Employee benefit liabilities reserve

A. Defined benefit plans:

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45～61 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Yuanta Group also established a special retention bonus plan applicable to certain employees. Except for Yuanta Securities Finance contributing retirement fund by 8% of the employees' monthly salaries and wages, the Yuanta Group contributes monthly an amount equal to 2% of the employees'

monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Yuanta Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Yuanta Group will make contributions to cover the deficit by next March. Yuanta Securities (Korea) and its subsidiary have a defined benefit plan or a defined contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no. 1086074270 and no. 1096073370 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2019 to August 2021.

(B) The amounts recognised in the balance sheet are as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 8,601,044	$ 7,824,898
Faire value of plan assets	(2,337,897)	(2,520,088)
	6,263,147	5,304,810
Prepaid pension cost	39,149	37,335
Net defined benefit laibilities	$ 6,302,296	$ 5,342,145

(C) Movement in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2020			
Balance at January 1,	$ 7,824,898	($ 2,520,088)	$ 5,304,810
Current service cost	403,790	-	403,790
Interest expense (income)	88,952	(20,645)	68,307
Past service cost	(61,347)	-	(61,347)
Settlement loss	-	1,099	1,099
	8,256,293	(2,539,634)	5,716,659
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	137	(117,197)	(117,060)
Change in demographic assumptions	(125,548)	-	(125,548)
Change in financial assumptions	269,738	-	269,738
Experience adjustment	841,449	(606)	840,843
	985,776	(117,803)	867,973
Pension fund contribution	-	(58,592)	(58,592)
Paid pension	(665,831)	379,163	(286,668)
Translation difference	24,806	(1,031)	23,775
Balance at December 31,	$ 8,601,044	($ 2,337,897)	$ 6,263,147

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2019			
Balance at January 1,	$ 7,553,115	($ 2,597,392)	$ 4,955,723
Current service cost	394,653	-	394,653
Interest expense (income)	109,872	(30,201)	79,671
	8,057,640	(2,627,593)	5,430,047
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	2,013	(72,833)	(70,820)
Change in demographic assumptions	(62,653)	-	(62,653)
Change in financial assumptions	301,252	-	301,252
Experience adjustment	76,370	(570)	75,800
	316,982	(73,403)	243,579
Pension fund contribution	-	(60,940)	(60,940)
Paid pension	(410,444)	228,548	(181,896)
Translation difference	(139,280)	13,300	(125,980)
Balance at December 31	$ 7,824,898	($ 2,520,088)	$ 5,304,810

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenue, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The operating status of Yuanta Securities (Korea)'s defined benefit plan's assets is as follows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 19,236	$ 121,361
Debt instruments	18,043	23,598
Beneficiary certificates	16,939	15,024
Others	165,572	75,435
	$ 219,790	$ 235,418

(E) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2020	2019
Discount rate	0.30%~2.07%	0.70%~2.10%
Future salary increases	2.00%~6.51%	2.00%~6.00%

The assumptions for future mortality are estimated based on published statistics and experience of countries.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of the Yuanta Group (except for Yuanta Securities (Korea)) was as follows:

	Discount rate		Future salary increase rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	($ 127,310)	$ 131,586	$ 114,384	($ 111,440)
December 31, 2019				
Effect on present value of defined benefit obligation	($ 119,578)	$ 123,767	$ 110,446	($ 107,070)

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of Yuanta Securities (Korea) was as follows:

	Discount rate		Future salary increase rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2020				
Effect on present value of defined benefit obligation	($ 246,059)	$ 284,847	$ 282,255	($ 248,583)
December 31, 2019				
Effect on present value of defined benefit obligation	($ 291,857)	$ 348,727	$ 346,348	($ 295,437)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. There is no change in the assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

(F) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2021 amount to $52,359.

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.

(C) Termination provisions

On August 21, 2015, Ta Chong Bank entered into second amendments agreement of share conversion agreement with the Company, the agreements including secured employees' right, the secure period was 36 months after the effective date of combination of banks. As of December 31, 2020 and 2019, the termination provision which was recognised for aforementioned event amounted to $123,575 and $280,239, respectively (shown as provision for liabilities). As of December 31, 2020, because of the terminating of aforementioned application for right, the provision for liabilities was expected to be recognised at the actual payable amount on January 29, 2021. As of December 31, 2019, the termination provisions were calculated by qualified actuaries. The principal assumptions used for the purpose of the actuarial valuations were as follows:

	For the year ended December 31, 2019
Discount rate(%)	0.70
Expected rate of salary increase(%)	2.00
Total application rate(%)	80.00

(D) Under the defined contribution plan, the Company and its domestic subsidiaries recognised pension expense of $479,162 (shown as employees' benefit expenses of $471,340 and net income other than interest of $7,822) and $443,634 (shown as employees' benefit expenses of $434,490 and net income other than interest of $9,144) for the years ended December 31, 2020 and 2019, respectively.

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

The pension plan for Yuanta Securities Asia Finance is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) Ltd., Yuanta Securities Holding (B.V.I) Ltd. and Yuanta Investment Management (Cayman) Ltd. do not have compulsory pension plans according to local regulations. The pension plans for other foreign subsidiaries are in compliance with local regulations.

Yuanta Securities Asia Finance, Yuanta Securities (Hong Kong), Yuanta Investment Consulting Beijing and Yuanta Securities (UK) recognised pension expense of $13,755 and $14,262 for the years ended December 31, 2020 and 2019, respectively, based on the abovementioned pension plan and local regulations. Under the defined contribution plan, Yuanta Securities (Korea) and its subsidiaries recognised pension expense of $93,710 and $54,681 for the years ended December 31, 2020 and 2019, respectively.

In accordance with the local regulations, Yuanta Securities (Indonesia) and Yuanta Securities (Thailand) and its subsidiaries recognised pension liabilities of $172,701 and $165,758 as of December 31, 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, pension expenses were recognised amounting to $34,043 and $63,521, respectively. Additionally, (losses) gains on remeasurements of defined benefit plans were ($1,940) and $21,251, respectively.

In accordance with the local regulations, Yuanta Savings Bank (Philippines) has recognised employee benefit liabilities of $5,226 and $5,025, respectively, as of December 31, 2020 and 2019, and recognised pension expense of $1,608 and $1,734 under other comprehensive

income, respectively, for the years ended December 31, 2020 and 2019. Additionally, gains on remeasurements of defined benefit plans were $1,404 and $0, respectively.

In accordance with the above-mentioned pension plan, Yuanta Savings Bank (Korea) has recognised employee benefit liabilities of $937 and $2,971, respectively, as of December 31, 2020 and 2019, and recognised pension expenses of $8,313 and $8,853 under other comprehensive income, respectively, for the years ended December 31, 2020 and 2019. Additionally, gains (losses) on remeasurements of defined benefit plans were $1,653 and ($834), respectively.

For the aforementioned pension plan, Yuanta Futures Hong Kong and SYF Information (Shanghai) recognised pension expenses of $1,310 and $1,299 for the years ended December 31, 2020 and 2019, respectively.

(28) Other financial liabilities

	December 31, 2020	December 31, 2019
Futures traders' equity	$ 83,440,553	$ 67,419,748
Structured deposit	3,349,248	6,712,530
Investment-linked products liabilities	1,923,783	1,935,363
Appropriated loan fund	-	1,779
Total	$ 88,713,584	$ 76,069,420

(29) Other liabilities

	December 31, 2020	December 31, 2019
Guarantee deposit-in and margin deposits	$ 29,366,404	$ 28,783,494
Underwriting share proceeds collected on behalf of customers	4,699,339	241,581
Collections in advance	1,975,566	1,348,880
Retention bonus payable	1,252,976	1,474,522
Refundable deposits	3,947,898	1,111,072
Refundable deposits-derivative transactions	2,841,750	3,973,016
Others	2,350,652	1,351,049
Total	$ 46,434,585	$ 38,283,614

(30) Share capital

As of December 31, 2020 and 2019, the Company's total authorized capital were $180,000,000 and $125,000,000, respectively and total paid-in capital were $121,374,360 and $116,706,115, respectively. The aforementioned total paid-in capital includes 12,137,436 and 11,670,612 thousand shares of common stock, each with a par value of $10 dollars per share.

(31) Capital surplus

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

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

	December 31, 2020	December 31, 2019
Post 1998	$ 4,036,443	$ 4,036,443

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

	December 31, 2020	December 31, 2019
Additional paid-in capital	$ 33,573,790	$ 33,573,790
Treasury share transactions	3,479,710	3,479,710
Others	832,449	348,980
	$ 37,885,949	$ 37,402,480

(32) Legal reserve and special reserve

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

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

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

(33) Undistributed earnings

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

(A) Pay income tax;

(B) Offset prior years' deficits;

(C) Provide legal reserve and special reserve; and

(D) The remaining amount and prior years' undistributed earnings shall be resolved by the stockholders during their meeting.

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

C. Details of the earnings distribution for 2019 of the Company resolved by the stockholders' meeting on June 9, 2020 and the earnings distribution for 2018 resolved by the stockholders' meeting on June 14, 2019 are as follows:

	2019 earnings		2018 earnings	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ -	$ -	$ 1,867,921	$ -
Cash dividends	7,585,897	0.65	10,503,550	0.90
Stock dividends	4,668,245	0.40	-	-

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

D. The earnings distribution for 2020 of the Company has been resolved by the Board of Directors on March 23, 2021. Details are as follows:

	2020 earnings	
	Amount	Dividend per share (in dollars)
Cash dividends	$ 14,564,923	$ 1.20

E. Please refer to Note 6(43) for the details of the bonus to employees and remuneration to directors and supervisors.

(34) Other equity items

	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income on reclassification under the overlay approach	Total
Balance, January 1, 2020	($ 3,528,386)	$ 11,907,186	($ 36,730)	$ 46,959	$ 8,389,029
Financial assets at fair value through other comprehensive income					
- Evaluation adjustment in the period	-	8,273,092	-	-	8,273,092
- Evaluation transferred to profit or loss	-	(2,525,507)	-	-	(2,525,507)
- Evaluation transferred to retained earnings	-	(651,523)	-	-	(651,523)
Other comprehensive income on reclassification under the overlay approach	-	-	-	325,009	325,009
Changes in translation difference of foreign operating entities	(938,750)	-	-	-	(938,750)
Effects on income tax	-	(277,100)	1,954	(26,319)	(301,465)
Evaluation of credit risk	-	-	(10,362)	-	(10,362)
Balance, December 31, 2020	($ 4,467,136)	$ 16,726,148	($ 45,138)	$ 345,649	$ 12,559,523

	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income on reclassification under the overlay approach	Total
Balance, January 1, 2019 after adjustments	($ 2,409,469)	$ 7,775,718	($ 29,798)	($ 330,367)	$ 5,006,084
Financial assets at fair value through other comprehensive income					
- Evaluation adjustment in the period	-	5,717,498	-	-	5,717,498
- Evaluation transferred to profit or loss	-	(1,212,609)	-	-	(1,212,609)
- Evaluation transferred to retained earnings	-	(124,942)	-	-	(124,942)
Other comprehensive income on reclassification under the overlay approach	-	-	-	415,946	415,946
Changes in translation difference of foreign operating entities	(999,295)	-	-	-	(999,295)
Effects on income tax	(119,622)	(248,479)	1,595	(38,620)	(405,126)
Evaluation of credit risk	-	-	(8,527)	-	(8,527)
Balance, December 31, 2019	($ 3,528,386)	$ 11,907,186	($ 36,730)	$ 46,959	$ 8,389,029

(35) Treasury shares

The Yuanta Group has no relevant information for the year ended December 31, 2020, and the changes in the Company's treasury shares held by Yuanta Group for the year ended December 31, 2019 was as follows (expressed in thousands of shares):

	For the year ended December 31, 2019					
Reason for buyback of shares	Beginning balance of amount	Beginning balance of shares	Share increase	Share decrease	Ending balance of shares	Ending balance of amount
Buy-back rights of shareholders with objections (Note)	$ 197,606	15,621	-	(15,621)	-	$ -

Note: For the Company's share transfer acquisition plan with Ta Chong Commercial Bank Co., Ltd., shareholders with objections have demanded the Company to buy back their shares in accordance with Article 317 of the Company Act.

(BLANK)

(36) Net interest income

	For the years ended December 31,	
	2020	2019
Interest income		
Bills discounted and interest income on loans	$ 16,391,713	$ 19,321,618
Interest income from margin trade	4,295,543	4,270,493
Interest income on securities investment	12,785,741	13,137,643
Interest income from placement and call loan to other banks	1,242,492	2,069,803
Interest income on bills and bonds purchased under resale agreements	362,945	582,870
Recurring interest income from credit card	203,384	235,672
Other interest income	1,087,376	1,388,344
Subtotal	36,369,194	41,006,443
Interest expense		
Interest expense of deposit	($ 5,126,108)	($ 7,390,429)
Interest expense of Central Bank and other banks'deposit	(33,063)	(214,503)
Interest expense on due to the Central Bank and other banks	(936,678)	(1,415,449)
Interest expense on bills and bonds sold under repurchase agreements	(1,361,718)	(2,977,840)
Interest expense of structured instruments	(152,637)	(465,003)
Coupon rate of bank debenture	(826,128)	(867,561)
Coupon rate of corporate bonds	(416,569)	(391,175)
Coupon rate of commercial papers	(156,154)	(345,295)
Interest expense of margin purchase	(28,860)	(24,959)
Lease liabilities interest expense	(99,796)	(105,046)
Other interest expense	(312,531)	(676,264)
Subtotal	(9,450,242)	(14,873,524)
Total	$ 26,918,952	$ 26,132,919

(37) Net service fee and commission income

	For the years ended December 31,	
	2020	2019
Service fee and commission income		
Brokerage service fee income	$ 26,248,798	$ 15,638,068
Service fee income on insurance brokerage and stock register	1,364,257	1,449,644
Service fee on credit cards	1,090,001	1,519,091
Service fee income on trust business	3,406,923	3,415,565
Service income on credit extension	638,493	879,443
Underwriting service income	1,001,435	1,312,408
Service income on margin trade	146,952	98,593
Commission – reinsurance allowance	110,767	111,718
Service income on foreign exchange	77,725	87,119
Service fee income on consigned settlement	37,703	37,976
Deposits and remittance and other service income	512,297	767,336
Subtotal	34,635,351	25,316,961
Service fee expenses and commission expense		
Insurance commission expense	($ 2,126,244)	($ 2,735,736)
Service expense on trust business	(3,214)	(2,704)
Service expense on brokerage	(2,663,122)	(1,992,405)
Service expense on self-operation	(116,751)	(94,136)
Service fee expense on credit cards	(1,023,138)	(1,399,957)
Service expense on settlement	(603,417)	(417,589)
Futures commission expense	(461,293)	(451,854)
Underwriting service expense	(6,326)	(23,833)
Service expense on foreign exchange	(37,894)	(41,642)
Service expense on credit extension	(30,975)	(33,158)
Deposits and remittance and other service expense	(352,200)	(327,724)
Subtotal	(7,424,574)	(7,520,738)
Total	$ 27,210,777	$ 17,796,223

(38) Net income from insurance operations

	For the years ended December 31,	
	2020	2019
Income from insurance operations		
Gross collected premiums	$ 49,695,515	$ 50,516,952
Less: Reinsurance premium ceded	(1,022,062)	(883,544)
Net changes of unearned premium reserve	(120,361)	(34,873)
Retention earned premium income	48,553,092	49,598,535
Investment-linked product income (Note)	260,592	434,052
Subtotal	48,813,684	50,032,587
Expense from insurance operations		
Claims and policy benefits	($ 13,540,187)	($ 9,173,718)
Less: Claims recovered from reinsurers	597,621	419,348
Retention claims and policy benefits payments	(12,942,566)	(8,754,370)
Underwriting expenses	(6,909)	(9,194)
Expense from guaranty fund	(94,551)	(96,057)
Investment-linked product expenses (Note)	(260,592)	(434,052)
Subtotal	(13,304,618)	(9,293,673)
Total	$ 35,509,066	$ 40,738,914

Note: Details about the assets on insurance products, separated accounts are provided in Note 6(12).

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

	For the years ended December 31,	
	2020	2019
Realized gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	$ 192,096	$ 172,212
Bonds	7,643,516	6,224,152
Stocks	4,725,931	3,701,342
Beneficiary certificates	(2,361,821)	1,456,367
Interest-linked instrument	(1,006,352)	(235,978)
Exchange rate-linked instrument	1,711,476	(4,964,529)
Equity-linked instrument	-	(33)
Other financial derivative instruments	11,705,039	1,544,858
Loss on covering of borrowed securities and bonds with resale agreements	(7,858,997)	(1,063,764)
Loss from issuing call (put) warrants	(7,650,760)	(7,229,932)
Issuing call (put) warrants expense	(387,365)	(320,059)
Others	6,963,164	2,583,278
Subtotal	13,675,927	1,867,914

	For the years ended December 31,	
	2020	2019
Unrealized gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	($ 39,031)	($ 5,367)
Bonds	2,643,789	1,971,519
Stocks	2,627,351	3,382,704
Beneficiary certificates	404,115	279,469
Interest-linked instrument	(3,019,309)	(2,211,133)
Exchange rate-linked instrument	2,100,150	2,980,973
Equity-linked instrument	(323)	323
Other financial derivative instruments	633,128	(1,182,428)
Valuation loss on borrowed securities and bonds with resale agreements	(7,285,766)	(1,956,521)
Gain on issuance of call (put) warrants	9,254,057	7,805,495
Others	784,436	1,109,643
Subtotal	8,102,597	12,174,677
Total	$ 21,778,524	$ 14,042,591

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 years ended December 31, 2020 and 2019, including the gain (loss) on disposal, were $7,373,899 and ($5,482,552), respectively, and the issuing call (put) warrants expense, were $387,365 and $320,059, respectively, and the dividends income were $1,929,663 and $2,009,499, respectively, and the interest income were $4,759,730 and $5,661,026, respectively.

B. The Yuanta Group recognised net loss amounting to $886,071 and $7,969,212, respectively, on financial liabilities designated as at fair value through profit or loss for the years ended Deceember 31, 2020 and 2019.

C. Net income on the exchange rate instruments includes realised and unrealised gains and losses on forward exchange agreements, FX options, and exchange rate futures.

D. Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.

E. Any change in fair value of the derivatives together managed with the financial instruments designated at fair value through profit and loss is listed under “gain and loss of financial assets and liabilities at fair value through profit and loss”.

(40) Asset impairment loss

	For the years ended December 31,	
	2020	2019
Impairment loss on investments in debt instruments measured at fair value through other comprehensive income	$ 9,112	$ 12,156
Impairment loss (reversal of impairment loss) on investments in debt instruments at amortised cost	6,226	(2,966)
Impairment loss on property and equipment	1,138	-
Reversal of impairment loss on investment property	(6,037)	(13,895)
Impairment loss on intangible assets	1,414,818	3,676
(Reversal of impairment loss) impairment loss on other assets	(349)	21,412
Total	$ 1,424,908	$ 20,383

(41) Net other miscellaneous income

	For the years ended December 31,	
	2020	2019
Borrowed stock revenue	$ 1,289,013	$ 1,480,324
Net change of reserve for foreign exchange fluctuation	(113,800)	292,699
Other net income	1,137,468	498,429
Total	$ 2,312,681	$ 2,271,452

(42) Provision for bad debt expenses, commitment and reserve for guarantee liabilities

	For the years ended December 31,	
	2020	2019
Bad debt expense of accounts receivable	$ 196,586	$ 305,161
Bad debt expense of bills discounted and loans	2,731,764	2,763,203
Recognition (recovery) of reserve for guarantee liabilities	4,280	(50,300)
Recovery of loan commitment reserve and other reserve	(4,344)	(8,726)
Recovery of bad debt expense	(776,234)	(1,656,644)
Total	$ 2,152,052	$ 1,352,694

(43) Employee benefit expense

	For the years ended December 31,	
	2020	2019
Wages and salaries	$ 23,689,320	$ 20,094,034
Labor and health insurance fees	964,146	937,893
Pension costs	1,035,928	1,053,164
Termination benefits	27,544	(85,405)
Other employee benefit expenses	1,266,624	1,276,341
Total	$ 26,983,562	$ 23,276,027

The numbers of employees of the Yuanta Group were 14,276 and 14,157 for years ended December 31, 2020 and 2019, 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 years ended December 31, 2020 and 2019, employees' compensation was accrued at $3,692 and $3,323, respectively; directors' and supervisors' remuneration was accrued at $195,264 and $166,607, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2019 as resolved by the Board of Directors in 2019 was in agreement with those amounts recognised in the 2019 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(44) Depreciation and amortization

	For the years ended December 31,	
	2020	2019
Investment property depreciation	$ 95,431	$ 90,805
Property and equipment depreciation	1,022,714	1,008,641
Right-of-use asset depreciation	1,474,447	1,439,385
Intangible asset amortization	483,378	665,613
Deferred assets amortization	61,531	69,286
Total	$ 3,137,501	$ 3,273,730

(45) Other business and administrative expenses

	For the years ended December 31,	
	2020	2019
Tax	$ 3,690,585	$ 2,953,221
Computer science expense	1,307,693	1,279,841
Commission expense	877,479	716,204
Professional expense	677,099	682,916
Postage and telephone costs	714,011	702,640
Miscellaneous expenses	738,022	814,230
Security borrowing expenses	790,734	781,087
Others	3,865,419	3,790,740
Total	$ 12,661,042	$ 11,720,879

(46) 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 years ended December 31,	
	2020	2019
Current tax:		
Income tax from current income period	$ 5,042,108	$ 3,639,583
Income tax on unappropriated earnings	291,578	165,488
Adjustments in respect of prior years	(187,610)	(161,205)
Total current tax	5,146,076	3,643,866
Deferred tax:		
Origination and reversal of temporary differences	(356,842)	(244,552)
Total deferred tax	(356,842)	(244,552)
Income tax expense	$ 4,789,234	$ 3,399,314

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

	For the years ended December 31,	
	2020	2019
Translation gain and loss on the financial statements of foreign operating entities	$ 15,300	$ 119,622
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	133,449	220,429
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	216,326	30,598
Change in fair value of financial liability attributable to change in credit risk	(3,321)	(2,811)
Other comprehensive income or loss on reclassification under the overlay approach	26,319	38,620
Share of profit or loss of associates and joint ventures accounted for using equity method	24,646	(141)
Gain or loss on remeasurements of defined benefit plans	(173,570)	(49,681)
Total	$ 239,149	$ 356,636

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2020	2019
Income tax from pretax income calculated at regulated tax rate	$ 12,077,096	$ 9,974,173
Additional tax payment levied on undistributed earnings	291,578	165,488
Alternative minimum tax effects	1,494,155	707,983
Temporary differences not recognized under deferred tax	(432,348)	(247,640)
Adjustments in respect of prior years	(187,610)	(161,205)
Use of prior years' unrealized tax losses in the current year	(125,000)	(586,086)
Effects of items not recognized under relevant regulations, exemption and other income	(8,328,637)	(6,453,399)
Income tax expense	$ 4,789,234	$ 3,399,314

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C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	For the year ended December 31, 2020				
	January 1,	Recognised in profit or loss	Recognised in other comprehensive income	Others (Note)	December 31,
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	$ 841,618	$ 1,124,294	$ 7,624	($ 1)	$ 1,973,535
Allowance for doubtful accounts in excess of tax limitation	540,912	131,828	-	(3)	672,737
Unrealized loss on litigation loss	14,786	-	-	-	14,786
Unrealized losses on financial instruments	435,980	36,235	-	-	472,215
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,148,469	21,738	175,863	1	1,346,071
Deferred income on credit card	2,597	(649)	-	-	1,948
Tax loss carryforwards	1,846,834	(826,241)	-	337	1,020,930
Others	1,145,419	381,690	65,764	(4)	1,592,869
Subtotal	5,976,615	868,895	249,251	330	7,095,091
-Deferred tax liabilities:					
Unrealised exchange gain	($ 43,974)	($ 187,337)	$ -	$ -	($ 231,311)
Reserve for land value increment tax	(32,027)	-	-	5,260	(26,767)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(7,180)	236	(311)	-	(7,255)
Unrealized gain on financial instruments	(1,193,902)	(459,541)	(469,056)	32	(2,122,467)
Goodwill amortization	(2,460,862)	40,591	-	-	(2,420,271)
Others	(145,582)	93,998	(19,033)	6	(70,611)
Subtotal	(3,883,527)	(512,053)	(488,400)	5,298	(4,878,682)
Total	$ 2,093,088	$ 356,842	($ 239,149)	$ 5,628	$ 2,216,409

Note:Impact of foreign exchange rate difference included.

	For the year ended December 31, 2019				
	January 1,	Recognised in profit or loss	Recognised in other comprehensive income	Others (Note)	December 31 ,
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	$ 228,797	$ 612,138	$ 684	($ 1)	$ 841,618
Allowance for doubtful accounts in excess of tax limitation	356,258	184,596	-	58	540,912
Unrealized loss on litigation loss	13,800	986	-	-	14,786
Unrealized losses on financial instruments	1,012,992	(442,742)	(134,358)	88	435,980
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,030,571	68,272	49,599	27	1,148,469
Deferred income on credit card	2,847	(250)	-	-	2,597
Tax loss carryforwards	1,697,463	149,547	-	(176)	1,846,834
Goodwill amortization (accumulated impairment included)	48,237	(48,237)	-	-	-
Others	1,508,222	(223,637)	(142,570)	3,404	1,145,419
Subtotal	5,899,187	300,673	(226,645)	3,400	5,976,615
-Deferred tax liabilities:					
Unrealised exchange gain	($ 269,446)	$ 225,480	$ -	($ 8)	($ 43,974)
Reserve for land value increment tax	(40,278)	-	-	8,251	(32,027)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(6,996)	(267)	83	-	(7,180)
Unrealized gain on financial instruments	(848,477)	(176,608)	(168,879)	62	(1,193,902)
Goodwill amortization	(2,403,253)	(57,609)	-	-	(2,460,862)
Others	(137,293)	(47,117)	38,805	23	(145,582)
Subtotal	(3,705,743)	(56,121)	(129,991)	8,328	(3,883,527)
Total	$ 2,193,444	$ 244,552	($ 356,636)	$ 11,728	$ 2,093,088

Note:Impact of foreign exchange rate difference and IFRS 16 adjustment included.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020

Year incurred	Amount filed/assessed/ Estimated	Unused amount	Unrecognised deferred tax assets	Usable until year
2012	Assessed	$ 107,596	$ 107,596	2022
2014	Assessed	74,275	74,275	2024
2018	Filed	6,569	6,569	2028
2019	Filed	14,042	14,042	2029
2020	Estimated	3,976	3,976	2030

December 31, 2019

Year incurred	Amount filed/assessed/ Estimated	Unused amount	Unrecognised deferred tax assets	Usable until year
2012	Assessed	$ 286,474	$ 265,173	2022
2013	Assessed	53,653	53,653	2023
2014	Assessed	74,275	74,275	2024
2018	Filed	6,569	6,569	2028
2019	Estimated	14,042	14,042	2029

As of December 31, 2020 and 2019, Yuanta Securities (Hong Kong)'s unused tax losses was $365,140 and $901,196, respectively; of which unrecognised deferred tax assets was $0 and $495,852, respectively. There were no expiration dates for the tax losses pursuant to local laws. As of December 31, 2020 and 2019, among the Yuanta Group, Yuanta Asia Investment (Hong Kong) has unused loss carryforward in the amount of $1,756 and $567, and unrecognised deferred tax assets amounted to $1,756 and $567, respectively. There were no expiration dates for the tax losses pursuant to local laws. As of December 31, 2020 and 2019, Yuanta Investment Consulting Beijing's unused tax losses was $44,677 and $52,792, respectively; of which unrecognised deferred tax assets was $44,677 and $52,792, respectively. The validity period for the tax losses pursuant to local laws was before 2025. As of December 31, 2020 and 2019, Yuanta Securities (Korea)'s unused tax losses was $2,446,265 and $5,968,957, respectively. The validity period for the tax losses pursuant to local laws was before 2025.

