

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

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

Independent Auditors' Report

PWCR23000091

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 its subsidiaries (collectively "Yuanta Group") as at June 30, 2023, December 31, 2022 and June 30, 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2023 and 2022, 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, 2023, December 31, 2022 and June 30, 2022, and its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and International Accounting Standard 34, "Interim Financial Reporting", that came into effect as endorsed by the Financial Supervisory Commission.

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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' 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, 2023 were NTD 1,014,838,322 thousand and NTD 14,000,934 thousand, respectively.

The impairment evaluation of bills discounted and loans arising from Yuanta Commercial Bank Co., Ltd. is conducted in accordance with IFRS 9, 'Financial Instruments', "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and relevant regulations. The management's considerations on bills discounted and loans impairment appropriation are primarily based on reasonable and supportable information about past events, current conditions, and forecasts of future economics. At each financial reporting date, bills discounted and loans are categorized into one of the following three stages based on whether there has been significant increase in credit risk since initial recognition: no significant increase in credit risk or low credit risk at balance sheet date, significant increase in credit risk and credit-impaired and considered relevant laws and regulations of the allowance for credit losses. Because the amount of bills discounted and loans is material with respect to the total consolidated assets and impairment evaluation involves management's professional judgment and is highly uncertain, we have thus included the impairment evaluation of bills discounted and loans as one of the key audit matters.

How our audit addressed the matter

We obtained and gained an understanding of Yuanta Commercial Bank Co., Ltd.'s policies, internal controls, and operation procedures in relation to the credit risk management and the impairment evaluation of bills discounted and loans and performed sample tests. We conducted the following procedures on the impairment evaluation of bills discounted and loans as at June 30, 2023: 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, 2023 was NTD 31,680,758 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 experts 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 experts 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, 2023 was NTD 28,541,006 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 experts 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.

Reserve 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, 2023 was NTD 352,854,485 thousand.

For long-term insurance contracts, Yuanta Life Insurance Co., Ltd. of the Yuanta Group 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 statements. 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 included 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 experts 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 expert 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 expert 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 Enterprises, and International Accounting Standard 34, “Interim Financial Reporting”, that came into effect 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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.

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, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such 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, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 75,644,781	2	\$ 76,338,164	3	\$ 57,202,757	2
11500	Due from Central Bank and call loans to other banks	6(2),8	81,598,105	3	79,690,160	3	76,233,069	3
12000	Financial assets at fair value through profit or loss	6(3),7,8	530,612,715	17	420,057,382	14	467,087,326	16
12150	Financial assets at fair value through other comprehensive income	6(4),8	363,280,083	11	339,711,553	11	348,890,346	12
12200	Investments in debt instruments at amortised cost	6(5),8	551,216,246	17	540,529,315	18	536,006,805	18
12500	Investments in bills and bonds under resale agreements	6(6)	73,034,678	2	94,073,224	3	43,505,146	1
13000	Receivables – net	6(7),7	254,618,784	8	202,341,992	7	244,611,845	8
13200	Current income tax assets		2,630,671	-	3,026,971	-	177,958	-
13300	Assets held for sale – net	6(8)	108,377	-	81,469	-	138,384	-
13500	Bills discounted and loans – net	6(9),7	1,019,410,937	32	995,199,165	33	918,954,433	31
13700	Reinsurance contract assets – net	6(10)	1,296,511	-	1,368,195	-	1,510,758	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,251,229	-	3,431,913	-	3,282,308	-
15100	Restricted assets – net	8	2,528,567	-	2,726,292	-	4,307,627	-
15500	Other financial assets – net	6(12)	115,307,082	4	114,480,773	4	123,395,937	4
18000	Investment property – net	6(13),8	10,791,484	-	10,487,451	-	10,070,414	-
18500	Property and equipment – net	6(14),8	25,981,635	1	25,503,491	1	24,340,815	1
18600	Right-of-use assets – net	6(15)	11,430,533	-	11,515,532	-	11,567,715	-
19000	Intangible assets – net	6(17)	30,824,105	1	30,959,908	1	30,959,342	1
19300	Deferred income tax assets		5,456,740	-	5,552,131	-	6,099,137	-
19500	Other assets – net	6(18),7,8	62,706,326	2	59,043,456	2	73,971,503	3
TOTAL ASSETS			<u>\$ 3,221,729,589</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>	<u>\$ 2,982,313,625</u>	<u>100</u>

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

LIABILITIES AND EQUITY		Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
21000	Deposits from Central Bank and other banks	6(20)	\$ 9,082,076	-	\$ 38,607,095	1	\$ 18,026,366	1
22000	Financial liabilities at fair value through profit or loss	6(3) (38)	129,054,673	4	134,822,676	5	152,355,419	5
22500	Bills and bonds payable under repurchase agreements	6(6) (47),7	246,417,448	8	224,137,491	7	169,933,194	6
22600	Commercial paper payable – net	6(21) (47)	97,277,626	3	47,836,070	2	64,803,502	2
23000	Payables	6(22),7	188,149,586	6	154,026,563	5	200,709,198	7
23200	Current income tax liabilities		4,578,296	-	4,052,157	-	4,384,476	-
23500	Deposits and remittances	6(23),7	1,530,247,216	47	1,407,441,499	47	1,388,946,224	46
24000	Bonds payable	6(24) (47)	94,259,656	3	102,487,542	3	91,267,551	3
24400	Other borrowings	6(25) (47)	56,839,829	2	48,460,199	2	66,044,157	2
24600	Liabilities reserve	6(26) (27)	373,133,979	12	363,676,625	12	354,211,317	12
25500	Other financial liabilities	6(28),7	136,378,337	4	140,319,398	5	150,659,803	5
26000	Lease liabilities	6(47)	4,672,759	-	4,712,163	-	4,699,598	-
29300	Deferred income tax liabilities		5,508,212	-	4,914,735	-	3,618,387	-
29500	Other liabilities	6(29),7	58,863,519	2	63,241,416	2	50,648,644	2
	TOTAL LIABILITIES		<u>2,934,463,212</u>	<u>91</u>	<u>2,738,735,629</u>	<u>91</u>	<u>2,720,307,836</u>	<u>91</u>
31000	Equity attributable to owners of the parent company							
31100	Share capital							
31101	Common stock	6(30)	125,015,590	4	125,015,590	4	121,374,360	4
31107	Stock dividend to be distributed		1,875,234	-	-	-	3,641,230	-
31500	Additional paid-in capital	6(31)	38,090,889	1	38,010,564	1	37,890,734	1
32000	Retained earnings							
32001	Legal reserve	6(32)	22,561,044	1	20,481,785	1	20,481,785	1
32003	Special reserve	6(32)	13,517,403	-	6,549,234	-	6,549,234	-
32011	Undistributed earnings	6(33)	68,873,387	2	73,279,144	2	63,984,942	2
32500	Other equity							
32500	Other equity interest	6(34)	(3,127,235)	-	(6,968,170)	-	(11,595,724)	-
39500	Non-controlling interests		<u>20,460,065</u>	<u>1</u>	<u>21,014,761</u>	<u>1</u>	<u>19,679,228</u>	<u>1</u>
	TOTAL EQUITY		<u>287,266,377</u>	<u>9</u>	<u>277,382,908</u>	<u>9</u>	<u>262,005,789</u>	<u>9</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 3,221,729,589</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>	<u>\$ 2,982,313,625</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,			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
41000 Interest income	6(35),7	\$ 15,221,020	58	\$ 10,503,205	43	\$ 29,403,193	59	\$ 20,250,972	40
51000 Less: Interest expense	6(35),7	(7,648,976)	(29)	(2,650,586)	(11)	(14,513,769)	(29)	(4,686,275)	(9)
49600 Net interest income	6(35)	<u>7,572,044</u>	<u>29</u>	<u>7,852,619</u>	<u>32</u>	<u>14,889,424</u>	<u>30</u>	<u>15,564,697</u>	<u>31</u>
Net non-interest income									
49800 Net service fee and commission income	6(36),7	6,375,906	24	6,651,583	27	11,848,071	24	13,945,112	28
49810 Net income from insurance operations	6(37),7	2,440,017	9	4,702,432	19	5,985,848	12	10,342,993	21
49820 Gain or loss on financial assets and financial liabilities at fair value through profit or loss	6(38),7	2,975,382	11	(5,646,244)	(23)	10,740,330	21	(9,750,769)	(19)
49825 Gain on investment property	7	40,489	-	146,869	1	82,189	-	278,595	1
49835 Realised gain on financial assets at fair value through other comprehensive income		2,705,991	10	572,688	2	2,729,860	6	872,798	2
49850 Net gain or loss arising from derecognition of financial assets measured at amortised cost	6(5)(9)	(119,404)	-	14,332	-	(127,693)	-	159,544	-
49870 Foreign exchange gain or loss		4,846,490	18	6,070,282	25	3,117,159	6	12,597,471	25
49880 Reversal gain on asset impairment	6(39)	20,153	-	20,466	-	18,140	-	9,481	-
49890 Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	(12,377)	-	(9,367)	-	(14,505)	-	174,506	-
49898 Gain or loss on reclassification under the overlay approach		(1,657,426)	(6)	3,196,758	13	(3,336,054)	(7)	4,104,302	8
49921 Net gain on sale of non-performing loans		77,422	-	80,691	-	163,556	-	146,663	-
49945 Consultation service income		1,301,981	5	1,138,001	5	2,418,466	5	2,171,422	4
49999 Net other miscellaneous income or loss	6(40),7	(24,931)	-	(318,174)	(1)	1,617,813	3	(324,330)	(1)
49700 Total net non-interest income		<u>18,969,693</u>	<u>71</u>	<u>16,620,317</u>	<u>68</u>	<u>35,243,180</u>	<u>70</u>	<u>34,727,788</u>	<u>69</u>
Net profit		<u>26,541,737</u>	<u>100</u>	<u>24,472,936</u>	<u>100</u>	<u>50,132,604</u>	<u>100</u>	<u>50,292,485</u>	<u>100</u>
58100 Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(419,001)	(1)	(137,108)	-	(162,726)	-	(91,338)	-
58300 Net change in provisions for insurance liabilities	6(26)	(3,926,933)	(15)	(6,387,682)	(26)	(8,022,660)	(16)	(12,592,938)	(25)
Operating expenses									
58501 Employee benefit expense	6(42),7	(7,145,021)	(27)	(6,269,714)	(26)	(14,503,360)	(29)	(13,198,381)	(26)
58503 Depreciation and amortisation	6(43)	(793,553)	(3)	(788,248)	(3)	(1,601,949)	(3)	(1,596,789)	(3)
58599 Other business and administrative expenses	6(44),7	(3,843,005)	(15)	(3,698,604)	(15)	(7,397,583)	(15)	(7,349,702)	(15)
58500 Total Operating Expenses		<u>(11,781,579)</u>	<u>(45)</u>	<u>(10,756,566)</u>	<u>(44)</u>	<u>(23,502,892)</u>	<u>(47)</u>	<u>(22,144,872)</u>	<u>(44)</u>
61000 Consolidated income from continuing operations before income tax		<u>10,414,224</u>	<u>39</u>	<u>7,191,580</u>	<u>30</u>	<u>18,444,326</u>	<u>37</u>	<u>15,463,337</u>	<u>31</u>
61003 Income tax expense	6(45)	(979,673)	(4)	(1,670,656)	(7)	(2,604,795)	(5)	(3,294,318)	(7)
69000 Consolidated net income		<u>\$ 9,434,551</u>	<u>35</u>	<u>\$ 5,520,924</u>	<u>23</u>	<u>\$ 15,839,531</u>	<u>32</u>	<u>\$ 12,169,019</u>	<u>24</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,							
			2023		2022		2023		2022					
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%				
Other comprehensive income														
Components of other comprehensive income that will not be reclassified to profit or loss														
69561	Gain or loss on remeasurements of defined benefit plans		\$	98,598	-	\$	251,141	1	(\$	93,982)	-	\$	33,066	
69563	Share of other comprehensive income or loss of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(11)		102	-		21	-		1,486	-		181	-
69565	Change in fair value of financial liability attributable to change in credit risk of liability	6(34)		146	-		148	-		184	-		207	-
69567	Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(4)(34)	(	2,468,938)	(9 )	(	1,392,877)	(6 )	(	32,477 )	-	(	725,708)	(1)
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(34)(45)	(	119,802 )	-	(	358,925)	(1 )	(	59,433 )	-	(	304,681)	-
Components of other comprehensive income that will be reclassified to profit or loss														
69571	Exchange differences on translation of foreign financial statements	6(34)		460,408	2	(	1,113,910)	(5 )	(	1,391,808)	(3 )	(	6,601)	-
69585	Revaluation gain or loss from investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	(	368,068)	(1 )	(	6,633,991)	(27)		3,186,305	6	(	15,409,491)	(31)
69587	Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	6(4)(34)	(	2,744 )	-	(	16,107 )	-	(	1,548 )	-	(	11,458)	-
69590	Other comprehensive gain or loss on reclassification under the overlay approach	6(3)(34)		1,657,426	6	(	3,196,758)	(13)		3,336,054	7	(	4,104,302)	(8)
69579	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(34)(45)		142,522	-		323,835	1		58,686	-		596,573	1
69500	Other comprehensive income (loss) (net of tax)		(\$	600,350)	(2)	(\$	12,137,423)	(50)	\$	5,003,467	10	(\$	19,932,214)	(39)
69700	Total comprehensive income (loss)		\$	8,834,201	33	(\$	6,616,499)	(27)	\$	20,842,998	42	(\$	7,763,195)	(15)
Consolidated net income attributable to:														
69901	Parent company		\$	9,197,240	34	\$	5,356,708	22	\$	14,969,541	30	\$	11,522,814	23
69903	Non-controlling interests			237,311	1		164,216	1		869,990	2		646,205	1
			\$	9,434,551	35	\$	5,520,924	23	\$	15,839,531	32	\$	12,169,019	24
Consolidated comprehensive income (loss) attributable to:														
69951	Parent company		\$	8,272,320	31	(\$	6,720,319)	(27)	\$	20,359,087	41	(\$	8,507,531)	(16)
69953	Non-controlling interests			561,881	2		103,820	-		483,911	1		744,336	1
			\$	8,834,201	33	(\$	6,616,499)	(27)	\$	20,842,998	42	(\$	7,763,195)	(15)
Earnings per share (in New Taiwan Dollars)														
70001	Basic and diluted earnings per share	6(46)	\$		0.72	\$		0.42	\$		1.18	\$		0.91

