

YUANTA FINANCIAL HOLDING CO., LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' - REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.



資誠

Independent Auditors' Report

PWCR22000053

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 June 30, 2022, December 31, 2021 and June 30, 2021, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2022 and 2021, as well as the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2022 and 2021, 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 June 30, 2022, December 31, 2021 and June 30, 2021, and its consolidated financial performance for the three months and six months ended June 30, 2022 and 2021, and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Companies, and International Accounting Standards 34, "Interim Financial Reporting", 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, and we do not provide a separate opinion on these matters.

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(4)B; for the 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 the Yuanta Group, as at June 30, 2022 were NTD 912,353,058 thousand and NTD 12,951,286 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 categorised 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 arising from Yuanta Commercial Bank Co., Ltd. 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 June 30, 2022: 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(4)A; for the 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 June 30, 2022 was NTD 29,640,274 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 gained an understanding of 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 specialists 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 specialists 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 indication assessment of goodwill

Description

For the accounting policy of the impairment assessment of goodwill (intangible assets), please refer to Notes 4(4)C and 4(4)D; 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 June 30, 2022 was NTD 28,603,032 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. Yuanta Group performs impairment indication assessments of goodwill in the interim period. Since the amount of goodwill is material, and afore-mentioned assessments in the interim period consider several internal and external sources of information and involve management's subjective judgement, we have thus included the impairment indication assessment of goodwill as one of the key audit matters.

How our audit addressed the matter

Our main audit procedures included obtaining asset impairment indication assessment documents prepared by Yuanta Group's management and reviewing the authorization procedures for the assessment documents. We sample tested the reasonableness of the supporting documents in relation to the internal and external sources of information listed in the management assessment documents.

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(4)E; for the 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 June 30, 2022 was NTD 334,843,116 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, where various of assumption for discount rate, mortality rate, morbidity rate, lapse rate, and expense rate which involved professional judgement will affect the amount of reserve for policy benefit recognised in the financial statement. 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 mainly 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 regarding main assumptions other than the discount rate, which are 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 International Accounting Standards 34, “Interim Financial Reporting”, 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.



Auditors' 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.



資誠

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 auditors' 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.


Kuo, Puo-Ju


Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 23, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such 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	June 30, 2022		December 31, 2021		(Reclassified) June 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 57,202,757	2	\$ 80,735,621	3	\$ 69,103,373	2
11500	Due from Central Bank and call loans to other banks	6(2),8	76,233,069	3	80,343,357	3	62,135,475	2
12000	Financial assets at fair value through profit or loss	6(3),7,8	467,087,326	16	529,242,141	17	606,177,595	20
12150	Financial assets at fair value through other comprehensive income	6(4),8	348,890,346	12	338,490,662	11	319,498,753	11
12200	Investments in debt instruments at amortised cost	6(5),8	536,006,805	18	508,638,932	17	486,571,792	16
12500	Investments in bills and bonds under resale agreements	6(6)	43,505,146	1	46,454,964	2	42,426,670	2
13000	Receivables – net	6(7),7	244,611,845	8	263,703,360	9	322,503,904	11
13200	Current income tax assets		177,958	-	48,001	-	577,510	-
13300	Assets held for sale – net	6(8)	138,384	-	194,563	-	141,687	-
13500	Bills discounted and loans – net	6(9),7	918,954,433	31	884,291,862	29	826,885,700	27
13700	Reinsurance contract assets – net	6(10)	1,510,758	-	1,329,521	-	1,270,928	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,282,308	-	3,115,594	-	2,930,970	-
15100	Restricted assets – net	8	4,307,627	-	2,472,029	-	3,170,804	-
15500	Other financial assets – net	6(12)	123,395,937	4	110,953,592	4	114,467,847	4
18000	Investment property – net	6(13),8	10,070,414	-	10,693,522	-	11,375,181	-
18500	Property and equipment – net	6(14),8	24,340,815	1	24,468,584	1	23,949,122	1
18600	Right-of-use assets – net	6(15)	11,567,715	-	12,443,951	-	12,631,652	1
19000	Intangible assets – net	6(17)	30,959,342	1	31,046,281	1	31,254,887	1
19300	Deferred income tax assets		6,099,137	-	7,484,946	-	6,531,092	-
19500	Other assets – net	6(18),7, 8	73,971,503	3	86,867,819	3	70,913,568	2
	TOTAL ASSETS		<u>\$ 2,982,313,625</u>	<u>100</u>	<u>\$ 3,023,019,302</u>	<u>100</u>	<u>\$ 3,014,518,510</u>	<u>100</u>

(Continued)

YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	Notes	June 30, 2022		December 31, 2021		(Reclassified) June 30, 2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
21000 Deposits from Central Bank and other banks	6(20)	\$ 18,026,366	1	\$ 25,624,124	1	\$ 23,034,684	1
21500 Due to Central Bank and other banks		-	-	839,700	-	600,800	-
22000 Financial liabilities at fair value through profit or loss	6(3) (38)	152,355,419	5	158,685,739	5	172,671,159	6
22500 Bills and bonds payable under repurchase agreements	6(6) (47),7	169,933,194	6	183,865,849	6	190,510,847	6
22600 Commercial paper payable – net	6(21) (47)	64,803,502	2	49,983,502	2	62,250,965	2
23000 Payables	6(22),7	200,709,198	7	214,482,994	7	295,314,516	10
23200 Current income tax liabilities		4,384,476	-	7,892,094	-	7,919,238	-
23500 Deposits and remittances	6(23),7	1,388,946,224	46	1,375,002,383	46	1,319,204,294	44
24000 Bonds payable	6(24) (47)	91,267,551	3	82,539,085	3	90,466,681	3
24400 Other borrowings	6(25) (47)	66,044,157	2	59,998,200	2	72,123,627	2
24600 Liabilities reserve	6(26) (27)	354,211,317	12	336,342,258	11	325,195,965	11
25500 Other financial liabilities	6(28),7	150,659,803	5	126,619,428	4	123,101,122	4
26000 Lease liabilities	6(47)	4,699,598	-	5,720,785	-	5,859,748	-
29300 Deferred income tax liabilities		3,618,387	-	3,825,466	-	4,593,713	-
29500 Other liabilities	6(29),7	50,648,644	2	102,517,990	3	44,468,494	2
TOTAL LIABILITIES		<u>2,720,307,836</u>	<u>91</u>	<u>2,733,939,597</u>	<u>90</u>	<u>2,737,315,853</u>	<u>91</u>
31000 Equity attributable to owners of the parent company							
31100 Share capital							
31101 Common stock	6(30)	121,374,360	4	121,374,360	4	121,374,360	4
31107 Stock dividend to be distributed		3,641,230	-	-	-	-	-
31500 Additional paid-in capital	6(31)	37,890,734	1	37,885,949	1	37,885,949	1
32000 Retained earnings							
32001 Legal reserve	6(32)	20,481,785	1	17,040,473	-	17,040,473	1
32003 Special reserve	6(32)	6,549,234	-	6,549,234	-	6,549,234	-
32011 Undistributed earnings	6(33)	63,984,942	2	77,775,254	3	63,508,066	2
32500 Other equity							
32500 Other equity interest	6(34)	(11,595,724)	-	8,410,191	1	10,355,894	-
39500 Non-controlling interests		<u>19,679,228</u>	<u>1</u>	<u>20,044,244</u>	<u>1</u>	<u>20,488,681</u>	<u>1</u>
TOTAL EQUITY		<u>262,005,789</u>	<u>9</u>	<u>289,079,705</u>	<u>10</u>	<u>277,202,657</u>	<u>9</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 2,982,313,625</u>	<u>100</u>	<u>\$ 3,023,019,302</u>	<u>100</u>	<u>\$ 3,014,518,510</u>	<u>100</u>

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

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

Items	Notes	For the three months ended June 30,				For the six months ended June 30,				
		2022		2021		2022		2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
41000	Interest income	6(35),7	\$ 10,503,205	43	\$ 9,105,367	27	\$ 20,250,972	40	\$ 18,007,343	27
51000	Less: Interest expense	6(35),7	(2,650,586)	(11)	(1,671,165)	(5)	(4,686,275)	(9)	(3,380,877)	(5)
49600	Net interest income	6(35)	<u>7,852,619</u>	<u>32</u>	<u>7,434,202</u>	<u>22</u>	<u>15,564,697</u>	<u>31</u>	<u>14,626,466</u>	<u>22</u>
	Net non-interest income									
49800	Net service fee and commission income	6(36),7	6,651,583	27	11,582,995	35	13,945,112	28	20,856,270	31
49810	Net income from insurance operations	6(37),7	4,702,432	19	5,453,870	16	10,342,993	21	11,751,174	17
49820	(Loss) gain on financial assets and financial liabilities at fair value through profit or loss	6(38),7	(5,646,244)	(23)	9,625,438	29	(9,750,769)	(19)	16,967,889	25
49825	Gain on investment property	7	146,869	1	63,219	-	278,595	1	122,606	-
49835	Realised gain on financial assets at fair value through other comprehensive income		572,688	2	1,083,035	3	872,798	2	1,757,273	3
49850	Net gain arising from derecognition of financial assets measured at amortised cost	6(5)(9)	14,332	-	100,694	-	159,544	-	921,903	1
49870	Foreign exchange gain (loss)		6,070,282	25	(4,234,791)	(13)	12,597,471	25	(4,083,109)	(6)
49880	Reversal gain on asset impairment	6(39)	20,466	-	17,486	-	9,481	-	10,663	-
49890	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	(9,367)	-	222,475	1	174,506	-	374,813	1
49898	Gain (loss) on reclassification under the overlay approach		3,196,758	13	(151,637)	-	4,104,302	8	582,283	1
49921	Net gain on sale of non-performing loans		80,691	-	169,991	1	146,663	-	234,951	-
49945	Consultation service income		1,138,001	5	1,122,140	3	2,171,422	4	2,112,357	3
49999	Net other miscellaneous (loss) income	6(40),7	(318,174)	(1)	835,285	3	(324,330)	(1)	1,679,590	2
49700	Total net non-interest income		<u>16,620,317</u>	<u>68</u>	<u>25,890,200</u>	<u>78</u>	<u>34,727,788</u>	<u>69</u>	<u>53,288,663</u>	<u>78</u>
	Net profit		<u>24,472,936</u>	<u>100</u>	<u>33,324,402</u>	<u>100</u>	<u>50,292,485</u>	<u>100</u>	<u>67,915,129</u>	<u>100</u>
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(137,108)	-	145,704	1	(91,338)	-	72,242	-
58300	Net change in provisions for insurance liabilities	6(26)	(6,387,682)	(26)	(6,580,110)	(20)	(12,592,938)	(25)	(13,604,909)	(20)
	Operating expenses									
58501	Employee benefit expense	6(42),7	(6,269,714)	(26)	(9,226,752)	(28)	(13,198,381)	(26)	(18,286,125)	(27)
58503	Depreciation and amortisation	6(43)	(788,248)	(3)	(779,308)	(2)	(1,596,789)	(3)	(1,562,241)	(2)
58599	Other business and administrative expenses	6(44),7	(3,698,604)	(15)	(4,419,390)	(13)	(7,349,702)	(15)	(8,133,401)	(12)
58500	Total Operating Expenses		<u>(10,756,566)</u>	<u>(44)</u>	<u>(14,425,450)</u>	<u>(43)</u>	<u>(22,144,872)</u>	<u>(44)</u>	<u>(27,981,767)</u>	<u>(41)</u>
61000	Consolidated income from continuing operations before income tax		<u>7,191,580</u>	<u>30</u>	<u>12,464,546</u>	<u>38</u>	<u>15,463,337</u>	<u>31</u>	<u>26,400,695</u>	<u>39</u>
61003	Income tax expense	6(45)	(1,670,656)	(7)	(1,567,302)	(5)	(3,294,318)	(7)	(4,748,008)	(7)
69000	Consolidated net income		<u>\$ 5,520,924</u>	<u>23</u>	<u>\$ 10,897,244</u>	<u>33</u>	<u>\$ 12,169,019</u>	<u>24</u>	<u>\$ 21,652,687</u>	<u>32</u>

(Continued)

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

Items	Notes	For the three months ended June 30,				For the six months ended June 30,			
		2022		2021		2022		2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
69561	Gain (loss) on remeasurements of defined benefit plans	\$ 251,141	1	\$ 26,551	-	\$ 33,066	-	(\$ 51,876)	-
69563	Share of other comprehensive income (loss) of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	21	-	5	-	181	-	(516)	-
69565	Change in fair value of financial liability attributable to change in credit risk of liability	148	-	(111)	-	207	-	(165)	-
69567	(Loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	(1,392,877)	(6)	241,667	1	(725,708)	(1)	4,551,545	7
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(358,925)	(1)	(63,868)	-	(304,681)	-	(85,922)	-
Components of other comprehensive income that will be reclassified to profit or loss									
69571	Exchange differences on translation of foreign financial statements	(1,113,910)	(5)	(1,394,449)	(4)	(6,601)	-	(3,137,477)	(5)
69585	Revaluation (loss) gain from investments in debt instruments measured at fair value through other comprehensive income	(6,633,991)	(27)	954,074	3	(15,409,491)	(31)	(3,357,243)	(5)
69587	Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	(16,107)	-	(11,216)	-	(11,458)	-	(14,714)	-
69590	Other comprehensive (loss) gain on reclassification under the overlay approach	(3,196,758)	(13)	151,637	-	(4,104,302)	(8)	(582,283)	(1)
69579	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	323,835	1	(100,598)	(1)	596,573	1	174,434	-
69500	Other comprehensive loss (net of tax)	<u>(\$ 12,137,423)</u>	<u>(50)</u>	<u>(\$ 196,308)</u>	<u>(1)</u>	<u>(\$ 19,932,214)</u>	<u>(39)</u>	<u>(\$ 2,504,217)</u>	<u>(4)</u>
69700	Total comprehensive (loss) income	<u>(\$ 6,616,499)</u>	<u>(27)</u>	<u>\$ 10,700,936</u>	<u>32</u>	<u>(\$ 7,763,195)</u>	<u>(15)</u>	<u>\$ 19,148,470</u>	<u>28</u>
Consolidated net income attributable to:									
69901	Parent company	\$ 5,356,708	22	\$ 10,252,273	31	\$ 11,522,814	23	\$ 19,659,573	29
69903	Non-controlling interests	164,216	1	644,971	2	646,205	1	1,993,114	3
		<u>\$ 5,520,924</u>	<u>23</u>	<u>\$ 10,897,244</u>	<u>33</u>	<u>\$ 12,169,019</u>	<u>24</u>	<u>\$ 21,652,687</u>	<u>32</u>
Consolidated comprehensive income (loss) attributable to:									
69951	Parent company	(\$ 6,720,319)	(27)	\$ 10,326,905	31	(\$ 8,507,531)	(16)	\$ 17,942,310	26
69953	Non-controlling interests	103,820	-	374,031	1	744,336	1	1,206,160	2
		<u>(\$ 6,616,499)</u>	<u>(27)</u>	<u>\$ 10,700,936</u>	<u>32</u>	<u>(\$ 7,763,195)</u>	<u>(15)</u>	<u>\$ 19,148,470</u>	<u>28</u>
Earnings per share (in New Taiwan Dollars)									
70001	Basic and diluted earnings per share								
		\$	0.43	\$	0.82	\$	0.92	\$	1.57

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													
	Share Capital			Retained earnings				Other equity interest					Non-controlling interests	Total equity
	Common stock	Stock dividend to be distributed	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income		Other comprehensive income (loss) on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk			
<u>For the six months ended June 30, 2021</u>														
Balance, January 1, 2021	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 14,633,733	\$ 6,549,234	\$ 60,333,790	(\$ 4,467,136)	\$ 16,726,148	\$ 345,649	(\$ 45,138)	\$ 20,280,857	\$ 273,617,446		
Consolidated net income for the period	-	-	-	-	-	19,659,573	-	-	-	-	1,993,114	21,652,687		
Other comprehensive income (loss) for the period	-	-	-	-	-	(22,659)	(2,181,801)	1,070,309	(582,947)	(165)	(786,954)	(2,504,217)		
Total comprehensive income (loss) for the period	-	-	-	-	-	19,636,914	(2,181,801)	1,070,309	(582,947)	(165)	1,206,160	19,148,470		
Appropriation of 2020 earnings														
Legal reserve	-	-	-	2,406,740	-	(2,406,740)	-	-	-	-	-	-		
Cash dividend	-	-	-	-	-	(14,564,923)	-	-	-	-	-	(14,564,923)		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(998,336)	(998,336)		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	509,025	-	(509,025)	-	-	-	-		
Balance, June 30, 2021	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 63,508,066	(\$ 6,648,937)	\$ 17,287,432	(\$ 237,298)	(\$ 45,303)	\$ 20,488,681	\$ 277,202,657		
<u>For the six months ended June 30, 2022</u>														
Balance, January 1, 2022	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 1,072,737)	(\$ 47,621)	\$ 20,044,244	\$ 289,079,705		
Consolidated net income for the period	-	-	-	-	-	11,522,814	-	-	-	-	646,205	12,169,019		
Other comprehensive income (loss) for the period	-	-	-	-	-	25,542	220,375	(16,221,183)	(4,055,286)	207	98,131	(19,932,214)		
Total comprehensive income (loss) for the period	-	-	-	-	-	11,548,356	220,375	(16,221,183)	(4,055,286)	207	744,336	(7,763,195)		
Appropriation of 2021 earnings														
Legal reserve	-	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-	-		
Cash dividend	-	-	-	-	-	(18,206,154)	-	-	-	-	-	(18,206,154)		
Stock dividend	-	3,641,230	-	-	-	(3,641,230)	-	-	-	-	-	-		
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	4,785	-	-	-	-	-	-	-	-	4,785		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,109,352)	(1,109,352)		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(49,972)	-	49,972	-	-	-	-		
Balance, June 30, 2022	\$ 121,374,360	\$ 3,641,230	\$ 37,890,734	\$ 20,481,785	\$ 6,549,234	\$ 63,984,942	(\$ 8,179,748)	\$ 1,759,461	(\$ 5,128,023)	(\$ 47,414)	\$ 19,679,228	\$ 262,005,789		

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

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

	For the six months ended June 30,	
	2022	(Reclassified) 2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 15,463,337	\$ 26,400,695
Adjustments		
Income and expense items		
Depreciation	1,311,466	1,295,043
Amortisation	285,323	267,198
Provision for bad debt expense, commitment and guarantee policy reserve	573,805	772,981
Interest expense	4,686,275	3,380,877
Interest income	(20,250,972)	(18,007,343)
Dividend income	(2,448,600)	(1,637,720)
Reversal gain on asset impairment	(9,481)	(10,663)
Gain reclassified by applying overlay approach	(4,104,302)	(582,283)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(174,506)	(374,813)
Gain on disposal of assets held for sale	(11,811)	(4,957)
Gain on disposal of investment property	(173,848)	(9,986)
Gain on disposal or retirement of property and equipment	(64,716)	(9,357)
Gain on disposal of intangible assets	(1,150)	-
Intangible assets transferred to expense	126	36
Gain on lease modification	(134,328)	(95)
Gain on lease concession	(97)	(3,821)
Net change in insurance liabilities	15,224,480	13,435,860
Changes in operating assets and liabilities		
Changes in operating assets		
Increase in due from Central Bank and call loans to other banks	(1,136,313)	(3,842,858)
Decrease (increase) in financial assets at fair value through profit or loss	62,154,815	(19,584,956)
Increase in financial assets at fair value through other comprehensive income	(26,532,079)	(39,916,611)
Increase in investments in debt instruments at amortised cost	(27,378,532)	(56,220,787)
Decrease (increase) in receivables	20,282,978	(79,509,898)
Increase in bills discounted and loans	(35,374,565)	(33,765,612)
Increase in reinsurance contract assets	(255,509)	(171,785)
Increase in restricted assets	(1,835,598)	(209,784)
Increase in other financial assets	(10,089,709)	(11,117,169)
Decrease (increase) in other assets	12,908,854	(9,099,015)
Changes in operating liabilities		
(Decrease) increase in deposits from Central Bank and other banks	(7,597,758)	7,622,385
(Decrease) increase in financial liabilities at fair value through profit or loss	(6,330,113)	9,213,492
(Decrease) increase in payables	(32,302,618)	33,879,917
Increase in deposits and remittances	13,943,841	108,183,900
Decrease in liabilities reserve	(1,092,242)	(439,561)
Increase in other financial liabilities	21,819,691	9,976,788
Decrease in other liabilities	(51,878,766)	(1,990,681)
Cash outflow generated from operations	(60,522,622)	(62,080,583)
Interest received	19,699,772	17,749,103
Dividend received	2,044,638	1,390,684
Interest paid	(4,418,051)	(3,288,129)
Income tax paid	(5,469,638)	(2,931,904)
Net cash flows used in operating activities	(48,665,901)	(49,160,829)

(Continued)

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

	For the six months ended June 30,	
	2022	(Reclassified) 2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for under the equity method	(\$ 185,226)	(\$ 204,442)
Proceeds from liquidation of investments accounted for under the equity method	76,190	189,299
Acquisition of investment property	(98,824)	(14,329)
Proceeds from disposal of investment property	838,420	30,793
Acquisition of property and equipment	(655,842)	(634,205)
Proceeds from disposal of property and equipment	291,571	37,694
Acquisition of intangible assets	(124,367)	(65,822)
Proceeds from disposal of intangible assets	2,432	-
Proceeds from disposal of assets held for sale	68,880	67,000
Acquisition of right-of-use assets	(48)	(22)
Net cash flows generated from (used in) investing activities	<u>213,186</u>	<u>(594,034)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	(839,700)	(74,200)
Decrease in bills and bonds payable under repurchase agreements	(13,932,655)	(26,110,340)
Increase in commercial paper payable	14,878,592	34,814,429
Proceeds from issuance of bonds	8,783,694	18,771,629
Repayments of bonds	-	(4,000,000)
Proceeds from issuance of bank debentures	20,000,000	5,500,000
Repayments of bank debentures	(20,000,000)	(8,500,000)
Increase in other borrowings	6,045,957	14,327,566
Principal payment for lease liabilities	(917,164)	(740,610)
Decrease in non-controlling interests	(1,109,352)	(998,336)
Net cash flows generated from financing activities	<u>12,909,372</u>	<u>32,990,138</u>
Effects of exchange rate changes	<u>3,814,060</u>	<u>(3,619,687)</u>
Net decrease in cash and cash equivalents	(31,729,283)	(20,384,412)
Cash and cash equivalents at beginning of period	<u>167,631,719</u>	<u>157,785,378</u>
Cash and cash equivalents at end of period	<u>\$ 135,902,436</u>	<u>\$ 137,400,966</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 57,202,757	\$ 69,103,373
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	35,194,533	25,870,923
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	<u>43,505,146</u>	<u>42,426,670</u>
Cash and cash equivalents at end of reporting period	<u>\$ 135,902,436</u>	<u>\$ 137,400,966</u>

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, Unless Otherwise Indicated)

1. History and organization

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

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

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

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

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

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

The Company engages in the business of a financial holding company and its operations are limited to investing and investment management. According to the Financial Holding Company Act, the businesses in which the Company can invest in are securities, banking, bills finance, credit cards, trusts, insurance, futures, venture capital, foreign financial institutions that are 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 authorisation for issuance of the consolidated financial statements and procedures for authorisation

These consolidated financial statements were reported to the Board of Directors and issued on August 23, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

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

(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 2023 are as follows:

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

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

A. IFRS 17, 'Insurance contracts'

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

B. Amendments to IFRS 17, 'Insurance contracts'

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

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

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

4. Summary of significant accounting policies

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

(1) Compliance statement

- A. The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the “Yuanta Group”) have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.
- B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (B) Financial assets at fair value through other comprehensive income.
 - (C) Defined benefit liabilities 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 interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio are directly recognised in the consolidated statements of comprehensive income. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received

is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	100.00	
	Yuanta Bank	Commercial banking	100.00	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. (“Yuanta Life”)	Life insurance business	100.00	100.00	100.00	
	Yuanta Futures Co., Ltd. (“Yuanta Futures”)	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	66.27	66.27	
	Yuanta Securities Investment Trust Co., Ltd. (“Yuanta Securities Investment Trust”)	Securities investment trust	74.71	74.71	74.71	
	Yuanta Venture Capital Co., Ltd. (“Yuanta Venture Capital”)	Venture capital investments	100.00	100.00	100.00	
	Yuanta Asset Management Co., Ltd. (“Yuanta Asset Management”)	Providing monetary debt management services for financial institutions	100.00	100.00	100.00	
	Yuanta Securities Investment Consulting Co., Ltd. (“Yuanta Securities Investment Consulting”)	Securities investment consultant	100.00	100.00	100.00	
Yuanta Securities	Yuanta Securities Asia Financial Services Private Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	100.00	
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance brokerage services	100.00	100.00	100.00	
	Yuanta Securities Finance Co., Ltd. (“Yuanta Securities Finance”)	Securities financing and refinancing to securities firms and related business	100.00	100.00	100.00	
	Yuanta Wealth Management (Singapore) Pte. Ltd. (“Yuanta Wealth Management (Singapore)”)	Note 1	100.00	-	-	Note 1
Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong) Co., Ltd. (“Yuanta Securities (Hong Kong)”)	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions’ financing, asset management services	100.00	100.00	100.00	
	Yuanta Asia Investment (Hong Kong) Limited (“Yuanta Asia Investment (Hong Kong)”)	Securities trading, asset management services	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
Yuanta Securities Asia Financial Services	Yuanta Investment Consulting (Beijing) Co., Ltd. (“Yuanta Investment Consulting Beijing”)	Investment and management consultancy, financial consultancy, enterprise management consultancy, business information consultancy, economic and trade consultancy, marketing strategy and plan, technique promotion and technique service	100.00	100.00	100.00	
	Yuanta Securities Korea Co., Ltd. (“Yuanta Securities (Korea)”)	Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent operating business and auxiliary business	57.42	57.39	57.39	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	
	Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument	99.99	99.99	99.99	
	Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	92.62	92.62	90.16	Note 2
Yuanta Securities (Korea)	Yuanta Investment Co., Ltd.	Venture investment	57.42	57.39	57.39	
	Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”)	Investment holding	57.42	57.39	57.39	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	57.42	57.39	57.39	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta Investment (Hong Kong)”)	Issue financial instruments and dealing investments	100.00	100.00	100.00	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	100.00	
	PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”)	Securities trading and underwriting services	99.00	99.00	99.00	
	PT Yuanta Asset Management (Indonesia)	Investment management	0.002	0.002	0.002	
	Yuanta Investment Management (Cayman) Ltd.	Investment management	-	100.00	100.00	Note 3
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	7.38	7.38	9.84	Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
Yuanta Securities (Indonesia)	PT Yuanta Asset Management (Indonesia)	Investment management	99.998	99.998	99.998	
Yuanta Investment Management (Cayman)	Yuanta Diamond Funds SPC - Yuanta Real Estate Securities Fund Segregated Portfolio	Investment in real estate investment trusts	-	-	23.25	Note 4
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	24.61	24.60	-	Note 5
Yuanta Bank	Yuanta International Leasing Co., Ltd.(“Yuanta International Leasing”)	Leasing business	100.00	100.00	100.00	
	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited (“Yuanta Futures Hong Kong”)	Financial services	66.27	66.27	66.27	
	SYF Information Limited (“SYF Information”)	Information service	66.27	66.27	66.27	
SYF Information	SYF Information (Shanghai) Limited (“SYF Information (Shanghai)”)	Information service	-	66.27	66.27	Note 6
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd.(“Yuanta I Venture Capital”)	Venture capital investments	100.00	100.00	100.00	

Note 1: On April 29, 2022, Yuanta Wealth Management (Singapore) was established by Yuanta Securities through reinvestment, and its main business activities are currently under approval by Singapore authorities.

Note 2: In September 2021, the Board of Directors approved Yuanta Securities Asia Financial Services’ capital increase to Yuanta Securities (Vietnam) and the process was completed in November 2021.

Note 3: In February 2022, the Board of Directors approved the dissolution and liquidation of Yuanta Investment Management (Cayman). The record date for the liquidation was February 16, 2022.

Note 4: Subscribed in the first quarter of 2020 and redeemed in the fourth quarter of 2021.

Note 5: Subscribed in the third quarter of 2021.

Note 6: On June 30, 2022, the Board of Directors of SYF Information approved to set the record date for the liquidation of SYF Information (Shanghai) as June 30, 2022.

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

June 30, 2022

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st. Co., Ltd.	Asset-backing
SJ beomcheon the second Co., Ltd.	Asset-backing
YK Seawork Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YK NineMall Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Suwon7 the 1st. Co., Ltd.	Asset-backing
JY Pyeongtaek the first Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing

June 30, 2022

Structured entities	Main Business Activities
YK Gaon Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Jackjeon Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
Walkerhill PI the 1st. Co., Ltd.	Asset-backing
YK Manhattan the 1st. Co., Ltd.	Asset-backing
YK Jije the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YK Merchant Co., Ltd.	Asset-backing
YK Figaro Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
YK Saetbyul Co., Ltd.	Asset-backing
YK Mars the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. Co., Ltd.	Asset-backing

December 31, 2021

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hotel the 1st. Co., Ltd.	Asset-backing
YFI Double S2 Co., Ltd.	Asset-backing
SJ beomcheon the second Co., Ltd.	Asset-backing
YK Mozart II Co., Ltd.	Asset-backing
YK Seawork Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing

December 31, 2021

Structured entities	Main Business Activities
YK Star Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YK NineMall Co., Ltd.	Asset-backing
Gold Poongmu the 1st. Co., Ltd.	Asset-backing
YFI Jebu Co., Ltd.	Asset-backing
YFI Itaewon Co., Ltd.	Asset-backing
YK Woongcheon the 1st. Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Suwon7 the 1st. Co., Ltd.	Asset-backing
Wonheung the first Co., Ltd.	Asset-backing
Ostih the fifth Co., Ltd.	Asset-backing
JY Pyeongtaek the first Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Balgok Co., Ltd.	Asset-backing
YK Napoli the 1st. Co., Ltd.	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing
YK Gaon Co., Ltd.	Asset-backing
YKAI the 1st. Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Jackjeon Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
Walkerhill PI the 1st. Co., Ltd.	Asset-backing
YK Manhattan the 1st. Co., Ltd.	Asset-backing
YK Jije the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Ilchul Co., Ltd.	Asset-backing
YK Beethoven Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
YK Godeok the 2nd. Co., Ltd.	Asset-backing
YK Royal the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing

June 30, 2021

Structured entities	Main Business Activities
DK project second Co., Ltd.	Asset-backing
YK Hotel the 1st Co., Ltd.	Asset-backing
YFI Double S2 Co., Ltd.	Asset-backing

June 30, 2021

Structured entities	Main Business Activities
Y.K.Glory the 1st.Co., Ltd.	Asset-backing
SJ beomcheon second Co., Ltd.	Asset-backing
YK Maritime Co., Ltd.	Asset-backing
YK Mozart II Co., Ltd.	Asset-backing
YK Seawork. Co., Ltd.	Asset-backing
YK Chile Co., Ltd.	Asset-backing
YK Songdo. Co., Ltd.	Asset-backing
Bumersquare the 1st. Co., Ltd.	Asset-backing
Y.K.Blue the 5th. Co., Ltd.	Asset-backing
YK Star. Co., Ltd.	Asset-backing
YK GO. Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
YK DragonLake Co., Ltd.	Asset-backing
YK NineMall Co., Ltd.	Asset-backing
Gold Poongmu the 1st Co., Ltd.	Asset-backing
YFI Jebu Co., Ltd.	Asset-backing
YFI Itaewon Co., Ltd.	Asset-backing
YK Woongcheon the 1st Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Suwon7 the 1st Co., Ltd.	Asset-backing
Wonheung the first Co., Ltd.	Asset-backing
Ostihuh the fifth Co., Ltd.	Asset-backing
JY Pyeongtaek the first Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Balgok Co., Ltd.	Asset-backing
YK Believe the 1st., Ltd.	Asset-backing
YK Napoli the 1st. Co., Ltd.	Asset-backing
YFI Sokcho Co., Ltd.	Asset-backing
YK Godeok Co., Ltd.	Asset-backing
YK Gaon. Co., Ltd.	Asset-backing
YKAI the 1st. Co., Ltd.	Asset-backing
YK Lusia Co., Ltd.	Asset-backing
Y.K Easy the First Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Jackjeon Co., Ltd.	Asset-backing

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

D. Subsidiaries not included in the consolidated financial statements:

None.

E. Adjustments for subsidiaries with different balance sheet dates:

None.

F. Significant restrictions:

None.

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

As of June 30, 2022, December 31, 2021, and June 30, 2021, the non-controlling interests amounted to \$19,679,228, \$20,044,244 and \$20,488,681, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

Name of Subsidiary	Principal place of business	Non-controlling interests					
		June 30, 2022		December 31, 2021		June 30, 2021	
		Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	\$ 14,563,464	42.58%	\$ 14,613,515	42.61%	\$ 15,540,820	42.61%

The comprehensive income attributable to this non-controlling interests were (\$51,903), \$187,747, \$382,732 and \$728,592 for the three months and six months ended June 30, 2022 and 2021, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries		
	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 327,913,324	\$ 327,228,785	\$ 369,281,810
Non-current assets	15,141,029	15,468,327	15,701,543
Current liabilities	(297,317,784)	(299,349,069)	(336,006,521)
Non-current liabilities	(10,227,599)	(7,826,487)	(11,045,210)
Total net assets	<u>\$ 35,508,970</u>	<u>\$ 35,521,556</u>	<u>\$ 37,931,622</u>

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the three months ended June 30,	
	2022	2021
Revenue	\$ 2,535,617	\$ 5,199,261
(Loss) profit before income tax	(243,004)	1,726,102
Income tax benefit (expense)	62,846	(423,088)
Net (loss) income	(180,158)	1,303,014
Other comprehensive income (loss) (net of tax)	28,946	(568,272)
Total comprehensive (loss) income for the period	<u>(\$ 151,212)</u>	<u>\$ 734,742</u>

<u>Yuanta Securities (Korea) and its subsidiaries</u>		
<u>For the six months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>
Revenue	\$ 6,019,726	\$ 12,711,781
Profit before income tax	704,237	5,438,502
Income tax expense	(179,079)	(1,309,472)
Net income	525,158	4,129,030
Other comprehensive income (loss) (net of tax)	345,522	(1,941,405)
Total comprehensive income for the period	<u>\$ 870,680</u>	<u>\$ 2,187,625</u>

Consolidated statements of cash flows

<u>Yuanta Securities (Korea) and its subsidiaries</u>		
<u>For the six months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>
Net cash used in operating activities	(\$ 310,729)	(\$ 493,021)
Net cash provided by (used in) investing activities	469,214	(109,333)
Net cash provided by financing activities	1,897,634	1,542,794
Effects of exchange rate changes	2,125,292	(2,697,025)
Increase (decrease) in cash and cash equivalents	4,181,411	(1,756,585)
Cash and cash equivalents, beginning of period	14,286,007	18,526,139
Cash and cash equivalents, end of period	<u>\$ 18,467,418</u>	<u>\$ 16,769,554</u>

(4) Other significant accounting policies

These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2021 for information on significant accounting policies.

A. 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 amortised 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 4.

For assets to which the overlay approach is applied, the amount that is excluded from profit or loss and recognised in other comprehensive income is the difference between the following two amounts:

- i. Profit or loss recognised in accordance with IFRS 9; and
- ii. Profit or loss recognised 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 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. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Yuanta Group has not retained control of the financial asset.

(D) Derecognition of financial liabilities

- a. A financial liability is derecognised when the obligation 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.

B. 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.

C. 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 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.

D. Intangible assets

(A) Operating rights are initially recognised at the acquisition cost. Intangible assets, with limited useful lives, and other intangible assets are amortised over an estimated useful life 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.

E. 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 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.

(G) Reserve for insurance with nature of financial instrument

Reserve for non-discretionary participation feature financial instruments is set aside in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and its related interpretation letters.

F. Employee benefits

(A) Short-term employee benefits

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

(B) Pensions

a. Defined contribution plans

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

b. Defined benefit plans

- (a) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Yuanta Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Yuanta Group uses interest rates of government bonds (at the balance sheet date) instead.
- (b) Remeasurement arising on defined benefit plans are recognised immediately in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- (c) Past service costs are recognised immediately in profit or loss.
- (d) Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

c. Deposits

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

d. 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' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

G. 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 realisation or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.
 - b. The land revaluation appraisal due to the revaluation assessment in compliance with relevant regulations, deemed as taxable temporary difference, is recognised as deferred income tax liabilities.
 - c. If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realised in the future, the proportion of realisation is deemed as deferred income tax asset.
- (C) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously. The Yuanta Group does not offset deferred income tax assets against liabilities taxed by different tax authorities.
- (D) The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- (E) If a change in tax rate is enacted or substantively enacted in an interim period, the Yuanta Group recognises the effect of the change on items recognised outside profit or loss immediately in the interim period in which the change occurs and spread the effect of the change on items recognised in profit or loss over the remainder of the annual reporting period via an adjustment to the estimated annual effective income tax rate.

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

The accounting policies, accounting assumptions and estimates have an impact on the 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 June 30, 2022.

(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 June 30, 2022.

(3) Impairment assessment of goodwill

The 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 June 30, 2022.

(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 June 30, 2022.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Cash on hand	\$ 6,080,319	\$ 7,372,807	\$ 5,939,511
Deposits in banks	46,403,537	66,887,071	60,358,347
Futures excess margin and cash equivalents	3,959,069	4,735,560	2,309,999
Excess settlement reserve fund	-	-	369
Checks for clearing	759,832	1,740,183	495,147
Total	<u>\$ 57,202,757</u>	<u>\$ 80,735,621</u>	<u>\$ 69,103,373</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Reserve for deposits - account A	\$ 16,297,845	\$ 15,899,701	\$ 13,764,279
Reserve for deposits - account B	40,506,821	39,520,433	35,979,531
Deposits by foreign subsidiary to designated accounts of respective local central banks	1,769,909	2,258,756	2,214,845
Reserve for deposits	10,226,994	10,234,067	10,176,820
Call loans to banks	7,431,500	12,430,400	-
Total	<u>\$ 76,233,069</u>	<u>\$ 80,343,357</u>	<u>\$ 62,135,475</u>

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

B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021.

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 38,437,147	\$ 61,827,117	\$ 81,561,843
Beneficiary certificates / securities	44,785,055	48,402,870	59,594,632
Listed stocks	44,941,105	40,352,596	53,882,896
Emerging stocks	1,260,268	1,668,280	2,024,870
Government bonds	22,073,087	28,530,626	23,647,531
Bank debentures	101,855,847	102,569,797	136,392,315
Corporate bonds	52,773,272	88,225,853	85,397,481
Overseas bonds	-	-	1,383,334
Convertible corporate bonds	62,970,331	54,435,801	48,360,138
Derivative financial instruments	23,435,296	13,556,918	11,014,232
Structured products	8,461,197	1,964,315	2,566,848
Reserve for claims of customers' deposits with KSFC (Note 1)	64,559,223	76,340,247	84,586,647
Other marketable securities	14,321,918	5,641,320	7,398,887
Valuation adjustment	(12,786,420)	5,726,401	8,365,941
Total	<u>\$ 467,087,326</u>	<u>\$ 529,242,141</u>	<u>\$ 606,177,595</u>

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Financial liabilities held for trading			
Derivative financial instruments	\$ 34,236,682	\$ 22,734,652	\$ 22,233,270
Non-derivative financial instruments	59,964,371	69,728,384	84,262,107
Valuation adjustment of financial liabilities held for trading – non-derivative financial instruments	(4,780,502)	5,391,115	8,384,742
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	38,309,816	39,668,565	39,126,747
Convertible bond asset swap not qualifying for derecognition (Note 2)	22,821,789	18,882,930	16,420,007
Others	1,803,263	2,280,093	2,244,286
Total	<u>\$ 152,355,419</u>	<u>\$ 158,685,739</u>	<u>\$ 172,671,159</u>

Note 1: KSFC stands for Korea Securities Finance Corporation.

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

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged to others as collateral as of June 30, 2022, December 31, 2021, and June 30, 2021.

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Equity instruments			
Domestic stocks	\$ 9,677,352	\$ 5,103,414	\$ 16,279,944
Overseas stocks	234,706	450,556	1,127,044
	<u>9,912,058</u>	<u>5,553,970</u>	<u>17,406,988</u>
Domestic beneficiary certificates	11,888,980	14,176,553	16,904,308
Overseas beneficiary certificates	2,623,217	2,933,485	1,090,271
	<u>\$ 24,424,255</u>	<u>\$ 22,664,008</u>	<u>\$ 35,401,567</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
(Loss) profit recognised in accordance with IFRS 9	(\$ 3,166,340)	\$ 667,235
Less: Profit that would have been recognised under IAS 39	(30,418)	(515,598)
(Loss) profit from adopting the overlay approach	<u>(\$ 3,196,758)</u>	<u>\$ 151,637</u>
Effects on income tax	<u>\$ 25,628</u>	<u>(\$ 13,241)</u>

	For the six months ended June 30,	
	2022	2021
(Loss) profit recognised in accordance with IFRS 9 (\$	4,049,142)	\$ 366,207
Less: Profit that would have been recognised under IAS 39	(55,160)	(948,490)
Loss from adopting the overlay approach	(\$ 4,104,302)	(\$ 582,283)
Effects on income tax	\$ 49,016	(\$ 664)

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

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

Items	June 30, 2022	December 31, 2021	June 30, 2021
Debt instruments			
Government bonds	\$ 60,250,368	\$ 58,516,422	\$ 44,037,917
Bank debentures	68,878,825	63,650,211	55,346,879
Corporate bonds	180,902,676	173,353,614	167,006,923
Commercial paper	48,772	71,422	97,131
Others	1,451,026	1,424,392	285,165
Valuation adjustment	(16,686,132)	(1,610,813)	1,281,802
Subtotal	294,845,535	295,405,248	268,055,817
Equity instruments			
Listed stocks	\$ 23,654,424	\$ 13,421,708	\$ 25,458,789
Unlisted stocks/Emerging stocks	4,490,370	4,527,870	4,655,167
Others	3,630,259	3,315,506	2,844,368
Valuation adjustment	22,269,758	23,036,430	19,700,712
Subtotal	54,044,811	44,301,514	52,659,036
Statutory deposits	-	(1,216,100)	(1,216,100)
Total	\$ 348,890,346	\$ 338,490,662	\$ 319,498,753

A. As of June 30, 2022, December 31, 2021, and June 30, 2021, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$0, \$1,216,100 and \$1,216,100, respectively in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.

B. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of June 30, 2022, December 31, 2021, and June 30, 2021, the fair value of such investments were \$54,044,811, \$44,301,514 and \$52,659,036, respectively.

C. For the six months ended June 30, 2022 and 2021, the Yuanta Group sold the equity shares due to the structural changes in the industry and market interference and increase of uncertainties, in order to diversify risk, consider the asset allocation and adjust the investment portfolios. The fair value of such equity investments sold amounted to \$7,208,145 and \$9,750,616, and accumulated (losses) gains on disposal were (\$45,526) and \$552,146, 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 three months ended June 30,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 1,392,877)	\$ 241,667
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	(\$ 17,729)	\$ 64,129
Dividend income recognised in profit or loss		
Held at end of period	\$ 592,499	\$ 256,930
Derecognised in the current period	21,829	171,756
	<u>\$ 614,328</u>	<u>\$ 428,686</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 6,672,863)	\$ 1,607,112
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 18,875)	(\$ 9,905)
Reclassified due to derecognition	41,640	(654,349)
	<u>\$ 22,765</u>	<u>(\$ 664,254)</u>
Interest income recognised in profit or loss	<u>\$ 917,376</u>	<u>\$ 863,198</u>

	For the six months ended June 30,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 725,708)	\$ 4,551,545
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	(\$ 49,972)	\$ 509,025
Dividend income recognised in profit or loss		
Held at end of period	\$ 825,724	\$ 379,249
Derecognised in the current period	21,829	174,906
	<u>\$ 847,553</u>	<u>\$ 554,155</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 15,381,442)	(\$ 2,157,488)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 14,262)	(\$ 11,351)
Reclassified due to derecognition	(25,245)	(1,203,118)
	<u>(\$ 39,507)</u>	<u>(\$ 1,214,469)</u>
Interest income recognised in profit or loss	<u>\$ 1,771,402</u>	<u>\$ 1,720,089</u>

E. Details of the Yuanta Group's financial assets at fair value through other comprehensive income pledged to others as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021 are provided in Note 8.