Yuanta Group has not estimated deferred tax liabilities for related taxes that may be payable due to Yuanta Securities Asia Financial Services' unrepatriated earnings, which as of December 31, 2020 and 2019, was $4,960,065 and $4,593,784, respectively. The above-mentioned unrepatriated earnings are expected to be used for reinvestment. As of December 31, 2020 and 2019, Yuanta Securities Asia Financial Services' unrepatriated earnings were $24,800,325 and $22,968,918, respectively. As of December 31, 2020, the unrecognized deferred income tax asset (liability) of Yuanta Securities (Korea) for taxable temporary differences associated with equity method were $289,561 and ($1,155,562), respectively. As of December 31, 2019, the unrecognized deferred income tax asset (liability) of Yuanta Securities (Korea) for taxable temporary differences associated with equity method were $262,539 and ($1,408,760), respectively.

As of December 31, 2020, Yuanta Savings Bank (Philippines)'s unused loss deductions was $173,147; the validity period for the loss deductions pursuant to local laws was before 2023. As of December 31, 2020, Yuanta Savings Bank (Korea)'s unused loss deductions was $270,110; the validity period for the loss deductions pursuant to local laws was before 2026.

E. As of December 31, 2020, 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 2015
Yuanta Securities	Assessed through 2015
Yuanta Bank	Assessed through 2015
Yuanta Securities Finance	Assessed through 2015
Yuanta Venture Capital	Assessed through 2015
Yuanta Asset Management	Assessed through 2015
Yuanta Securities Investment Consulting	Assessed through 2015
Yuanta Futures	Assessed through 2018
Yuanta Securities Investment Trust	Assessed through 2018
Yuanta Life	Assessed through 2015
Yuanta International Insurance Brokers	Assessed through 2018
Yuanta International Leasing	Assessed through 2018
Yuanta I Venture Capital	Assessed through 2018

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

Yuanta Securities

(A) Yuanta Securities disagreed with the Tax Authority's assessments of income tax returns for the fiscal years from 2011 to 2015. Yuanta Securities has filed for administrative remedies in accordance with the law and accrued the related income tax effects. Yuanta Securities filed for an administrative remedy of the Tax Authority's assessment of income tax return has been retrial decision rejected by the Supreme Administrative Court and rejected by the High Administrative Court for the fiscal year 2007 and 2010, respectively. As of December 31, 2020, the amount was $1,349,571.

(B) The dissolved company, Polaris Securities disagreed with the Tax Authority's assessments of income tax returns for the fiscal year 2011. Polaris Securities has filed for administrative remedies in accordance with the law, and accrued the related income tax effects. As of December 31, 2020, the amount was $61,137.

(47) Earnings per share

	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic and diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 24,104,576	12,137,436	$ 1.99

	For the year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic and diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 20,445,508	12,137,436	$ 1.68

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings of 2019 on June 9, 2020. Basic earnings per share and diluted earnings per share before the adjustment was 1.75 (in dollars) for the year ended December 31, 2019.

(48) Changes in liabilities from financing activities

	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1, 2020	$ 198,665,918	$ 38,621,728	$ 68,849,634	$ 60,847,992	$ 5,527,660
Changes in cash flow from financing activities	17,955,269	(11,177,948)	9,993,895	(3,051,931)	891,153
Impact of changes in foreign exchange rate	-	-	(123,666)	-	(49,977)
Amortisation of a premium or a discount on interest expense	-	(26,291)	70,264	-	-
At December 31, 2020	$ 216,621,187	$ 27,417,489	$ 78,790,127	$ 57,796,061	$ 6,368,836

	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1, 2019	$ 218,570,425	$ 36,269,123	$ 66,756,009	$ 64,019,801	$ 6,237,121
Changes in cash flow from financing activities	(19,904,507)	2,302,597	2,725,344	(3,171,809)	(567,678)
Impact of changes in foreign exchange rate	-	-	(565,635)	-	(141,783)
Amortisation of a premium or a discount on interest expense	-	50,008	(66,084)	-	-
At December 31, 2019	$ 198,665,918	$ 38,621,728	$ 68,849,634	$ 60,847,992	$ 5,527,660

7. Related party transactions

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

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
Polaris Research Institute (Polaris Research)	Related party in substance
Shang Trip Travel Service Co., Ltd. (Shang Trip Travel Service)	"
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Yuen Foong Yu Consumer Products Co., Ltd. (Yuen Foong Yu Consumer Products)	" (Has become a related party since June 22, 2020.)
Yuanta Cultural & Education Foundation (Yuanta Foundation)	A director of Yuanta Group holds a key managing position
Wei Ran Co., Ltd.	" (No longer a related party since November 20, 2020.)
He's Education Foundation	"
Taiwan Securities Association	"
2011 KIF-TONGYANG IT Venture Fund	Investments accounted for using the equity method of Yuanta Securities (Korea)
TONGYANG AGRI-FOOD INVESTMENT Fund II	"
KVIC-Yuanta 2015 Overseas Advance Fund	"
IBKC-TONGYANG Growth 2013 Private Equity Fund	"
Yuanta Secondary No.2 Fund	"
Yuanta Secondary No.3 Private Equity Fund	"
2016 KIF-Yuanta ICT Venture Fund	"
Yuanta SPAC Ⅲ	"
Yuanta SPAC IV	"
Yuanta SPAC V	" (Has become a related party since September 4, 2019.)
Yuanta SPAC VI	" (Has become a related party since October 17, 2019.)
Kiwoom-Yuanta 2019 Scale-up Fund	" (Has become a related party since April 29, 2020.)
Yuanta SPAC VII	" (Has become a related party since September 28, 2020.)
Yuanta SPAC VIII	" (Has become a related party since September 28, 2020.)
Yuanta Diamond Funds SPC	Funds managed by Yuanta Securities(Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment
Yuanta Asia Growth Investment, L.P.	"

Names of related parties	Relationship with the Group
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, invested enterprises of key management and its close relatives, and the key management of the consolidated company.

(2) Significant transactions and balances with related parties

A. Deposits

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

December 31, 2019			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	$ 10,510,542	0.96	0.000~6.065

Apart from an interest rate limit on staff demand savings deposits of 5.800% ~ 6.065% and 6.065%, respectively, for the years ended December 31, 2020 and 2019, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 4.60% and 0.00% ~ 5.11%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2020 and 2019, interest expense on the above deposits were $77,683 and $128,073, respectively.

(BLANK)

B. Loans

Yuanta Bank and its subsidiaries

December 31, 2020

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	384	$ 121,628	$ 65,606	$ 65,606	$ -	Real estate, movables, deposits and Credit loans	None
Home mortgage loans	499	4,242,226	3,682,393	3,682,393	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	-	-	-	Real estate	None
	Yuen Foong Yu Consumer Products	254,800	-	-	-	Credit loans	None
	He's Education Foundation	27,000	-	-	-	Deposits	None
	94	412,222	211,013	211,013	-	Stock, deposits, policy and real estate	None
Total			$ 3,959,012	$ 3,959,012	$ -		

December 31, 2019

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	382	$ 89,525	$ 45,855	$ 45,855	$ -	Credit loans, movables and deposits	None
Home mortgage loans	462	3,813,793	3,182,318	3,182,318	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	15,000	15,000	15,000	-	Real estate	None
	He's Education Foundation	27,000	27,000	27,000	-	Deposits	None
	Shang Trip Travel Service	1,850	-	-	-	Real estate	None
	95	294,295	168,871	168,871	-	Stock, deposits, policy and real estate	None
Total			$ 3,439,044	$ 3,439,044	$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 0.80% ~ 2.00% and 1.27% ~ 2.50%, the interest rates on the remaining loans are ranging from 0.00% ~ 6.69% and 0.00% ~ 11.07% for the years ended December 31, 2020 and 2019, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2020 and 2019, interest income resulting from the above loans amounted to $52,995 and $53,630, respectively.

C. Property transactions (recorded as Financial assets at fair value through profit or loss).

(A) The details of the Yuanta Group investments in open-end funds were as follows:

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 8,732,186	$ 6,926,641
Yuanta Asia Growth Investment, L.P.	96,385	35,825
	$ 8,828,571	$ 6,962,466

	Proceeds on disposal	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 441,487,217	$ 278,354,493

	Realized gain	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 2,883,494	$ 1,907,237

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

a. Bonds transactions under repurchase agreements

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

	For the year ended December 31, 2019			
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:				
Others	$ 450,043	$ 430,000	0.35~0.40	
Others	14,451	14,451	1.65~2.40 (Note: USD)	USD 480 thousand
Other related parties:				
Others	1,442,683	876,053	0.35~0.40	
		$ 1,320,504		

Note: For foreign currency repo trade.

	Interest expenses	
	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 1,688	$ 1,661
Other related parties:		
Others	3,594	3,919
	$ 5,282	$ 5,580

b. Bonds transactions under repurchase agreements (recorded as Investments in bonds under resale agreements and Investments in bills under resale agreements)

	For the year ended December 31, 2020			
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:				
Others	$ 4,846	$ 4,846	1.45～2.60 (Note: USD)	USD 170 thousand

	For the year ended December 31, 2019			
	Highest balance	Ending balance	Interest rate (%)	Notional amount
Company's directors:				
Others	$ 37,633	$ 37,633	1.65～3.25 (Note: USD)	USD 1,250 thousand
Other related parties:				
Others	9,634	9,634	2.50～3.20 (Note: USD)	USD 320 thousand
		$ 47,267		

Note: For foreign currency repo trade.

	Interest income	
	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 129	$ 1,136
Other related parties:		
Others	-	305
	$ 129	$ 1,441

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

	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ 26,914	$ 58,804
Other related parties:		
Others	7,531	10,396
	$ 34,445	$ 69,200

E. Equity of futures traders

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 28,223,681	$ 24,237,500
Others	73,478	53,588
	$ 28,297,159	$ 24,291,088

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

(1) Yuanta Securities and its subsidiaries draw and deposit cash for guarantees of securities borrowing of related parties and refundable deposits of securities borrowing receivables in the end of period, the details were as follows:

	Refundable deposits for securities lending	
	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 4,142,436	$ -

	Security borrowing expenses	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 8,488	$ 5,576

As of December 31, 2020 and 2019, borrowing expenses payable were $1,403 and $0, respectively.

As of December 31, 2020 and 2019, refundable deposits receivable lending were $38,647 and $0, respectively.

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

	Receivables from loans to employees and interest receivables	
	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ 3,970	$ 12,330
Other related parties:		
Others	206,629	209,653
	$ 210,599	$ 221,983

	Interest income on loans to employees	
	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 96	$ 275
Other related parties:		
Others	7,507	9,686
	$ 7,603	$ 9,961

H. Access service fees income

	Access service fees income	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 10,063	$ 7,206

I. Receivables from management fee income and management fee income

	Receivables from management fee income	
	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 287,448	$ 231,394
Yuanta Secondary No.2 Fund	25,370	18,162
Yuanta Secondary No.3 Private Equity Fund	11,414	34,739
KVIC-Yuanta 2015 Overseas Advance Fund	10,409	14,030
Others	12,171	9,702
	$ 346,812	$ 308,027

	Management fee income	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 3,297,511	$ 2,552,662
Yuanta Secondary No.3 Private Equity Fund	44,116	46,978
Yuanta Secondary No.2 Fund	24,227	25,799
Kiwoom-Yuanta 2019 Scale-up Fund	13,479	-
Others	39,704	54,928
	$ 3,419,037	$ 2,680,367

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

	Fund management fee income	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta Diamond Funds SPC	$ 24,302	$ 42,127
Yuanta Asia Growth Investment, L.P.	18,040	4,573
Global Growth Investment, L.P.	1,392	(15,123)
	$ 43,734	$ 31,577

	The balance of fund	
	December 31, 2020	December 31, 2019
Other related parties:		
Yuanta Asia Growth Investment, L.P.	$ 96,161	$ 35,904
Yuanta Diamond Funds SPC	62,403	105,045
Global Growth Investment, L.P.	30,099	70,954
	$ 188,663	$ 211,903

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

	Receivable from transfer-agent services	
	December 31, 2020	December 31, 2019
Other related parties:		
Others	$ 10	$ -

	Income from transfer-agent services	
	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ -	$ 1,500
Other related parties:		
Others	121	122
	$ 121	$ 1,622

L. Investment refund receivable

	December 31, 2020	December 31, 2019
Other related parties:		
IBKC-TONGYANG Growth 2013 Private Equity Fund	$ 53,739	$ 52,775
TONGYANG AGRI-FOOD INVESTMENT FUND II	42,132	32,459
2011KIF-TONGYANG IT Venture Fund	-	35,277
	$ 95,871	$ 120,511

M. Loan receivable, interest receivable and interest income

	Loan receivable	
	December 31, 2020	December 31, 2019
Other related parties:		
Others	$ 12,925	$ 10,778

	Interest receivable	
	December 31, 2020	December 31, 2019
Other related parties:		
Others	$ -	$ -

	Loan interest income	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Others	$ 45	$ 696

N. Accounts receivable

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 5,204	$ 4,683
Yuanta construction development	1,173	-
	$ 6,377	$ 4,683

O. Refundable deposits

	December 31, 2020	December 31, 2019
Other related parties:		
Taiwan Securities Association	$ 300	$ 300

P. Account payables - settlement

	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ 146	$ -

Q. Other financial liabilities and Interest expense

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

	Other financial liabilities	
	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ 35,635	$ 22,853
Other related parties:		
Others	10	1,300
	$ 35,645	$ 24,153

	Interest expense	
	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 70	$ 3
Other related parties:		
Others	4	5
	$ 74	$ 8

R. Commercial paper payables

	Commercial paper	
	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ -	$ 10,091

	Interest payable	
	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ -	$ 1

	Interest expense	
	For years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 44	$ 108

S. Other payables

	December 31, 2020	December 31, 2019
Company's directors:		
Others	$ 15	$ 18
Other related parties:		
Others	9	40
Taiwan Securities Association	-	15
	$ 24	$ 73

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

	December 31, 2020	December 31, 2019
Other related parties:		
Yuen Foong Yu Consumer Products	$ 116,194	$ -
Yuanta SPAC V	25,857	25,660
Yuanta SPAC VI	25,857	25,659
Yuanta SPAC VII	24,938	-
Yuanta SPAC VIII	25,989	-
Others	37,802	37,512
	$ 256,637	$ 88,831

	Proceeds on disposal	
	For years ended December 31,	
	2020	2019
Other related parties:		
Yuen Foong Yu Consumer Products	$ 188,754	$ -

	Realised gains	
	For years ended December 31,	
	2020	2019
Other related parties:		
Yuen Foong Yu Consumer Products	$ 21,370	$ -

U. Credit transaction between the Yuanta Group and related parties

	December 31, 2020		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	$ 3,438	$ 7,830	$ 56,421
Other related parties:			
Others	4,036	13,510	26,398
	$ 7,474	$ 21,340	$ 82,819

	December 31, 2019		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Company's directors:			
Others	$ 3,811	$ 21,668	$ 37,216
Other related parties:			
Others	2,355	27,940	39,376
	$ 6,166	$ 49,608	$ 76,592

	December 31, 2020		December 31, 2019	
	Security short-selling interest payable	Security financing interest receivable	Security short-selling interest payable	Security financing interest receivable
Company's directors:				
Others	$ 2	$ 427	$ 13	$ 426
Other related parties:				
Others	3	389	8	509
	$ 5	$ 816	$ 21	$ 935

	For the years ended December 31,			
	2020		2019	
	Security short-selling interest expenditures	Security financing interest revenue	Security short-selling interest expenditures	Security financing interest revenue
Company's directors:				
Others	$ 63	$ 2,349	$ 23	$ 992
Other related parties:				
Others	47	1,421	21	751
	$ 110	$ 3,770	$ 44	$ 1,743

V. Other Operating expenses

(A) ETF redemption fees

	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 100,895	$ 91,941

(B) Membership fees

	For the years ended December 31,	
	2020	2019
Other related parties:		
Taiwan Securities Association	$ 10,232	$ 13,099

W. Fund underwriting commission expense

	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta SPAC VII	$ 3,817	$ -
Yuanta SPAC VI	-	6,038
Yuanta SPAC V	-	5,202
Yuanta SPAC IV	-	3,981
	$ 3,817	$ 15,221

X. Operating expenses

		For the years ended December 31,	
	Nature	2020	2019
Other related parties:			
Yuanta Foundation	Donation expenditure	$ 50,000	$ 62,000
Polaris Research	Donation expenditure	21,600	27,500
		$ 71,600	$ 89,500

Y. Premium income

	For the years ended December 31,	
	2020	2019
Other related parties:		
Others	$ 353,317	$ 377,854

Z. The details of the service fees arising from sale of mutual funds, insurances and fiduciary affiliated services engaged by the Company and its related parties

	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta Construction Development	$ -	$ 33

AA. The details of the service fees arising from brokerage commissions engaged by the Company and its related parties

	For the years ended December 31,	
	2020	2019
Company's directors:		
Others	$ 25,432	$ 14,136
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	265,894	242,878
Others	28,668	17,231
	$ 319,994	$ 274,245

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

	For the years ended December 31,	
	2020	2019
Other related parties:		
Polaris Research	$ 2,201	$ 2,195
Yuanta Construction Development	1,860	570
Yuanta Foundation	40	40
	$ 4,101	$ 2,805

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

	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta Construction Development	$ 1,580	$ -
Polaris Research	189	547
Yuanta Foundation	7	7
	$ 1,776	$ 554

AD. Gain on investment property

	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta Construction Development	$ 4	$ -

AE. Other operating income—Dividend income

	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 62,289	$ 42,650

AF. Other operating income—Interest income

	For the years ended December 31,	
	2020	2019
Other related parties:		
Taiwan Securities Association	$ 3	$ 3

AG. Other operating expense—Financial costs

	For the years ended December 31,	
	2020	2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 11,708	$ 36,911

AH. Miscellaneous expenses

	For the years ended December 31,	
	2020	2019
Other related parties:		
Taiwan Securities Association	$ 160	$ 99

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

	For the years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	$ 5,721,567	$ 4,773,891
Termination benefits	11,471	12,397
Other long-term benefits	11,607	11,173
Post-employment benefit	148,695	148,527
Total	$ 5,893,340	$ 4,945,988

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

December 31, 2020

Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	$ 45,339,692	3.64	0.000～6.065

December 31, 2019

Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	$ 51,074,940	4.49	0.000～6.065

Apart from an interest rate limit on staff demand savings deposits of 5.800% ~ 6.065% and 6.065%, respectively, for the years ended December 31, 2020 and 2019, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 4.60% and 0.00% ~ 5.11%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2020 and 2019, interest expense on the above deposits were $276,325 and $429,472, respectively.

(BLANK)

(B) Loans

December 31, 2020

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	384	$ 121,628	$ 65,606	$ 65,606	$ -	Real estate, movables, deposits and Credit loans	None
Home mortgage loans	499	4,242,226	3,682,393	3,682,393	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	20,000	-	-	-	Real estate	None
	Yuen Foong Yu Consumer Products	254,800	-	-	-	Credit loans	None
	He's Education Foundation	27,000	-	-	-	Deposits	None
	94	412,222	211,013	211,013	-	Stock, deposits, policy and real estate	None
Total			$ 3,959,012	$ 3,959,012	$ -		

December 31, 2019

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	382	$ 89,525	$ 45,855	$ 45,855	$ -	Credit loans, movables and deposits	None
Home mortgage loans	462	3,813,793	3,182,318	3,182,318	-	Real estate	None
Other loans	Wei Ran Co., Ltd.	15,000	15,000	15,000	-	Real estate	None
	He's Education Foundation	27,000	27,000	27,000	-	Deposits	None
	Shang Trip Travel Service	1,850	-	-	-	Real estate	None
	Yuanta Securities	183,147	-	-	-	Real estate	None
	95	294,295	168,871	168,871	-	Stock, deposits, policy and real estate	None
Total			$ 3,439,044	$ 3,439,044	$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 0.08% ~ 2.00 % and 1.27% ~ 2.50%, the interest rates on the remaining loans are ranging from 0.00% ~ 6.69% and 0.00% ~ 11.07% for the years ended December 31, 2020 and 2019, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2020 and 2019, interest income resulting from the above loans amounted to $52,995 and $53,640, respectively.

(C) Service fee income

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Life	$ 590,884	$ 829,780
Yuanta Securities Investment Trust	35,468	8,081
Yuanta Securities (Hong Kong)	2,788	-
Yuanta Securities	1,156	9,481
	$ 630,296	$ 847,342

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

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Life	$ 22,897	$ 92,162
Yuanta Securities Investment Trust	2,074	367
	$ 24,971	$ 92,529

(D) Rental expense

	Usage	For the years ended December 31,	
		2020	2019
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	$ 144,528	$ 105,486
Yuanta Life	Office rental	6	-
Yuanta Securities Finance	Office rental	7	2,537
		$ 144,541	$ 108,023

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

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Securities	$ 5,494	$ 5,516
Yuanta Life	2,161	-
Yuanta Securities Finance	633	633
	$ 8,288	$ 6,149

(E) Current income tax assets/liabilities

	December 31, 2020	December 31, 2019
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	$ 1,395,127	$ 2,282,925
Consolidated income tax return payable	$ 11,794	$ 1,255,910

(F) Leasing arrangements－lessee

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

b. Right-of-use assets－net

Name of related party	Right-of-use assets December 31, 2020	Right-of-use assets December 31, 2019
Fellow subsidiary:		
Yuanta Securities	$ 45,925	$ 42,373
Yuanta Life	56,412	-
Yuanta Securities Finance	5,001	-
	$ 107,338	$ 42,373

Name of related party	Depreciation expense For the years ended December 31, 2020	Depreciation expense For the years ended December 31, 2019
Fellow subsidiary:		
Yuanta Securities	$ 28,441	$ 23,311
Yuanta Life	1,945	-
Yuanta Securities Finance	2,501	-
	$ 32,887	$ 23,311

i. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities amounting to $31,993 and $23,667 for the years ended December 31, 2020 and 2019, respectively.

ii. On January 1, 2019 (the date of initial application of IFRS 16), Yuanta Bank and its subsidiaries increased right-of-use assets by $42,016.

iii. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities Finance amounting to $7,502 for the year ended December 31, 2020. There was no acquisition of right-of-use assets for the year ended December 31, 2019.

iv. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Life amounting to $58,357 for the year ended December 31, 2020. There was no acquisition of right-of-use assets for the year ended December 31, 2019.

c. Lease liabilities

Name of related party	Lease liabilities December 31, 2020	Lease liabilities December 31, 2019
Fellow subsidiary:		
Yuanta Securities	$ 46,325	$ 42,866
Yuanta Life	58,423	-
Yuanta Securities Finance	5,022	-
	$ 109,770	$ 42,866

Name of related party	Interest expenses For the years ended December 31, 2020	2019
Fellow subsidiary:		
Yuanta Securities	$ 318	$ 320
Yuanta Life	66	-
Yuanta Securities Finance	50	-
	$ 434	$ 320

B. Yuanta Securities and its subsidiaries

(A) Futures trading

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

	December 31, 2020 Futures trading guarantees		
	Self capital	Balance of excess futures guarantee deposits	Securities
Fellow subsidiary:			
Yuanta Futures	$ 4,316,780	$ 3,055,538	$ -

	December 31, 2019 Futures trading guarantees		
	Self capital	Balance of excess futures guarantee deposits	Securities
Fellow subsidiary:			
Yuanta Futures	$ 1,947,002	$ 1,632,559	$ 1,005,485

	Settlement and clearing service fees payable	
	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Futures	$ 3,554	$ 2,364

	For the year ended December 31, 2020	
	Service fee expenses settled	Service expense on self-operation
Fellow subsidiary:		
Yuanta Futures	$ 35,487	$ 104,062
Others	-	2,904
	$ 35,487	$ 106,966

	For the year ended December 31, 2019	
	Service fee expenses settled	Service expense on self-operation
Fellow subsidiary:		
Yuanta Futures	$ 29,125	$ 117,790
Others	-	-
	$ 29,125	$ 117,790

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

	Commissions receivable at period end	
	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Futures	$ 23,737	$ 14,505

	Futures commission income	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Futures	$ 284,601	$ 180,725

(B) Bank deposits, interest income and interest receivable

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

	December 31, 2020	
	Bank deposits	Other receivables – interests receivable (Note)
Fellow subsidiary:		
Yuanta Bank	$ 14,488,729	$ 2,855

	December 31, 2019	
	Bank deposits	Other receivables – interests receivable (Note)
Fellow subsidiary:		
Yuanta Bank	$ 13,828,513	$ 13,639

	Other gains and losses – interest revenue (Note)	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 76,589	$ 127,342

Note: Interests for demand deposits, time deposits and operating guarantee deposits were included.

b. Yuanta Securities and its subsidiaries provided certificates of deposit to a related party as performance bond of the lines of credit and structured notes (recognised under "Other current assets") amounting to $407,000 and $598,000, respectively, as of December 31, 2020 and 2019.