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					
	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	Non-controlling interests	Total equity
<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 using 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
<u>For the six months ended June 30, 2023</u>												
Balance, January 1, 2023	\$ 125,015,590	\$ -	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	(\$ 6,119,904)	\$ 4,445,539	(\$ 5,242,587)	(\$ 51,218)	\$ 21,014,761	\$ 277,382,908
Consolidated net income for the period	-	-	-	-	-	14,969,541	-	-	-	-	869,990	15,839,531
Other comprehensive income (loss) for the period	-	-	-	-	-	(44,585)	(887,953)	2,955,869	3,366,041	174	(386,079)	5,003,467
Total comprehensive income (loss) for the period	-	-	-	-	-	14,924,956	(887,953)	2,955,869	3,366,041	174	483,911	20,842,998
Appropriation of 2022 earnings												
Legal reserve	-	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	-
Special reserve	-	-	-	-	6,968,169	(6,968,169)	-	-	-	-	(654,656)	(10,655,903)
Cash dividend	-	-	-	-	-	(10,001,247)	-	-	-	-	-	-
Stock dividend	-	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	80,325	-	-	-	-	-	-	-	-	80,325
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(383,951)	(383,951)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,593,196	(1,593,196)	-	-	-	-	-
Balance, June 30, 2023	\$ 125,015,590	\$ 1,875,234	\$ 38,090,889	\$ 22,561,044	\$ 13,517,403	\$ 68,873,387	(\$ 7,007,857)	\$ 5,808,212	(\$ 1,876,546)	(\$ 51,044)	\$ 20,460,065	\$ 287,266,377

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,	
	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 18,444,326	\$ 15,463,337
Adjustments		
Income and expense items		
Depreciation	1,301,766	1,311,466
Amortisation	300,183	285,323
Provision for bad debt expense, commitment and guarantee policy reserve	836,204	573,805
Interest expense	14,513,769	4,686,275
Interest income	(29,403,193)	(20,250,972)
Dividend income	(6,508,888)	(2,448,600)
Reversal gain on asset impairment	(18,140)	(9,481)
Gain or loss on reclassification under the overlay approach	3,336,054	(4,104,302)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	14,505	(174,506)
Gain on disposal of assets held for sale	-	(11,811)
Gain on disposal of investment property	-	(173,848)
Gain on disposal or retirement of property and equipment	(2,872)	(64,716)
Gain on disposal of intangible assets	-	(1,150)
Intangible assets transferred to expense	-	126
Gain or loss on lease modification	432	(134,328)
Gain on lease concession	-	(97)
Net change in insurance liabilities	8,108,879	15,224,480
Changes in operating assets and liabilities		
Changes in operating assets		
Due to Central Bank and call loans to other banks	(2,356,227)	(1,136,313)
Financial assets at fair value through profit or loss	(110,555,333)	62,154,815
Financial assets at fair value through other comprehensive income	(20,414,752)	(26,532,079)
Investments in debt instruments measured at amortised cost	(10,681,942)	(27,378,532)
Receivables	(50,648,611)	20,282,978
Bills discounted and loans	(24,953,735)	(35,374,565)
Reinsurance contract assets	(4,073)	(255,509)
Restricted assets	197,725	(1,835,598)
Other financial assets	345,760	(10,089,709)
Other assets	(3,642,039)	12,908,854
Changes in operating liabilities		
Deposits from Central Bank and other banks	(29,525,019)	(7,597,758)
Financial liabilities at fair value through profit or loss	(5,767,836)	(6,330,113)
Payables	23,239,856	(32,302,618)
Deposits and remittances	122,805,716	13,943,841
Liabilities reserve	307,330	(1,092,242)
Other financial liabilities	(5,121,391)	21,819,691
Other liabilities	(4,378,591)	(51,878,766)
Cash outflow generated from operations	(110,230,137)	(60,522,622)
Interest received	28,350,934	19,699,772
Dividend received	5,463,385	2,044,638
Interest paid	(13,748,667)	(4,418,051)
Income tax paid	(495,415)	(5,469,638)
Net cash flows used in operating activities	(90,659,900)	(48,665,901)

(Continued)

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

	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for under the equity method	(\$ 63,989)	(\$ 185,226)
Proceeds from liquidation of investments accounted for under the equity method	57,117	76,190
Acquisition of investment property	(436,477)	(98,824)
Proceeds from disposal of investment property	-	838,420
Acquisition of property and equipment	(1,005,091)	(655,842)
Proceeds from disposal of property and equipment	5,349	291,571
Acquisition of intangible assets	(152,374)	(124,367)
Proceeds from disposal of intangible assets	8	2,432
Proceeds from disposal of assets held for sale	-	68,880
Acquisition of right-of-use assets	-	(48)
Net cash flows (used in) generated from investing activities	(<u>1,595,457</u>)	<u>213,186</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	-	(839,700)
Increase (decrease) in bills and bonds payable under repurchase agreements	22,279,957	(13,932,655)
Increase in commercial paper payable	49,563,194	14,878,592
Proceeds from issuance of bonds	-	8,783,694
Repayments of bonds	(8,000,000)	-
Proceeds from issuance of bank debentures	-	20,000,000
Repayments of bank debentures	-	(20,000,000)
Increase in other borrowings	8,379,629	6,045,957
Principal payment for lease liabilities	(705,529)	(917,164)
Decrease in non-controlling interests	(<u>1,038,607</u>)	(<u>1,109,352</u>)
Net cash flows generated from financing activities	<u>70,478,644</u>	<u>12,909,372</u>
Net effect of foreign exchange rate changes	(<u>403,499</u>)	<u>3,814,060</u>
Net decrease in cash and cash equivalents	(22,180,212)	(31,729,283)
Cash and cash equivalents at beginning of period	<u>206,929,363</u>	<u>167,631,719</u>
Cash and cash equivalents at end of period	<u>\$ 184,749,151</u>	<u>\$ 135,902,436</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 75,644,781	\$ 57,202,757
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	36,069,692	35,194,533
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	<u>73,034,678</u>	<u>43,505,146</u>
Cash and cash equivalents at end of reporting period	<u>\$ 184,749,151</u>	<u>\$ 135,902,436</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, 2023 AND 2022
(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 authorised by the government authority, and other related financial businesses that are recognised by the government authority. Additionally, the Company was accredited by the Taiwan Corporate Governance Association with Corporate Governance Assessment Advanced Certification (CG6013) on December 29, 2022.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on August 23, 2023.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

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

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

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

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

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

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' that came into effect as endorsed by the FSC.

- B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (B) Financial assets at fair value through other comprehensive income.
 - (C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- All subsidiaries are included in the Yuanta Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Yuanta Group. The Yuanta Group controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair value, and shares of non-controlling interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio are directly recognised in the consolidated statements of comprehensive income. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Yuanta Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

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

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Yuanta Securities Asia Financial Services	Yuanta Securities Korea Co., Ltd. (“Yuanta Securities (Korea)”)	Investment and trading business, investment intermediary business, trust business, investment consultancy, discretionary account business, in addition, concurrent operating business and auxiliary business	58.19	57.89	57.42	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	
	Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument	99.99	99.99	99.99	
	Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	94.10	92.62	92.62	Note 3
Yuanta Securities (Korea)	Yuanta Investment Co., Ltd.	Venture investment	58.19	57.89	57.42	
	Yuanta Financial (Hong Kong) Limited (“Yuanta Financial (Hong Kong)”)	Investment holding	58.19	57.89	57.42	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	58.19	57.89	57.42	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta International Investment (Hong Kong)”)	Issuance of financial instruments and dealing investments	100.00	100.00	100.00	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	100.00	
	PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”)	Securities trading and underwriting services	99.00	99.00	99.00	
	PT Yuanta Asset Management (Indonesia)	Investment management	-	-	0.002	Note 4
	Yuanta Securities (Vietnam)	Securities brokerage, dealing in securities, underwriting and investment consultation, financial derivatives	5.90	7.38	7.38	Note 3
Yuanta Securities (Indonesia)	PT Yuanta Asset Management (Indonesia)	Investment management	-	-	99.998	Note 4
Yuanta Investment Co., Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	24.94	24.81	24.61	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
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	
	Yuanta Global (Singapore) Pte. Ltd.	Note 5	66.27	66.27	-	Note 5
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd. ("Yuanta I Venture Capital")	Venture capital investments	100.00	100.00	100.00	

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

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

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

Note 4: The disposal of PT Yuanta Asset Management (Indonesia) shares that were held by Yuanta Securities (Hong Kong) and Yuanta Securities (Indonesia) was completed on September 16, 2022.

Note 5: On November 23, 2022, Yuanta Global (Singapore) Pte. Ltd. was established by Yuanta Futures through reinvestment, and its main business activities are currently under approval by Singapore authorities.

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

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

December 31, 2022

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

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
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

June 30, 2022

Structured entities	Main Business Activities
YK Saetbyul Co., Ltd.	Asset-backing
YK Mars the 1st. Co., Ltd.	Asset-backing
Luxia PI the 1st. 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, 2023, December 31, 2022, and June 30, 2022, the non-controlling interests amounted to \$20,460,065, \$21,014,761 and \$19,679,228, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

Subsidiary	Principal Name of place of business	Non-controlling interests					
		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Yuanta Securities (Korea)	Korea	\$ 14,804,877	41.81%	\$ 15,362,015	42.11%	\$ 14,563,464	42.58%

The comprehensive (loss) income attributable to this non-controlling interests were \$198,821, (\$51,903), (\$194,675) and \$382,732 for the three months and six months ended June 30, 2023 and 2022, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 333,846,584	\$ 311,610,272	\$ 327,913,324
Non-current assets	14,774,000	15,166,768	15,141,029
Current liabilities	(304,840,904)	(278,270,851)	(297,317,784)
Non-current liabilities	(6,904,693)	(10,669,569)	(10,227,599)
Total net assets	<u>\$ 36,874,987</u>	<u>\$ 37,836,620</u>	<u>\$ 35,508,970</u>

Consolidated statements of comprehensive income

		Yuanta Securities (Korea) and its subsidiaries	
		For the three months ended June 30,	
		2023	2022
Revenue		\$ 4,000,572	\$ 2,535,617
Loss before income tax	(	340,360)	(243,004)
Income tax credit		72,203	62,846
Net loss	(	268,157)	(180,158)
Other comprehensive income (net of tax)		741,894	28,946
Total comprehensive income (loss) for the period	\$	473,737	(\$ 151,212)
		Yuanta Securities (Korea) and its subsidiaries	
		For the six months ended June 30,	
		2023	2022
Revenue		\$ 9,064,277	\$ 6,019,726
Profit before income tax		815,814	704,237
Income tax expense	(	217,393)	(179,079)
Net income		598,421	525,158
Other comprehensive (loss) income (net of tax)	(	1,012,675)	345,522
Total comprehensive (loss) income for the period	(\$	414,254)	\$ 870,680

Consolidated statements of cash flows

		Yuanta Securities (Korea) and its subsidiaries	
		For the six months ended June 30,	
		2023	2022
Net cash used in operating activities	(\$	4,114,816)	(\$ 310,729)
Net cash (used in) provided by investing activities	(	3,852,652)	469,214
Net cash provided by financing activities		7,927,706	1,897,634
Effects of exchange rate changes	(	268,678)	2,125,292
(Decrease) increase in cash and cash equivalents	(	308,440)	4,181,411
Cash and cash equivalents, beginning of period		14,687,558	14,286,007
Cash and cash equivalents, end of period	\$	14,379,118	\$ 18,467,418

(4) Other significant accounting policies

These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2022 for information on significant accounting policies.

A. 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 derecognised, 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 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 of 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 recognising 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 the 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.

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. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be accounted for as changes in estimates.

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 realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities

included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.

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

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

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 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, 2023.

(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, 2023.

(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.

(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, 2023.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 6,138,749	\$ 8,717,834	\$ 6,080,319
Deposits in banks	66,231,975	63,687,758	46,403,537
Futures excess margin and cash equivalents	2,746,339	2,403,832	3,959,069
Checks for clearing	527,718	1,528,740	759,832
Total	<u>\$ 75,644,781</u>	<u>\$ 76,338,164</u>	<u>\$ 57,202,757</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Reserve for deposits - account A	\$ 15,864,536	\$ 10,967,640	\$ 16,297,845
Reserve for deposits - account B	45,005,938	42,591,672	40,506,821
Deposits by foreign subsidiary to designated accounts of respective local central banks	2,698,807	3,192,805	1,769,909
Reserve for deposits	11,715,716	10,224,932	10,226,994
Call loans to banks	6,313,108	12,713,111	7,431,500
Total	<u>\$ 81,598,105</u>	<u>\$ 79,690,160</u>	<u>\$ 76,233,069</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, 2023, December 31, 2022 and June 30, 2022.