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

(5) Investments in debt instruments at amortised cost

Items	June 30, 2022	December 31, 2021	June 30, 2021
Government bonds	\$ 117,178,620	\$ 110,721,492	\$ 106,605,239
Time deposits	192,235,000	198,696,885	196,001,665
Bank debentures	101,452,337	92,164,285	87,478,466
Corporate bonds	128,860,779	109,549,412	98,974,821
Subtotal	<u>539,726,736</u>	<u>511,132,074</u>	<u>489,060,191</u>
Less: Accumulated impairment	(159,531)	(148,842)	(144,099)
Statutory deposits	(3,560,400)	(2,344,300)	(2,344,300)
Total	<u>\$ 536,006,805</u>	<u>\$ 508,638,932</u>	<u>\$ 486,571,792</u>

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

	For the three months ended June 30,	
	2022	2021
Interest income	\$ 2,822,952	\$ 2,289,257
(Charge) reversal of impairment loss	(4,310)	3,053
Gains on disposal	12,539	100,694
	<u>\$ 2,831,181</u>	<u>\$ 2,393,004</u>
	For the six months ended June 30,	
	2022	2021
Interest income	\$ 5,369,013	\$ 4,544,769
(Charge) reversal of impairment loss	(10,659)	1,485
Gains on disposal	157,751	921,903
	<u>\$ 5,516,105</u>	<u>\$ 5,468,157</u>

B. The Yuanta Group sold certain financial assets at amortised cost for the three months and six months ended June 30, 2022 and 2021, due to factors such as considering pay back in advance, mandatorily redeemed by the issuer, increase in credit risk, exchange offer which was publicly purchased or individual and aggregated amount that is non-significant. The gain on disposal of investments in debt instruments at amortised cost were \$12,539, \$100,694, \$157,751 and \$921,903, respectively.

C. As of June 30, 2022, December 31, 2021, and June 30, 2021, pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$3,560,400, \$2,344,300 and \$2,344,300, respectively in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.

D. Details of the Yuanta Group's financial assets at amortised cost pledged to others as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021, are provided in Note 8.

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Bills and bonds purchased under resale agreement	<u>\$ 43,505,146</u>	<u>\$ 46,454,964</u>	<u>\$ 42,426,670</u>
Interest rate range	0.35%~6.00%	0.13%~4.00%	0.13%~1.45%
Contract resale amount	<u>\$ 43,545,648</u>	<u>\$ 46,501,102</u>	<u>\$ 42,469,886</u>
Bills and bonds payable under repurchase agreement	<u>\$ 169,933,194</u>	<u>\$ 183,865,849</u>	<u>\$ 190,510,847</u>
Interest rate range	-0.38%~5.00%	-0.55%~3.00%	-0.38%~1.50%
Contract repurchase amount	<u>\$ 173,683,921</u>	<u>\$ 187,259,926</u>	<u>\$ 194,547,290</u>

(7) Receivables - net

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>	<u>January 1, 2021</u>
Interest receivable	\$ 8,412,499	\$ 7,861,299	\$ 7,296,707	\$ 7,038,467
Receivable of securities				
business money lending	55,293,764	48,803,911	41,782,678	34,546,103
Factoring receivable	8,939,038	5,463,356	4,765,738	4,150,504
Margin loans receivable	94,708,764	120,197,206	119,035,000	92,285,455
Spot exchange receivable (Note)	343,902	168,239	3,794,462	10,030,876
Credit card receivable	7,615,895	8,339,888	7,166,946	8,781,748
Net exchange clearing receivable	5,572,858	11,619,438	11,894,654	16,043,185
Settlement price receivable	45,995,197	52,522,419	109,562,150	58,138,311
Securities sold receivable	6,730,517	3,508,149	8,131,138	4,707,144
Other receivables	12,957,768	7,298,067	11,211,766	8,890,883
Subtotal	<u>246,570,202</u>	<u>265,781,972</u>	<u>324,641,239</u>	<u>244,612,676</u>
Less: Allowance for credit losses	<u>(1,958,357)</u>	<u>(2,078,612)</u>	<u>(2,137,335)</u>	<u>(2,136,230)</u>
Total	<u>\$ 244,611,845</u>	<u>\$ 263,703,360</u>	<u>\$ 322,503,904</u>	<u>\$ 242,476,446</u>

Note: To provide more relevant information, the Yuanta Group recognise the sum of account receivable and account payable for spot exchange in netting by each deal. The amount of spot exchange receivable and spot exchange payable on June 30, 2021 and January 1, 2021 should have been reduced by \$1,871,802 and \$1,514,244, respectively.

- A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the six months ended June 30, 2022 and 2021, details are provided in Note 12(3).
- B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of June 30, 2022, December 31, 2021, and June 30, 2021, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were all 5.95%~9.75%; the annual interest rates range of Yuanta Securities (Hong Kong) were 0.83%~12.88%, 0.76%~12.88% and 0.70%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were 16.00%~18.00%, 16.00%~18.00% and 18.00% respectively; the annual interest rates range of Yuanta Securities (Thailand) were 3.85%~4.25%, 3.85%~4.15% and 3.85%~4.15%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were all 6.00%~12.00%.

(8) Assets held for sale

In order to improve the efficiency of asset utilization, Yuanta Bank approved the sale of its own real estate by the Board of Directors, and the relevant assets were reclassified to “assets held for sale”. After remeasuring the fair value less costs to sell, the balance of assets held for sale is \$138,384, \$194,563 and \$141,687 as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively. The fair value of the assets held for sale is based on the result of valuation by independent valuation experts, which was categorised within level 2 in the fair value hierarchy. For the three months and six months ended June 30, 2022 and 2021, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal amounted to \$68,880, \$67,000, \$68,880 and \$67,000, respectively, and gain on disposal amounted to \$11,811, \$4,957, \$11,811 and \$4,957, respectively, and the reversal gain on asset impairment amounted to \$890, \$0, \$890 and \$0, respectively.

(9) Bills discounted and loans - net

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Bills discounted	\$ 222,936	\$ 52,595	\$ 69,284
Overdrafts	3,561	3,495	2,240
Short-term loans	96,733,171	76,386,151	64,767,647
Short-term loans secured	82,827,106	78,421,921	71,986,418
Medium-term loans	106,198,406	108,695,496	112,213,233
Medium-term loans secured	231,354,194	237,792,993	219,959,690
Long-term loans	5,329,903	5,846,989	6,686,126
Long-term loans secured	400,245,407	380,497,850	353,411,159
Import-export negotiations	60,749	42,043	53,080
Accounts receivable financing	436,242	369,409	207,214
Automatic policy loans	1,531,939	1,504,292	1,488,102
Life insurance policy loans	5,800,120	5,798,540	5,724,263
Loans transferred to non-performing loans	<u>2,071,768</u>	<u>2,100,281</u>	<u>3,152,529</u>
Subtotal	932,815,502	897,512,055	839,720,985
Less: Allowance for credit losses	(13,872,252)	(13,243,398)	(12,847,557)
Less: Adjustment for premium	<u>11,183</u>	<u>23,205</u>	<u>12,272</u>
Total	<u>\$ 918,954,433</u>	<u>\$ 884,291,862</u>	<u>\$ 826,885,700</u>

A. The Yuanta Group recognised appropriate allowance for credit losses for the bills discounted and loans. For the details of changes in allowance for credit losses in relation to bills discounted and loans for the six months ended June 30, 2022 and 2021, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Bills discounted and loans including adjustment for premium			
Yuanta Bank	\$ 912,353,058	\$ 875,442,970	\$ 819,908,456
Yuanta Securities	13,141,568	14,789,164	12,611,274
Yuanta Life	<u>7,332,059</u>	<u>7,303,126</u>	<u>7,213,527</u>
Subtotal	<u>932,826,685</u>	<u>897,535,260</u>	<u>839,733,257</u>
Allowance for credit losses			
Yuanta Bank	(\$ 12,951,286)	(\$ 12,320,067)	(\$ 11,836,074)
Yuanta Securities	(920,966)	(923,327)	(1,011,466)
Yuanta Life	<u>-</u>	<u>(4)</u>	<u>(17)</u>
Subtotal	<u>(13,872,252)</u>	<u>(13,243,398)</u>	<u>(12,847,557)</u>
Total	<u>\$ 918,954,433</u>	<u>\$ 884,291,862</u>	<u>\$ 826,885,700</u>

C. For the six months ended June 30, 2022, the Consolidated Company has recognised gain of \$1,793 when derecognizing credit assets measured at amortised cost. For the six months ended June 30, 2021, no gain was recognised.

(10) Reinsurance contract assets

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Claims recoverable from reinsurers	\$ 678,258	\$ 589,641	\$ 574,839
Due from reinsurers and ceding companies	184,647	136,791	168,719
Reinsurance reserve assets			
ceded unearned premium reserve	417,268	457,017	440,195
ceded claims reserve	111,548	146,072	87,175
Overdue receivables	119,037	-	-
Total	<u>\$ 1,510,758</u>	<u>\$ 1,329,521</u>	<u>\$ 1,270,928</u>

(11) Investments accounted for under the equity method

	<u>June 30, 2022</u>		<u>December 31, 2021</u>		<u>June 30, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management Company Limited	\$ 338,327	24.50%	\$ 337,265	24.50%	\$ 334,505	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	21,476	100.00%	20,126	100.00%	20,345	100.00%
Woori Asset Management Corp.	737,902	27.00%	751,041	27.00%	771,626	27.00%
Polaris Ocean Private Equity Fund	49	3.26%	75,719	3.26%	39,551	3.26%
TONGYANG AGRI-FOOD INVESTMENT FUND II	69,923	40.74%	71,155	40.74%	160,199	40.74%
IBKC-TONGYANG Growth 2013 Private Equity Fund	118,263	10.71%	136,660	10.71%	139,066	10.71%
KVIC-Yuanta 2015 Overseas Advance Fund	245,713	44.00%	235,341	44.00%	271,631	44.00%
2016 KIF-Yuanta ICT Venture Fund	82,725	16.67%	98,532	16.67%	149,294	16.67%
Yuanta Secondary No.2 Fund	194,690	12.28%	191,683	12.28%	222,281	12.28%
Yuanta Secondary No.3 Private Equity Fund	667,468	15.26%	576,228	15.26%	455,729	15.26%
SJ-ULTRA V 1st FUND	27,594	34.48%	28,539	34.48%	30,311	34.48%
Yuanta SPAC IV	-	-	1,092	0.54%	1,167	0.54%
Yuanta-HPNT Private Equity Fund	4,552	0.09%	4,635	0.09%	4,922	0.09%
Yuanta SPAC V	-	-	677	0.25%	721	0.25%
Yuanta SPAC VI	-	-	-	-	719	0.22%
Kiwoom-Yuanta 2019 Scale-up Fund	391,608	15.20%	277,222	15.20%	161,588	15.20%
Yuanta SPAC VII	2,044	0.91%	2,083	0.91%	2,205	0.91%
Yuanta SPAC VIII	449	0.15%	457	0.15%	491	0.15%

	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	%	Amount	%	Amount	%
Yuanta Innovative Job Creation Fund	\$ 170,043	22.73%	\$ 127,096	22.73%	\$ 69,589	22.73%
Yuanta Quantum Jump No.1 Fund	67,090	12.50%	76,671	12.50%	95,030	12.50%
Yuanta Great Unicorn No.1 Fund	110,389	17.65%	68,833	17.65%	-	-
Yuanta Innovative Growth MPE Fund	31,545	14.02%	34,539	14.02%	-	-
Yuanta SPAC IX	229	4.17%	-	-	-	-
Yuanta SPAC X	229	4.35%	-	-	-	-
	<u>\$ 3,282,308</u>		<u>\$ 3,115,594</u>		<u>\$ 2,930,970</u>	

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

	For the three months ended June 30,	
	2022	2021
Net (loss) gain for the period from continuing operations	(\$ 9,367)	\$ 222,475
Other comprehensive gain (net of tax)	17	7
	For the six months ended June 30,	
	2022	2021
Net gain for the period from continuing operations	\$ 174,506	\$ 374,813
Other comprehensive gain (loss) (net of tax)	212	(794)

(12) Other financial assets - net

	June 30, 2022	December 31, 2021	June 30, 2021
Non-loans reclassified to non-performing loans	\$ 996,951	\$ 922,789	\$ 916,479
Less: Allowance for credit losses	(957,874)	(917,159)	(904,101)
	<u>39,077</u>	<u>5,630</u>	<u>12,378</u>
Purchase of claim receivable	1,823,473	1,834,995	1,843,550
Valuation adjustment on purchase of claim receivable	(21,424)	(21,729)	(21,062)
	<u>1,802,049</u>	<u>1,813,266</u>	<u>1,822,488</u>
Customer margin account	88,116,578	78,225,201	86,045,950
Investment-linked insurance product assets	32,945,654	30,724,969	26,334,533
Receivables from security lending	249,051	39,934	87,580
Others	243,528	144,592	164,918
Total	<u>\$ 123,395,937</u>	<u>\$ 110,953,592</u>	<u>\$ 114,467,847</u>

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

B. The Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of June 30, 2022, December 31, 2021, and June 30, 2021, as well as for the three months and six months ended June 30, 2022 and 2021, details about the investment insurance products - separate accounts were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Investment – linked insurance product assets			
Cash in bank	\$ -	\$ 105	\$ -
Financial assets at fair value through profit or loss	32,540,905	30,647,537	25,457,971
Other receivables	404,749	77,327	876,562
	<u>\$ 32,945,654</u>	<u>\$ 30,724,969</u>	<u>\$ 26,334,533</u>
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product			
– insurance contract	\$ 6,749,987	\$ 6,085,939	\$ 5,366,568
– investment contract	26,182,029	24,578,809	20,947,036
Other payables	13,638	60,221	20,929
	<u>\$ 32,945,654</u>	<u>\$ 30,724,969</u>	<u>\$ 26,334,533</u>
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Revenue on investment – linked insurance products			
Premium income	\$ 1,255,940	\$ 2,513,126	
(Loss) gain on financial assets at fair value through profit or loss	(847,091)	214,211	
Exchange (loss) gain	(1,434)	1,321	
Interest income	1,325	1,490	
Other (losses) income	(111)	151	
	<u>\$ 408,629</u>	<u>\$ 2,730,299</u>	
Expenses on investment – linked insurance products			
Claims and policy benefit payments	\$ 51,117	\$ 50,883	
Net change in reserve for investment-linked insurance product-insurance contract	277,975	2,623,410	
Administrative expenses and other expenses	79,537	56,006	
	<u>\$ 408,629</u>	<u>\$ 2,730,299</u>	

	For the six months ended June 30,	
	2022	2021
Revenue on investment – linked insurance products		
Premium income	\$ 1,818,979	\$ 3,366,477
(Loss) gain on financial assets at fair value through profit or loss	(883,905)	270,666
Exchange (loss) gain	(2,776)	433
Interest income	2,532	2,905
Other income	661	1,060
	<u>\$ 935,491</u>	<u>\$ 3,641,541</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 114,856	\$ 109,348
Net change in reserve for investment-linked insurance product-insurance contract	661,272	3,453,963
Administrative expenses and other expenses	159,363	78,230
	<u>\$ 935,491</u>	<u>\$ 3,641,541</u>

(13) Investment property - net

Assets	June 30, 2022			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,140,172	\$ -	(\$ 204,601)	\$ 1,935,571
Buildings	1,947,444	(782,905)	(39,049)	1,125,490
Right-of-use assets	6,487,683	(227,288)	-	6,260,395
Investment property under construction	748,958	-	-	748,958
Total	<u>\$ 11,324,257</u>	<u>(\$ 1,010,193)</u>	<u>(\$ 243,650)</u>	<u>\$ 10,070,414</u>
Assets	December 31, 2021			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,449,532	\$ -	(\$ 211,282)	\$ 2,238,250
Buildings	2,437,410	(959,966)	(40,370)	1,437,074
Right-of-use assets	6,661,896	(280,734)	-	6,381,162
Investment property under construction	470,967	-	-	470,967
Prepayments for land and buildings	166,069	-	-	166,069
Total	<u>\$ 12,185,874</u>	<u>(\$ 1,240,700)</u>	<u>(\$ 251,652)</u>	<u>\$ 10,693,522</u>

June 30, 2021				
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,979,110	\$ -	(\$ 215,038)	\$ 2,764,072
Buildings	2,889,455	(1,099,020)	(42,781)	1,747,654
Right-of-use assets	6,675,915	(229,281)	-	6,446,634
Investment property under construction	407,860	-	-	407,860
Prepayments for land and buildings	8,961	-	-	8,961
Total	<u>\$ 12,961,301</u>	<u>(\$ 1,328,301)</u>	<u>(\$ 257,819)</u>	<u>\$ 11,375,181</u>
Change in investment property of the Yuanta Group:				
		For the six months ended June 30,		
		2022	2021	
Cost				
At January 1		\$ 12,185,874	\$ 13,084,181	
Additions		171,360	73,815	
Disposals		(965,509)	(27,739)	
Transferred out to property and equipment		(156,020)	(443,444)	
Transferred in from property and equipment		121,012	467,589	
Foreign exchange adjustment and others		(32,460)	(193,101)	
At June 30		<u>\$ 11,324,257</u>	<u>\$ 12,961,301</u>	
		For the six months ended June 30,		
		2022	2021	
Accumulated depreciation				
At January 1		(\$ 1,240,700)	(\$ 1,265,643)	
Depreciation		(38,107)	(47,857)	
Disposals		297,836	5,626	
Transferred out to property and equipment		11,244	78,036	
Transferred in from property and equipment		(2,664)	(99,220)	
Foreign exchange adjustment and others		(37,802)	757	
At June 30		<u>(\$ 1,010,193)</u>	<u>(\$ 1,328,301)</u>	
		For the six months ended June 30,		
		2022	2021	
Accumulated impairment				
At January 1		(\$ 251,652)	(\$ 260,254)	
Reversal of impairment loss		5,010	4,483	
Disposals		3,101	1,306	
Transferred in from property and equipment		(109)	(3,354)	
At June 30		<u>(\$ 243,650)</u>	<u>(\$ 257,819)</u>	

- A. The fair value of the investment property held by the Yuanta Group as of June 30, 2022, December 31, 2021 and June 30, 2021 were \$12,131,749, \$12,506,439 and \$13,115,808, respectively, according to the result of valuation by an independent valuation expert using the income approach, comparison approach, cost approach and land development analysis approach. As of June 30, 2022, the fair value included the amounts of \$3,237,183 and \$8,894,566 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2021, the fair value included the amounts of \$3,407,887 and \$9,098,552 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of June 30, 2021, the fair value included the amounts of \$3,571,871 and \$9,543,937 that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the three months and six months ended June 30, 2022 and 2021, rental income from the lease of the investment property were \$43,111 , \$55,550, \$91,794 and \$110,658, respectively.
- C. 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 \$3,120 and \$9,076 by decreasing lease liability and investment property - investment property under construction for the six months ended June 30, 2022 and 2021, respectively.
- D. Please refer to Note 8 for details of the Yuanta Group’s investment property pledged to others as collateral.

(BLANK)

(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2022

Cost	2022						Construction in progress and prepayments for business facilities	Total
	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment			
At January 1	\$ 15,095,745	\$ 7,241,243	\$ 4,033,225	\$ 209,637	\$ 1,738,942	\$ 2,420,243	\$ 30,739,035	
Additions	-	79	180,126	8,591	61,188	405,858	655,842	
Disposals	(127,879)	(230,234)	(192,998)	(7,169)	(74,909)	-	(633,189)	
Transferred in from investment property	124,206	31,814	-	-	-	-	156,020	
Transferred out to investment property	(104,694)	(16,318)	-	-	-	-	(121,012)	
Others	-	-	21,142	1,450	90,891	(102,175)	11,308	
Translation difference	(4,547)	(15,640)	(13,073)	411	13,901	906	(18,042)	
At June 30	\$ 14,982,831	\$ 7,010,944	\$ 4,028,422	\$ 212,920	\$ 1,830,013	\$ 2,724,832	\$ 30,789,962	
<u>Accumulated depreciation</u>								
At January 1	\$ -	(\$ 2,223,653)	(\$ 2,681,768)	(\$ 128,225)	(\$ 1,024,589)	\$ -	(\$ 6,058,235)	
Depreciation	-	(102,485)	(301,880)	(13,761)	(163,161)	-	(581,287)	
Disposals	-	116,305	192,785	4,460	71,399	-	384,949	
Transferred in from investment property	-	(11,244)	-	-	-	-	(11,244)	
Transferred out to investment property	-	2,664	-	-	-	-	2,664	
Others	-	-	9	-	-	-	9	
Translation difference	-	6,193	11,198	(326)	(12,346)	-	4,719	
At June 30	\$ -	(\$ 2,212,220)	(\$ 2,779,656)	(\$ 137,852)	(\$ 1,128,697)	\$ -	(\$ 6,258,425)	
<u>Accumulated impairment</u>								
At January 1	(\$ 149,649)	(\$ 62,269)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 212,216)	
Disposals	18,918	2,467	-	-	-	-	21,385	
Transferred out to investment property	(331)	440	-	-	-	-	109	
At June 30	(\$ 131,062)	(\$ 59,362)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 190,722)	
Net carrying amount	\$ 14,851,769	\$ 4,739,362	\$ 1,248,766	\$ 75,068	\$ 701,018	\$ 2,724,832	\$ 24,340,815	

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

2021

Cost	Land and land improvements	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 14,345,304	\$ 8,482,180	\$ 4,032,553	\$ 200,392	\$ 1,625,519	\$ 2,096,887	\$ 30,782,835
Additions	-	641	125,557	2,980	49,553	455,474	634,205
Disposals	(16,635)	(6,951)	(211,255)	(13,036)	(87,961)	-	(335,838)
Transferred in from investment property	281,175	162,269	-	-	-	-	443,444
Transferred out to investment property	(278,170)	(189,419)	-	-	-	-	(467,589)
Others	-	-	48,538	6,451	69,330	(69,437)	54,882
Translation difference	(21,892)	(79,995)	(131,504)	(973)	(26,734)	(699)	(261,797)
At June 30	<u>\$ 14,309,782</u>	<u>\$ 8,368,725</u>	<u>\$ 3,863,889</u>	<u>\$ 195,814</u>	<u>\$ 1,629,707</u>	<u>\$ 2,482,225</u>	<u>\$ 30,850,142</u>
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,582,793)	(\$ 2,805,951)	(\$ 122,802)	(\$ 1,081,973)	\$ -	(\$ 6,593,519)
Depreciation	-	(122,440)	(282,729)	(12,821)	(128,323)	-	(546,313)
Disposals	-	3,362	211,082	7,462	85,595	-	307,501
Transferred in from investment property	-	(78,036)	-	-	-	-	(78,036)
Transferred out to investment property	-	99,220	-	-	-	-	99,220
Others	-	-	22	(116)	176	-	82
Translation difference	-	30,935	114,729	764	19,562	-	165,990
At June 30	<u>\$ -</u>	<u>(\$ 2,649,752)</u>	<u>(\$ 2,762,847)</u>	<u>(\$ 127,513)</u>	<u>(\$ 1,104,963)</u>	<u>\$ -</u>	<u>(\$ 6,645,075)</u>
<u>Accumulated impairment</u>							
At January 1	(\$ 192,614)	(\$ 66,387)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 259,299)
Transferred out to investment property	2,279	1,075	-	-	-	-	3,354
At June 30	<u>(\$ 190,335)</u>	<u>(\$ 65,312)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 298)</u>	<u>\$ -</u>	<u>(\$ 255,945)</u>
Net carrying amount	<u>\$ 14,119,447</u>	<u>\$ 5,653,661</u>	<u>\$ 1,101,042</u>	<u>\$ 68,301</u>	<u>\$ 524,446</u>	<u>\$ 2,482,225</u>	<u>\$ 23,949,122</u>

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

The Yuanta Group set land and buildings which were classified as operating lease, and the assets belonging and not belonging to operating lease are as follows: For the six months ended June 30, 2022, no land or building was classified as operating lease.

	2022					
	Land			Buildings		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal
<u>Cost</u>						
At January 1	\$ 14,152,650	\$ 192,654	\$ 14,345,304	\$ 8,454,299	\$ 27,881	\$ 8,482,180
Additions	-	-	-	641	-	641
Disposals	(16,635)	-	(16,635)	(6,951)	-	(6,951)
Transferred in from investment property	281,175	-	281,175	162,269	-	162,269
Transferred out to investment property	(278,170)	-	(278,170)	(189,419)	-	(189,419)
Others	192,654	(192,654)	-	27,881	(27,881)	-
Translation difference	(21,892)	-	(21,892)	(79,995)	-	(79,995)
At June 30	<u>\$ 14,309,782</u>	<u>\$ -</u>	<u>\$ 14,309,782</u>	<u>\$ 8,368,725</u>	<u>\$ -</u>	<u>\$ 8,368,725</u>
<u>Accumulated depreciation</u>						
At January 1	\$ -	\$ -	\$ -	(\$ 2,578,035)	(\$ 4,758)	(\$ 2,582,793)
Depreciation	-	-	-	(122,440)	-	(122,440)
Disposals	-	-	-	3,362	-	3,362
Transferred in from investment property	-	-	-	(78,036)	-	(78,036)
Transferred out to investment property	-	-	-	99,220	-	99,220
Others	-	-	-	(4,758)	4,758	-
Translation difference	-	-	-	30,935	-	30,935
At June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 2,649,752)</u>	<u>\$ -</u>	<u>(\$ 2,649,752)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 192,614)	\$ -	(\$ 192,614)	(\$ 66,387)	\$ -	(\$ 66,387)
Transferred out to investment property	2,279	-	2,279	1,075	-	1,075
At June 30	<u>(\$ 190,335)</u>	<u>\$ -</u>	<u>(\$ 190,335)</u>	<u>(\$ 65,312)</u>	<u>\$ -</u>	<u>(\$ 65,312)</u>
Net carrying amount	<u>\$ 14,119,447</u>	<u>\$ -</u>	<u>\$ 14,119,447</u>	<u>\$ 5,653,661</u>	<u>\$ -</u>	<u>\$ 5,653,661</u>

(15) Leasing arrangements – lessee

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,711,627	\$ 8,768,519	\$ 8,834,744
Buildings	2,692,865	3,493,722	3,576,035
Machinery and equipment	107,875	133,924	167,021
Transportation equipment	28,189	15,000	18,293
Others	27,159	32,786	35,559
	<u>\$ 11,567,715</u>	<u>\$ 12,443,951</u>	<u>\$ 12,631,652</u>

For the three months ended June 30,

	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,007	\$ 4,915
Buildings	313,847	324,638
Machinery and equipment	11,525	12,870
Transportation equipment	2,942	3,483
Others	4,565	2,194
	<u>\$ 337,886</u>	<u>\$ 348,100</u>

For the six months ended June 30,

	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,964	\$ 9,799
Buildings	645,721	653,572
Machinery and equipment	23,094	26,244
Transportation equipment	6,687	6,818
Others	6,606	4,440
	<u>\$ 692,072</u>	<u>\$ 700,873</u>

- C. For the three months and six months ended June 30, 2022 and 2021, the additions to right-of-use assets amounted to \$694,655, \$199,107, \$983,404 and \$382,235, respectively.

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

	For the three months ended June 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 12,384	\$ 20,363
Expense on short-term lease contracts	20,581	18,377
Expense on leases of low-value assets	3,004	2,322
Gain on sublease of right-of-use assets	3,181	3,316
Gain on lease modification	17,221	95
	For the six months ended June 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 36,540	\$ 41,448
Expense on short-term lease contracts	43,088	37,054
Expense on leases of low-value assets	3,332	4,915
Gain on sublease of right-of-use assets	6,348	6,640
Gain on lease modification	134,328	95

E. For the six months ended June 30, 2022 and 2021, the Yuanta Group's total cash outflow for leases amounted to \$1,000,124 and \$824,027, respectively.

(16) Leasing arrangements – lessor

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

	For the three months ended June 30,	
	2022	2021
Finance income from the net investment in the finance lease	\$ 161	\$ 251
	For the six months ended June 30,	
	2022	2021
Finance income from the net investment in the finance lease	\$ 345	\$ 524

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

	June 30, 2022	December 31, 2021	June 30, 2021
2021	\$ -	\$ -	\$ 4,231
2022	4,231	8,463	8,463
2023	8,463	8,463	8,463
Total	\$ 12,694	\$ 16,926	\$ 21,157

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Undiscounted lease payments	\$ 12,694	\$ 16,926	\$ 21,157
Unearned finance income	(466)	(810)	(1,246)
Net investment in the lease	<u>\$ 12,228</u>	<u>\$ 16,116</u>	<u>\$ 19,911</u>

E. For the three months and six months ended June 30, 2022 and 2021, the Yuanta Group recognised rent income in the amounts of \$43,121, \$55,560, \$91,814, and \$110,691 respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>June 30, 2022</u>		<u>December 31, 2021</u>		<u>June 30, 2021</u>
2022	\$ 70,121	2022	\$ 124,552	2021	\$ 87,965
2023	65,033	2023	55,446	2022	86,539
2024	32,637	2024	26,750	2023	22,215
2025	16,085	2025	14,574	2024	7,777
2026	3,024	2026	2,269	2025	5,503
After 2027	5,530	After 2027	5,344	After 2026	6,794
Total	<u>\$ 192,430</u>	Total	<u>\$ 228,935</u>	Total	<u>\$ 216,793</u>

(BLANK)

(17) Intangible assets - net

	2022					
<u>Cost</u>	<u>Goodwill</u> (Note)	<u>Operating rights</u>	<u>Computer software</u>	<u>Customer relationship</u>	<u>Others</u>	<u>Total</u>
At January 1	\$ 31,483,298	\$ 384,009	\$ 4,574,763	\$ 3,045,314	\$ 4,317,864	\$ 43,805,248
Additions	-	-	120,162	-	4,205	124,367
Disposals	-	-	(35,268)	-	(1,286)	(36,554)
Reclassifications	-	-	46,092	-	-	46,092
Translation difference	7,298	899	(48,346)	-	(2,042)	(42,191)
At June 30	<u>\$ 31,490,596</u>	<u>\$ 384,908</u>	<u>\$ 4,657,403</u>	<u>\$ 3,045,314</u>	<u>\$ 4,318,741</u>	<u>\$ 43,896,962</u>
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 373,041)	(\$ 3,807,101)	(\$ 3,038,126)	(\$ 2,338,021)	(\$ 9,556,289)
Amortisation	-	(821)	(142,552)	(1,875)	(116,109)	(261,357)
Disposals	-	-	35,268	-	4	35,272
Reclassification	-	-	337	-	-	337
Translation difference	-	(264)	47,160	-	832	47,728
At June 30	<u>\$ -</u>	<u>(\$ 374,126)</u>	<u>(\$ 3,866,888)</u>	<u>(\$ 3,040,001)</u>	<u>(\$ 2,453,294)</u>	<u>(\$ 9,734,309)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 2,886,663)	\$ -	\$ -	\$ -	(\$ 316,015)	(\$ 3,202,678)
Translation difference	(901)	-	-	-	268	(633)
At June 30	<u>(\$ 2,887,564)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 315,747)</u>	<u>(\$ 3,203,311)</u>
Net carrying amount	<u>\$ 28,603,032</u>	<u>\$ 10,782</u>	<u>\$ 790,515</u>	<u>\$ 5,313</u>	<u>\$ 1,549,700</u>	<u>\$ 30,959,342</u>

Cost	2021					
	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,494,708	\$ 384,488	\$ 4,683,272	\$ 3,045,314	\$ 4,413,907	\$ 44,021,689
Additions	-	-	65,822	-	-	65,822
Disposals	-	-	(24,513)	-	-	(24,513)
Reclassifications	-	-	3,677	-	-	3,677
Translation difference	(8,654)	(333)	(232,261)	-	(52,458)	(293,706)
At June 30	\$ 31,486,054	\$ 384,155	\$ 4,495,997	\$ 3,045,314	\$ 4,361,449	\$ 43,772,969
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 371,541)	(\$ 4,085,009)	(\$ 3,034,376)	(\$ 2,111,719)	(\$ 9,602,645)
Amortisation	-	(820)	(120,641)	(1,875)	(116,365)	(239,701)
Disposals	-	-	24,513	-	-	24,513
Reclassifications	-	-	(198)	-	-	(198)
Translation difference	-	98	217,230	-	2,711	220,039
At June 30	\$ -	(\$ 372,263)	(\$ 3,964,105)	(\$ 3,036,251)	(\$ 2,225,373)	(\$ 9,597,992)
<u>Accumulated impairment</u>						
At January 1	(\$ 2,888,924)	\$ -	\$ -	\$ -	(\$ 31,472)	(\$ 2,920,396)
Impairment loss	(6,541)	-	-	-	-	(6,541)
Translation difference	5,816	-	-	-	1,031	6,847
At June 30	(\$ 2,889,649)	\$ -	\$ -	\$ -	(\$ 30,441)	(\$ 2,920,090)
Net carrying amount	\$ 28,596,405	\$ 11,892	\$ 531,892	\$ 9,063	\$ 2,105,635	\$ 31,254,887

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

(18) Other assets - net

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Refundable deposits - net	\$ 6,508,413	\$ 2,951,966	\$ 3,159,406
Deposits on securities borrowed	37,210,422	54,416,318	34,830,369
Operating guarantee deposits and settlement and clearing fund	5,105,254	5,154,440	5,072,450
Prepayments	938,252	734,207	837,403
Bank deposits - amounts held for settlement	23,568,846	23,207,687	26,519,039
Others	640,316	403,201	494,901
Total	<u>\$ 73,971,503</u>	<u>\$ 86,867,819</u>	<u>\$ 70,913,568</u>

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

(19) Impairment of non-financial assets

As of June 30, 2022, December 31, 2021, and June 30, 2021, accumulated impairment on various non-financial assets were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Investment property	\$ 243,650	\$ 251,652	\$ 257,819
Property and equipment	190,722	212,216	255,945
Intangible assets - goodwill	2,887,564	2,886,663	2,889,649
Intangible assets - other	315,747	316,015	30,441

(20) Deposits from Central Bank and other banks

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Overdrafts with other banks	\$ 3,575,857	\$ 3,303,101	\$ 2,226,271
Call loans from other banks	13,810,267	17,214,445	15,701,835
Redeposit from the directorate general of postal remittance	640,242	5,106,578	5,106,578
Total	<u>\$ 18,026,366</u>	<u>\$ 25,624,124</u>	<u>\$ 23,034,684</u>

(21) Commercial paper payable - net

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Commercial paper payable	\$ 64,900,592	\$ 50,022,000	\$ 62,289,018
Less: Discount on commercial paper payable	(97,090)	(38,498)	(38,053)
Total	<u>\$ 64,803,502</u>	<u>\$ 49,983,502</u>	<u>\$ 62,250,965</u>

As of June 30, 2022, December 31, 2021, and June 30, 2021, the annual interest rate of commercial paper payable were 0.768%~4.070%, 0.318%~2.220% and 0.268%~1.260%, respectively.

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

June 30, 2022	December 31, 2021	June 30, 2021
Dah Chung Bills Finance Corp.	Dah Chung Bills Finance Corp.	CTBC Bank Co., Ltd.
CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.	China Bills Finance Corporation
China Bills Finance Corporation	China Bills Finance Corporation	Taipei Fubon Commercial Bank Co., Ltd.
Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Bank Sinopac Co., Ltd.	Bank Sinopac Co., Ltd.	Bank Sinopac Co., Ltd.
Cathay United Commercial Bank Co., Ltd.	Cathay United Commercial Bank Co., Ltd.	Cathay United Commercial Bank Co., Ltd.
Ta Ching Bills Finance Corporation	Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
E.SUN Commercial Bank, Ltd.	Ta Ching Bills Finance Corporation	Ta Ching Bills Finance Corporation
Grand Bills Finance Corp.	Sunny Bank Ltd.	Grand Bills Finance Corp.
Union Bank of Taiwan Co., Ltd.	Grand Bills Finance Corp.	Taiwan Business Bank Co., Ltd.
Taiwan Finance Corporation	Taiwan Business Bank Co., Ltd.	Union Bank of Taiwan Co., Ltd.
KGI Commercial Bank Co., Ltd.	Union Bank of Taiwan Co., Ltd.	Taiwan Finance Corporation
Mega Bills Finance Co., Ltd.	Taiwan Finance Corporation	KGI Commercial Bank Co., Ltd.
Taipei Fubon Commercial Bank Co., Ltd.	KGI Commercial Bank Co., Ltd.	E SUN Commercial Bank, Ltd.
International Bills Finance Corporation	Mega Bills Finance Co., Ltd.	International Bills Finance Corporation
Sunny Bank Ltd.	Shinhan Bank	Mega Bills Finance Co., Ltd.
Shinhan Bank	Meritz Securities Co.,Ltd.	Shinhan Bank
Bookook Securities Co., Ltd.	KB Securities Co., Ltd.	KB Securities Co.,Ltd.
BNK Securities Co., Ltd.	KTB Securities Co., Ltd.	Eugene Investment & Securities
DAOL Investment & Securities Co.,Ltd.	Eugene Investment & Securities	KTB Securities Co., Ltd.
Hi Investment & Securities Co., Ltd.	BNK Securities Co., Ltd.	KIWOOM Securities.Co., Ltd.
		BNK Securities Co.,Ltd.
		Bookook Securities Co., Ltd.
		Asia Plus Securities Co., Ltd.
		THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED
		TPI Polene Power Public Co.,Ltd.
		True Corporation Public Company Limited
		Komornwarn Chinthammit
		United Overseas Bank PLC
		Uni-President (Thailand) Ltd.
		Namchow (Thailand) Co. LTD
		Kiatnakin bank

(22) Payables

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>	<u>January 1, 2021</u>
Accounts payable	\$ 95,697,672	\$ 103,993,938	\$ 116,507,615	\$ 115,112,359
Spot exchange payable (Note)	342,613	166,763	3,796,506	9,956,237
Dividends payable	18,635,306	-	14,839,937	-
Accrued expenses	9,265,991	14,153,609	12,674,703	11,473,665
Deposit payable for short sales	6,540,475	9,283,971	8,079,378	8,253,964
Consigned securities payable	4,482,058	9,245,192	9,979,120	14,988,418
Net exchange clearing payable	7,439,924	2,117,559	2,765,774	2,858,884
Securities purchased payable	3,885,696	2,251,618	7,001,695	9,468,087
Settlement payable	39,722,873	55,023,049	103,263,973	58,683,722
Guarantee deposit received from short sales	5,805,254	8,268,651	7,228,970	7,645,125
Other payables	8,891,336	9,978,644	9,176,845	8,393,225
Total	<u>\$ 200,709,198</u>	<u>\$ 214,482,994</u>	<u>\$ 295,314,516</u>	<u>\$ 246,833,686</u>

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

(23) Deposits and remittances

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Checking deposits	\$ 5,210,952	\$ 6,157,430	\$ 4,148,810
Demand deposits	198,250,840	237,158,129	192,970,466
Time deposits	356,772,841	284,414,524	283,201,870
Negotiable certificates of deposit	5,201,500	7,834,000	11,876,000
Savings deposits	823,127,161	839,343,186	826,862,393
Remittances	381,627	94,770	144,755
The account for foreign exchange credit purposes	1,303	344	-
Total	<u>\$ 1,388,946,224</u>	<u>\$ 1,375,002,383</u>	<u>\$ 1,319,204,294</u>

(24) Bonds payable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Bank debentures	\$ 22,200,000	\$ 22,200,000	\$ 31,500,000
Unsecured corporate bonds	69,067,551	60,339,085	58,966,681
Total	<u>\$ 91,267,551</u>	<u>\$ 82,539,085</u>	<u>\$ 90,466,681</u>

A. The details of bank debentures as of June 30, 2022 were as follows:

	<u>First issue of subordinate bank debentures in 2014(B)</u>
Par value	\$4,700,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	<u>Third issue of perpetual non-cumulative subordinate bank debentures in 2015</u>
Par value	\$5,550,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	<u>Fourth issue of subordinate bank debentures in 2015</u>
Par value	\$3,000,000
Stated interest rate	Fixed interest rate at 2.10%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	<u>Fifth issue of perpetual non-cumulative subordinate bank debentures in 2015</u>
Par value	\$1,450,000
Stated interest rate	Fixed interest rate at 4.10%
Period	Perpetual
Interest payment date	Payable annually
Term of principal payment	Perpetual
Issue price	Priced at face value on issue date
	<u>First issue of subordinate bank debentures in 2021</u>
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.67%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Second issue of general bank debentures in 2021
Par value	\$500,000
Stated interest rate	Fixed interest rate at 0.45%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	First issue of general bank debentures in 2022
Par value	\$2,000,000
Stated interest rate	Fixed interest rate at 0.77%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
B. The details of unsecured corporate bonds as of June 30, 2022 were as follows:	
The Company	
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2015
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 1.67%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2016(C)
Par value	\$8,000,000
Stated interest rate	Fixed interest rate at 1.00%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured normal corporate bond in 2016(B)
Par value	\$1,600,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Six years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(A)
Par value	\$1,500,000
Stated interest rate	Fixed interest rate at 0.86%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2018(B)
Par value	\$8,500,000
Stated interest rate	Fixed interest rate at 0.96%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the sixth and seventh years
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2020
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.59%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured normal corporate bond in 2022
Par value	\$5,300,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
The Yuanta Group	
	Yuanta Securities 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

	Yuanta Securities 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
	Yuanta Securities 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
	Yuanta Securities 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 first issue of unsecured subordinate normal corporate bond in 2021(A)
Par value	\$4,800,000
Stated interest rate	Fixed interest rate at 0.82%
Issuance date	May 17, 2021
Maturity date	May 17, 2031
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate normal corporate bond in 2021(B)
Par value	\$5,200,000
Stated interest rate	Fixed interest rate at 1.02%
Issuance date	May 17, 2021
Maturity date	May 17, 2036
Issuance area	Taiwan
	Yuanta Securities Asia Financial Services USD denominated unsecured privately placed bonds
Par value	USD 50,000 thousand (USD 34,260 thousand outstanding)
Stated interest rate	Fixed interest rate at 4.10%
Issuance date	August 2, 2018
Maturity date	August 2, 2023
Issuance area	Hong Kong

Yuanta Securities Finance first issue of local unsecured
normal corporate bond in 2020(A)

Par value	\$2,300,000
Stated interest rate	Fixed interest rate at 0.63%
Issuance date	May 6, 2020
Maturity date	May 6, 2025
Issuance area	Taiwan

Yuanta Securities Finance first issue of local unsecured
normal corporate bond in 2020(B)

Par value	\$2,700,000
Stated interest rate	Fixed interest rate at 0.67%
Issuance date	May 6, 2020
Maturity date	May 6, 2027
Issuance area	Taiwan

Yuanta Securities (Korea) 87th issue of unsecured
normal corporate bond

Par value	KRW 150,000,000 thousands
Stated interest rate	Fixed interest rate at 1.707%
Issuance date	April 8, 2021
Maturity date	April 8, 2024
Issuance area	Korea

Yuanta Securities (Korea) 88th issue of unsecured
normal corporate bond

Par value	KRW 150,000,000 thousands
Stated interest rate	Fixed interest rate at 4.215%
Issuance date	April 8, 2022
Maturity date	April 8, 2025
Issuance area	Korea

Yuanta Futures first issue of unsecured subordinate normal
corporate bond in 2021

Par value	\$1,500,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	November 12, 2021
Maturity date	November 12, 2028
Issuance area	Taiwan

(25) Other borrowings

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 17,738,415	\$ 8,550,186	\$ 15,497,087
Secured bank borrowings	4,581,562	4,586,309	10,998,249
KSFC secured borrowings	23,171,096	28,472,259	29,171,042
Asset-backed short-term bonds	20,553,084	18,389,446	16,457,249
	<u>\$ 66,044,157</u>	<u>\$ 59,998,200</u>	<u>\$ 72,123,627</u>
Interest rate range	<u>1.00%~7.90%</u>	<u>0.65%~7.90%</u>	<u>0.55%~6.90%</u>

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

(26) Liabilities reserve

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Insurance liabilities	\$ 341,495,219	\$ 325,120,319	\$ 317,609,035
Reserve for foreign exchange fluctuation	2,877,396	333,427	457,464
Employee benefit liabilities reserve	5,635,267	6,728,135	6,035,751
Guaranteed policy reserve	131,816	133,858	133,039
Loan commitment reserve and letters of credit	40,831	39,756	40,107
Reserve for insurance with nature of financial instrument	133,117	58,139	49,708
Other reserves (Note)	<u>3,897,671</u>	<u>3,928,624</u>	<u>870,861</u>
Total	<u>\$ 354,211,317</u>	<u>\$ 336,342,258</u>	<u>\$ 325,195,965</u>

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately NT\$16.0 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately NT\$1.5 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of June 30, 2022, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, demanding compensations totaling KRW542,565 million (approximately NT\$12.4 billion); both litigations were class actions, with the claim amount of KRW492,565 million (approximately NT\$11.3 billion) and KRW50,000 million (approximately NT\$1.1 billion), respectively. For the class action with the claim amount of KRW492,565 million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance and the Court would determine whether the plaintiffs' claim is justified. For the class action with the claim amount

of KRW50,000 million, the Seoul Central District Court and the Seoul High Court had dismissed the case based on procedural reasons and the plaintiffs filed an appeal on October 22, 2018 for the review of the third instance.