(C) Receivables/ payables - consolidated income tax return system (recorded as Current income tax assets/liabilities)

	December 31, 2020	December 31, 2019
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	$ 895,230	$ 798,353
Consolidated income tax return payable	$ 1,628,629	$ 1,036,056

(D) Operating guarantee deposits

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

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 1,265,000	$ 1,265,000

(E) Refundable deposits

Yuanta Securities and its subsidiaries provided certificates of deposit to a related party as refundable deposits for stock borrowings. Details were as follows:

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 350,000	$ 100,000

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

Please refer to Note 7(2)F.

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

Please refer to Note 7(2)G.

(H) Commission receivables and commission income

	Commission receivables	
	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Life	$ 21,719	$ 86,243

	Commission income	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Life	$ 414,437	$ 562,474

(I) Investment refund receivable

Please refer to Note 7(2)L.

(J) Pending settlements

As of December 31, 2020 and 2019, Yuanta Securities and its subsidiaries had amounts held for settlement of $1,450,643 and $685,668, respectively, which were deposited at its affiliate Yuanta Bank.

(K) Property transactions

Bonds transactions under repurchase agreements:

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

(L) Lease transactions – lessee

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

b. Acquisition of right-of-use assets

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Life	$ 478,553	$ -
Yuanta Bank	4,774	12,348
	$ 483,327	$ 12,348

In addition, Yuanta Securities and its subsidiaries increased right-of-use assets by $16,209 on January 1, 2019 due to the application of IFRS 16.

c. Lease liabilities

	Lease liabilities	
	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Life	$ 484,606	$ -
Yuanta Bank	19,182	21,700
	$ 503,788	$ 21,700

	Financial cost	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Life	$ 550	$ -
Yuanta Bank	188	226
	$ 738	$ 226

(M) Customer margin deposit

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Futures	$ 202,484	$ 193,327

(N) Other operating fee

a. Professional fee

The professional fee generated from related parties providing investment strategies and advices for Yuanta securities and its subsidiaries.

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities Investment Consulting	$ 178,800	$ 185,242

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

b. ETF redemption fees

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities Investment Trust	$ 48,276	$ 31,467
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	100,895	91,941
	$ 149,171	$ 123,408

(O) Brokerage service fee income

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

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 25,316	$ 24,335
Yuanta Life	23,334	13,869
Others	4,882	5,404
Company's directors :		
Others	25,432	14,136
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	125,076	49,014
Others	21,945	11,521
	$ 225,985	$ 118,279

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

(P) Non-operating revenue

a. Rent income

Rental income from leasing Yuanta Securities and its subsidiaries own assets to related parties are as follows:

	For the years ended December 31,	
	2020	2019
Parent subsidiary:		
Yuanta Financial Holdings	$ 29,651	$ 29,432
Fellow subsidiary:		
Yuanta Bank	31,446	31,512
Yuanta Futures	20,916	20,671
Others	18,561	17,020
Other related parties:		
Others	2,885	2,765
	$ 103,459	$ 101,400

Rents consider rental rates of nearby office buildings and are calculated based on contractual agreements by both parties.

b. Grants receivable and rewarding income

Grants paid by the related parties due to the use of certain business facilities of Yuanta Securities and its subsidiaries (recorded in other gains and losses, and ending balance of grants receivable booked as other accounts receivable) are as follows:

	Grants receivable	
	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 14,330	$ 9,414

	Rewarding income	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 176,262	$ 114,449

(Q) Funds and beneficiary certificates managed by fellow subsidiary (recorded in financial assets at fair value through profit or loss).

	December 31, 2020	December 31, 2019
Other related parties:		
Fund managed by Yuanta Securities Investment Trust	$ 5,325,750	$ 3,659,259

	For the year ended December 31, 2020	
	Proceeds on disposal	Realized gain
Other related parties:		
Fund managed by Yuanta Securities Investment Trust	$ 435,947,680	$ 2,792,108

	For the year ended December 31, 2019	
	Proceeds on disposal	Realized gain
Other related parties:		
Fund managed by Yuanta Securities Investment Trust	$ 275,919,134	$ 1,843,544

(R) Securities issued by fellow subsidiary (recorded in financial assets at fair value through profit or loss).

	December 31, 2020	December 31, 2019
Other related parties:		
Yuen Foong Yu Consumer Products	$ 116,194	$ -
Yuanta SPAC V	25,857	25,660
Yuanta SPAC VI	25,857	25,659
Yuanta SPAC VII	24,938	-
Yuanta SPAC VIII	25,989	-
Others	37,802	37,512
	$ 256,637	$ 88,831

	For the years ended December 31,			
	2020		2019	
	Proceeds on disposal	Realized gain	Proceeds on disposal	Realized gain
Parent subsidiary:				
Yuanta Financial Holdings	$ 444,089	$ 125	$ 65,584	($ 93)
Fellow subsidiary:				
Yuanta Futures	8,264	644	-	-
Other related parties:				
Yuen Foong Yu Consumer Products	188,754	21,370	-	-
	$ 641,107	$ 22,139	$ 65,584	($ 93)

(S) Credit transaction

Please refer to Note 7(2)U.

(T) Others

a. As of December 31, 2020 and 2019, the lines of credit that Yuanta Securities and its subsidiaries have drawn in order to acquire Yuanta Bank were both $10,000,000. The carrying amounts of land and building amounting to $3,520,376 and $3,604,542, respectively, were designated as collateral.

b. Fund management fee income from fund managed and fund balances held by Yuanta Securities and its subsidiaries.

Please refer to Note 7(2)J.

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

	Management fee receivable	
	December 31, 2020	December 31, 2019
Other related parties:		
Yuanta Secondary No.2 Fund	$ 25,370	$ 18,162
Yuanta Secondary No.3 Private Equity Fund	11,414	34,739
KVIC-Yuanta 2015 Overseas Advance Fund	10,409	14,030
2016 KIF-Yuanta ICT Fund	8,024	-
Others	4,147	9,702
	$ 59,364	$ 76,633

	Management fee income	
	For the years ended December 31,	
	2020	2019
Other related parties:		
Yuanta Secondary No.3 Private Equity Fund	$ 44,116	$ 46,978
Yuanta Secondary No.2 Fund	24,227	25,799
KVIC-Yuanta 2015 Overseas Advance Fund	9,940	14,295
Kiwoom-Yuanta 2019 Scale-up Fund	13,479	-
Others	29,764	40,633
	$ 121,526	$ 127,705

C. Yuanta Futures and its subsidiaries

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

	December 31, 2020		
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits
Fellow subsidiary:			
Yuanta Bank	$ 1,338,901	$ 140,000	$ 12,347,144

	December 31, 2019		
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits
Fellow subsidiary:			
Yuanta Bank	$ 1,563,503	$ 140,000	$ 9,428,093

(B) Customer margin account for leverage contracts

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 257,218	$ 258,250

(C) Equity of futures traders

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Securities	$ 7,280,656	$ 3,464,477
Yuanta Securities (Hong Kong)	91,086	294,013
Yuanta Securities (Korea)	200,709	203,846
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	28,223,681	24,237,500
Others	73,478	53,588
	$ 35,869,610	$ 28,253,424

(D) Acquisition of right-of-use assets

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Life	$ 188,688	$ -

(E) Lease liabilities

a. Ending balances

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 891	$ 2,606
Yuanta Life	188,902	-
Yuanta Securities	5,636	26,125
	$ 195,429	$ 28,731

b. Interests expense

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 14	$ 29
Yuanta Life	129	305
Yuanta Securities	214	-
	$ 357	$ 334

(F) Brokerage service fee income

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities	$ 100,481	$ 116,881
Yuanta Securities (Hong Kong)	3,980	2,467
Yuanta Securities (Korea)	4,121	4,563
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	140,818	193,864
Others	6,723	5,710
	$ 256,123	$ 323,485

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

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities	$ 284,601	$ 180,726

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

(H) Interests income

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 125,624	$ 154,733

(I) Property transactions (recorded in financial assets at fair value through profit or loss).

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 1,349	$ 132,205

For the years ended December 31, 2020 and 2019, (loss) gain on disposal of beneficiary certificate were ($9,755) and $8,358, respectively.

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of December 31, 2020 and 2019, Yuanta Securities Investment Consulting deposited $200,755 and $221,823, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were both $5,000, with annual interest rates of 0.770% and 1.035%, respectively.

(B) Operating income

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities	$ 172,800	$ 174,832
Yuanta Bank	12,420	12,476
Yuanta Securities Investment Trust	4,800	4,768
Yuanta Futures	3,600	3,585
Yuanta Life	2,940	2,928
Other related parties:		
Yuanta Securities Finance	6,000	5,974
	$ 202,560	$ 204,563

E. Yuanta Securities Investment Trust

(A) Bank deposits

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 2,789,237	$ 2,689,204

(B) Accounts receivable

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 292,651	$ 236,077

(C) Management fee income

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Funds managed by Yuanta Securities Investment Trust	$ 3,297,511	$ 2,552,662

(D) Fund transactions (recorded in financial assets at fair value through profit or loss).
Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Yuanta Securities Investment Trust	$ 489,925	$ 392,363
Fellow subsidiary	1,763,685	4,278,435
	$ 2,253,610	$ 4,670,798

(E) Commission expense

	Management fee income	
	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Securities	$ 109,850	$ 34,259
Yuanta Bank	31,957	5,317
	$ 141,807	$ 39,576

F. Yuanta Life

(A) Bank deposits and time deposits

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank (Note)	$ 326,453	$ 2,041,240

Note: Including other financial assets.

(B) Current income tax assets/liabilities

	December 31, 2020	December 31, 2019
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	$ 2,609,424	$ 2,599,526
Consolidated income tax return payable	$ 353,690	$ -

(C) Property transactions－beneficiary certificates(recorded in financial assets at fair value through profit or loss)

	December 31, 2020	December 31, 2019
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	$ 2,915,162	$ 2,742,814
Yuanta Asia Growth Investment, L.P.	96,385	35,825
	$ 3,011,547	$ 2,778,639

	For the year ended December 31, 2020		
	Purchase price	Proceeds on disposal	Realized gain
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	$ 3,226,604	$ 3,369,507	$ 109,248
Yuanta Asia Growth Investment, L.P.	73,054	-	-
	$ 3,299,658	$ 3,369,507	$ 109,248

	For the year ended December 31, 2019		
	Purchase price	Proceeds on disposal	Realized gain
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	$ 3,142,249	$ 1,019,518	$ 53,518
Yuanta Asia Growth Investment, L.P.	42,169	-	-
	$ 3,184,418	$ 1,019,518	$ 53,518

(D) Payables

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 23,158	$ 89,364
Yuanta International Insurance Brokers	21,719	86,243
	$ 44,877	$ 175,607

(E) Premium income

	For the years ended December 31,	
	2020	2019
Parent company:		
Yuanta Financial Holdings	$ 1,137	$ 771
Fellow subsidiary:		
Yuanta Bank	30,456	25,446
Yuanta Futures	2,603	1,953
Yuanta Securities Investment Trust	2,093	1,827
Yuanta Securities	37,107	31,433
Other related parties:		
Others	353,317	377,854
	$ 426,713	$ 439,284

(F) Commission expense

	For the years ended December 31,	
	2020	2019
Fellow subsidiary:		
Yuanta Bank	$ 605,514	$ 832,686
Yuanta International Insurance Brokers	414,437	562,473
	$ 1,019,951	$ 1,395,159

(G) Derivative trading

a. As of December 31, 2019, the derivative trading between Yuanta Life and Yuanta Bank was completed with proceeds amounting to USD 13,000 thousand and incurred loss amounting to $6,269.

b. There was no derivative trading with related parties as of December 31, 2020.

G. Yuanta Ventures and subsidiary

(A) Bank deposits

	December 31, 2020	December 31, 2019
Fellow subsidiary:		
Yuanta Bank	$ 419,723	$ 576,025
Yuanta Securities (Hong Kong)	5,254	-
	$ 424,977	$ 576,025

a. For the years ended December 31, 2020 and 2019, interest income from abovementioned bank accounts were $2,192 and $3,188, respectively.

b. As of December 31, 2020, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD 1,429 thousand, the corresponding rate used to convert the amounts was 3.6775.

(B) Current tax asset

	December 31, 2020	December 31, 2019
Parent company:		
Yuanta Financial Holdings Consolidated income tax return receivable	$ 108,625	$ 107,856

8. Pledged assets

As of December 31, 2020 and 2019, the Yuanta Group's assets pledged as collateral are as follows:

Items	December 31, 2020	December 31, 2019	Purpose of pledge
Due from Central Bank and call loans to other banks	$ 183,757	$ -	Operating guarantee deposits
Financial assets at fair value through profit or loss	162,244,880	140,715,358	Bonds under repurchase agreement, bid bonds for operating guarantee deposits and futures trading
	88,944,601	61,372,357	Merchant business
	52,117	51,932	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	3,916,503	3,260,211	Claim reserve from trust fund, collateral for securities lending business and guarantees on asset disposal
	1,216,100	1,646,502	Operating guarantee deposits
	64,401,555	65,439,478	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve from trust fund and guarantees on asset disposal
Financial assets at amortised cost	2,407,519	734,980	Operating guarantee deposits
	-	40,018	Stock borrowings
	50,987	62,116	Deposits for guarantees in the Central Bank
	195,929	197,169	Claim reserve from trust fund
	10,657,240	10,518,760	Overdraft guarantee for foreign currency settlement
	109,514	110,214	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	54,757	55,107	Deposit guarantees of bills merchants
	711,844	610,476	Collateral for provisional seizure
	5,257	5,290	VISA international card payment reserves
Restricted assets	1,475,801	2,189,764	Collateral for settlement limit, short-term loans, payable short-term bills and OTC derivative transactions
	1,462,345	342,490	Operating guarantee deposits-HKEx, structured notes, interest rate swap account and repo trade
	1,037	1,029	Overdraft guarantee
	21,838	29,303	Dividends payable arising from stock agency business
Other assets	259,147	298,986	Operating guarantee deposits
	2,044,765	1,934,253	Performance bond and rental deposits
	2,120	271,128	Underwriting share proceeds collected on behalf of customers
Property and equipment and investment property	3,167,446	3,215,055	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	553,358	514,969	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

(1) As of December 31, 2020 and 2019, capital expenditure contracted for at the balance sheet date but not yet incurred was $3,229,972 and $1,024,490, respectively.

(2) As of December 31, 2020, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group were US$8,210 and NT$141,491.

(3) Stocks entrusted to custody

As of December 31, 2020 and 2019, the stocks entrusted to the custody of Yuanta Securities Finance by clients were both 7,483 thousand shares. The market value of these entrusted stocks was approximately $78,242 and $77,479, 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 obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.

(5) As of December 31, 2020, Yuanta Securities (Korea) had provided a performance guarantee for lease commitments attributed to IGIS Professional Private Real Estate Investment Trust with a guarantee limit of KRW 100 million (approximately NT$2.63 million).

(6) Other lawsuits- Yuanta Securities

A. Due to Polaris Securities Co., Ltd., the dissolved company under the merger, having disputes with a customer on trading of stocks, the client demanded that Yuanta Securities, the surviving company under the merger, bear joint responsibility for compensation as the employer. Originally, on June 25, 2013, the claimed compensation was $25,718 thousand. From then on, the claims were increased to $40,310 thousand on June 30, 2015 and reduced to $39,769 thousand on August 12, 2015. On October 21, 2016, the Taiwan Taipei District Court adjudicated to dismiss the lawsuit brought by the plaintiffs (i.e. Yuanta Securities obtained a favorable decision in the case). However, the client filed an appeal, and on May 8, 2019, the Taiwan High Court adjudicated that Yuanta Securities should pay compensation amounting to $25,787 thousand due to its joint responsibility. Yuanta Securities and the client appealed the High Court's decision. On October 15, 2020, the Supreme Court dismissed the appeals filed by Yuanta Securities and the client and the case had been concluded. Yuanta Securities has paid compensation in accordance with the verdict.

B. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the plaintiff raised its claim to $952,511 thousand (of which $950,861 thousand was subject to a joint liability or payment). The mediation failed before the Taiwan Taipei District Court. On July 11, 2018, Seventh-Day Adventist Church and Taiwan Adventist Hospital initiated a separate suit for the same matter and claimed the same compensation. The case is currently under the judicial proceedings of the Taiwan Taipei District Court. Yuanta Securities has retained lawyers to handle the case. The plaintiffs (Seventh-Day Adventist Church and Taiwan Adventist Hospital) claimed that (1) Yuanta Securities and the other shall collaborate with the plaintiffs to apply for the review of the urban development design plans and a change to the usage license to the Taipei City Government and obtain an approval for the change of the usage license; (2) Yuanta Securities and the other shall jointly paid to the plaintiffs NT$3.3 million and interests due to the delayed application for the change of the usage license; Yuanta Securities shall pay NT$1.65 million and interests for a failure to make a transfer registration of titles to certain lots of land pursuant to the agreement after the relevant land partition; (3) Yuanta Securities and the other shall either reset the rate of subsurface excavation to a rate of lower than 70% calculated based on the relevant land area and restore the basement of building to the status in compliance with such rate adjustment or jointly pay NT$214,202 thousand and interests to the

plaintiffs; (4) Yuanta Securities and the other shall either decreased the floor area bonus attributable to the over excavation area of the building basement and obtain supporting documents of the approval of the change of the usage license, or jointly pay NT$623,860 thousand and interests to the plaintiffs; and (5) Yuanta Securities and the other illegally reduced the area of parking lots in contradiction with the urban development design plans, and shall pay NT$109.5 million to the plaintiffs. Considering the plaintiffs' claims, the lawyers were of the opinion that the plaintiffs' claims have no merits based on the relevant evidence, information provided by Yuanta Securities, the relevant court precedents and the following: the plaintiffs refused to cooperate with Yuanta Securities to apply for the certificate of division of statutory vacant space without a justifiable reason, resulting in Yuanta Securities being unable to make the relevant filings; the competent authority has not had an opportunity to review the case, leading the precondition 'having not obtained a permit from authority' to the application for the change of the usage license cannot be satisfied, also, the plaintiffs had not specifically elaborate on and provide evidence proving its alleged damages; the obligation of land partition had not been due; there had not been any agreement on the excavation area or excavation rate between Yuanta Securities and the plaintiffs; the building license and the usage license were issued for the disputed building in accordance with the laws, proving that the building was constructed in compliance with the laws; the Department of Urban Development of the Taipei City Government had reviewed the excavation area of the disputed building's basement and confirmed that the excavation was implemented in compliance with the laws, evidencing that there is no violation of laws or breach of the contract; both parties have considered and addressed the floor area bonus in the terms of land and parking lots trading contract, also, the regulation of the floor area bonus no longer applies to the location of the building. In March 2004, the plaintiffs were the co-applicants for the design change, and the plaintiffs had accepted the handover of the specific parking lots and agreed that no change should be made thereto. The plaintiffs shall not raise claims that are inconsistent with such facts. However, the decision of the case are to be made by the court.

C. As of December 31, 2020, of the total 16 litigations against Yuanta Securities (Korea) and its subsidiaries, 2 litigations were related to financial product sales disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 14 litigations were unrelated to the financial product sales disputes with demanded compensation totaling KRW33,141 million (approximately NT$0.87 billion).In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co.,Ltd., collectively, "Anbang") filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June, 2017 based on the share purchase agreement for Tong Yang Life Insurance Co., Ltd. transaction. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay compensation amounting to KRW166,600 million (approximately NT$4.37 billion) to Anbang as well as related expenses totaling KRW48,418 million (approximately NT$1.27 billion) plus interests accrued through December 31, 2020. Yuanta Securities (Korea) deducted the remaining consideration in the escrow account amounting to KRW59,700 million (approximately NT$1.57 billion) to which the sellers were previously entitled from the award amount and use such result and its share selling ratio as a basis to set the provision in the amount of approximate KRW7,082 million (approximately NT$0.19 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above description. However, the actual compensation amount to be borne by Yuanta Securities (Korea) might be changed due to the subsequent legal actions.

As of December 31, 2020, Yuanta Securities (Korea) and its subsidiaries provided provisions for the abovementioned 14 litigations that were unrelated to the financial product sales disputes and 1 arbitration for which the award was issued in the amount of KRW7,461 million (approximately

NT$0.2 billion). In addition, Yuanta Securities (Korea) filed 11 lawsuits as plaintiff with a total claimed amount of KRW68,147 million (approximately NT$1.8 billion).

D. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB 301 million (approximately NT$286 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 First Instance on October 8, 2020. Both parties filed appeals against the judgment.

E. As of December 31, 2020, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD 147,504 thousand (approximately NT$540 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee all losses of Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) has exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD 68,552 thousand (approximately NT$250 million) and received the first repayment distributed by such clients' liquidator amounting to HKD 44 thousand (approximately NT$160 thousand), the remaining loss of HKD 78,908 thousand (approximately NT$300 million) has been recognized. Yuanta Securities (Hong Kong) has raised a litigation proceeding against the account executive for the full amount of the debt owed by those margin clients based on the Guarantee Agreement. Yet an award of compensation in the amount of HKD 135,191 thousand (approximately NT$500 million) including the interest calculated as of the date of filing the lawsuit was claimed for the case. 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. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(7) Other lawsuits- Banks

A. Ta Chong Bank had conducted foreign exchange derivatives transactions with Sino United International Co., Ltd. and its related party, Plosa International Co., Ltd. As Sino United International Co., Ltd. and Plosa International Co., Ltd. disputed the loss in Target Redemption Forward (TRF) when closing position, they filed a complaint with the Taiwan Taipei District Court against Ta Chong Bank and alleged that Ta Chong Bank shall reimburse them for the loss in transactions (preferential claim: USD 3,123 thousand and interests accrued therefrom; alternative claim: USD 1,445 thousand and interests accrued therefrom). Yuanta Bank assumed the lawsuit after acquiring Ta Chong Bank. On January 26, 2018, the Taiwan Taipei District Court as the court of first instance ruled in favour of Yuanta Bank. Sino United International Co., Ltd. and Plosa United International Co., Ltd. disagreed with the ruling and filed an appeal with the Taiwan High Court. On March 12, 2019, the Taiwan High Court for the second instance adjudicated in favour of Yuanta Bank. Sino United International Co., Ltd and Plosa United International Co., Ltd., again, disagreed with the ruling and filed an appeal for the review of the third instance. However, the appeal of Plosa International Co., Ltd. was dismissed due to the unpaid court fees. As of December 31, 2020, the appeal of Sino United International Co., Ltd. is under review of the Supreme Court. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and stockholders' equity of Yuanta Bank.

B. Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest of Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW 28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW 19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the first instance court ruled in favour of Yuanta Savings Bank (Korea), and Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019, which was dismissed by the Seoul High Court on November 3, 2020. Yuanta Savings Bank (Korea) won the lawsuit in the second instance. 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 December 31, 2020, 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 stockholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(8) Other lawsuits- Yuanta Securities Investment Trust

Yuanta Securities Investment Trust was commissioned under discretionary investment businesses of domestic investment contracts by the Bureau of Labor Funds, Ministry of Labor (formerly the Labor Pension Fund Supervisory Committee of the Council of Labor Affairs, Executive Yuan, restructured as the Bureau of Labor Funds, Ministry of Labor as of February 17, 2014, hereinafter referred to as the "Labor Pension"). Because the former manager of former Polaris Securities Investment Trust, surnamed Qu (hereinafter referred to as "Manager Qu") was suspected of being involved in illegal activities from 2011 to 2012 while dealing with commissioned trading of stocks for the governmental funds, the Labor Pension, in accordance with the indictment issued by the Special Investigation Division of the Supreme Prosecutor Office, filed a civil complaint attached with criminal proceedings with the Taiwan Taipei District Court on January 28, 2014, claiming Manager Qu and Yuanta Securities Investment Trust should bear a joint and several liability for its losses. In order to protect its interests, Yuanta Securities Investment Trust appointed a lawyer to assist in handling the case. After the aforementioned criminal charges against Manager Qu were adjudicated by the Taiwan Taipei District Court for the first instance and the civil case was transferred to the civil court for review, on September 5, 2016, the Labor Pension decreased its joint and several liability claims to $108,411 thousand. On April 28, 2017, the Labor Pension decreased such claims to $71,575 thousand after the Taiwan High Court rendered its decision for the aforementioned criminal case as the second instance. The aforementioned criminal rulings made by the first and second instance courts were based on a breach of trust by Manager Qu to Yuanta Securities Investment Trust, while the Labor Pension was concluded as not being the principal in the context of Manager Qu's provision of services. Furthermore, prior trading that is considered a criminal breach of trust offense and insider trading actions in violation of the Securities Exchange Act, which are alleged to have damaged the Labor Pension as illustrated in the indictment, are considered unverifiable crimes. As to the civil case filed to the Taiwan Taipei District Court by the Labor Pension for compensation, it was dismissed by the first instance decision of the court made on May 15, 2020. The court ruled that the Labor Pension did not provide sufficient evidence to prove that it had suffered any damages caused by Manager Qu's intentional or negligent actions based on torts laws, and that there was causation between the alleged compensation and Manager Qu's aforementioned wrongful actions. Accordingly, the court found that the Labor Pension has no grounds for claiming that Yuanta Securities Investment Trust shall be jointly and severally liable for such compensation. However, the Labor Pension filed an appeal pursuant to applicable laws, and the case is under review of the court of the second instance.

(9) Other lawsuits- Yuanta Life Insurance

As of December 31, 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 claims reserve.

(10) Others

	December 31, 2020	December 31, 2019
Commitment of the securities under a repurchase agreement	$ 220,352,840	$ 200,782,844
Commitment of the securities under a resale agreement	58,459,272	47,671,245
Unused loan commitments	23,460,752	25,604,687
Credit commitment on credit card	119,349,211	119,477,639
Unused L/C balance	3,332,772	3,635,756
Other guarantees	13,042,579	13,217,092
Consignment collection for others	17,916,355	16,990,839
Trust assets	266,130,081	253,100,505
Items under custody	33,887,263	29,999,685

(11) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Bank disclosures its trust balance sheet, trust income statement and trust property catalog are as follow:

December 31, 2020

Trust Balance Sheet

Trust assets		Trust liabilities	
Bank deposits	$ 4,929,532	Payable - Customers' securities under custody	$ 46,264,666
Stocks	6,013,624		
Funds (Note)	108,822,242	Pecuniary trust	150,036,281
Bonds	27,224,683	Securities trust	903,394
Structured products	6,355,822	Real estate trust	15,734,340
Real estate-land	12,430,564	Net income	173,956
-construction in progress	1,966,647	Retained earnings	895,143
Customers' securities under custody	46,264,666		
Total trust assets	$ 214,007,780	Total trust liabilities	$ 214,007,780

December 31, 2019

Trust Balance Sheet

Trust assets		Trust liabilities	
Bank deposits	$ 4,454,180	Payable - Customers' securities under custody	$ 31,522,869
Stocks	11,302,555	Pecuniary trust	141,387,733
Funds (Note)	97,452,016	Securities trust	5,491,100
Bonds	24,254,758	Real estate trust	14,464,716
Structured products	11,950,923	Movables trust	14,372,380
Real estate-land	11,952,665	Net income	680,512
-construction in progress	1,052,218	Retained earnings	395,254
Movables	14,372,380		
Customers' securities under custody	31,522,869		
Total trust assets	$ 208,314,564	Total trust liabilities	$ 208,314,564

Note : Includes mutual funds in money market.