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

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 81,937,179	\$ 46,433,021	\$ 38,437,147
Beneficiary certificates / securities	49,313,468	41,201,887	44,785,055
Listed stocks	61,637,291	29,243,102	44,941,105
Emerging stocks	1,594,047	1,206,148	1,260,268
Government bonds	33,802,809	24,965,814	22,073,087
Bank debentures	96,901,446	88,580,934	101,855,847
Corporate bonds	39,126,645	37,739,641	52,773,272
Convertible corporate bonds	60,061,236	63,351,719	62,970,331
Derivative financial instruments	17,361,402	19,629,863	23,435,296
Structured products	14,604,050	10,662,464	8,461,197
Reserve for claims of customers' deposits with KSFC (Note 1)	52,577,475	52,617,228	64,559,223
Other marketable securities	24,719,131	17,674,966	14,321,918
Valuation adjustment	(3,023,464)	(13,249,405)	(12,786,420)
Total	<u>\$ 530,612,715</u>	<u>\$ 420,057,382</u>	<u>\$ 467,087,326</u>

	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities held for trading			
Derivative financial instruments	\$ 34,539,721	\$ 27,683,180	\$ 34,236,682
Non-derivative financial instruments	21,382,882	34,600,597	59,964,371
Valuation adjustment of non-derivative financial instruments	1,161,441	(1,233,298)	(4,780,502)
Liabilities for issuance of ETNs	1,390,660	1,648,324	1,803,263
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	47,512,767	48,482,434	38,309,816
Convertible bond asset swap not qualifying for derecognition (Note 2)	23,067,202	23,641,439	22,821,789
Total	<u>\$ 129,054,673</u>	<u>\$ 134,822,676</u>	<u>\$ 152,355,419</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, 2023, December 31, 2022 and June 30, 2022.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Equity instruments			
Domestic stocks	\$ 12,440,408	\$ 8,857,480	\$ 9,677,352
Overseas stocks	-	-	234,706
	<u>12,440,408</u>	<u>8,857,480</u>	<u>9,912,058</u>
Domestic beneficiary certificates	17,280,736	12,405,800	11,888,980
Overseas beneficiary certificates	680,197	1,069,798	2,623,217
	<u>\$ 30,401,341</u>	<u>\$ 22,333,078</u>	<u>\$ 24,424,255</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:

	For the three months ended June 30,	
	2023	2022
Profit (loss) recognised in accordance with IFRS 9	\$ 2,794,739	(\$ 3,166,340)
Less: Profit that would have been recognised under IAS 39	(1,137,313)	(30,418)
Profit (loss) from adopting the overlay approach	<u>\$ 1,657,426</u>	<u>(\$ 3,196,758)</u>
Effects on income tax	<u>(\$ 1,837)</u>	<u>\$ 25,628</u>

	For the six months ended June 30,	
	2023	2022
Profit (loss) recognised in accordance with IFRS 9	\$ 4,850,841	(\$ 4,049,142)
Less: Profit that would have been recognised under IAS 39	(1,514,787)	(55,160)
Profit (loss) from adopting the overlay approach	\$ 3,336,054	(\$ 4,104,302)
Effects on income tax	\$ 29,987	\$ 49,016

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, 2023	December 31, 2022	June 30, 2022
Debt instruments			
Government bonds	\$ 71,965,533	\$ 66,141,036	\$ 60,250,368
Bank debentures	70,140,919	69,146,868	68,878,825
Corporate bonds	179,248,367	169,249,746	180,902,676
Commercial paper	768	27,282	48,772
Others	1,894,016	1,507,887	1,451,026
Valuation adjustment	(16,977,932)	(20,358,290)	(16,686,132)
Subtotal	306,271,671	285,714,529	294,845,535
Equity instruments			
Listed stocks	\$ 23,157,610	\$ 18,307,697	\$ 23,654,424
Unlisted stocks/Emerging stocks	4,576,236	4,614,049	4,490,370
Others	2,657,646	2,659,126	3,630,259
Valuation adjustment	26,616,920	28,416,152	22,269,758
Subtotal	57,008,412	53,997,024	54,044,811
Total	\$ 363,280,083	\$ 339,711,553	\$ 348,890,346

A. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of June 30, 2023, December 31, 2022 and June 30, 2022, the fair value of such investments were \$57,008,412, \$53,997,024 and \$54,044,811, respectively.

B. The Yuanta Group disposed equity instruments at fair value through other comprehensive income for purposes of investment portfolio adjustment and asset allocation. For the six months ended June 30, 2023 and 2022, the fair value of such equity investments sold amounted to \$10,249,528 and \$7,208,145, and accumulated losses on disposal were \$1,623,101 and \$45,526, respectively.

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

	For the three months ended June 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 2,468,938)	(\$ 1,392,877)
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 1,631,408	(\$ 17,729)
Dividend income recognised in profit or loss		
Held at end of period	\$ 2,831,765	\$ 592,499
Derecognised in the current period	523,603	21,829
	<u>\$ 3,355,368</u>	<u>\$ 614,328</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 1,017,530)	(\$ 6,672,863)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 2,659)	(\$ 18,875)
Reclassified due to derecognition	649,377	41,640
	<u>\$ 646,718</u>	<u>\$ 22,765</u>
Interest income recognised in profit or loss	<u>\$ 1,267,479</u>	<u>\$ 917,376</u>
	For the six months ended June 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 32,477)	(\$ 725,708)
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 1,593,196	(\$ 49,972)
Dividend income recognised in profit or loss		
Held at end of period	\$ 3,032,495	\$ 825,724
Derecognised in the current period	530,662	21,829
	<u>\$ 3,563,157</u>	<u>\$ 847,553</u>

		For the six months ended June 30,	
		2023	2022
<u>Debt instruments at fair value through other comprehensive income</u>			
Fair value change recognised in other comprehensive income	\$	2,352,958	(\$ 15,381,442)
Cumulative other comprehensive income reclassified to profit or loss			
Reclassified due to impairment recognition	(\$	1,498)	(\$ 14,262)
Reclassified due to derecognition		833,297	(25,245)
	\$	831,799	(\$ 39,507)
Interest income recognised in profit or loss	\$	2,429,210	\$ 1,771,402

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, 2023, December 31, 2022 and June 30, 2022, 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, 2023	December 31, 2022	June 30, 2022
Government bonds	\$ 117,580,179	\$ 118,653,300	\$ 117,178,620
Time deposits	156,663,880	173,075,000	192,235,000
Bank debentures	118,036,314	108,753,511	101,452,337
Corporate bonds	162,656,483	143,771,283	128,860,779
Subtotal	554,936,856	544,253,094	539,726,736
Less: Accumulated impairment	(160,210)	(163,379)	(159,531)
Statutory deposits	(3,560,400)	(3,560,400)	(3,560,400)
Total	\$ 551,216,246	\$ 540,529,315	\$ 536,006,805

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,	
		2023	2022
Interest income	\$	3,353,803	\$ 2,822,952
Reversal gain (impairment loss)		4,153	(4,310)
(Losses) gains on disposal	(	119,404)	12,539
	\$	3,238,552	\$ 2,831,181
		For the six months ended June 30,	
		2023	2022
Interest income	\$	6,550,614	\$ 5,369,013
Reversal gain (impairment loss)		3,176	(10,659)
(Losses) gains on disposal	(	127,693)	157,751
	\$	6,426,097	\$ 5,516,105

B. The Yuanta Group sold certain financial assets at amortised cost for the three months and six months ended June 30, 2023 and 2022, due to factors such as considering pay back, mandatorily redeemed by the issuer, increase in credit risk, or individual and aggregated sales amount that is

non-significant. The (loss) gain on disposal of investments in debt instruments at amortised cost were (\$119,404), \$12,539, (\$127,693) and \$157,751, respectively.

- C. Pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. As of June 30, 2023, December 31, 2022 and June 30 2022, Yuanta Life of the Yuanta Group has deposited government bonds with par value of \$3,560,400 in the Central Bank as statutory operating guarantee deposits, which are recognised under other assets-net.
- D. Details of the Yuanta Group's financial assets at amortised cost pledged to others as collateral as of June 30, 2023, December 31, 2022 and June 30 2022, are provided in Note 8.
- E. Information relating to credit risk is provided in Note 12(3).

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

	June 30, 2023	December 31, 2022	June 30, 2022
Bills and bonds purchased under resale agreement	\$ 73,034,678	\$ 94,073,224	\$ 43,505,146
Interest rate range	0.88% ~ 6.40%	0.56% ~ 5.90%	0.35% ~ 6.00%
Contract resale amount	\$ 73,231,306	\$ 94,442,928	\$ 43,545,648
 Bills and bonds sold under repurchase agreement	 \$ 246,417,448	 \$ 224,137,491	 \$ 169,933,194
Interest rate range	0.55% ~ 5.40%	0.45% ~ 4.85%	-0.38% ~ 5.00%
Contract repurchase amount	\$ 251,892,805	\$ 229,074,828	\$ 173,683,921

(7) Receivables – net

	June 30, 2023	December 31, 2022	June 30, 2022
Interest receivable	\$ 10,744,680	\$ 9,692,421	\$ 8,412,499
Receivable of securities business			
money lending	57,589,083	50,876,971	55,293,764
Factoring receivable	6,299,080	6,749,712	8,939,038
Margin loans receivable	89,197,340	84,058,674	94,708,764
Spot exchange receivable	4,418,445	2,006,360	343,902
Credit card receivable	9,469,646	8,883,926	7,615,895
Net exchange clearing receivable	6,912,360	6,110,052	5,572,858
Settlement price receivable	51,971,297	25,014,002	45,995,197
Securities sold receivable	6,807,404	4,511,972	6,730,517
Other receivables	13,260,220	6,447,984	12,957,768
Subtotal	256,669,555	204,352,074	246,570,202
Less: Allowance for credit losses	(2,050,771)	(2,010,082)	(1,958,357)
Total	\$ 254,618,784	\$ 202,341,992	\$ 244,611,845

- A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the six months ended June 30, 2023 and 2022, details are provided in Note 12(3).
- B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of June 30, 2023, December 31, 2022 and June 30 2022, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were 6.90%~10.20%, 7.00%~10.40% and 5.95%~9.75%; the annual interest rates range of Yuanta Securities (Hong Kong) were 2.55%~13.63%, 0.25%~13.50% and

0.83%~12.88%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were all 16.00%~18.00%; the annual interest rates range of Yuanta Securities (Thailand) were 5.12%~5.65%, 4.13%~4.50% and 3.85%~4.25%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 6.00%~13.50%, 6.79%~15.51% and 6.00%~12.00%, respectively.

(8) Assets held for sale

In order to enhance the efficiency of asset utilization, the Yuanta Group approved the sale of its own real estate by those authorised, and expected to complete the sale within a year therefore, the relevant assets were reclassified to “assets held for sale”. After remeasuring, the original assets at the lower of its carrying amount or fair value less costs to sell, the balance of assets held for sale is \$108,377, \$81,469 and \$138,384 as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. The fair value of the assets held for sale is based on the valuation results by independent valuation experts, which was categorised as level 2 of the fair value hierarchy. For the three months and six months ended June 30, 2022, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal all amounted to \$68,880, and gain on disposal all amounted to \$11,811. For the six months ended June 30, 2023, there were no sales transaction. For the three months and six months ended June 30, 2023 and 2022, the Yuanta Group recognised related reversal gain (impairment loss) were (\$471), \$890, (\$471) and \$890, respectively.

(9) Bills discounted and loans - net

	June 30, 2023	December 31, 2022	June 30, 2022
Bills discounted	\$ 86,853	\$ 10,663	\$ 222,936
Overdrafts	3,729	3,634	3,561
Short-term loans	127,799,108	130,844,368	96,733,171
Short-term loans secured	105,019,462	90,689,357	82,827,106
Medium-term loans	146,237,191	141,328,962	106,198,406
Medium-term loans secured	227,220,204	228,098,646	231,354,194
Long-term loans	4,729,899	4,823,525	5,329,903
Long-term loans secured	413,006,168	404,064,697	400,245,407
Import-export negotiations	240,335	37,855	60,749
Accounts receivable financing	529,810	489,648	436,242
Automatic policy loans	1,629,252	1,601,933	1,531,939
Life insurance policy loans	6,068,109	6,049,114	5,800,120
Loans transferred to non-performing loans	1,868,360	1,513,972	2,071,768
Subtotal	1,034,438,480	1,009,556,374	932,815,502
Less: Allowance for credit losses	(15,025,668)	(14,367,092)	(13,872,252)
Less: Adjustment for discount or premium	(1,875)	9,883	11,183
Total	<u>\$ 1,019,410,937</u>	<u>\$ 995,199,165</u>	<u>\$ 918,954,433</u>

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

B. Classified by subsidiaries as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bills discounted and loans including adjustment for premium			
Yuanta Bank	\$ 1,014,838,322	\$ 990,145,956	\$ 912,353,058
Yuanta Securities	11,900,922	11,769,254	13,141,568
Yuanta Life	7,697,361	7,651,047	7,332,059
Subtotal	<u>1,034,436,605</u>	<u>1,009,566,257</u>	<u>932,826,685</u>
Allowance for credit losses			
Yuanta Bank	(\$ 14,000,934)	(\$ 13,400,050)	(\$ 12,951,286)
Yuanta Securities	(1,024,734)	(967,042)	(920,966)
Subtotal	<u>(15,025,668)</u>	<u>(14,367,092)</u>	<u>(13,872,252)</u>
Total	<u>\$ 1,019,410,937</u>	<u>\$ 995,199,165</u>	<u>\$ 918,954,433</u>

(10) Reinsurance contract assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Claims recoverable from reinsurers	\$ 504,909	\$ 640,013	\$ 678,258
Due from reinsurers and ceding companies	157,988	153,324	184,647
Reinsurance reserve assets			
Ceded unearned premium reserve	402,833	436,945	417,268
Ceded claims reserve	81,718	123,363	111,548
Overdue receivables	149,063	14,550	119,037
Total	<u>\$ 1,296,511</u>	<u>\$ 1,368,195</u>	<u>\$ 1,510,758</u>

(11) Investments accounted for under the equity method

	<u>June 30, 2023</u>		<u>December 31, 2022</u>		<u>June 30, 2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management						
Company Limited	\$ 340,131	24.50%	\$ 346,416	24.50%	\$ 338,327	24.50%
GC Investment Consultant						
(Shanghai) Co., Ltd.	22,528	100.00%	22,324	100.00%	21,476	100.00%
Woori Asset Management						
Corp.	795,366	27.00%	793,797	27.00%	737,902	27.00%
Polaris Ocean Private Equity						
Fund	-	-	-	-	49	3.26%
TONGYANG AGRI-FOOD						
INVESTMENT FUND II	-	-	72,028	40.74%	69,923	40.74%
KVIC-Yuanta 2015 Overseas						
Advance Fund	87,508	44.00%	162,026	44.00%	245,713	44.00%
IBKC-TONGYANG Growth						
2013 Private Equity Fund	51,834	10.71%	67,762	10.71%	118,263	10.71%
2016 KIF-Yuanta ICT						
Venture	50,797	16.67%	74,120	16.67%	82,725	16.67%
Yuanta Secondary No.2 Fund	202,894	12.28%	212,851	12.28%	194,690	12.28%
Yuanta Secondary No.3						
Private Equity Fund	782,059	15.26%	810,130	15.26%	667,468	15.26%
SJ-ULTRA V 1st FUND	28,374	34.48%	29,014	34.48%	27,594	34.48%
Yuanta-HPNT Private Equity						
Fund	4,680	0.09%	4,838	0.09%	4,552	0.09%
Kiwoom-Yuanta 2019						
Scale-up Fund	400,915	15.20%	410,896	15.20%	391,608	15.20%
Yuanta SPAC VII	-	-	-	-	2,044	0.91%
Yuanta SPAC VIII	465	0.15%	480	0.15%	449	0.15%
Yuanta Innovative Job						
Creation Fund	188,865	22.73%	189,764	22.73%	170,043	22.73%
Yuanta Quantum Jump No.1						
Fund	99,404	12.50%	86,292	12.50%	67,090	12.50%
Yuanta Great Unicorn No.1						
Fund	112,232	17.65%	116,684	17.65%	110,389	17.65%
Yuanta Innovative Growth						
MPE Fund	80,566	14.02%	30,950	14.02%	31,545	14.02%
Yuanta SPAC IX	467	0.19%	480	0.19%	229	4.17%
Yuanta SPAC X	468	0.17%	528	0.17%	229	4.35%
Yuanta SPAC XI	521	4.17%	24	4.17%	-	-
Yuanta SPAC XII	407	3.70%	21	3.70%	-	-
Yuanta SPAC XIII	304	0.81%	244	0.81%	-	-
Yuanta SPAC XIV	444	1.85%	244	1.85%	-	-
	<u>\$ 3,251,229</u>		<u>\$ 3,431,913</u>		<u>\$ 3,282,308</u>	