Former TongYang Securities Inc. has recognised a liability reserve of KRW93,400 million (approximately NT\$2.1 billion) on December 31, 2013 for the aforementioned sales dispute. Other than adjustments made for actual compensation payments, former TongYang Securities Inc., after comprehensively considering the status of litigations and compensations, has reversed KRW24,296 million (approximately NT\$0.6 billion) in liability reserves as of June 30, 2022. As of June 30, 2022, the balance of the liability reserve related to the aforementioned financial product selling disputes was KRW4,763 million (approximately NT\$0.10 billion). In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, “Anbang”) filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW 166,600 million (approximately NT\$3.8 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW 41,947 million as of June 30, 2022 (approximately NT\$1.0 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above results. Anbang then applied to Seoul Central District Court for recognizing and enforcing the arbitration award. Yuanta Securities (Korea) received the court’s decision on December 17, 2021 which recognised the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW 131,801 million (approximately NT\$3.0 billion) plus subsequent interests payable. Yuanta Securities (Korea) and Anbang both appealed the court decision. The appellate court is now reviewing the appeals. Yuanta Securities (Korea) has recognised provision liabilities in the amount of approximately KRW 143,059 million (approximately NT\$3.3 billion). However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions.

In addition, as of June 30, 2022, Yuanta Securities (Korea) recognised provision liabilities amounting to KRW10,195 million (approximately NT\$0.23 billion) for the delay in the redemption of certain funds sold by it after considering compensation that had been granted by the Financial Dispute Settlement Committee in cases relating to the sale of relevant funds by other financial institutions in the same industry.

A. The components of insurance liabilities are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Unearned premium reserve	\$ 1,044,644	\$ 979,625	\$ 893,626
Claims reserve	1,435,369	1,177,187	916,641
Reserve for policy benefit	334,843,116	318,623,335	311,258,981
Premium deficiency reserve	743,814	819,935	919,278
Other reserves	3,428,276	3,520,237	3,620,509
Total	<u>\$ 341,495,219</u>	<u>\$ 325,120,319</u>	<u>\$ 317,609,035</u>

(A) Unearned premium reserve and ceded unearned premium reserve

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

June 30, 2022			
	Insurance contract	Financial instruments with discretionary participation features	Total
Unearned premium reserve			
Personal life insurance	\$ 1,769	\$ -	\$ 1,769
Personal accident insurance	302,983	-	302,983
Personal health insurance	554,013	-	554,013
Group insurance	182,960	-	182,960
Investment-linked insurance	2,919	-	2,919
	<u>\$ 1,044,644</u>	<u>\$ -</u>	<u>\$ 1,044,644</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 287,746	\$ -	\$ 287,746
Personal accident insurance	649	-	649
Personal health insurance	127,138	-	127,138
Group insurance	869	-	869
Investment-linked insurance	866	-	866
	<u>\$ 417,268</u>	<u>\$ -</u>	<u>\$ 417,268</u>
December 31, 2021			
	Insurance contract	Financial instruments with discretionary participation features	Total
Unearned premium reserve			
Personal life insurance	\$ 1,895	\$ -	\$ 1,895
Personal accident insurance	285,511	-	285,511
Personal health insurance	495,278	-	495,278
Group insurance	194,471	-	194,471
Investment-linked insurance	2,470	-	2,470
	<u>\$ 979,625</u>	<u>\$ -</u>	<u>\$ 979,625</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 284,483	\$ -	\$ 284,483
Personal accident insurance	766	-	766
Personal health insurance	169,141	-	169,141
Group insurance	1,764	-	1,764
Investment-linked insurance	863	-	863
	<u>\$ 457,017</u>	<u>\$ -</u>	<u>\$ 457,017</u>

	June 30, 2021		
	Insurance contract	Financial instruments with discretionary participation features	Total
Unearned premium reserve			
Personal life insurance	\$ 1,919	\$ -	\$ 1,919
Personal accident insurance	273,069	-	273,069
Personal health insurance	419,969	-	419,969
Group insurance	196,199	-	196,199
Investment-linked insurance	2,470	-	2,470
	<u>\$ 893,626</u>	<u>\$ -</u>	<u>\$ 893,626</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 314,289	\$ -	\$ 314,289
Personal accident insurance	605	-	605
Personal health insurance	123,518	-	123,518
Group insurance	937	-	937
Investment-linked insurance	846	-	846
	<u>\$ 440,195</u>	<u>\$ -</u>	<u>\$ 440,195</u>

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

	For the six months ended June 30,	
	2022	2021
Unearned premium reserve		
At January 1	\$ 979,625	\$ 795,764
Current net change	65,019	97,862
At June 30	<u>\$ 1,044,644</u>	<u>\$ 893,626</u>
	For the six months ended June 30,	
	2022	2021
Ceded unearned premium reserve		
At January 1	\$ 457,017	\$ 547,152
Current net change	(40,946)	(106,643)
Gain (loss) on foreign exchange	1,197	(314)
At June 30	<u>\$ 417,268</u>	<u>\$ 440,195</u>

(B) Claims reserve and ceded claims reserve

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

	June 30, 2022		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 567,125	\$ -	\$ 567,125
Personal accident insurance	6,171	18,782	24,953
Personal health insurance	446,482	170,036	616,518
Group insurance	11,868	213,468	225,336
Investment-linked insurance	1,437	-	1,437
	<u>\$ 1,033,083</u>	<u>\$ 402,286</u>	<u>\$ 1,435,369</u>
Ceded claims reserve			
Personal life insurance	\$ 42,524	\$ -	\$ 42,524
Personal accident insurance	-	-	-
Personal health insurance	69,024	-	69,024
	<u>\$ 111,548</u>	<u>\$ -</u>	<u>\$ 111,548</u>
	December 31, 2021		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 548,865	\$ 576	\$ 549,441
Personal accident insurance	6,630	47,491	54,121
Personal health insurance	378,540	159,488	538,028
Group insurance	3,369	20,745	24,114
Investment-linked insurance	11,460	23	11,483
	<u>\$ 948,864</u>	<u>\$ 228,323</u>	<u>\$ 1,177,187</u>
Ceded claims reserve			
Personal life insurance	\$ 56,121	\$ -	\$ 56,121
Personal accident insurance	7	-	7
Personal health insurance	89,944	-	89,944
	<u>\$ 146,072</u>	<u>\$ -</u>	<u>\$ 146,072</u>

	June 30, 2021		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 489,825	\$ 425	\$ 490,250
Personal accident insurance	2,945	35,340	38,285
Personal health insurance	259,281	105,204	364,485
Group insurance	5,252	18,354	23,606
Investment-linked insurance	-	15	15
	<u>\$ 757,303</u>	<u>\$ 159,338</u>	<u>\$ 916,641</u>
Ceded claims reserve			
Personal life insurance	\$ 30,403	\$ -	\$ 30,403
Personal health insurance	56,772	-	56,772
	<u>\$ 87,175</u>	<u>\$ -</u>	<u>\$ 87,175</u>

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

	For the six months ended June 30,	
	2022	2021
Claims reserve		
At January 1	\$ 1,177,187	\$ 802,204
Current net change	257,289	114,457
Gain or loss on foreign exchange	893	(20)
At June 30	<u>\$ 1,435,369</u>	<u>\$ 916,641</u>
	For the six months ended June 30,	
	2022	2021
Ceded claims reserve		
At January 1	\$ 146,072	\$ 78,261
Current net change	(34,734)	8,914
Gain or loss on foreign exchange	210	-
At June 30	<u>\$ 111,548</u>	<u>\$ 87,175</u>

(C) Reserve for policy benefit

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

	June 30, 2022		
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	\$ 304,509,414	\$ -	\$ 304,509,414
Health insurance	29,769,778	-	29,769,778
Annuity insurance	5,736	380,936	386,672
Investment-linked insurance	67,353	-	67,353
	<u>\$ 334,352,281</u>	<u>\$ 380,936</u>	334,733,217
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			59,616
Total			<u>\$ 334,843,116</u>

December 31, 2021			
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	\$ 289,739,839	\$ -	\$ 289,739,839
Health insurance	28,345,518	-	28,345,518
Annuity insurance	5,642	367,957	373,599
Investment-linked insurance	55,063	-	55,063
	<u>\$ 318,146,062</u>	<u>\$ 367,957</u>	<u>318,514,019</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			59,033
Total			<u>\$ 318,623,335</u>

June 30, 2021			
	Insurance contract	Financial instruments with discretionary participation features	Total
Life insurance	\$ 283,711,472	\$ -	\$ 283,711,472
Health insurance	27,011,603	-	27,011,603
Annuity insurance	8,065	362,199	370,264
Investment-linked insurance	55,480	-	55,480
	<u>\$ 310,786,620</u>	<u>\$ 362,199</u>	<u>311,148,819</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			59,879
Total			<u>\$ 311,258,981</u>

b. Changes in reserve for policy benefit:

	For the six months ended June 30,	
	2022(Note 1)	2021(Note 2)
At January 1	\$ 318,611,643	\$ 298,418,335
Current net change	12,409,540	13,720,301
Gain or loss on foreign exchange	3,808,135	(890,277)
At June 30	<u>\$ 334,829,318</u>	<u>\$ 311,248,359</u>

Note 1: For the six months ended June 30, 2022, “Reserve for policy benefit-payables to the insured” is \$13,798. As of June 30, 2022, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$334,843,116.

Note 2: For the six months ended June 30, 2021, “Reserve for policy benefit-payables to the insured” is \$10,622. As of June 30, 2021, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$311,258,981.

For the three months and six months ended June 30, 2022 and 2021, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,113,776,\$2,017,010, \$4,211,728 and \$4,021,433, respectively.

(D) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	June 30, 2022		
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Personal life insurance	\$ 724,327	\$ -	\$ 724,327
Personal health insurance	19,487	-	19,487
Total	<u>\$ 743,814</u>	<u>\$ -</u>	<u>\$ 743,814</u>

	December 31, 2021		
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Personal life insurance	\$ 801,535	\$ -	\$ 801,535
Personal health insurance	18,400	-	18,400
Total	<u>\$ 819,935</u>	<u>\$ -</u>	<u>\$ 819,935</u>

	June 30, 2021		
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Personal life insurance	\$ 905,052	\$ -	\$ 905,052
Personal health insurance	14,226	-	14,226
Total	<u>\$ 919,278</u>	<u>\$ -</u>	<u>\$ 919,278</u>

b. Change in premium deficiency reserve:

	For the six months ended June 30,	
	2022	2021
At January 1	\$ 819,935	\$ 1,129,185
Current net change	(110,035)	(196,158)
Gain or loss on foreign exchange	33,914	(13,749)
At June 30	<u>\$ 743,814</u>	<u>\$ 919,278</u>

(E) Other reserves

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

	For the six months ended June 30,	
	2022	2021
At January 1	\$ 3,520,237	\$ 3,713,616
Recovery	(91,961)	(93,107)
At June 30	<u>\$ 3,428,276</u>	<u>\$ 3,620,509</u>

B. Reserve for foreign exchange fluctuation

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

	For the six months ended June 30,	
	2022	2021
At January 1	\$ 333,427	\$ 714,669
Provision		
Compulsory provision	150,244	119,021
Additional provision	2,835,260	325,777
Subtotal	3,318,931	1,159,467
Recovery	(441,535)	(702,003)
At June 30	\$ 2,877,396	\$ 457,464

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

- (B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the six months ended June 30, 2022 and 2021 are as follows:

	For the six months ended June 30, 2022		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 4,176,938	\$ 2,141,763	(\$ 2,035,175)
Earnings per share (in dollars)	1.76	0.90	(0.86)
Reserve for foreign exchange fluctuation	-	2,877,396	2,877,396
Total equity	26,461,994	24,144,769	(2,317,225)

	For the six months ended June 30, 2021		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 668,043	\$ 873,808	\$ 205,765
Earnings per share (in dollars)	0.28	0.37	0.09
Reserve for foreign exchange fluctuation	-	457,464	457,464
Total equity	29,629,269	29,247,991	(381,278)

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

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance contract with the nature of financial products recognised on June 30, 2022, December 31, 2021 and June 30, 2021 and the movements are listed below:

	June 30, 2022	December 31, 2021	June 30, 2021
Investment-linked insurance	\$ 133,117	\$ 58,139	\$ 49,708

	For the six months ended June 30,	
	2022	2021
At January 1	\$ 58,139	\$ -
Net provision of statutory reserve	74,978	49,708
At June 30	<u>\$ 133,117</u>	<u>\$ 49,708</u>

(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 compensation plan applicable to certain employees. Except for Yuanta Securities Finance contributing retirement fund by 8% of the employees' monthly salaries and wages, the Yuanta Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Yuanta Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Yuanta Group will make contributions to cover the deficit by next March. Yuanta Securities (Korea) and its subsidiary have a defined benefit plan or a defined contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no. 1096073370 and no. 1106083936 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2022.
- (B) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$14,158, \$12,854, \$29,316 and \$26,783 for the three months and six months ended June 30, 2022 and 2021, respectively.
- (C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2023 amount to \$52,631.

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 compensation as retirement pay. The retirement plan is contributed till July 2016. Cumulated amounts will be retained until telemarketing representatives retire, after which it will be paid in lump-sum to each

telemarketing representative according to their respective entitled proportions under the plan. Effective August 1, 2008, Yuanta Life established an “Incentive Award Plan”, which covered its sales agents. Under the “Incentive Award Plan”, Yuanta Life calculates monthly contributions based on the agent’s service years and a monthly commission effective for the first year. The “Incentive Award Plan” is contributed till June 2014. Cumulated amounts will be retained until sales agents retire, after which it will be paid in lump-sum to each sales agent according to their respective entitled proportions under the plan. For the aforementioned pension plan, Yuanta Life recognised employee benefit liabilities (recorded as “provisions”) amounted to \$7,695, \$7,523 and \$8,402 as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

(C) Under the defined contribution plan, the Company and its domestic subsidiaries recognised pension expense of \$138,408 (recorded as “employee benefit expenses” of \$137,568 and “net income other than interest” of \$840), \$133,300 (recorded as “employee benefit expenses” of \$131,874 and “net income other than interest” of \$1,426), \$278,060 (recorded as “employee benefit expenses” of \$276,044 and “net income other than interest” of \$2,016) and \$259,848 (recorded as “employee benefit expenses” of \$256,868 and “net income other than interest” of \$2,980) for the three months and six months ended June 30, 2022 and 2021, respectively.

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

The pension plan for Yuanta Securities Asia Financial Services is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) do not have compulsory pension plans according to local regulations. Other foreign subsidiaries are in compliance with related regulations enacted by local governments. For the three months and six months ended June 30, 2022 and 2021, the foreign subsidiaries recognised \$108,673, \$114,696, \$226,677 and \$240,577, respectively, of pension expense by complying with aforementioned regulations.

(28) Other financial liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Futures traders’ equity	\$ 115,104,904	\$ 93,341,056	\$ 93,981,510
Structured deposit	2,609,245	2,503,403	2,785,079
Investment-linked products liabilities	32,945,654	30,724,969	26,334,533
Others	-	50,000	-
Total	<u>\$ 150,659,803</u>	<u>\$ 126,619,428</u>	<u>\$ 123,101,122</u>

(29) Other liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Guarantee deposit received on security lent	\$ 38,277,442	\$ 51,446,763	\$ 28,539,422
Underwriting share proceeds collected on behalf of customers	98,123	38,446,456	385,015
Collections in advance	1,591,221	1,809,167	3,666,632
Retention compensation payable	1,488,148	1,290,051	1,257,800
Refundable deposits	393,068	2,193,165	2,909,410
Refundable deposits-derivative transactions	3,674,922	2,383,833	2,425,750
Others	5,125,720	4,948,555	5,284,465
Total	<u>\$ 50,648,644</u>	<u>\$ 102,517,990</u>	<u>\$ 44,468,494</u>

(30) Share capital

As of June 30, 2022, December 31, 2021, and June 30, 2021, the Company's total authorised capital were all \$180,000,000 and total paid-in capital were all \$121,374,360. The aforementioned total paid-in capital includes 12,137,436 thousand shares of common stock, each with a par value of \$10 dollars per share.

(31) Capital surplus

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Post 1998	<u>\$ 4,036,443</u>	<u>\$ 4,036,443</u>	<u>\$ 4,036,443</u>
Source and details of the capital surplus of the Company are as follows:			
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Additional paid-in capital	\$ 33,573,790	\$ 33,573,790	\$ 33,573,790
Treasury share transactions	3,479,710	3,479,710	3,479,710
Others	837,234	832,449	832,449
	<u>\$ 37,890,734</u>	<u>\$ 37,885,949</u>	<u>\$ 37,885,949</u>

(32) Legal reserve and special reserve

As required by the Company Act, 10% of the current year's earnings, after paying all taxes and offsetting any accumulated deficit, are set aside as a legal reserve until the reserve balance equals the total amount of capital. The legal reserve is to be used exclusively to offset any accumulated deficit or to increase capital by issuing new shares or to distribute cash to shareholders in proportion

to their share ownership and is not to be used for any other purposes. For legal reserve used in issuing new shares or distributing cash dividends, the amount of the legal reserve shall not exceed 25% of paid-in capital.

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

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

(33) Undistributed earnings

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

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

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

C. The appropriation of 2021 earnings has been resolved by the shareholders' Meeting on June 10, 2022. The appropriation of 2020 earnings has been resolved by the Shareholders' Meeting on July 8, 2021. The details are tabled as follows.:

	2021		2020	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Cash dividends	\$ 18,206,154	\$ 1.50	\$ 14,564,923	\$ 1.20
Stock dividends	3,641,230	0.30	-	-

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

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

(34) Other equity items

	2022				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income on reclassification under the overlay approach	Total
Balance, January 1	(\$ 8,400,123)	\$ 17,930,672	(\$ 47,621)	(\$ 1,072,737)	\$ 8,410,191
Financial assets at fair value through other comprehensive income					
- Evaluation adjustment in the period	-	(16,550,458)	-	-	(16,550,458)
- Evaluation transferred to profit or loss	-	(39,507)	-	-	(39,507)
- Evaluation transferred to retained earnings	-	49,972	-	-	49,972
Other comprehensive income on reclassification under the overlay approach	-	-	-	(4,104,302)	(4,104,302)
Changes in translation difference of foreign operating entities	220,375	-	-	-	220,375
Effects on income tax	-	368,782	-	49,016	417,798
Evaluation of credit risk	-	-	207	-	207
Balance, June 30	(\$ 8,179,748)	\$ 1,759,461	(\$ 47,414)	(\$ 5,128,023)	(\$ 11,595,724)
	2021				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income on reclassification under the overlay approach	Total
Balance, January 1	(\$ 4,467,136)	\$ 16,726,148	(\$ 45,138)	\$ 345,649	\$ 12,559,523
Financial assets at fair value through other comprehensive income					
- Evaluation adjustment in the period	-	2,171,282	-	-	2,171,282
- Evaluation transferred to profit or loss	-	(1,214,469)	-	-	(1,214,469)
- Evaluation transferred to retained earnings	-	(509,025)	-	-	(509,025)
Other comprehensive income on reclassification under the overlay approach	-	-	-	(582,283)	(582,283)
Changes in translation difference of foreign operating entities	(2,181,801)	-	-	-	(2,181,801)
Effects on income tax	-	113,496	-	(664)	112,832
Evaluation of credit risk	-	-	(165)	-	(165)
Balance, June 30	(\$ 6,648,937)	\$ 17,287,432	(\$ 45,303)	(\$ 237,298)	\$ 10,355,894

(35) Net interest income

	For the three months ended June 30,	
	2022	2021
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 4,176,080	\$ 3,686,283
Financing interest income	1,675,281	1,697,294
Interest income on securities investment	3,744,566	3,156,884
Interest income from placement and call loan to other banks	317,001	171,748
Interest income on bills and bonds purchased under resale agreements	132,417	62,377
Credit cards revolving interest	42,636	45,412
Other interest income	415,224	285,369
Subtotal	<u>10,503,205</u>	<u>9,105,367</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 1,327,979)	(\$ 883,582)
Interest expense of Central Bank and other banks' deposit	(17,464)	(4,578)
Interest expense on due to the Central Bank and other banks	(319,208)	(161,098)
Interest expense on bills and bonds sold under repurchase agreements	(434,097)	(169,852)
Interest expense of structured instruments	(15,586)	(14,520)
Coupon rate of bank debenture	(123,448)	(174,185)
Coupon rate of corporate bonds	(201,930)	(149,292)
Coupon rate of commercial papers	(95,498)	(44,482)
Interest expense from short sales	(5,918)	(5,136)
Lease liabilities interest expense	(12,384)	(20,363)
Other interest expense	(97,074)	(44,077)
Subtotal	<u>(2,650,586)</u>	<u>(1,671,165)</u>
Total	<u>\$ 7,852,619</u>	<u>\$ 7,434,202</u>

	For the six months ended June 30,	
	2022	2021
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 8,049,424	\$ 7,371,311
Financing interest income	3,401,668	3,213,242
Interest income on securities investment	7,148,878	6,274,034
Interest income from placement and call loan to other banks	554,107	371,797
Interest income on bills and bonds purchased under resale agreements	235,657	126,309
Credit cards revolving interest	85,172	91,565
Other interest income	776,066	559,085
Subtotal	<u>20,250,972</u>	<u>18,007,343</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 2,334,354)	(\$ 1,783,853)
Interest expense of Central Bank and other banks' deposit	(27,017)	(8,804)
Interest expense on due to the Central Bank and other banks	(590,133)	(354,551)
Interest expense on bills and bonds sold under repurchase agreements	(734,957)	(361,434)
Interest expense of structured instruments	(28,420)	(29,195)
Coupon rate of bank debenture	(252,236)	(369,771)
Coupon rate of corporate bonds	(352,439)	(263,126)
Coupon rate of commercial papers	(162,766)	(70,231)
Interest expense from short sales	(12,797)	(12,074)
Lease liabilities interest expense	(36,540)	(41,448)
Other interest expense	(154,616)	(86,390)
Subtotal	<u>(4,686,275)</u>	<u>(3,380,877)</u>
Total	<u>\$ 15,564,697</u>	<u>\$ 14,626,466</u>

(36) Net service fee and commission income

	For the three months ended June 30,	
	2022	2021
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 6,064,100	\$ 11,050,863
Service fee income on insurance brokerage and transfer-agent	256,482	324,129
Service fee on credit cards	201,003	263,626
Service fee income on trust business	731,039	838,091
Service income on credit extension	107,378	141,938
Underwriting service income	351,387	397,282
Service income from short sales	45,594	45,740
Commission – reinsurance allowance	28,918	33,420
Service income on foreign exchange	21,670	18,337
Service fee income on consigned settlement	9,713	11,039
Deposits and remittance and other service income	354,953	355,264
Subtotal	<u>8,172,237</u>	<u>13,479,729</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 229,274)	(\$ 371,490)
Service expense on trust business	(431)	(712)
Service expense on brokerage	(631,987)	(888,463)
Service expense on proprietary trading	(35,730)	(55,207)
Service fee expense on credit cards	(205,030)	(199,012)
Service expense on clearing and settlement	(169,427)	(171,553)
Futures commission expense	(111,991)	(105,652)
Underwriting service expense	(2,805)	(2,371)
Service expense on foreign exchange	(10,403)	(9,275)
Service expense on credit extension	(7,490)	(5,012)
Deposits and remittance and other service expense	(116,086)	(87,987)
Subtotal	<u>(1,520,654)</u>	<u>(1,896,734)</u>
Total	<u>\$ 6,651,583</u>	<u>\$ 11,582,995</u>

	For the six months ended June 30,	
	2022	2021
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 12,943,765	\$ 20,039,444
Service fee income on insurance brokerage and transfer-agent	696,316	674,776
Service fee on credit cards	415,887	490,317
Service fee income on trust business	1,435,738	1,769,796
Service income on credit extension	228,553	280,130
Underwriting service income	563,487	679,465
Service income from short sales	78,922	77,281
Commission – reinsurance allowance	50,425	54,195
Service income on foreign exchange	41,737	37,418
Service fee income on consigned settlement	19,434	20,840
Deposits and remittance and other service income	729,984	488,732
Subtotal	<u>17,204,248</u>	<u>24,612,394</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 646,234)	(\$ 814,900)
Service expense on trust business	(829)	(1,702)
Service expense on brokerage	(1,269,562)	(1,664,296)
Service expense on proprietary trading	(71,844)	(95,583)
Service fee expense on credit cards	(429,253)	(398,974)
Service expense on clearing and settlement	(341,003)	(342,552)
Futures commission expense	(225,954)	(216,359)
Underwriting service expense	(3,400)	(4,050)
Service expense on foreign exchange	(20,544)	(18,843)
Service expense on credit extension	(16,580)	(10,533)
Deposits and remittance and other service expense	(233,933)	(188,332)
Subtotal	<u>(3,259,136)</u>	<u>(3,756,124)</u>
Total	<u>\$ 13,945,112</u>	<u>\$ 20,856,270</u>

(37) Net income from insurance operations

	For the three months ended June 30,	
	2022	2021
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 10,023,722	\$ 9,383,590
Less: Reinsurance premium ceded	(186,385)	(179,375)
Net changes of unearned premium reserve	(25,842)	(92,718)
Retention earned premium income	9,811,495	9,111,497
Investment-linked product income (Note)	408,629	2,730,299
Subtotal	<u>10,220,124</u>	<u>11,841,796</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 5,326,794)	(\$ 3,823,537)
Less: Claims recovered from reinsurers	<u>233,745</u>	<u>185,340</u>
Retention claims and policy benefits payments	(5,093,049)	(3,638,197)
Underwriting expenses	(828)	(1,196)
Expense from guaranty fund	(15,186)	(18,234)
Investment-linked product expenses (Note)	(408,629)	(2,730,299)
Subtotal	<u>(5,517,692)</u>	<u>(6,387,926)</u>
Total	<u>\$ 4,702,432</u>	<u>\$ 5,453,870</u>
	For the six months ended June 30,	
	2022	2021
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 21,214,913	\$ 19,561,234
Less: Reinsurance premium ceded	(393,468)	(368,663)
Net changes of unearned premium reserve	(105,965)	(204,506)
Retention earned premium income	20,715,480	18,988,065
Investment-linked product income (Note)	935,491	3,641,541
Subtotal	<u>21,650,971</u>	<u>22,629,606</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 10,755,819)	(\$ 7,541,783)
Less: Claims recovered from reinsurers	<u>418,076</u>	<u>345,263</u>
Retention claims and policy benefits payments	(10,337,743)	(7,196,520)
Underwriting expenses	(2,547)	(2,787)
Expense from guaranty fund	(32,197)	(37,584)
Investment-linked product expenses (Note)	(935,491)	(3,641,541)
Subtotal	<u>(11,307,978)</u>	<u>(10,878,432)</u>
Total	<u>\$ 10,342,993</u>	<u>\$ 11,751,174</u>

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

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

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 73,515	\$ 45,653
Bonds	353,800	2,497,987
Stocks	(1,037,939)	4,571,120
Beneficiary certificates	(65,466)	1,738,407
Interest-linked instrument	16,087	(512,234)
Exchange rate-linked instrument	(174,458)	1,769,970
Other financial derivative instruments	(4,417,401)	4,402,941
Gain (loss) on covering of borrowed securities and bonds with resale agreements	1,515,635	(9,091,766)
Loss from issuing call (put) warrants	(7,034,393)	(189,561)
Issuing call (put) warrants expense	(142,668)	(105,335)
Others	321,596	(950,964)
Subtotal	<u>(10,591,692)</u>	<u>4,176,218</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 24,538	\$ 1,601
Bonds	(1,251,216)	(350,280)
Stocks	(8,746,183)	1,436,779
Beneficiary certificates	(1,431,218)	743,186
Interest-linked instrument	4,597,841	(953,521)
Exchange rate-linked instrument	(2,949,758)	1,157,304
Other financial derivative instruments	(952,415)	(587,672)
Valuation gain on borrowed securities and bonds with resale agreements	6,967,953	4,929,074
Gain (loss) on changes in fair value of liabilities for issuance of call (put) warrants	8,687,951	(1,048,569)
Others	(2,045)	121,318
Subtotal	<u>4,945,448</u>	<u>5,449,220</u>
Total	<u><u>(\$ 5,646,244)</u></u>	<u><u>\$ 9,625,438</u></u>

	For the six months ended June 30,	
	2022	2021
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 135,687	\$ 93,011
Bonds	1,249,219	5,225,530
Stocks	(1,019,485)	8,914,341
Beneficiary certificates	385,526	1,983,414
Interest-linked instrument	(59,413)	(786,077)
Exchange rate-linked instrument	(911,025)	2,389,419
Other financial derivative instruments	(4,527,231)	14,150,730
Gain (loss) on covering of borrowed securities and bonds with resale agreements	656,534	(11,715,601)
Loss (gain) from issuing call (put) warrants	(10,648,016)	233,583
Issuing call (put) warrants expense	(299,586)	(226,427)
Others	463,500	(93,967)
Subtotal	(14,574,290)	20,167,956
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 11,492	\$ 13,787
Bonds	(2,283,576)	(650,096)
Stocks	(13,335,271)	4,887,336
Beneficiary certificates	(2,442,308)	(598,565)
Interest-linked instrument	6,040,878	(1,972,451)
Exchange rate-linked instrument	(6,618,617)	(272,366)
Other financial derivative instruments	(808,617)	(3,118,074)
Valuation gain (loss) on borrowed securities and bonds with resale agreements	10,274,292	(92,853)
Gain (loss) on changes in fair value of liabilities for issuance of call (put) warrants	13,832,453	(1,742,611)
Others	152,795	345,826
Subtotal	4,823,521	(3,200,067)
Total	(\$ 9,750,769)	\$ 16,967,889

- A. The realised gains or losses on the financial assets and liabilities at fair value through profit and loss of the Yuanta Group for the three months and six months ended June 30, 2022 and 2021, including the (loss) gain on disposal, were (\$12,658,828), \$2,732,965, (\$17,576,380) and \$17,374,496, respectively, and the issuing call (put) warrants expense, were \$142,668, \$105,335, \$299,586 and \$226,427, respectively, and the dividends income were \$1,355,377, \$599,094, \$1,601,047 and \$1,083,565, respectively, and the interest income were \$854,427, \$949,494, \$1,700,629 and \$1,936,322, respectively.
- B. The Yuanta Group recognised net gain (loss) amounting to \$2,056,407, (\$603,492), \$3,614,447 and (\$2,066,222), respectively, on financial liabilities designated as at fair value through profit or loss for the three months and six months ended June 30, 2022 and 2021.
- C. Net income on the exchange rate-linked instruments includes realised and unrealised gains and losses on forward exchange contracts, FX options, and currency futures.

- D. Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.
- E. Any change in fair value of the derivatives together managed with the financial instruments designated at fair value through profit and loss is listed under “gain and loss on financial assets and liabilities at fair value through profit and loss”.

(39) Reversal gain on asset impairment

	For the three months ended June 30,	
	2022	2021
Reversal of impairment loss on investments in debt instruments measured at fair value through other comprehensive income	\$ 18,875	\$ 9,905
(Charge) reversal of impairment loss on investments in debt instruments at amortised cost	(4,310)	3,053
Reversal of impairment loss on intangible assets	-	160
Reversal of impairment loss on investment property	5,010	4,483
Reversal (charge) of impairment loss on other assets	891	(115)
Total	<u>\$ 20,466</u>	<u>\$ 17,486</u>
	For the six months ended June 30,	
	2022	2021
Reversal of impairment loss on investments in debt instruments measured at fair value through other comprehensive income	\$ 14,262	\$ 11,351
(Charge) reversal of impairment loss on investments in debt instruments at amortised cost	(10,659)	1,485
Impairment loss on intangible assets	-	(6,541)
Reversal of impairment loss on investment property	5,010	4,483
Reversal (charge) of impairment loss on other assets	868	(115)
Total	<u>\$ 9,481</u>	<u>\$ 10,663</u>

(40) Net other miscellaneous (loss) income

	For the three months ended June 30,	
	2022	2021
Borrowed stock revenue	\$ 634,728	\$ 438,706
Net change of reserve for foreign exchange fluctuation	(1,385,396)	62,699
Other net income	432,494	333,880
Total	<u>(\$ 318,174)</u>	<u>\$ 835,285</u>
	For the six months ended June 30,	
	2022	2021
Borrowed stock revenue	\$ 1,292,927	\$ 757,723
Net change of reserve for foreign exchange fluctuation	(2,543,970)	257,206
Other net income	926,713	664,661
Total	<u>(\$ 324,330)</u>	<u>\$ 1,679,590</u>

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

	For the three months ended June 30,	
	2022	2021
Bad debt expense for accounts receivable	\$ 70,570	\$ 82,803
Bad debt expense of bills discounted and loans	285,863	385,988
Reversal of guarantee reserve	(1,500)	(37,900)
Reversal of commitments and other reserve	(2,602)	(5,497)
Recovery of bad debt expense	(215,223)	(571,098)
Total	<u>\$ 137,108</u>	<u>(\$ 145,704)</u>
	For the six months ended June 30,	
	2022	2021
(Reversal of) bad debt expense for accounts receivable	(\$ 47,334)	\$ 63,488
Bad debt expense of bills discounted and loans	622,046	731,053
Reversal of guarantee reserve	(2,500)	(17,870)
Provision for (reversal of) commitments and other reserve	1,593	(3,690)
Recovery of bad debt expense	(482,467)	(845,223)
Total	<u>\$ 91,338</u>	<u>(\$ 72,242)</u>

(42) Employee benefit expense

	For the three months ended June 30,	
	2022	2021
Wages and salaries	\$ 5,333,810	\$ 8,221,470
Labor and health insurance fees	313,614	319,364
Pension costs	260,399	259,424
Termination benefits	27,495	5,361
Other employee benefit expenses	334,396	421,133
Total	<u>\$ 6,269,714</u>	<u>\$ 9,226,752</u>

	For the six months ended June 30,	
	2022	2021
Wages and salaries	\$ 11,166,811	\$ 16,374,550
Labor and health insurance fees	680,210	595,685
Pension costs	532,037	524,228
Termination benefits	37,942	29,565
Other employee benefit expenses	781,381	762,097
Total	<u>\$ 13,198,381</u>	<u>\$ 18,286,125</u>

The numbers of employees of the Yuanta Group were 14,704 and 14,346 for the six months ended June 30, 2022 and 2021, respectively.

- A. After covering accumulated deficit with the year-end earnings (that is income before taxes less income before employees' compensation provisions), 0.01% to 0.5% was appropriated as employees' compensation and an amount less than 0.9% was appropriated as directors' and supervisors' remuneration.
- B. For the three months and six months ended June 30, 2022 and 2021, employees' compensation was accrued at \$4,822, \$9,227, \$10,371 and \$17,694, respectively; directors' and supervisors' remuneration was accrued at \$43,390, \$83,044, \$93,335 and \$159,243, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors in 2021 was in agreement with those amounts recognised in the 2021 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

	For the three months ended June 30,	
	2022	2021
Investment property depreciation	\$ 18,029	\$ 22,263
Property and equipment depreciation	288,549	277,183
Right-of-use asset depreciation	337,886	348,100
Intangible asset amortisation	131,787	119,043
Deferred assets amortisation	11,997	12,719
Total	<u>\$ 788,248</u>	<u>\$ 779,308</u>

	For the six months ended June 30,	
	2022	2021
Investment property depreciation	\$ 38,107	\$ 47,857
Property and equipment depreciation	581,287	546,313
Right-of-use asset depreciation	692,072	700,873
Intangible asset amortisation	261,357	239,701
Deferred assets amortisation	23,966	27,497
Total	<u>\$ 1,596,789</u>	<u>\$ 1,562,241</u>

(44) Other business and administrative expenses

	For the three months ended June 30,	
	2022	2021
Tax	1,102,000	\$ 1,568,419
Computer science expense	390,442	365,503
Security borrowing expenses	323,885	286,760
Commission expense	262,511	349,325
Miscellaneous expenses	207,083	175,098
Postage and telephone costs	194,404	190,275
Others	1,218,279	1,484,010
Total	<u>\$ 3,698,604</u>	<u>\$ 4,419,390</u>

	For the six months ended June 30,	
	2022	2021
Tax	\$ 2,341,842	\$ 2,875,173
Computer science expense	767,084	715,158
Security borrowing expenses	637,946	536,428
Commission expense	536,564	623,380
Miscellaneous expenses	434,868	361,974
Postage and telephone costs	372,252	367,558
Others	2,259,146	2,653,730
Total	<u>\$ 7,349,702</u>	<u>\$ 8,133,401</u>

(45) Income tax

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

A. Income tax expense

(A) Components of income tax expense:

	For the three months ended June 30,	
	2022	2021
Current tax:		
Income tax from current income period	\$ 630,123	\$ 1,532,708
Income tax on unappropriated earnings	456,642	354,787
Adjustments in respect of prior years	(42,975)	46,129
Total current tax	<u>1,043,790</u>	<u>1,933,624</u>
Deferred tax:		
Origination and reversal of temporary differences	626,866	(366,278)
Impact of change in tax rate	-	(44)
Total deferred tax	<u>626,866</u>	<u>(366,322)</u>
Income tax expense	<u>\$ 1,670,656</u>	<u>\$ 1,567,302</u>
	For the six months ended June 30,	
	2022	2021
Current tax:		
Income tax from current income period	\$ 1,395,394	\$ 4,104,518
Income tax on unappropriated earnings	456,642	354,787
Adjustments in respect of prior years	(84,288)	30,649
Total current tax	<u>1,767,748</u>	<u>4,489,954</u>
Deferred tax:		
Origination and reversal of temporary differences	1,526,570	255,165
Impact of change in tax rate	-	2,889
Total deferred tax	<u>1,526,570</u>	<u>258,054</u>
Income tax expense	<u>\$ 3,294,318</u>	<u>\$ 4,748,008</u>

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

	For the three months ended June 30,	
	2022	2021
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(298,207)	87,356
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	298,704	57,579
Other comprehensive income or loss on reclassification under the overlay approach	(25,628)	13,242
Share of profit or loss of associates and joint ventures accounted for under the equity method	4	(2)
Gain or loss on remeasurements of defined benefit plans	60,217	6,291
Total	<u>\$ 35,090</u>	<u>\$ 164,466</u>
	For the six months ended June 30,	
	2022	2021
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 547,557)	(\$ 175,098)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	298,765	98,379
Other comprehensive income or loss on reclassification under the overlay approach	(49,016)	664
Share of profit or loss of associates and joint ventures accounted for under the equity method	(31)	278
Gain or loss on remeasurements of defined benefit plans	5,947	(12,735)
Total	<u>(\$ 291,892)</u>	<u>(\$ 88,512)</u>

B. As of June 30, 2022, the information on the Yuanta Group's income tax returns that have been assessed by the Tax Authority are as follows:

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

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

C. Income tax assessments of the Yuanta Group are as follows:

Yuanta Securities disagreed with the Tax Authority's assessment of income tax return for the fiscal year 2016. Yuanta Securities has filed for administrative remedies in accordance with the law. As of June 30, 2022, the amount was \$221,776.

(46) Earnings per share

	<u>For the three months ended June 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 5,356,708</u>	<u>12,501,559</u>	<u>\$ 0.43</u>
	<u>For the three months ended June 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 10,252,273</u>	<u>12,501,559</u>	<u>\$ 0.82</u>
	<u>For the six months ended June 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 11,522,814</u>	<u>12,501,559</u>	<u>\$ 0.92</u>
	<u>For the six months ended June 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 19,659,573</u>	<u>12,501,559</u>	<u>\$ 1.57</u>

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 20, 2022 (the effective date of stock grants). Basic earnings per share and diluted earnings per share before the adjustment were 0.84 and 1.62 for the three months and six months ended June 30, 2021, respectively.

(47) Changes in liabilities from financing activities

	2022				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 183,865,849	\$ 49,983,502	\$ 82,539,085	\$ 59,998,200	\$ 5,720,785
Changes in cash flow from financing activities	(13,932,655)	14,878,592	8,783,694	6,045,957	(917,164)
Impact of changes in foreign exchange rate	-	-	(57,673)	-	(6,358)
Amortisation of a premium or a discount on interest expense	-	(58,592)	2,445	-	-
Changes in other non-cash items	-	-	-	-	(97,665)
At June 30	<u>\$ 169,933,194</u>	<u>\$ 64,803,502</u>	<u>\$ 91,267,551</u>	<u>\$ 66,044,157</u>	<u>\$ 4,699,598</u>
	2021				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 216,621,187	\$ 27,417,489	\$ 78,790,127	\$ 57,796,061	\$ 6,368,836
Changes in cash flow from financing activities	(26,110,340)	34,814,429	11,771,629	14,327,566	(740,610)
Impact of changes in foreign exchange rate	-	-	(130,987)	-	(146,296)
Amortisation of a premium or a discount on interest expense	-	19,047	35,912	-	377,818
At June 30	<u>\$ 190,510,847</u>	<u>\$ 62,250,965</u>	<u>\$ 90,466,681</u>	<u>\$ 72,123,627</u>	<u>\$ 5,859,748</u>

7. Related party transactions

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

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
Yuanta Investment Management (Cayman) Ltd.	Associate of Yuanta Securities
SYF Information (Shanghai)	Associate of Yuanta Futures
Yuanta-Polaris Research Institute (Yuanta-Polaris Research)	Related party in substance
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Greatness Trading Co., Ltd.	"
Yuen Foong Yu Consumer Products Co., Ltd. (YFYCPG)	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	(No longer a related party since December 25, 2021.)
Yuanta Diamond Funds SPC	"
Pyeongtaek Godeok PFV Co., Ltd.	" (Note)
	(Has become a related party since April 21, 2021.)
TONGYANG AGRI-FOOD INVESTMENT Fund II	Investments accounted for under the equity method of Yuanta Securities (Korea)
KVIC-Yuanta 2015 Overseas Advance Fund	"
IBKC-TONGYANG Growth 2013 Private Equity Fund	"
Yuanta Secondary No.2 Fund	"
Yuanta Secondary No.3 Private Equity Fund	"
2016 KIF-Yuanta ICT Venture Fund	"
Yuanta SPAC III	"
	(No longer a related party since March 31, 2021.)
Yuanta SPAC IV	"
	(No longer a related party since March 23, 2022.)
Yuanta SPAC V	"
	(No longer a related party since March 30, 2022.)
Yuanta SPAC VI	"
	(No longer a related party since July 27, 2021.)
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta SPAC VII	"
Yuanta SPAC VIII	"
Yuanta Innovative Job Creation Fund	"
	(Has become a related party since January 12, 2021.)
Yuanta Diamond Funds SPC's Funds	Funds managed by Yuanta Securities (Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment
Yuanta Asia Growth Investment, L.P.	"
2011 KIF-TONGYANG IT Venture Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta Innovative Growth MPE Fund	"

Names of related parties	Relationship with the Group
Yuanta SPAC X	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta SPAC IX	"
Polaris Ocean Private Equity Fund	"
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group.