Trust Income Statement

	For the years ended December 31,	
	2020	2019
Trust revenue		
Interest income	$ 10,004	$ 12,050
Investment income (Stock)	22,483	430,506
Investment income (Fund)	1,520	432
Dividend income	196,284	287,586
Rental income	-	86
	230,291	730,660
Trust expenses		
Management fees	(16,357)	(15,385)
Tax expense	(37,509)	(29,451)
Insurance expense	(2,402)	(3,734)
Loss on investment	-	(1,464)
	(56,268)	(50,034)
Income before income tax	174,023	680,626
Income tax expense	(67)	(114)
Net income	$ 173,956	$ 680,512

Trust Property Catalog

Invested items	December 31, 2020 Book value	December 31, 2019 Book value
Bank deposits	$ 4,929,532	$ 4,454,180
Bonds	27,224,683	24,254,758
Stocks	6,013,624	11,302,555
Structured products	6,355,822	11,950,923
Funds (Note)	108,822,242	97,452,016
Real estate-land	12,430,564	11,952,665
-construction in progress	1,966,647	1,052,218
Movables	-	14,372,380
Customers' securities under custody	46,264,666	31,522,869
	$ 214,007,780	$ 208,314,564

Note : Includes mutual funds in money market.

Foreign currency pecuniary trust and foreign currency trust operated by the Offshore Banking Unit (OBU) as of December 31, 2020 and 2019 were included in the trust balance sheet and schedule of trust property.

(12) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Securities discloses its trust balance sheet, trust income statement and trust property catalog are as follows:

December 31, 2020

Trust Balance Sheet

Trust assets		Trust liabilities	
Bank deposits	$ 2,362,399	Payables	$ 107,168
Stocks	5,202,236	Income tax payable	119
Funds	42,069,347	Other liabilities	9
Bonds	26,906	Trust capital-pecuniary trust	44,753,576
Structured products	2,014,498	Trust capital-securities trust	3,826,254
Accounts receivable	446,915	Net loss	(1,365,138)
		Retained earnings	5,376,283
		Deferred carryforwards	(575,970)
Total trust assets	$ 52,122,301	Total trust liabilities	$ 52,122,301

December 31, 2019

Trust Balance Sheet

Trust assets		Trust liabilities	
Bank deposits	$ 1,355,356	Payables	$ 48,590
Stocks	5,878,387	Income tax payable	196
Funds	27,268,981	Trust capital-pecuniary trust	34,322,313
Bonds	24,257	Trust capital-securities trust	5,003,761
Structured products	9,845,812	Net income	2,798,174
Accounts receivable	412,859	Retained earnings	3,128,184
Prepayments	289	Deferred carryforwards	(515,277)
Total trust assets	$ 44,785,941	Total trust liabilities	$ 44,785,941

Trust Income Statement

	For the years ended December 31,	
	2020	2019
Trust revenue		
Interest income	$ 621,491	$ 573,802
Realized investment income	-	1,017,585
Unrealized investment income	497,915	1,410,374
Rental income	24,149	60,159
Dividend revenue	143,354	232,809
	1,286,909	3,294,729
Trust expenses		
Administrative expenses	(55,510)	(34,798)
Fees (Service charges)	(218,671)	(71,240)
Unrealized investment loss	(1,946,106)	-
Foreign exchange loss	(394,946)	(381,323)
Insurance expense	(1,628)	(2,670)
Others	(7)	(9)
	(2,616,868)	(490,040)
(Loss) income before income tax	(1,329,959)	2,804,689
Income tax expense	(35,179)	(6,515)
Net (loss) income	($ 1,365,138)	$ 2,798,174

Trust Property Catalog

Invested items	December 31, 2020 Book value	December 31, 2019 Book value
Bank deposits	$ 2,362,399	$ 1,355,356
Stocks	5,202,236	5,878,387
Funds	42,069,347	27,268,981
Bonds	26,906	24,257
Structured products	2,014,498	9,845,812
Others	446,915	413,148
	$ 52,122,301	$ 44,785,941

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

Offshore Securities Unit of Yuanta Securities engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on December 31, 2020 and 2019 were USD 12,323 thousand dollars and USD 3,896 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:
None.

(2) Subsidiaries:
None.

11. Significant subsequent events

(1) The Company:
On June 23, 2020, the Board of Directors of the Company resolved to issue the unsecured corporate bonds in the amount of NT$ 10 billion. Taking into consideration the repayments of corporate bonds and commercial paper which were issued for supporting the business scale and operation, the Company completed to raise the first issuance of NT$5 billion by unsecured corporate bonds in 2020 on January 6, 2021.

(2) Subsidiaries:

On September 8, 2020, the subsidiary, Yuanta Bank, was approved through the Jin-Guan-Yin-Kong-Zi Letter No.1090222256 of FSC to issue first subordinated financial bonds in the amount of $5,000,000 on February 23, 2021 and were sold at full face value.

12. Others

(1) Capital risk management

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

(A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.

(B) In order to process sufficient capital to assume various risks, the Company assesses the required capital with consideration of the risk portfolio it faces and the risk characteristic, and manages risk through capital allocation to realise utilization of capital allocation.

B. Capital management procedure:

(A) The Company regularly monitors the overall capital adequacy ratio, which is maintained and

reported to the competent authorities every 6 or 12 months in compliance with the regulations from both competent authorities and internal requirements.

(B) Calculation and control procedures related to capital adequacy of the financial group are all in compliance with "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies" and "Regulations Governing the Capital Adequacy management for the Yuanta Financial Holding Company., Ltd.".

(C) The objective of capital management of the Company shall be agreed by the Board of Directors, of which an appropriate capital projection is scheduled by the finance management according to the long-term developing strategies, operating plan and characteristics of assets and liabilities. The consolidated capital adequacy ratio of the Yuanta Group is assessed and calculated by month. The Risk Management Department regularly monitors the overall capital adequacy and analyses the impact to the capital adequacy arising from the Company's business development and the change of regulations. The Business Departments shall consider the impact of each transaction or task on the capital adequacy when conducting such transaction or task according to the annual risk limits authorized by the Company.

(D) The Company also sets up 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, 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.

(BLANK)

B. Financial instruments measured at fair value

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

	December 31, 2020				December 31, 2019			
Recurring fair value measurements	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments								
Assets								
Financial assets at fair value through profit or loss								
Equity instruments	$ 33,740,767	$ 31,048,635	$ -	$ 2,692,132	$ 37,144,161	$ 34,960,554	$ 87,610	$ 2,095,997
Liability instruments	372,759,224	88,996,954	283,450,792	311,478	325,609,684	91,234,085	234,013,492	362,107
Others	166,905,946	62,459,581	93,295,301	11,151,064	128,742,970	52,007,473	66,232,980	10,502,517
Financial assets at fair value through other comprehensive income (Note)								
Equity instruments	28,665,135	8,576,899	-	20,088,236	31,972,642	13,517,844	-	18,454,798
Liability instruments	250,942,168	94,013,795	156,725,621	202,752	198,733,362	71,642,229	126,863,300	227,833
Other financial assets								
Purchase of claim receivable	1,831,820	-	-	1,831,820	1,849,460	-	-	1,849,460
Liabilities								
Financial liabilities at fair value through profit or loss	$ 144,029,171	$ 73,969,554	$ 19,023,810	$ 51,035,807	$ 106,583,994	$ 23,132,705	$ 18,944,044	$ 64,507,245
Derivative financial instruments								
Assets								
Financial assets at fair value through profit or loss	$ 13,186,702	$ 3,712,219	$ 7,374,340	$ 2,100,143	$ 12,534,264	$ 3,208,756	$ 6,133,693	$ 3,191,815
Liabilities								
Financial liabilities at fair value through profit or loss	$ 19,428,334	$ 2,524,216	$ 12,523,457	$ 4,380,661	$ 16,756,234	$ 1,872,125	$ 11,082,297	$ 3,801,812

Note: As of December 31, 2020 and 2019, the statutory deposits of Yuanta Life of the Yuanta Group were all $1,216,100.

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

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

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

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

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

b. Credit risk valuation adjustment

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

(D) Transfer between Level 1 and Level 2

As of December 31, 2020 and 2019, certain foreign debt held by the Yuanta Group, totaling USD 15,437 thousand and USD 19,786 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stock brokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of December 31, 2020 and 2019, certain foreign debt held by the Yuanta Group, totaling USD 0 and USD 11,051 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

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

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

For the year ended December 31, 2020

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3 (Note)	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3 (Note)	Ending balance
Financial assets at fair value through profit or loss	$ 16,152,436	($ 1,457,997)	($ 43,829)	$ 34,627,007	$ -	($ 32,682,292)	($ 340,508)	$ 16,254,817
Financial assets at fair value through other comprehensive income	18,682,631	409,360	1,833,258	402,534	-	(1,036,795)	-	20,290,988
Other financial assets- purchase of claim receivable	1,849,460	56	-	-	-	(17,696)	-	1,831,820
Total	$ 36,684,527	($ 1,048,581)	$ 1,789,429	$ 35,029,541	$ -	($ 33,736,783)	($ 340,508)	$ 38,377,625

For the year ended December 31, 2019

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3 (Note)	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3 (Note)	Ending balance
Financial assets at fair value through profit or loss	$ 19,044,503	($ 3,746,761)	($ 18,237)	$ 17,052,048	$ 226,449	($ 15,531,673)	($ 873,893)	$ 16,152,436
Financial assets at fair value through other comprehensive income	17,571,193	(263,561)	1,485,327	-	-	(110,328)	-	18,682,631
Other financial assets- purchase of claim receivable	1,867,408	837	-	-	-	(18,785)	-	1,849,460
Total	$ 38,483,104	($ 4,009,485)	$ 1,467,090	$ 17,052,048	$ 226,449	($ 15,660,786)	($ 873,893)	$ 36,684,527

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 December 31, 2020 and 2019 were $3,368,677 and $2,896,373, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to assets as of December 31, 2020 and 2019 were $1,446,004 and $1,467,020, respectively.

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

For the year ended December 31, 2020

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3 (Note)	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3 (Note)	Ending balance
Financial liabilities at fair value through profit or loss	$ 68,309,057	$ 5,170,226	$ 13,042	$ 90,517,374	$ -	($ 108,593,231)	$ -	$ 55,416,468

For the year ended December 31, 2019

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3 (Note)	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3 (Note)	Ending balance
Financial liabilities at fair value through profit or loss	$ 60,596,909	($ 4,853,573)	$ 8,636	$ 110,977,569	$ -	($ 98,420,484)	$ -	$ 68,309,057

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains belonging to liabilities as of December 31, 2020 and 2019 were $4,783,564 and $2,974,651, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of December 31, 2020 and 2019 were $12,731 and $8,403, respectively.

Note: For the years ended December 31, 2020 and 2019, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

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

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

	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
Items	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
December 31, 2020				
Assets				
Financial assets at fair value through profit or loss	$ 95,259	($ 92,126)	$ -	$ -
Derivative instruments	46,827	(46,827)	-	-
Financial assets at fair value through other comprehensive income	-	-	400,275	(278,574)
Other financial assets- purchase of claim receivable	88,945	(88,945)	-	-
Liabilities				
Financial liabilities at fair value through profit or loss	($ 43,723)	$ 43,723	$ -	$ -
Derivative instruments	121,173	(121,173)	-	-
December 31, 2019				
Assets				
Financial assets at fair value through profit or loss	$ 121,559	($ 103,408)	$ -	$ -
Derivative instruments	(26,358)	26,358	-	-
Financial assets at fair value through other comprehensive income	-	-	443,864	(366,507)
Other financial assets- purchase of claim receivable	85,976	(85,976)	-	-
Liabilities				
Financial liabilities at fair value through profit or loss	($ 74,870)	$ 74,870	$ -	$ -
Derivative instruments	92,991	(92,991)	-	-

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:

December 31, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	$ 2,692,132	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Discount rate	7.59%~15.95%	The higher the discount rate, the lower the fair value
			Stock price volatility	11.01%~39.46%	No certain positive and negative relationship between stock price volatility and fair value
			Credit Spread	2.49%~5.92%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
Financial assets at fair value through profit or loss					
Liability instruments	311,478	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Monte Carlo Simulation 4.Discounted cash flow	Stock price volatility	13.19%~51.02%	No certain positive and negative relationship between stock price volatility and fair value
			Credit Spread	5.58%~5.60%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	0.002%~4.74%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,100,143	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility	2.57%~22.11%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Others	11,151,064	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	17.93%~22.11%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.22~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100.00%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,831,820	Recoverable amount	Contact rate	3.76%~43.20%	The higher the contact rate, the higher the fair value
			Payment rate	2.87%~39.00%	The higher the payment rate, the higher the fair value
			Discount rate	3.72%~39.93%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	20,088,236	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=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	11%	The higher the discount rate, the lower the fair value

December 31, 2020		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through other comprehensive income					
Liability instruments	$ 202,752	Discounted cash flow	Discount rate	0.002%~4.740%	The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	4,380,661	1.FDM 2.Option Model 3.Monte Carlo Simulation	Stock price volatility	17.93%~22.11%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.23~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Others	51,035,807	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation	Stock price volatility	1.14%~92.20%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.23~0.96	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100.00%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value

December 31, 2019		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	$ 2,095,997	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Discount rate	5.45%~14.40%	The higher the discount rate, the lower the fair value
			Stock price volatility	13.87%~36.83%	No certain positive and negative relationship between stock price volatility and fair value
			Credit Spread	2.26%~5.92%	The higher the credit spread, the lower the fair value
			Recovery rate	20%	The higher the recovery rate, the higher the fair value
Financial assets at fair value through profit or loss					
Liability instruments	362,107	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	10.22%~39.25%	No certain positive and negative relationship between stock price volatility and fair value
			Credit Spread	5.58%~18.03%	The higher the credit spread, the lower the fair value
			Recovery rate	20%	The higher the recovery rate, the higher the fair value
			Discount rate	0.40%~7.76%	The higher the discount rate, the lower the fair value

December 31, 2019		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Derivative instruments (including futures and options trade in futures market)	$ 3,191,815	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility	2.86%~22.27%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.22~0.95	The higher the correlation coefficient, the higher the fair value
Derivative instruments (including futures and options trade in futures market)			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Others	10,502,517	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	13.50%~22.27%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.22~0.95	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,849,460	Recoverable amount	Contact rate	1.90%~39.46%	The higher the contact rate, the higher the fair value
			Payment rate	1.72%~39.85%	The higher the payment rate, the higher the fair value
			Discount rate	1.87%~40.21%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	18,454,798	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	1%	The higher the growth rate, the higher the fair value
			Discount rate	10.40%	The higher the discount rate, the lower the fair value
Liability instruments	227,833	Discounted cash flow	Discount rate	0.40%~7.76%	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)	3,801,812	1.FDM 2.Option Model 3.Monte Carlo Simulation	Dividend rate	1.82%~3.52%	The higher the dividend rate, the lower the fair value
			Stock price volatility	13.50%~22.27%	No certain positive and negative relationship between stock price volatility and fair value
			Correlation coefficient	0.22~0.95	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value

December 31, 2019		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Others	$ 64,507,245	1.IR Model 2.Option Model 3.Hybrid Model 4.FDM 5.Monte Carlo Simulation	Stock price volatility	0.73%~94.27%	No certain positive and negative relationship between stock price
			Correlation coefficient	0.22~0.95	The higher the correlation coefficient, the higher the fair value
			Default rate	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	55%	The higher the recovery rate, the higher the fair value

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

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

C. Financial instruments not measured at fair value

(A) Fair value information:

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

	December 31, 2020				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets					
Investments in debt instruments at amortised cost (Notes 1 and 2)	$ 284,026,580	$ 317,826,274	$ 3,133,569	$ 314,662,895	$ 29,810
Financial liabilities					
Bonds payable	78,790,127	81,283,377	-	81,283,377	-

	December 31, 2019				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets					
Investments in debt instruments at amortised cost (Notes 1 and 2)	$ 255,811,355	$ 275,638,101	$ 3,120,202	$ 272,479,661	$ 38,238
Financial liabilities					
Bonds payable	68,849,634	71,228,083	-	71,228,083	-

Note 1: Including the statutory deposits of $2,344,300 and $600,000, respectively of Yuanta Life of the Yuanta Group as of December 31, 2020 and 2019.

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 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 its carrying value.

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

(A) The Yuanta Group's risk management organization structure includes the Board of Directors, the Audit Committee, the Risk Management Committee, senior management, the Risk Management Department, the Legal Compliance Department, the Legal Department and other business departments. The Board of Directors is the highest decision-making unit for risk management. Its primary responsibilities includes approving the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as supervising the enforcement of the risk management system. The Audit Committee should assist the Board of Directors in implementing its risk management responsibilities. Its primary responsibilities includes deliberating the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as assisting the Board of Directors in supervising the enforcement of the risk management system. The Risk Management Committee should assist the Audit Committee and Board of Directors in implementing their risk management responsibilities. Its primary responsibilities includes deliberating the annual risk limits, reviewing risk management reports, integrating and coordinating common risk management issues between subsidiaries, and promoting and communicating important risk management issues. Senior management should examine risks involved in operating activities and ensure the Yuanta Group's risk management system can thoroughly and effectively control related risks. The Risk Management Department is an independent department subordinated under the Board of Directors. The Risk Management Department's primary responsibilities includes developing the risk management

system, establishing a method to effectively measure risk, establishing the risk management system, monitoring and analyzing risk and alerting and reporting significant risks in a timely manner. The Legal Compliance department should implement legal compliance risk management. It should ensure that businesses of all units and the legal compliance risk management system comply with related regulations, 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 risk management responsibilities of business departments are to comprehensively examine all risk management regulations before conducting their respective tasks and certainly comply with all risk management regulations.

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

(B) Risk management policy

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

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

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

(A) Credit risk

a. Source and definition of credit risk

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

b. Principle of credit risk management

In order to effectively consolidate credit distribution and control change in credit exposure, except for establishment of internal credit rating system and implementation of credit risk rating system, the Yuanta Group also establishes credit pre-warning program, carries out escalation procedures and effectively improves the time efficiency of credit incidence. Secondly, to benefit the control of credit risk concentration, the Yuanta Group has developed information system for significant amount exposure, which covers credit risks of credit and investment transactions, cross-analyses and cross-consolidates by issuer and trading counterparty and monitors overall credit exposure. In addition, the Yuanta Group also conducts research and development of various credit risk model to

strengthen quantitative mechanism of the Yuanta Group's credit rating. As such, the credit limits of the subsidiaries can be dynamically and reasonably allocated and transferred according to different business risks and asset characteristics.

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

c. Methods used in credit risk management

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

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

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

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

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

Credit rating of corporate finance is categorized into 10 levels upon underwriting according to the risks assessment on each credit extension case. When a loan is granted, in addition to the credit quality of the client, fund purpose, repayment source, protection of claims and credit prediction should be considered, credit risk by credit account and facility should also be respectively assessed and rated based on the corporate or consumer risk rating referencing standards.

Credit risk rating of the consumer finance is 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 categorized into Excellent, Acceptable, Weak, and Credit-impaired, and the definitions are illustrated below:

I. Excellent: This level shows that the counterparty or the underlying asset is equipped with strong capability of fulfilling financial commitments, even under significantly uncertain or adverse conditions.

II. Acceptable: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is weak. Any adverse operation, financial or economic conditions will reduce its capability.

III. Weak: This level shows that the counterparty's or the underlying asset's capability of fulfilling financial commitments is extremely low. The counterparty is able to fulfill financial commitments only when the operating circumstances and its financial condition are favorable.

IV. Credit-impaired: This level shows that the financial asset has been impaired or there has been a significant increase in the credit risk since initial recognition.

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

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

(b) Expected credit losses calculation

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

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

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

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

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

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

(I) Credit business

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

i. The borrower is over 30 days past due.

ii. Significant deterioration in credit quality and placed on the Yuanta Group's warning list.

iii. Deterioration in credit rating:

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

iv. Records of bad credit are confirmed after assessment.

(II) Investments in debt instruments

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

i. The internal ratings of the credit reference subject has dropped by more than one scale since initial recognition.

ii. The implied credit spread of the debt instrument has increased by a certain number of basis points since initial recognition.

(III) Other financial assets

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

i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the terms recorded in the contract, unless the contractual terms specify it.

ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.

iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, receivables have been transferred to overdue receivables or have been provided the bad debt expense, or the number of past-due days is not over the days recorded in the contract but it meets the terms of default.

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

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

(I) Credit business

i. Principal or interest payments over 3 months (90 days) past due, or the bank has begun collection procedures or liquidation of collateral.

ii. New payment schedule is negotiated so that loan is not classified as non-performing.

iii. Non-performing loans in negotiation according to the rules of the Debt Negotiation Mechanism issued by the Bankers Association in 2006 (including pre-mediation).

iv. Loans that have gone through pre-mediation and have signed agreements in accordance with the Consumer Debt Clearance Act (excluding secured loans where the original terms of the loans are enforced).

v. Cases where the court has initiated reorganization or liquidation proceedings.

vi. Declaration of bankruptcy in court.

vii. Reclassified as non-accrual.

viii. Special criterion for credit card products: credit card accounts closed by the issuer.

ix. Debtor's loans from other banking institutions have been recognized as non-performing, and reclassified as non-accrual or written off as bad debt.

x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.

xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.

xii. Non-performing loans where a payment installment plan has been negotiated.

xiii. Loans classified as "in default" according to the Yuanta Group's internal credit rating model.

(II) Investments in debt instruments

An investment in a debt instrument by the Yuanta Group is considered credit-

impaired if any of the following conditions apply:

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

(III) Other financial assets

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

(IV) Definition of default

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

III. Write off policy

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

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

IV. Measurement of expected credit losses

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

(I) Credit business

i. Probability of default

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

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

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

ii. Loss given default

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

iii. Exposure at default (EAD)

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

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

(II) Investments in debt instruments

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

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

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

V. Consideration of forecastable information

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

(I) For determining significant increase in credit risk

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

ii. Identify customers with potential risk using the early warning list of the Yuanta Group. The early warning system of the Yuanta Group involves the assessment of the credit risk of the customer by reviewing the following

five factors: management, financial statements, cash flows, source of repayment, and past performance.

(II) For measuring expected credit losses

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

(III) Other

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

e. Hedging or mitigation of credit risk

(a) Collateral

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

(b) Credit risk limit and credit risk concentration control

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

(c) Net-settled general agreement

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

(d) Others

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

procedures:

I. Additional credit exposure limit;

II. Credit limits reduction;

III. Hedging through credit derivatives;

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

f. The impact of COVID-19

As a result of the COVID-19 outbreak in the beginning of 2020 and the effect on macroeconomic development, the actual impact would be determined based on the duration of the pandemic as well as the degree of effect on the economic environment. In response to COVID-19, the Yuanta Group has continued to monitor and manage the sectors affected by country risk and industries (such as transportation, tourism, catering, distribution, etc.). The review and analysis showed that the risk is still within tolerance. In addition, the government and the financial industry had already proposed countermeasures. If the pandemic is brought under control in the near future, it is not expected that the Yuanta Group's assets will be exposed to an increase in credit risk in 2020. The Yuanta Group will continually monitor the development of the pandemic, and assess and resolve the related impact on the financial condition and operating performance of the Yuanta Group.

g. Maximum risk exposure of the Yuanta Group

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

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

Bills discounted and loans

December 31, 2020	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings — excellent	$ 511,839,631	$ 506,109	$ -	$ -	$ 512,345,740
Internal ratings — acceptable	228,821,703	4,191,776	-	-	233,013,479
Internal ratings — weak	53,972,718	691,276	-	-	54,663,994
Internal ratings — not rated	201,335	215	-	-	201,550
Internal ratings — credit impairment	-	216,164	7,212,234	-	7,428,398
The total carrying amount	794,835,387	5,605,540	7,212,234	-	807,653,161
Allowance for bad debt	(1,523,406)	(237,135)	(4,550,166)	-	(6,310,707)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(6,909,850)	(6,909,850)
Total (Note)	$ 793,311,981	$ 5,368,405	$ 2,662,068	($ 6,909,850)	$ 794,432,604

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

Additionally, the total cost amounts of accounts receivable and debt instruments (shown as financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost) are $178,082,316 and $678,737,464, respectively, and 12-month expected credit losses (Stage 1) are recognized for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

December 31, 2019	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings—excellent	$ 499,332,861	$ 603,721	$ -	$ -	$ 499,936,582
Internal ratings—acceptable	226,667,970	3,704,698	-	-	230,372,668
Internal ratings—weak	48,049,256	432,472	-	-	48,481,728
Internal ratings—not rated	204,092	1,052	-	-	205,144
Internal ratings—credit impairment	-	306,526	9,046,406	-	9,352,932
The total carrying amount	774,254,179	5,048,469	9,046,406	-	788,349,054
Allowance for bad debt	(1,401,149)	(190,360)	(4,951,631)	-	(6,543,140)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(7,502,396)	(7,502,396)
Total (Note)	$ 772,853,030	$ 4,858,109	$ 4,094,775	($ 7,502,396)	$ 774,303,518

Note: Including interest receivable and temporary payments for others amounting to $875,168. In addition, allowance for doubtful receivables was $33,355.

Additionally, the total cost amounts of accounts receivable and debt instruments (shown as financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost) are $145,125,217 and $584,397,733, respectively, and 12-month expected credit losses (Stage 1) are recognized for the majority of these items. The internal ratings of these items are all excellent and acceptable.