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

	For the three months ended June 30,		
	2023	2022	
Net loss for the period from continuing operations	(\$ 12,377)	(\$ 9,367)	
Other comprehensive gain (net of tax)	133	17	
	For the six months ended June 30,		
	2023	2022	
Net (loss) gain for the period from continuing operations	(\$ 14,505)	\$ 174,506	
Other comprehensive gain (net of tax)	1,164	212	
(12) <u>Other financial assets - net</u>			
	June 30, 2023	December 31, 2022	June 30, 2022
Non-loans reclassified to non-performing loans	\$ 926,200	\$ 899,922	\$ 996,951
Less: Allowance for credit losses	(925,047)	(898,458)	(957,874)
	<u>1,153</u>	<u>1,464</u>	<u>39,077</u>
Purchase of claim receivable	1,806,795	1,814,911	1,823,473
Valuation adjustment on purchase of claim receivable	(24,531)	(22,158)	(21,424)
	<u>1,782,264</u>	<u>1,792,753</u>	<u>1,802,049</u>
Customer margin account	81,608,637	81,222,971	88,116,578
Investment-linked insurance product assets	31,533,342	30,353,012	32,945,654
Receivables from security lending	272,489	846,335	249,051
Others	<u>109,197</u>	<u>264,238</u>	<u>243,528</u>
Total	\$ 115,307,082	\$ 114,480,773	\$ 123,395,937

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, 2023, December 31, 2022 and June 30, 2022, as well as for the three months and six months ended June 30, 2023 and 2022, details about the investment insurance products - separate accounts were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Investment – linked insurance product assets			
Financial assets at fair value through profit or loss	\$ 31,503,847	\$ 30,324,039	\$ 32,540,905
Other receivables	29,495	28,973	404,749
	<u>\$ 31,533,342</u>	<u>\$ 30,353,012</u>	<u>\$ 32,945,654</u>
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product			
– insurance contract	\$ 7,163,136	\$ 6,694,344	\$ 6,749,987
– investment contract	24,342,879	23,636,016	26,182,029
Other payables	27,327	22,652	13,638
	<u>\$ 31,533,342</u>	<u>\$ 30,353,012</u>	<u>\$ 32,945,654</u>
		<u>For the three months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
Revenue on investment – linked insurance products			
Premium income		\$ 61,804	\$ 1,255,940
Gain (loss) on financial assets at fair value through profit or loss		519,687	(847,091)
Exchange loss		(678)	(1,434)
Interest income		1,244	1,325
Other losses		(623)	(111)
		<u>\$ 581,434</u>	<u>\$ 408,629</u>
Expenses on investment – linked insurance products			
Claims and policy benefit payments		\$ 143,560	\$ 51,117
Net change in reserve for investment-linked insurance product-insurance contract		362,967	277,975
Administrative expenses and other expenses		74,907	79,537
		<u>\$ 581,434</u>	<u>\$ 408,629</u>

	For the six months ended June 30,	
	2023	2022
Revenue on investment – linked insurance products		
Premium income	\$ 131,087	\$ 1,818,979
Gain (loss) on financial assets at fair value through profit or loss	717,260 (	883,905)
Exchange loss	(374) (	2,776)
Interest income	2,514	2,532
Other income	-	661
	<u>\$ 850,487</u>	<u>\$ 935,491</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 239,240	\$ 114,856
Net change in reserve for investment-linked insurance product-insurance contract	468,418	661,272
Administrative expenses and other expenses	142,829	159,363
	<u>\$ 850,487</u>	<u>\$ 935,491</u>

(13) Investment property - net

Assets	June 30, 2023			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,015,709	\$ -	(\$ 198,746)	\$ 1,816,963
Buildings	1,876,416	(808,918)	(36,200)	1,031,298
Right-of-use assets	6,471,809	(330,369)	-	6,141,440
Investment property under construction	1,801,783	-	-	1,801,783
Total	<u>\$ 12,165,717</u>	<u>(\$ 1,139,287)</u>	<u>(\$ 234,946)</u>	<u>\$ 10,791,484</u>
Assets	December 31, 2022			
	Cost	Accumulated depreciation	Accumulated impairment	Book value
Land and land improvements	\$ 2,113,291	\$ -	(\$ 201,558)	\$ 1,911,733
Buildings	1,926,328	(814,205)	(37,574)	1,074,549
Right-of-use assets	6,472,693	(278,194)	-	6,194,499
Investment property under construction	1,306,670	-	-	1,306,670
Total	<u>\$ 11,818,982</u>	<u>(\$ 1,092,399)</u>	<u>(\$ 239,132)</u>	<u>\$ 10,487,451</u>

June 30, 2022				
Assets	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>

Change in investment property of the Yuanta Group:

For the six months ended June 30,			
	2023	2022	
Cost			
At January 1	\$ 11,818,982	\$	12,185,874
Additions	496,159		171,360
Disposals	-	(	965,509)
Transferred out to property and equipment	(78,555)	(	156,020)
Transferred in from property and equipment	10,227		121,012
Others	(29,125)		-
Foreign exchange adjustment and others	(51,971)	(	32,460)
At June 30	<u>\$ 12,165,717</u>	<u>\$</u>	<u>11,324,257</u>
Accumulated depreciation			
At January 1	(\$ 1,092,399)	(\$	1,240,700)
Depreciation	(30,018)	(	38,107)
Disposals	-		297,836
Transferred out to property and equipment	13,613		11,244
Transferred in from property and equipment	(2,289)	(	2,664)
Others	1,747		-
Foreign exchange adjustment and others	(29,941)	(	37,802)
At June 30	<u>(\$ 1,139,287)</u>	<u>(\$</u>	<u>1,010,193)</u>
Accumulated impairment			
At January 1	(\$ 239,132)	(\$	251,652)
Reversal of impairment loss	13,812		5,010
Disposals	-		3,101
Transferred in from property and equipment	(9,626)	(	109)
At June 30	<u>(\$ 234,946)</u>	<u>(\$</u>	<u>243,650)</u>

A. The fair value of the investment property held by the Yuanta Group as of June 30, 2023, December 31, 2022 and June 30, 2022, were \$12,855,110, \$12,524,213 and \$12,131,749,

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, 2023, the fair value included the amounts of \$3,053,272 and \$9,801,838; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of December 31, 2022, the fair value included the amounts of \$3,252,372 and \$9,271,841; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. As of 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.

- B. For the three months and six months ended June 30, 2023 and 2022, rental income from the lease of the investment property were \$39,833, \$43,111, \$80,903 and \$91,794, respectively.
- C. 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:

2023

Cost	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659
Additions	-	1,082	211,166	6,265	35,477	751,101	1,005,091
Disposals	-	-	(94,346)	(13,141)	(125,956)	-	(233,443)
Transferred in from investment property	56,483	22,072	-	-	-	-	78,555
Transferred out to investment property	(2,244)	(7,983)	-	-	-	-	(10,227)
Others	-	-	156,497	1,700	19,813	(152,448)	25,562
Translation difference	(8,838)	(28,645)	(57,212)	404	(1,257)	46	(95,502)
At June 30	\$ 15,041,587	\$ 7,056,708	\$ 4,498,434	\$ 202,786	\$ 1,735,006	\$ 4,363,174	\$ 32,897,695
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	\$ -	(\$ 6,434,820)
Depreciation	-	(101,645)	(320,925)	(11,673)	(147,071)	-	(581,314)
Disposals	-	-	94,304	11,509	125,153	-	230,966
Transferred in from investment property	-	(13,613)	-	-	-	-	(13,613)
Transferred out to investment property	-	2,289	-	-	-	-	2,289
Others	-	-	2	-	(2)	-	-
Translation difference	-	11,909	47,687	(321)	879	-	60,154
At June 30	\$ -	(\$ 2,439,360)	(\$ 3,035,567)	(\$ 144,312)	(\$ 1,117,099)	\$ -	(\$ 6,736,338)
<u>Accumulated impairment</u>							
At January 1	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)
Transferred out to investment property	5,419	4,207	-	-	-	-	9,626
At June 30	(\$ 125,321)	(\$ 54,103)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 179,722)
Net carrying amount	\$ 14,916,266	\$ 4,563,245	\$ 1,462,867	\$ 58,474	\$ 617,609	\$ 4,363,174	\$ 25,981,635

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

2022

Cost	Land and land improvements	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
At January 1	\$ 15,095,745	\$ 7,241,243	\$ 4,033,225	\$ 209,637	\$ 1,738,942	\$ 2,420,243	\$ 30,739,035
Additions	-	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	<u>\$ 14,982,831</u>	<u>\$ 7,010,944</u>	<u>\$ 4,028,422</u>	<u>\$ 212,920</u>	<u>\$ 1,830,013</u>	<u>\$ 2,724,832</u>	<u>\$ 30,789,962</u>
<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	<u>\$ -</u>	<u>(\$ 2,212,220)</u>	<u>(\$ 2,779,656)</u>	<u>(\$ 137,852)</u>	<u>(\$ 1,128,697)</u>	<u>\$ -</u>	<u>(\$ 6,258,425)</u>
<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	<u>(\$ 131,062)</u>	<u>(\$ 59,362)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 298)</u>	<u>\$ -</u>	<u>(\$ 190,722)</u>
Net carrying amount	<u>\$ 14,851,769</u>	<u>\$ 4,739,362</u>	<u>\$ 1,248,766</u>	<u>\$ 75,068</u>	<u>\$ 701,018</u>	<u>\$ 2,724,832</u>	<u>\$ 24,340,815</u>

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

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

(15) Leasing arrangements — lessee

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,575,176	\$ 8,642,912	\$ 8,711,627
Buildings	2,704,291	2,701,303	2,692,865
Machinery and equipment	73,435	92,732	107,875
Transportation equipment	30,631	33,979	28,189
Others	47,000	44,606	27,159
	<u>\$ 11,430,533</u>	<u>\$ 11,515,532</u>	<u>\$ 11,567,715</u>
	<u>For the three months ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
Land	\$ 4,997	\$ 5,007	
Buildings	314,501	313,847	
Machinery and equipment	11,400	11,525	
Transportation equipment	3,058	2,942	
Others	2,052	4,565	
	<u>\$ 336,008</u>	<u>\$ 337,886</u>	
	<u>For the six months ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	
	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
Land	\$ 10,002	\$ 9,964	
Buildings	646,331	645,721	
Machinery and equipment	23,270	23,094	
Transportation equipment	7,095	6,687	
Others	3,736	6,606	
	<u>\$ 690,434</u>	<u>\$ 692,072</u>	

- C. For the three months and six months ended June 30, 2023 and 2022, the additions to right-of-use assets amounted to \$288,492, \$694,655, \$713,918 and \$983,404, respectively.

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

	For the three months ended June 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 15,446	\$ 12,384
Expense on short-term lease contracts	21,149	20,581
Expense on leases of low-value assets	1,366	3,004
Gain on sublease of right-of-use assets	2,913	3,181
(Loss) gain on lease modification	(174)	17,221
	For the six months ended June 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 39,182	\$ 36,540
Expense on short-term lease contracts	41,551	43,088
Expense on leases of low-value assets	2,792	3,332
Gain on sublease of right-of-use assets	6,583	6,348
(Loss) gain on lease modification	(432)	134,328

E. For the six months ended June 30, 2023 and 2022, the Yuanta Group's total cash outflow for leases amounted to \$789,054 and \$1,000,124, 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,	
	2023	2022
Finance income from the net investment in the finance lease	\$ 66	\$ 161
	For the six months ended June 30,	
	2023	2022
Finance income from the net investment in the finance lease	\$ 156	\$ 345

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

	June 30, 2023	December 31, 2022	June 30, 2022
2022	\$ -	\$ -	\$ 4,231
2023	4,231	8,463	8,463
Total	\$ 4,231	\$ 8,463	\$ 12,694

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Undiscounted lease payments	\$ 4,231	\$ 8,463	\$ 12,694
Unearned finance income	(58)	(214)	(466)
Net investment in the lease	<u>\$ 4,173</u>	<u>\$ 8,249</u>	<u>\$ 12,228</u>

E. For the three months and six months ended June 30, 2023 and 2022, the Yuanta Group recognised rent income in the amounts of \$39,853, \$43,121, \$80,943 and \$91,814, 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, 2023</u>		<u>December 31, 2022</u>		<u>June 30, 2022</u>
2023	\$ 73,083	2023	\$ 107,402	2022	\$ 70,121
2024	72,715	2024	63,395	2023	65,033
2025	46,307	2025	35,402	2024	32,637
2026	8,158	2026	7,555	2025	16,085
2027	5,387	2027	5,113	2026	3,024
After 2028	<u>3,835</u>	After 2028	<u>3,917</u>	After 2027	<u>5,530</u>
Total	<u>\$ 209,485</u>	Total	<u>\$ 222,784</u>	Total	<u>\$ 192,430</u>

(BLANK)

(17) Intangible assets - net

	2023					
Cost	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,496,813	\$ 385,472	\$ 5,079,715	\$ 3,045,314	\$ 4,367,806	\$ 44,375,120
Additions	-	-	152,374	-	-	152,374
Disposals	-	-	(56,054)	-	-	(56,054)
Reclassifications	-	-	25,452	-	-	25,452
Translation difference	759	136	(117,991)	-	(20,932)	(138,028)
At June 30	<u>\$ 31,497,572</u>	<u>\$ 385,608</u>	<u>\$ 5,083,496</u>	<u>\$ 3,045,314</u>	<u>\$ 4,346,874</u>	<u>\$ 44,358,864</u>
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 374,975)	(\$ 4,152,345)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ 10,141,836)
Amortisation	-	-	(167,816)	(1,875)	(116,161)	(285,852)
Disposals	-	-	56,046	-	-	56,046
Translation difference	-	(40)	107,958	-	1,738	109,656
At June 30	<u>\$ -</u>	<u>(\$ 375,015)</u>	<u>(\$ 4,156,157)</u>	<u>(\$ 3,043,751)</u>	<u>(\$ 2,687,063)</u>	<u>(\$ 10,261,986)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 2,956,649)	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ 3,273,376)
Translation difference	83	-	-	-	520	603
At June 30	<u>(\$ 2,956,566)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 316,207)</u>	<u>(\$ 3,272,773)</u>
Net carrying amount	<u>\$ 28,541,006</u>	<u>\$ 10,593</u>	<u>\$ 927,339</u>	<u>\$ 1,563</u>	<u>\$ 1,343,604</u>	<u>\$ 30,824,105</u>