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

(2) Significant transactions and balances with related parties

A. Deposits

June 30, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 16,546,754	1.19	0.00~6.19
December 31, 2021			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 12,160,748	0.88	0.00~5.80
June 30, 2021			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 9,264,781	0.70	0.00~5.80

Apart from an interest rate limit on staff demand savings deposits of 5.80%~6.19% and 5.80%, respectively, for the six months ended June 30, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were 0.00%~3.63% and 0.00%~3.00%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the three months and six months ended June 30, 2022 and 2021, interest expense on the above deposits were \$26,231, \$5,937, \$37,370 and \$16,761, respectively.

B. Loans

Yuanta Bank and its subsidiaries

June 30, 2022

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	275	\$ 97,498	\$ 60,119	\$ 60,119	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	503	4,444,754	3,887,373	3,887,373	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	84	354,754	228,071	228,071	-	Deposits, stock, real estate and policy	None
Total			\$ 4,195,563	\$ 4,195,563	\$ -		

December 31, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	332	\$ 118,138	\$ 60,243	\$ 60,243	\$ -	Small and medium enterprise credit guarantee fund, real estate, movables, deposits and credit loans	None
Residential mortgage loans	524	4,598,237	3,628,465	3,628,465	-	Real estate	None
Other loans	91	372,879	228,404	228,404	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 3,917,112	\$ 3,917,112	\$ -		

June 30, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	287	\$ 94,129	\$ 65,991	\$ 65,991	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	492	4,234,083	3,712,402	3,712,402	-	Real estate	None
Other loans	79	312,718	228,753	228,753	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 4,007,146	\$ 4,007,146	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.47%~1.62% and 1.20% for the six months ended June 30, 2022 and 2021, respectively, the interest rates on the remaining loans are ranging both from 0.00%~6.42% for the six months ended June 30, 2022 and 2021, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2022 and 2021, interest income resulting from the above loans amounted to \$14,801, \$13,439, \$27,635, and \$26,574, respectively.

(BLANK)

C. Property transactions

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 7,385,422	\$ 6,463,018	\$ 19,949,278
Global Growth Investment, L.P.	11,339	12,044	38,539
Yuanta Diamond Funds			
SPC’s funds	-	-	55,548
Yuanta Asia Growth Investment, L.P.	<u>268,807</u>	<u>248,761</u>	<u>200,459</u>
	<u>\$ 7,665,568</u>	<u>\$ 6,723,823</u>	<u>\$ 20,243,824</u>

<u>Proceeds on disposal</u>	
<u>For the three months ended June 30,</u>	
<u>2022</u>	<u>2021</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 101,186,971</u>	<u>\$ 102,719,309</u>

<u>Proceeds on disposal</u>	
<u>For the six months ended June 30,</u>	
<u>2022</u>	<u>2021</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 183,124,996</u>	<u>\$ 188,088,655</u>

<u>Realised Gain</u>	
<u>For the three months ended June 30,</u>	
<u>2022</u>	<u>2021</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 108,734</u>	<u>\$ 278,569</u>

<u>Realised Gain or Loss</u>	
<u>For the six months ended June 30,</u>	
<u>2022</u>	<u>2021</u>

Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>(\$ 58,790)</u>	<u>\$ 867,373</u>

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

June 30, 2022				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ -	0.20	
Others	9,512	9,512	0.20~1.60 (Note:USD)	USD 320 thousand
Other related parties:				
Others	1,205,231	<u>765,727</u>	0.20~0.35	
		<u>\$ 775,239</u>		
December 31, 2021				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 250,042	\$ 50,000	0.20	
Others	5,538	5,538	0.20~0.30 (Note : USD)	USD 200 thousand
Other related parties:				
Others	1,344,324	<u>1,205,017</u>	0.20~0.25	
		<u>\$ 1,260,555</u>		
June 30, 2021				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 250,042	\$ -	0.20%	
Others	5,582	5,582	0.20~0.30 (Note : USD)	USD 200 thousand
Other related parties:				
Others	1,344,280	<u>964,385</u>	0.20~0.25	
		<u>\$ 969,967</u>		

Note: For foreign currency repo trade.

	Interest expense	
	For the three months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 8	\$ 54
Other related parties:		
Others	440	548
	<u>\$ 448</u>	<u>\$ 602</u>

	Interest expense	
	For the six months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 26	\$ 191
Other related parties:		
Others	838	1,117
	<u>\$ 864</u>	<u>\$ 1,308</u>

D. Futures traders' equity

	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 42,619,061	\$ 29,244,360	\$ 33,611,280
Others	110,756	88,823	84,087
	<u>\$ 42,729,817</u>	<u>\$ 29,333,183</u>	<u>\$ 33,695,367</u>

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

	Deposits on securities borrowed		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 49,062	\$ 2,215,689	\$ 7,079,910
	<u>\$ 49,062</u>	<u>\$ 2,215,689</u>	<u>\$ 7,079,910</u>
	Receivables from deposits on securities borrowed		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 300,988	\$ 10,630	\$ 1,370,431
	<u>\$ 300,988</u>	<u>\$ 10,630</u>	<u>\$ 1,370,431</u>
	Security borrowing expenses payable		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 12,936	\$ 12,263	\$ 596
	<u>\$ 12,936</u>	<u>\$ 12,263</u>	<u>\$ 596</u>

	<u>Security borrowing expenses</u>		
	<u>For the three months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ <u>27,471</u>	\$ <u>12,485</u>	
	<u>Security borrowing expenses</u>		
	<u>For the six months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ <u>59,544</u>	\$ <u>18,942</u>	
F. <u>Receivables from loans to employees, interest receivables and the interest income generated</u>			
	<u>Receivables from loans to employees and interest receivables</u>		
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Key management personnel:			
Others	\$ 1,491	\$ 1,304	\$ 2,465
Other related parties:			
Others	<u>145,556</u>	<u>159,302</u>	<u>173,066</u>
	<u>\$ 147,047</u>	<u>\$ 160,606</u>	<u>\$ 175,531</u>
	<u>Interest income on loans to employees</u>		
	<u>For the three months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	
Key management personnel:			
Others	\$ 5	\$ 8	
Other related parties:			
Others	<u>1,264</u>	<u>1,571</u>	
	<u>\$ 1,269</u>	<u>\$ 1,579</u>	
	<u>Interest income on loans to employees</u>		
	<u>For the six months ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	
Key management personnel:			
Others	\$ 8	\$ 19	
Other related parties:			
Others	<u>2,492</u>	<u>3,252</u>	
	<u>\$ 2,500</u>	<u>\$ 3,271</u>	

G. Income from distribution fee

	For the three months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 256	\$ 820
Other related parties:		
Others	87	418
	<u>\$ 343</u>	<u>\$ 1,238</u>
	For the six months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 600	\$ 820
Other related parties:		
Others	298	418
	<u>\$ 898</u>	<u>\$ 1,238</u>

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

	Receivables from performance fee and management fee income		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Yuanta Secondary No.2 Fund	\$ 8,774	\$ 19,172	\$ 10,646
Yuanta Secondary No.3			
Private Equity Fund	12,846	10,822	21,148
KVIC-Yuanta 2015 Overseas			
Advance Fund	10,314	7,115	3,837
2016 KIF-Yuanta ICT Venture			
Fund	3,011	7,038	3,941
Polaris Ocean Private Equity			
Fund	135,702	-	-
Others	3,320	3,481	3,873
	<u>\$ 173,967</u>	<u>\$ 47,628</u>	<u>\$ 43,445</u>
	Performance fee and management fee income		
	For the three months ended June 30,		
	2022	2021	
Other related parties:			
Yuanta Innovative Growth MPE Fund	\$ 9,381	\$	-
Yuanta Secondary No.3 Private Equity Fund	6,591		5,323
Yuanta Innovative Job Creation Fund	5,495		6,153
Kiwoom-Yuanta 2019 Scale-up Fund	4,673		5,009
Polaris Ocean Private Equity Fund	138,073		-
Others	14,494		41,371
	<u>\$ 178,707</u>	<u>\$</u>	<u>57,856</u>

	<u>Performance fee and management fee income</u>	
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Innovative Growth MPE Fund	\$ 18,704	\$ -
Yuanta Secondary No.3 Private Equity Fund	13,070	10,617
Yuanta Innovative Job Creation Fund	10,955	11,576
Kiwoom-Yuanta 2019 Scale-up Fund	9,317	8,732
Polaris Ocean Private Equity Fund	138,073	-
Others	28,913	56,333
	<u>\$ 219,032</u>	<u>\$ 87,258</u>

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

	<u>Fund management fee income</u>	
	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 940,144	\$ 891,130
Yuanta Asia Growth Investment, L.P.	8,129	6,164
Yuanta Diamond Funds SPC’s funds	6,581	7,803
Global Growth Investment, L.P.	141	178
	<u>\$ 954,995</u>	<u>\$ 905,275</u>

	<u>Fund management fee income</u>	
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 1,835,898	\$ 1,734,486
Yuanta Asia Growth Investment, L.P.	15,783	12,137
Yuanta Diamond Funds SPC’s funds	12,382	20,821
Global Growth Investment, L.P.	278	338
	<u>\$ 1,864,341</u>	<u>\$ 1,767,782</u>

	The balance of fund		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 7,385,422	\$ 6,463,018	\$ 19,949,278
Yuanta Asia Growth Investment, L.P.	268,807	248,761	200,459
Yuanta Diamond Funds SPC's funds	-	-	55,548
Global Growth Investment, L.P.	11,339	12,044	38,539
	<u>\$ 7,665,568</u>	<u>\$ 6,723,823</u>	<u>\$ 20,243,824</u>

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

	Receivable from transfer-agent services		
	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Others	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
		Income from transfer-agent services	
		For the three months ended June 30,	
		2022	2021
Other related parties:			
Others	<u>\$ 30</u>	<u>\$ 30</u>	
		Income from transfer-agent services	
		For the six months ended June 30,	
		2022	2021
Other related parties:			
Others	<u>\$ 60</u>	<u>\$ 60</u>	

K. Investment refund receivable

	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
Yuanta Investment Management (Cayman) Ltd.	\$ 341,177	\$ -	\$ -
IBKC-TONGYANG Growth 2013 Private Equity Fund	47,013	47,782	50,644
TONGYANG AGRI-FOOD INVESTMENT FUND II	1,162	21,639	40,183
SYF Information (Shanghai)	118,159	-	-
	<u>\$ 507,511</u>	<u>\$ 69,421</u>	<u>\$ 90,827</u>

L. Other financial assets-loan, interest in advance and interest income

	<u>December 31, 2021</u>	
	<u>Other financial assets-loan</u>	<u>Interest in advance</u>
Other related parties:		
Pyeongtaek Godeok PFV Co., Ltd.	\$ <u>1,863,360</u>	\$ <u>3,992</u>

There were no other financial assets-loan to related parties as of June 30, 2022 and 2021.

M. Receivable of securities business money lending

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Key management personnel:			
Others	\$ -	\$ 23,206	\$ 19,643
Other related parties:			
Others	<u>13,020</u>	<u>410</u>	<u>305</u>
	<u>\$ 13,020</u>	<u>\$ 23,616</u>	<u>\$ 19,948</u>

N. Accounts receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 338,143	\$ 336,337	\$ 361,979
Yuanta Construction Development	<u>2,590</u>	<u>2,938</u>	<u>3,283</u>
	<u>\$ 340,733</u>	<u>\$ 339,275</u>	<u>\$ 365,262</u>

O. Accounts receivable – settlement

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ -	\$ -	\$ 1,804

P. Other financial liabilities and Interest expense

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

	<u>Other financial liabilities</u>		
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Key management personnel:			
Others	\$ 19,260	\$ 20,690	\$ 30,628
Other related parties:			
Others	<u>11</u>	<u>9</u>	<u>10</u>
	<u>\$ 19,271</u>	<u>\$ 20,699</u>	<u>\$ 30,638</u>

	Interest expense	
	For the three months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 11	\$ 9
Other related parties:		
Others	1	1
	<u>\$ 12</u>	<u>\$ 10</u>

	Interest expense	
	For the six months ended June 30,	
	2022	2021
Key management personnel:		
Others	\$ 19	\$ 29
Other related parties:		
Others	2	1
	<u>\$ 21</u>	<u>\$ 30</u>

Q. Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Key management personnel:			
Others	\$ 6	\$ 22	\$ 12
Other related parties:			
Others	17	27	117
	<u>\$ 23</u>	<u>\$ 49</u>	<u>\$ 129</u>

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

	June 30, 2022	December 31, 2021	June 30, 2021
Other related parties:			
YFYCPG	\$ -	\$ -	\$ 40,222
Yuanta SPAC IV	-	18,051	19,153
Yuanta SPAC V	-	22,943	24,342
Yuanta SPAC VI	-	-	24,342
Yuanta SPAC VII	21,749	22,127	23,477
Yuanta SPAC VIII	22,664	23,059	24,466
Yuanta SPAC X	22,664	-	-
Yuanta SPAC IX	22,664	-	-
	<u>\$ 89,741</u>	<u>\$ 86,180</u>	<u>\$ 156,002</u>

	Proceeds on disposal	
	For the three months ended June 30,	
	2022	2021
Other related parties:		
YFYCPG	\$ -	\$ 446,442
	Proceeds on disposal	
	For the six months ended June 30,	
	2022	2021
Other related parties:		
Yuanta SPAC IV	\$ 14,498	\$ -
YFYCPG	-	699,029
	\$ 14,498	\$ 699,029
	Realised gains	
	For the three months ended June 30,	
	2022	2021
Other related parties:		
YFYCPG	\$ -	\$ 29,214
	Realised gains or losses	
	For the six months ended June 30,	
	2022	2021
Other related parties:		
Yuanta SPAC IV	(\$ 3,301)	\$ -
YFYCPG	-	51,369
	(\$ 3,301)	\$ 51,369

S. Credit transaction between the Yuanta Group and related parties

	June 30, 2022		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 5,585	\$ 57,106	\$ 69,182
Other related parties:			
Others	915	49,174	32,722
	\$ 6,500	\$ 106,280	\$ 101,904

	December 31, 2021		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 3,438	\$ 22,913	\$ 70,145
Other related parties:			
Others	6,400	7,937	32,361
	<u>\$ 9,838</u>	<u>\$ 30,850</u>	<u>\$ 102,506</u>

	June 30, 2021		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 4,712	\$ 74,386	\$ 71,672
Other related parties:			
Others	2,196	38,342	32,043
	<u>\$ 6,908</u>	<u>\$ 112,728</u>	<u>\$ 103,715</u>

	June 30, 2022		December 31, 2021	
	Security short-selling interest payable	Security financing interest receivable	Security short-selling interest payable	Security financing interest receivable
Key management personnel:				
Others	\$ 4	\$ 995	\$ 11	\$ 925
Other related parties:				
Others	2	1,060	5	814
	<u>\$ 6</u>	<u>\$ 2,055</u>	<u>\$ 16</u>	<u>\$ 1,739</u>

	June 30, 2021	
	Security short-selling interest payable	Security financing interest receivable
Key management personnel:		
Others	\$ 11	\$ 811
Other related parties:		
Others	3	597
	<u>\$ 14</u>	<u>\$ 1,408</u>

		For the three months ended June 30,			
		2022		2021	
		Security short-selling interest expenditures	Security financing interest revenue	Security short-selling interest expenditures	Security financing interest revenue
Key management personnel:					
Others	\$	21	\$ 878	\$ 13	\$ 818
Other related parties:					
Others		<u>10</u>	<u>218</u>	<u>13</u>	<u>489</u>
	\$	<u>31</u>	<u>1,096</u>	<u>26</u>	<u>1,307</u>

		For the six months ended June 30,			
		2022		2021	
		Security short-selling interest expenditures	Security financing interest revenue	Security short-selling interest expenditures	Security financing interest revenue
Key management personnel:					
Others	\$	38	\$ 1,528	\$ 18	\$ 1,409
Other related parties:					
Others		<u>24</u>	<u>627</u>	<u>18</u>	<u>773</u>
	\$	<u>62</u>	<u>2,155</u>	<u>36</u>	<u>2,182</u>

T. Other Operating expenses

(A) ETF redemption fees

		For the three months ended June 30,	
		2022	2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust			
	\$	<u>12,474</u>	<u>13,939</u>

		For the six months ended June 30,	
		2022	2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust			
	\$	<u>19,983</u>	<u>26,036</u>

(B) Financial costs

		For the three months ended June 30,	
		2022	2021
Other related parties:			
Funds managed by Yuanta Securities Investment Trust			
	\$	<u>1,995</u>	<u>539</u>

		<u>For the six months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 1,998	\$ 539
<u>U. Operating expenses</u>			
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	31,600	21,000
		<u>\$ 111,600</u>	<u>\$ 101,000</u>
		<u>For the six months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	31,600	21,000
		<u>\$ 111,600</u>	<u>\$ 101,000</u>
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Other related parties:			
Others		\$ 114,333	\$ 95,647
		<u>For the six months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Other related parties:			
Others		\$ 220,075	\$ 191,299
<u>W. The details of the service fees arising from brokerage commissions engaged by the Yuanta Group and its related parties</u>			
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Key management personnel:			
Others		\$ 6,705	\$ 11,789
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		80,913	64,814
Others		8,221	12,371
		<u>\$ 95,839</u>	<u>\$ 88,974</u>

	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Key management personnel:		
Others	\$ 12,995	\$ 20,827
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	144,701	111,047
Others	16,817	19,836
	<u>\$ 174,513</u>	<u>\$ 151,710</u>

X. Rental income from leasing the Yuanta Group's own assets to related parties

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	\$ 2,012	\$ 2,151
Yuanta-Polaris Research	283	283
Yuanta Foundation	16	15
	<u>\$ 2,311</u>	<u>\$ 2,449</u>

	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	\$ 4,083	\$ 4,449
Yuanta-Polaris Research	566	567
Yuanta Foundation	32	25
	<u>\$ 4,681</u>	<u>\$ 5,041</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Foundation	\$ 1	\$ 1

	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Foundation	\$ 3	\$ 1

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Yuanta Construction			
Development	\$ 1,510	\$ 1,510	\$ 1,510
Yuanta-Polaris Research	189	189	188
Yuanta Foundation	10	10	11
	<u>\$ 1,709</u>	<u>\$ 1,709</u>	<u>\$ 1,709</u>

AB. Gain on investment property

(A) Imputed interest on deposits

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 3</u>	<u>\$ 3</u>
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 6</u>	<u>\$ 6</u>

(B) Other income

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 522</u>	<u>\$ 284</u>
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Yuanta Construction Development	<u>\$ 994</u>	<u>\$ 284</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 25,543</u>	<u>\$ 118,650</u>
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>\$ 43,982</u>	<u>\$ 152,532</u>

AD. Other operating revenue—Underwriting service income

(A) Fee income from security proxy sale

	For the three months ended June 30,	
	2022	2021
Other related parties:		
Others	\$ -	\$ 300
	For the six months ended June 30,	
	2022	2021
Other related parties:		
Others	\$ -	\$ 600

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

	For the three months ended June 30,	
	2022	2021
Other related parties:		
Yuanta SPAC V	\$ 14	\$ -
	For the six months ended June 30,	
	2022	2021
Other related parties:		
Yuanta SPAC V	\$ 4,565	\$ -
Yuanta SPAC VIII	-	5,517
Yuanta SPAC III	-	3,783
	\$ 4,565	\$ 9,300

AE. Information on remunerations to the Yuanta Group's key management

	For the three months ended June 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 1,100,282	\$ 1,939,075
Termination benefits	13,119	371
Other long-term benefits	2,721	2,738
Post-employment benefit	40,502	34,889
Total	\$ 1,156,624	\$ 1,977,073
	For the six months ended June 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 2,532,049	\$ 3,818,001
Termination benefits	15,420	40,530
Other long-term benefits	5,669	5,645
Post-employment benefit	82,760	74,502
Total	\$ 2,635,898	\$ 3,938,678

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

June 30, 2022			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 115,044,903	7.75	0.00~6.19

December 31, 2021			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 112,068,782	7.62	0.00~5.80

June 30, 2021			
<u>Name</u>	<u>Ending balance</u>	<u>Percentage of deposits (%)</u>	<u>Interest rate (%)</u>
All related parties	\$ 70,334,065	5.11	0.00~5.80

Apart from an interest rate limit on staff demand savings deposits of 5.80%~6.19% and 5.80%, respectively, for the six months ended June 30, 2022 and 2021, the range of interest rates on other related parties' demand savings deposits were 0.00%~3.63% and 0.00%~3.00%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the three months and six months ended June 30, 2022 and 2021, interest expense on the above deposits were \$107,598, \$40,644, \$165,780, and \$80,425, respectively.

(BLANK)

(B) Loans

June 30, 2022

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	275	\$ 97,498	\$ 60,119	\$ 60,119	\$ -	Small and medium enterprise credit guarantee fund, movables and credit loans	None
Residential mortgage loans	503	4,444,754	3,887,373	3,887,373	-	Real estate	None
Other loans	Yuanta Securities	1,450,000	1,450,000	1,450,000	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	84	354,754	228,071	228,071	-	Deposits, stock, real estate and policy	None
Total			\$ 5,645,563	\$ 5,645,563	\$ -		

December 31, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	332	\$ 118,138	\$ 60,243	\$ 60,243	\$ -	Small and medium enterprise credit guarantee fund, real estate, movables, deposits and credit loans	None
Residential mortgage loans	524	4,598,237	3,628,465	3,628,465	-	Real estate	None
Other loans	Yuanta Securities	24,105	-	-	-	Real estate	None
	91	372,879	228,404	228,404	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 3,917,112	\$ 3,917,112	\$ -		

June 30, 2021

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	287	\$ 94,129	\$ 65,991	\$ 65,991	\$ -	Small and medium enterprise credit guarantee fund, real estate, movables, deposits and credit loans	None
Residential mortgage loans	492	4,234,083	3,712,402	3,712,402	-	Real estate	None
Other loans	Yuanta Securities	24,105	-	-	-	Real estate	None
	79	312,718	228,753	228,753	-	Deposits, stock, real estate, beneficial rights of specific money trust and policy	None
Total			\$ 4,007,146	\$ 4,007,146	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.47%~1.62% and 1.20% for the six months ended June 30, 2022 and 2021, respectively, the interest rates on the remaining loans are ranging both from 0.00%~6.42% for the six months ended June 30, 2022 and 2021, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2022 and 2021, interest income resulting from the above loans amounted to \$14,859, \$13,440, \$27,693 and \$26,575, respectively.

(BLANK)

(C) Service fee income

	For the three months ended June 30,		
	2022	2021	
Fellow subsidiary:			
Yuanta Life	\$ 251,693	\$ 173,691	
Yuanta Securities Investment Trust	11,541	8,411	
Yuanta Securities (Hong Kong)	27,346	4,512	
Yuanta Securities	5,615	269	
	<u>\$ 296,195</u>	<u>\$ 186,883</u>	
		For the six months ended June 30,	
		2022	2021
Fellow subsidiary:			
Yuanta Life	\$ 661,177	\$ 512,633	
Yuanta Securities Investment Trust	22,271	15,979	
Yuanta Securities (Hong Kong)	34,749	4,512	
Yuanta Securities	10,335	522	
	<u>\$ 728,532</u>	<u>\$ 533,646</u>	

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

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Life	\$ 91,276	\$ 58,657	\$ 69,980
Yuanta Securities (Hong Kong)	16,039	82	1,083
Yuanta Securities Investment Trust	3,348	3,334	2,303
Yuanta Securities	24	-	-
	<u>\$ 110,687</u>	<u>\$ 62,073</u>	<u>\$ 73,366</u>

(D) Rental expense

Name of related parties	Usage	For the three months ended June 30,	
		2022	2021
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	\$ 48,631	\$ 52,523
		For the six months ended June 30,	
		2022	2021
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	\$ 102,615	\$ 98,606

(E) Current income tax assets/liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	\$ 99,119	\$ 99,119	\$ 1,135,165
Consolidated income tax return payable	\$ 8,281	\$ 625,763	\$ 562,816

(F) Leasing arrangements—Lessee

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

b. Right-of-use assets — net

<u>Name of related parties</u>	<u>Right-of-use assets</u>		
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Life	\$ 43,780	\$ 50,323	\$ 56,867
Yuanta Securities	37,679	51,179	34,520
Yuanta Securities Finance	1,251	2,501	3,751
	<u>\$ 82,710</u>	<u>\$ 104,003</u>	<u>\$ 95,138</u>

<u>Name of related parties</u>	<u>Depreciation expense</u>	
	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 6,750	\$ 6,741
Yuanta Life	3,271	3,272
Yuanta Securities Finance	625	625
	<u>\$ 10,646</u>	<u>\$ 10,638</u>

<u>Name of related parties</u>	<u>Depreciation expense</u>	
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 13,500	\$ 13,796
Yuanta Life	6,543	6,308
Yuanta Securities Finance	1,250	1,250
	<u>\$ 21,293</u>	<u>\$ 21,354</u>

i. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Securities amounting to \$0 and \$4,856 for the six months ended June 30, 2022 and 2021, respectively.

ii. Yuanta Bank and its subsidiaries acquired right-of-use assets from Yuanta Life amounting to \$0 and \$10,296 for the six months ended June 30, 2022 and 2021, respectively.

iii. Yuanta Bank and its subsidiaries have gains arising from lease modifications with Yuanta Life in the amount of \$0 and \$288 of lease contract for the six months ended June 30, 2022 and 2021, respectively.

iv. Yuanta Bank and its subsidiaries have losses arising from lease modifications with Yuanta Securities in the amount of \$0 and \$26 of lease contract for the six months ended June 30, 2022 and 2021, respectively.

c. Lease liabilities

Name of related parties	Lease liabilities		
	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Life	\$ 47,467	\$ 54,497	\$ 61,505
Yuanta Securities	36,545	50,728	34,710
Yuanta Securities Finance	1,263	2,521	3,774
	<u>\$ 85,275</u>	<u>\$ 107,746</u>	<u>\$ 99,989</u>

Name of related parties	Interest expense	
	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 80	\$ 103
Yuanta Securities	60	66
Yuanta Securities Finance	3	9
	<u>\$ 143</u>	<u>\$ 178</u>

Name of related parties	Interest expense	
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 166	\$ 205
Yuanta Securities	131	148
Yuanta Securities Finance	7	18
	<u>\$ 304</u>	<u>\$ 371</u>

(G) Property transactions

a. Bonds sold and purchased

Name of related parties	For the six months ended June 30, 2022	
	Purchased	Sold
Fellow subsidiary:		
Yuanta Securities	\$ -	\$ -

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

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

Name of related parties	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Futures			
Futures Margin	\$ 100,656	\$ 84,468	\$ 22,335

(H) Others (recorded as “Bank debentures payable”)

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

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

B. Yuanta Securities and its subsidiaries

(A) Futures trading

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

		June 30, 2022	
		Futures margins	
		Own funds	Excess margins
Fellow subsidiary:			
Yuanta Futures	\$	2,049,208	\$ 2,252,280
Yuanta Futures Hong Kong		11,886	188,217
	\$	<u>2,061,094</u>	<u>\$ 2,440,497</u>
		December 31, 2021	
		Futures margins	
		Own funds	Excess margins
Fellow subsidiary:			
Yuanta Futures	\$	1,484,724	\$ 3,394,382
Yuanta Futures Hong Kong		43,407	118,207
	\$	<u>1,528,131</u>	<u>\$ 3,512,589</u>
		June 30, 2021	
		Futures margins	
		Own funds	Excess margins
Fellow subsidiary:			
Yuanta Futures	\$	4,583,180	\$ 6,522,794
Yuanta Futures Hong Kong		40,632	70,225
	\$	<u>4,623,812</u>	<u>\$ 6,593,019</u>
		Clearing and settlement service charge payable	
		June 30, 2022	December 31, 2021
		June 30, 2021	
Fellow subsidiary:			
Yuanta Futures	\$	<u>-</u>	<u>\$ 1,981</u>
			<u>\$ 4,479</u>

	<u>For the three months ended June 30, 2022</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ -	\$ 33,593
Yuanta Futures Hong Kong	33	733
	<u>\$ 33</u>	<u>\$ 34,326</u>

	<u>For the three months ended June 30, 2021</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 7,679	\$ 22,989
Yuanta Futures Hong Kong	-	661
	<u>\$ 7,679</u>	<u>\$ 23,650</u>

	<u>For the six months ended June 30, 2022</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ -	\$ 59,586
Yuanta Futures Hong Kong	54	1,182
	<u>\$ 54</u>	<u>\$ 60,768</u>

	<u>For the six months ended June 30, 2021</u>	
	<u>Service charges - clearing and settlement</u>	<u>Handing charges - proprietary trading</u>
Fellow subsidiary:		
Yuanta Futures	\$ 16,359	\$ 48,003
Yuanta Futures Hong Kong	-	685
	<u>\$ 16,359</u>	<u>\$ 48,688</u>

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

	<u>Commission income receivable</u>		
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Futures	\$ 25,515	\$ 19,728	\$ 27,657
		<u>Commission income - futures</u>	
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Fellow subsidiary:			
Yuanta Futures	\$ 76,020	\$ 87,842	

	Commission income - futures	
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Futures	\$ <u>147,807</u>	\$ <u>168,087</u>

(B) Bank deposits, interest income and interest receivable

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

	June 30, 2022	
	Ending balance of bank deposits	Other receivables – interests receivable (Note)
Fellow subsidiary:		
Yuanta Bank	\$ <u>28,540,565</u>	\$ <u>24,953</u>

	December 31, 2021	
	Ending balance of bank deposits	Other receivables – interests receivable (Note)
Fellow subsidiary:		
Yuanta Bank	\$ <u>59,176,243</u>	\$ <u>5,146</u>

	June 30, 2021	
	Ending balance of bank deposits	Other receivables – interests receivable (Note)
Fellow subsidiary:		
Yuanta Bank	\$ <u>12,070,619</u>	\$ <u>3,309</u>

	Other gains and losses – interest income (Note)	
	For the three months ended June 30,	
	2022	2021

Fellow subsidiary:		
Yuanta Bank	\$ <u>44,432</u>	\$ <u>8,670</u>
	Other gains and losses – interest income (Note)	
	For the six months ended June 30,	
	2022	2021

Fellow subsidiary:		
Yuanta Bank	\$ <u>56,729</u>	\$ <u>14,050</u>

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

- b. As of June 30, 2022, December 31, 2021, and June 30, 2021, the certificate of deposits that Yuanta Securities and its subsidiaries provided to Yuanta Bank (recorded as “Other current assets”) as collateral for credit facility and guarantee deposits of structured products amounted to \$5,043,494, \$6,637,400 and \$6,584,505, respectively.
- c. As of June 30, 2022, December 31, 2021, and June 30, 2021, the short-term borrowings that Yuanta Securities and its subsidiaries borrowed from fellow subsidiary, Yuanta Bank amounted to \$1,450,000, \$0, and \$0, respectively.

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 895,230</u>
Consolidated income tax return payables	\$ <u> 1,123,785</u>	\$ <u> 2,833,710</u>	\$ <u> 1,751,216</u>

(D) Operating guarantee deposits

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u> 1,275,000</u>	\$ <u> 1,265,000</u>	\$ <u> 1,265,000</u>

(E) Refundable deposits for lending auction

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u> 304,000</u>	\$ <u> 350,000</u>	\$ <u> 350,000</u>

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

Please refer to Note 7(2)E.

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

Please refer to Note 7(2)F.

(H) Commission receivable and commission income

	<u>Commission receivable</u>		
	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Life	\$ <u> 45,564</u>	\$ <u> 85,142</u>	\$ <u> 85,307</u>
		<u>Commission income</u>	
		<u>For the three months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Fellow subsidiary:			
Yuanta Life		\$ <u> 203,015</u>	\$ <u> 505,600</u>
		<u>Commission income</u>	
		<u>For the six months ended June 30,</u>	
		<u>2022</u>	<u>2021</u>
Fellow subsidiary:			
Yuanta Life		\$ <u> 432,818</u>	\$ <u> 759,438</u>

(I) Investment refund receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Yuanta Investment Management (Cayman Ltd.)	\$ 341,177	\$ -	\$ -
IBKC-TongYang Growth 2013 Private Equity Fund	47,013	47,782	50,644
TONGYANG AGRI-FOOD INVESTMENT FUND II	<u>1,162</u>	<u>21,639</u>	<u>40,183</u>
	<u>\$ 389,352</u>	<u>\$ 69,421</u>	<u>\$ 90,827</u>

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

Please refer to Note 7(2)L.

(K) Amounts held for settlement

As of June 30, 2022, December 31, 2021, and June 30, 2021, Yuanta Securities and its subsidiaries had amounts held for settlement of \$919,229, \$1,798,617 and \$577,922, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(L) Property transactions

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

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

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

	<u>For the three months ended June 30, 2022</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	<u>\$ 2,300,000</u>	<u>\$ -</u>
	<u>For the six months ended June 30, 2022</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	\$ 2,300,000	\$ -
Fellow subsidiary:		
Yuanta Bank	<u>1,400,000</u>	<u>-</u>
	<u>\$ 3,700,000</u>	<u>\$ -</u>
	<u>For the three months ended June 30, 2021</u>	
	<u>Purchased</u>	<u>Sold</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ -</u>	<u>\$ 199,208</u>

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

(M) Lease transactions—Lessee

- a. Yuanta Securities and its subsidiaries leases buildings from related parties. Rental contracts are typically made for periods of 3 to 5 years and rental payments are made at the beginning of each month.
- b. Lease liabilities

	Lease liabilities		
	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Life	\$ 354,270	\$ 406,793	\$ 459,155
Others	10,742	11,823	15,511
	<u>\$ 365,012</u>	<u>\$ 418,616</u>	<u>\$ 474,666</u>

	Financial cost	
	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 553	\$ 713
Others	24	37
	<u>\$ 577</u>	<u>\$ 750</u>

	Financial cost	
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 1,147	\$ 1,538
Others	47	77
	<u>\$ 1,194</u>	<u>\$ 1,615</u>

(N) Customer margin accounts

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Futures	\$ 255,207	\$ 201,455	\$ 155,199
Others	1,132	1,062	1,079
	<u>\$ 256,339</u>	<u>\$ 202,517</u>	<u>\$ 156,278</u>

(O) Other operating expense—Professional fee

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

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Securities Investment Consulting	\$ 51,960	\$ 51,960
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Securities Investment Consulting	\$ 103,920	\$ 103,920

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

(P) Brokerage fee revenue

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 5,516	\$ 13,598
Yuanta Life	5,079	8,381
Others	710	1,391
Key management personnel:		
Others	6,705	11,789
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	42,990	29,153
Others	5,615	10,141
	\$ 66,615	\$ 74,453
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 16,978	\$ 25,274
Yuanta Life	12,817	16,180
Others	1,640	3,114
Key management personnel:		
Others	12,995	20,827
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	70,426	45,165
Others	11,830	15,785
	\$ 126,686	\$ 126,345

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

(Q) Rebate receivable and rebate income

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 15,808</u>	<u>\$ 18,152</u>	<u>\$ 17,818</u>

Rebate income

For the three months ended June 30,

2022 2021

Fellow subsidiary:

Yuanta Bank	<u>\$ 48,764</u>	<u>\$ 51,876</u>
-------------	------------------	------------------

Rebate income

For the six months ended June 30,

2022 2021

Fellow subsidiary:

Yuanta Bank	<u>\$ 118,850</u>	<u>\$ 120,902</u>
-------------	-------------------	-------------------

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 5,154,524</u>	<u>\$ 4,777,424</u>	<u>\$ 16,387,237</u>

For the three months ended June 30,

2022 2021

<u>Proceeds on</u>		<u>Proceeds on</u>	
<u>disposal</u>	<u>Realised gain</u>	<u>disposal</u>	<u>Realised gain</u>

Other related parties:

Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 100,106,910</u>	<u>\$ 220,617</u>	<u>\$ 101,651,177</u>
		<u>\$ 288,280</u>	

For the six months ended June 30,

2022 2021

<u>Proceeds on</u>		<u>Proceeds on</u>	
<u>disposal</u>	<u>Realised gain</u>	<u>disposal</u>	<u>Realised gain</u>

Other related parties:

Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 181,657,145</u>	<u>\$ 56,434</u>	<u>\$ 186,251,545</u>
			<u>\$ 859,469</u>

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

	June 30, 2022		December 31, 2021		June 30, 2021	
Other related parties:						
YFYCPG	\$	-	\$	-	\$	40,222
Yuanta SPAC IV		-		18,051		19,153
Yuanta SPAC V		-		22,943		24,342
Yuanta SPAC VI		-		-		24,342
Yuanta SPAC VII		21,749		22,127		23,477
Yuanta SPAC VIII		22,664		23,059		24,466
Yuanta SPAC X		22,664		-		-
Yuanta SPAC IX		22,664		-		-
	\$	<u>89,741</u>	\$	<u>86,180</u>	\$	<u>156,002</u>
	For the three months ended June 30,					
	2022		2021			
	Proceeds on	Realised	Proceeds on	Realised		
	disposal	gain (loss)	disposal	gain (loss)		
Parent subsidiary:						
Yuanta Financial Holdings	\$	84,167	\$	105	\$	257,064 (\$ 129)
Other related parties:						
YFYCPG		-		-		446,442 29,214
	\$	<u>84,167</u>	\$	<u>105</u>	\$	<u>703,506</u> <u>\$ 29,085</u>
	For the six months ended June 30,					
	2022		2021			
	Proceeds on	Realised	Proceeds on	Realised		
	disposal	gain (loss)	disposal	gain (loss)		
Parent subsidiary:						
Yuanta Financial Holdings	\$	229,861	\$	146	\$	273,441 (\$ 132)
Other related parties:						
Yuanta SPAC IV		14,498	(3,301)	-	-
YFYCPG		-		-		699,029 51,369
	\$	<u>244,359</u>	(\$	<u>3,155)</u>	\$	<u>972,470</u> <u>\$ 51,237</u>

(T) Credit transaction

Please refer to Note 7(2)S.

(U) Others

a. As of June 30, 2022, December 31, 2021, and June 30, 2021, the lines of credit that Yuanta Securities and its subsidiaries have drawn in order to acquire Yuanta Bank were all \$10,000,000. The carrying amounts of land and building amounting to \$3,443,836, \$3,496,643 and \$3,503,769, respectively, were designated as collateral.

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

	Fund management fee income	
	For the three months ended June 30,	
	2022	2021
Other related parties:		
Yuanta Asia Growth Investment, L.P.	\$ 8,129	\$ 6,164
Yuanta Diamond Funds SPC's funds	6,581	7,803
Global Growth Investment, L.P.	141	178
	<u>\$ 14,851</u>	<u>\$ 14,145</u>

	Fund management fee income	
	For the six months ended June 30,	
	2022	2021
Other related parties:		
Yuanta Asia Growth Investment, L.P.	\$ 15,783	\$ 12,137
Yuanta Diamond Funds SPC's funds	12,382	20,821
Global Growth Investment, L.P.	278	338
	<u>\$ 28,443</u>	<u>\$ 33,296</u>

	The balance of fund		
	June 30, 2022	December 31, 2021	June 30, 2021
	Other related parties:		
Global Growth Investment, L.P.	\$ 11,339	\$ 12,044	\$ 38,539
Yuanta Asia Growth Investment, L.P.	134,672	124,086	99,962
Yuanta Diamond Funds SPC's funds	-	-	55,548
	<u>\$ 146,011</u>	<u>\$ 136,130</u>	<u>\$ 194,049</u>

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

Please refer to Note 7(2)H.

C. Yuanta Futures and its subsidiaries

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

	June 30, 2022			
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>deposits</u>	<u>Balance of</u> <u>excess futures</u> <u>guarantee deposits</u>
Fellow subsidiary:				
Yuanta Bank	\$ 4,219,263	\$ 140,000	\$ 27,168,543	\$ -
Yuanta Securities (Korea)	-	-	7,116	50
Yuanta Securities (Vietnam)	-	-	112,261	-
	<u>\$ 4,219,263</u>	<u>\$ 140,000</u>	<u>\$ 27,287,920</u>	<u>\$ 50</u>

	December 31, 2021			
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>deposits</u>	<u>Balance of</u> <u>excess futures</u> <u>guarantee deposits</u>
Fellow subsidiary:				
Yuanta Bank	<u>\$ 3,344,174</u>	<u>\$ 140,000</u>	<u>\$ 16,371,626</u>	<u>\$ -</u>

	June 30, 2021			
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>deposits</u>	<u>Balance of</u> <u>excess futures</u> <u>guarantee deposits</u>
Fellow subsidiary:				
Yuanta Bank	<u>\$ 1,449,754</u>	<u>\$ 140,000</u>	<u>\$ 15,518,731</u>	<u>\$ -</u>

(B) Customer margin account for leverage contracts

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 134,896</u>	<u>\$ 200,734</u>	<u>\$ 236,730</u>

(C) Equity of futures traders

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Securities	\$ 4,376,854	\$ 4,904,272	\$ 11,115,359
Yuanta Securities (Korea)	265,316	210,502	163,128
Yuanta Securities (Hong Kong)	115,906	132,727	92,994
Yuanta Bank	100,643	84,459	22,327
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	42,619,061	29,244,360	33,611,280
Others	110,756	88,823	84,087
	<u>\$ 47,588,536</u>	<u>\$ 34,665,143</u>	<u>\$ 45,089,175</u>

(D) Lease liabilities

a. Ending balances

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Yuanta Bank	\$ 5,859	\$ 7,051	\$ 5,126
Yuanta Life	133,398	153,175	172,892
	<u>\$ 139,257</u>	<u>\$ 160,226</u>	<u>\$ 178,018</u>

b. Interests expense

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Bank	\$ 9	\$ 7
Yuanta Life	213	274
Yuanta Securities	-	3
	<u>\$ 222</u>	<u>\$ 284</u>
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Bank	\$ 19	\$ 9
Yuanta Life	442	581
Yuanta Securities	-	8
	<u>\$ 461</u>	<u>\$ 598</u>

(E) Investment refund receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
SYF Information (Shanghai)	<u>\$ 118,159</u>	<u>\$ -</u>	<u>\$ -</u>

(F) Dividend payable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Parent company:			
Yuanta Financial Holdings	\$ -	\$ -	\$ 538,068

(G) Brokerage fee revenue

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 30,994	\$ 22,127
Yuanta Securities (Hong Kong)	3,905	2,195
Yuanta Securities (Korea)	409	557
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	37,923	35,661
Others	2,606	2,229
	<u>\$ 75,837</u>	<u>\$ 62,769</u>
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 53,561	\$ 45,775
Yuanta Securities (Hong Kong)	8,309	3,587
Yuanta Securities (Korea)	775	1,239
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	74,275	65,882
Others	4,987	4,051
	<u>\$ 141,907</u>	<u>\$ 120,534</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 76,019	\$ 87,842
	<u>For the six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Fellow subsidiary:		
Yuanta Securities	\$ 147,806	\$ 168,087

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

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of June 30, 2022, December 31, 2021, and June 30, 2021, Yuanta Securities Investment Consulting deposited \$190,659, \$241,703, and \$180,805, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were 1.030%, 0.770%, and 0.770%, respectively.