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

December 31, 2020	Collateral (Note)	Net-settled general agreement	Total
For accounts on the balance sheet			
Receivables-other	$ 124,281	$ -	$ 124,281
Bills discounted and loans	611,445,986	-	611,445,986
Financial assets at fair value through profit or loss	327,988	666,445	994,433
For accounts off the balance sheet			
Unused loan commitments	7,744,531	-	7,744,531
Unused credit commitment	137,817	-	137,817
Guarantees (including for non-performing loans)	3,526,369	-	3,526,369

December 31, 2019	Collateral (Note)	Net-settled general agreement	Total
For accounts on the balance sheet			
Receivables-other	$ 65,427	$ -	$ 65,427
Bills discounted and loans	561,708,410	-	561,708,410
Financial assets at fair value through profit or loss	1,253,968	1,138,660	2,392,628
For accounts off the balance sheet			
Unused loan commitments	6,999,973	-	6,999,973
Unused credit commitment	109,415	-	109,415
Guarantees (including for non-performing loans)	4,749,347	-	4,749,347

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

h. Credit risk concentration

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

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

(a) Industry:

Industry	December 31, 2020 Amount	December 31, 2020 %	December 31, 2019 Amount	December 31, 2019 %
Privately owned businesses	$ 704,467,933	27.46	$ 670,861,627	30.03
Natural person	638,832,274	24.90	542,092,570	24.26
Financial institutions	692,709,449	27.01	586,938,831	26.28
Governmental institutions	466,629,428	18.19	415,644,876	18.60
Government-owned businesses	59,664,323	2.33	15,952,345	0.71
Others	2,890,523	0.11	2,697,949	0.12
Total	$ 2,565,193,930	100.00	$ 2,234,188,198	100.00

(b) Geographic location:

Geography location	December 31, 2020	December 31, 2019
Taiwan	$ 1,751,171,519	$ 1,479,272,705
Asia	515,138,728	511,510,812
America	192,004,909	148,313,749
Europe	73,387,575	70,330,015
Oceania	33,235,807	24,613,557
Africa	255,392	147,360
Total	$ 2,565,193,930	$ 2,234,188,198

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

(a) Credit business

For the years ended December 31, 2020 and 2019, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

For the year ended December 31, 2020	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Beginning balances	$ 1,383,758	$ 190,274	$ 4,948,755	$ 6,522,787	$ 7,489,394	$ 14,012,181
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(12,717)	13,891	(1,174)	-	-	-
-Transferred to credit-impaired financial asset	(8,800)	(3,950)	12,750	-	-	-
-Transferred to 12-month expected credit losses	103,869	(21,741)	(82,128)	-	-	-
-Financial assets derecognised in the current period	(503,799)	(34,201)	(1,846,622)	(2,384,622)	-	(2,384,622)
Impairment allowance for purchased or originated financial assets	797,545	12,451	55,396	865,392	-	865,392
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	-	-	-	-	(584,037)	(584,037)
Write-off as bad debt	(813,201)	(21,259)	(1,958,986)	(2,793,446)	-	(2,793,446)
Change in exchange and others	530,631	101,576	3,454,065	4,086,272	-	4,086,272
Ending balances	$ 1,477,286	$ 237,041	$ 4,582,056	$ 6,296,383	$ 6,905,357	$ 13,201,740

For the year ended December 31, 2019	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Beginning balances	$ 1,757,986	$ 911,672	$ 4,115,282	$ 6,784,940	$ 6,822,051	$ 13,606,991
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(51,296)	54,766	(3,470)	-	-	-
-Transferred to credit-impaired financial asset	(17,284)	(24,733)	42,017	-	-	-
-Transferred to 12-month expected credit losses	148,931	(35,962)	(112,969)	-	-	-
-Financial assets derecognised in the current period	(594,002)	(365,966)	(500,486)	(1,460,454)	-	(1,460,454)
Impairment allowance for purchased or originated financial assets	720,073	19,799	224,781	964,653	-	964,653
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	-	-	-	-	667,343	667,343
Write-off as bad debt	(551,566)	(42,483)	(1,566,016)	(2,160,065)	-	(2,160,065)
Change in exchange and others	(29,084)	(326,819)	2,749,616	2,393,713	-	2,393,713
Ending balances	$ 1,383,758	$ 190,274	$ 4,948,755	$ 6,522,787	$ 7,489,394	$ 14,012,181

For the year ended December 31, 2020, significant changes in the total carrying amount that affected allowance for bad debt are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	$ 773,421,211	$ 5,042,739	$ 9,009,936	$ 787,473,886
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(2,205,135)	2,206,731	(1,596)	-
-Transferred to credit-impaired financial asset	(2,263,707)	(242,575)	2,506,282	-
-Transferred to 12-month expected credit losses	1,168,478	(855,276)	(313,202)	-
-Financial assets derecognised in the current period	(274,423,919)	(1,116,242)	(3,433,252)	(278,973,413)
Impairment allowance for purchased or originated financial assets	350,705,979	805,687	112,106	351,623,772
Write-off as bad debt	(814,170)	(21,259)	(1,957,970)	(2,793,399)
Change in exchange and others	(51,376,084)	(221,453)	1,268,472	(50,329,065)
Ending balances	$ 794,212,653	$ 5,598,352	$ 7,190,776	$ 807,001,781

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For the year ended December 31, 2019, significant changes in the total carrying amount that affected allowance for bad debt are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	$ 771,698,882	$ 4,724,362	$ 8,098,042	$ 784,521,286
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(3,391,170)	3,414,982	(23,812)	-
-Transferred to credit-impaired financial asset	(3,659,396)	(349,311)	4,008,707	-
-Transferred to 12-month expected credit losses	1,277,076	(935,320)	(341,756)	-
-Financial assets derecognised in the current period	(272,481,002)	(2,128,126)	(1,624,140)	(276,233,268)
Impairment allowance for purchased or originated financial assets	344,525,610	711,403	698,251	345,935,264
Write-off as bad debt	(553,705)	(42,483)	(1,566,918)	(2,163,106)
Change in exchange and others	(63,995,084)	(352,768)	(238,438)	(64,586,290)
Ending balances	$ 773,421,211	$ 5,042,739	$ 9,009,936	$ 787,473,886

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(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 December 31, 2020 and 2019, the carrying amount of accounts receivable amounted to $68,044,604 and $31,721,372, respectively. For the years ended December 31, 2020 and 2019, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	For the years ended December 31,	
	2020	2019
January 1,	($ 1,299)	($ 10,214)
Reversal of impairment loss	428	8,915
December 31,	($ 871)	($ 1,299)

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II. For the years ended December 31, 2020 and 2019, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

For the year ended December 31, 2020	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
The beginning balances	$ 299,538	$ 159,325	$ 2,641,649	$ 3,100,512	$ 92,848	$ 3,193,360
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(186)	1,432	(1,246)	-	-	-
-Transferred to credit-impaired financial asset	(4,073)	(1,057)	5,130	-	-	-
-Transferred to 12-month expected credit losses	66,046	(36,684)	(29,362)	-	-	-
-Financial assets derecognised in the current period	(9,936)	(568)	(55,686)	(66,190)	-	(66,190)
Impairment allowance for purchased or originated financial assets	8,229	4,511	59,734	72,474	-	72,474
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	(19,000)	(19,000)
Write-off as bad debt	(34,811)	(12,556)	(324,496)	(371,863)	-	(371,863)
Change in exchange and others	(61,957)	(34,471)	370,660	274,232	-	274,232
The ending balances	$ 262,850	$ 79,932	$ 2,666,383	$ 3,009,165	$ 73,848	$ 3,083,013

For the year ended December 31, 2019	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
The beginning balances	$ 170,467	$ 120,338	$ 2,723,489	$ 3,014,294	$ 99,374	$ 3,113,668
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(118)	1,831	(1,713)	-	-	-
-Transferred to credit-impaired financial asset	(58)	(1,018)	1,076	-	-	-
-Transferred to 12-month expected credit losses	76,766	(38,821)	(37,945)	-	-	-
-Financial assets derecognised in the current period	(10,198)	(1,436)	(4,461)	(16,095)	-	(16,095)
Impairment allowance for purchased or originated financial assets	11,173	7,001	44,718	62,892	-	62,892
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	-	-	-	-	(6,526)	(6,526)
Write-off as bad debt	(53,398)	(16,881)	(85,673)	(155,952)	-	(155,952)
Change in exchange and others	104,904	88,311	2,158	195,373	-	195,373
The ending balances	$ 299,538	$ 159,325	$ 2,641,649	$ 3,100,512	$ 92,848	$ 3,193,360

For the years ended December 31, 2020 and 2019, there were no significant changes to allowance for bad debt for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

For the year ended December 31, 2020	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
The beginning balances	$ 47,767	$ 16,002	$ 45,879	$ 109,648	$ 87,899	$ 197,547
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(964)	1,012	(48)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(14)	15	-	-	-
-Transferred to 12-month expected credit losses	11,893	(11,593)	(300)	-	-	-
-Financial assets derecognised in the current period	(19,396)	(2,211)	(16,787)	(38,394)	-	(38,394)
Impairment allowance for purchased or originated financial assets	18,944	454	19,334	38,732	-	38,732
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	-	-	-	-	(13,373)	(13,373)
Change in exchange and others	(4,720)	7,184	8,251	10,715	-	10,715
The ending balances	$ 53,523	$ 10,834	$ 56,344	$ 120,701	$ 74,526	$ 195,227

For the year ended December 31, 2019	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
The beginning balances	$ 56,352	$ 19,502	$ 55,824	$ 131,678	$ 125,474	$ 257,152
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(30)	110	(80)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(22)	23	-	-	-
-Transferred to 12-month expected credit losses	14,076	(13,721)	(355)	-	-	-
-Financial assets derecognised in the current period	(24,182)	(3,286)	(29,861)	(57,329)	-	(57,329)
Impairment allowance for purchased or originated financial assets	18,898	1,050	15,991	35,939	-	35,939
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	-	-	-	-	(37,575)	(37,575)
Change in exchange and others	(17,346)	12,369	4,337	(640)	-	(640)
The ending balances	$ 47,767	$ 16,002	$ 45,879	$ 109,648	$ 87,899	$ 197,547

i. For the years ended December 31, 2020 and 2019, there were no significant changes to guarantee reserve and loan commitment reserve.

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

(d) Bills and bonds investments

For the years ended December 31, 2020 and 2019, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were $101,586 and $93,376; the ending balances were $97,219 and $101,586, respectively. For the years ended December 31, 2020 and 2019, the beginning balances of the accumulative impairment of financial assets measured at amortized cost were $139,720 and $142,478; the ending balances were $145,737 and $139,720, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

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

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

b. Risk management principle

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

c. Market risk assessment

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

VaR for a trading purpose:

Instrument type	For the year ended December 31, 2020			
	December 31, 2020	VaR Average	VaR Minimum	VaR Maximum
Interest rate	177,657	149,685	81,369	207,818
Equity securities	430,311	372,149	206,312	589,700
Foreign exchange	485,743	491,700	352,479	720,254
Commodity	7,185	21,787	402	241,741
Less: diversification effects	(315,888)	(301,058)	-	-
Total VaR	785,008	734,263	518,889	988,652

Instrument type	For the year ended December 31, 2019			
	December 31, 2019	VaR Average	VaR Minimum	VaR Maximum
Interest rate	83,878	95,568	67,835	128,163
Equity securities	222,829	243,305	200,832	320,318
Foreign exchange	360,768	296,476	226,513	410,487
Commodity	13,841	13,973	1,513	49,817
Less: diversification effects	(161,632)	(212,266)	-	-
Total VaR	519,684	437,056	363,454	565,607

(b) Non-trading purpose

Sensitivity analysis on interest rate:

		December 31, 2020	December 31, 2019
	Interest rate shift	Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds			
Yuanta Bank	Increase of 1 basis point	($ 39,181)	($ 95,298)
Yuanta Life	Increase of 1 basis point	(64,710)	(40,671)

d. As of December 31, 2020 and 2019, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	December 31, 2020		December 31, 2019	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets				
Cash and cash equivalents	$ 1,143,139	$ 32,588,593	$ 914,260	$ 27,526,011
Financial assets at fair value through profit or loss	1,156,732	32,976,126	1,359,877	40,966,486
Financial assets at fair value through other comprehensive income	3,604,661	102,761,670	1,945,115	58,559,620
Financial assets at amortized cost	5,936,702	169,243,501	4,634,222	139,517,897
Bills discounted and loans	2,216,471	63,187,152	2,670,980	80,412,527
Foreign currency denominated financial liabilities				
Bills and bonds payable under repurchase agreements	1,181,705	33,688,055	1,294,341	38,967,436
Deposits and remittances	4,514,794	128,707,754	4,315,710	129,930,070
Other liabilities	873,037	24,888,539	949,940	28,598,887

Note: As of December 31, 2020 and 2019, USD to TWD exchange rates were 28.508 and 30.106, respectively.

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e. As of December 31, 2020 and 2019, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	December 31, 2020		December 31, 2019	
	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)
Effect on profit or loss				
Financial assets				
Cash and cash equivalents	$ 674,411,743	$ 17,703,983	$ 672,517,427	$ 17,485,453
Financial assets at fair value through profit or loss	8,932,727,966	234,493,042	7,038,520,942	183,001,544
Financial assets at fair value through other comprehensive income	195,774,229	5,139,269	180,606,257	4,695,763
Accounts receivable	691,764,747	18,159,516	200,359,773	5,209,354
Prepayments and other receivables	53,120,817	1,394,475	12,297,079	319,724
Other current assets	126,875,789	3,330,616	128,982,752	3,353,552
Non-current assets	17,317,074	454,591	36,722,202	954,777
Financial liabilities				
Financial liabilities at fair value through profit or loss	1,751,608,479	45,981,474	1,896,191,866	49,300,989
Bonds sold under repurchase agreements	3,871,343,939	101,626,650	3,360,164,624	87,364,280
Guarantee deposit-in and margin deposits	102,015,844	2,678,018	83,168,201	2,162,373
Other current liabilities	44,292,568	1,162,724	129,297,805	3,361,743
Non-current liabilities	114,693,208	3,010,811	103,567,539	2,692,756
Effect on profit or loss and equity				
Financial assets				
Equity investments accounted for under the equity method	89,172,093	2,340,857	76,033,833	1,976,880

Note: As of December 31, 2020 and 2019, the KRW to TWD exchange rate were both 0.026.

(C) Liquidity risk

a. Source and definition of liquidity risk

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

b. Liquidity risk management principle

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

c. Assessment on liquidity risk

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

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

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

(a) Financial assets held for liquidity risk management

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

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

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

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

I. Derivative financial instruments settled on a net basis

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

II. Derivative financial instruments settled on a gross basis

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

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

December 31, 2020				
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	$ 61,982,603	$ 15,234,266	$ 280,329	$ 77,497,198
Due from Central Bank and call loans to other banks	27,254,595	10,092,759	17,026,202	54,373,556
Financial assets at fair value through profit or loss	393,223,577	53,031,321	122,202,953	568,457,851
Financial assets at fair value through other comprehensive income	10,234,735	14,726,206	248,062,195	273,023,136
Investments in bills and bonds under resale agreements	58,336,318	-	-	58,336,318
Receivables	187,975,876	42,663,552	13,813,943	244,453,371
Bills discounted and loans	141,666,704	158,243,571	505,620,132	805,530,407
Reinsurance contract assets	474,044	625,413	-	1,099,457
Financial assets at amortised cost	114,612,311	30,349,573	285,337,543	430,299,427
Restricted assets	-	-	2,961,020	2,961,020
Other financial assets	75,247,715	21,998	4,023,123	79,292,836
Other assets	24,989,447	696,713	13,169,310	38,855,470
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	564,095,869	126,648,705	245,926,486	936,671,060
Cash outflow	(553,462,395)	(100,959,402)	(174,219,711)	(828,641,508)
Net settlement	10,781,462	27,677,714	73,468,500	111,927,676
Total	$ 1,117,412,861	$ 379,052,389	$ 1,357,672,025	$ 2,854,137,275
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	$ 12,148,806	$ 3,263,493	$ -	$ 15,412,299
Due to Central Bank and other banks	596,000	79,000	-	675,000
Financial liabilities at fair value through profit or loss	69,292,164	2,925,332	2,143,394	74,360,890
Bills and bonds payable under repurchase agreements	147,038,875	34,368,399	35,213,913	216,621,187
Commercial paper payable	19,497,099	7,920,390	-	27,417,489
Payables	173,313,082	21,651,552	53,329,810	248,294,444
Deposits and remittances	270,274,785	372,639,773	568,105,836	1,211,020,394
Bonds payable	3,535,198	13,690,505	58,410,734	75,636,437
Other borrowings	41,908,532	3,722,598	12,164,931	57,796,061
Other financial liabilities	79,583,504	875,539	8,254,541	88,713,584
Other liabilities	38,741,761	40,879	3,125,657	41,908,297
Lease liability	374,691	1,065,135	6,558,187	7,998,013
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(72,766,299)	(12,395,832)	-	(85,162,131)
Cash outflow	75,008,495	12,573,748	-	87,582,243
Net settlement	88,499	113,131	947,401	1,149,031
Total	$ 858,635,192	$ 462,533,642	$ 748,254,404	$ 2,069,423,238

December 31, 2019				
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	$ 66,418,590	$ 2,813,332	$ 27,651	$ 69,259,573
Due from Central Bank and call loans to other banks	22,785,744	9,482,751	13,766,190	46,034,685
Financial assets at fair value through profit or loss	349,226,189	56,129,112	98,675,778	504,031,079
Financial assets at fair value through other comprehensive income	15,937,369	13,299,901	200,252,634	229,489,904
Investments in bills and bonds under resale agreements	47,603,371	-	-	47,603,371
Receivables	127,867,114	37,814,329	11,165,146	176,846,589
Bills discounted and loans	151,319,076	148,762,425	487,392,385	787,473,886
Reinsurance contract assets	331,063	572,545	-	903,608
Financial assets at amortised cost	104,824,298	17,881,417	263,746,700	386,452,415
Restricted assets	-	-	2,562,586	2,562,586
Other financial assets	62,021,711	(111,505)	4,046,836	65,957,042
Other assets	4,598,249	1,208,656	7,775,906	13,582,811
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	45,563,276	10,166,750	-	55,730,026
Cash outflow	(44,821,397)	(10,043,364)	-	(54,864,761)
Net settlement	874,341	1,049,721	3,034,369	4,958,431
Total	$ 954,548,994	$ 289,026,070	$ 1,092,446,181	$ 2,336,021,245
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	$ 9,838,535	$ 3,268,493	$ -	$ 13,107,028
Financial liabilities at fair value through profit or loss	6,983,480	5,531,835	10,617,391	23,132,706
Bills and bonds payable under repurchase agreements	139,523,039	31,047,313	28,095,566	198,665,918
Commercial paper payable	38,352,937	299,600	-	38,652,537
Payables	148,912,250	10,030,330	2,384,466	161,327,046
Deposits and remittances	312,411,759	339,209,993	443,884,519	1,095,506,271
Bonds payable	12,743,645	4,946,565	51,153,914	68,844,124
Other borrowings	40,366,161	7,161,225	13,320,606	60,847,992
Other financial liabilities	57,660,464	1,744,390	16,664,566	76,069,420
Other liabilities	15,731,920	4,636,762	13,498,900	33,867,582
Lease liability	284,279	722,338	4,521,043	5,527,660
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(55,780,178)	(12,115,180)	-	(67,895,358)
Cash outflow	57,170,912	12,290,789	-	69,461,701
Net settlement	592,563	495,179	2,154,655	3,242,397
Total	$ 784,791,766	$ 409,269,632	$ 586,295,626	$ 1,780,357,024

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 December 31, 2020 and 2019, expenses on period of 0-90 days will increase by $597,259,138 and $469,870,268, 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:

	December 31, 2020			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	$ 23,460,752	$ -	$ -	$ 23,460,752
Unused credit commitment	3,332,772	-	-	3,332,772
Guarantees	13,042,579	-	-	13,042,579
Capital expenditure commitment	1,730,586	1,499,386	-	3,229,972

	December 31, 2019			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	$ 25,604,687	$ -	$ -	$ 25,604,687
Unused credit commitment	3,635,756	-	-	3,635,756
Guarantees	13,217,092	-	-	13,217,092
Capital expenditure commitment	792,471	145,914	86,105	1,024,490

(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) 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:

	December 31, 2020	
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	$ 18,662,717	$ 16,468,096
Bond sold under repurchase agreements	221,793,240	216,621,187

	December 31, 2019	
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	$ 17,768,247	$ 16,078,957
Bond sold under repurchase agreements	202,457,635	198,665,918

(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

December 31, 2020

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

Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received	
Derivative instruments	$ 9,144,473	$ -	$ 9,144,473	$ 4,523,498	$ 3,528,033	$ 1,092,942
Bonds purchased under resale agreements	58,336,318	-	58,336,318	53,394,111	3,633,266	1,308,941

December 31, 2019

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

Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received	
Derivative instruments	$ 8,755,799	$ -	$ 8,755,799	$ 5,968,722	$ 2,007,784	$ 779,293
Bonds purchased under resale agreements	47,603,371	-	47,603,371	43,096,771	4,504,610	1,990

b. Financial liabilities

December 31, 2020

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

Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received	
Derivative instruments	$ 10,002,124	$ -	$ 10,002,124	$ 6,896,975	$ 1,508,225	$ 1,596,924
Bonds sold under repurchase agreements	216,621,187	-	216,621,187	216,615,003	6,184	-

December 31, 2019						
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	$ 9,921,679	$ -	$ 9,921,679	$ 6,639,876	$ 1,228,772	$ 2,053,031
Bonds sold under repurchase agreements	198,665,918	-	198,665,918	198,586,154	79,764	-

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) Insurance risk

a. Measurement and management of insurance risk

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

(a) Life insurance

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

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

(b) Variable life insurance

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

(c) Accident insurance and health insurance

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

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

(d) Management of insurance risk

I. Risk management of policy underwriting

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

II. Risk management of payment of claims

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

III. Risk of product designing and pricing

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

b. Insurance risk concentration

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

c. Liability adequacy test

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

December 31, 2020 and 2019, 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:

	December 31, 2020	December 31, 2019
Less than 1 year	($ 7,293,976)	($ 24,163,711)
1 ~5 years	13,171,251	19,100,239
6 ~15 years	90,306,283	87,961,335
More than 15 years	549,530,819	521,268,828
Total	$ 645,714,377	$ 604,166,691

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

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

(c) Market risk

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

(4) Capital adequacy ratio:

Expressed In Thousands of New Taiwan Dollars

	Financial Holding Company Shareholding Ratio	December 31, 2020	
		Eligible capital	Minimum capital
Financial holding company	-	$ 253,283,180	$ 287,117,233
Bank subsidiaries	100.00%	135,484,353	83,760,534
Securities subsidiaries	100.00%	64,396,654	30,263,028
Insurances subsidiaries	100.00%	27,988,739	9,371,832
Futures subsidiaries	66.27%	7,858,669	4,185,861
Venture capital subsidiaries	100.00%	2,803,302	1,394,162
Securities Investment Trust subsidiaries	74.71%	4,072,515	2,363,749
Other subsidiaries	100.00%	3,881,090	2,059,641
Deduction items		(300,194,722)	(283,824,795)
Subtotal		$ 199,573,780	$ 136,691,245
Capital adequacy ratio of the Consolidated Company		146.00%	

Expressed In Thousands of New Taiwan Dollars

	Financial Holding Company Shareholding Ratio	December 31, 2019	
		Eligible capital	Minimum capital
Financial holding company	-	$ 232,154,402	$ 254,878,929
Bank subsidiaries	100.00%	133,957,094	90,332,625
Securities subsidiaries	100.00%	52,673,959	23,914,482
Insurances subsidiaries	100.00%	11,628,575	7,740,748
Futures subsidiaries	68.65%	6,079,738	3,188,037
Venture capital subsidiaries	100.00%	2,656,104	1,316,433
Securities Investment Trust subsidiaries	74.36%	3,586,490	2,069,981
Other subsidiaries	100.00%	3,754,904	1,954,804
Deduction items		(268,260,150)	(251,488,755)
Subtotal		$ 178,231,116	$ 133,907,284
Capital adequacy ratio of the Consolidated Company		133.10%	

As of December 31, 2020, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	$ 121,374,360
Additional paid-in capital	37,885,949
Legal reserve	14,633,733
Special reserve	6,549,234
Accumulated earnings	60,333,790
Other equity	12,559,523
Less: goodwill and other intangible assets	(6,156)
Less: deferred assets	(47,253)
Total net eligible capital	$ 253,283,180

As of December 31, 2019, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	$ 116,706,115
Additional paid-in capital	37,402,480
Legal reserve	12,589,183
Special reserve	6,549,234
Accumulated earnings	50,565,092
Other equity	8,389,029
Less: goodwill and other intangible assets	(4,898)
Less: deferred assets	(41,833)
Total net eligible capital	$ 232,154,402

(BLANK)

(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.