2022						
Cost	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,483,298	\$ 384,009	\$ 4,574,763	\$ 3,045,314	\$ 4,317,864	\$ 43,805,248
Additions	-	-	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
Reclassifications	-	-	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>

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

(18) Other assets - net

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Refundable deposits - net	\$ 5,887,630	\$ 6,313,415	\$ 6,508,413
Deposits on securities borrowed	27,436,395	25,663,435	37,210,422
Operating guarantee deposits and settlement and clearing fund	5,468,690	5,188,796	5,105,254
Prepayments	1,298,122	1,013,577	938,252
Bank deposits - amounts held for settlement	22,141,027	20,495,962	23,568,846
Others	474,462	368,271	640,316
Total	<u>\$ 62,706,326</u>	<u>\$ 59,043,456</u>	<u>\$ 73,971,503</u>

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

(19) Impairment of non-financial assets

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Investment property	\$ 234,946	\$ 239,132	\$ 243,650
Property and equipment	179,722	189,348	190,722
Intangible assets - goodwill	2,956,566	2,956,649	2,887,564
Intangible assets - other	316,207	316,727	315,747

(20) Deposits from Central Bank and other banks

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Overdrafts with other banks	\$ 5,082,076	\$ 1,923,082	\$ 3,575,857
Call loans from other banks	4,000,000	36,684,013	13,810,267
Redeposit from the directorate general of postal remittance	-	-	640,242
Total	<u>\$ 9,082,076</u>	<u>\$ 38,607,095</u>	<u>\$ 18,026,366</u>

(21) Commercial paper payable - net

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Commercial paper payable	\$ 97,526,405	\$ 47,963,211	\$ 64,900,592
Less: Discount on commercial paper payable	(248,779)	(127,141)	(97,090)
Total	<u>\$ 97,277,626</u>	<u>\$ 47,836,070</u>	<u>\$ 64,803,502</u>

As of June 30, 2023, December 31, 2022 and June 30, 2022, the annual interest rate of commercial paper payable were 1.378%~5.510%, 0.950%~5.990% and 0.768%~4.070%, respectively.

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

(22) Payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Accounts payable	\$ 77,078,260	\$ 76,475,038	\$ 95,697,672
Spot exchange payable	4,420,833	2,009,705	342,613
Dividends payable	10,001,358	-	18,635,306
Accrued expenses	8,830,440	10,136,916	9,265,991
Deposit payable for short sales	5,122,507	10,153,978	6,540,475
Consigned securities payable	5,842,827	4,493,450	4,482,058
Net exchange clearing payable	2,726,193	3,335,104	7,439,924
Securities purchased payable	7,879,702	3,133,408	3,885,696
Settlement payable	51,322,606	23,618,346	39,722,873
Guarantee deposit received from short sales	4,761,909	11,091,743	5,805,254
Other payables	10,162,951	9,578,875	8,891,336
Total	<u>\$ 188,149,586</u>	<u>\$ 154,026,563</u>	<u>\$ 200,709,198</u>

(23) Deposits and remittances

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Checking deposits	\$ 5,515,832	\$ 6,041,755	\$ 5,210,952
Demand deposits	190,146,369	180,320,808	198,250,840
Time deposits	412,585,575	380,133,262	356,772,841
Negotiable certificates of deposit	191,900	4,694,000	5,201,500
Savings deposits	921,508,822	836,179,477	823,127,161
Remittances	298,718	72,197	381,627
The account for foreign exchange credit purposes	-	-	1,303
Total	<u>\$ 1,530,247,216</u>	<u>\$ 1,407,441,499</u>	<u>\$ 1,388,946,224</u>

(24) Bonds payable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank debentures	\$ 28,700,000	\$ 28,700,000	\$ 22,200,000
Unsecured corporate bonds	65,559,656	73,787,542	69,067,551
Total	<u>\$ 94,259,656</u>	<u>\$ 102,487,542</u>	<u>\$ 91,267,551</u>

A. The details of bank debentures as of June 30, 2023 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

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

	First issue of general bank debentures in 2022
Par value	\$2,000,000
Stated interest rate	Fixed interest rate at 0.77%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Second issue of subordinate bank debentures in 2022
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 2.40%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Third issue of subordinate bank debentures in 2022(A)
Par value	\$900,000
Stated interest rate	Fixed interest rate at 2.40%
Period	Eight years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Third issue of subordinate bank debentures in 2022(B)
Par value	\$1,900,000
Stated interest rate	Fixed interest rate at 2.55%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
C. The details of unsecured corporate bonds as of June 30, 2023 were as follows:	
The Company	Yuanta Financial Holdings first issue of local unsecured ordinary 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 ordinary corporate bond in 2018(B)
Par value	\$8,500,000
Stated interest rate	Fixed interest rate at 0.96%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the sixth and seventh years
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2020
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.59%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2022
Par value	\$5,300,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured ordinary corporate bond in 2022
Par value	\$8,200,000
Stated interest rate	Fixed interest rate at 1.55%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the fourth and fifth years
Issue price	Priced at face value on issue date
The Yuanta Group	
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(A)
Par value	\$2,200,000
Stated interest rate	Fixed interest rate at 1.25%
Issuance date	June 6, 2019
Maturity date	June 6, 2026
Issuance area	Taiwan

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(B)
Par value	\$6,300,000
Stated interest rate	Fixed interest rate at 1.40%
Issuance date	June 6, 2019
Maturity date	June 6, 2029
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(A)
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	October 20, 2020
Maturity date	October 20, 2027
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(B)
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 0.95%
Issuance date	October 20, 2020
Maturity date	October 20, 2030
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(A)
Par value	\$4,800,000
Stated interest rate	Fixed interest rate at 0.82%
Issuance date	May 17, 2021
Maturity date	May 17, 2031
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(B)
Par value	\$5,200,000
Stated interest rate	Fixed interest rate at 1.02%
Issuance date	May 17, 2021
Maturity date	May 17, 2036
Issuance area	Taiwan
	Yuanta Securities Finance first issue of local unsecured ordinary corporate bond in 2020(A)
Par value	\$2,300,000
Stated interest rate	Fixed interest rate at 0.63%
Issuance date	May 6, 2020
Maturity date	May 6, 2025
Issuance area	Taiwan

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

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

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

Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 1.707%
Issuance date	April 8, 2021
Maturity date	April 8, 2024
Issuance area	Korea

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

Par value	KRW150,000,000 thousands
Stated interest rate	Fixed interest rate at 4.215%
Issuance date	April 12, 2022
Maturity date	April 11, 2025
Issuance area	Korea

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

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

(25) Other borrowings

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 12,035,750	\$ 8,457,322	\$ 17,738,415
Secured bank borrowings	4,683,008	4,930,967	4,581,562
KSFC secured borrowings	26,337,891	22,144,885	23,171,096
Asset-backed short-term bonds	13,783,180	12,927,025	20,553,084
	<u>\$ 56,839,829</u>	<u>\$ 48,460,199</u>	<u>\$ 66,044,157</u>
Interest rate range	<u>1.47% ~ 11.00%</u>	<u>1.69% ~ 10.40%</u>	<u>1.00% ~ 7.90%</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

	June 30, 2023	December 31, 2022	June 30, 2022
Insurance liabilities	\$ 359,386,252	\$ 350,428,059	\$ 341,495,219
Reserve for foreign exchange fluctuation	4,018,654	3,988,784	2,877,396
Employee benefit liabilities reserve	4,521,445	4,553,279	5,635,267
Guaranteed policy reserve	177,234	177,637	131,816
Loan commitment reserve and letters of credit	39,417	37,202	40,831
Reserve for insurance with nature of financial instrument	185,964	130,855	133,117
Other reserves (Note)	4,805,013	4,360,809	3,897,671
Total	<u>\$ 373,133,979</u>	<u>\$ 363,676,625</u>	<u>\$ 354,211,317</u>

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately \$16.4 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately \$1.6 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of June 30, 2023, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, with the claim amount of KRW492,565 million (approximately \$11.6 billion) (which claim amount was reduced to KRW113,007 million (approximately \$2.7 billion) by the plaintiffs) and KRW50,000 million (approximately \$1.2 billion), respectively, demanding compensations totaling KRW163,007 million (approximately \$3.8 billion); both litigations were class actions. For the class action with the claim amount of KRW492,565 million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance. The plaintiffs reduced the claim amount to KRW113,516 million (approximately \$2.7 billion) on November 16, 2022. The Seoul Central District Court dismissed the plaintiffs' claim on January 19, 2023. The plaintiffs appealed the case on February 9, 2023 with the claim amount of KRW113,007 million. For the class action with the claim amount of KRW50,000 million, the Seoul Central District Court and the Seoul High Court had dismissed the case based on procedural reasons. Subsequently, Yuanta Securities (Korea) received a judgment rendered by the Supreme Court on June 26, 2023 dismissing the appeal and the case is closed.

Former TongYang Securities Inc. has recognised a liability reserve of KRW93,400 million (approximately \$2.2 billion) on December 31, 2013 for the aforementioned sales dispute with adjustments made for actual compensation payments. As of June 30, 2023, the balance of the liability reserve related to the aforementioned financial product selling disputes and class action was KRW4,622 million (approximately \$0.1 billion), and Yuanta Securities (Korea) has reversed KRW29,550 million (approximately \$0.7 billion) in liability reserves, reflecting

the status of relevant litigations and compensations.

In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, “Anbang”) filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW166,600 million (approximately \$3.9 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW53,116 million as of June 30, 2023 (approximately \$1.3 billion). Yuanta Securities (Korea) received a correction of arbitration award in January 2021, which has no impact on the above results. Anbang then applied to Seoul Central District Court for recognising and enforcing the arbitration award. Yuanta Securities (Korea) received the court’s decision on December 17, 2021 which recognised the arbitration award and allowed Anbang to enforce the arbitration award up to the amount of KRW131,801 million (approximately \$3.1 billion) plus subsequent interests payable. Yuanta Securities (Korea) and Anbang both filed an appeal against such decision. Yuanta Securities (Korea) received the ruling from the Seoul High Court on May 26, 2023 recognising such arbitration award. Anbang is entitled to file an enforcement for approximately KRW127,436 million (approximately \$3 billion), arbitration fees for approximately KRW22,841 million (approximately \$500 million) and subsequent interest payable. Yuanta Securities (Korea) has filed an appeal against the Seoul High Court’s ruling. Yuanta Securities (Korea) has recognised provision liabilities in the amount of approximately KRW173,896 million (approximately \$4.1 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, 2023, Yuanta Securities (Korea) recognised provision liabilities amounting to KRW12,525 million (approximately \$0.3 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.

A. The components of insurance liabilities are as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Unearned premium reserve	\$ 1,090,697	\$ 1,053,928	\$ 1,044,644
Claims reserve	1,448,795	1,489,530	1,435,369
Reserve for policy benefit	352,854,485	343,632,568	334,843,116
Special reserve	149,790	235,057	-
Premium deficiency reserve	591,330	691,773	743,814
Other reserves	3,251,155	3,325,203	3,428,276
Total	<u>\$ 359,386,252</u>	<u>\$ 350,428,059</u>	<u>\$ 341,495,219</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, 2023			
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Unearned premium reserve			
Personal life insurance	\$ 1,505	\$ -	\$ 1,505
Personal accident insurance	324,420	-	324,420
Personal health insurance	562,384	-	562,384
Group insurance	199,450	-	199,450
Investment-linked insurance	2,938	-	2,938
	<u>\$ 1,090,697</u>	<u>\$ -</u>	<u>\$ 1,090,697</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 270,343	\$ -	\$ 270,343
Personal accident insurance	317	-	317
Personal health insurance	131,047	-	131,047
Group insurance	507	-	507
Investment-linked insurance	620	-	620
	<u>\$ 402,834</u>	<u>\$ -</u>	<u>\$ 402,834</u>
December 31, 2022			
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Unearned premium reserve			
Personal life insurance	\$ 1,581	\$ -	\$ 1,581
Personal accident insurance	308,611	-	308,611
Personal health insurance	544,039	-	544,039
Group insurance	196,716	-	196,716
Investment-linked insurance	2,981	-	2,981
	<u>\$ 1,053,928</u>	<u>\$ -</u>	<u>\$ 1,053,928</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 260,583	\$ -	\$ 260,583
Personal accident insurance	392	-	392
Personal health insurance	174,198	-	174,198
Group insurance	1,127	-	1,127
Investment-linked insurance	645	-	645
	<u>\$ 436,945</u>	<u>\$ -</u>	<u>\$ 436,945</u>

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>

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

	For the six months ended June 30,	
	2023	2022
Unearned premium reserve		
At January 1	\$ 1,053,928	\$ 979,625
Current net change	<u>36,769</u>	<u>65,019</u>
At June 30	<u>\$ 1,090,697</u>	<u>\$ 1,044,644</u>
	For the six months ended June 30,	
	2023	2022
Ceded unearned premium reserve		
At January 1	\$ 436,945	\$ 457,017
Current net change	(34,389)	(40,946)
Gain on foreign exchange	<u>278</u>	<u>1,197</u>
At June 30	<u>\$ 402,834</u>	<u>\$ 417,268</u>

(B) Claims reserve and ceded claims reserve

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

June 30, 2023			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 663,659	\$ 997	\$ 664,656
Personal accident insurance	4,042	23,084	27,126
Personal health insurance	456,825	246,407	703,232
Group insurance	904	29,443	30,347
Investment-linked insurance	23,434	-	23,434
	<u>\$ 1,148,864</u>	<u>\$ 299,931</u>	<u>\$ 1,448,795</u>
Ceded claims reserve			
Personal life insurance	\$ 39,710	\$ -	\$ 39,710
Personal accident insurance	-	-	-
Personal health insurance	42,008	-	42,008
	<u>\$ 81,718</u>	<u>\$ -</u>	<u>\$ 81,718</u>
December 31, 2022			
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 634,012	\$ 976	\$ 634,988
Personal accident insurance	7,400	22,259	29,659
Personal health insurance	515,668	206,599	722,267
Group insurance	2,844	94,305	97,149
Investment-linked insurance	5,467	-	5,467
	<u>\$ 1,165,391</u>	<u>\$ 324,139</u>	<u>\$ 1,489,530</u>
Ceded claims reserve			
Personal life insurance	\$ 43,135	\$ -	\$ 43,135
Personal accident insurance	3	-	3
Personal health insurance	80,225	-	80,225
	<u>\$ 123,363</u>	<u>\$ -</u>	<u>\$ 123,363</u>