(B) Operating income

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Securities	\$ 50,250	\$ 50,250
Yuanta Bank	7,500	3,990
Yuanta Securities Investment Trust	4,500	1,428
Yuanta Futures	900	900
Yuanta Securities Finance	1,710	1,710
	<u>\$ 64,860</u>	<u>\$ 58,278</u>
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Securities	\$ 100,500	\$ 100,500
Yuanta Bank	15,000	7,980
Yuanta Securities Investment Trust	9,000	1,428
Yuanta Futures	1,800	1,800
Yuanta Securities Finance	3,420	3,420
	<u>\$ 129,720</u>	<u>\$ 115,128</u>

E. Yuanta Securities Investment Trust

(A) Bank deposits

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Bank	<u>\$ 4,839,903</u>	<u>\$ 3,267,493</u>	<u>\$ 1,648,062</u>

(B) Accounts receivable

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Life	\$ 1,436	\$ 1,522	\$ 427
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	338,143	336,337	309,917
	<u>\$ 339,579</u>	<u>\$ 337,859</u>	<u>\$ 310,344</u>

(C) Management fee income

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 3,973	\$ 1,309
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	940,144	891,130
	<u>\$ 944,117</u>	<u>\$ 892,439</u>
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Life	\$ 7,038	\$ 1,309
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	1,835,898	1,734,486
	<u>\$ 1,842,936</u>	<u>\$ 1,735,795</u>

(D) Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company:			
Yuanta Financial Holdings	<u>\$ 1,266,918</u>	<u>\$ 191</u>	<u>\$ 30</u>

(E) Fund transactions (recorded as “Financial assets at fair value through profit or loss”)

Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties as of June 30, 2022, December 31, 2021 and June 30, 2021 are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Yuanta Securities Investment Trust	\$ 209,599	\$ 165,069	\$ 873,310
Fellow subsidiary	1,081,534	452,295	1,923,313
	<u>\$ 1,291,133</u>	<u>\$ 617,364</u>	<u>\$ 2,796,623</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Bank (Note)	<u>\$ 4,352,121</u>	<u>\$ 768,267</u>	<u>\$ 1,630,340</u>

Note: Including other financial assets.

(B) Current income tax assets/liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	\$ 2,435,438	\$ 1,751,615	\$ 2,600,463
Consolidated income tax return payable	\$ -	\$ 612,649	\$ 556,984

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment	\$ 2,021,299	\$ 1,520,526	\$ 2,683,449
Yuanta Asia Growth Investment, L.P.	134,135	124,675	100,497
	<u>\$ 2,155,434</u>	<u>\$ 1,645,201</u>	<u>\$ 2,783,946</u>
	<u>For the six months ended June 30, 2022</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 800,000	\$ -	\$ -
	<u>For the six months ended June 30, 2021</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 137,810	\$ 454,902	(\$ 8,176)
Yuanta Asia Growth Investment, L.P.	6,708	-	-
	<u>\$ 144,518</u>	<u>\$ 454,902</u>	<u>(\$ 8,176)</u>

Dividends income from investments in open-end funds were as follows (recorded as “Profit or loss on financial assets at fair value through profit or loss”):

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 15,551	\$ 17,660

	For the six months ended June 30,	
	2022	2021
Other related parties:		
Funds managed by		
Yuanta Securities Investment Trust	\$ 23,171	\$ 117,415

(D) Payables

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company:			
Yuanta Financial Holdings	\$ 583	\$ 1,081	\$ 36
Fellow subsidiary:			
Yuanta Bank	61,077	53,609	58,806
Yuanta International			
Insurance Brokers	45,564	82,563	85,307
Yuanta Asset Management	-	-	2,700
	<u>\$ 107,224</u>	<u>\$ 137,253</u>	<u>\$ 146,849</u>

(E) Premium income

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 197	\$ -
Other related parties:		
Others (Note)	114,333	95,647
	<u>\$ 114,530</u>	<u>\$ 95,647</u>
	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 197	\$ 4,499
Other related parties:		
Others (Note)	220,075	191,299
	<u>\$ 220,272</u>	<u>\$ 195,798</u>

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

(F) Commission expense

	For the three months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 265,726	\$ 342,126
Yuanta International Insurance Brokers	203,015	505,600
	<u>\$ 468,741</u>	<u>\$ 847,726</u>

	For the six months ended June 30,	
	2022	2021
Fellow subsidiary:		
Yuanta Bank	\$ 634,632	\$ 504,638
Yuanta International Insurance Brokers	432,818	759,438
	<u>\$ 1,067,450</u>	<u>\$ 1,264,076</u>

(G) Information on investments entrusted to related parties

Yuanta Life entered into a discretionary investment agreement with Yuanta Securities Investment Trust to entrust Yuanta Securities Investment Trust to serve as the trustee of discretionary investment-linked insurance. The entrusted investment items are mainly funds, beneficiary certificates and ETFs. The amount of investments as of June 30, 2022 and 2021 were \$30,762,606 and \$23,434,031 respectively; the trustee's compensation for the commissioned services during the six months ended June 30, 2022 and 2021 amounted to \$7,013 and \$1,309, respectively. In addition, Yuanta Life entrusted Yuanta Bank to serve as the custody institution of discretionary investment-linked insurance. The custody institution's compensation for the commissioned services during the six months ended June 30, 2022 and 2021 amounted to \$14,330 and \$3,768, respectively.

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Bank	\$ 1,136,073	\$ 952,219	\$ 797,513
Yuanta Securities (Hong Kong)	5,413	5,073	5,128
	<u>\$ 1,141,486</u>	<u>\$ 957,292</u>	<u>\$ 802,641</u>

a. For the three months and six months ended June 30, 2022 and 2021, interest income from abovementioned bank accounts were \$1,384, \$683, \$2,253 and \$1,136, respectively.

b. As of June 30, 2022, December 31, 2021, and June 30, 2021, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD1,429 thousand, the corresponding rate used to convert the amounts were 3.7888, 3.5507 and 3.5892, respectively.

(B) Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company:			
Yuanta Financial Holdings	\$ 808,892	\$ 13,447	\$ 11,116

H. Yuanta Asset Management

(A) Bank deposits

	June 30, 2022	December 31, 2021	June 30, 2021
Fellow subsidiary:			
Yuanta Bank	\$ 698,174	\$ 179,926	\$ 21,468

For the three months and six months ended June 30, 2022 and 2021, interest income from abovementioned bank accounts were \$836, \$0, \$1,055 and \$2, respectively.

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fellow subsidiary:			
Funds managed by			
Yuanta Securities			
Investment Trust	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
		<u>For the six months ended June 30, 2022</u>	
		<u>2022</u>	<u>2021</u>
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Securities Investment			
Trust		\$ <u> 151,945</u>	(\$ <u> 28,055</u>)
		<u>For the six months ended June 30, 2021</u>	
		<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Securities Investment			
Trust		\$ <u> 207,855</u>	\$ <u> 7,855</u>

(BLANK)

8. Pledged assets

As of June 30, 2022, December 31, 2021, and June 30, 2021, the Yuanta Group's assets pledged as collateral are as follows:

Items	June 30, 2022	December 31, 2021	June 30, 2021	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 114,465	\$ 116,460	\$ 123,565	Operating guarantee deposits
Financial assets at fair value through profit or loss	140,766,273	125,360,233	166,136,302	Bonds under repurchase agreement, collateral for securities lending and OTC trading
	64,559,223	76,340,247	84,586,647	Merchant business
	50,537	51,208	51,701	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	4,823,345	3,904,550	4,043,242	Claim reserve from trust fund, collateral for securities lending business and guarantees on asset disposal
	-	1,216,100	1,216,100	Operating guarantee deposits
	65,070,595	64,853,914	54,877,440	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve from trust fund and guarantees on asset disposal
Financial assets at amortised cost	3,623,038	2,407,130	2,407,328	Operating guarantee deposits
	210,871	211,874	50,422	Deposits for guarantees in the Central Bank
	183,208	183,796	184,397	Claim reserve from trust fund
	10,000,000	10,651,885	10,646,665	Overdraft guarantee for foreign currency settlement
	108,456	108,807	109,167	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	54,228	54,404	54,583	Deposit guarantees of bills merchants
	371,352	463,301	652,272	Collateral for provisional seizure
	5,206	5,223	5,240	VISA international card payment reserves
Restricted assets	3,667,191	2,143,011	2,247,789	Collateral for settlement limit, short-term loans, payable short-term bills and OTC derivative transactions
	617,630	306,264	900,440	Operating guarantee deposits-exchange, structured notes, interest rate swap account, repo trade and money lending refundable
	904	920	976	Overdraft guarantee
	21,902	21,834	21,599	Dividends payable arising from stock agency business
Other assets	486,747	435,358	326,268	Operating guarantee deposits
	4,713,623	1,775,239	2,064,837	Performance bond and rental deposits
	118,603	32,594	61,125	Underwriting share proceeds collected on behalf of customers
Property and equipment and investment property	2,542,658	2,956,216	3,118,901	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	428,866	646,073	821,905	Collateral for securities lending business

9. Significant contingent liabilities and unrecognized contract commitments

- (1) As of June 30, 2022, December 31, 2021, and June 30, 2021, capital expenditure contracted for at the balance sheet date but not yet incurred were \$9,603,018, \$6,327,872 and \$3,096,496, respectively.
- (2) As of June 30, 2022, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group were US \$6,466 thousand dollars.
- (3) Stocks entrusted to custody

As of June 30, 2022, December 31, 2021, and June 30, 2021, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were all 7,483 thousand shares. The market

value of these entrusted stocks was approximately \$78,488, \$79,180 and \$79,937, respectively.

(4) Transactions on behalf of customers

Yuanta Securities had several proxy delivery agreements with certain securities companies. In accordance with these agreements, these securities companies have agreed to be Yuanta Securities' first and second proxy. If Yuanta Securities is unable to fulfil its settlement obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.

(5) Other lawsuits- Yuanta Securities

A. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the claimants raised its claim to \$952,511 thousand (the amount of \$950,861 thousand of which was claimed on a jointly-liable basis). The mediation failed before the Taiwan Taipei District Court. On July 11, 2018, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a separate suit for the same matter and claimed the same compensation. The Taiwan Taipei District Court ruled to reject all the plaintiffs' claims on January 27, 2022 (i.e., Yuanta Securities and another party won the lawsuit). The plaintiffs appealed the ruling and reduced the claim amount to \$724,028 thousand (the amount of \$699,196 thousand of which was claimed on a jointly-liable basis). Yuanta Securities will defend the case in accordance with the law.

B. As of June 30, 2022, of the total 15 litigations against Yuanta Securities (Korea) and its subsidiaries, 2 litigations were related to the financial product selling disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 13 litigations were compensation claims totaling KRW 20,562 million (approximately \$470 million). Also, please refer to the explanation in Note 6(26) for an arbitration award to which Yuanta Securities (Korea) is subject to.

As of June 30, 2022, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW 143,493 million (about \$3.3 billion) for the abovementioned 13 litigations that were unrelated to the financial product selling disputes and 1 arbitration award issued for an arbitration counterclaim case. Separately, Yuanta Securities (Korea) filed 18 lawsuits as the plaintiff with a total claimed amount of KRW 109,109 million (about \$2.5 billion).

C. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB 301 million (approximately \$250 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022.

D. As of June 30, 2022, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD 147,504 thousand (approximately \$560 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee against all losses incurred by Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) had exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD 68,552 thousand (approximately \$260 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD 44 thousand (approximately \$170 thousand), the remaining loss of HKD 78,908 thousand (approximately \$300 million) has been recognised. Yuanta Securities

(Hong Kong) has raised a litigation proceeding against the account executive claiming the full amount of the debt owed by those margin clients based on the Guarantee Agreement. The claim amount is HKD 135,191 thousand (approximately \$510 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(6) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW 28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW 19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of June 30, 2022, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(7) Other lawsuits- Yuanta Securities Investment Trust

Yuanta Securities Investment Trust was commissioned under discretionary investment businesses of domestic investment contracts by the Bureau of Labor Funds, Ministry of Labor (formerly the Labor Pension Fund Supervisory Committee of the Council of Labor Affairs, Executive Yuan, restructured as the Bureau of Labor Funds, Ministry of Labor as of February 17, 2014, hereinafter referred to as the "Labor Pension"). Because the former manager of former Polaris Securities Investment Trust, surnamed Qu (hereinafter referred to as "Manager Qu") was suspected of being involved in illegal activities from 2011 to 2012 while dealing with commissioned trading of stocks for the governmental funds, the Labor Pension filed a civil complaint attached with criminal proceedings with the Taiwan Taipei District Court on January 28, 2014 based on the indictment issued by the Special Investigation Division of the Supreme Prosecutor Office, claiming Manager Qu and Yuanta Securities Investment Trust should bear a joint and several liability for its losses. In order to protect its interests, Yuanta Securities Investment Trust appointed a lawyer to assist in handling the case. After the aforementioned criminal charges against Manager Qu were adjudicated by the Taiwan Taipei District Court for the first instance and the civil case was transferred to the civil court for review, on September 5, 2016, the Labor Pension decreased its joint and several liability claims to \$108,411 thousand. On April 28, 2017, the Labor Pension decreased such claims to \$71,575 thousand after the Taiwan High Court rendered its decision for the aforementioned criminal case as the court of the second instance. The aforementioned criminal rulings made by the first and second instance courts were based on a breach of trust by Manager Qu to Yuanta Securities Investment Trust, while the Labor Pension was concluded as not being the principal in the context of Manager Qu's provision of

services. Furthermore, the relevant prior trading, which was considered a criminal breach of trust offense and insider trading actions in violation of the Securities Exchange Act and alleged to have damaged the Labor Pension as illustrated in the indictment, cannot be established as a crime. The civil case filed with the Taiwan Taipei District Court by the Labor Pension for compensation was dismissed by the Taiwan Taipei District Court on May 15, 2020 and the appeal against such decision made to the Taiwan High Court was also dismissed by the Taiwan High Court on December 8, 2021. The Courts ruled that the Labor Pension did not provide sufficient evidence to prove that it had suffered any damage caused by Manager Qu's intentional or negligent actions based on torts laws, and that there was no causation between the alleged compensation and Manager Qu's aforementioned wrongful actions. Accordingly, the Courts found that the Labor Pension has no grounds for claiming that Yuanta Securities Investment Trust shall bear the joint liability for such compensation. However, the Labor Pension appealed the case to the court of the third instance for review on January 7, 2022. Yuanta Securities Investment Trust and the Labor Pension settled the case and the Labor Pension made a motion to the Supreme Court to voluntarily withdraw the case on March 30, 2022. As a result, this case was closed.

(8) Other lawsuits- Yuanta Life Insurance

As of June 30, 2022, Yuanta Life Insurance still has several insurance claim litigations in process. Yuanta Life Insurance handled these cases by itself or with assistance of legal counsels and has provisioned an appropriate amount of claim reserves.

(9) Others

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Commitment of the securities under a repurchase agreement	\$ 173,683,921	\$ 187,259,926	\$ 194,547,290
Commitment of the securities under a resale agreement	43,545,648	46,501,102	42,469,886
Unused loan commitments	22,413,909	22,005,017	22,330,089
Credit commitment on credit card	121,770,314	120,652,007	120,160,847
Unused L/C balance	4,339,038	2,495,253	3,120,052
Other guarantees	10,414,504	10,180,354	10,864,893
Consignment collection for others	16,754,870	15,679,854	15,953,979
Trust assets	273,808,355	256,989,946	269,139,475
Items under custody	67,409,228	68,681,307	54,310,351
Book-Entry Central Government Securities	126,674,700	113,609,500	-

(10) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Bank discloses its trust balance sheet, trust income statement and schedule of trust property as follows:

June 30, 2022

Trust Balance Sheet			
Trust assets		Trust liabilities	
Bank deposits	\$ 6,199,835	Payables-Customers' securities	\$ 37,629,400
Stocks	6,720,902	Pecuniary trust	163,345,020
Funds (Note)	120,367,775	Securities trust	848,547
Bonds	26,200,839	Real estate trust	16,311,285
Structured products	7,329,486	Net loss	(4,639)
Real estate-Land	10,492,764	Retained earnings	1,461,019
-Construction in progress	4,649,631		
Customers' securities under custody	37,629,400		
Total trust assets	<u>\$ 219,590,632</u>	Total trust liabilities	<u>\$ 219,590,632</u>

June 30, 2021

Trust Balance Sheet			
Trust assets		Trust liabilities	
Bank deposits	\$ 4,591,796	Payables-Customers' securities	\$ 46,801,229
Stocks	6,150,002	Pecuniary trust	151,741,290
Funds (Note)	112,776,240	Securities trust	931,168
Bonds	26,527,151	Real estate trust	16,172,870
Structured products	4,897,259	Net loss	(8,086)
Real estate-Land	12,128,759	Retained earnings	986,816
-Construction in progress	2,752,851		
Customers' securities under custody	46,801,229		
Total trust assets	<u>\$ 216,625,287</u>	Total trust liabilities	<u>\$ 216,625,287</u>

Note: Includes mutual funds in money market.

Trust Income Statement

For the six months ended June 30, 2022		For the six months ended June 30, 2021	
<u>Trust revenue:</u>		<u>Trust revenue:</u>	
Interest income	\$ 5,588	Interest income	\$ 2,278
Investment income		Investment income	
(Fund)	14	(Fund)	-
	<u>5,602</u>		<u>2,278</u>
<u>Trust expenses:</u>		<u>Trust expenses:</u>	
Management fees	7,813	Management fees	6,968
Tax expense	2,369	Tax expense	3,393
Investment losses (Stock)	43	Investment losses (Stock)	-
	<u>10,225</u>		<u>10,361</u>
Loss before income tax	(4,623)	Loss before income tax	(8,083)
Income tax expense	(16)	Income tax expense	(3)
Net loss	<u>(\$ 4,639)</u>	Net loss	<u>(\$ 8,086)</u>

Schedule of Trust Property

June 30, 2022		June 30, 2021	
Invested items	Book values	Invested items	Book values
Bank deposits	\$ 6,199,835	Bank deposits	\$ 4,591,796
Bonds	26,200,839	Bonds	26,527,151
Stocks	6,720,902	Stocks	6,150,002
Structured products	7,329,486	Structured products	4,897,259
Funds (Note)	120,367,775	Funds (Note)	112,776,240
Real estate-land	10,492,764	Real estate-land	12,128,759
-Construction in progress	4,649,631	-Construction in progress	2,752,851
Customers' securities under custody	37,629,400	Customers' securities under custody	46,801,229
	<u>\$ 219,590,632</u>		<u>\$ 216,625,287</u>

Note: Includes mutual funds in money market.

The trust balance sheet and schedule of trust property as at June 30, 2022 and 2021 include foreign currency non-discretionary money trusts and foreign currency money trusts operated by the offshore banking unit of the Yuanta Bank.

(11) In accordance with Article 17 of the Trust Enterprise Act, the Yuanta Securities discloses its trust balance sheet, trust income statement and schedule of trust property as follows:

June 30, 2022

Trust Balance Sheet			
Trust assets		Trust liabilities	
Bank deposits	\$ 1,932,968	Payables	\$ 39,246
Bonds	25,332	Income tax payable	263
Stocks	3,723,349	Trust capital-pecuniary trust	44,490,085
Funds	47,625,946	Trust capital-securities trust	3,260,947
Structured products	771,180	Net income	1,310,568
Accounts receivable	138,948	Retained earnings	5,486,027
		Deferred carryforwards	(369,413)
Total trust assets	<u>\$ 54,217,723</u>	Total trust liabilities	<u>\$ 54,217,723</u>

June 30, 2021

Trust Balance Sheet			
Trust assets		Trust liabilities	
Bank deposits	\$ 2,518,207	Payables	\$ 59,494
Bonds	26,498	Income tax payable	179
Stocks	4,321,120	Collections in advance	10
Funds	43,720,738	Trust capital-pecuniary trust	44,565,682
Structured products	1,403,856	Trust capital-securities trust	2,692,615
Accounts receivable	523,769	Net income	3,432,312
		Retained earnings	3,429,898
		Deferred carryforwards	(1,666,002)
Total trust assets	<u>\$ 52,514,188</u>	Total trust liabilities	<u>\$ 52,514,188</u>

Trust Income Statement

For the six months ended June 30, 2022		For the six months ended June 30, 2021	
<u>Trust revenue:</u>		<u>Trust revenue:</u>	
Interest income	\$ 1,244,447	Interest income	\$ 949,109
Realised investment income	-	Realised investment income	2,547,968
Unrealised investment income	-	Unrealised investment income	252,524
Exchange gain	1,068,403	Exchange gain	-
Rental income	15,628	Rental income	12,509
Dividend income	65,342	Dividend income	15,323
	2,393,820		3,777,433
 <u>Trust expenses:</u>		 <u>Trust expenses:</u>	
Administrative expenses	(12,220)	Administrative expenses	(18,464)
Fees (Service charges)	(57,334)	Fees (Service charges)	(97,551)
Loss on realised investment	(36,818)	Loss on realised investment	-
Loss on unrealised investment	(973,536)	Loss on unrealised investment	-
Loss on translation	-	Loss on translation	(212,640)
Insurance premium	(61)	Insurance premium	(52)
Income before income tax	1,313,851	Income before income tax	3,448,726
Income tax expense	(3,283)	Income tax expense	(16,414)
Net income	\$ 1,310,568	Net income	\$ 3,432,312

Schedule of Trust Property

June 30, 2022		June 30, 2021	
Invested items	Book values	Invested items	Book values
Bank deposits	\$ 1,932,968	Bank deposits	\$ 2,518,207
Bonds	25,332	Bonds	26,498
Stocks	3,723,349	Stocks	4,321,120
Funds	47,625,946	Funds	43,720,738
Structured products	771,180	Structured products	1,403,856
Others	138,947	Others	523,769
	\$ 54,217,722		\$ 52,514,188

- (12) 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 June 30, 2022, December 31, 2021, and June 30, 2021 were USD 7,739 thousand dollars, USD 8,698 thousand dollars and USD 12,278 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

None.

(2) Subsidiaries:

None.

12. Others

(1) Capital risk management

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

(A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.

(B) In order to process sufficient capital to assume various risks, the Company assesses the required capital with consideration of the risk portfolio it faces and the risk characteristic, and manages risk through capital allocation to realise utilization of capital allocation.

B. Capital management procedure:

(A) The Company regularly monitors the overall capital adequacy ratio, which is maintained and reported to the competent authorities every 6 or 12 months in compliance with the regulations from both competent authorities and internal requirements.

(B) Calculation and control procedures related to capital adequacy of the financial group are all in compliance with “Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies” and “Regulations Governing the Capital Adequacy management for the Yuanta Financial Holding Company., Ltd.”.

(C) The objective of capital management of the Company shall be agreed by the Board of Directors, of which an appropriate capital projection is scheduled by the finance management according to the long-term developing strategies, operating plan and characteristics of assets and liabilities. The consolidated capital adequacy ratio of the Yuanta Group is assessed and calculated by month. The Risk Management Department regularly monitors the overall capital adequacy and analyses the impact to the capital adequacy arising from the Company’s business development and the change of regulations. The Business Departments shall consider the impact of each transaction or task on the capital adequacy when conducting such transaction or task according to the annual risk limits authorised by the Company.

(D) The Company also sets up a warning indicator in relation to above managing objectives, that is, when the capital adequacy ratio drops to the warning indicator, the risk management shall call a meeting to discuss a responding solution which is handed to the finance management for the following executive operations.

(2) Fair value information of financial instruments

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

(A) Outline

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

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

a. Level 1

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

b. Level 2

Level 2 refers to prices in active markets other than quoted market prices that are observable, including direct (e.g. prices) or indirect (i.e. derived from prices) observable inputs from active markets. Investment of the Yuanta Group such as non-popular government bonds, corporate bonds, bank debentures, convertible corporate bonds, most derivatives and bank debentures issued by the Yuanta Group are all classified within Level 2.

c. Level 3

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

B. Financial instruments measured at fair value

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

	June 30, 2022				December 31, 2021			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Recurring fair value measurements								
<u>Non-derivative financial instruments</u>								
Assets								
Financial assets at fair value through profit or loss								
Equity instruments	\$ 44,812,352	\$ 42,767,252	\$ -	\$ 2,045,100	\$ 46,682,480	\$ 44,338,674	\$ -	\$ 2,343,806
Liability instruments	281,174,350	66,680,003	213,653,529	840,818	340,079,459	76,358,173	263,201,601	519,685
Others	117,665,328	37,851,530	75,622,746	4,191,052	128,923,284	43,315,551	79,415,014	6,192,719
Financial assets at fair value through other comprehensive income (Note)								
Equity instruments	54,044,811	24,404,537	-	29,640,274	44,301,514	17,551,150	-	26,750,364
Liability instruments	294,845,535	122,598,444	172,172,753	74,338	295,405,248	116,970,889	178,322,333	112,026
Other financial assets								
Purchase of claim receivable	1,802,049	-	-	1,802,049	1,813,266	-	-	1,813,266
Liabilities								
Financial liabilities at fair value through profit or loss								
	\$ 116,315,474	\$ 55,209,119	\$ 24,742,681	\$ 36,363,674	\$ 133,670,994	\$ 75,119,499	\$ 20,674,852	\$ 37,876,643
<u>Derivative financial instruments</u>								
Assets								
Financial assets at fair value through profit or loss								
	\$ 23,435,296	\$ 11,559,714	\$ 8,879,385	\$ 2,996,197	\$ 13,556,918	\$ 6,253,670	\$ 5,597,219	\$ 1,706,029
Liabilities								
Financial liabilities at fair value through profit or loss								
	\$ 36,039,945	\$ 3,976,499	\$ 19,284,414	\$ 12,779,032	\$ 25,014,745	\$ 5,217,054	\$ 15,523,237	\$ 4,274,454

Recurring fair value measurements	June 30, 2021			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Liability instruments	\$ 62,079,072	\$ 60,102,384	\$ -	\$ 1,976,688
Others	383,508,563	76,153,682	306,703,837	651,044
Financial assets at fair value through other comprehensive income (Note)	149,575,728	54,539,597	88,065,263	6,970,868
Equity instruments				
Liability instruments	52,659,036	29,244,330	-	23,414,706
Other financial assets	268,055,817	107,676,298	160,223,105	156,414
Purchase of claim receivable				
Liabilities	1,822,488	-	-	1,822,488
Financial liabilities at fair value through profit or loss	\$ 148,193,603	\$ 92,646,849	\$ 18,278,071	\$ 37,268,683
Derivative financial instruments				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Liabilities	\$ 11,014,232	\$ 3,589,490	\$ 5,977,311	\$ 1,447,431
Financial liabilities at fair value through profit or loss				
Non-recurring fair value	\$ 24,477,556	\$ 6,741,966	\$ 13,906,910	\$ 3,828,680

Note: As of June 30, 2022, December 31, 2021, and June 30, 2021, the statutory deposits of Yuanta Life of the Yuanta Group were \$0, \$1,216,100 and \$1,216,100, respectively.

(B) When quotes of financial instruments are obtained from the Stock Exchange, Reuters, Bloomberg, dealers or competent authorities and the prices represent arm's length transactions with sufficient frequency, the financial instruments are regarded as active market quotes. If the aforementioned requirements are not met, then the financial instruments are regarded as quotes without an active market. Large bid-ask spreads or low trade volumes are features of quotes without an active market.

Whenever the financial instruments held by the Yuanta Group have active market quotes, the active market quotes are regarded as fair value. Publicly listed and over-the-counter traded equity instruments of primary stock exchanges along with central government bonds that are popular securities all regard active market quotes as the basis of fair value.

Excluding the above-mentioned financial instruments with active market quotes, the fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the balance sheet date, and utilises the fair values derived from the calculations of financial valuation models (for example referencing the yield curve from the Taipei Exchange, Reuters' average commercial paper interest, etc.).

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

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

b. Credit risk valuation adjustment

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

(D) Transfer between Level 1 and Level 2

As of June 30, 2022, December 31, 2021, and June 30, 2021, certain foreign debt held by the Yuanta Group, totaling, USD 34,122 thousand, USD 15,514 thousand and USD 29,128 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stockbrokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of June 30, 2022, December 31, 2021, and June 30, 2021, certain foreign debt held by the Yuanta Group, totaling USD 8,598 thousand, USD 14,690 thousand and USD 26,329 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 six months ended June 30, 2022								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,762,239	(\$ 1,813,141)	(\$ 23,166)	\$ 7,639,270	\$ -	(\$ 6,038,100)	(\$ 453,935)	\$ 10,073,167
Financial assets at fair value through other comprehensive income	26,862,390	(103,346)	3,023,511	-	-	(67,943)	-	29,714,612
Other financial assets- purchase of claim receivable	1,813,266	255	-	-	-	(11,472)	-	1,802,049
Total	\$ 39,437,895	(\$ 1,916,232)	\$ 3,000,345	\$ 7,639,270	\$ -	(\$ 6,117,515)	(\$ 453,935)	\$ 41,589,828

For the six months ended June 30, 2021								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 16,559,951	\$ 1,446,210	\$ 38,018	\$ 119,634,036	\$ -	(\$ 125,652,943)	(\$ 979,241)	\$ 11,046,031
Financial assets at fair value through other comprehensive income	20,290,988	(297,503)	3,611,229	13,559	-	(47,153)	-	23,571,120
Other financial assets- purchase of claim receivable	1,831,820	103	-	-	-	(9,435)	-	1,822,488
Total	\$ 38,682,759	\$ 1,148,810	\$ 3,649,247	\$ 119,647,595	\$ -	(\$ 125,709,531)	(\$ 979,241)	\$ 36,439,639

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net (losses) gains belonging to assets as of June 30, 2022 and 2021 were (\$2,069,794) and \$1,080,176, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to assets as of June 30, 2022 and 2021 were \$2,998,299 and \$3,648,428, respectively.

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

For the six months ended June 30, 2022								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial liabilities at fair value through profit or loss	\$ 42,151,097	(\$ 344,862)	(\$ 146)	\$ 24,331,309	\$ -	(\$ 16,994,692)	\$ -	\$ 49,142,706

For the six months ended June 30, 2021								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial liabilities at fair value through profit or loss	\$ 55,750,149	(\$ 3,261,106)	(\$ 419)	\$ 22,727,996	\$ 8,675,853	(\$ 42,769,221)	(\$ 25,889)	\$ 41,097,363

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 June 30, 2022 and 2021 were \$164,548 and \$1,267,498, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of June 30, 2022 and 2021 were \$786 and \$832, respectively.

Note: For the six months ended June 30, 2022 and 2021, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

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

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

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
June 30, 2022				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 195,938	(\$ 192,794)	\$ -	\$ -
Derivative instruments	25,807	(25,807)	-	-
Financial assets at fair value through other comprehensive income	-	-	513,210	(372,819)
Other financial assets- purchase of claim receivable	93,342	(93,342)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 112,412)	\$ 112,386	\$ -	\$ -
Derivative instruments	(185,569)	185,499	-	-
December 31, 2021				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 366,343	(\$ 363,204)	\$ -	\$ -
Derivative instruments	10,854	(10,854)	-	-
Financial assets at fair value through other comprehensive income	-	-	439,786	(324,876)
Other financial assets- purchase of claim receivable	83,360	(83,360)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 41,449)	\$ 41,449	\$ -	\$ -
Derivative instruments	(72,766)	72,829	-	-

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
June 30, 2021				
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 357,272	(\$ 350,097)	\$ -	\$ -
Derivative instruments	26,596	(26,596)	-	-
Financial assets at fair value through other comprehensive income	-	-	417,266	(296,319)
Other financial assets- purchase of claim receivable	87,444	(87,444)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	(\$ 13,445)	\$ 13,451	\$ -	\$ -
Derivative instruments	(84,834)	84,757	-	-

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:

June 30, 2022	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss				
Equity instruments \$ 2,045,100	1. Market method	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
	2. Income method			
	3. Equity Model by L. Anderson and D. Buffum	Discount rate	12.89%~13.51%	The higher the discount rate, the lower the fair value
		Stock price volatility	18.76%~108.15%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		Credit Spread	5.38%~22.85%	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

June 30, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 840,818	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	35.61%~49.23%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	54.58%~54.60%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	1.3%~7.37%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,996,197	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.97% ~ 23.24%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.19 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	4,191,052	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	17.97% ~ 23.24%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.19 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,802,049	Recoverable amount	Contact rate	7.03%~39.42%	The higher the contact rate, the higher the fair value
			Payment rate	5.09%~35.99%	The higher the payment rate, the higher the fair value
			Discount rate	5.13%~40.21%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	29,640,274	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0%~1%	The higher the growth rate, the higher the fair value
			Discount rate	0.1155~0.1155	The higher the discount rate, the lower the fair value
Liability instruments	74,338	Discounted cash flow	Discount rate	1.3%~7.37%	The higher the discount rate, the lower the fair value

June 30, 2022	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through other comprehensive income					
Derivative instruments (including futures and options trade in futures market)	\$ 12,779,032	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.97% ~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.19 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	36,363,674	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	1.20%~76.78%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.19 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
December 31, 2021	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,343,806	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Discount rate	10.01%~16.80%	The higher the discount rate, the lower the fair value
			Stock price volatility	17.03%~125.06%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	5.39%~19.28%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
Liability instruments	519,685	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discouted cash flow	Stock price volatility	35.61%~47.90%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	54.58%~54.60%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	0.71%~5.85%	The higher the discount rate, the lower the fair value

December 31, 2021		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 1,706,029	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.75%~21.86%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.20~0.96	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	6,192,719	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability	<=10%	The higher the discount for marketability, the lower the fair value
			Stock price volatility	17.75%~21.86%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.20~0.96	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,813,266	Recoverable amount	Contact rate	7.08%~39.53%	The higher the contact rate, the higher the fair value
			Payment rate	3.88%~35.97%	The higher the payment rate, the higher the fair value
			Discount rate	5.20%~41.18%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	26,750,364	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0.00%~1.00%	The higher the growth rate, the higher the fair value
			Discount rate	0.1096~0.1096	The higher the discount rate, the lower the fair value
Liability instruments	112,026	Discounted cash flow	Discount rate	0.71%~5.85%	The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	4,274,454	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.75%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.20~0.96	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

December 31, 2021		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss					
Others	\$ 37,876,643	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	0.22%~86.39%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.20~0.96	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
June 30, 2021		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 1,976,688	1.Market method 2.Income method 3.Equity Model by L. Anderson and D. Buffum	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Discount rate	10.14%~15.89%	The higher the discount rate, the lower the fair value
			Stock price volatility	31.22%~56.55%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	2.26%~5.92%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
Liability instruments	651,044	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Monte Carlo Simulation 4.Discounted cash flow	Stock price volatility	35.61%~48.64%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	5.58%~5.60%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	0.46%~5.10%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	1,447,431	1.Option Model 2.Hybrid Model 3.FDM 4.Monte Carlo Simulation	Stock price volatility	1.96%~22.10%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.21~0.95	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0~55%	The higher the recovery rate, the higher the fair value

June 30, 2021		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Others	\$ 6,970,868	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility	<=10% 18.07%~22.10%	The higher the discount for marketability, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.21~0.95	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	0~55%	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,822,488	Recoverable amount	Contact rate Payment rate Discount rate	5.32%~37.95% 3.36%~37.42% 5.35%~41.84%	The higher the contact rate, the higher the fair value The higher the payment rate, the higher the fair value The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	23,414,706	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability Expected growth rate Discount rate	<=40% 0%~1% 11%	The higher the discount for marketability, the lower the fair value The higher the growth rate, the higher the fair value The higher the discount rate, the lower the fair value
Liability instruments	156,414	Discounted cash flow	Discount rate	0.46%~5.10%	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)	3,828,680	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	18.07%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.21~0.95	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
Others	37,268,683	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	0.22%~107.29%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.21~0.95	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.

	June 30, 2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 347,332,205	\$ 314,086,869	\$ 5,392,994	\$ 308,675,497	\$ 18,378
<u>Financial liabilities</u>					
Bonds payable	91,267,551	85,252,079	-	85,252,079	-
December 31, 2021					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 312,286,347	\$ 332,489,267	\$ 2,905,700	\$ 329,562,722	\$ 20,845
<u>Financial liabilities</u>					
Bonds payable	82,539,085	88,480,772	-	88,480,772	-
June 30, 2021					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 292,914,427	\$ 316,374,732	\$ 2,994,310	\$ 313,354,644	\$ 25,778
<u>Financial liabilities</u>					
Bonds payable	90,466,681	97,058,441	-	97,058,441	-

Note 1: Including the statutory deposits of \$3,560,400, \$2,344,300 and \$2,344,300, respectively of Yuanta Life of the Yuanta Group as of June 30, 2022, December 31, 2021 and June 30, 2021.

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

(B) Financial valuation technique:

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

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

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

(A) The Yuanta Group's risk management organization structure includes the Board of Directors, the Audit Committee, the Risk Management Committee, senior management, the Risk Management Department, the Legal Compliance Department, the Legal Department, the Information Department and other business departments. The Board of Directors is the highest decision-making unit for risk management. Its primary responsibilities include approving the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as supervising the enforcement of the risk management system. The Audit Committee should assist the Board of Directors in implementing its risk management responsibilities. Its primary responsibilities include deliberating the Yuanta Group's risk management policy, important risk management systems, and annual risk limits, as well as assisting the Board of Directors in supervising the management of the Company's existing or potential risk. The Risk Management Committee should assist the Audit Committee and Board of Directors in implementing their risk management responsibilities. Its primary responsibilities include negotiating the annual risk limits, monitoring the indicator threshold, reviewing risk management reports, assisting in supervising the implementation of the risk management system, integrating and coordinating

common risk management issues between subsidiaries, and promoting and communicating important risk management issues. Senior management should examine risks involved in operating activities and ensure the Yuanta Group's risk management system can thoroughly and effectively control related risks. The Risk Management Department is an independent department subordinated under the Board of Directors. The Risk Management Department's primary responsibilities includes developing the risk management system, establishing a method to effectively measure risk, establishing the risk management system, monitoring and analyzing risk and alerting and reporting significant risks in a timely manner. The Legal Compliance department should implement legal compliance risk management. It should ensure that all businesses and management regulations are updated in time in accordance with the relevant laws and regulations, supervise Legal Compliance Management of all units to carry out introduction, establishment and implement of related internal measurements, as well as assist in evaluating possible legal compliance risks that all business units may be involved with. The Legal Department should implement legal risk management. It should assist in evaluating possible legal risk that business units, legal documents and contracts may be involved with. The Information Department's primary responsibilities are to implement information security risk control and assist avoiding harm of related information system and impact on information security risk of normal operating caused by external deliberate invasion or internal improper use, leakage, tampering and destruction of information assets. The risk management responsibilities of business departments are to comprehensively examine all risk management regulations before conducting their respective tasks and certainly comply with all risk management regulations.

Each subsidiary has built a risk management organization with appropriate levels and scale based on its business portfolio, operating scale and capital scale. Subsequently, the Yuanta Group will examine each subsidiary's risk management organization in order to confirm that it can manage its assumed risks effectively.

(B) Risk management policy

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

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

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

(A) Credit risk

a. Source and definition of credit risk

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

could give rise to credit risk exposure to the Yuanta Group.

b. Principle of credit risk management

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

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

c. Methods used in credit risk management

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

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

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

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

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

Credit rating of corporate finance is categorised into 11 levels upon underwriting according to the risks assessment on each credit extension case. When a loan is granted, in addition to the credit quality of the client, fund purpose, repayment source, protection of claims and credit prediction should be considered, credit risk by credit account and facility should also be respectively assessed and rated based on the corporate or consumer risk rating referencing standards.

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

(b) Debt instruments investment and derivatives

The Yuanta Group manages the credit risk of debt instruments through consolidating external credit rating and internal credit rating model to establish internal credit rating system, and sets up credit limits for issuers and counterparties accordingly. Credit risk

exposure of related business is consolidated for calculation to ensure that the overall credit risks are in compliance with limits as approved by the Yuanta Group. In addition to the establishment of credit risk management and procedures, the credit risk model is also used to quantify credit risk so that credit risk can be reasonably and effectively controlled and evaluated, so the overall credit risk will be within reasonable bearable capacity of the Yuanta Group's capital.

(c) Margin purchase and short sale

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

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

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

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

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

Credit quality	Corporate finance	Consumer finance	Debt instruments and others	
	Internal and external credit rating	Credit rating	Taiwan Ratings	Standard & Poor's Ratings
Excellent	Level 1~6	Excellent	twAAA ~ twBBB-	AAA ~ BBB-
Acceptable	Level 7~8	Acceptable	twBB+ ~ twBB	BB+ ~ BB
Weak	Level 9~10	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 recognises expected credit losses according to which stage the asset belongs: no significant increase in credit risk or low credit risk at balance sheet date (Stage 1), significant increase in credit risk (Stage 2), and credit-impaired (Stage 3). 12-month expected credit losses are recognised for assets in Stage 1, and lifetime expected credit losses are recognised for assets in Stage 2 and Stage 3.

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

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

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

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

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

(I) Credit business

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

- i. The borrower is over 30 days past due.
- ii. Significant deterioration in credit quality and placed on the Yuanta Group's warning list.
- iii. Deterioration in credit rating:
Credit rating: The Yuanta Group's internal credit rating of the asset is equivalent to a non-investment grade rating by an external agency, and the rating has dropped by more than two scales since initial recognition.
- iv. Records of bad credit are confirmed after assessment.

(II) Investments in debt instruments

At the balance sheet date, a debt instrument is considered to have significant increase in credit risk when the internal credit ratings of the credit reference subject is of non-investment grade and any one of the following conditions is met:

- i. The internal ratings of the credit reference subject has dropped by more than one scale since initial recognition.
- ii. The implied credit spread of the debt instrument has increased by a certain

number of basis points since initial recognition.

(III) Other financial assets

Except for credit business and debt instruments investment, the criteria that the Yuanta Group uses to determine that there has a significant increase in credit risk at balance sheet date is as follows:

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the terms recorded in the contract, unless the contractual terms specify it.
- ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
- iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, receivables have been transferred to overdue receivables or have been provided the bad debt expense, or the number of past-due days is not over the days recorded in the contract but it meets the terms of default.

II. Definitions of financial assets in default and credit-impaired financial assets

According to the definition stated in IFRS 9, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(I) Credit business

- i. Principal or interest payments over 3 months (90 days) past due, or the bank has begun collection procedures or liquidation of collateral.
- ii. New payment schedule is negotiated so that loan is not classified as non-performing.
- iii. Non-performing loans in negotiation according to the rules of the Debt Negotiation Mechanism issued by the Bankers Association in 2006 (including pre-mediation).
- iv. Loans that have gone through pre-mediation and have signed agreements in accordance with the Consumer Debt Clearance Act (excluding secured loans where the original terms of the loans are enforced).
- v. Cases where the court has initiated reorganization or liquidation proceedings.
- vi. Declaration of bankruptcy in court.
- vii. Reclassified as non-accrual.
- viii. Special criterion for credit card products: credit card accounts closed by the issuer.
- ix. Debtor's loans from other banking institutions have been recognised as non-performing, and reclassified as non-accrual or written off as bad debt.
- x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.
- xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.
- xii. Non-performing loans where a payment installment plan has been negotiated.

xiii. Loans classified as “in default” according to the Yuanta Group’s internal credit rating model.