	(Expressed In Millions of New Taiwan Dollars) December 31, 2020	
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	$ 148,259	58.52
Securities Korea_Korea_Finance and Insurance Industry	124,597	49.18
Central Government, R.O.C	113,144	44.66
Taiwan Power Company	24,784	9.78
Securities Korea_Korea_Public Administration and National Defense	16,982	6.70
Taiwan Semiconductor Manufacturing Co., Ltd.	15,788	6.23
Taiwan Cement Corporation	12,570	4.96
Taiwan Mobile Co., Ltd.	11,707	4.62
CPC Corporation, Taiwan	11,061	4.37
Nan Ya Plastics Corporation	9,741	3.85
CTBC Financial Holding Co., Ltd.	9,303	3.67
Uni-President Enterprises Group	8,452	3.34
Chunghwa Telecom Co., Ltd.	8,438	3.33
Fubon Securities Investment Trust Co., Ltd	8,067	3.19
Formosa Plastics Corporation	7,505	2.96
Capital Securities Investment Trust Co., Ltd	7,459	2.95
ASE Technology Holding Co., Ltd.	7,264	2.87
Highwealth Construction Corp.	6,993	2.76
Far Eastone Telecommunications Co., Ltd.	6,914	2.73
China Steel Corporation	6,665	2.63
Far Eastern New Century Corporation	6,463	2.55
Taiwan Depository & Clearing Corporation	6,447	2.55
The Export-Import Bank of the Republic of China	6,416	2.53
Federal Home Loan Mortgage CORPORATION	6,256	2.47
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	6,246	2.47
Taiwan Cooperative Bank	6,151	2.43
Formosa Group (Cayman) Limited	6,138	2.42
Formosa Chemicals & Fibre Corporation	6,035	2.38
Asia Cement Corporation	6,020	2.38
STATE OF ISRAEL	5,643	2.23
U.S. Government	5,641	2.23
CTBC Investments	5,550	2.19
Cathay Financial Holding Co., Ltd.	5,523	2.18
Taiwan Futures Exchange	5,481	2.16
NATIONAL BK OF ABU DHABI	5,455	2.15
China Airlines Ltd.	5,435	2.15
JPMorgan Chase & Co.	5,105	2.02
EVA Airways Corporation	5,090	2.01
The Bank of Tokyo-Mitsubishi UFJ	5,022	1.98
Taiwan Water Corporation	5,003	1.98
Taiwan Railways Administration	4,946	1.95
National Australia Bank	4,942	1.95
Taishin International Bank Co., Ltd.	4,794	1.89
Securities Hong Kong_Cayman Islands_Finance and Insurance Industry	4,746	1.87
Shanghai Commercial and Savings Bank	4,640	1.83
BNP Paribas	4,594	1.81

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2020 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
HSBC Bank (Taiwan)	$ 4,527	1.79
Shin Kong Financial Holding Co.,Ltd.	4,449	1.76
Yuan Ding Investment Corp.	4,400	1.74
Federal National Mortgage Association	4,367	1.72
Pegatron Corporation	4,271	1.69
Radium Life Tech Co., Ltd.	4,231	1.67
Wavely Logistics Limited., Taiwan Branch	4,180	1.65
Cheng Shin Rubber Ind., Co., Ltd.	4,114	1.62
JPMorgan Chase Bank, N.A.	4,111	1.62
Commonwealth Bank of Australia	4,053	1.60
International Bills Finance Corp	4,032	1.59
USI Corporation	3,934	1.55
Hua Nan Financial Holdings Co., Ltd.	3,853	1.52
Agricultural Bank of Taiwan	3,817	1.51
Central American Bank for Economic Integration	3,625	1.43
Westpac Banking Corporation	3,607	1.42
Apple Inc.	3,461	1.37
RABO BANK NEDERLANDS	3,450	1.36
KKY Co., Ltd.	3,415	1.35
Shang Chih Asset Development Co., Ltd.	3,400	1.34
Taishin Securities Investment Trust Co., Ltd.	3,349	1.32
China Development Financial Holding Corp.	3,327	1.31
Bank Korea Branch_Korea_Natural Person	3,316	1.31
YULON MOTOR CO., LTD	3,304	1.30
Taiwan Stock Exchange	3,296	1.30
KGI Securities Investment Trust Co., Ltd.	3,281	1.30
Wells Fargo & Company	3,271	1.29
Chang Chun Petrochemical Co., Ltd.	3,224	1.27
ADCB FINANCE CAYMAN LTD	3,215	1.27
VERIZON COMMUNICATIONS	3,196	1.26
Bank Korea Branch_Korea_Real Estate Industry	3,119	1.23
Visa Inc.	3,077	1.22
Dragon Steel Corporation	3,067	1.21
Alphabet Inc.	3,055	1.21
Shuohe Development Co., Ltd.	3,042	1.20
Lien-Jade Construction Co., Ltd.	3,029	1.20
Pou Chen Corporation	3,020	1.19
Leofoo Development Co., Ltd.	3,000	1.18
Total	845,960	333.93
Same related party:		
Mr. Jin and its related parties	$ 17,120	6.76
Mr. Fang and its related parties	15,805	6.24
Mr. Lin and its related parties	12,850	5.07
Mr. Chen and its related parties	10,148	4.01
Mr. Cheng and its related parties	8,495	3.35
Mr. Lin and its related parties	8,368	3.30
Mr. Wu and its related parties	6,517	2.57
Mr. Ding and its related parties	6,469	2.55
Mr. Huang and its related parties	5,266	2.08
Mr. Huang and its related parties	4,970	1.96
Mr. Chang and its related parties	4,903	1.94

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2020 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same related party:		
Mr. Chang and its related parties	$ 4,736	1.87
Mr. Lin and its related parties	4,502	1.78
Mr. Chang and its related parties	4,044	1.60
Mr. Chang and its related parties	3,961	1.56
Mr. Yang and its related parties	3,558	1.40
Mr. Yang and its related parties	3,522	1.39
Mr. Yang and its related parties	3,517	1.39
Mr. Chang and its related parties	3,094	1.22
Total	131,845	52.04
Same affiliated company:		
Formosa Plastic Group	$ 36,845	14.54
Far Eastern Group	26,979	10.65
CTBC Financial Holding Group	21,965	8.67
Fubon Group	20,956	8.27
Taiwan Semiconductor Group	18,028	7.12
Uni-President Enterprises Group	14,068	5.55
Taiwan Cement Group	12,906	5.09
Cathay Holdings Group	10,953	4.32
China Steel Corporation Group	10,780	4.26
ASE Group	10,460	4.13
Taishin Financial Holdings Group	10,406	4.11
Taiwan Cooperative Financial Holding Co., Ltd.	9,938	3.92
Taiwan Stock Exchange	9,751	3.85
China Development Group	9,547	3.77
JPMorgan Chase & Co.	9,411	3.71
Yong Feng Yu Group	9,250	3.65
Chunghwa Telecom Company, Ltd.	8,475	3.35
HIGHWEALTH Group	7,502	2.96
Shin Kong Group	7,257	2.86
Evergreen Group	7,071	2.79
HSBC Group	7,041	2.78
Foxconn Technology Group	6,462	2.55
First Financial Holdings Group	6,404	2.53
Yulon Group	6,362	2.51
Hua Nan Financial Holdings Group	5,999	2.37
Commonwealth Bank of Australia	5,698	2.25
China Airlines Group	5,480	2.16
BNP Paribas S.A.	5,463	2.16
IBF Financial Holdings Group	4,772	1.88
CHANG CHUN Group	4,735	1.87
Cheng Shin Group	4,684	1.85
Mega Financial Holdings Group	4,682	1.85
The Shanghai Commercial & Savings Bank, Ltd.	4,645	1.83
Pegatron Group	4,560	1.80
Radium Life Tech Group	4,453	1.76
USI Group	3,975	1.57
Sinar Mas Group	3,966	1.57
Societe Generale Group	3,770	1.49
Taiwan Broadband (TBC) Group	3,762	1.49
Lealea Group	3,662	1.45
Wells Fargo & Company	3,598	1.42
Vedan Group	3,531	1.39
Wei Chuan Foods Corporation	3,491	1.38

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2020 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
POU CHEN Group	$ 3,425	1.35
Tatung Company	3,405	1.34
BenQ Group	3,303	1.30
Grand River D. Limited	3,277	1.29
Kingtown & Construction Co., Ltd	3,272	1.29
Foxlink Group	3,260	1.29
Four Union Group	3,242	1.28
Union Group	3,210	1.27
Chailease Group	3,186	1.26
LIEN JADE Construction Group	3,182	1.26
Royal Golden Eagle Group	3,130	1.24
Crédit Agricole Group	3,122	1.23
E.SUN Financial Holding Co., Ltd.	3,117	1.23
Supreme Electronics Co., Ltd.	3,103	1.22
Charoen Pokphand Group	3,022	1.19
Total	431,999	170.52
	$ 1,409,804	556.49

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2019 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	$ 130,507	56.17
Central Government, R.O.C	122,035	52.52
INDUSTRIAL BANK OF KOREA	18,715	8.05
Public Capital Management Fund	13,189	5.68
CTBC Financial Holding Co., Ltd.	9,815	4.22
HSBC Bank (Taiwan) Limited	9,123	3.93
Taiwan Semiconductor Manufacturing Co., Ltd.	9,094	3.91
Taiwan Cement Corporation	8,770	3.77
Far Eastern New Century Corporation	8,608	3.71
Formosa Plastics Corporation	8,219	3.54
EVA Airways Corporation	8,092	3.48
Cathay Financial Holding Co., Ltd.	8,047	3.46
Allianz Global Investors GmbH	7,900	3.40
Highwealth Construction Corp.	7,885	3.39
Nan Ya Plastics Corporation	7,708	3.32
The Export-Import Bank of the Republic of China	6,480	2.79
China Airlines Ltd.	6,415	2.76
Shin Kong Financial Holding Co.,Ltd.	6,304	2.71
Cheng Shin Rubber Ind., Co., Ltd.	5,980	2.57
Formosa Group(Cayman)Limited	5,909	2.54
Asia Cement Corporation	5,749	2.47
Dragon Steel Corporation	5,637	2.43
Far Eastone Telecommunications Co., Ltd.	5,634	2.43
Yuan Ding Investment Corp.	5,579	2.40
Taiwan Depository & Clearing Corporation	5,543	2.39
Shuohe Development Co., Ltd.	5,540	2.38

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2019 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
YangMing Marine Transport Corp.	$ 5,437	2.34
Taiwan Futures Exchange	5,181	2.23
CPC Corporation, Taiwan	5,171	2.23
Formosa Chemicals & Fibre Corporation	5,141	2.21
China Development Financial Holding Corp.	4,956	2.13
SHINHAN BANK	4,946	2.13
USI Corporation	4,882	2.10
Taipei Financial Center Corp.	4,566	1.97
JP Morgan Chase& Co	4,430	1.91
China Steel Corporation	4,417	1.90
Hua Nan Financial Holdings Co., Ltd.	4,416	1.90
Taiwan Power Company	4,341	1.87
Wavely Logistics Limited., Taiwan Branch	4,240	1.82
Kaohsiung City Government	4,118	1.77
Federal Home Loan Mortgage CORPORATION	3,952	1.70
Commonwealth Bank of Australia	3,944	1.70
Nomura Asset Management Taiwan Limited	3,931	1.69
Fubon Securities Investment Trust Co., Ltd	3,856	1.66
Taiwan Mobile Co., Ltd.	3,767	1.62
Radium Life Tech Co., Ltd.	3,704	1.59
THE BANK OF KOREA	3,647	1.57
Masterlink Securities Corp.	3,591	1.55
Capital Securities Investment Trust Co., Ltd	3,484	1.50
KKY Co., Ltd.	3,375	1.45
JihSun Securities Co., Ltd.	3,344	1.44
Pegatron Corporation	3,313	1.43
Fidelity Securities Investment Trust	3,158	1.36
JIU LIAN Investment Co., Ltd	3,147	1.35
Taiwan Stock Exchange	3,109	1.34
SinoPac Securities Corporation	3,054	1.31
Evergreen Marine Corp.	3,039	1.31
ASE Technology Holding Co., Ltd.	3,033	1.31
KOREA EXCHANGE	3,007	1.29
Total	574,174	247.10
Same related party:		
Mr. Jin and its related parties	$ 9,464	4.07
Mr. Lin and its related parties	9,135	3.93
Mr. Fang and its related parties	9,117	3.92
Mr. Lin and its related parties	9,079	3.91
Mr. Wu and its related parties	8,792	3.78
Mr. Chen and its related parties	8,104	3.49
Mr. Ding and its related parties	7,541	3.25
Mr. Huang and its related parties	7,234	3.11
Mr. Lin and its related parties	6,317	2.72
Mr. Chang and its related parties	5,066	2.18
Mr. Huang and its related parties	4,818	2.07
Mr. Chang and its related parties	4,811	2.07
Mr. Chang and its related parties	4,566	1.97

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2019 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same related party:		
Mr. Chang and its related parties	$ 4,061	1.75
Mr. Chang and its related parties	3,984	1.71
Mr. Yang and its related parties	3,610	1.55
Mr. Yang and its related parties	3,588	1.54
Mr. Yang and its related parties	3,583	1.54
Mr. Kuo and its related parties	3,376	1.45
Mr. Chen and its related parties	3,244	1.40
Mr. Chang and its related parties	3,165	1.36
Mr. Yang and its related parties	3,080	1.33
Mr. Wang and its related parties	3,066	1.32
Mr. Chen and its related parties	3,040	1.31
Total	131,841	56.73
Same affiliated company:		
Formosa Plastic Group	$ 34,607	14.90
Far Eastern Group	28,683	12.35
CTBC Financial Holding Group	16,376	7.05
Cathay Holdings Group	14,249	6.13
Evergreen Group	11,841	5.10
China Steel Corporation Group	11,364	4.89
Shin Kong Group	10,786	4.64
China Development Group	10,611	4.57
Fubon Group	10,276	4.42
Yong Feng Yu Group	10,086	4.34
Taiwan Cement Group	9,348	4.02
Taiwan Semiconductor Group	9,142	3.93
HIGHWEALTH Group	7,988	3.44
Grand River D. Limited	7,647	3.29
Hua Nan Financial Holdings Group	7,323	3.15
Chailease Group	6,760	2.91
Cheng Shin Group	6,675	2.87
China Airlines Group	6,600	2.84
ASE Group	5,950	2.56
Yang Ming Marine Transport Group	5,699	2.45
Yulon Group	5,391	2.32
USI Group	5,183	2.23
Foxconn Technology Group	5,099	2.19
Mega Financial Holdings Group	4,475	1.93
Charoen Pokphand Group	4,306	1.85
CHANG CHUN Group	4,114	1.77
Lealea Group	4,104	1.77
Uni-President Enterprises Group	4,057	1.75
Taishin Financial Holdings Group	4,006	1.72
Radium Life Tech Group	3,963	1.71
Taiwan Broadband (TBC) Group	3,803	1.64
Royal Golden Eagle Group	3,715	1.60
BenQ Group	3,714	1.60
Vedan Group	3,653	1.57
LIEN JADE Construction Group	3,558	1.53

Name	(Expressed In Millions of New Taiwan Dollars) December 31, 2019 Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
IBF Financial Holdings Group	$ 3,550	1.53
Pegatron Group	3,465	1.49
Sinar Mas Group	3,408	1.47
First Financial Holdings Group	3,364	1.45
POU CHEN Group	3,113	1.34
Total	312,052	134.31
	$ 1,018,067	438.14

(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.

(11) Financial information by business segments

Information by business segments for the year ended December 31, 2020 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)	$ 12,875,087	$ 5,136,383	$ 593,674	$ 8,599,699	($ 285,891)	$ 26,918,952
Net non-interest income	7,011,193	40,126,690	2,061,097	35,375,247	4,135,687	88,709,914
Net profit	19,886,280	45,263,073	2,654,771	43,974,946	3,849,796	115,628,866
(Provision) recovery for bad debt expenses, commitment and guarantee policy reserve	(1,942,978)	(174,808)	(34,492)	227	(1)	(2,152,052)
Net change in provisions for insurance liabilities	-	-	-	(39,928,431)	-	(39,928,431)
Operating expenses	(10,022,968)	(27,466,833)	(1,244,622)	(1,401,873)	(2,645,809)	(42,782,105)
Net income from continuing operations before income tax	7,920,334	17,621,432	1,375,657	2,644,869	1,203,986	30,766,278
Income tax (expense) benefits	(1,135,956)	(2,916,936)	(255,480)	249,055	(729,917)	(4,789,234)
Consolidated income, net of tax	$ 6,784,378	$ 14,704,496	$ 1,120,177	$ 2,893,924	$ 474,069	$ 25,977,044

Information by business segments for the year ended December 31, 2019 is as follows:

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	$ 13,919,365	$ 3,642,355	$ 933,759	$ 7,936,986	($ 299,546)	$ 26,132,919
Net non-interest income	9,072,853	29,790,545	1,538,493	37,925,263	3,148,004	81,475,158
Net profit	22,992,218	33,432,900	2,472,252	45,862,249	2,848,458	107,608,077
(Provision) recovery for bad debt expenses, commitment and guarantee policy reserve	(1,066,650)	(277,015)	2,727	(11,750)	(6)	(1,352,694)
Net change in provisions for insurance liabilities	-	-	-	(42,443,850)	-	(42,443,850)
Operating expenses	(10,630,030)	(22,741,669)	(1,163,070)	(1,353,794)	(2,382,073)	(38,270,636)
Net income from continuing operations before income tax	11,295,538	10,414,216	1,311,909	2,052,855	466,379	25,540,897
Income tax (expense) benefits	(1,461,071)	(1,163,151)	(274,213)	348,781	(849,660)	(3,399,314)
Consolidated income (loss), net of tax	$ 9,834,467	$ 9,251,065	$ 1,037,696	$ 2,401,636	($ 383,281)	$ 22,141,583

(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
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 881,767	$ 7,499,264	Commercial paper payable – net	$ 999,866	$ -
Financial assets at fair value through other comprehensive income	28,483	24,490	Payables	5,668,801	6,225,431
Investment in bill and bonds under resale agreements	892,672	4,640,737	Current income tax liabilities	4,088,398	3,916,397
Receivables - net	3,110,877	3,230,724	Bonds payable	24,900,000	24,900,000
Current income tax assets	196,336	319,823	Liabilities reserve	36,903	36,116
Equity investments accounted for under the equity method - net	283,824,795	251,488,755	Lease liability	106,690	104,393
Property and equipment - net	36,224	24,623	Other liabilities	4,170	2,014
Right-of-use assets - net	104,957	103,917	Total liabilities	35,804,828	35,184,351
Intangible assets - net	6,156	4,898	Equity		
Deferred income tax assets	47,253	41,833	Common stock	121,374,360	116,706,115
Other assets - net	11,897	6,420	Additional paid-in capital	37,885,949	37,402,480
			Retained earnings		
			Legal reserve	14,633,733	12,589,183
			Special reserve	6,549,234	6,549,234
			Undistributed earnings	60,333,790	50,565,092
			Other equity	12,559,523	8,389,029
			Total equity	253,336,589	232,201,133
Total assets	$ 289,141,417	$ 267,385,484	Total liabilities and equity	$ 289,141,417	$ 267,385,484

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,	
	2020	2019
Revenues		
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	$ 25,658,736	$ 21,974,067
Gain on financial assets at fair value through profit or loss	1,103	1,076
Other revenues	40,201	138,724
	25,700,040	22,113,867
Expenses and losses		
Operating expenses	(941,174)	(836,662)
Other expenses and losses	(336,651)	(300,438)
	(1,277,825)	(1,137,100)
Income from continuing operations before income tax	24,422,215	20,976,767
Income tax expense	(317,639)	(531,259)
Net income	24,104,576	20,445,508
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
(Loss) gain on remeasurements of defined benefit plans	(594)	3,903
Evaluation gains on investments in equity instruments measured at fair value through other comprehensive income	3,993	2,312
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,981,696	1,184,854
Components of other comprehensive income that will be reclassified to profit or loss (net of tax)		
Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	2,148,214	1,934,933
Other comprehensive income	4,133,309	3,126,002
Total comprehensive income	$ 28,237,885	$ 23,571,510
Earnings per share (in dollars)		
Basic and diluted earnings per share	$ 1.99	$ 1.68

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the years ended December 31, 2020 and 2019
(Expressed In Thousands of New Taiwan Dollars)

			Retained Earnings			Other equity					
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Translation gain and loss on the financial statements of foreign operating entities	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income on reclassification under the overlay approach	Treasury shares	Total equity
For the year ended December 31, 2019											
Balance, January 1, 2019	$ 116,862,325	$ 37,200,416	$ 10,721,262	$ 6,549,234	$ 42,843,847	($ 2,409,469)	$ 7,775,718	($ 29,798)	($ 330,367)	($ 197,606)	$ 218,985,562
Effects of retrospective application and retrospective restatement	-	-	-	-	(95,849)	-	-	-	-	-	(95,849)
Balance, January 1, 2019 after adjustments	116,862,325	37,200,416	10,721,262	6,549,234	42,747,998	(2,409,469)	7,775,718	(29,798)	(330,367)	(197,606)	218,889,713
Appropriation of 2018 earnings											
Legal reserve	-	-	1,867,921	-	(1,867,921)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(10,503,550)	-	-	-	-	-	(10,503,550)
Net income for the period	-	-	-	-	20,445,508	-	-	-	-	-	20,445,508
Other comprehensive income (loss) for the period	-	-	-	-	(132,001)	(1,118,917)	4,006,526	(6,932)	377,326	-	3,126,002
Total comprehensive income (loss) for the period	-	-	-	-	20,313,507	(1,118,917)	4,006,526	(6,932)	377,326	-	23,571,510
Changes in equity of associates and joint ventures accounted for using equity method	-	243,460	-	-	-	-	-	-	-	-	243,460
Retirement of treasury share	(156,210)	(41,396)	-	-	-	-	-	-	-	197,606	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(124,942)	-	124,942	-	-	-	-
Balance, December 31, 2019	$ 116,706,115	$ 37,402,480	$ 12,589,183	$ 6,549,234	$ 50,565,092	($ 3,528,386)	$ 11,907,186	($ 36,730)	$ 46,959	$ -	$ 232,201,133
For the year ended December 31, 2020											
Balance, January 1, 2020	$ 116,706,115	$ 37,402,480	$ 12,589,183	$ 6,549,234	$ 50,565,092	($ 3,528,386)	$ 11,907,186	($ 36,730)	$ 46,959	$ -	$ 232,201,133
Appropriation of 2019 earnings											
Legal reserve	-	-	2,044,550	-	(2,044,550)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(7,585,898)	-	-	-	-	-	(7,585,898)
Stock dividend	4,668,245	-	-	-	(4,668,245)	-	-	-	-	-	-
Net income for the period	-	-	-	-	24,104,576	-	-	-	-	-	24,104,576
Other comprehensive income (loss) for the period	-	-	-	-	(688,708)	(938,750)	5,470,485	(8,408)	298,690	-	4,133,309
Total comprehensive income (loss) for the period	-	-	-	-	23,415,868	(938,750)	5,470,485	(8,408)	298,690	-	28,237,885
Changes in equity of associates and joint ventures accounted for using equity method	-	483,469	-	-	-	-	-	-	-	-	483,469
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	651,523	-	(651,523)	-	-	-	-
Balance, December 31, 2020	$ 121,374,360	$ 37,885,949	$ 14,633,733	$ 6,549,234	$ 60,333,790	($ 4,467,136)	$ 16,726,148	($ 45,138)	$ 345,649	$ -	$ 253,336,589

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash Flows From Operating Activities		
Profit before tax	$ 24,422,215	$ 20,976,767
Adjustment items		
Income and expense item		
Depreciation	49,936	43,954
Amortization	1,961	2,351
Interest expense	250,702	249,717
Interest income	(38,803)	(138,085)
Share of the gain of subsidiaries, associates and joint ventures accounted for using the equity method	(25,658,736)	(21,974,067)
Loss (gain) on sale of property and equipment	3	(15)
Change in assets/liabilities relating to operating activities		
(Increase) decrease in receivables	(193,256)	11,299
(Increase) decrease in other assets	(5,477)	44
Increase in payables	236,466	64,286
Increase in liabilities reserve	193	411
Increase (decrease) in other liabilities	2,156	(8,772)
Interest received	40,458	141,731
Dividend received	13,485,784	11,768,509
Interest paid	(250,702)	(254,603)
Income tax (paid) received	(509,246)	100,025
Net cash flows generated from operating activities	11,833,654	10,983,552
Cash Flows From Investing Activities		
(Acquisition) disposal of equity investments accounted for under the equity method	(15,549,708)	6,626,414
Acquisition of property and equipment	(24,578)	(12,917)
Disposal of property and equipment	-	1,570
Acquisition of intangible assets	(3,218)	-
Acquisition of right-of-use assets	(24)	-
Net cash flows (used in) generated from investing activities	(15,577,528)	6,615,067
Cash Flows From Financing Activities		
Increase in commercial paper payable	999,866	-
Repayment of bonds	-	(1,850,000)
Cash dividends paid	(7,585,898)	(10,503,550)
Principal payment for lease liabilities	(35,656)	(35,153)
Net cash flows used in financing activities	(6,621,688)	(12,388,703)
Net (decrease) increase in cash and cash equivalents	(10,365,562)	5,209,916
Cash and cash equivalents at beginning of period	12,140,001	6,930,085
Cash and cash equivalents at end of period	$ 1,774,439	$ 12,140,001
The components of cash and cash equivalents:		
Cash and cash equivalents reported in the balance sheet	$ 881,767	$ 7,499,264
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	892,672	4,640,737
Cash and cash equivalents at end of period	$ 1,774,439	$ 12,140,001

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 19,247,262	$ 23,998,456	Deposits from Central Bank and other banks	$ 15,412,299	$ 13,107,028
Due from Central Bank and call loans to other banks	51,741,804	43,646,926	Due to Central Bank and other banks	675,000	-
Financial assets at fair value through profit or loss	166,389,485	148,571,375	Financial liabilities at fair value through profit or loss	3,014,414	3,568,060
Financial assets at fair value through other	152,215,988	100,413,010	Bills and bonds sold under repurchase agreements	-	1,550,312
comprehensive income			Payables	9,099,826	12,121,114
Investments in debt instruments at amortised cost	218,122,761	201,115,927	Current income tax liabilities	750,367	1,809,941
Bills and bonds purchased under resell agreements	2,098,668	5,310,000	Deposits and remittances	1,236,742,507	1,128,024,552
Receivables- net	18,441,259	23,504,234	Financial debentures payable	34,500,000	34,500,000
Current income tax assets	1,557,461	2,433,421	Other financial liabilities	3,349,248	6,714,309
Available-for-sale financial assets- net	203,730	533,632	Liabilities reserve	1,246,528	1,437,171
Bills discounted and loans- net	760,528,904	737,626,205	Lease reserve	2,539,411	2,537,997
Equity investments accounted for under			Deferred income tax liabilities	416,992	313,811
the equity method- net	4,458,062	4,747,629	Other liabilities	1,678,891	2,409,736
Other financial assets- net	35,042	77,553	Total liabilities	1,309,425,483	1,208,094,031
Property and equipment- net	13,583,396	12,415,059			
Right-of-use assets- net	10,437,892	10,573,282	Common stocks	73,940,390	73,940,390
Investment property- net	816,689	843,889	Additional paid-in capital	25,960,441	25,960,441
Intangible assets- net	9,423,352	10,592,029	Retained earnings	20,859,402	20,392,923
Deferred income tax assets	918,957	827,380	Other equity	3,182,507	1,580,565
Other assets - net	3,147,511	2,738,343	Total equity	123,942,740	121,874,319
Total assets	$ 1,433,368,223	$ 1,329,968,350	Total liabilities and equity	$ 1,433,368,223	$ 1,329,968,350

Yuanta Commercial Bank
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,			
	2020		2019	
	Amount	%	Amount	%
Interest income	$ 18,278,282	92	$ 21,904,151	96
Less: Interest expense	(6,106,605)	(31)	(8,904,730)	(39)
Net interest income	12,171,677	61	12,999,421	57
Net non-interest income	7,701,204	39	9,965,763	43
Net profit	19,872,881	100	22,965,184	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(1,919,004)	(10)	(1,063,211)	(5)
Operating expenses	(9,936,777)	(50)	(10,405,832)	(45)
Income from continuing operations before income tax	8,017,100	40	11,496,141	50
Income tax expense	(1,121,229)	(6)	(1,449,911)	(6)
Net income	6,895,871	34	10,046,230	44
Other comprehensive income (net of tax)	1,933,224	10	275,488	1
Total comprehensive income	$ 8,829,095	44	$ 10,321,718	45
Earnings per share (in dollars)				
Basic and diluted earnings per share	$ 0.93		$ 1.36	