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>

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

	For the six months ended June 30,	
	2023	2022
Claims reserve		
At January 1	\$ 1,489,530	\$ 1,177,187
Current net change	(40,848)	257,289
Loss on foreign exchange	113	893
At June 30	<u>\$ 1,448,795</u>	<u>\$ 1,435,369</u>
	For the six months ended June 30,	
	2023	2022
Ceded claims reserve		
At January 1	\$ 123,363	\$ 146,072
Current net change	(41,652)	(34,734)
Gain on foreign exchange	7	210
At June 30	<u>\$ 81,718</u>	<u>\$ 111,548</u>

(C) Reserve for policy benefit

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

June 30, 2023			
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Life insurance	\$ 319,908,411	\$ -	\$ 319,908,411
Health insurance	32,468,239	-	32,468,239
Annuity insurance	4,104	294,548	298,652
Investment-linked insurance	76,958	-	76,958
	<u>\$ 352,457,712</u>	<u>\$ 294,548</u>	<u>352,752,260</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			51,942
Total			<u>\$ 352,854,485</u>
December 31, 2022			
		Financial instruments with discretionary participation features	Total
	Insurance contract		
Life insurance	\$ 312,022,943	\$ -	\$ 312,022,943
Health insurance	31,050,423	-	31,050,423
Annuity insurance	4,377	384,754	389,131
Investment-linked insurance	66,116	-	66,116
	<u>\$ 343,143,859</u>	<u>\$ 384,754</u>	<u>343,528,613</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			53,672
Total			<u>\$ 343,632,568</u>
June 30, 2022			
		Financial instruments with discretionary participation features	Total
	Insurance contract		
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>	<u>334,733,217</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			59,616
Total			<u>\$ 334,843,116</u>

b. Changes in reserve for policy benefit:

	For the six months ended June 30,	
	2023(Note 1)	2022(Note 2)
At January 1	\$ 343,618,651	\$ 318,611,643
Current net change	8,216,287	12,409,540
Loss on foreign exchange	1,005,769	3,808,135
At June 30	<u>\$ 352,840,707</u>	<u>\$ 334,829,318</u>

Note 1: For the six months ended June 30, 2023, “Reserve for policy benefit-payables to the insured” reclassified from reinsurance indemnity payable is \$13,778. As of June 30, 2023, the total reserve for policy benefit amount of changes in reserve for policy benefit is \$352,854,485.

Note 2: For the six months ended June 30, 2022, “Reserve for policy benefit-payables to the insured” reclassified from reinsurance indemnity payable 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.

For the three months and six months ended June 30, 2023 and 2022, the interest expense, reflecting on the contract liabilities over a period of time, were \$2,198,630, \$2,113,776, \$4,390,100 and \$4,211,728, respectively.

(D) Special Reserve

a. Details of special reserve are as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Dividend payment reserve	<u>\$ 149,790</u>	<u>\$ 235,057</u>	<u>\$ -</u>

b. Change in special reserve:

	For the six months ended June 30,	
	2023	2022
At January 1	\$ 235,057	\$ -
Provision	(85,267)	-
At June 30	<u>\$ 149,790</u>	<u>\$ -</u>

(E) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	June 30, 2023		
	Financial instruments with discretionary participation features		Total
	Insurance contract		
Personal life insurance	\$ 570,780	\$ -	\$ 570,780
Personal health insurance	20,550	-	20,550
Total	<u>\$ 591,330</u>	<u>\$ -</u>	<u>\$ 591,330</u>

December 31, 2022			
	Financial instruments with discretionary participation features		
	Insurance contract		Total
Personal life insurance	\$ 671,073	\$ -	\$ 671,073
Personal health insurance	20,700	-	20,700
Total	<u>\$ 691,773</u>	<u>\$ -</u>	<u>\$ 691,773</u>
June 30, 2022			
	Financial instruments with discretionary participation features		
	Insurance contract		Total
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>

b. Change in premium deficiency reserve:

	For the six months ended June 30,	
	2023	2022
At January 1	\$ 691,773	\$ 819,935
Current net change	(105,035)	(110,035)
Loss on foreign exchange	4,592	33,914
At June 30	<u>\$ 591,330</u>	<u>\$ 743,814</u>

(F) Other reserves

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

	For the six months ended June 30,	
	2023	2022
At January 1	\$ 3,325,203	\$ 3,520,237
Recovery	(74,048)	(91,961)
At June 30	<u>\$ 3,251,155</u>	<u>\$ 3,428,276</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,	
	2023	2022
At January 1	\$ 3,988,784	\$ 333,427
Provision		
Compulsory provision	228,058	150,244
Additional provision	1,110,772	2,835,260
Subtotal	5,327,614	3,318,931
Recovery	(1,308,960)	(441,535)
At June 30	\$ 4,018,654	\$ 2,877,396

(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, 2023 and 2022 are as follows:

	For the six months ended June 30, 2023		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 1,643,639	\$ 1,619,743	(\$ 23,896)
Earnings per share (in dollars)	0.69	0.68	(0.01)
Reserve for foreign exchange fluctuation	-	4,018,654	4,018,654
Total equity	31,475,030	28,244,800	(3,230,230)

	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)

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, 2023, December 31, 2022 and June 30, 2022. and the movements are listed below:

	June 30, 2023	December 31, 2022	June 30, 2022
Investment-linked insurance	\$ 185,964	\$ 130,855	\$ 133,117

	For the six months ended June 30,	
	2023	2022
At January 1	\$ 130,855	\$ 58,139
Net provision of statutory reserve	55,109	74,978
At June 30	\$ 185,964	\$ 133,117

(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. 1106083936 and no. 1116069917 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2023.
- (B) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$10,234, \$14,158, \$21,409 and \$29,316 for the three months and six months ended June 30, 2023 and 2022, respectively.
- (C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2024 amounted to \$45,177.

B. Defined contribution plans:

- (A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (B) Effective July 1, 2005, a retirement plan was established by Yuanta Life, covering all its telemarketing representatives. Under the retirement plan, Yuanta Life recognises monthly an amount equal to 7% of the employees' monthly incentive bonuses as retirement pay. The retirement plan is contributed till July 2016. Cumulated amounts will be retained until telemarketing representatives retire, after which it will be paid in lump-sum to each telemarketing representative according to their respective entitled proportions under the plan. Effective August 1, 2008, Yuanta Life established an "Incentive Award Plan", which covered its sales agents. Under the "Incentive Award Plan", Yuanta Life calculates monthly contributions based on the agent's service years and a monthly commission effective for the first year. The "Incentive Award Plan" is contributed till June 2014. Cumulated amounts will be retained until sales agents retire, after which it will be paid in lump-sum to each sales agent according to their respective entitled proportions under the plan. For the aforementioned

pension plan, Yuanta Life recognised employee benefit liabilities (recorded as “provisions”) amounted to \$1,588, \$1,653 and \$7,695 as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

(C) Under the defined contribution plan, the Company and its domestic subsidiaries recognised pension expense of \$136,245 (recorded as “employee benefit expense” of \$135,463 and “net income other than interest” of \$782), \$138,408 (recorded as “employee benefit expense” of \$137,568 and “net income other than interest” of \$840), \$271,420 (recorded as “employee benefit expense” of \$270,043 and “net income other than interest” of \$1,377) and \$278,060 (recorded as “employee benefit expense” of \$276,044 and “net income other than interest” of \$2,016) for the three months and six months ended June 30, 2023 and 2022, respectively.

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

The pension plan for Yuanta Securities Asia Financial Service is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) does not have compulsory pension plans according to local regulations. Other foreign subsidiaries are in compliance with related regulations enacted by local governments. For the three months and six months ended June 30, 2023 and 2022, the foreign subsidiaries recognised \$125,202, \$108,673, \$256,820 and \$226,677, respectively, of pension expense by complying with aforementioned regulations.

(28) Other financial liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Futures traders’ equity	\$ 102,405,240	\$ 107,388,229	\$ 115,104,904
Structured deposit	2,438,755	2,578,157	2,609,245
Investment-linked products liabilities	31,533,342	30,353,012	32,945,654
Others	1,000	-	-
Total	<u>\$ 136,378,337</u>	<u>\$ 140,319,398</u>	<u>\$ 150,659,803</u>

(29) Other liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Guarantee deposit received on security lent	\$ 44,077,637	\$ 47,820,314	\$ 38,277,442
Underwriting share proceeds collected on behalf of customers	7,465	1,922,946	98,123
Collections in advance	2,457,839	1,778,009	1,591,221
Retention compensation payable	1,784,735	1,562,058	1,488,148
Refundable deposits	437,854	981,795	393,068
Refundable deposits-derivative transactions	3,612,935	3,595,746	3,674,922
Others	6,485,054	5,580,548	5,125,720
Total	<u>\$ 58,863,519</u>	<u>\$ 63,241,416</u>	<u>\$ 50,648,644</u>

(30) Share capital

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Company’s total authorised capital were all \$180,000,000 and total paid-in capital were \$125,015,590, \$125,015,590 and \$121,374,360, respectively. The aforementioned total paid-in capital were 12,501,559, 12,501,559 and 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.

	June 30, 2023	December 31, 2022	June 30, 2022
Post 1998	\$ 4,036,443	\$ 4,036,443	\$ 4,036,443
Source and details of the capital surplus of the Company are as follows:			
	June 30, 2023	December 31, 2022	June 30, 2022
Additional paid-in capital	\$ 33,573,790	\$ 33,573,790	\$ 33,573,790
Treasury share transactions	3,479,710	3,479,710	3,479,710
Others	1,037,389	957,064	837,234
	\$ 38,090,889	\$ 38,010,564	\$ 37,890,734

(32) Legal reserve and special reserve

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

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

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

(33) Undistributed earnings

- A. According to the Company's Articles of Incorporation, the annual net income will be distributed as follows:
- (A) Pay income tax;
 - (B) Offset prior years' deficits;
 - (C) Provide legal reserve and special reserve; and
 - (D) The remaining amount and prior years' undistributed earnings shall be resolved by the stockholders during their meeting.
- B. In order to continuously expand operation scale and enhance the profitability, the Company follows its long-term financial planning and relevant Articles of Incorporation to adopt a dividend surplus policy. In principle, the dividend appropriation is based on annual earnings calculated based on the above Articles of Incorporation. After the retention of capital required according to the operation scheme, the remainder shall be distributed in the form of cash dividends. However, the cash dividends shall not be less than 40% of the annual earnings to be distributed.
- C. Details of the earnings distribution for 2022 resolved by the stockholders' meeting on June 9, 2023 and the earnings distribution for 2021 resolved by the stockholders' meeting on June 10, 2022 are as follows:

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

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

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

(34) Other equity items

	2023				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in own credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	(\$ 6,968,170)
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	-	2,148,198	-	-	2,148,198
- Revaluation transferred to profit or loss	-	831,799	-	-	831,799
- Revaluation transferred to retained earnings	- (	1,593,196)	-	- (	1,593,196)
Other comprehensive income on reclassification under the overlay approach	-	-	-	3,336,054	3,336,054
Changes in translation difference of foreign operating entities	(887,953)	-	-	- (	887,953)
Effects on income tax	- (	24,128)	(10)	29,987	5,849
Evaluation of credit risk	-	-	184	-	184
Balance, June 30	(\$ 7,007,857)	\$ 5,808,212	(\$ 51,044)	(\$ 1,876,546)	(\$ 3,127,235)
	2022				
	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in own credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 8,400,123)	\$ 17,930,672	(\$ 47,621)	(\$ 1,072,737)	\$ 8,410,191
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	- (	16,550,458)	-	- (	16,550,458)
- Revaluation transferred to profit or loss	- (	39,507)	-	- (	39,507)
- Revaluation 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)

(35) Net interest income

	For the three months ended June 30,	
	2023	2022
Interest income		
Interest income on bills discounted and loans	\$ 6,323,133	\$ 4,176,080
Financing interest income	1,413,186	1,675,281
Interest income on securities investment	4,632,652	3,744,566
Interest income from placement and call loan to other banks	1,165,909	317,001
Interest income on bills and bonds purchased under resale agreements	727,538	132,417
Credit cards revolving interest	42,096	42,636
Other interest income	916,506	415,224
Subtotal	15,221,020	10,503,205
Interest expense		
Interest expense of deposit	(\$ 3,897,811)	(\$ 1,327,979)
Interest expense of Central Bank and other banks' deposit	(91,963)	(17,464)
Interest expense on due to the Central Bank and other banks	(547,015)	(319,208)
Interest expense on bills and bonds sold under repurchase agreements	(1,849,169)	(434,097)
Interest expense of structured products	(38,537)	(15,586)
Coupon rate of bank debenture	(163,041)	(123,448)
Coupon rate of corporate bonds	(211,574)	(201,930)
Coupon rate of commercial papers	(253,159)	(95,498)
Interest expense from short sales	(5,085)	(5,918)
Lease liabilities interest expense	(15,446)	(12,384)
Other interest expense	(576,176)	(97,074)
Subtotal	(7,648,976)	(2,650,586)
Total	\$ 7,572,044	\$ 7,852,619

	For the six months ended June 30,	
	2023	2022
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 12,264,020	\$ 8,049,424
Financing interest income	2,706,573	3,401,668
Interest income on securities investment	9,015,194	7,148,878
Interest income from placement and call loan to other banks	2,218,283	554,107
Interest income on bills and bonds purchased under resale agreements	1,384,968	235,657
Credit cards revolving interest	84,872	85,172
Other interest income	<u>1,729,283</u>	<u>776,066</u>
Subtotal	<u>29,403,193</u>	<u>20,250,972</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 7,347,734)	(\$ 2,334,354)
Interest expense of Central Bank and other banks' deposit	(197,751)	(27,017)
Interest expense on due to the Central Bank and other banks	(1,107,063)	(590,133)
Interest expense on bills and bonds sold under repurchase agreements	(3,509,734)	(734,957)
Interest expense of structured products	(77,671)	(28,420)
Coupon rate of bank debenture	(324,300)	(252,236)
Coupon rate of corporate bonds	(429,946)	(352,439)
Coupon rate of commercial papers	(376,209)	(162,766)
Interest expense from short sales	(14,180)	(12,797)
Lease liabilities interest expense	(39,182)	(36,540)
Other interest expense	<u>(1,089,999)</u>	<u>(154,616)</u>
Subtotal	<u>(14,513,769)</u>	<u>(4,686,275)</u>
Total	<u>\$ 14,889,424</u>	<u>\$ 15,564,697</u>