(II) Investments in debt instruments

An investment in a debt instrument by the Yuanta Group is considered credit-impaired if any of the following conditions apply:

- i. Both internal and external credit ratings of the instrument are “in default.”
- ii. Principal or interest payments are not made in accordance with the agreement.
- iii. Bankruptcy, reorganization, or other debt clearance proceedings has been filed.
- iv. Other breaches of contract by the debtor as assessed on a case-by-case basis.

(III) Other financial assets

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is in line with the days recorded in the contract.
- ii. Call loans to (from) banks and due from the Central Bank, banks overdrafts, bills with a reverse repo and bond, commercial paper and time deposit and its interest receivable: At the balance sheet date, the date that the Yuanta Group received the payment from counterparties is over the collection date, unless the contractual terms specify it.
- iii. Remaining receivables: At the balance sheet date, the number of past-due days is over the days recorded in the contract, and receivables have been transferred to overdue receivables or have been provided the bad debt expense.

(IV) Definition of default

When assessing whether the borrower is in default, the Yuanta Group selects among the multiple loans held by the borrower the one with the lowest credit quality. The borrower is considered in default if the principal and interest payments on this selected loan is over 90 days past due or if the selected loan is reclassified as non-accrual or bad debt during the observation period.

III. Write off policy

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

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

IV. Measurement of expected credit losses

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

(I) Credit business

i. Probability of default

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

(i) One-year PD: Calculate the actual one-year PD from historical data and use it to estimate the one-year PD parameter.

(ii) Multi-year PD: The multi-year PD is estimated using historical data on annual marginal default rates. Applying the multi-year PD to each loan requires selecting the corresponding lifetime. The lifetime of the loan is estimated based on the length of the remaining contract.

ii. Loss given default

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

iii. Exposure at default (EAD)

(i) On balance sheet—Loans and loan receivables: calculated from credit balance.

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

(II) Investments in debt instruments

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

ii. Loss given default: Calculated based on the collateral and order of compensation of the debt instrument, incorporating the average recovery rate disclosed by external credit rating agencies.

iii. Exposure at default: Total carrying amount, including interest receivable. Total carrying amount is the amortised cost of the financial asset before any adjustment to the loss allowance.

V. Consideration of forecastable information

The Yuanta Group incorporates forecastable information when determining whether there has been a significant increase in credit risk in relation to credit business since initial recognition and measuring expected credit losses.

(I) For determining significant increase in credit risk

i. The Yuanta Group’s credit approval process includes evaluation of forecastable information such as business potential, financial condition, industry outlook, loan collateral, and ability to repay.

ii. Identify customers with potential risk using the early warning list of the Yuanta Group. The early warning system of the Yuanta Group involves the assessment of the credit risk of the customer by reviewing the following five factors: management, financial statements, cash flows, source of repayment, and past performance.

(II) For measuring expected credit losses

At least reflected in the forecastable adjustments of PD and LGD: In order to predict future probabilities of default, historical performances of PD, current trends in PD, the correlation between PD and macroeconomic factors, and other relevant information is considered by experts to give an overall assessment of forecastable scenarios of PD. The PD parameters are then adjusted accordingly to produce the forecastable PD parameters.

(III) Other

Forecastable adjustments are not made if the results from such adjustments are not expected to differ significantly from the original results, assuming there are no significant changes in current economic conditions and the future macroeconomic environment. However, if significant changes in the future macroeconomic environment are predicted, the loss rates have to be adjusted accordingly; for example, adjusting the loss rate by a certain percentage according to expected changes in GDP.

e. Hedging or mitigation of credit risk

(a) Collateral

The Yuanta Group adopts a series of policies and measures to mitigate credit risk in relation to credit extension business. Amongst those, requesting borrowers to provide collateral is one of the most usual means. The Yuanta Group has specific criteria for acceptable collateral and collateral valuation, management and disposing procedures regarding the collateral valuation management, collateral assessment for credit facility in order to protect the credit right. In addition, protection of creditor's right, collateral terms and offsetting terms are all addressed in the credit extension contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, or various types of deposits can be used to offset its liabilities to mitigate credit risks.

(b) Credit risk limit and credit risk concentration control

The Yuanta Group controls the concentration risk of various assets in order to avoid high risk concentration. The Yuanta Group has set up credit extension limits for a single counterparty or a single group, and set up investment standards and risk controlling regulations for stock investment for a single person (entity) or affiliated enterprises' (group) various investment limit. In addition, in order to control concentration risk of various assets, the Yuanta Group has also set up credit limits based on the industry, enterprise of group, country, pledged stocks for credit extension and monitored risk concentration of each asset. Through the system consolidation, single counterparty, group's enterprises, affiliated enterprise, industry, nationality, ultimate risk and various credit risk concentration can be monitored.

(c) Net-settled general agreement

The transactions of the Yuanta Group are usually gross-settled. However, net-settled agreements are signed with certain counterparties to further mitigate credit risk in case of any default and all transactions shall be terminated with the counterparties and settled by net amount.

(d) Others

The Yuanta Group regularly assesses the credit status in relation to the issuers or the counterparties and hedges or mitigates its credit risks through the following procedures:

- I. Additional credit exposure limit;
- II. Credit limits reduction;

III. Hedging through credit derivatives;

IV. Credit enhancement, such as guarantee from qualifying bank or obtaining collateral.

f. The impact of COVID-19

The COVID-19 continued to spread globally in the beginning of 2020 and affected the macroeconomic development. With the development and roll-out of vaccines, the global economy will recover from the negative impact of the pandemic. However, as the emergence of new variants of COVID-19 still threatens the economic recovery of various countries and there are differences in the abilities in terms of pandemic prevention and practices between regions and countries, the degree of resumption of work and production varies significantly.

The pandemic in Taiwan escalated since the beginning of current year; the consolidated company started to implement various pandemic prevention measures and continued to monitor the global pandemic's impact on the economy. In response to COVID-19, the Yuanta Group continue to monitor and manage the risk of the countries and industries affected the most. The review and analysis showed that the risk is still within tolerance. In addition, the government and the financial industry had already proposed countermeasures. Therefore, it is not expected that the Yuanta Group's assets will be exposed to an increase in credit risk in 2022. The Yuanta Group will continually monitors the development of the pandemic, and assesses and resolves the related impact on the financial condition and operating performance of the Yuanta Group.

g. Maximum risk exposure of the Yuanta Group

The maximum risk exposure of assets on the consolidated balance sheet, without consideration of the collateral or other credit enhancements, is equivalent to the carrying amount. Please see Note 9(9) for the maximum credit risk exposure of the consolidated balance sheet.

The management of the Yuanta Group believes that through a series of stringent evaluation procedures and follow-up reviews, credit risk exposure off the balance sheet of the Yuanta Group can be minimized and continuously controlled. The total carrying value of the Yuanta Group's financial assets with the maximum credit risk is as follows:

Bills discounted and loans

June 30, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings — excellent	\$ 633,567,683	\$ 861,700	\$ -	\$ -	\$ 634,429,383
Internal ratings — acceptable	248,995,321	3,961,301	-	-	252,956,622
Internal ratings — weak	40,644,302	340,890	-	-	40,985,192
Internal ratings — not rated	142,668	1	-	-	142,669
Internal ratings — credit impairment	-	62,943	5,023,997	-	5,086,940
The total carrying amount	923,349,974	5,226,835	5,023,997	-	933,600,806
Allowance for credit losses	(1,726,830)	(517,072)	(2,935,639)	-	(5,179,541)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(8,709,218)	(8,709,218)
Total (Note)	<u>\$ 921,623,144</u>	<u>\$ 4,709,763</u>	<u>\$ 2,088,358</u>	<u>(\$ 8,709,218)</u>	<u>\$ 919,712,047</u>

Note: Including interest receivable and temporary payments for others amounting to \$785,304. In addition, allowance for doubtful receivables was \$16,507.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$193,818,497 and \$851,258,403, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

December 31, 2021	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings — excellent	\$ 592,358,294	\$ 545,945	\$ -	\$ -	\$ 592,904,239
Internal ratings — acceptable	249,849,806	3,288,504	-	-	253,138,310
Internal ratings — weak	46,104,704	484,892	-	-	46,589,596
Internal ratings — not rated	154,602	14	-	-	154,616
Internal ratings — credit impairment	-	62,919	5,373,026	-	5,435,945
The total carrying amount	888,467,406	4,382,274	5,373,026	-	898,222,706
Allowance for credit losses	(1,654,969)	(380,386)	(2,973,774)	-	(5,009,129)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(8,250,923)	(8,250,923)
Total (Note)	<u>\$ 886,812,437</u>	<u>\$ 4,001,888</u>	<u>\$ 2,399,252</u>	<u>(\$ 8,250,923)</u>	<u>\$ 884,962,654</u>

Note: Including interest receivable and temporary payments for others amounting to \$710,651. In addition, allowance for doubtful receivables was \$16,654.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$208,639,501 and \$808,148,135, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

June 30, 2021	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Credit ratings					
Internal ratings — excellent	\$ 540,578,939	\$ 929,057	\$ -	\$ -	\$ 541,507,996
Internal ratings — acceptable	229,026,911	2,918,671	-	-	231,945,582
Internal ratings — weak	60,002,488	521,844	-	-	60,524,332
Internal ratings — not rated	168,080	21	-	-	168,101
Internal ratings — credit impairment	-	65,454	6,101,841	-	6,167,295
The total carrying amount	829,776,418	4,435,047	6,101,841	-	840,313,306
Allowance for credit losses	(1,689,284)	(212,230)	(3,501,452)	-	(5,402,966)
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	-	-	-	(7,464,348)	(7,464,348)
Total (Note)	<u>\$ 828,087,134</u>	<u>\$ 4,222,817</u>	<u>\$ 2,600,389</u>	<u>(\$ 7,464,348)</u>	<u>\$ 827,445,992</u>

Note: Including interest receivable and temporary payments for others amounting to \$592,321. In addition, allowance for doubtful receivables was \$19,757.

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “Financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$216,913,824 and \$755,834,206, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

The financial impact related to maximum amount exposed to credit risk arises from collaterals pledged for assets on the balance sheets and items off the balance sheets of Yuanta Bank and master netting arrangements. The table summarizes the relevant information:

June 30, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 17,654	\$ -	\$ 17,654
Bills discounted and loans	720,904,631	-	720,904,631
Financial assets at fair value through profit or loss	1,255,981	1,102,639	2,358,620
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,914,559	-	5,914,559
Unused credit commitment	73,921	-	73,921
Guarantees (including for non-performing loans)	3,666,130	-	3,666,130
December 31, 2021	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 22,727	\$ -	\$ 22,727
Bills discounted and loans	701,837,022	-	701,837,022
Financial assets at fair value through profit or loss	190,680	820,329	1,011,009
<u>For off-balance sheet accounts</u>			
Unused loan commitments	6,048,487	-	6,048,487
Unused credit commitment	88,207	-	88,207
Guarantees (including for non-performing loans)	4,063,835	-	4,063,835
June 30, 2021	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 17,866	\$ -	\$ 17,866
Bills discounted and loans	654,740,203	-	654,740,203
Financial assets at fair value through profit or loss	134,096	448,064	582,160
<u>For off-balance sheet accounts</u>			
Unused loan commitments	6,052,129	-	6,052,129
Unused credit commitment	91,703	-	91,703
Guarantees (including for non-performing loans)	3,437,515	-	3,437,515

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	June 30, 2022		December 31, 2021	
	Amount	%	Amount	%
Privately owned businesses	\$ 39,301,369	1.42	\$ 717,967,191	25.59
Natural person	733,552,275	26.57	740,580,656	26.40
Financial institutions	723,372,739	26.20	750,072,096	26.74
Governmental institutions	732,360,290	26.53	544,046,612	19.39
Government-owned businesses	529,418,066	19.17	49,974,810	1.78
Others	3,069,290	0.11	2,661,691	0.10
Total	<u>\$ 2,761,074,029</u>	<u>100.00</u>	<u>\$ 2,805,303,056</u>	<u>100.00</u>

Industry	June 30, 2021	
	Amount	%
Privately owned businesses	\$ 688,314,938	24.98
Natural person	738,680,760	26.81
Financial institutions	742,703,682	26.95
Governmental institutions	530,160,677	19.24
Government-owned businesses	53,169,083	1.93
Others	2,546,889	0.09
Total	<u>\$ 2,755,576,029</u>	<u>100.00</u>

(b) Geographic location:

Geography location	June 30, 2022	December 31, 2021	June 30, 2021
Taiwan	\$ 1,948,957,386	\$ 2,024,766,293	\$ 1,940,292,663
Asia	486,972,100	486,761,330	521,036,299
America	205,258,537	184,156,621	188,939,692
Europe	82,471,865	79,497,554	73,363,109
Oceania	37,155,339	29,832,581	31,691,559
Africa	258,802	288,677	252,707
Total	<u>\$ 2,761,074,029</u>	<u>\$ 2,805,303,056</u>	<u>\$ 2,755,576,029</u>

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

(a) Credit business

For the six months ended June 30, 2022 and 2021, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

For the six months ended June 30, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	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	\$ 1,595,241	\$ 380,510	\$ 3,026,002	\$ 5,001,753	\$ 8,241,645	\$ 13,243,398
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(6,600)	21,815	(15,215)	-	-	-
-Transferred to credit-impaired financial asset	(3,908)	(412)	4,320	-	-	-
-Transferred to 12-month expected credit losses	69,425	(4,207)	(65,218)	-	-	-
-Financial assets derecognised in the current period	(428,431)	(506)	(29,842)	(458,779)	-	(458,779)
Impairment allowance for purchased or originated financial assets	515,165	156	42,044	557,365	-	557,365
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	-	-	-	-	462,142	462,142
Write-off as bad debt	(11,160)	(4,796)	(50,677)	(66,633)	-	(66,633)
Change in exchange and others	(38,912)	124,403	49,268	134,759	-	134,759
Ending balances	\$ 1,690,820	\$ 516,963	\$ 2,960,682	\$ 5,168,465	\$ 8,703,787	\$ 13,872,252

For the six months ended June 30, 2021	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
Beginning balances	\$ 1,477,286	\$ 237,041	\$ 4,582,056	\$ 6,296,383	\$ 6,905,357	\$ 13,201,740
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(7,112)	34,683	(27,571)	-	-	-
-Transferred to credit-impaired financial asset	(7,954)	(8,358)	16,312	-	-	-
-Transferred to 12-month expected credit losses	94,679	(21,194)	(73,485)	-	-	-
-Financial assets derecognised in the current period	(391,791)	(5,313)	(817,094)	(1,214,198)	-	(1,214,198)
Impairment allowance for purchased or originated financial assets	535,073	433	22,027	557,533	-	557,533
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	-	-	-	-	549,533	549,533
Write-off as bad debt	(23,046)	(16,312)	(501,954)	(541,312)	-	(541,312)
Change in exchange and others	(43,525)	(8,625)	346,411	294,261	-	294,261
Ending balances	<u>\$ 1,633,610</u>	<u>\$ 212,355</u>	<u>\$ 3,546,702</u>	<u>\$ 5,392,667</u>	<u>\$ 7,454,890</u>	<u>\$ 12,847,557</u>

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

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 887,776,383	\$ 4,373,695	\$ 5,361,977	\$ 897,512,055
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(1,366,732)	(1,390,746)	(24,014)	-
-Transferred to credit-impaired financial asset	(305,095)	(60,450)	365,545	-
-Transferred to 12-month expected credit losses	504,202	(255,465)	(248,737)	-
-Financial assets derecognised in the current period	(225,610,238)	(127,071)	(317,487)	(226,054,796)
Impairment allowance for purchased or originated financial assets	289,951,166	28,337	56,107	290,035,610
Write-off as bad debt	(11,160)	(4,796)	(50,677)	(66,633)
Change in exchange and others	(28,350,659)	(127,670)	(132,405)	(28,610,734)
Ending balances	<u>\$ 922,587,867</u>	<u>\$ 5,217,326</u>	<u>\$ 5,010,309</u>	<u>\$ 932,815,502</u>

For the six months ended June 30, 2021, significant changes in the total carrying amount that affected allowance for credit losses are as follows:

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 794,212,653	\$ 5,598,352	\$ 7,190,776	\$ 807,001,781
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(1,969,957)	(2,019,251)	(49,294)	-
-Transferred to credit-impaired financial asset	(874,090)	(587,432)	1,461,522	-
-Transferred to 12-month expected credit losses	960,758	(679,083)	(281,675)	-
-Financial assets derecognised in the current period	(181,353,296)	(1,698,288)	(1,778,271)	(184,829,855)
Impairment allowance for purchased or originated financial assets	245,590,833	19,410	37,582	245,647,825
Write-off as bad debt	(23,046)	(16,312)	(501,954)	(541,312)
Change in exchange and others	(27,339,595)	(225,470)	7,611	(27,557,454)
Ending balances	<u>\$ 829,204,260</u>	<u>\$ 4,430,428</u>	<u>\$ 6,086,297</u>	<u>\$ 839,720,985</u>

(b) Receivables and other financial assets

I. The Yuanta Group applies the simplified approach to estimate expected credit loss for certain accounts receivable (including trading securities receivable and settlement price). Expected credit loss rate is determined by assessing historical information and examining whether a significant changes in past events, current conditions and future economic conditions are incurred. As of June 30, 2022, December 31, 2021, and June 30, 2021, the carrying amount of accounts receivable amounted to \$52,751,705 , \$57,142,471 and \$109,599,217, respectively. For the six months ended June 30, 2022 and 2021, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	For the six months ended June 30,	
	2022	2021
January 1	(\$ 544)	(\$ 871)
Reversal of impairment loss	272	262
June 30	<u>(\$ 272)</u>	<u>(\$ 609)</u>

(BLANK)

II. For the six months ended June 30, 2022 and 2021, movements in relation to providing loss allowance for receivables and other financial assets, which are not stated as above accounts receivable, are as follows:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
For the six months ended June 30, 2022						
The beginning balances	\$ 251,559	\$ 56,746	\$ 2,599,027	\$ 2,907,332	\$ 92,961	\$ 3,000,293
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(153)	14,580	(14,427)	-	-	-
-Transferred to credit-impaired financial asset	(42,120)	(1,078)	43,198	-	-	-
-Transferred to 12-month expected credit losses	30,368	(26,186)	(4,182)	-	-	-
-Financial assets derecognised in the current period	(5,772)	(10)	(704)	(6,486)	-	(6,486)
Impairment allowance for purchased or originated financial assets	17,826	1,912	9,768	29,506	-	29,506
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	1,833	1,833
Write-off as bad debt	(4,769)	(4,862)	(122,192)	(131,823)	-	(131,823)
Change in exchange and others	(101,911)	20,987	110,241	29,317	-	29,317
The ending balances	\$ 145,028	\$ 62,089	\$ 2,620,729	\$ 2,827,846	\$ 94,794	\$ 2,922,640

For the six months ended June 30, 2021	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 262,850	\$ 79,932	\$ 2,666,383	\$ 3,009,165	\$ 73,848	\$ 3,083,013
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(124)	24,195	(24,071)	-	-	-
-Transferred to credit-impaired financial asset	(1,869)	(1,390)	3,259	-	-	-
-Transferred to 12-month expected credit losses	28,449	(23,762)	(4,687)	-	-	-
-Financial assets derecognised in the current period	(7,282)	(239)	(3,120)	(10,641)	-	(10,641)
Impairment allowance for purchased or originated financial assets	7,768	1,479	8,740	17,987	-	17,987
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	7,316	7,316
Write-off as bad debt	(9,515)	(8,957)	(28,525)	(46,997)	-	(46,997)
Change in exchange and others	(46,166)	91,912	(45,059)	687	-	687
The ending balances	<u>\$ 234,111</u>	<u>\$ 163,170</u>	<u>\$ 2,572,920</u>	<u>\$ 2,970,201</u>	<u>\$ 81,164</u>	<u>\$ 3,051,365</u>

For the six months ended June 30, 2022 and 2021, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

For the six months ended June 30, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	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	\$ 47,636	\$ 11,888	\$ 58,566	\$ 118,090	\$ 64,014	\$ 182,104
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(68)	168	(100)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(21)	22	-	-	-
-Transferred to 12-month expected credit losses	8,456	(8,094)	(362)	-	-	-
-Financial assets derecognised in the current period	(12,364)	(1,235)	(19,830)	(33,429)	-	(33,429)
Impairment allowance for purchased or originated financial assets	13,635	180	19,020	32,835	-	32,835
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	-	-	-	-	(565)	(565)
Change in exchange and others	(19,020)	9,622	1,100	(8,298)	-	(8,298)
The ending balances	<u>\$ 38,274</u>	<u>\$ 12,508</u>	<u>\$ 58,416</u>	<u>\$ 109,198</u>	<u>\$ 63,449</u>	<u>\$ 172,647</u>

For the six months ended June 30, 2021	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 53,523	\$ 10,834	\$ 56,344	\$ 120,701	\$ 74,526	\$ 195,227
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(28)	28	-	-	-	-
-Transferred to credit-impaired financial asset	-	(17)	17	-	-	-
-Transferred to 12-month expected credit losses	7,351	(6,982)	(369)	-	-	-
-Financial assets derecognised in the current period	(20,380)	(1,171)	(19,759)	(41,310)	-	(41,310)
Impairment allowance for purchased or originated financial assets	11,806	102	18,847	30,755	-	30,755
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	(9,325)	(9,325)
Change in exchange and others	(10,986)	7,811	974	(2,201)	-	(2,201)
The ending balances	<u>\$ 41,286</u>	<u>\$ 10,605</u>	<u>\$ 56,054</u>	<u>\$ 107,945</u>	<u>\$ 65,201</u>	<u>\$ 173,146</u>

(I) For the six months ended June 30, 2022 and 2021, there were no significant changes to guarantee reserve and loan commitment reserve.

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

(d) Bills and bonds investments

For the six months ended June 30, 2022 and 2021, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$ 81,595 and \$97,219; the ending balances were \$68,072 and \$82,248, respectively. For the six months ended June 30, 2022 and 2021, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$148,842 and \$145,737; the ending balances were \$159,531 and \$144,099, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

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

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

b. Risk management principle

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

c. Market risk assessment

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

VaR for a trading purpose:

Instrument type	For the six months ended June 30, 2022			
	June 30, 2022	VaR Average	VaR Minimum	VaR Maximum
Interest rate	189,370	154,276	103,874	211,805
Equity securities	284,389	387,136	194,924	501,653
Foreign exchange	456,468	316,427	219,145	474,529
Commodity	34,098	124,845	30,490	204,720
Less: diversification effects	(465,098)	(451,780)	-	-
Total VaR	499,227	530,904	474,154	645,957

Instrument type	For the six months ended June 30, 2021			
	June 30, 2021	VaR Average	VaR Minimum	VaR Maximum
Interest rate	124,821	155,611	115,904	213,911
Equity securities	543,487	499,401	376,175	625,974
Foreign exchange	215,648	231,214	202,399	281,167
Commodity	27,133	33,540	13,555	54,194
Less: diversification effects	(308,157)	(310,619)	-	-
Total VaR	602,932	609,147	494,300	741,514

(b) Non-trading purpose

Sensitivity analysis on interest rate:

	Interest rate shift	June 30, 2022	December 31, 2021	June 30, 2021
		Effect on other comprehensive income	Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds				
Yuanta Bank	Increase of 1 basis point	(\$ 43,187)	(\$ 47,027)	(\$ 42,721)
Yuanta Life	Increase of 1 basis point	(32,685)	(45,633)	(53,807)

d. As of June 30, 2022, December 31, 2021, and June 30, 2021, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	June 30, 2022		December 31, 2021		June 30, 2021	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets						
Cash and cash equivalents	\$ 778,822	\$ 23,151,262	\$ 1,299,520	\$ 35,983,445	\$ 1,062,407	\$ 29,609,279
Financial assets at fair value through profit or loss	740,200	22,003,186	1,314,397	36,395,660	1,240,241	34,565,521
Financial assets at fair value through other comprehensive income	3,920,137	116,529,984	4,064,619	112,549,288	4,164,026	116,051,402
Financial assets at amortised cost	7,790,596	231,583,257	7,139,259	197,686,075	6,300,170	175,585,751
Bills discounted and loans	1,701,181	50,569,304	1,785,581	49,442,742	1,881,952	52,449,990
Foreign currency denominated financial liabilities						
Bills and bonds payable under repurchase agreements	982,383	29,202,331	1,200,712	33,247,717	1,143,204	31,861,094
Deposits and remittances	5,612,212	166,828,628	5,072,413	140,455,125	4,678,264	130,383,209
Other liabilities	1,635,925	48,629,517	2,270,117	62,859,553	813,786	22,680,205

Note: As of June 30, 2022, December 31, 2021, and June 30, 2021, USD to TWD exchange rates were 29.726, 27.690 and 27.870, respectively.

(BLANK)

- e. As of June 30, 2022, December 31, 2021, and June 30, 2021, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	June 30, 2022		December 31, 2021		June 30, 2021	
	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)
<u>Effect on profit or loss</u>						
Financial assets						
Cash and cash equivalents	\$ 745,130,173	\$ 17,058,265	\$ 591,751,392	\$ 13,783,073	\$ 658,240,550	\$ 16,267,099
Financial assets at fair value through profit or loss	8,408,792,858	192,502,495	7,907,075,459	184,171,602	9,390,986,949	232,079,460
Financial assets at fair value through other comprehensive income	268,336,155	6,143,020	207,908,591	4,842,607	209,049,478	5,166,240
Accounts receivable	279,500,945	6,398,615	383,483,014	8,932,086	522,827,478	12,920,635
Prepayments and other receivables	-	-	-	-	50,814,006	1,255,767
Other financial assets	526,871,371	12,061,666	588,213,158	13,700,661	-	-
Other current assets	126,368,763	2,892,960	125,364,285	2,919,985	148,828,638	3,678,002
Non-current assets	-	-	-	-	16,990,983	419,898
Financial liabilities						
Short-term borrowings	1,959,936,648	44,868,830	2,011,922,771	46,861,705	-	-
Financial liabilities at fair value through profit or loss	2,400,078,884	54,945,006	1,631,490,451	38,000,676	2,143,808,665	52,979,944
Bonds sold under repurchase agreements	3,493,847,669	79,984,655	3,323,342,969	77,407,304	3,689,702,387	91,183,615
Guarantee deposit-in and margin deposits	82,634,991	1,891,763	107,747,250	2,509,649	117,017,184	2,891,846
Other current liabilities	-	-	-	-	132,698,112	3,279,368
Other financial liabilities	2,738,886,347	62,701,325	3,352,687,235	78,090,791	-	-
Non-current liabilities	-	-	-	-	121,966,849	3,014,167
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted for under the equity method	127,659,338	2,922,505	118,418,469	2,758,203	104,241,494	2,576,120

Note: As of June 30, 2022, December 31, 2021, and June 30, 2021, the KRW to TWD exchange rate were 0.023, 0.023 and 0.025, respectively.

(C) Liquidity risk

a. Source and definition of liquidity risk

Liquidity risk includes market liquidity risk and funding liquidity risk. Market liquidity risk refers to risk arising from inadequate market depth or market disruptions, which prevent settlement or closing of positions at normal market prices within a reasonable time frame and therefore necessitate buying at a much higher price or selling at a discount. Funding liquidity risk refers to risk arising from the inability to obtain sufficient capital within the expected time leading to a failure of fulfilling the capital required as maturity comes due.

b. Liquidity risk management principle

To mitigate the market liquidity risk, the Yuanta Group has set up separate standards on position liquidity limits for different operations and different securities to ensure sufficient market liquidity for all positions. For funding liquidity risk management, the Yuanta Group has set appropriate limits and ratios on liquidity supply and demand according to the nature of each operational sector, and evaluates in advance the potential capital gaps of each time period to effectively control overall liquidity risk. Pre-established capital transferring plan is also ready in case of systematic risk event and abnormal capital liquidity to sufficiently respond to overall liquidity risk and enhance overall funding

liquidity risk management.

- c. Assessment on liquidity risk
 - (a) Set up liquidity risk indicator and warning in order to control adverse element to the liquidity. At the same time, analysis and appropriate measures are made to mitigate the extent of effects.
 - (b) Assessments are regularly made to the assets and liabilities denominated in major currencies on the balance sheet and the cash inflow, cash outflow and liquidity gap off the balance sheet by different time period.
- d. Maturity analysis for the financial assets and non-derivative liabilities held for liquidity risk management:
 - (a) Financial assets held for liquidity risk management

In order to fulfil the payment obligation and potential emergent fund demand in the market, as well as manage the liquidity risk at the same time, sound earning assets with high liquidity were held by the Yuanta Group, including cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, bills discounted and loans, financial assets at fair value through other comprehensive income and financial assets at amortised cost, etc..
 - (b) Maturity analysis on non-derivative assets and liabilities

The following table illustrates the analysis made on cash outflow of non-derivative financial assets and liabilities of the Yuanta Group by the remaining maturity from the consolidated balance sheet date to the contract expiration date. While the amounts disclosed in the table are not made based on the consolidated cash flow, certain accounts may differ from the responding accounts in the balance sheet.
 - (c) Maturity analysis on derivative financial assets and financial liabilities by date
 - I. Derivative financial instruments settled on a net basis

Derivative financial instruments of the Yuanta Group settled on a net basis include: equity options, non-delivery forward, interest swap settled by net cash flow and other interest contract.
 - II. Derivative financial instruments settled on a gross basis

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

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

June 30, 2022					
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total	
Non-derivative financial instruments					
Cash and cash equivalents	\$ 51,264,349	\$ 5,888,408	\$ 50,000	\$	57,202,757
Due from Central Bank and call loans to other banks	43,996,517	13,885,497	18,351,055		76,233,069
Financial assets at fair value through profit or loss	312,463,583	56,212,310	82,538,682		451,214,575
Financial assets at fair value through other comprehensive income	45,186,775	19,609,157	280,840,996		345,636,928
Investments in bills and bonds under resale agreements	43,465,364	39,782	-		43,505,146
Receivables	148,940,557	83,109,917	13,085,364		245,135,838
Bills discounted and loans	201,507,534	160,457,718	568,479,284		930,444,536
Reinsurance contract assets	603,426	907,332	-		1,510,758
Financial assets at amortised cost	85,383,126	88,451,225	361,962,381		535,796,732
Restricted assets	-	-	4,307,627		4,307,627
Other financial assets	89,006,077	25,711	34,632,479		123,664,267
Other assets	26,187,290	492,060	22,144,882		48,824,232
Derivative financial instruments					
Financial assets at fair value through profit or loss					
Gross settlement					
Cash inflow	67,557,463	22,432,142	12,484,920		102,474,525
Cash outflow	(65,425,513)	(21,322,058)	(11,394,100)		(98,141,671)
Net settlement	150,669	264,131	1,130,259		1,545,059
Total	\$ 1,050,287,217	\$ 430,453,332	\$ 1,388,613,829	\$	2,869,354,378
Financial liabilities					
Non-derivative financial instruments					
Deposits from Central Bank and other banks	\$ 17,553,448	\$ 472,918	-	\$	18,026,366
Due to Central Bank and other banks	-	-	-		-
Financial liabilities at fair value through profit or loss	35,248,248	821,867	20,917,017		56,987,132
Bills and bonds payable under repurchase agreements	111,835,936	28,799,274	29,297,984		169,933,194
Commercial paper payable	58,834,409	4,824,443	1,144,650		64,803,502
Payables	140,058,814	18,341,475	41,884,775		200,285,064
Deposits and remittances	338,563,349	483,799,498	566,583,377		1,388,946,224
Bonds payable	2,932,611	15,131,986	70,438,450		88,503,047
Other borrowings	52,198,995	5,318,811	8,526,351		66,044,157
Other financial liabilities	105,853,435	1,930,870	42,875,498		150,659,803
Other liabilities	44,354,433	3,676	2,138,958		46,497,067
Lease liabilities	270,950	1,014,274	4,863,724		6,148,948
Derivative financial instruments					
Financial liabilities at fair value through profit or loss					
Gross settlement					
Cash inflow	(63,174,286)	(16,427,354)	(10,795,909)		(90,397,549)
Cash outflow	64,547,322	17,246,965	11,890,400		93,684,687
Net settlement	2,049,702	3,441,587	1,472,977		6,964,266
Total	\$ 911,127,366	\$ 564,720,290	\$ 791,238,252	\$	2,267,085,908

December 31, 2021					
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total	
Non-derivative financial instruments					
Cash and cash equivalents	\$ 69,961,736	\$ 10,686,593	\$ 87,292	\$	80,735,621
Due from Central Bank and call loans to other banks	46,686,645	12,382,640	21,274,072		80,343,357
Financial assets at fair value through profit or loss	348,381,437	62,647,592	106,349,024		517,378,053
Financial assets at fair value through other comprehensive income	19,083,720	19,563,218	286,258,263		324,905,201
Investments in bills and bonds under resale agreements	44,125,764	2,329,200	-		46,454,964
Receivables	192,810,421	60,853,042	10,525,822		264,189,285
Bills discounted and loans	174,449,832	170,544,648	551,594,248		896,588,728
Reinsurance contract assets	469,188	860,333	-		1,329,521
Financial assets at amortised cost	110,669,178	43,916,838	353,841,886		508,427,902
Restricted assets	-	-	2,472,029		2,472,029
Other financial assets	78,432,205	25,808	32,746,739		111,204,752
Other assets	39,374,193	418,499	22,730,781		62,523,473
Derivative financial instruments					
Financial assets at fair value through profit or loss					
Gross settlement					
Cash inflow	54,809,210	18,441,184	9,130,150		82,380,544
Cash outflow	(53,979,452)	(18,295,811)	(8,982,730)		(81,257,993)
Net settlement	562,785	910,397	1,644,736		3,117,918
Total	\$ 1,125,836,862	\$ 385,284,181	\$ 1,389,672,312	\$	2,900,793,355
Financial liabilities					
Non-derivative financial instruments					
Deposits from Central Bank and other banks	\$ 22,360,631	\$ 3,263,493	-	\$	25,624,124
Due to Central Bank and other banks	19,990	819,710	-		839,700
Financial liabilities at fair value through profit or loss	68,702,426	708,255	7,988,911		77,399,592
Bills and bonds payable under repurchase agreements	128,727,504	24,785,976	30,352,369		183,865,849
Commercial paper payable	46,707,205	3,276,297	-		49,983,502
Payables	137,368,028	24,333,737	52,086,400		213,788,165
Deposits and remittances	248,061,065	439,161,368	687,779,950		1,375,002,383
Bonds payable	2,030,822	6,687,896	71,294,873		80,013,591
Other borrowings	47,239,030	3,594,770	9,164,400		59,998,200
Other financial liabilities	81,937,686	2,330,674	42,351,068		126,619,428
Other liabilities	95,329,056	8,376	2,823,575		98,161,007
Lease liabilities	274,381	1,096,086	5,813,723		7,184,190
Derivative financial instruments					
Financial liabilities at fair value through profit or loss					
Gross settlement					
Cash inflow	(45,687,854)	(15,746,435)	(11,846,207)		(73,280,496)
Cash outflow	47,003,289	15,888,814	12,126,186		75,018,289
Net settlement	312,943	207,379	792,920		1,313,242
Total	\$ 880,386,202	\$ 510,416,396	\$ 910,728,168	\$	2,301,530,766

June 30, 2021

Financial assets	0~90 days	91 days~1 year	Over 1 year	Total
Non-derivative financial instruments				
Cash and cash equivalents	\$ 59,126,426	\$ 9,890,458	\$ 86,489	\$ 69,103,373
Due from Central Bank and call loans to other banks	32,038,991	10,532,084	19,564,400	62,135,475
Financial assets at fair value through profit or loss	413,770,828	76,762,449	104,178,299	594,711,576
Financial assets at fair value through other comprehensive income	29,905,370	13,349,436	259,028,915	302,283,721
Investments in bills and bonds under resale agreements	42,398,800	27,870	-	42,426,670
Receivables	260,236,479	53,826,528	10,825,728	324,888,735
Bills discounted and loans	146,724,484	158,193,816	533,791,220	838,709,520
Reinsurance contract assets	515,593	755,335	-	1,270,928
Financial assets at amortised cost	126,510,673	39,965,733	320,045,810	486,522,216
Restricted assets	-	-	3,170,804	3,170,804
Other financial assets	87,156,799	22,211	27,531,374	114,710,384
Other assets	30,262,087	2,246,471	10,553,781	43,062,339
Derivative financial instruments				
Financial assets at fair value through profit or loss				
Gross settlement				
Cash inflow	33,068,919	15,619,973	-	48,688,892
Cash outflow	(32,558,620)	(15,471,922)	-	(48,030,542)
Net settlement	1,497,654	1,363,326	1,515,639	4,376,619
Total	\$ 1,230,654,483	\$ 367,083,768	\$ 1,290,292,459	\$ 2,888,030,710
Financial liabilities				
Non-derivative financial instruments				
Deposits from Central Bank and other banks	\$ 18,095,430	\$ 4,939,254	\$ -	\$ 23,034,684
Due to Central Bank and other banks	20,000	580,800	-	600,800
Financial liabilities at fair value through profit or loss	66,524,915	1,259,055	27,107,165	94,891,135
Bills and bonds payable under repurchase agreements	124,250,373	27,783,345	38,477,129	190,510,847
Commercial paper payable	55,827,488	6,423,477	-	62,250,965
Payables	216,938,896	25,325,801	54,130,323	296,395,020
Deposits and remittances	273,584,018	393,056,522	652,563,754	1,319,204,294
Bonds payable	2,532,711	12,808,999	72,768,331	88,110,041
Other borrowings	61,891,414	3,814,080	6,418,133	72,123,627
Other financial liabilities	87,295,348	1,340,220	34,465,554	123,101,122
Other liabilities	34,475,676	5,522	3,193,875	37,675,073
Lease liabilities	250,721	1,010,689	6,074,595	7,336,005
Derivative financial instruments				
Financial liabilities at fair value through profit or loss				
Gross settlement				
Cash inflow	(28,114,527)	(12,095,740)	(2,787,000)	(42,997,267)
Cash outflow	28,959,936	12,186,322	2,791,910	43,938,168
Net settlement	125,457	597,692	627,575	1,350,724
Total	\$ 942,657,856	\$ 479,036,038	\$ 895,831,344	\$ 2,317,525,238

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 June 30, 2022, December 31, 2021 and June 30, 2021, expenses on period of 0-90 days will increase by \$665,704,870, \$729,314,251 and \$690,190,054, 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:

	June 30, 2022			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 22,413,909	\$ -	\$ -	\$ 22,413,909
Unused credit commitment	4,339,038	-	-	4,339,038
Guarantees	10,414,504	-	-	10,414,504
Capital expenditure commitment	2,580,313	7,022,705	-	9,603,018
	December 31, 2021			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 22,005,017	\$ -	\$ -	\$ 22,005,017
Unused credit commitment	2,495,253	-	-	2,495,253
Guarantees	10,180,354	-	-	10,180,354
Capital expenditure commitment	1,859,020	4,468,852	-	6,327,872
	June 30, 2021			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 22,330,089	\$ -	\$ -	\$ 22,330,089
Unused credit commitment	3,120,052	-	-	3,120,052
Guarantees	10,864,893	-	-	10,864,893
Capital expenditure commitment	1,859,834	1,236,662	-	3,096,496

(D) Transfer of financial assets

Transferred financial assets not fully derecognized

a. The Yuanta Group has financial assets that are fully or partially derecognized through transactions of transfer of financial assets to others. When the Yuanta Group receives the contract right of cash flow from the financial assets, or retains the above rights but bears obligation to pay the cash flow to one or more recipients and the risks and compensation of rights are mostly transferred, the assets should be derecognized. If the Yuanta Group still retains most of the risks and compensation of rights, the Yuanta Group should continue 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 recognize the part of financial assets that are involved.

b. Financial assets that do not meet the derecognition conditions are mainly: (1) convertible bonds transferred to counterparties during transactions of exchanging assets and (2) bonds sold under repurchase agreements. The targeted assets exchanged in the transactions are either acquired through public subscription, book building, auctions or others by the

Yuanta Group or owned by the Yuanta Group for proprietary trading, and are sold to counterparties in order to receive consideration. During the contract period, the contracted interest compensation is exchanged for bond interest and interest refund arising from the convertible bonds held by the counterparties. The Yuanta Group obtains rights to repurchase the convertible bonds before the end of contract expiration date. As the options are neither deep-in-the-money nor deep-out-of-the-money at transactions, the Yuanta Group must further assess whether to retain the control over the convertible bonds. Since the convertible bonds cannot be easily obtained in markets, the Yuanta Group still keeps its control over the assets and continuing involvement. Because transactions in respect to the repurchase agreements of debt instruments and bills had transferred their receivable contractual cash flows to other parties, and are reflected in the Consolidated Company's related liabilities, which indicate the obligation to repurchase transferred financial assets in a specified future period within a fixed price, the Consolidated Company, within the effective period of the transaction, cannot use, sell or pledge the already transferred financial asset, but must still bear interest risk and credit risk. Thus, such financial assets were not derecognized in its entirety.

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

June 30, 2022		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 25,347,985	\$ 22,821,789
Bonds sold under repurchase agreements	170,871,513	168,969,593
Bills sold under repurchase agreements	963,464	963,601
December 31, 2021		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 23,245,037	\$ 18,882,931
Bonds sold under repurchase agreements	186,986,238	183,865,849
June 30, 2021		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 20,501,586	\$ 16,420,007
Bonds sold under repurchase agreements	194,424,583	190,510,847

(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

June 30, 2022

Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		
				Financial instruments (Note 2)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 12,427,096	\$ -	\$ 12,427,096	\$ 8,822,445	\$ 1,162,067	\$ 2,442,584
Bonds purchased under resale agreements	43,505,146	-	43,505,146	39,511,146	3,937,420	56,580

December 31, 2021

Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		
				Financial instruments (Note 2)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 7,236,667	\$ -	\$ 7,236,667	\$ 4,528,788	\$ 1,725,916	\$ 981,963
Bonds purchased under resale agreements	46,454,964	-	46,454,964	41,819,387	3,742,680	892,897

June 30, 2021

Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)		
				Financial instruments (Note 2)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative instruments	\$ 7,194,744	\$ -	\$ 7,194,744	\$ 3,785,414	\$ 2,479,268	\$ 930,062
Bonds purchased under resale agreements	42,426,670	-	42,426,670	39,586,907	2,191,814	647,949

b. Financial liabilities

June 30, 2022

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 24,115,671	\$ -	\$ 24,115,671	\$ 17,280,232	\$ 4,444,589		\$ 2,390,850
Bonds sold under repurchase agreements	168,969,593	-	168,969,593	168,816,412	153,181		-
Bills sold under repurchase agreements	963,601	-	963,601	963,464	-		137

December 31, 2021

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 9,115,988	\$ -	\$ 9,115,988	\$ 6,586,777	\$ 918,823		\$ 1,610,388
Bonds sold under repurchase agreements	183,865,849	-	183,865,849	183,811,212	54,637		-

June 30, 2021

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 7,765,453	\$ -	\$ 7,765,453	\$ 6,096,558	\$ 777,320		\$ 891,575
Bonds sold under repurchase agreements	190,510,847	-	190,510,847	190,468,496	42,351		-

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

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

Note 3: Including net settled master netting arrangements.

(F) Interest Rate Benchmark Reform

The Yuanta Group's financial instruments which were affected by the interest rate benchmark reform included derivative instruments, discounts and loans and debt instruments. The primarily linked exit interest index was US LIBOR. SOFR was expected to replace US LIBOR

and with reference to the public announcement of the Financial Conduct Authority on March 5, 2021, the pricing date of interest rate spread adjustment was March 5, 2021.

