

We Create **Fortune**

January 10, 2019

Yuanta FHC announces Yuanta Bank recognized an impairment loss for goodwill by applying IAS No.36.

- 1.Date of occurrence of the event:2019/01/10
- 2.Company name:Yuanta Commercial Bank Co., Ltd
- 3.Relationship to the Company (please enter "head office" or "subsidiaries"):subsidiaries
- 4.Reciprocal shareholding ratios:100%
- 5.Cause of occurrence:According to International Accounting Standard(IAS) No.36 Impairment of Assets, the impairment test for goodwill has been performed, and an impairment loss of NTD 1,437,309 thousands is proposed.
- 6.Countermeasures:N/A
- 7.Any other matters that need to be specified:The goodwill are resulted from the merger with TCB and Chinfon bank. Yuanta merged with TCB did deliver merger synergies. However, Yuanta bank still need to post goodwill impairment loss from its consumer banking unit by strictly applying accounting principle, even the calculated total recoverable amount of all cash-generating units exceeds their total carrying amount. The proposed impairment loss has no impact on the Company's working capital or cash flow. The aforementioned impairment loss is recognized in the Company's financial statements for the year ended December 31, 2018.