(36) Net service fee and commission income

	For the three months ended June 30,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 6,179,390	\$ 6,064,100
Service fee income on insurance brokerage and transfer-agent	173,581	256,482
Service fee on credit cards	303,282	201,003
Service fee income on trust business	672,227	731,039
Service income on credit extension	126,029	107,378
Underwriting service income	186,470	351,387
Service income from short sales	27,071	45,594
Commission – reinsurance allowance	10,685	28,918
Service income on foreign exchange	19,719	21,670
Service fee income on consigned settlement	9,219	9,713
Deposits and remittance and other service income	257,398	354,953
Subtotal	<u>7,965,071</u>	<u>8,172,237</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 355,245)	(\$ 229,274)
Service expense on trust business	(305)	(431)
Service expense on brokerage	(600,358)	(631,987)
Service expense on proprietary trading	(31,428)	(35,730)
Service fee expense on credit cards	(228,999)	(205,030)
Service expense on clearing and settlement	(117,561)	(169,427)
Futures commission expense	(102,375)	(111,991)
Underwriting service expense	(1,867)	(2,805)
Service expense on foreign exchange	(13,983)	(10,403)
Service expense on credit extension	(8,818)	(7,490)
Deposits and remittance and other service expense	(128,226)	(116,086)
Subtotal	<u>(1,589,165)</u>	<u>(1,520,654)</u>
Total	<u>\$ 6,375,906</u>	<u>\$ 6,651,583</u>

	For the six months ended June 30,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 11,520,344	\$ 12,943,765
Service fee income on insurance brokerage and transfer-agent	426,727	696,316
Service fee on credit cards	581,180	415,887
Service fee income on trust business	1,284,550	1,435,738
Service income on credit extension	228,808	228,553
Underwriting service income	405,412	563,487
Service income from short sales	50,398	78,922
Commission – reinsurance allowance	17,825	50,425
Service income on foreign exchange	40,540	41,737
Service fee income on consigned settlement	17,833	19,434
Deposits and remittance and other service income	536,896	729,984
Subtotal	<u>15,110,513</u>	<u>17,204,248</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 783,189)	(\$ 646,234)
Service expense on trust business	(541)	(829)
Service expense on brokerage	(1,186,603)	(1,269,562)
Service expense on proprietary trading	(59,792)	(71,844)
Service fee expense on credit cards	(486,914)	(429,253)
Service expense on clearing and settlement	(233,772)	(341,003)
Futures commission expense	(211,872)	(225,954)
Underwriting service expense	(2,689)	(3,400)
Service expense on foreign exchange	(26,714)	(20,544)
Service expense on credit extension	(16,844)	(16,580)
Deposits and remittance and other service expense	(253,512)	(233,933)
Subtotal	<u>(3,262,442)</u>	<u>(3,259,136)</u>
Total	<u>\$ 11,848,071</u>	<u>\$ 13,945,112</u>

(37) Net income from insurance operations

	For the three months ended June 30,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 8,409,901	\$ 10,023,722
Less: Reinsurance premium ceded	(154,556)	(186,385)
Net changes of unearned premium reserve	(25,847)	(25,842)
Retention earned premium income	8,229,498	9,811,495
Investment-linked product income (Note)	581,434	408,629
Subtotal	8,810,932	10,220,124
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 5,928,505)	(\$ 5,326,794)
Less: Claims recovered from reinsurers	155,603	233,745
Retention claims and policy benefits payments	(5,772,902)	(5,093,049)
Underwriting expenses	(600)	(828)
Expense from guaranty fund	(15,979)	(15,186)
Investment-linked product expenses (Note)	(581,434)	(408,629)
Subtotal	(6,370,915)	(5,517,692)
Total	\$ 2,440,017	\$ 4,702,432
	For the six months ended June 30,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 17,841,184	\$ 21,214,913
Less: Reinsurance premium ceded	(313,478)	(393,468)
Net changes of unearned premium reserve	(71,158)	(105,965)
Retention earned premium income	17,456,548	20,715,480
Investment-linked product income (Note)	850,487	935,491
Subtotal	18,307,035	21,650,971
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 11,715,827)	(\$ 10,755,819)
Less: Claims recovered from reinsurers	280,081	418,076
Retention claims and policy benefits payments	(11,435,746)	(10,337,743)
Underwriting expenses	(1,005)	(2,547)
Expense from guaranty fund	(33,949)	(32,197)
Investment-linked product expenses (Note)	(850,487)	(935,491)
Subtotal	(12,321,187)	(11,307,978)
Total	\$ 5,985,848	\$ 10,342,993

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

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

	For the three months ended June 30,	
	2023	2022
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 315,284	\$ 73,515
Bonds	1,084,901	353,800
Stocks	5,191,852	(1,037,939)
Beneficiary certificates	1,171,405	(65,466)
Interest-linked instrument	379,036	16,087
Exchange rate-linked instrument	(2,255,521)	(174,458)
Other financial derivative instruments	(1,701,576)	(4,417,401)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(1,680,497)	1,515,635
Loss from issuing call (put) warrants	(598,199)	(7,034,393)
Issuing call (put) warrants expense	(162,983)	(142,668)
Others	(692,354)	321,596
Subtotal	<u>1,051,348</u>	<u>(10,591,692)</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	(\$ 3,263)	\$ 24,538
Bonds	4,037,051	(1,251,216)
Stocks	(2,096,294)	(8,746,183)
Beneficiary certificates	681,982	(1,431,218)
Interest-linked instrument	(1,219,038)	4,597,841
Exchange rate-linked instrument	(1,388,617)	(2,949,758)
Other financial derivative instruments	(417,353)	(952,415)
Valuation gain on borrowed securities and bonds with resale agreements	1,057,875	6,967,953
Gain on changes in fair value of liabilities for issuance of call (put) warrants	527,146	8,687,951
Others	<u>744,545</u>	<u>(2,045)</u>
Subtotal	<u>1,924,034</u>	<u>4,945,448</u>
Total	<u>\$ 2,975,382</u>	<u>(\$ 5,646,244)</u>

	For the six months ended June 30,	
	2023	2022
Realised gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	\$ 563,811	\$ 135,687
Bonds	2,345,778	1,249,219
Stocks	7,256,014	(1,019,485)
Beneficiary certificates	1,996,681	385,526
Interest-linked instrument	325,390	(59,413)
Exchange rate-linked instrument	(3,312,513)	(911,025)
Other financial derivative instruments	446,364	(4,527,231)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(2,416,102)	656,534
Loss from issuing call (put) warrants	(2,021,799)	(10,648,016)
Issuing call (put) warrants expense	(301,392)	(299,586)
Others	(921,675)	463,500
Subtotal	3,960,557	(14,574,290)
Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss		
Commercial papers	(\$ 30,350)	\$ 11,492
Bonds	4,454,648	(2,283,576)
Stocks	4,772,857	(13,335,271)
Beneficiary certificates	693,504	(2,442,308)
Interest-linked instrument	(3,939,425)	6,040,878
Exchange rate-linked instrument	(92,043)	(6,618,617)
Other financial derivative instruments	(683,658)	(808,617)
Valuation (loss) gain on borrowed securities and bonds with resale agreements	(2,233,251)	10,274,292
Gain on changes in fair value of liabilities for issuance of call (put) warrants	2,463,691	13,832,453
Others	1,373,800	152,795
Subtotal	6,779,773	4,823,521
Total	\$ 10,740,330	(\$ 9,750,769)

- 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, 2023 and 2022, including the loss on disposal, were \$3,026,023, \$12,658,828, \$1,492,037 and \$17,576,380, respectively, and the issuing call (put) warrants expense, were \$162,983, \$142,668, \$301,392 and \$299,586, respectively, and the dividends income were \$2,723,761, \$1,355,377, \$2,945,730 and \$1,601,047, respectively, and the interest income were \$1,516,593, \$854,427, \$2,808,256 and \$1,700,629, respectively.
- B. The Yuanta Group recognised net (loss) gain amounted to (\$996,131), \$2,056,407, (\$4,147,973) and \$3,614,447, respectively, on financial liabilities designated as at fair value through profit or loss for the three months and six months ended June 30, 2023 and 2022.

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

(39) Reversal gain on asset impairment

	For the three months ended June 30,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 2,659	\$ 18,875
Reversal gain (impairment loss) on investments in debt instruments at amortised cost	4,153 (	4,310)
Reversal gain on investment property	13,812	5,010
(Impairment loss) reversal gain on other assets	(471)	891
Total	<u>\$ 20,153</u>	<u>\$ 20,466</u>
	For the six months ended June 30,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 1,498	\$ 14,262
Reversal gain (impairment loss) on investments in debt instruments at amortised cost	3,176 (	10,659)
Reversal gain on investment property	13,812	5,010
(Impairment loss) reversal gain on other assets	(346)	868
Total	<u>\$ 18,140</u>	<u>\$ 9,481</u>

(40) Net other miscellaneous income (loss)

	For the three months ended June 30,	
	2023	2022
Borrowed stock revenue	\$ 726,393	\$ 634,728
Net change of reserve for foreign exchange fluctuation	(460,269) (	1,385,396)
Other net income	(291,055)	432,494
Total	<u>(\$ 24,931)</u>	<u>(\$ 318,174)</u>
	For the six months ended June 30,	
	2023	2022
Borrowed stock revenue	\$ 1,402,606	\$ 1,292,927
Net change of reserve for foreign exchange fluctuation	(29,870) (	2,543,970)
Other net income	245,077	926,713
Total	<u>\$ 1,617,813</u>	<u>(\$ 324,330)</u>

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

	For the three months ended June 30,	
	2023	2022
Bad debt expense for accounts receivable	\$ 110,880	\$ 70,570
Bad debt expense of bills discounted and loans	440,994	285,863
Provision for (reversal of) guarantee reserve	7,000	(1,500)
Provision for (reversal of) commitments and other reserve	2,440	(2,602)
Recovery of bad debt expense	(142,313)	(215,223)
Total	<u>\$ 419,001</u>	<u>\$ 137,108</u>
	For the six months ended June 30,	
	2023	2022
Bad debt expense (reversal of bad debt expense) for accounts receivable	\$ 106,442	(\$ 47,334)
Bad debt expense of bills discounted and loans	727,155	622,046
Reversal of guarantee reserve	(500)	(2,500)
Provision for commitments and other reserve	3,107	1,593
Recovery of bad debt expense	(673,478)	(482,467)
Total	<u>\$ 162,726</u>	<u>\$ 91,338</u>

(42) Employee benefit expense

	For the three months ended June 30,	
	2023	2022
Wages and salaries	\$ 6,211,869	\$ 5,333,810
Labor and health insurance fees	291,446	313,614
Pension costs	270,899	260,399
Termination benefits	12,083	27,495
Other employee benefit expenses	358,724	334,396
Total	<u>\$ 7,145,021</u>	<u>\$ 6,269,714</u>
	For the six months ended June 30,	
	2023	2022
Wages and salaries	\$ 12,665,848	\$ 11,166,811
Labor and health insurance fees	493,201	680,210
Pension costs	548,272	532,037
Termination benefits	29,509	37,942
Other employee benefit expenses	766,530	781,381
Total	<u>\$ 14,503,360</u>	<u>\$ 13,198,381</u>

The numbers of employees of the Yuanta Group were 14,800 and 14,704 for the six months ended June 30, 2023 and 2022, respectively.

A. After covering accumulated deficit with the year-end earnings (that is income before taxes less income before employees' compensation provisions), 0.01% to 0.5% was appropriated as employees' compensation and an amount less than 0.9% was appropriated as directors' and supervisors' remuneration.

B. For the three months and six months ended June 30, 2023 and 2022, employees' compensation was accrued at \$8,278, \$4,822, \$13,473 and \$10,371, respectively; directors' and supervisors' remuneration was accrued at \$74,497, \$43,390, \$121,253 and \$93,335, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

	For the three months ended June 30,	
	2023	2022
Investment property depreciation	\$ 14,890	\$ 18,029
Property and equipment depreciation	292,153	288,549
Right-of-use asset depreciation	336,008	337,886
Intangible asset amortisation	144,071	131,787
Deferred asset amortisation	6,431	11,997
Total	<u>\$ 793,553</u>	<u>\$ 788,248</u>
	For the six months ended June 30,	
	2023	2022
Investment property depreciation	\$ 30,018	\$ 38,107
Property and equipment depreciation	581,314	581,287
Right-of-use asset depreciation	690,434	692,072
Intangible asset amortisation	285,852	261,357
Deferred asset amortisation	14,331	23,966
Total	<u>\$ 1,601,949</u>	<u>\$ 1,596,789</u>

(44) Other business and administrative expenses

	For the three months ended June 30,	
	2023	2022
Tax	\$ 1,144,105	\$ 1,102,000
Computer science expense	391,184	390,442
Security borrowing expenses	388,003	323,885
Commission expense	186,661	262,511
Postage and telephone costs	204,438	194,404
Others	1,528,614	1,425,362
Total	<u>\$ 3,843,005</u>	<u>\$ 3,698,604</u>

	For the six months ended June 30,	
	2023	2022
Tax	\$ 2,290,632	\$ 2,341,842
Computer science expense	789,268	767,084
Security borrowing expenses	743,224	637,946
Commission expense	382,396	536,564
Postage and telephone costs	394,394	372,252
Others	2,797,669	2,694,014
Total	<u>\$ 7,397,583</u>	<u>\$ 7,349,702</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,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 797,434	\$ 630,123
Income tax on unappropriated earnings	2,694	456,642
Adjustments in respect of prior years	(75,396)	(42,975)
Total current tax	<u>724,732</u>	<u>1,043,790</u>
Deferred tax:		
Origination and reversal of temporary differences	255,006	626,866
Impact of change in tax rate	(65)	-
Total deferred tax	<u>254,941</u>	<u>626,866</u>
Income tax expense	<u>\$ 979,673</u>	<u>\$ 1,670,656</u>
	For the six months ended June 30,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 2,266,151	\$ 1,395,394
Income tax on unappropriated earnings	2,694	456,642
Adjustments in respect of prior years	(126,005)	(84,288)
Total current tax	<u>2,142,840</u>	<u>1,767,748</u>
Deferred tax:		
Origination and reversal of temporary differences	455,883	1,526,570
Impact of change in tax rate	6,072	-
Total deferred tax	<u>461,955</u>	<u>1,526,570</u>
Income tax expense	<u>\$ 2,604,795</u>	<u>\$ 3,294,318</u>

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

	For the three months ended June 30,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 144,359)	(\$ 298,207)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	96,995	298,704
Other comprehensive income or loss on reclassification under the overlay approach	1,837 (	25,628)
Share of profit or loss of associates and joint ventures accounted for under the equity method	(31)	4
Gain or loss on remeasurements of defined benefit plans	22,838	60,217
Total	(\$ 22,720)	\$ 35,090
	For the six months ended June 30,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(\$ 28,699)	(\$ 547,557)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	80,069	298,765
Other comprehensive income or loss on reclassification under the overlay approach	(29,987) (	49,016)
Share of profit or loss of associates and joint ventures accounted for under the equity method	322 (	31)
Gain or loss on remeasurements of defined benefit plans	(20,975)	5,947
Change in fair value of financial liability attributable to change in own credit risk	17	-
Total	\$ 747	(\$ 291,892)

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

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

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

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

For the fiscal year 2016, Yuanta Securities disagreed with the assessment of the Tax Authority and had filed for administrative remedy. Yuanta Securities received a result of the reassessment in July 2023, and the tax payable was \$186,611.