In order to effectively control the risk of interest rate benchmark reform, Yuanta Group has a LIBOR transition plan, including the governance framework for top-down and cross segment, internal training and continuous evaluating and identifying the effects of contract remediation, communicating with trading counterparty, risk management and valuation model, operating process and system, accounting and tax. As of June 30, 2022, the Yuanta Group completed confirming the affected transactions, risk and system and was expected to be completed before the exit of LIBOR. As of June 30, 2022, the Yuanta Group's financial instruments which were affected by the interest rate benchmark reform were as follows.

Item	Carrying amount	
	Assets	Liabilities
Derivative financial instruments	\$ 1,314,976	\$ 3,209,529
Non-derivative financial instruments	46,028,695	-

(G) Insurance risk

a. Measurement and management of insurance risk

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

(a) Life insurance

The main risk of life insurance comprises of death rate and interest rate. The Yuanta Group assesses the premium rate of main insurance product on the market, makes related statistical measurement and analysis of death rate, such as cash flow test and experience test. Inspections are used to determine whether the death rate is higher than pricing basis in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product.

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

(b) Variable life insurance

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

(c) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise of the occurrence of the accident rate and the morbidity rate. The Yuanta Group tracks loss rate of each insurance type, assesses the premium rate of main insurance products on the market, and makes related statistical measurement of occurrence of the accident rate and the morbidity rate, such as cash flow test and experience test in order to evaluate

the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product. The Yuanta Group 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 June 30, 2022, December 31, 2021, and June 30, 2021, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

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

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

(a) Credit risk

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

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

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

(b) Liquidity risk

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

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Less than 1 year	(\$ 1,981,040)	(\$ 3,321,539)	(\$ 1,942,475)
1 ~5 years	21,879,119	18,352,896	16,859,951
6 ~15 years	98,329,128	94,350,259	89,619,692
More than 15 years	<u>563,461,819</u>	<u>522,891,775</u>	<u>519,638,224</u>
Total	<u>\$ 681,689,026</u>	<u>\$ 632,273,391</u>	<u>\$ 624,175,392</u>

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

(c) Market risk

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

(4) Capital adequacy ratio:

Expressed In Thousands of NTD

June 30, 2022			
	Financial Holding Company	Eligible capital	Minimum capital
	Shareholding Ratio		
Financial holding company	-	\$ 242,234,543	\$ 279,911,567
Bank subsidiaries	100.00%	126,430,919	92,459,877
Securities subsidiaries	100.00%	82,272,310	29,178,636
Futures subsidiaries	66.27%	7,979,296	4,629,650
Insurances subsidiaries	100.00%	31,579,214	12,203,992
Venture capital subsidiaries	100.00%	2,664,733	1,748,766
Securities investment trust subsidiaries	74.71%	3,773,863	2,824,725
Other subsidiaries	100.00%	4,074,517	2,125,937
Deduction item		(289,827,728)	(276,298,234)
Subtotal		\$ 211,181,667	\$ 148,784,916
Capital adequacy ratio of the Consolidated Company			141.94%

Expressed In Thousands of NTD

June 30, 2021			
	Financial Holding Company	Eligible capital	Minimum capital
	Shareholding Ratio		
Financial holding company	-	\$ 256,658,304	\$ 293,145,680
Bank subsidiaries	100.00%	134,385,121	90,169,904
Securities subsidiaries	100.00%	78,017,295	38,937,071
Futures subsidiaries	66.27%	7,726,230	4,325,534
Insurances subsidiaries	100.00%	27,776,613	12,485,230
Venture capital subsidiaries	100.00%	3,420,747	1,708,518
Securities investment trust subsidiaries	74.71%	3,660,920	2,121,490
Other subsidiaries	100.00%	3,951,746	2,062,424
Deduction item		(304,378,828)	(288,475,202)
Subtotal		\$ 211,218,148	\$ 156,480,649
Capital adequacy ratio of the Consolidated Company			134.98%

As of June 30, 2022, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 125,015,590
Additional paid-in capital	37,890,734
Legal reserve	20,481,785
Special reserve	6,549,234
Accumulated earnings	63,984,942
Other equity	(11,595,724)
Less: goodwill and other intangible assets	(13,413)
Less: deferred assets	(78,605)
Total net eligible capital	<u>\$ 242,234,543</u>

As of June 30, 2021, 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	17,040,473
Special reserve	6,549,234
Accumulated earnings	63,508,066
Other equity	10,355,894
Less: goodwill and other intangible assets	(5,312)
Less: deferred assets	(50,360)
Total net eligible capital	<u>\$ 256,658,304</u>

(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)

Name	June 30, 2022	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	\$ 192,235	79.33
Securities Korea_Korea_Finance and Insurance Industry	126,292	52.12
Central Government, R.O.C	125,867	51.94
Taiwan Cement Corporation	22,558	9.31
Taiwan Semiconductor Manufacturing Co., Ltd.	17,740	7.32
U.S. Government	15,772	6.51
CPC Corporation, Taiwan	11,465	4.73
Taiwan Depository & Clearing Corporation	11,237	4.64
GlobalWafers Co., Ltd.	10,736	4.43
Chunghwa Telecom Co., Ltd.	10,131	4.18
ASE Technology Holding Co., Ltd.	10,084	4.16
Quanta Computer Inc.	8,610	3.55
CTBC Financial Holding Co., Ltd.	8,588	3.54
Nan Ya Plastics Corporation	8,395	3.46
Far Eastern New Century Corporation	8,233	3.40
National Australia Bank Ltd.	7,366	3.04
Cathay Financial Holding Co., Ltd.	7,133	2.94
SinoPac Securities Corporation	6,938	2.86
Taiwan Power Company	6,921	2.86
YO JI CONSTRUCTION CO., LTD.	6,802	2.81
Securities Korea_Korea_Public Administration and National Defense	6,737	2.78
Taiwan Futures Exchange	6,695	2.76
Formosa Chemicals & Fibre Corporation	6,665	2.75
Taiwan Stock Exchange	6,551	2.70
DING SHUAI Development Co., Ltd.	6,540	2.70
Federal National Mortgage Association	6,349	2.62
Agricultural Bank of Taiwan	6,295	2.60
China Steel Corporation	6,163	2.54
Chang Chun Petrochemical Co., Ltd.	6,114	2.52
Asia Cement Corporation	6,105	2.52
JPMorgan Chase & Co.	6,088	2.51
Federal Home Loan Mortgage CORPORATION	6,058	2.50
TSMC Global Ltd.	6,017	2.48
Fubon Securities Investment Trust Co., Ltd	5,865	2.42
First Financial Holding Co. Ltd.	5,859	2.42
Commonwealth Bank of Australia	5,687	2.35
STATE OF ISRAEL	5,266	2.17

(Expressed In Millions of New Taiwan Dollars)

June 30, 2022

Name	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Taiwan Mobile Co., Ltd.	\$ 5,220	2.15
Union Bank of Switzerland	5,177	2.14
BNP Paribas	5,121	2.11
ABU DHABI GOVT INTL	4,958	2.05
Capital Securities Investment Trust Co., Ltd	4,802	1.98
Bank Korea Branch_Korea_Real Estate Industry	4,747	1.96
Taiwan Cooperative Bank	4,711	1.94
BANK OF THAILAND	4,634	1.91
Shanghai Commercial and Savings Bank	4,615	1.90
Apple Inc.	4,585	1.89
Evergreen Marine Corp.	4,519	1.86
Uni-President Enterprises Group	4,518	1.86
CreditSuisseInternational	4,467	1.84
Formosa Group (Cayman) Limited	4,442	1.83
WESTPAC GROUP	4,328	1.79
TATUNG CO.	4,219	1.74
KEB Hana Bank	4,065	1.68
Yuan Ding Investment Corp.	3,934	1.62
Formosa Plastics Corporation	3,817	1.58
STATE OF QATAR	3,805	1.57
Far Eastone Telecommunications Co., Ltd.	3,762	1.55
The Bank of Tokyo-Mitsubishi UFJ	3,700	1.53
Compal Electronics, Inc	3,552	1.47
FIRST ABU DHABI BANK PJS	3,547	1.46
Coöperatieve Rabobank U.A.	3,542	1.46
ADCB FINANCE CAYMAN LTD	3,531	1.46
BANK OF AMERICA CORP	3,501	1.44
SUNPOWER CONSTRUCTION CO., LTD.	3,458	1.43
Shuohe Development Co., Ltd.	3,400	1.40
Lien-Jade Construction Co.,Ltd.	3,394	1.40
Bank Korea Branch_Korea_Natural Person	3,334	1.38
UNITED OVERSEAS BANK LTD.	3,330	1.37
Wells Fargo & Company	3,319	1.37
VISA INC	3,314	1.37
Hua Nan Financial Holdings Co., Ltd.	3,290	1.36
GOLDMAN SACHS GROUP INC	3,286	1.36
FORMOSA HA TINH (CAYMAN) LIMITED	3,270	1.35
Sumitomo Mitsui Financial Group	3,241	1.34
Radium Life Tech Co., Ltd.	3,215	1.33
Shin Kong Financial Holding Co.,Ltd.	3,170	1.31

(Expressed In Millions of New Taiwan Dollars)

June 30, 2022

Name	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
CITIGROUP INC	\$ 3,159	1.30
Wistron Corporation	3,159	1.30
EVA Airways Corporation	3,153	1.30
Alphabet Inc.	3,122	1.29
Crédit Agricole Corporate and Investment Bank	3,118	1.29
Cathay Securities Investment Trust Co., LTD.	3,078	1.27
Lefoo Development Co.Ltd.	3,050	1.26
Australia and New Zealand Banking Group	3,033	1.25
Bank Korea Branch_Korea_Finance and Insurance Industry	3,032	1.25
FORMOSA HA TINH STEE	3,032	1.25
Pou Chen Corporation	3,029	1.25
Synnex Technology International Corporation	3,016	1.24
SAUDI ARABIAN OIL CO	3,007	1.24
Taiwan High Speed Rail Corporation	3,002	1.24
Taiwan Water Corporation	3,001	1.24
Total	932,988	384.98
Same related party:		
Mr. Jin and its related parties	\$ 27,551	11.37
Mr. Lin and its related parties	22,884	9.44
Mr. Liao and its related parties	17,761	7.33
Mr. Chen and its related parties	9,732	4.02
Mr. Wu and its related parties	8,456	3.49
Mr. Wang and its related parties	6,949	2.87
Mr. Xu and its related parties	6,679	2.76
Mr. Huang and its related parties	5,860	2.42
Mr. Chen and its related parties	4,527	1.87
Mr. Xu and its related parties	4,302	1.78
Mr. Chang and its related parties	3,932	1.62
Mr. Li and its related parties	3,816	1.57
Mr. Chang and its related parties	3,715	1.53
Mr. Yang and its related parties	3,613	1.49
Mr. Yang and its related parties	3,593	1.48
Mr. Yang and its related parties	3,587	1.48
Mr. Lin and its related parties	3,251	1.34
Mr. Huang and its related parties	3,250	1.34
Mr. Chang and its related parties	3,239	1.34
Mr. Chang and its related parties	3,160	1.30
Mr. Chen and its related parties	3,090	1.28
Total	152,947	63.12

(Expressed In Millions of New Taiwan Dollars)

June 30, 2022

Name	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
Formosa Plastic Group	\$ 35,630	14.70
Far Eastern Group	29,552	12.20
Taiwan Semiconductor Group	27,996	11.55
Taiwan Cement Group	23,879	9.85
Taiwan Stock Exchange	17,804	7.35
CTBC Financial Holding Group	15,983	6.60
Yong Feng Yu Group	12,984	5.36
Cathay Holdings Group	12,394	5.11
Fubon Group	12,022	4.96
ASE Group	11,787	4.86
SINO-AMERICAN SILICON PRODUCTS INC.	10,750	4.44
First Financial Holdings Group	10,603	4.38
Chunghwa Telecom Company, Ltd.	10,185	4.20
Taiwan Cooperative Financial Holding Co., Ltd.	10,131	4.18
Quanta Computer Group	8,832	3.64
China Development Group	8,739	3.61
China Steel Corporation Group	8,601	3.55
KINPO Group	8,551	3.53
MAW DER Property Development Group	8,509	3.51
Uni-President Enterprises Group	8,506	3.51
Evergreen Group	7,990	3.30
Foxconn Technology Group	7,669	3.16
CHANG CHUN Group	7,115	2.94
JPMorgan Chase & Co.	7,001	2.89
Hua Nan Financial Holdings Group	6,737	2.78
Commonwealth Bank of Australia	6,578	2.71
MiTAC-SYNNEX Group	6,077	2.51
Crédit Agricole Group	5,868	2.42
Shin Kong Group	5,613	2.32
Wistron Corporation	5,598	2.31
BNP Paribas S.A.	5,530	2.28
UBS Taiwan	5,213	2.15
Yulon Group	5,147	2.12
Four Union Group	4,847	2.00
Kingtown & Construction Co., Ltd	4,760	1.96
Foxlink Group	4,483	1.85
USI Group	4,481	1.85
Union Group	4,391	1.81
Tatung Company	4,224	1.74

(Expressed In Millions of New Taiwan Dollars)

June 30, 2022

Name	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
Cheng Shin Group	\$ 4,190	1.73
Macquarie Taiwan	4,163	1.72
LIEN JADE Construction Group	4,077	1.68
Lealea Group	3,657	1.51
Vedan Group	3,617	1.49
Taishin Financial Holdings Group	3,562	1.47
Australia and New Zealand Banking Group	3,478	1.44
Ting Hsin International Group	3,450	1.42
Testrite Group	3,437	1.42
HIGHWEALTH Group	3,386	1.40
Tung Ho Steel Group	3,368	1.39
BenQ Group	3,291	1.36
Fu Yu Construction Group	3,279	1.35
Radium Life Tech Group	3,272	1.35
POU CHEN Group	3,133	1.29
Total	456,120	188.21
	\$ 1,542,055	636.31

(BLANK)

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2021	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	\$ 194,477	75.76
Securities Korea_Korea_Finance and Insurance Industry	146,558	57.09
Central Government, R.O.C	116,588	45.42
Taiwan Semiconductor Manufacturing Co., Ltd.	18,304	7.13
CPC Corporation, Taiwan	15,744	6.13
Taiwan Power Company	12,891	5.02
U.S. Government	11,783	4.59
Cathay Financial Holding Co., Ltd.	11,688	4.55
Far Eastern New Century Corporation	9,917	3.86
Nan Ya Plastics Corporation	9,765	3.80
China Steel Corporation	9,343	3.64
Uni-President Enterprises Group	9,149	3.56
Taiwan Cooperative Bank	8,903	3.47
Formosa Chemicals & Fibre Corporation	8,884	3.46
Securities Korea_Korea_Public Administration and National Defense	8,685	3.38
Taiwan Cement Corporation	8,568	3.34
Taiwan Depository & Clearing Corporation	8,365	3.26
Taiwan Mobile Co., Ltd.	8,177	3.19
CTBC Financial Holding Co., Ltd.	8,074	3.14
GlobalWafers Co., Ltd.	7,480	2.91
Chunghwa Telecom Co., Ltd.	7,357	2.87
Federal Home Loan Mortgage CORPORATION	7,340	2.86
Highwealth Construction Corp.	7,257	2.83
Asia Cement Corporation	7,249	2.82
Far Eastone Telecommunications Co., Ltd.	7,072	2.75
Formosa Plastics Corporation	6,929	2.70
TSMC Global Ltd.	6,640	2.59
ASE Technology Holding Co., Ltd.	6,566	2.56
YO JI CONSTRUCTION CO., LTD.	6,502	2.53
Wavely Logistics Limited., Taiwan Branch	6,150	2.40
National Australia Bank Ltd.	6,038	2.35
Taiwan Water Corporation	6,005	2.34
Formosa Group (Cayman) Limited	5,951	2.32
Fubon Securities Investment Trust Co., Ltd	5,887	2.29
JPMorgan Chase & Co.	5,848	2.28
Pegatron Corporation	5,727	2.23

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2021	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Federal National Mortgage Association	\$ 5,710	2.22
Quanta Computer Inc.	5,670	2.21
STATE OF ISRAEL	5,636	2.20
The Export-Import Bank of the Republic of China	5,508	2.15
Taiwan Futures Exchange	5,488	2.14
Capital Securities Investment Trust Co., Ltd	5,408	2.11
Evergreen Marine Corp.	5,369	2.09
ASUSTEK COMPUTER INCORPORATION	5,294	2.06
FIRST ABU DHABI BANK PJS	5,062	1.97
BNP Paribas	4,986	1.94
China Airlines Ltd.	4,951	1.93
Taiwan Stock Exchange	4,836	1.88
Apple Inc.	4,788	1.87
EVA Airways Corporation	4,782	1.86
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	4,649	1.81
USI Corporation	4,556	1.77
Cathay Securities Investment Trust Co., LTD.	4,410	1.72
Shanghai Commercial and Savings Bank	4,331	1.69
Commonwealth Bank of Australia	4,273	1.66
First Financial Holding Co. Ltd.	4,253	1.66
Hua Nan Financial Holdings Co., Ltd.	4,238	1.65
Cheng Shin Rubber Ind., Co., Ltd.	4,181	1.63
Shin Kong Financial Holding Co.,Ltd.	4,153	1.62
TATUNG CO.	3,934	1.53
BANK OF THAILAND	3,890	1.52
Agricultural Bank of Taiwan	3,813	1.49
Taipei Financial Center Corp.	3,768	1.47
FORMOSA HA TINH (CAYMAN) LIMITED	3,762	1.47
Yuan Ding Investment Corp.	3,671	1.43
Union Bank of Switzerland	3,670	1.43
VISA INC	3,498	1.36
Sumitomo Mitsui Financial Group	3,497	1.36
Chang Chun Petrochemical Co., Ltd.	3,477	1.35
Lien-Jade Construction Co.,Ltd.	3,451	1.34
Radium Life Tech Co., Ltd.	3,448	1.34
KKY Co., Ltd.	3,417	1.33
STATE OF QATAR	3,393	1.32
SUNPOWER CONSTRUCTION CO., LTD.	3,390	1.32
International Bills Finance Corp	3,280	1.28

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2021	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Aerospace Industrial Development Corporation	\$ 3,230	1.26
Central Nippon Expressway Company Limited	3,218	1.25
WESTPAC GROUP	3,214	1.25
Australia and New Zealand Banking Group	3,205	1.25
ADCB FINANCE CAYMAN LTD	3,198	1.25
Formosa Petrochemical Corp	3,119	1.22
Wells Fargo & Company	3,118	1.21
Shuohe Development Co., Ltd.	3,113	1.21
The Bank of Tokyo-Mitsubishi UFJ	3,106	1.21
Coöperatieve Rabobank U.A.	3,090	1.20
Crédit Agricole Corporate and Investment Bank	3,075	1.20
Leofoo Development Co.Ltd.	3,050	1.19
Credit Agricole S.A.	3,050	1.19
Total	<u>948,538</u>	<u>369.49</u>
Same related party:		
Mr. Liao and its related parties	\$ 18,332	7.14
Mr. Fang and its related parties	18,324	7.14
Mr. Jin and its related parties	13,102	5.10
Mr. Chen and its related parties	10,201	3.97
Mr. Wu and its related parties	10,101	3.94
Mr. Lin and its related parties	8,990	3.50
Mr. Lin and its related parties	7,610	2.97
Mr. Ding and its related parties	6,267	2.44
Mr. Chen and its related parties	5,411	2.11
Mr. Huang and its related parties	5,361	2.09
Mr. Chang and its related parties	5,082	1.98
Mr. Chang and its related parties	4,862	1.89
Mr. Huang and its related parties	4,315	1.68
Mr. Chang and its related parties	4,309	1.68
Mr. Chang and its related parties	4,284	1.67
Mr. Lin and its related parties	4,195	1.63
Mr. Yang and its related parties	4,015	1.57
Mr. Yang and its related parties	3,981	1.55
Mr. Yang and its related parties	3,976	1.55
Mr. Chang and its related parties	3,768	1.47
Mr. Liao and its related parties	3,751	1.46
Mr. Li and its related parties	3,737	1.46
Mr. He and its related parties	3,501	1.36
Mr. He and its related parties	3,214	1.25

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2021	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same related party:		
Mr. Chang and its related parties	\$ 3,191	1.24
Mr. Yang and its related parties	3,028	1.18
Total	166,908	65.02
Same affiliated company:		
Formosa Plastic Group	\$ 41,202	16.05
Far Eastern Group	31,749	12.37
Taiwan Semiconductor Group	25,679	10.00
Cathay Holdings Group	19,294	7.52
CTBC Financial Holding Group	16,637	6.48
Fubon Group	15,766	6.14
Uni-President Enterprises Group	13,366	5.21
Taiwan Stock Exchange	13,209	5.15
Taiwan Cooperative Financial Holding Co., Ltd.	12,800	4.99
China Steel Corporation Group	12,431	4.84
Evergreen Group	10,695	4.17
Yong Feng Yu Group	9,545	3.72
Taiwan Cement Group	9,008	3.51
China Development Group	8,870	3.45
ASE Group	8,198	3.19
HIGHWEALTH Group	7,779	3.03
First Financial Holdings Group	7,751	3.02
SINO-AMERICAN SILICON PRODUCTS INC.	7,638	2.97
JPMorgan Chase & Co.	7,514	2.93
Chunghwa Telecom Company, Ltd.	7,408	2.88
Foxconn Technology Group	7,325	2.85
Hua Nan Financial Holdings Group	7,247	2.82
Shin Kong Group	7,034	2.74
Crédit Agricole Group	6,125	2.39
Commonwealth Bank of Australia	5,874	2.29
Quanta Computer Group	5,838	2.27
Pegatron Group	5,804	2.26
BNP Paribas S.A.	5,800	2.26
Yulon Group	5,592	2.18
ASUS Group	5,347	2.08
China Airlines Group	4,998	1.95
CHANG CHUN Group	4,985	1.94
Four Union Group	4,930	1.92
USI Group	4,922	1.92
BenQ Group	4,741	1.85
Cheng Shin Group	4,738	1.85

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2021	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
The Shanghai Commercial & Savings Bank, Ltd.	\$ 4,357	1.70
Testrite Group	4,329	1.69
Taishin Financial Holdings Group	4,301	1.67
Wistron Corporation	4,209	1.64
Vedan Group	4,018	1.56
Tatung Company	3,939	1.53
IBF Financial Holdings Group	3,878	1.51
Sinar Mas Group	3,852	1.50
Taiwan Broadband (TBC) Group	3,734	1.45
Mega Financial Holdings Group	3,683	1.43
Lealea Group	3,671	1.43
Radium Life Tech Group	3,659	1.43
United Microelectronics Group	3,586	1.40
LIEN JADE Construction Group	3,572	1.39
E.SUN Financial Holding Co., Ltd.	3,473	1.35
Wei Chuan Foods Corporation	3,473	1.35
Wells Fargo & Company	3,436	1.34
Foxlink Group	3,403	1.33
Kingtown & Construction Co., Ltd	3,275	1.27
HSBC Group	3,204	1.25
Societe Generale Group	3,174	1.24
Total	456,065	177.65
	\$ 1,571,511	612.16

(6) Significant impact arising from changes in government laws and regulations:

None.

(7) Information for discontinued operations:

None.

(8) Major operating assets or liabilities transferred from (or to) other financial institutions:

None.

(9) Allocation of expenses between the Company and its subsidiaries and among subsidiaries

According to Article 7 of the Yuanta Group's Cross-Marketing Management System, contracts regarding legal responsibility and the allocation method for expenses arising from the mutual use of business facilities and cross-sales between the Company's subsidiaries should be formulated and signed.

(10) Information for private placement securities:

Please refer to Note 6(24).

(11) Financial information by business segments

Information by business segments for the six months ended June 30, 2022 is as follows:

(Expressed In Thousands of New Taiwan Dollars)

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 7,035,990	\$ 3,578,876	\$ 134,324	\$ 4,968,018	(\$ 152,511)	\$ 15,564,697
Net non-interest income	1,823,699	17,955,804	1,141,757	12,062,065	1,744,463	34,727,788
Net profit	8,859,689	21,534,680	1,276,081	17,030,083	1,591,952	50,292,485
Provision for bad debt expenses, commitment and guarantee policy reserve	(115,748)	23,578	1,282	(450)	-	(91,338)
Net change in provisions for insurance liabilities	-	-	-	(12,592,938)	-	(12,592,938)
Operating expenses	(5,455,444)	(13,923,792)	(683,973)	(755,376)	(1,326,287)	(22,144,872)
Net income from continuing operations before income tax	3,288,497	7,634,466	593,390	3,681,319	265,665	15,463,337
Income tax expense	(570,743)	(1,414,353)	(109,317)	(482,954)	(716,951)	(3,294,318)
Consolidated income (loss), net of tax	<u>\$ 2,717,754</u>	<u>\$ 6,220,113</u>	<u>\$ 484,073</u>	<u>\$ 3,198,365</u>	<u>(\$ 451,286)</u>	<u>\$ 12,169,019</u>

Information by business segments for the six months ended June 30, 2021 is as follows:

(Expressed In Thousands of New Taiwan Dollars)

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 6,454,622	\$ 3,809,393	\$ 148,157	\$ 4,362,566	(\$ 148,272)	\$ 14,626,466
Net non-interest income	3,625,577	33,703,738	1,143,753	12,019,482	2,796,113	53,288,663
Net profit	10,080,199	37,513,131	1,291,910	16,382,048	2,647,841	67,915,129
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	60,409	63,171	1,797	67	(53,202)	72,242
Net change in provisions for insurance liabilities	-	-	-	(13,604,909)	-	(13,604,909)
Operating expenses	(5,455,924)	(19,531,700)	(670,224)	(700,264)	(1,623,655)	(27,981,767)
Net income from continuing operations before income tax	4,684,684	18,044,602	623,483	2,076,942	970,984	26,400,695
Income tax (expense) benefits	(638,169)	(3,500,760)	(105,033)	57,436	(561,482)	(4,748,008)
Consolidated income, net of tax	<u>\$ 4,046,515</u>	<u>\$ 14,543,842</u>	<u>\$ 518,450</u>	<u>\$ 2,134,378</u>	<u>\$ 409,502</u>	<u>\$ 21,652,687</u>

(12) Financial statements of the Company and condensed financial statements of its subsidiaries:

A. Financial statements of the Company

Yuanta Financial Holding Co., Ltd.

Yuanta Financial Holding Co., Ltd.

Individual Balance Sheets

June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Cash and cash equivalents	\$ 17,751,466	\$ 14,385,800	Payables	\$ 21,683,935	\$ 19,899,887
Financial assets at fair value through other comprehensive income	49,648	36,958	Current income tax liabilities	2,463,894	5,157,749
Investments in bill and bonds under Receivables - net	3,468,194	4,502,498	Bonds payable	31,200,000	25,900,000
Current income tax assets	-	205,017	Liabilities reserve	37,702	36,941
Equity investments accounted for under the equity method - net	276,298,234	288,475,202	Lease liability	36,871	79,511
Property and equipment - net	45,678	39,108	Other liabilities	6,088	4,105
Right-of-use assets - net	35,186	76,919	Total liabilities	<u>55,428,490</u>	<u>51,078,193</u>
Intangible assets - net	13,413	5,312	Equity		
Deferred income tax assets	78,605	50,360	Common stock	121,374,360	121,374,360
Other assets - net	14,627	14,995	Stock dividend to be distributed	3,641,230	-
			Additional paid-in capital	37,890,734	37,885,949
			Retained earnings		
			Legal reserve	20,481,785	17,040,473
			Special reserve	6,549,234	6,549,234
			Undistributed earnings	63,984,942	63,508,066
			Other equity	(11,595,724)	10,355,894
			Total equity	<u>242,326,561</u>	<u>256,713,976</u>
Total assets	<u>\$ 297,755,051</u>	<u>\$ 307,792,169</u>	Total liabilities and equity	<u>\$ 297,755,051</u>	<u>\$ 307,792,169</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the six months ended June 30,	
	2022	2021
Revenues		
Share of the profit or loss of associates and joint ventures accounted for under the equity method	\$ 12,543,050	\$ 20,854,430
Other revenues	64,419	(14,155)
	<u>12,607,469</u>	<u>20,840,275</u>
Expenses and losses		
Operating expenses	(538,738)	(734,090)
Other expenses and losses	(132,648)	(130,912)
	<u>(671,386)</u>	<u>(865,002)</u>
Income from continuing operations before income tax	11,936,083	19,975,273
Income tax expense	(413,269)	(315,700)
Net income	<u>11,522,814</u>	<u>19,659,573</u>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	3,995	8,475
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	(1,325,283)	4,236,195
Components of other comprehensive income that will be reclassified to profit or loss (net of tax)		
Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss	(18,709,057)	(5,961,933)
Other comprehensive loss	(20,030,345)	(1,717,263)
Total comprehensive (loss) income	<u>(\$ 8,507,531)</u>	<u>\$ 17,942,310</u>
Earnings per share (in dollars)		
Basic and diluted earnings per share	<u>\$ 0.92</u>	<u>\$ 1.57</u>

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the six months ended June 30, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

	Retained Earnings						Other equity				Total equity
	Common stock	Common stock dividends distributable	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	
For the six months ended June 30, 2021											
Balance, January 1, 2021	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 14,633,733	\$ 6,549,234	\$ 60,333,790	(\$ 4,467,136)	\$ 16,726,148	(\$ 45,138)	\$ 345,649	\$ 253,336,589
Appropriation of 2020 earnings											
Legal reserve	-	-	-	2,406,740	-	(2,406,740)	-	-	-	-	-
Cash dividend	-	-	-	-	-	(14,564,923)	-	-	-	-	(14,564,923)
Net income for the period	-	-	-	-	-	19,659,573	-	-	-	-	19,659,573
Other comprehensive income (loss) for the period	-	-	-	-	-	(22,659)	(2,181,801)	1,070,309	(165)	(582,947)	(1,717,263)
Total comprehensive income (loss) for the period	-	-	-	-	-	19,636,914	(2,181,801)	1,070,309	(165)	(582,947)	17,942,310
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	509,025	-	(509,025)	-	-	-
Balance, June 30, 2021	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 63,508,066	(\$ 6,648,937)	\$ 17,287,432	(\$ 45,303)	\$ 237,298	\$ 256,713,976
For the six months ended June 30, 2022											
Balance, January 1, 2022	\$ 121,374,360	\$ -	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 47,621)	(\$ 1,072,737)	\$ 269,035,461
Appropriation of 2021 earnings											
Legal reserve	-	-	-	3,441,312	-	(3,441,312)	-	-	-	-	-
Cash Dividend	-	-	-	-	-	(18,206,154)	-	-	-	-	(18,206,154)
Stock Dividend	-	3,641,230	-	-	-	(3,641,230)	-	-	-	-	-
Net income for the period	-	-	-	-	-	11,522,814	-	-	-	-	11,522,814
Other comprehensive income (loss) for the period	-	-	-	-	-	25,542	220,375	(16,221,183)	207	(4,055,286)	(20,030,345)
Total comprehensive income (loss) for the period	-	-	-	-	-	11,548,356	220,375	(16,221,183)	207	(4,055,286)	(8,507,531)
Changes in equity of associates and joint ventures accounted for under equity method	-	-	4,785	-	-	-	-	-	-	-	4,785
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(49,972)	-	49,972	-	-	-
Balance, June 30, 2022	\$ 121,374,360	\$ 3,641,230	\$ 37,890,734	\$ 20,481,785	\$ 6,549,234	\$ 63,984,942	(\$ 8,179,748)	\$ 1,759,461	(\$ 47,414)	(\$ 5,128,023)	\$ 242,326,561

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the six months ended June 30, 2022 and 2021
(Expressed In Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2022	2021
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 11,936,083	\$ 19,975,273
Adjustment items		
Income and expense item		
Depreciation	30,368	28,301
Amortisation	1,996	1,022
Interest expense	132,604	130,875
Interest income	(5,755)	(4,353)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(12,543,050)	(20,854,430)
Gain on lease modification	(2)	(477)
Gain from disposal or retirement of property and equipment	-	(10)
Intangible assets transferred to expense	126	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(3,792)	31,572
Increase in other assets	(2,620)	(3,098)
Decrease in payables	(458,699)	(79,023)
Increase in liabilities reserve	74	38
Increase (decrease) in other liabilities	672	(65)
Interest received	3,998	4,152
Dividend received	15,450,225	13,940,216
Interest paid	(113,547)	(112,535)
Income tax refund (paid)	1,014	(416,213)
Net cash flows generated from operating activities	<u>14,429,695</u>	<u>12,641,245</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property and equipment	(7,386)	(10,411)
Proceeds from disposal of property and equipment	-	1,100
Acquisition of intangible assets	(1,031)	(178)
Acquisition of right-of-use assets	(27)	(14)
Net cash flows used in investing activities	<u>(8,444)</u>	<u>(9,503)</u>
<u>Cash Flows From Financing Activities</u>		
Decrease in commercial paper payable	(2,789,000)	(999,866)
Proceeds from issuance of bonds	5,300,000	5,000,000
Repayments of bonds	-	(4,000,000)
Principal payment for lease liabilities	(22,043)	(20,515)
Net cash flows generated from (used in) financing activities	<u>2,488,957</u>	<u>(20,381)</u>
Net increase in cash and cash equivalents	16,910,208	12,611,361
Cash and cash equivalents at beginning of period	841,258	1,774,439
Cash and cash equivalents at end of period	<u>\$ 17,751,466</u>	<u>\$ 14,385,800</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 17,751,466	\$ 14,385,800
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	-	-
Cash and cash equivalents at end of reporting period	<u>\$ 17,751,466</u>	<u>\$ 14,385,800</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	(Reclassified) June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	(Reclassified) June 30, 2021
Cash and cash equivalents	\$ 17,379,584	\$ 14,803,849	Deposits from Central Bank and other banks	\$ 18,026,366	\$ 23,034,684
Due from Central Bank and call loans to other banks	74,463,160	59,920,630	Due to Central Bank and other banks	-	600,800
Financial assets at fair value through profit or loss	105,836,022	168,742,249	Financial liabilities at fair value through profit or loss	3,312,625	1,497,977
Financial assets at fair value through other comprehensive income	225,764,901	197,416,722	Bills and bonds payable under repurchase agreements	4,351,897	4,277,349
Investments in debt instruments at amortised cost	265,693,234	264,263,042	Payables	10,848,731	7,426,424
Investments in bills and bonds under resale agreements	7,825,786	2,445,125	Current income tax liabilities	738,832	1,368,876
Receivables- net	23,524,231	17,263,222	Deposits and remittances	1,470,785,503	1,365,365,013
Current income tax assets	99,119	1,167,911	Bank debentures payable	22,200,000	31,500,000
Assets held for sale- net	138,384	141,687	Other financial liabilities	2,609,245	2,785,079
Bills discounted and loans- net	886,777,521	797,513,436	Liabilities reserve	895,879	1,111,618
Equity investments accounted for under the equity method- net	4,615,964	4,265,435	Lease reserve	2,368,532	2,442,246
Other financial assets- net	4,694	10,858	Deferred income tax liabilities	638,546	401,539
Property and equipment- net	13,797,185	13,663,093	Other liabilities	2,776,438	1,525,536
Right-of-use assets- net	10,077,473	10,276,176	Total liabilities	<u>1,539,552,594</u>	<u>1,443,337,141</u>
Investment property- net	949,366	821,414	Common stock	73,940,390	73,940,390
Intangible assets- net	8,899,294	9,272,517	Additional paid-in capital	25,960,441	25,960,441
Deferred income tax assets	883,539	1,017,558	Retained earnings	21,719,371	20,242,050
Other assets - net	2,208,533	2,094,800	Other equity	(12,234,806)	1,619,702
Total assets	<u>\$ 1,648,937,990</u>	<u>\$ 1,565,099,724</u>	Total equity	<u>109,385,396</u>	<u>121,762,583</u>
			Total liabilities and equity	<u>\$ 1,648,937,990</u>	<u>\$ 1,565,099,724</u>

Yuanta Commercial Bank
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Interest income	\$ 9,204,691	100	\$ 8,317,382	80
Less: Interest expense	(2,557,923)	(28)	(2,149,652)	(21)
Net interest income	6,646,768	72	6,167,730	59
Net non-interest income	2,571,892	28	4,207,573	41
Net profit	9,218,660	100	10,375,303	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(102,514)	(1)	48,935	1
Operating expenses	(5,441,291)	(59)	(5,432,942)	(53)
Income from continuing operations before income tax	3,674,855	40	4,991,296	48
Income tax expense	(561,398)	(6)	(628,754)	(6)
Net income	3,113,457	34	4,362,542	42
Other comprehensive loss (net of tax)	(11,748,576)	(128)	(1,468,478)	(14)
Total comprehensive (loss) income	(\$ 8,635,119)	(94)	\$ 2,894,064	28
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	0.42	\$	0.59

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 351,919,052	\$ 447,958,608	Current liabilities	\$ 285,011,261	\$ 381,001,070
Financial assets at fair value through profit or loss-non-current	50,537	51,701	Bonds payable	23,500,000	23,500,000
Financial assets at fair value through other comprehensive income -non-current	11,828,075	8,992,145	Liabilities reserve- non-current	63,993	63,492
Equity investments accounted for under the equity method	50,112,815	48,660,564	Lease liabilities- non-current	497,977	630,590
Property and equipment	5,245,997	4,464,821	Deferred income tax liabilities	1,460,656	2,143,215
Right-of-use assets	746,192	874,895	Other non-current liabilities	2,125,830	2,277,293
Investment property	2,091,192	2,722,282	Total liabilities	312,659,717	409,615,660
Intangible assets	11,575,235	11,576,876	Common stock	59,820,321	57,820,321
Deferred income tax assets	958,134	567,021	Stock dividend to be distributed	6,104,205	2,000,000
Other non-current assets	2,356,504	2,484,842	Additional paid-in capital	985,225	980,441
Total assets	<u>\$ 436,883,733</u>	<u>\$ 528,353,755</u>	Retained earnings	48,688,964	49,447,277
			Other equity	8,625,301	8,490,056
			Total equity	124,224,016	118,738,095
			Total liabilities and equity	<u>\$ 436,883,733</u>	<u>\$ 528,353,755</u>

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 15,895,065	100	\$ 24,239,883	100
Service fee expense	(649,047)	(4)	(964,403)	(4)
Employee benefit expense	(4,250,056)	(27)	(6,985,408)	(29)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	1,065,257	7	3,574,284	15
Operating expenses	(4,413,151)	(28)	(4,174,270)	(17)
Income from continuing operations before income tax	7,648,068	48	15,690,086	65
Income tax expense	(1,082,643)	(7)	(1,795,289)	(8)
Net income	6,565,425	41	13,894,797	57
Other comprehensive (loss) income (net of tax)	(999,762)	(6)	1,007,945	4
Total comprehensive income	<u>\$ 5,565,663</u>	<u>35</u>	<u>\$ 14,902,742</u>	<u>61</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>1.00</u>	<u>\$</u>	<u>2.11</u>

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 54,195,338	\$ 39,517,763	Current liabilities	\$ 145,759,298	\$ 166,967,061
Financial assets at fair value through profit or loss-non-current	200,405,399	241,747,359	Bonds payable	127,851,583	140,725,936
Financial assets at fair value through other comprehensive income -non-current	6,156,270	5,183,836	Liabilities reserve- non-current	3,681,120	627,643
Equity investments accounted for under the equity method	2,302,774	2,536,506	Lease liabilities- non-current	655,542	1,839,347
Property and equipment	1,024,717	1,267,811	Other non-current liabilities	16,523,323	25,305,667
Right-of-use assets	685,837	1,733,378	Total liabilities	294,470,866	335,465,654
Investment property	1,174,553	2,041,279	Common stock	24,324,818	26,258,648
Intangible assets	826,012	810,944	Additional paid-in capital	(1,290,136)	(1,392,703)
Deferred income tax assets	738,037	729,108	Retained earnings	7,871,808	9,250,702
Other non-current assets	61,375,744	76,745,547	Other equity	3,507,325	2,731,230
Total assets	<u>\$ 328,884,681</u>	<u>\$ 372,313,531</u>	Total equity	34,413,815	36,847,877
			Total liabilities and equity	<u>\$ 328,884,681</u>	<u>\$ 372,313,531</u>

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

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 31,095,190	100	\$ 31,995,452	100
Service fee expense	(192,633)	(1)	(264,145)	(1)
Employee benefit expense	(2,625,598)	(8)	(4,494,069)	(14)
Operating expenses	(27,632,197)	(89)	(22,206,455)	(69)
Income from continuing operations before income tax	644,762	2	5,030,783	16
Income tax expense	(196,161)	(1)	(1,219,695)	(4)
Net income	448,601	1	3,811,088	12
Other comprehensive income (net of tax)	927,036	3	244,838	1
Total comprehensive income	<u>\$ 1,375,637</u>	<u>4</u>	<u>\$ 4,055,926</u>	<u>13</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>2.19</u>	<u>\$</u>	<u>18.54</u>

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

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 114,571,015	\$ 101,615,048	Current liabilities	\$ 105,651,079	\$ 94,258,183
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,703,801	218,289
-non-current	2,006,866	1,665,558	Total liabilities	<u>107,354,880</u>	<u>94,476,472</u>
Equity investments accounted for under the equity method	1,185,031	1,168,851			
Property and equipment	663,977	595,375	Common stock	2,899,763	2,899,763
Right-of-use assets	127,628	164,346	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	78,704	37,330	Retained earnings	4,561,333	4,366,034
Deferred income tax assets	31,574	34,821	Other equity	<u>1,509,006</u>	<u>1,322,433</u>
Other non-current assets	<u>730,671</u>	<u>853,857</u>	Total equity	<u>12,040,586</u>	<u>11,658,714</u>
Total assets	<u>\$ 119,395,466</u>	<u>\$ 106,135,186</u>	Total liabilities and equity	<u>\$ 119,395,466</u>	<u>\$ 106,135,186</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Revenues	\$ 1,959,144	100	\$ 2,021,285	100
Service fee expense	(405,093)	(21)	(410,742)	(20)
Employee benefit expense	(347,056)	(18)	(348,813)	(17)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(25,126)	(1)	(14,448)	(1)
Operating expenses	(621,076)	(31)	(703,376)	(35)
Income from continuing operations before income tax	560,793	29	543,906	27
Income tax expense	(108,719)	(6)	(105,033)	(5)
Net income	452,074	23	438,873	22
Other comprehensive (loss) income (net of tax)	(94,441)	(5)	173,213	8
Total comprehensive income	<u>\$ 357,633</u>	<u>18</u>	<u>\$ 612,086</u>	<u>30</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>1.56</u>	<u>\$</u>	<u>1.51</u>

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Cash and cash equivalents	\$ 13,724,501	\$ 12,908,266	Payables	\$ 2,143,916	\$ 2,816,956
Receivables	2,985,163	3,848,194	Current income tax liabilities	30,829	581,063
Current income tax assets	2,452,721	2,919,756	Financial liabilities at fair value		
Financial assets at fair value			through profit or loss	6,161,866	775,393
through profit or loss	37,874,759	55,258,102	Insurance liabilities	338,066,943	313,988,526
Financial assets at fair value through			Reserve for insurance contract with		
other comprehensive income	24,140,482	33,881,715	the nature of financial products	133,117	49,708
Financial assets at amortised cost	265,190,199	217,032,522	Foreign exchange reserve	2,877,397	457,464
Other financial assets	-	1,000,000	Liabilities reserve	69,605	87,776
Right-of-use assets	286,782	19,695	Lease liabilities	1,107,083	827,971
Investment property	12,531,532	12,297,169	Deferred income tax liabilities	287,215	892,705
Loans	7,332,059	7,213,511	Other liabilities	1,809,174	4,424,683
Reinsurance contract assets	1,510,758	1,270,928	Investment-linked insurance		
Property and equipment	52,827	38,133	products liabilities	32,945,654	26,334,533
Intangible assets	105,691	80,272	Total liabilities	385,632,799	351,236,778
Deferred income tax assets	1,811,688	2,594,125	Common stock	23,735,695	23,735,695
Other assets	6,832,752	3,787,848	Retained earnings	7,864,530	4,515,204
Investment-linked insurance			Other equity	(7,455,456)	997,092
products assets	32,945,654	26,334,533	Total equity	24,144,769	29,247,991
Total assets	<u>\$ 409,777,568</u>	<u>\$ 380,484,769</u>	Total liabilities and equity	<u>\$ 409,777,568</u>	<u>\$ 380,484,769</u>