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
Dedcember 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 378,581,442	$ 292,848,201	Current liabilities	$ 323,936,526	$ 251,589,187
Financial assets at fair value			Bonds payable	13,500,000	8,500,000
through profit or loss-non-current	52,117	51,932	Liabilities reserve- non-current	63,560	57,457
Financial assets at fair value through			Lease liabilities- non-current	714,569	281,158
other comprehensive income			Deferred income tax liabilities	2,149,830	2,213,593
-non-current	6,865,118	6,560,055	Other non-current liabilities	2,778,838	1,913,397
Equity investments accounted for			Total liabilities	343,143,323	264,554,792
under the equity method	46,560,701	43,601,603			
Property and equipment	4,498,641	4,407,877			
Right-of-use assets	969,825	487,129	Common stocks	57,820,321	57,820,321
Investment property	2,788,000	2,803,590	Additional paid-in capital	980,441	543,931
Intangible assets	11,577,697	11,579,338	Retained earnings	44,976,252	36,254,140
Deferred income tax assets	594,495	558,400	Other equity	7,776,781	5,903,689
Other non-current assets	2,209,082	2,178,748	Total equity	111,553,795	100,522,081
Total assets	$ 454,697,118	$ 365,076,873	Total liabilities and equity	$ 454,697,118	$ 365,076,873

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Revenues	$ 30,608,089	100	$ 20,392,055	100
Service fee expense	(1,083,687)	(4)	(711,558)	(3)
Employee benefit expense	(9,081,083)	(29)	(6,466,286)	(32)
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	2,588,124	8	2,224,174	11
Operating expenses	(6,741,164)	(22)	(5,447,126)	(27)
Income from continuing operations before income tax	16,290,279	53	9,991,259	49
Income tax expense	(1,890,850)	(6)	(972,740)	(5)
Net income	14,399,429	47	9,018,519	44
Other comprehensive income (net of tax)	1,455,367	5	1,483,822	8
Total comprehensive income	$ 15,854,796	52	$ 10,502,341	52
Earnings per share (in dollars)				
Profit attributable to owners of parent	$	2.49	$	1.55
Income attributable to former owner of business combination under common control		-		0.01
Basic and diluted earnings per share	$	2.49	$	1.56

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
December 30, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 36,426,606	$ 37,627,662	Current liabilities	$ 159,534,919	$ 135,137,489
Financial assets at fair value			Bonds payable	146,229,616	115,413,914
through profit or loss-non-current	240,999,343	196,639,872	Liabilities reserve- non-current	425,230	279,905
Financial assets at fair value through			Lease liabilities- non-current	2,077,494	2,144,716
other comprehensive income			Other non-current liabilities	31,616,319	18,684,889
-non-current	5,152,229	4,704,991	Total liabilities	339,883,578	271,660,913
Equity investments accounted for					
under the equity method	2,695,378	2,515,824			
Property and equipment	1,364,285	1,580,651			
Right-of-use assets	1,970,352	2,070,008	Common stocks	27,892,841	27,679,270
Investment property	2,188,325	2,210,975	Additional paid-in capital	(1,479,377)	(1,468,050)
Intangible assets	851,156	860,711	Retained earnings	6,550,796	4,179,146
Deferred income tax assets	1,846,927	2,299,408	Other equity	2,646,370	1,670,368
Other non-current assets	81,999,607	53,211,545	Total equity	35,610,630	32,060,734
Total assets	$ 375,494,208	$ 303,721,647	Total liabilities and equity	$ 375,494,208	$ 303,721,647

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 years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Revenues	$ 67,487,733	100	$ 56,216,764	100
Service fee expense	(464,596)	(1)	(382,785)	(1)
Employee benefit expense	(6,387,063)	(9)	(5,183,231)	(9)
Operating expenses	(57,621,607)	(85)	(48,624,875)	(86)
Income from continuing operations before income tax	3,014,467	5	2,025,873	4
Income tax (expense) benefit	(717,403)	(1)	38,559	-
Net income	2,297,064	4	2,064,432	4
Other comprehensive income (loss) (net of tax)	856,625	1	(77,973)	-
Total comprehensive income	$ 3,153,689	5	$ 1,986,459	4
Earnings per share (in dollars)				
Basic and diluted earnings per share	$ 11.18		$ 10.06	

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
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 91,215,855	$ 68,897,983	Current liabilities	$ 83,636,571	$ 64,215,319
Financial assets at fair value through other comprehensive income -non-current	1,618,523	1,518,539	Non-current liabilities	241,416	78,209
			Total liabilities	83,877,987	64,293,528
Equity investments accounted for under the equity method	1,207,101	1,275,264			
Property and equipment	607,595	581,807	Common stocks	2,899,763	2,322,763
Right-of-use assets	190,744	31,497	Additional paid-in capital	3,070,484	940,976
Intangible assets	42,137	40,752	Retained earnings	4,610,872	4,296,129
Deferred income tax assets	43,647	25,074	Other equity	1,277,443	1,296,269
Other non-current assets	810,947	778,749	Total equity	11,858,562	8,856,137
Total assets	$ 95,736,549	$ 73,149,665	Total liabilities and equity	$ 95,736,549	$ 73,149,665

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Revenues	$ 3,721,526	100	$ 2,738,631	100
Service fee expense	(751,660)	(20)	(490,177)	(17)
Employee benefit expense	(662,662)	(18)	(622,918)	(23)
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	(24,553)	-	14,421	-
Operating expenses	(957,071)	(26)	(229,945)	(9)
Income from continuing operations before income tax	1,325,580	36	1,410,012	51
Income tax expense	(255,481)	(7)	(274,213)	(10)
Net income	1,070,099	29	1,135,799	41
Other comprehensive income (net of tax)	25,742	-	150,161	6
Total comprehensive income	$ 1,095,841	29	$ 1,285,960	47
Earnings per share (in dollars)				
Basic and diluted earnings per share	$	4.23	$	4.89

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 10,901,763	$ 11,355,663	Payables	$ 2,329,290	$ 1,928,561
Receivables	2,921,226	5,814,613	Current tax liabilities	376,174	21,553
Current income tax assets	2,928,717	2,918,818	Financial liabilities at fair value through profit or loss	470,798	758,053
Financial assets at fair value through profit or loss	52,772,612	27,015,591	Insurance liabilities	301,154,444	262,820,740
Financial assets at fair value through other comprehensive income	36,555,023	36,975,454	Foreign exchange reserve	714,669	600,869
Financial assets at amortized cost	209,475,778	178,824,118	Liabilities reserve	92,559	88,133
Other financial assets	-	3,700,000	Lease liabilities	870,635	101,439
Right-of-use assets	57,878	117,588	Deferred income tax liabilities	1,116,749	452,517
Investment property	12,315,628	-	Other liabilities	4,953,378	2,726,995
Loans	7,078,145	6,786,381	Investment-linked insurance products liabilities	1,923,783	1,935,363
Reinsurance contract assets	1,099,457	903,608	Total liabilities	314,002,479	271,434,223
Property and equipment	52,605	4,983,992			
Intangible assets	82,707	91,005			
Deferred income tax assets	1,995,200	768,845	Common stocks	23,735,695	9,735,695
Other assets	3,629,977	2,459,987	Retained earnings	3,629,002	1,796,821
Investment-linked insurance products assets	1,923,783	1,935,363	Other equity	2,423,323	1,684,287
			Total equity	29,788,020	13,216,803
Total assets	$ 343,790,499	$ 284,651,026	Total liabilities and equity	$ 343,790,499	$ 284,651,026

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Operating revenues	$ 59,644,825	100	$ 58,095,330	100
Operating costs	(56,523,989)	(95)	(55,990,576)	(96)
Operating expenses	(1,553,206)	(2)	(1,541,066)	(3)
Net operating income	1,567,630	3	563,688	1
Non-operating revenues and expenses	(6,478)	-	(2,935)	-
Income from continuing operations before income tax	1,561,152	3	560,753	1
Income tax benefit	249,055	-	348,781	1
Net income	1,810,207	3	909,534	2
Other comprehensive income (net of tax)	761,009	1	1,282,284	2
Total comprehensive income	$ 2,571,216	4	$ 2,191,818	4
Earnings per share (in dollars)				
Basic and diluted earnings per share	$ 0.88		$ 0.93	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 4,378,017	$ 3,864,863	Current liabilities	$ 626,869	$ 521,358
Financial assets at fair value through other comprehensive income	274,486	113,975	Deferred income tax liabilities	160,964	179,680
Equity investments accounted for under the equity method	335,729	329,553	Lease liability- non-current	47,147	2,946
Property and equipment	294,372	299,621	Other non-current liabilities	41,703	40,321
Intangible assets	768,551	768,551	Total liabilities	876,683	744,305
Prepaid pension cost	39,149	37,335	Common stocks	2,269,235	2,269,235
Deferred income tax assets	629	362	Additional paid-in capital	296,729	296,729
Right-of-use assets	58,269	12,638	Retained earnings	2,829,488	2,160,135
Other non-current assets	178,464	140,484	Other equity	55,531	96,978
Total assets	$ 6,327,666	$ 5,567,382	Total equity	5,450,983	4,823,077
			Total liabilities and equity	$ 6,327,666	$ 5,567,382

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Operating revenues	$ 3,557,011	100	$ 2,827,268	100
Operating expenses	(1,463,496)	(41)	(1,277,114)	(45)
Operating profits	2,093,515	59	1,550,154	55
Non-operating revenues and expenses	46,857	1	(45,143)	(2)
Income from continuing operations before income tax	2,140,372	60	1,505,011	53
Income tax expense	(421,152)	(12)	(316,067)	(11)
Net income	1,719,220	48	1,188,944	42
Other comprehensive (loss) income (net of tax)	(40,204)	(1)	7,157	-
Total comprehensive income	$ 1,679,016	47	$ 1,196,101	42
Earnings per share (in dollars)				
Basic and diluted earnings per share	$ 7.58		$ 5.24	

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 2,460,598	$ 2,315,351	Current liabilities	$ 87,443	$ 55,310
Financial assets at fair value through other comprehensive income	37,134	35,817	Non-current liabilities	25,738	8,682
			Total liabilities	113,181	63,992
Property and equipment	3,093	2,103			
Right-of-use assets	21,938	3,572	Common stocks	3,111,630	3,000,000
Investment property	1,325,358	1,320,383	Additional paid-in capital	1,047	1,047
Intangible assets	-	96	Retained earnings	607,114	597,612
Deferred income tax assets	2,811	2,757	Other equity	19,105	17,788
Other non-current assets	1,145	360	Total equity	3,738,896	3,616,447
Total assets	$ 3,852,077	$ 3,680,439	Total liabilities and equity	$ 3,852,077	$ 3,680,439

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Operating revenues	$ 354,533	100	$ 278,713	100
Operating expenses	(210,088)	(59)	(116,099)	(42)
Operating profits	144,445	41	162,614	58
Non-operating revenues and expenses	3,336	1	(9,415)	(3)
Income from continuing operations before income tax	147,781	42	153,199	55
Income tax expense	(26,649)	(8)	(29,166)	(10)
Net income	121,132	34	124,033	45
Other comprehensive income (loss) (net of tax)	1,318	1	(1,554)	(1)
Total comprehensive income	$ 122,450	35	$ 122,479	44

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 1,887,405	$ 1,730,749	Current liabilities	$ 87,281	$ 75,182
Financial assets at fair value through other comprehensive income	106,416	140,749	Lease liability- non-current	3,165	6,935
			Other non-current liabilities	3,200	2,500
Equity investments accounted for under the equity method	869,474	851,388	Total liabilities	93,646	84,617
Property and equipment	3,366	3,797	Common stocks	2,460,000	2,460,000
Right-of-use assets	6,912	10,682	Additional paid-in capital	918	918
Deferred income tax assets	22,739	2,720	Retained earnings	332,715	182,505
Other non-current assets	636	636	Other equity	9,669	12,681
			Total equity	2,803,302	2,656,104
Total assets	$ 2,896,948	$ 2,740,721	Total liabilities and equity	$ 2,896,948	$ 2,740,721

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Operating revenues	$ 317,866	100	$ 197,997	100
Operating expenses	(78,520)	(25)	(49,030)	(25)
Operating profits	239,346	75	148,967	75
Non-operating revenues and expenses	480	-	(110)	-
Income from continuing operations before income tax	239,826	75	148,857	75
Income tax benefit (expense)	47,516	15	(670)	-
Net income	287,342	90	148,187	75
Other comprehensive loss (net of tax)	(6,775)	(2)	(28,731)	(15)
Total comprehensive income	$ 280,567	88	$ 119,456	60

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
December 31, 2020 and 2019

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020	December 31, 2019	LIABILITIES AND EQUITY	December 31, 2020	December 31, 2019
Current assets	$ 222,843	$ 238,280	Current liabilities	$ 100,661	$ 109,384
Property and equipment	3,659	2,153	Non-current liabilities	41,339	11,183
Right-of-use assets	32,219	6,989	Total liabilities	142,000	120,567
Intangible assets	306	104	Common stocks	100,000	100,000
Deferred income tax assets	7,332	5,035	Additional paid-in capital	6,017	6,017
Other non-current assets	17,835	6,463	Retained earnings	36,177	32,440
			Total equity	142,194	138,457
Total assets	$ 284,194	$ 259,024	Total liabilities and equity	$ 284,194	$ 259,024

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,			
	2020		2019	
Item	Amount	%	Amount	%
Operating revenues	$ 203,391	100	$ 205,341	100
Operating costs	(1,193)	(1)	(1,192)	(1)
Operating expenses	(195,790)	(96)	(201,875)	(98)
Operating income	6,408	3	2,274	1
Non-operating revenues and expenses	1,689	1	1,695	1
Income from continuing operations before income tax	8,097	4	3,969	2
Income tax expense	(1,619)	(1)	(794)	-
Net income	6,478	3	3,175	2
Other comprehensive income (net of tax)	436	-	320	-
Total comprehensive income	$ 6,914	3	$ 3,495	2

(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 years ended December 31,	
		2020	2019
Return on total assets	Before tax	8.78	8.04
	After tax	8.66	7.84
Return on equity	Before tax	10.06	9.30
	After tax	9.93	9.06
Net profit margin ratio		95.04	93.73

(B) Yuanta Financial Holdings and its subsidiaries

		For the years ended December 31,	
		2020	2019
Return on total assets	Before tax	1.19	1.09
	After tax	1.00	0.94
Return on equity	Before tax	11.75	10.49
	After tax	9.92	9.09
Net profit margin ratio		22.47	20.58

(C) Yuanta Bank

		For the years ended December 31,	
		2020	2019
Return on total assets	Before tax	0.58	0.88
	After tax	0.50	0.77
Return on equity	Before tax	6.52	9.68
	After tax	5.61	8.46
Net profit margin ratio		34.70	43.75

(D) Yuanta Securities

		For the years ended December 31,	
		2020	2019
Return on total assets	Before tax	3.97	2.81
	After tax	3.51	2.54
Return on equity	Before tax	15.36	9.73
	After tax	13.58	8.78
Net profit margin ratio		44.84	41.17

(E) Yuanta Life

		For the years ended December 31,	
		2020	2019
Return on total assets	Before tax	0.50	0.21
	After tax	0.58	0.35
Return on equity	Before tax	7.26	4.63
	After tax	8.42	7.50
Net profit margin ratio		58.12	43.27

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			December 31, 2020					December 31, 2019				
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		152,050	212,006,282	0.07%	2,882,450	1,895.73%	164,019	191,391,066	0.09%	2,584,108	1575.49%
	Unsecured loans		614,396	174,449,111	0.35%	3,717,801	605.11%	501,986	207,447,875	0.24%	5,249,983	1,045.84%
Consumer banking	Residential mortgage loans		169,796	216,420,949	0.08%	3,250,643	1,914.44%	368,085	197,009,232	0.19%	2,971,664	807.33%
	Cash card services		-	49,077	-	1,035	-	-	75,704	-	1,232	-
	Small amount of credit loans		5,243	12,150,744	0.04%	138,915	2,649.53%	10,364	9,633,476	0.11%	118,764	1,145.93%
	Others	Secured loans	128,942	163,439,631	0.08%	1,696,908	1,316.02%	133,599	151,571,107	0.09%	1,566,316	1,172.40%
		Unsecured loans	87	4,242,100	0.00%	42,536	48,891.95%	374	2,614,598	0.01%	26,440	7,069.52%
Gross loan business			1,070,514	782,757,894	0.14%	11,730,288	1,095.76%	1,178,427	759,743,058	0.16%	12,518,507	1,062.31%

Month / Year	December 31, 2020					December 31, 2019				
	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services	6,697	8,789,379	0.08%	111,054	1,658.26%	8,030	10,179,092	0.08%	144,648	1,801.34%
Without recourse factoring	9,396	4,159,900	0.23%	74,235	790.07%	9,529	5,713,936	0.17%	89,853	942.94%

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

	December 31, 2020		December 31, 2019	
	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)	49,620	28,219	72,658	38,457
Perform in accordance with debt liquidation program and restructuring program (Note 2)	905,211	338,173	1,048,749	351,372
Total	954,831	366,392	1,121,407	389,829

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

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

(BLANK)

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

Unit: In thousands of NT Dollars, %

December 31, 2020			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Financial Leasing	$ 4,747,470	3.83
2	Company B–Real Estate Leasing	4,180,000	3.37
3	Group C–Air Transport	3,870,417	3.12
4	Group D–Real Estate Development	3,790,216	3.06
5	Compamy E–Trust, Funds and Similar Financial Entity	3,415,000	2.76
6	Group F–Real Estate Development	3,400,000	2.74
7	Group G–Real Estate Development	3,276,820	2.64
8	Group H–Manufacture of Footwear	3,267,924	2.64
9	Group I–Real Estate Development	3,181,573	2.57
10	Group J–Activities of Amusement Parks and Theme Parks	3,000,000	2.42

December 31, 2019			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Real Estate Development	$ 7,647,440	6.27
2	Group B–Air Transport	6,838,333	5.61
3	Group C–Iron and Steel Refining	4,966,679	4.08
4	Company D–Real Estate Leasing	4,240,000	3.48
5	Group E–Real Estate Development	3,788,718	3.11
6	Group F–Seasoning Manufacturing Industry	3,651,106	3.00
7	Company G–Trust, Funds and Similar Financial Entity	3,374,556	2.77
8	Group H–Manufacture of Footwear	3,096,718	2.54
9	Company I–Real Estate Development	2,792,000	2.29
10	Company J–Real Estate Development	2,352,000	1.93

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

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

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

(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

December 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,268,913,752	225,155,154	122,641,996	97,090,727	75,589,176	117,129,074	631,307,625
Primary funds outflow upon maturity	1,477,209,693	32,609,360	70,314,511	166,640,632	181,426,517	281,208,813	745,009,860
Gap	(208,295,941)	192,545,794	52,327,485	(69,549,905)	(105,837,341)	(164,079,739)	(113,702,235)

December 31, 2019

(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	1,177,368,232	212,461,663	96,801,947	111,373,738	68,851,661	98,122,374	589,756,849
Primary funds outflow upon maturity	1,386,693,818	39,506,197	79,894,457	175,283,414	180,788,224	261,628,984	649,592,542
Gap	(209,325,586)	172,955,466	16,907,490	(63,909,676)	(111,936,563)	(163,506,610)	(59,835,693)

b. Structure analysis of time to maturity (USD)

December 31, 2020

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	5,667,952	1,316,544	539,137	272,454	511,034	3,028,783
Primary funds outflow upon maturity	6,233,430	1,528,930	846,693	859,118	1,317,774	1,680,915
Gap	(565,478)	(212,386)	(307,556)	(586,664)	(806,740)	1,347,868

December 31, 2019

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	5,014,755	1,366,111	553,595	260,225	118,589	2,716,235
Primary funds outflow upon maturity	6,808,048	1,883,170	1,610,167	1,039,183	1,093,044	1,182,484
Gap	(1,793,293)	(517,059)	(1,056,572)	(778,958)	(974,455)	1,533,751

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

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

December 31, 2020

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	817,786,741	63,802,552	26,567,464	253,298,979	1,161,455,736
Interest-rate-sensitive liabilities	257,320,518	688,398,640	146,094,436	29,216,673	1,121,030,267
Interest-rate-sensitive gap	560,466,223	(624,596,088)	(119,526,972)	224,082,306	40,425,469
Total equity					120,703,459
Ratio of interest-rate-sensitive assets to liabilities					103.61
Ratio of interest-rate-sensitive gap to equity					33.49

December 31, 2019

(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	757,680,494	42,519,810	20,976,127	225,721,404	1,046,897,835
Interest-rate-sensitive liabilities	297,608,065	546,615,749	115,852,297	39,182,811	999,258,922
Interest-rate-sensitive gap	460,072,429	(504,095,939)	(94,876,170)	186,538,593	47,638,913
Total equity					119,042,275
Ratio of interest-rate-sensitive assets to liabilities					104.77
Ratio of interest-rate-sensitive gap to equity					40.02

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

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

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

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

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

December 31, 2020

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	3,233,841	178,547	46,686	1,872,163	5,331,237
Interest-rate-sensitive liabilities	1,937,706	496,957	920,806	1,371,298	4,726,767
Interest-rate-sensitive gap	1,296,135	(318,410)	(874,120)	500,865	604,470
Total equity					120,447
Ratio of interest-rate-sensitive assets to liabilities					112.79
Ratio of interest-rate-sensitive gap to equity					501.86

December 31, 2019

(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	3,532,599	348,437	24,750	773,975	4,679,761
Interest-rate-sensitive liabilities	2,893,156	408,096	671,612	793,575	4,766,439
Interest-rate-sensitive gap	639,443	(59,659)	(646,862)	(19,600)	(86,678)
Total equity					86,290
Ratio of interest-rate-sensitive assets to liabilities					98.18
Ratio of interest-rate-sensitive gap to equity					(100.45)

Note 1: The above amounts included only USD denominated assets and liabilities of head office, domestic and foreign branches, and the OBU and the OBU branch, excluding contingent assets and contingent liabilities.

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

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

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

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

None.

13. Other disclosure items

(1) Related information on material transaction items

A. Information regarding stock of long-term equity investment for which the purchase or sale amount for the period exceeded $300 million or 10% of the Company's paid-in capital:

Investor	Category and name of securities	Account	Counterparty	Relationship	Balance as at January 1, 2020		Addition		Disposal				Balance as at December 31, 2020	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Yuanta Financial Holdings	Stocks: Yuanta Life	Equity investments accounted for under the equity method	Yuanta Life	Subsidiary	973,570	$ 8,352,343	1,400,000	$ 14,000,000	-	$ -	$ -	$ -	2,373,570	$ 22,352,343
Yuanta Financial Holdings	Stocks: Yuanta Futures	Equity investments accounted for under the equity method	Yuanta Futures	Subsidiary	159,467	3,421,065	32,700	1,513,912	-	-	-	-	192,167	4,934,977

Note: The issuance of stock for cash.

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 December 31, 2020	Turnover rate	Amount overdue		Accounts receivable from related party	Amount of allowance
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	$ 1,629,645 (Note)	-	$ -	-	$ -	$ -
Yuanta Financial Holdings	Yuanta Life	Subsidiary of the Company	354,129 (Note)	-	-	-	-	-

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

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

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

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

(2) Supplementary disclosure regarding investee companies:

(Expressed In Thousand of New Taiwan Dollars)

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Share ownerships of the Company and related parties			
									Total	
							Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Percentage of ownership (%)
Yuanta Financial Holdings Co., Ltd.	Yuanta Securities Co., Ltd.	R.O.C	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100	$ 111,977,430	$ 14,418,286	5,782,032	-	5,782,032	100
〃	Yuanta Commercial Bank Co., Ltd.	〃	Banking	100	123,998,585	6,895,896	7,394,039	-	7,394,039	100
〃	Yuanta Futures Co., Ltd.	〃	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	8,419,028	725,074	192,167	-	192,167	66.27
〃	Yuanta Life Co., Ltd.	〃	Life insurance business	100	26,877,718	1,921,639	2,373,570	-	2,373,570	100
〃	Yuanta Asset Management Co., Ltd.	〃	Management of monetary debts of financial institutions	100	3,666,579	121,132	311,163	-	311,163	100
〃	Yuanta Venture Capital Co., Ltd.	〃	Venture capital business	100	2,803,302	287,342	246,000	-	246,000	100
〃	Yuanta Securities Investment Consulting Co., Ltd.	〃	Investment consulting on securities	100	142,193	6,478	169,538	-	169,538	100

(Expressed In Thousand of New Taiwan Dollars)

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Share ownerships of the Company and related parties: Shares (In thousands)	Pro-forma share of ownership	Total: Shares (In thousands)	Total: Percentage of ownership (%)
Yuanta Financial Holdings Co., Ltd.	Yuanta Securities Investment Trust Co., Ltd.	R.O.C	Investment trust	74.71	$ 5,939,960	$ 1,282,889	169,538	-	169,538	74.71
Yuanta Commercial Bank Co., Ltd.	Yuanta International Leasing Co., Ltd.	〃	Lease businesses of personal property and real assets	100	105,503	-	10,000	-	10,000	100
〃	Yuanta Savings Bank (Philippines)	Philippines	Deposit services	100	579,891	-	1,200,000	-	1,200,000	100
〃	Yuanta Savings Bank (Korea)	Korea	Deposit services	100	3,772,668	-	13,516	-	13,516	100
Yuanta Securities Co., Ltd.	Yuanta Securities Asia Financial Services Limited	Bermuda	Investment holding	100	35,611,223	-	290,909	-	290,909	100
〃	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance agent	100	202,523	-	500	-	500	100
〃	Yuanta Securities Finance Co., Ltd.	〃	Margin loans and short sales of securities	100	10,746,955	-	400,000	-	400,000	100
Yuanta Securities Asia Financial Services Limited	Yuanta Securities (Hong Kong) Limited	Hong Kong	Securities trading, futures trading, providing opinions on securities, providing opinions on futures contract, providing opinions on institutions' financing and providing assets management services	100	7,740,923	-	2,268,133	-	2,268,133	100
〃	Yuanta Asia Investment (Hong Kong) Ltd.	〃	Securities trading and providing assets management services	100	1,055,126	-	293,892	-	293,892	100

(Expressed In Thousand of New Taiwan Dollars)

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Share ownerships of the Company and related parties: Shares (In thousands)	Pro-forma share of ownership	Total: Shares (In thousands)	Total: Percentage of ownership (%)
Yuanta Securities Asia Financial Services Limited	Yuanta Securities (Korea) Co., Ltd.	Korea	Securities trading, providing opinions on securities, providing opinions on futures contract, underwriting services, asset management services, financial advisory services, and futures trading	57.39	$ 20,602,356	$ -	114,558	-	114,558	57.39
Yuanta Securities Asia Financial Services Limited	Yuanta Hong Kong Holdings(Cayman) Co., Ltd.	CaymanIslands	Investment holding	100	38,043	-	74	-	74	100
〃	Yuanta Securities (UK) Co., Ltd.(Note 2)	U.K.	License in application	100	57,971	-	2,000	-	2,000	100
〃	Yuanta Securities (Thailand) Co., Ltd.	Thailand	Security brokerage, proprietary trading, underwriting, and investment consulting; mutual fund management; private fund management; security borrowing; venture capital fund management; derivative product brokerage, proprietary trading, underwriting, and investment consulting; and derivative product fund management	99.99	4,775,013	-	450,000	-	450,000	99.99
〃	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	Brokerage, dealing, underwriting	90.16	2,096,308	-	150,000	-	150,000	100
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Venture investment	100	1,476,043	-	6,401	-	6,401	100
〃	Yuanta Financial (Hong Kong) Limited	Hong Kong	Investment holding	100	513,452	-	18,954	-	18,954	100
〃	Woori Asset Management Corp.	Korea	Asset management	27	790,688	-	1,080	-	1,080	27
Yuanta Financial (Hong Kong) Limited	Yuanta Securities (Cambodia) Plc	Cambodia	Underwriting guidelines and financial advisory services	100	359,222	-	12,500	-	12,500	100

(Expressed In Thousand of New Taiwan Dollars)

Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Share ownerships of the Company and related parties: Shares (In thousands)	Share ownerships of the Company and related parties: Pro-forma share of ownership	Share ownerships of the Company and related parties: Total: Shares (In thousands)	Share ownerships of the Company and related parties: Total: Percentage of ownership (%)
Yuanta Financial (Hong Kong) Limited	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Solicitation of financial products	100	$ 227,638	$ -	50,000	-	50,000	100
〃	Yuanta Finanace (Hong Kong) Ltd.	〃	Credit loans	100	200,402	-	50,000	-	50,000	100
Yuanta Secutiries (Hong Kong) Limited	Yuanta Investment Management (Cayman) Ltd.	CaymanIslands	Investment management	100	332,257	-	12,500	-	12,500	100
〃	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	Brokerage, dealing, underwriting	9.84	229,141	-	150,000	-	150,000	100
〃	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	375,497	-	474	-	474	99
〃	PT Yuanta Asset Management	〃	Investment management	0.002	-	-	51	-	51	100
PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management	〃	Investment management	99.998	27,933	-	51	-	51	100
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital business	100	869,474	-	85,000	-	85,000	100
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	924,763	-	34,000	-	34,000	100
〃	SYF Information Limited	R.O.C	Information software and data processing services	100	282,338	-	35,000	-	35,000	100

Note1 : The amounts under the column of the investment income (loss) presented as zero is for the subsidiary and second-tier subsidiary described in the consolidated financial statements.