Yuanta Life
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 29,108,939	100	\$ 28,181,951	100
Operating costs	(25,691,599)	(88)	(26,638,747)	(94)
Operating expenses	(791,470)	(3)	(724,756)	(3)
Net operating income	2,625,870	9	818,448	3
Non-operating revenues and expenses	(1,153)	-	(2,076)	-
Income from continuing operations before income tax	2,624,717	9	816,372	3
Income tax expense	(482,954)	(1)	57,436	-
Net income	2,141,763	8	873,808	3
Other comprehensive loss (net of tax)	(7,231,860)	(25)	(1,413,836)	(5)
Total comprehensive loss	(\$ 5,090,097)	(17)	(\$ 540,028)	(2)
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	0.90	\$	0.37

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 5,652,829	\$ 3,719,287	Current liabilities	\$ 2,290,273	\$ 540,727
Financial assets at fair value through other comprehensive income	346,980	280,601	Deferred income tax liabilities	159,411	160,831
Equity investments accounted for under the equity method	338,326	334,505	Lease liability- non-current	28,592	42,174
Property and equipment	308,278	334,111	Other non-current liabilities	32,160	35,342
Intangible assets	768,551	768,551	Total liabilities	<u>2,510,436</u>	<u>779,074</u>
Prepaid pension cost	31,218	39,208	Common stock	2,269,235	2,269,235
Deferred income tax assets	534	594	Additional paid-in capital	296,729	296,729
Right-of-use assets	41,280	54,333	Retained earnings	2,359,139	2,275,034
Other non-current assets	73,683	147,955	Other equity	126,140	59,073
Total assets	<u>\$ 7,561,679</u>	<u>\$ 5,679,145</u>	Total equity	<u>5,051,243</u>	<u>4,900,071</u>
			Total liabilities and equity	<u>\$ 7,561,679</u>	<u>\$ 5,679,145</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 1,938,628	100	\$ 1,819,266	100
Operating expenses	(700,386)	(36)	(728,806)	(40)
Operating income	1,238,242	64	1,090,460	60
Non-operating revenues and expenses	(150,810)	(8)	102,233	6
Income from continuing operations before income tax	1,087,432	56	1,192,693	66
Income tax expense	(247,006)	(13)	(219,499)	(12)
Net income	840,426	43	973,194	54
Other comprehensive income (net of tax)	20,075	-	3,542	-
Total comprehensive income	<u>\$ 860,501</u>	<u>43</u>	<u>\$ 976,736</u>	<u>54</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$</u>	<u>3.70</u>	<u>\$</u>	<u>4.29</u>

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 2,830,510	\$ 2,513,604	Current liabilities	\$ 66,289	\$ 64,311
Financial assets at fair value through other comprehensive income	37,166	39,290	Non-current liabilities	19,120	22,388
Property and equipment	8,125	7,715	Total liabilities	85,409	86,699
Right-of-use assets	13,275	17,615	Common stock	3,346,138	3,220,649
Investment property	1,127,237	1,317,840	Additional paid-in capital	1,047	1,047
Deferred income tax assets	3,026	2,871	Retained earnings	568,461	570,416
Other non-current assets	853	1,136	Other equity	19,137	21,260
Total assets	<u>\$ 4,020,192</u>	<u>\$ 3,900,071</u>	Total equity	3,934,783	3,813,372
			Total liabilities and equity	<u>\$ 4,020,192</u>	<u>\$ 3,900,071</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 212,853	100	\$ 177,890	100
Operating expenses	(111,492)	(52)	(100,279)	(56)
Operating income	101,361	48	77,611	44
Non-operating revenues and expenses	(26,330)	(12)	8,550	5
Income from continuing operations before income tax	75,031	36	86,161	49
Income tax expense	(18,610)	(9)	(13,841)	(8)
Net income	56,421	27	72,320	41
Other comprehensive (loss) income (net of tax)	(2,675)	(1)	2,156	1
Total comprehensive income	\$ 53,746	26	\$ 74,476	42

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022	June 30, 2021	LIABILITIES AND EQUITY	June 30, 2022	June 30, 2021
Current assets	\$ 2,587,489	\$ 2,300,446	Current liabilities	\$ 900,083	\$ 95,635
Financial assets at fair value through other comprehensive income	70,240	131,108	Lease liability- non-current	-	1,269
Equity investments accounted for under the equity method	860,970	1,065,916	Other non-current liabilities	4,700	3,600
Property and equipment	2,367	3,027	Total liabilities	904,783	100,504
Right-of-use assets	1,257	5,027	Common stock	2,715,220	2,715,220
Deferred income tax assets	46,558	15,092	Additional paid-in capital	918	918
Other non-current assets	635	635	(Accumulated deficit)		
Total assets	<u>\$ 3,569,516</u>	<u>\$ 3,521,251</u>	retained earnings	(125,991)	665,900
			Other equity	74,586	38,709
			Total equity	2,664,733	3,420,747
			Total liabilities and equity	<u>\$ 3,569,516</u>	<u>\$ 3,521,251</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	(\$ 272,997)	(100)	\$ 723,377	100
Operating expenses	2,971	1	(131,116)	(18)
Operating (loss) income	(270,026)	(99)	592,261	82
Non-operating revenues and expenses	1,663	1	(6,645)	(1)
(Loss) income from continuing operations before income tax	(268,363)	(98)	585,616	81
Income tax (expense) benefit	(20,541)	(8)	2,790	-
Net (loss) income	(288,904)	(106)	588,406	81
Other comprehensive (loss) income (net of tax)	(3,881)	-	29,040	4
Total comprehensive (loss) income	(\$ 292,785)	(106)	\$ 617,446	85

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
June 30, 2022 and 2021

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>LIABILITIES AND EQUITY</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current assets	\$ 193,104	\$ 183,392	Current liabilities	\$ 77,055	\$ 68,738
Property and equipment	13,291	17,738	Non-current liabilities	<u>29,682</u>	<u>34,834</u>
Right-of-use assets	22,173	28,767	Total liabilities	<u>106,737</u>	<u>103,572</u>
Intangible assets	789	254	Common stock	100,000	100,000
Deferred income tax assets	3,895	5,372	Additional paid-in capital	6,017	6,017
Other non-current assets	13,219	6,423	Retained earnings	<u>33,717</u>	<u>32,357</u>
			Total equity	<u>139,734</u>	<u>138,374</u>
Total assets	<u>\$ 246,471</u>	<u>\$ 241,946</u>	Total liabilities and equity	<u>\$ 246,471</u>	<u>\$ 241,946</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2022		2021	
	Amount	%	Amount	%
Operating revenues	\$ 130,845	100	\$ 115,590	100
Operating costs	(584)	-	(557)	-
Operating expenses	(126,818)	(97)	(112,566)	(98)
Operating income	3,443	3	2,467	2
Non-operating revenues and expenses	507	-	482	1
Income from continuing operations				
before income tax	3,950	3	2,949	3
Income tax expense	(696)	(1)	(546)	(1)
Net income	3,254	2	2,403	2
Total comprehensive income	\$ 3,254	2	\$ 2,403	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 six months ended June 30,	
		2022	2021
Return on total assets	Before tax	3.95	6.69
	After tax	3.81	6.59
Return on equity	Before tax	4.67	7.83
	After tax	4.51	7.71
Net profit margin ratio		92.37	94.93

(B) Yuanta Financial Holdings and its subsidiaries

		For the six months ended June 30,	
		2022	2021
Return on total assets	Before tax	0.51	0.91
	After tax	0.41	0.75
Return on equity	Before tax	5.61	9.59
	After tax	4.42	7.86
Net profit margin ratio		24.20	31.88

(C) Yuanta Bank

		For the six months ended June 30,	
		2022	2021
Return on total assets	Before tax	0.22	0.33
	After tax	0.19	0.29
Return on equity	Before tax	3.16	4.06
	After tax	2.68	3.55
Net profit margin ratio		33.77	42.05

(D) Yuanta Securities

		For the six months ended June 30,	
		2022	2021
Return on total assets	Before tax	1.57	3.19
	After tax	1.35	2.83
Return on equity	Before tax	6.05	13.63
	After tax	5.19	12.07
Net profit margin ratio		40.25	51.75

(E) Yuanta Life

		For the six months ended June 30,	
		2022	2021
Return on total assets	Before tax	0.66	0.23
	After tax	0.54	0.24
Return on equity	Before tax	9.83	2.77
	After tax	8.02	2.96
Net profit margin ratio		62.69	56.70

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		June 30, 2022					June 30, 2021					
Business / Items		Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio	Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio	
Corporate banking	Secured loans	433,892	247,623,949	0.18%	3,299,188	760.37%	440,767	231,419,882	0.19%	3,103,746	704.17%	
	Unsecured loans	178,478	193,578,236	0.09%	3,469,589	1,943.99%	581,658	170,221,934	0.34%	3,284,008	564.59%	
Consumer banking	Residential mortgage loans	123,373	269,030,076	0.05%	4,051,052	3,283.58%	183,764	233,103,297	0.08%	3,507,199	1,908.53%	
	Cash card services	-	26,050	-	521	-	10	40,172	0.02%	761	7,610.00%	
	Small amount of credit loans	4,193	14,033,025	0.03%	153,518	3,661.29%	7,705	11,725,983	0.07%	130,689	1,696.16%	
	Others	Secured loans	142,650	186,459,709	0.08%	1,946,308	1,364.39%	153,393	170,827,299	0.09%	1,783,905	1,162.96%
		Unsecured loans	993	3,040,830	0.03%	31,110	3,132.93%	512	2,557,617	0.02%	25,766	5,032.42%
Gross loan business		883,579	913,791,875	0.10%	12,951,286	1,465.78%	1,367,809	819,896,184	0.17%	11,836,074	865.33%	

Month / Year		June 30, 2022					June 30, 2021				
		Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services		5,786	7,629,143	0.08%	110,857	1,915.95%	5,463	7,181,088	0.08%	100,122	1,832.73%
Without recourse factoring		-	8,939,038	-	103,950	-	-	4,765,738	-	68,438	-

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

	June 30, 2022		June 30, 2021	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Amounts exempted from reporting to the competent authority under debt negotiation (Note 1)	25,897	17,880	40,454	24,126
Perform in accordance with debt liquidation program and restructuring program (Note 2)	691,571	296,385	830,477	325,111
Total	717,468	314,265	870,931	349,237

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, %

June 30, 2022			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Iron and Steel Refining	\$ 9,738,177	8.90
2	Group B–Real Estate Development	8,509,090	7.78
3	Company C–Real Estate Development	6,802,000	6.22
4	Group D–Quarrying of Stone and Sand and Other Mining	4,393,480	4.02
5	Group E–Manufacture of Power Generation, Transmission and Distribution Machinery	4,200,000	3.84
6	Group F–Real Estate Development	4,076,974	3.73
7	Group G–Real Estate Development	3,698,077	3.38
8	Group H–Real Estate Development	3,399,505	3.11
9	Group I–Activities of Amusement Parks and Theme Parks	3,050,000	2.79
10	Group J–Wholesale of Electronic and Telecommunications Equipment and Parts	2,689,473	2.46

Unit: In thousands of NT Dollars, %

June 30, 2021			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Iron and Steel Refining	\$ 7,756,537	6.37
2	Company B–Real Estate Development	6,502,000	5.34
3	Company C–Real Estate Leasing	6,150,000	5.05
4	Group D–Manufacture of Power Generation, Transmission and Distribution Machinery	3,900,000	3.20
5	Group E–Air Transport	3,851,875	3.16
6	Group F–Real Estate Development	3,590,749	2.95
7	Group G–Real Estate Development	3,572,204	2.93
8	Group H–Chemical Material Manufacturing	3,417,116	2.81
9	Group I–Real Estate Development	3,390,000	2.78
10	Group J–Real Estate Development	3,112,694	2.56

Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If an outstanding loan belongs to an enterprise group, the outstanding loan of enterprise group should be categorised and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A – Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

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

Note 3: Total amounts of credit extensions were various loans (including import negotiations, export negotiations, bills discounted, overdrafts, short-term loans, short-term loans secured, securities

financing receivable, mid-term loans, mid-term loan secured, long-term loans, long-term loans secured, and overdue accounts), remittances purchased, advance accounts for factoring receivable, acceptances receivable, and guarantees receivable.

(BLANK)

(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,485,841,411	201,604,577	123,630,431	130,087,372	77,754,720	194,772,046	757,992,265
Primary funds outflow upon maturity	1,730,013,645	62,445,209	157,861,774	179,448,436	225,537,646	353,655,576	751,065,004
Gap	(244,172,234)	139,159,368	(34,231,343)	(49,361,064)	(147,782,926)	(158,883,530)	6,927,261

June 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,403,953,701	260,823,873	127,252,390	104,451,083	76,716,759	126,344,251	708,365,345
Primary funds outflow upon maturity	1,640,016,353	44,493,467	84,399,144	176,639,938	219,824,016	284,791,780	829,868,008
Gap	(236,062,652)	216,330,406	42,853,246	(72,188,855)	(143,107,257)	(158,447,529)	(121,502,663)

b. Structure analysis of time to maturity (USD)

June 30, 2022

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	6,058,534	1,176,834	667,965	175,346	208,988	3,829,401
Primary funds outflow upon maturity	7,779,981	2,520,291	1,198,297	1,250,408	1,443,817	1,367,168
Gap	(1,721,447)	(1,343,457)	(530,332)	(1,075,062)	(1,234,829)	2,462,233

June 30, 2021

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	5,908,059	1,095,246	529,541	303,252	185,707	3,794,313
Primary funds outflow upon maturity	6,736,155	1,611,563	943,214	1,153,238	1,324,117	1,704,023
Gap	(828,096)	(516,317)	(413,673)	(849,986)	(1,138,410)	2,090,290

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

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

June 30, 2022

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	929,491,997	50,382,884	94,156,928	271,210,432	1,345,242,241
Interest-rate-sensitive liabilities	379,313,192	775,265,032	119,535,938	27,601,260	1,301,715,422
Interest-rate-sensitive gap	550,178,805	(724,882,148)	(25,379,010)	243,609,172	43,526,819
Total equity					116,374,718
Ratio of interest-rate-sensitive assets to liabilities					103.34
Ratio of interest-rate-sensitive gap to equity					37.40

June 30, 2021

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	898,129,870	50,245,816	41,861,777	287,211,326	1,277,448,789
Interest-rate-sensitive liabilities	289,350,905	814,106,485	122,068,269	27,624,366	1,253,150,025
Interest-rate-sensitive gap	608,778,965	(763,860,669)	(80,206,492)	259,586,960	24,298,764
Total equity					119,792,248
Ratio of interest-rate-sensitive assets to liabilities					101.94
Ratio of interest-rate-sensitive gap to equity					20.28

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

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

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

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

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

June 30, 2022

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	2,480,855	118,729	31,644	2,812,362	5,443,590
Interest-rate-sensitive liabilities	2,640,447	851,461	1,051,610	1,415,555	5,959,073
Interest-rate-sensitive gap	(159,592)	(732,732)	(1,019,966)	1,396,807	(515,483)
Total equity					(211,424)
Ratio of interest-rate-sensitive assets to liabilities					91.35
Ratio of interest-rate-sensitive gap to equity					243.81

June 30, 2021

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	2,481,186	257,465	16,292	2,816,829	5,571,772
Interest-rate-sensitive liabilities	2,009,204	728,516	964,467	1,392,633	5,094,820
Interest-rate-sensitive gap	471,982	(471,051)	(948,175)	1,424,196	476,952
Total equity					68,312
Ratio of interest-rate-sensitive assets to liabilities					109.36
Ratio of interest-rate-sensitive gap to equity					698.20

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

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

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

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

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

None.

13. Other disclosure items

(1) Related information on material transaction items

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

Creditor	Counterparty	Relationship	Accounts receivable from related party as of June 30, 2022		Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities Investment Trust	Subsidiary of the Company	\$ 1,266,918	(Note 2)	\$ -	-	\$ 1,266,789	\$ -
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	1,125,957	(Note 1)	-	-	-	-
Yuanta Financial Holdings	Yuanta Venture Capital	Subsidiary of the Company	808,892	(Note 2)	-	-	-	-

Note 1: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

Note 2: Cash dividends receivable from subsidiaries, which has been eliminated. The portion of dividends from Yuanta Securities Investment Trust Co., Ltd. was received on July 22, 2022.

- 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)										
Share ownerships of the Company and related parties										
Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Total	
									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	\$ 124,646,251	\$ 6,566,900	6,592,453	-	6,592,453	100
"	Yuanta Commercial Bank Co., Ltd.	"	Banking	100	109,410,762	3,084,310	7,394,039	-	7,394,039	100
"	Yuanta Futures Co., Ltd.	"	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	8,537,653	298,921	192,167	-	192,167	66.27
"	Yuanta Life Co., Ltd.	"	Life insurance business	100	21,395,328	2,194,252	2,373,570	-	2,373,570	100
"	Yuanta Asset Management Co., Ltd.	"	Venture capital business	100	3,862,465	56,422	334,614	-	334,614	100
"	Yuanta Venture Capital Co., Ltd.	"	Management of monetary debts of financial institutions	100	2,664,733	(288,904)	271,522	-	271,522	100
"	Yuanta Securities Investment Consulting Co., Ltd.	"	Investment consulting on securities	100	139,734	3,254	10,000	-	10,000	100
"	Yuanta Securities Investment Trust Co., Ltd.	"	Investment trust	74.71	5,641,308	627,895	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	104,807	-	10,000	-	10,000	100
"	Yuanta Savings Bank (Philippines)	Philippines	Deposit services	100	1,093,824	-	2,400,000	-	2,400,000	100
"	Yuanta Savings Bank (Korea)	Korea	Deposit services	100	3,417,333	-	13,516	-	13,516	100

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Total	
									Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities Co., Ltd.	Yuanta Securities Asia Financial Services Limited	Singapore (Note3)	Investment holding	100	\$ 36,719,376	\$ -	290,909	-	290,909	100
"	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance agent	100	156,801	-	500	-	500	100
"	Yuanta Securities Finance Co., Ltd.	"	Margin loans and short sales of securities	100	13,236,711	-	400,000	-	400,000	100
"	Yuanta Asset Management (Singapore)	Singapore	-	100	(73)	-	-	-	-	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	7,734,762	-	2,268,133	-	2,268,133	100
"	Yuanta Asia Investment (Hong Kong) Ltd.	"	Securities trading and providing assets management services	100	1,211,403	-	293,892	-	293,892	100
"	Yuanta Securities (Korea) Co., Ltd.	Korea	Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent	57.42	20,436,582	-	114,604	-	114,604	57.42

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Total			
							Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities Asia Financial Services Limited	Yuanta Hong Kong Holdings(Cayman) Co., Ltd.	Cayman Islands	Investment holding	100	\$ 39,029	\$ -	74	-	74	100
Yuanta Securities Asia Financial Services Limited	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,	99.99	5,138,536	-	450,000	-	450,000	99.99
"	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	proprietary trading, Brokerage, dealing, underwriting, Securities investment consulting Derivatives product	92.62	3,065,907	-	-	-	-	100
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Venture investment	100	1,287,230	-	6,401	-	6,401	100
"	Yuanta Financial (Hong Kong) Limited	Hong Kong	Investment holding	100	396,595	-	18,954	-	18,954	100
"	Woori Asset Management Corp.	Korea	Asset management	27	737,902	-	1,080	-	1,080	27
Yuanta Financial (Hong Kong) Limited	Yuanta Securities (Cambodia) Plc.	Cambodia	Underwriting guidelines and financial advisory services, Securities brokerage, dealing, Investment Advisory	100	367,778	-	12,500	-	12,500	100

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Total		Percentage of ownership (%)
								Pro-forma share of ownership	Shares (In thousands)	
Yuanta Secutiries (Hong Kong) Limited	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Solicitation of financial products, proprietary investment	100	\$ 230,423	\$ -	50,000	-	50,000	100
"	Yuanta Finanace (Hong Kong) Ltd.	"	Credit loans	100	219,639	-	50,000	-	50,000	100
"	Yuanta Investment Management (Cayman) Ltd.	Cayman Islands	Investment management	100	-	-	12,500	-	12,500	100
"	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	Brokerage, dealing, underwriting, Securities investment	7.38	244,719	-	-	-	-	100
"	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	455,691	-	474	-	474	99
"	PT Yuanta Asset Management (Note 5)	"	Investment management	0.002	-	-	51	-	51	100
PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management (Note 5)	"	Investment management	99.998	27,466	-	51	-	51	100
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital business	100	860,970	-	85,000	-	85,000	100
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	894,418	-	34,000	-	34,000	100
"	SYF Information Limited	R.O.C	Information software and data processing services	100	290,613	-	35,000	-	35,000	100

Note 1: 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.

Note 2: In July 2018, the Board of Directors approved to liquidate Yuanta Security (United Kingdom), and Yuanta Security (United Kingdom) was liquidated on June 24, 2021.

Note 3: Yuanta Securities Asia Financial Services acquired approval from Accounting and Corporate Regulatory Authority of Singapore to redomicile from Bermuda to Singapore on October 21, 2021.

Note 4: The case concerning Yuanta Securities applying for reinvesting established Yuanta Capital had been approved by the FSC, Jin-Guan-Cheng-Quan-Zi Letter No.1100351895 on November 4, 2021. Yuanta Securities will apply for establishing company to Ministry of Economic Affairs.

Note 5: The equity shares of PT Yuanta Asset Management that were held by PT Yuanta Sekuritas Indonesia and Yuanta Securities (Hong Kong) were all sold with the consent of the Board of Directors. Also, it was approved by the FSC, Jin-Guan-Cheng-Quan-Zi Letter No.110358373. On June 22, 2022, Indonesian authorities have approved the new shareholders of PT Yuanta Asset Management; the settlement procedure can be conducted once the related transaction conditions have been fulfilled.

(3) Significant transactions regarding investee companies

A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities industry. Not applicable for all the other subsidiaries and indirect subsidiaries.

B. Information on the acquisition of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.

C. Information on the disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital:

Transaction Company	Real estate disposed	Transaction date	Acquisition date	Carrying value	Sale price	Status of collection of proceeds	Gain or loss from disposal	Counterparty	Related-party	Reason for disposal	Basis or reference used in setting the price	Note
Yuanta Securities (Korea)	Ulsan Building	March 28, 2022	December 1, 2001	\$ 408,512	\$590,550	All payments have been received	\$ 182,038	Deokyang Holdings	None	Activate and fully use of assets	Referring to appraisal-report and Korea's Full Disclosure of the Information of Actual Price Registration of Real Estate Transactions of Ministry of Land, Infrastructure and Transport, appraiser: Sang-hoon Park	-

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 June 30, 2022		Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
						Amount	Action taken		
Yuanta Life	The Company	Parent Company	\$ 2,437,186	(Note)	-	\$ -	-	\$ 166,626	\$ -
Yuanta Securities (Hong Kong)	Yuanta Investment Management (Cayman)	Affiliated company	341,177		-	-	-	-	-
Yuanta Securities	Yuanta/P-shares Taiwan Top 50 ETF	Fund managed by fellow subsidiary	300,988		-	-	-	300,988	-
Yuanta Securities	Yuanta International Insurance Brokers	Affiliated company	363,686		-	-	-	363,686	-

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

F. Information regarding selling non-performing loans:

(A) Summary of selling non-performing loans:

Transaction Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	March 25, 2022	Daesung Investment Management Loan	Loans and Temporary Payments for Others	\$ -	\$ 3,075	\$ 3,075	None	None	Note

Note: The carrying amount and the sale price of the loan was KRW0 thousand and KRW132,000 thousand, using the exchange rate of 1 KRW to 0.023293 NTD.

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

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

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

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

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities	Yuanta Securities Asia Finance Service	Accounts receivable-related party	Yes	\$ 2,972,600	\$ 2,972,600	\$ -	-	Short-term loans	\$ -	Working capital	\$ -	-	\$ -	\$ 12,422,402 (Note1)	\$ 49,689,606 (Note1)
2	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	1,189,040	891,780	594,520	2.20%	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,739,365 (Note 3)	36,739,365 (Note 3)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,486,300	1,486,300	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,739,365 (Note 3)	36,739,365 (Note 3)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,972,600	1,486,300	445,890	2.80%	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	36,739,365 (Note 3)	36,739,365 (Note 3)
5	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	891,780	891,780	-	-	Short-term loans	-	Working capital	-	-	-	36,739,365 (Note 3)	36,739,365 (Note 3)
6	PT Yuanta Sekuritas Indonesia	PT Yuanta Asset Management	Accounts receivable-related party	Yes	12,275	12,275	9,281	10.00%	Short-term loans	-	Fulfill operating cost and working capital	9,281	-	-	460,293 (Note 5)	460,293 (Note 5)

Note 1: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities should not exceed 40% and 10% of the net worth of its latest audited/reviewed financial statements.

Note 2: On August 19, 2021, the Board of Directors of Yuanta Securities resolved a loan limit to Yuanta Securities Asia Financial Services in the amount of USD 100 million. This has been approved through Gin-Gwen-Zheng Letter No. 1100357578 dated November 3, 2021 of the FSC in Taiwan.

Note 3: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities Asia Financial Services should not exceed the net worth of its latest audited/reviewed financial statements.

Note 4: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD 50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 dated December 2, 2020 of the FSC in Taiwan and has obtained the approval of the Securities and Futures Commission in Hong Kong on July 27, 2021.

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

Note 6: With respect to the loans granted to PT Yuanta Asset Management by PT Yuanta Sekuritas Indonesia, it was difficult to recover the loans based on the assessment due to the liquidation of PT Yuanta Asset Management. Therefore, the entire amount was 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 six months ended June 30, 2022	Ending balance of endorsement and guarantee	Actual used amount	Property-backed endorsement and guarantee	The ratio of accumulated endorsement and guarantee amount and the net value of the latest financial statement	Maximum limit	Provision of endorsements and guarantees by parent company to subsidiary	Provision of endorsements and guarantees by subsidiary to parent company	Provision of endorsements and guarantees to the party in Mainland China	Note
		Name of company	Relationship											
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	\$ 24,844,803 (Note 1)	\$ 104,041	\$ 104,041	\$ 99,087	\$ -	0.08%	\$ 49,689,606 (Note 1)	Yes	No	No	
2	Yuanta Securities	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	24,844,803 (Note 1)	445,890	148,630	-	-	0.12%	49,689,606 (Note 1)	Yes	No	No	
3	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	24,844,803 (Note 1)	1,486,300	1,486,300	8,918	-	1.20%	49,689,606 (Note 1)	Yes	No	No	
4	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	36,739,365 (Note 3)	2,088,408	2,088,408	614,733	-	5.68%	36,739,365 (Note 3)	Yes	No	No	
5	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	36,739,365 (Note 3)	228,470	228,470	136,954	-	0.62%	36,739,365 (Note 3)	Yes	No	No	
6	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	36,739,365 (Note 3)	850,120	850,120	118,904	-	2.31%	36,739,365 (Note 3)	Yes	No	No	

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

Note 2: To become a local agent and guarantee institution of foreign structure instruments which are issued by the reinvested company, Yuanta Investment (Hong Kong), on September 24, 2020, Yuanta Securities' Board of Directors resolved to provide a guarantee with a limit of US 50 million. On December 16, 2020, Yuanta Securities obtained the approval from Gin-Gwen-Zheng-Quan-Zi Letter No. 1090372253 of FSC in Taiwan. On February 25, 2021, both parties finished signing the guarantee contract after the relating process has been completed.

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

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

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)
June 30, 2022

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Percentage of				
				Number of shares (In thousands)	Book value	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	720	\$ 83,383	-	\$ 83,383	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	8	432	-	432	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	23	1,261	-	1,261	
	Yuanta/P-shares S&P Custom China Play 50	"	"	15	428	-	428	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	22	505	-	505	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	36	997	-	997	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	27	585	-	585	
	Yuanta S&P500	"	"	10	352	-	352	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	21	340	-	340	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	13	751	-	751	
	Yuanta/P-shares SSE50 ETF	"	"	21	742	-	742	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	201	-	201	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	2	43	-	43	
	Yuanta EURO STOXX 50 ETF	"	"	8	208	-	208	
	Yuanta Nikkei 225 ETF	"	"	2	57	-	57	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	1	38	-	38	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	7	-	7	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	9	339	-	339	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	8	322	-	322	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	1	18	-	18	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	9	325	-	325	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	2	70	-	70	
	Yuanta DJCI Silver ER Futures ETF	"	"	-	9	-	9	
	Yuanta MSCI China A ETF	"	"	10	273	-	273	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	11	390	-	390	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	9	272	-	272	
	Yuanta S&P U.S. High Yield Preferred Stock ETF	"	"	-	4	-	4	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	6	209	-	209	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	442	-	442	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	6	197	-	197	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	12	359	-	359	
	Yuanta Global NextGen Communications ETF	"	"	18	467	-	467	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	1	41	-	41	

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	June 30, 2022				
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta Global 5G & NexGen Telecommunication Components ETF	The managing company of the fund	Financial assets at fair value through profit or loss	24	\$ 566	-	\$ 566	
	Yuanta De- Bao Money Market Fund	"	"	8,232	100,018	-	100,018	
	Yuanta Real Multi-Asset Fund TWD	"	"	1,541	14,948	-	14,948	
					<u>\$ 209,599</u>		<u>\$ 209,599</u>	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	3,696	\$ 331,878	0.88	\$ 331,878	
	FundRich Securities Co. Ltd.	-	"	819	15,102	1.37	15,102	
					<u>\$ 346,980</u>		<u>\$ 346,980</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	<u>\$ 338,326</u>	24.50	<u>\$ 338,326</u>	
Yuanta Asset Management	Beneficiary certificates:							
	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss	9,604	\$ 100,549	-	\$ 100,549	
	Taishin 1699 Money Market Fund	-	"	13,943	191,035	-	191,035	
					<u>\$ 291,584</u>		<u>\$ 291,584</u>	
	Stocks:							
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 7,249	0.16	\$ 7,249	
	Sunsino Venture Co., Ltd.	-	"	443	3,071	0.93	3,071	
	DaYeh Development Co., Ltd.	-	"	333	890	2.22	890	
	Chung Yi Development Co., Ltd.	-	"	2,278	137	6.63	137	
	Global Investment Holdings Co., LTD.	-	"	1,980	13,939	1.23	13,939	
	China Trade And Development Corporation	-	"	500	11,880	0.76	11,880	
					<u>\$ 37,166</u>		<u>\$ 37,166</u>	
Yuanta Venture Capital	Stocks:							
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 8,996	0.03	\$ 8,996	Private equity
	Taiwan Chelic Corp. Ltd.	-	"	500	28,250	0.75	28,250	
	Eurocharm Holdings Co., Ltd.	-	"	583	96,778	0.89	96,778	
	Ever Supreme Bio Technology Co., Ltd.	-	"	235	41,125	0.35	41,125	
	ALLIED SUPREME CORP.	-	"	445	111,472	0.57	111,472	
	Tot Biopharm International Company Limited	-	"	15,606	188,021	2.54	188,021	
	Taiwan J Pharmaceuticals Co., Ltd.	-	"	1,282	12,669	1.71	12,669	
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	52,631	2.35	52,631	

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	June 30, 2022					
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note	
Yuanta Venture Capital	Stocks:								
	M3 Technology Inc.	-	Financial assets at fair value through profit or loss	1,045	\$ 143,688	2.59	\$ 143,688		
	Saultech Technology Co., Ltd.	-	"	430	40,567	1.45	40,567		
	Taiwan Microloops Co., Ltd.	-	"	855	41,536	2.28	41,536		
	Ever Fortune. AI Co., Ltd.	-	"	1,200	113,004	1.33	113,004		
	Gorilla Technology Group Inc.	-	"	95	9,382	0.83	9,382		Preferred stock B
	CGK International Co., Ltd (Cayman)	-	"	877	8,094	2.39	8,094		
	BRIM Biotechnology, Inc.	-	"	2,957	75,522	4.27	75,522		
	Aprevent Medical, Inc.	-	"	394	236	2.12	236		
	Aprevent Medical, Inc.	-	"	1,808	25,163	9.71	25,163		Preferred stock B
	Li Ling Film Co., Ltd.	-	"	1,666	4,431	2.78	4,431		
	Apollomics, Inc.	-	"	1,634	16,063	0.13	16,063		
	Bioflag International Corporation	-	"	3,400	128,588	3.12	128,588		
	Pharmosa Biopharm Co., Ltd.	-	"	4,011	128,991	4.10	128,991		
	International Ocean Vessel Technical Consultant Co. Ltd	-	"	564	28,895	4.47	28,895		
	Taiwan Speciality Chemicals Corporation	-	"	235	36,863	0.17	36,863		
	Seng-An Biomedical Co., Ltd.	-	"	1,000	26,660	2.33	26,660		
	GRAID Technology, Inc.	-	"	682	29,389	2.96	29,389		Preferred stock A
	Veden Dental Group	-	"	246	-	0.53	-		
	Phecda Technology Co. Ltd.	-	"	252	-	0.89	-		
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	6.47	-		
	MagV Co., Ltd	-	"	2,145	-	12.69	-		
	GenePharm Biotech Corp.	-	"	2,667	-	10.42	-		
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-		
	Jump Media International Co., Ltd.	-	"	906	-	3.20	-		
	MEGA UNION TECHNOLOGY INC.	-	"	750	51,277	1.66	51,277		
	YU-CHEN SYSTEM TECHNOLOGY CORP.	-	"	1,200	71,772	8.60	71,772		
	SKY TECH INC.	-	"	100	6,003	0.18	6,003		
	Asia Pacific Venture Invest II L.P.	-	"	-	712	10.00	712		
	GCT Semiconductor Inc.	-	"	1,402	-	1.10	-		Preferred stock G
					<u>\$ 1,526,778</u>		<u>\$ 1,526,778</u>		
	Yuanta I Venture Capital Co., Ltd.	Investee company accounted for under the equity method	Long-term equity accounted for under the equity method	85,000	<u>\$ 860,970</u>	100.00	<u>\$ 860,970</u>		
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,376	0.50	\$ 9,376		
	Prudence Capital Management	-	"	939	21,313	9.00	21,313		
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	5,647	4.80	5,647		
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	206	10.00	206		

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	June 30, 2022					
				Number of shares (In thousands)	Book value	Percentage of ownership (%)	Market value	Note	
Yuanta Venture Capital	Hwa Lu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	261	\$ 13,463	8.70	\$ 13,463		
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	4,655	9.88	4,655		
	Qi Ding Venture Capital Co., Ltd.	-	"	335	3,608	4.35	3,608		
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	319	3,849	10.00	3,849		
	Huiyang Venture Capital Co., Ltd.	-	"	67	8,123	2.46	8,123		
					<u>\$ 70,240</u>		<u>\$ 70,240</u>		

(4) Investments in Mainland China

A. Information of investment in Mainland China

Yuanta Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan For the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the six months ended June 30, 2022 (Note 4)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 6,612,549 (USD 222,450)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 200,935	\$ -	\$ -	\$ 200,935	Note 5	2.54%	\$ -	\$ 200,935	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	237,808 (USD 8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	8,258	-	-	8,258	Note 5	2.39%	-	8,258	-
Orient Optical Crystal Mfg. Co	Protection glass grinding and sales	18,944 (HKD 5,000)										
Veden Dental Labs Inc.	Manufacturing dental restoration	314,470 (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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan For the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the six months ended June 30, 2022 (Note 4)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,619,354 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY,	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.09%	\$ -	\$ 27,112	\$ 26,029

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan For the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended June 30, 2022 (Note 2)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 18,371 (RMB 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 178	100.00%	In liquidation	\$ 21,476	\$ -
Yuanta Securities Investment Consultant (Beijing)	Investment management consulting service, financial consulting service, business administration consulting service, business information consulting service, economic and trade consulting service, marketing and planning, technical promotion and services	81,824 (RMB 18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	(916)	100.00%	(916) (2)B	11,232	-

Yuanta Securities Investment Trust

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan For the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended June 30, 2022 (Note 2)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,664,060 (RMB 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 3,892	24.50%	\$ 211 (2)C	\$ 338,326	\$ -

Yuanta Futures

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan For the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company For the three months ended June 30, 2022 (Note 2)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai)	Computer software services	\$ 157,209 (RMB 33,080)	(3)	\$ 157,209	\$ -	\$ -	\$ 157,209	\$ 1,991	100.00%	\$ 1,991 (2)C	\$ 118,159	\$ -

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note)
Yuanta Venture Capital and its subsidiaries	\$272,690	\$310,905	\$1,598,840
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	83,275,249
Yuanta Securities Investment Trust	705,666	705,666	3,030,746
Yuanta Futures	157,209	174,000	7,224,352

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$2,664,733.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$138,792,082.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,051,243.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$12,040,586.

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

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

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

(3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the six months ended June 30, 2022' column:

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

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

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

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

c. Others.

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

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

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

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired 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 June 30, 2022.

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

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	1,123,785	No significant difference from general customers	0.04%
0	Yuanta Financial Holdings	Yuanta Securities Investment Trust	1	Receivables – net	1,266,918	"	0.04%
0	Yuanta Financial Holdings	Yuanta Venture Capital	1	Receivables – net	808,892	"	0.03%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	2,435,438	"	0.08%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	10,599,957	"	0.36%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	6,300,000	"	0.21%
0	Yuanta Financial Holdings	Yuanta Bank	1	Cash and cash equivalents	844,218	"	0.03%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	2,178,424	"	0.07%
1	Yuanta Securities	Yuanta Futures(Hong Kong)	3	Cash and cash equivalents	176,803	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	2,018,557	"	0.07%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Receivables – net	363,686	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	321,147	"	0.01%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Payables	214,053	"	0.01%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Payables	714,438	"	0.02%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Receivables – net	228,101	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	350,255	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	147,806	"	0.29%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	100,500	"	0.20%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Net other miscellaneous income	126,967	"	0.25%
2	Yuanta Bank	Yuanta Securities	3	Bills discounted and loans – net	1,450,000	"	0.05%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	243,241	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,250,236	"	0.04%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	113,013	"	0.00%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	1,639,871	"	0.05%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	571,746	"	0.02%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	170,876	"	0.01%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	6,482,322	No significant difference from general customers	0.22%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	2,439,030	"	0.08%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	4,030,240	"	0.14%
2	Yuanta Bank	SYF Information (Shanghai)	3	Deposits and remittances	149,800	"	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	4,596,500	"	0.15%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	183,700	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	3,000,000	"	0.10%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	591,100	"	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	524,700	"	0.02%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	585,100	"	0.02%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	15,450,808	"	0.52%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	1,676,546	"	0.06%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	2,046,455	"	0.07%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	6,131,514	"	0.21%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	5,053,420	"	0.17%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	154,048	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	20,948,193	"	0.70%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	490,552	"	0.98%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	138,624	"	0.28%
2	Yuanta Bank	Yuanta Securities	3	Other business and administrative expenses	102,569	"	0.20%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial assets – net	457,061	"	0.02%
3	Yuanta Futures	Yuanta Life	3	Right-of-use assets – net	121,508	"	0.00%
3	Yuanta Futures	Yuanta Life	3	Lease liabilities	133,398	"	0.00%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial liabilities	295,022	"	0.01%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	264,179	No significant difference from general customers	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	432,818	"	0.86%
5	Yuanta Venture Capital	Yuanta I Venture Capital	3	Receivables – net	336,726	"	0.01%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong)	3	Bonds payable	466,359	"	0.02%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Financial assets at fair value through profit or loss	2,798,171	"	0.09%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Equity investments accounted for under the equity method – net	367,490	"	0.01%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Exchange differences on translating foreign operations	122,232	"	0.24%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Korea)	3	Non-controlling interests	153,770	"	0.01%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Thailand)	3	Receivables – net	446,442	"	0.01%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	594,701	"	0.02%
7	Yuanta Securities (Hong Kong)	Yuanta Asia Investment (Hong Kong)	3	Payables	143,538	"	0.00%
8	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	112,261	"	0.00%

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

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

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

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

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

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

(BLANK)

14. Segment information

(1) General information

A. Recognition elements of reporting segment

The Yuanta Group is mainly engaged in the investment and management of its investees; therefore, the management reports are provided to the Chief Operating Decision-Maker (“CODM”) to allocate resources to operating segments and evaluate their performance. The Yuanta Group’s management 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 six months ended June 30, 2022

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 8,859,689	\$ 21,534,680	\$ 1,276,081	\$ 17,030,083	\$ 1,591,952	\$ -	\$ 50,292,485
Revenue (loss) from transactions with other operating segments of the same entity	<u>549,335</u>	<u>746,068</u>	<u>(5,052)</u>	<u>(947,332)</u>	<u>161,029</u>	<u>(504,048)</u>	<u>-</u>
Net revenues (Note)	<u>9,409,024</u>	<u>22,280,748</u>	<u>1,271,029</u>	<u>16,082,751</u>	<u>1,752,981</u>	<u>(504,048)</u>	<u>50,292,485</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(115,748)	23,578	1,282	(450)	-	-	(91,338)
Net change in provisions for insurance liabilities	-	-	-	(12,666,507)	-	73,569	(12,592,938)
Operating expenses	<u>(5,609,076)</u>	<u>(14,066,183)</u>	<u>(710,920)</u>	<u>(791,077)</u>	<u>(1,474,600)</u>	<u>506,984</u>	<u>(22,144,872)</u>
Income from continuing operations before income tax	<u>\$ 3,684,200</u>	<u>\$ 8,238,143</u>	<u>\$ 561,391</u>	<u>\$ 2,624,717</u>	<u>\$ 278,381</u>	<u>\$ 76,505</u>	<u>\$ 15,463,337</u>

For the six months ended June 30, 2021

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 10,080,199	\$ 37,513,131	\$ 1,291,910	\$ 16,382,048	\$ 2,647,841	\$ -	\$ 67,915,129
Revenue (loss) from transactions with other operating segments of the same entity	<u>462,469</u>	<u>1,037,181</u>	<u>(46,193)</u>	<u>(1,161,515)</u>	<u>373,810</u>	<u>(665,752)</u>	<u>-</u>
Net revenues (Note)	<u>10,542,668</u>	<u>38,550,312</u>	<u>1,245,717</u>	<u>15,220,533</u>	<u>3,021,651</u>	<u>(665,752)</u>	<u>67,915,129</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	60,409	63,171	1,797	67	(53,202)	-	72,242
Net change in provisions for insurance liabilities	-	-	-	(13,679,394)	-	74,485	(13,604,909)
Operating expenses	<u>(5,602,366)</u>	<u>(19,643,110)</u>	<u>(703,608)</u>	<u>(724,834)</u>	<u>(1,753,811)</u>	<u>445,962</u>	<u>(27,981,767)</u>
Income from continuing operations before income tax	<u>\$ 5,000,711</u>	<u>\$ 18,970,373</u>	<u>\$ 543,906</u>	<u>\$ 816,372</u>	<u>\$ 1,214,638</u>	<u>(\$ 145,305)</u>	<u>\$ 26,400,695</u>

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