Note2 : In July 2018, the Board of Directors approved the dissolution and liquidation of Yuanta Securities (UK) Co., Ltd., and appropriated residual properties in March 2021. However, the liquidation process has not been completed. In July 2018, at the start of dissolution and liquidation, the combined company no longer had significant influence over it, and ceased using the equity method.

(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:

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Yuanta Life	Right of superficies of nine lands on No. 414, Sec. 3, Chang'an Rd., Zhongshan Dist., Taipei City	January 30, 2020	$ 5,562,128	All payments have been made	National Property administration, Ministry of Finance, Northern Region Branch	Non-related parties	The appraisal report	Investment of property and currently under development	The company is liable for the sales tax of the transaction

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:

Real estate disposed by	Real estate	Transaction date or date of event	Date of acquisition amount	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Yuanta Bank	Room 1 to Room 6, 7F., and 14 parking lots of No. 21, Ln. 583, Ruiguang Rd., Neihu Dist., Taipei City	November 8, 2019	January 1, 2018	$ 362,039	$ 370,000	All payments have been received (Note)	$ 7,961	Child Welfare League Foundation R.O.C.	No	Activate the economic value of real estate and capital elasticity.	Appraiser report and valuation opinion of appraiser report issued by Euro - Asia Real Estate Appraisers Firm on July 2, 2019. Appraiser: Jyun, Lin. Appraisal amount: $367,170.	-

Real estate disposed by	Real estate	Transaction date or date of event	Date of acquisition amount	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Yuanta Securities Korea Co., Ltd	Euljiro Land	November 30, 2020	December 1, 2001	$ 137,887	$ 341,263	All payments have been received	$203,376	KCH (corporation)	No	Activate and fully use of assets	Referring to appraisal report and Korea's Full Disclosure of the Information of Actual Price Registration of Real Estate Transactions of Ministry of Land, Infrastructure and Transport, appraiser: Sang-hoon Park	-

Note: The contract has been signed on November 8, 2019 and the ownership has been transferred in January 2020.

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 December 31, 2020	Turnover rate	Amount overdue		Accounts receivable from related party	Amount of allowance
					Amount	Action taken		
Yuanta Bank	The Company	Parent Company	$ 1,395,127	-	$ -	-	$ -	$ -
Yuanta Life	The Company	Parent Company	2,609,424	-	-	-	-	-
Yuanta Securities	The Company	Parent Company	878,489	-	-	-	-	-
Yuanta Securities (Hong Kong)	Yuanta Securities	Affiliated company	311,492	-	-	-	311,398	-

F. Information regarding selling non-performing loans:

Transaction Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	February 25, 2020	JONGWON PARTNERS Co., Ltd.	Loans and Temporary Payments for Others	$ 23,221	$ 24,556	$ 1,335	-	None	Note 1
Yuanta Savings Bank (Korea)	May 29, 2020	Happiness Dream Financial.Co., Ltd.	Loans and Temporary Payments for Others	$ 35,734	$ 37,768	$ 2,034	-	None	Note 2
Yuanta Savings Bank (Korea)	October 26, 2020	A class Loan Co.,Ltd.	Loans	$ 21,117	$ 21,218	$ 101	-	None	Note 3

Note 1: The carrying amount and the sale price of the loan was KRW 926,299 thousand and KRW 979,561 thousand, using the exchange rate of 1 KRW to 0.025068 NTD.

Note 2: The carrying amount and the sale price of the loan was KRW 1,425,475 thousand and KRW 1,506,611 thousand, using the exchange rate of 1 KRW to 0.025068 NTD.
Note 3: The carrying amount and the sale price of the loan was KRW 842,396 thousand and KRW 846,442 thousand, using the exchange rate of 1 KRW to 0.025068 NTD.

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	$ 570,160	$ 427,620	$ 427,620	2.25%	Short-term loans	$ -	Operation financing	$ -	-	$ -	$ 35,631,212 (Note1)	$ 35,631,212 (Note1)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable–related party	Yes	1,425,400	1,425,400	-	-	Short-term loans	-	Operation financing	-	-	-	35,631,212 (Note1)	35,631,212 (Note1)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable–related party	Yes	2,993,340	-	-	-	Short-term loans	-	Operation financing	-	-	-	35,631,212 (Note1)	35,631,212 (Note1)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable–related party	Yes	855,240	855,240	199,556	1.88%	Short-term loans	-	Operation financing	-	-	-	35,631,212 (Note1)	35,631,212 (Note1)
5	PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management	Accounts receivable–related party	Yes	12,485	12,485	9,440	10.00%	Short-term loans	-	Operation financing	9,440	-	-	379,281 (Note2)	379,281 (Note2)

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

Note 3: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD 50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 of FSC in Taiwan. After obtaining the approval of the Securities and Futures Commission in Hong Kong, the capital loan contract process can begin.

Note 4: In June 2020, the Board of Directors of Yuanta Securities, Yuanta Securities Asia Financial Services, PT Yuanta Sekuritas Indonesia and Yuanta Securities (Hong Kong) approved the liquidation of PT Yuanta Asset Management. With respect to the loans granted to PT Yuanta Asset Management by PT Yuanta Sekuritas Indonesia, it was difficult to recover the loans based on the assessment due to the liquidation of PT Yuanta Asset Management. Therefore, the entire amount was recognised as an impairment loss.

J. Endorsements and guarantees provided for others:

Number	Endorsing and guarantee company	Endorsed and guaranteed company		Limit for endorsement and guarantee for single enterprise	Maximum outstanding endorsements and guarantee amount during for the year ended December 31, 2020	Ending balance of endorsement and guarantee	Actual used amount	Property-backed endorsement and guarantee	The ratio of accumulated endorsement and guarantee amount and the net value of the latest financial statement	Maximum limit	Provision of endorsements and guarantees by parent company to subsidiary	Provision of endorsements and guarantees by subsidiary to parent company	Provision of endorsements and guarantees to the party in Mainland China	Note
		Name of company	Relationship											
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	$ 22,310,759 (Note 1)	$ 99,778	$ 99,778	$ 89,219	$ -	0.09%	$ 44,621,518 (Note 1)	Yes	No	No	
2	Yuanta Securities	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	22,310,759 (Note 1)	951,055	427,620	-	-	0.38%	44,621,518 (Note 1)	Yes	No	No	
3	Yuanta Securities	Yuanta International Investment (Hong Kong)	More than 50% common stock-directly-owned subsidiary	22,310,759 (Note 1)	1,425,400	1,425,400	-	-	1.28%	44,621,518 (Note 1)	Yes	No	No	Note 3
4	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	35,631,212 (Note 2)	3,454,026	3,026,406	1,789,196	-	8.49%	35,631,212 (Note 2)	Yes	No	No	
5	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	35,631,212 (Note 2)	223,740	223,740	45,613	-	0.63%	35,631,212 (Note 2)	Yes	No	No	
6	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	35,631,212 (Note 2)	863,792	-	-	-	-	35,631,212 (Note 2)	Yes	No	No	

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

Note 2: According to the Company's "Procedures for Provision of Endorsements and Guarantees", total endorsements and guarantees provided to others cannot exceed the net assets value in Yuanta Securities Asia Financial Services Ltd.'s latest financial statements audited or reviewed by an independent accountant.

Note 3: To become a local agent and guarantee institution of foreign structure instruments which are issued by the reinvested company, Yuanta Investment (Hong Kong), on September 24, 2020, Yuanta Securities' Board of Directors resolved to provide a guarantee with a limit of US$50 million. On December 16, 2020, Yuanta Securities obtaining the approval from Gin-Gwen-Zheng-Quan-Zi Order No. 1090372253 of FSC, both parties can enter into a guarantee contract after the related process has been completed.

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

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)

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	December 31, 2020 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	29	$ 3,533	-	$ 3,533	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	9	411	-	411	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	18	1,047	-	1,047	
	Yuanta/P-shares S&P Custom China Play 50	"	"	20	561	-	561	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	19	348	-	348	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	4,290	128,491	-	128,491	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	28	667	-	667	
	Yuanta S&P500	"	"	9	293	-	293	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	17	306	-	306	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	13	752	-	752	
	Yuanta/P-shares SSE50 ETF	"	"	20	793	-	793	
	Yuanta Daily Taiwan 50 Bear -1X ETF	"	"	3,174	22,091	-	22,091	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	197	-	197	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	2	16	-	16	
	Yuanta EURO STOXX 50 ETF	"	"	9	235	-	235	
	Yuanta Nikkei 225 ETF	"	"	1	30	-	30	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	2	89	-	89	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	8	-	8	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	10	415	-	415	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	9	299	-	299	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	1	45	-	45	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	11	489	-	489	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	-	7	-	7	
	Yuanta DJCI Silver ER Futures ETF	"	"	2	43	-	43	
	Yuanta MSCI China A ETF	"	"	9	261	-	261	

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	December 31, 2020				
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	The managing company of the fund	Financial assets at fair value through profit or loss	11	$ 546	-	$ 546	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	5	221	-	221	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	595	-	595	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	5	220	-	220	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	2	57	-	57	
	Yuanta Global NextGen Communications ETF	"	"	10	255	-	255	
	Yuanta Global NexGen Communication Innovative Technology ETF	"	"	22	567	-	567	
	Yuanta De-Li Money Market Fund	"	"	6,105	100,354	-	100,354	
	Yuanta De-Bao Money Market Fund	"	"	8,259	100,010	-	100,010	
	Yuanta Taiwan High-yield Leading Company Fund A	"	"	7,730	97,321	-	97,321	
	Yuanta Taiwan High-yield Leading Company Fund B	"	"	2,270	28,352	-	28,352	
					$ 489,925		$ 489,925	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	3,242	$ 266,677	-	$ 266,677	
	FundRich Securities Co. Ltd.	-	"	819	7,809	-	7,809	
					$ 274,486		$ 274,486	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	$ 335,729	-	$ 335,729	
Yuanta Asset Management	Stocks:							
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	$ 7,745	0.16	$ 7,745	
	Sunsino Venture Co., Ltd.	-	"	443	4,058	0.93	4,058	
	DaYeh Development Co., Ltd.	-	"	333	1,230	2.22	1,230	
	Chung Yi Development Co., Ltd.	-	"	2,278	91	6.63	91	

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	December 31, 2020				
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Asset Management	Stocks:							
	Global Investment Holdings Co., LTD.	-	Financial assets at fair value through other comprehensive income	1,980	$ 14,454	1.23	$ 14,454	
	China Trade And Development Corporation	-	"	500	9,556	0.76	9,556	
					$ 37,134		$ 37,134	
Yuanta Venture Capital	Stocks:							
	Gorilla Technology Group Inc.	-	Financial assets at fair value through profit or loss	95	$ 15,739	0.83	$ 15,739	Preferred stock B
	Tot Biopharm International Company Limited	-	"	15,606	253,086	2.60	253,086	
	CGK International Co., Ltd (Cayman)	-	"	877	8,261	2.39	8,261	
	Veden Dental Group	-	"	246	3,302	0.64	3,302	
	Throughtek Co.,Ltd	-	"	358	4,564	1.38	4,564	
	Taiwan J Pharmaceuticals Co., Ltd.	-	"	1,462	19,390	1.95	19,390	
	Phecda Technology Co. Ltd.	-	"	252	2,026	0.89	2,026	
	Long Diann Marine Bio Technology Co., Ltd.	-	"	4,300	7,138	11.78	7,138	
	MagV Co.,Ltd	-	"	2,145	1,201	12.69	1,201	
	Saultech Technology Co., Ltd.	-	"	815	65,449	3.00	65,449	
	BRIM Biotechnology ,Inc.	-	"	3,500	27,580	5.94	27,580	
	Aprevent Medical, Inc.	-	"	394	2,134	2.12	2,134	
	Aprevent Medical, Inc.	-	"	1,808	39,715	9.71	39,715	Preferred stock B
	GenePharm Biotech Corp.	-	"	2,667	6,000	10.42	6,000	
	Great Dream Pictures, Inc.	-	"	2,000	1,620	19.96	1,620	
	Li Ling Film Co., Ltd.	-	"	1,666	9,446	2.78	9,446	
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	56,109	2.35	56,109	
	United Renewable Energy Co., Ltd.	-	"	908	10,382	0.03	10,382	Private equity
	Enterex International Limited	-	"	700	6,405	0.63	6,405	
	Taiwan Chelic Corp. Ltd.	-	"	500	25,400	0.75	25,400	
	Eurocharm Holdings Co., Ltd.	-	"	506	54,395	0.77	54,395	
	Jump Media International Co., Ltd.	-	"	906	245	3.20	245	
	Apollomics, Inc.	-	"	1,634	8,399	0.13	8,399	
	M3 Technology Inc.	-	"	2,587	204,244	7.04	204,244	
	Ever Supreme Bio Technology Co., Ltd.	-	"	1,426	249,521	2.53	249,521	

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	December 31, 2020				
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Venture Capital	Stocks:							
	Asia Pacific Venture Invest II L.P.	-	Financial assets at fair value through profit or loss	-	$ 694	10.00	$ 694	
	Aide Engery Holdings Co., Ltd.	-	"	336	-	0.13	-	
	GCT Semiconductor Inc.	-	"	1,402	-	1.47	-	Preferred stock G
	Bioflag International Corporation	-	"	3,400	131,920	2.96	131,920	
	ALLIED SUPREME CORP.	-	"	800	94,544	1.16	94,544	
	Microloops Co., Ltd	-	"	970	43,990	2.59	43,990	
	Ever Fortune.AI Co., Ltd.	-	"	1,500	48,930	1.67	48,930	
	Pharmosa Biopharm Inc.	-	"	3,600	59,400	4.47	59,400	
					$ 1,461,229		$ 1,461,229	
	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	$ 869,474	100.00	$ 869,474	
	Stocks:							
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	$ 7,464	0.50	$ 7,464	
	Li Ding Venture Capital Co., Ltd.	-	"	1,391	1,864	17.39	1,864	
	Prudence Capital Management	-	"	2,539	26,554	5.49	26,554	
	Ho Ding Venture Capital Co., Ltd.	-	"	590	944	10.00	944	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	7,668	4.80	7,668	
	Lian Ding Venture Capital Co., Ltd.	-	"	1,050	4,294	15.00	4,294	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	195	10.00	195	
	Hwa Lu Venture Capital Co., Ltd.	-	"	261	16,990	8.70	16,990	
	Hwa Sheng Venture Capital Co., Ltd.	-	"	5	1,156	3.33	1,156	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	1,680	20,194	9.88	20,194	
	Guan Hwa Venture Capital Co., Ltd.	-	"	276	1,637	5.56	1,637	
	Qi Ding Venture Capital Co., Ltd.	-	"	1,105	8,087	4.35	8,087	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	319	3,403	10.00	3,403	
	Huiyang Venture Capital Co., Ltd.	-	"	67	5,966	2.46	5,966	
					$ 106,416		$ 106,416	

(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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 4)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	$ 8,213,038 (CNY 1,874,438)	(2) HONG KONG TOT BIO PHARM INTERNATIONAL COMPANY LIMITED	$ 177,227	$ 23,708	$ -	$ 200,935	Note 5	2.60%	$ -	$ 200,935	$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	228,064 (USD 8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	8,258	-	-	8,258	Note 5	2.39%	-	8,258	-
Veden Dental Labs Inc	Manufacturing dental restoration	305,233 (HKD 83,000)	(2) CAYMAN ISLANDS VEDEN DENTAL GROUP	22,762	-	-	22,762	Note 5	0.64%	-	22,762	-

Yuanta I Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 4)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	$ 2,512,028 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	$ 66,764	$ -	$ 13,251	$ 53,513	Note 5	3.09%	$ -	$ 45,160	$ -
Ether Precision Inc. (Su Zhou)	Manufacturing and selling of a variety of discs	789,672 (USD 27,700)	(2) CAYMAN ISLANDS ETHER PRECISION INC.	32,220	-	-	32,220	Note 5	1.61%	-	32,220	-

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	$ 18,129 (RMB 4,138)	(3)	$ -	$ -	$ -	$ -	$ 180	100.00%	In liquidation	$ 20,845	$ -

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
Yuanta Securities Investment Consultant (Beijing)	Investment management consulting service,financial consulting service, business administration consulting service, business information consulting service, economic and trade consulting service, marketing and planning, technical promotion and services	$ 80,746 (RMB 18,428)	(2) Yuanta Securities Asia Financial Service	$ -	$ -	$ -	$ -	($ 3,791)	100.00%	($ 3,791) (2)b	$ 18,871	$ -

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	$ 2,628,960 (RMB 600,000)	(1)	$ 705,666	$ -	$ -	$ 705,666	$ 4,565	24.50%	$ 1,732 (2)c	$ 335,729	$ -

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai)	Computer software services	$ 157,209 (RMB 33,080)	(3)	$ 157,209	$ -	$ -	$ 157,209	($ 5,879)	100.00%	($ 5,879) (2)c	$ 114,991	$ -

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 December 31, 2020	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	$317,688	$320,089	$1,681,981
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	76,010,279
Yuanta Securities Investment Trust	705,666	705,666	3,270,590
Yuanta Futures	157,209	174,000	7,115,137

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of $2,803,302.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of $126,683,798.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of $5,450,983.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of $11,858,562.

Note 1: Investment methods are classified into the following three categories; fill in the number of 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 year ended December 31, 2020' 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: Financial assets at fair value through other comprehensive income were not recognised as the investees are accounted for as financial assets carried at cost.

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

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired USD 16 million capital of GC Investment Consultant (Shanghai) Co., Ltd., a subsidiary of GC Investment Consultant (Asian) Co., Ltd. (renamed as Polaris Capital afterwards), being reinvested by Polaris Holdings (Cayman) Ltd., the direct overseas investment of Polaris Securities. GC Investment Consultant (Shanghai) Co., Ltd. was approved to liquidate, the Yuanta Group has no significant influence over the company, therefore, the equity method was no longer applicable.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of December 31, 2020.

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

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
0	Yuanta Financial Holdings	Yuanta Life	1	Receivables – net	353,690	No significant difference from general customers	0.01%
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	1,628,629	"	0.06%
0	Yuanta Financial Holdings	Yuanta Securities	1	Payables	878,489	"	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Payables	1,395,127	"	0.05%
0	Yuanta Financial Holdings	Yuanta Venture Capital	1	Payables	108,625	"	0.00%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	2,609,424	"	0.09%
0	Yuanta Financial Holdings	Yuanta Securities	1	Right-of-use assets – net	118,079	"	0.00%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	849,538	"	0.03%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	478,552	"	0.02%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission expense	284,601	"	0.25%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission expense	100,481	"	0.09%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	172,800	"	0.15%
1	Yuanta Securities	Yuanta Bank	3	Net non-interset income	144,213	"	0.12%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Net non-interset income	167,379	"	0.14%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Payables	361,883	"	0.01%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Receivables – net	363,037	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Right-of-use assets – net	117,703	"	0.00%
2	Yuanta Bank	Yuanta Savings Bank (Philippines)	3	Other assets – net	720,907	"	0.03%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	235,575	"	0.01%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	480,910	No significant difference from general customers	0.02%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	208,375	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	5,395,460	"	0.20%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	499,970	"	0.02%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	853,600	"	0.03%
2	Yuanta Bank	Yuanta Futures (Hong Kong)	3	Deposits and remittances	306,037	"	0.01%
2	Yuanta Bank	SYF Information	3	Deposits and remittances	152,300	"	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	2,786,300	"	0.10%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	197,100	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	220,900	"	0.01%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	189,100	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	9,340,798	"	0.34%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	588,440	"	0.02%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	171,048	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission expense	575,030	"	0.50%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	105,680	"	0.09%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	212,794	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	11,592,625	"	0.42%
2	Yuanta Bank	Yuanta Futures (Hong Kong)	3	Deposits and remittances	938,915	"	0.03%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial assets – net	465,625	"	0.02%
3	Yuanta Futures	Yuanta Life	3	Right-of-use assets – net	188,688	"	0.01%
3	Yuanta Futures	Yuanta Securities	3	Other financial liabilities	7,280,656	"	0.26%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	200,709	No significant difference from general customers	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission expense	414,437	"	0.36%
5	Yuanta Securities Investment Trust	Yuanta Securities	3	Other business and administrative expenses	109,850	"	0.10%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	427,708	"	0.02%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Vietnam)	3	Receivables – net	200,526	"	0.01%
7	Yuanta Securities (Hong Kong)	Yuanta Investment (Hong Kong)	3	Investments in bills and bonds under resale agreements	191,006	"	0.01%
7	Yuanta Securities (Hong Kong)	Yuanta Investment Management (Cayman)	3	Investments in bills and bonds under resale agreements	543,183	"	0.02%
7	Yuanta Securities (Hong Kong)	Yuanta Investment (Hong Kong)	3	Investments in bills and bonds under resale agreements	101,205	"	0.00%
7	Yuanta Securities (Hong Kong)	Yuanta Investment Management (Cayman)	3	Investments in bills and bonds under resale agreements	247,967	"	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 transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.) :
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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

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

14. Segment information

(1) General information

A. Recognition elements of reporting segment

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

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

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

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

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

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

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

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

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

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

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

Expressed in Thousands of New Taiwan Dollars

	For the year ended December 31, 2020						
	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	$ 19,886,280	$ 45,263,073	$ 2,654,771	$ 43,974,946	$ 3,849,796	$ -	$ 115,628,866
Revenue (loss) from transactions with other operating segments of the same entity	378,669	891,434	(8,777)	(768,498)	366,310	(859,138)	-
Net revenues (Note)	20,264,949	46,154,507	2,645,994	43,206,448	4,216,106	(859,138)	115,628,866
Provision (reversal) for bad debt expenses, commitment and guarantee policy reserve	(1,942,978)	(174,808)	(34,492)	227	(1)	-	(2,152,052)
Net change in provisions for insurance liabilities	-	-	-	(40,092,039)	-	163,608	(39,928,431)
Operating expenses	(10,290,144)	(27,595,713)	(1,285,922)	(1,553,484)	(2,889,468)	832,626	(42,782,105)
Income from continuing operations before income tax	$ 8,031,827	$ 18,383,986	$ 1,325,580	$ 1,561,152	$ 1,326,637	$ 137,096	$ 30,766,278

Expressed in Thousands of New Taiwan Dollars

	For the year ended December 31, 2019						
	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	$ 22,992,218	$ 33,432,900	$ 2,472,252	$ 45,862,249	$ 2,848,458	$ -	$ 107,608,077
Revenue (loss) from transactions with other operating segments of the same entity	379,331	876,273	126,982	(1,180,899)	497,335	(699,022)	-
Net revenues (Note)	23,371,549	34,309,173	2,599,234	44,681,350	3,345,793	(699,022)	107,608,077
Provision (reversal) for bad debt expenses, commitment and guarantee policy reserve	(1,066,650)	(277,015)	2,727	(11,750)	(6)	-	(1,352,694)
Net change in provisions for insurance liabilities	-	-	-	(42,592,049)	-	148,199	(42,443,850)
Operating expenses	(10,797,597)	(22,855,745)	(1,191,949)	(1,516,798)	(2,481,189)	572,642	(38,270,636)
Income from continuing operations before income tax	$ 11,507,302	$ 11,176,413	$ 1,410,012	$ 560,753	$ 864,598	$ 21,819	$ 25,540,897

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

(3) Information on products and services

Information on products and services of Yuanta Group is consistent with the measurement of segment information.

(4) Geographical information

Geographical revenue information of Yuanta Group is as follows:

	For the years ended December 31,	
	2020	2019
R.O.C.	$ 98,297,679	$ 92,766,683
South Korea	13,745,580	11,322,090
Others	3,585,607	3,519,304
	$ 115,628,866	$ 107,608,077

(5) Major customer information

There is no requirement for additional disclosure because no single customer accounted for 10% or more of the Yuanta Group's operating revenues.

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