(46) Earnings per share

For the three months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,197,240	12,689,082	\$ 0.72
For the three months ended June 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 5,356,708	12,689,082	\$ 0.42
For the six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 14,969,541	12,689,082	\$ 1.18
For the six months ended June 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 11,522,814	12,689,082	\$ 0.91

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 19, 2023 (the effective date of stock grants). Basic earnings per share before the adjustment were 0.43 and 0.92 for the three months and six months ended June 30, 2022, which were calculated according to the ratio of capital increase from retained earnings (the effective date of stock grants) on August 20, 2022.

(47) Changes in liabilities from financing activities

	2023				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 224,137,491	\$ 47,836,070	\$ 102,487,542	\$ 48,460,199	\$ 4,712,163
Changes in cash flow from financing activities	22,279,957	49,563,194	(8,000,000)	8,379,630	(705,529)
Impact of changes in foreign exchange rate	-	-	(232,089)	-	(54,429)
Amortisation of a premium or a discount on interest expense	-	(121,638)	4,203	-	-
Changes in other non-cash items	-	-	-	-	720,554
At June 30	<u>\$ 246,417,448</u>	<u>\$ 97,277,626</u>	<u>\$ 94,259,656</u>	<u>\$ 56,839,829</u>	<u>\$ 4,672,759</u>
	2022				
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$ 183,865,849	\$ 49,983,502	\$ 82,539,085	\$ 59,998,200	\$ 5,720,785
Changes in cash flow from financing activities	(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>

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.	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Yuanta Diamond Funds SPC	" (Note)
KVIC-Yuanta 2015 Overseas Advance Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
TONGYANG AGRI-FOOD INVESTMENT Fund II	" (No longer a related party since May 24, 2023.)
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 IV	" (No longer a related party since March 23, 2022.)
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta SPAC VII	" (No longer a related party since November 23, 2022.)
Yuanta SPAC VIII	"
Yuanta-HPNT Private Equity Fund	"
Yuanta Innovative Growth MPE Fund	"
Yuanta SPAC X	" (Has become a related party since June 8, 2022.)
Yuanta SPAC IX	" (Has become a related party since May 4, 2022.)
Yuanta SPAC XI	" (Has become a related party since September 14, 2022.)
Yuanta SPAC XII	" (Has become a related party since September 23, 2022.)

Names of related parties	Relationship with the Group
Yuanta Innovative Job Creation Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta SPAC XIII	" (Has become a related party since November 4, 2022.)
Yuanta SPAC XIV	" (Has become a related party since December 9, 2022.)
Polaris Ocean Private Equity Fund	" (No longer a related party since July 22, 2022.)
Yuanta Diamond Funds SPC's Funds	Funds managed by Yuanta Securities (Hong Kong)
Global Growth Investment, L.P.	Funds managed by Yuanta Asia Investment (Hong Kong)
Yuanta Asia Growth Investment, L.P.	"
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group.

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

(2) Significant transactions and balances with related parties

A. Deposits

June 30, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 11,086,362	0.72	0.00~6.56
December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 14,767,836	1.05	0.00~6.44
June 30, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 16,546,754	1.19	0.00~6.19

Apart from an interest rate limit on staff demand savings deposits of 6.44%~6.56% and 5.80%~6.19%, respectively, for the six months ended June 30, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.82% and 0.00%~3.63%, 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, 2023 and 2022, interest expense on the above deposits were \$28,564, \$26,231, \$53,631 and \$37,370, respectively.

B. Loans

Yuanta Bank and its subsidiaries

June 30, 2023

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	237	\$ 92,239	\$ 62,429	\$ 62,429	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	479	4,352,596	3,944,733	3,944,733	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	80	387,917	258,491	258,491	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,285,653	\$ 4,285,653	\$ -		

December 31, 2022

Unit: In thousands of NT dollars

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

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	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 2.02%~2.15% and 1.47%~1.62% for the six months ended June 30, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.42% for the six months ended June 30, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2023 and 2022, interest income resulting from the above loans amounted to \$21,222, \$14,801, \$40,876 and \$27,635, respectively.

C. Property transactions

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 16,863,263	\$ 7,843,409	\$ 7,385,422
Global Growth Investment, L.P.	17,989	19,176	11,339
Yuanta Asia Growth Investment, L.P.	316,360	266,127	268,807
	<u>\$ 17,197,612</u>	<u>\$ 8,128,712</u>	<u>\$ 7,665,568</u>
	<u>Proceeds on disposal</u>		
	<u>For the three months ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 83,286,170	\$ 101,186,971
Yuanta Asia Growth Investment, L.P.		5,507	-
		<u>\$ 83,291,677</u>	<u>\$ 101,186,971</u>
		<u>Proceeds on disposal</u>	
		<u>For the six months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 156,714,062	\$ 183,124,996
Yuanta Asia Growth Investment, L.P.		5,507	-
		<u>\$ 156,719,569</u>	<u>\$ 183,124,996</u>
		<u>Realised gain or loss</u>	
		<u>For the three months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 493,240	\$ 108,734
Yuanta Asia Growth Investment, L.P.		3,618	-
		<u>\$ 496,858</u>	<u>\$ 108,734</u>

		Realised gain or loss		
		For the six months ended June 30,		
		2023	2022	
Other related parties:				
Funds managed by Yuanta Securities				
Investment Trust		\$ 532,277	(\$ 58,790)	
Yuanta Asia Growth Investment, L.P.		3,618	-	
		<u>\$ 535,895</u>	<u>(\$ 58,790)</u>	
(B) The Yuanta Group has bills and bonds transactions under repurchase agreements with the related parties (recorded as “Bills and bonds sold under repurchase agreements”)				
June 30, 2023				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ 50,000	0.55	
Others	34,249	34,249	3.60~4.70 (Note : USD)	USD 1,100
Other related parties:				
Others	1,095,059	956,102	0.35~0.55	
		<u>\$ 1,040,351</u>		
December 31, 2022				
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ -	0.20	
Others	29,783	10,441	0.20~3.60 (Note : USD)	USD 340
Other related parties:				
Others	1,475,275	947,905	0.20~0.50	
		<u>\$ 958,346</u>		

		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
Other related parties:						
Others		1,205,231	765,727	0.20~0.35		
			<u>\$ 775,239</u>			

Note: For foreign currency repo trade.

D. Futures traders' equity

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 34,509,547	\$ 37,679,405	\$ 42,619,061
Others	58,068	89,347	110,756
	<u>\$ 34,567,615</u>	<u>\$ 37,768,752</u>	<u>\$ 42,729,817</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, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ -	\$ 133,346	\$ 49,062
Receivables from deposits on securities borrowed			
	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 425,133	\$ 590,054	\$ 300,988
Others	10	-	-
	<u>\$ 425,143</u>	<u>\$ 590,054</u>	<u>\$ 300,988</u>
Security borrowing expenses payable			
	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 1,556	\$ 7,385	\$ 12,936

		Security borrowing expenses		
		For the three months ended June 30,		
		2023	2022	
Other related parties:				
Funds managed by Yuanta Securities				
Investment Trust		\$ 12,235	\$ 27,471	
		Security borrowing expenses		
		For the six months ended June 30,		
		2023	2022	
Other related parties:				
Funds managed by Yuanta Securities				
Investment Trust		\$ 26,421	\$ 59,544	
F. <u>Receivables from loans to employees</u>				
	Receivables from loans to employees			
	June 30, 2023	December 31, 2022	June 30, 2022	
Key management personnel:				
Others	\$ 1,094	\$ 1,283	\$ 1,491	
Other related parties:				
Others	156,627	158,265	145,556	
	\$ 157,721	\$ 159,548	\$ 147,047	
G. <u>Income from distribution fee</u>				
	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Key management personnel:				
Others	\$ 151	\$ 256	\$ 212	\$ 600
Other related parties:				
Others	32	87	70	298
	\$ 183	\$ 343	\$ 282	\$ 898

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, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Yuanta Secondary No.2 Fund	\$ -	\$ 18,311	\$ 8,774
Yuanta Secondary No.3 Private Equity Fund	21,943	7,638	12,846
KVIC-Yuanta 2015 Overseas Advance Fund	1,592	5,451	10,314
2016 KIF-Yuanta ICT Venture Fund	2,436	6,200	3,011
Polaris Ocean Private Equity Fund	-	-	135,702
Yuanta Innovative Growth MPE Fund	-	9,778	-
Yuanta-HPNT Private Equity Fund	1,980	2,068	1,923
Kiwoom-Yuanta 2019 Scale-up Fund	2,817	4,637	-
Others	-	9,259	1,397
	<u>\$ 30,768</u>	<u>\$ 63,342</u>	<u>\$ 173,967</u>

	Performance fee and management fee income	
	For the three months ended June 30,	
	2023	2022
Other related parties:		
TONGYANG AGRI-FOOD INVESTMENT Fund II	\$ 26,501	\$ -
Yuanta Innovative Growth MPE Fund	9,378	9,381
Yuanta Secondary No.3 Private Equity Fund	7,248	6,591
Yuanta Innovative Job Creation Fund	5,493	5,495
Kiwoom-Yuanta 2019 Scale-up Fund	4,150	4,673
Polaris Ocean Private Equity Fund	-	138,073
Others	7,316	14,494
	<u>\$ 60,086</u>	<u>\$ 178,707</u>

		Performance fee and management fee income	
		For the six months ended June 30,	
		2023	2022
Other related parties:			
TONGYANG AGRI-FOOD INVESTMENT			
Fund II	\$	26,501	\$ -
Yuanta Innovative Growth MPE Fund		18,960	18,704
Yuanta Secondary No.3 Private Equity Fund		14,569	13,070
Yuanta Innovative Job Creation Fund		11,105	10,955
Kiwoom-Yuanta 2019 Scale-up Fund		8,923	9,317
Polaris Ocean Private Equity Fund		-	138,073
Others		18,078	28,913
	\$	<u>98,136</u>	<u>\$ 219,032</u>

I. Fund management fee income and fund management fee receivables

		Fund management fee income	
		For the three months ended June 30,	
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$	1,171,601	\$ 940,144
Yuanta Asia Growth Investment, L.P.		8,754	8,129
Yuanta Diamond Funds SPC's funds		3,680	6,581
Global Growth Investment, L.P.		140	141
	\$	<u>1,184,175</u>	<u>\$ 954,995</u>

		Fund management fee income	
		For the six months ended June 30,	
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$	2,240,967	\$ 1,835,898
Yuanta Asia Growth Investment, L.P.		17,430	15,783
Yuanta Diamond Funds SPC's funds		8,303	12,382
Global Growth Investment, L.P.		109	278
	\$	<u>2,266,809</u>	<u>\$ 1,864,341</u>

		Fund management fee receivables		
		June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:				
Yuanta Asia Growth Investment, L.P.				
	\$	8,885	\$ 8,919	\$ 16,297
Others		288	582	289
	\$	<u>9,173</u>	<u>\$ 9,501</u>	<u>\$ 16,586</u>

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

		Receivable from transfer-agent services							
		June 30, 2023		December 31, 2022		June 30, 2022			
Other related parties:									
Others		\$ -		\$ -		\$ 10			
		Income from transfer-agent services							
		For the three months ended June 30,				For the six months ended June 30,			
		2023		2022		2023		2022	
Other related parties:									
Others		\$ 30		\$ 30		\$ 60		\$ 60	

K. Investment refund receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Yuanta Investment Management (Cayman) Ltd.	\$ -	\$ -	\$ 341,177
IBKC-TONGYANG Growth 2013 Private Equity Fund	48,524	50,066	47,013
TONGYANG AGRI-FOOD INVESTMENT FUND II	-	1,544	1,162
Kiwoom-Yuanta 2019 Scale-up Fund	11,648	12,031	-
SYF Information (Shanghai)	118,159	118,159	118,159
	<u>\$ 178,331</u>	<u>\$ 181,800</u>	<u>\$ 507,511</u>

L. Receivable of securities business money lending

	June 30, 2023	December 31, 2022	June 30, 2022
Key management personnel:			
Others	\$ 90	\$ 231	\$ -
Other related parties:			
Others	28,067	25,579	13,020
	<u>\$ 28,157</u>	<u>\$ 25,810</u>	<u>\$ 13,020</u>

M. Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 414,496	\$ 384,218	\$ 338,143
Yuanta Construction Development	1,856	2,038	2,590
	<u>\$ 416,352</u>	<u>\$ 386,256</u>	<u>\$ 340,733</u>

N. Other financial liabilities

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Key management personnel:			
Others	\$ 4,997	\$ 4,772	\$ 19,260
Other related parties:			
Others	11	11	11
	<u>\$ 5,008</u>	<u>\$ 4,783</u>	<u>\$ 19,271</u>

O. Other payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Key management personnel:			
Others	\$ -	\$ 11	\$ 6
Other related parties:			
Others	8	144	17
	<u>\$ 8</u>	<u>\$ 155</u>	<u>\$ 23</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other related parties:			
Yuanta SPAC VII	\$ -	\$ -	\$ 21,749
Yuanta SPAC VIII	23,343	24,110	22,664
Yuanta SPAC IX	23,343	24,110	22,664
Yuanta SPAC X	23,343	24,110	22,664
Yuanta SPAC XI	23,343	24,110	-
Yuanta SPAC XII	18,628	19,240	-
Yuanta SPAC XIII	23,343	24,111	-
Yuanta SPAC XIV	23,343	24,111	-
	<u>\$ 158,686</u>	<u>\$ 163,902</u>	<u>\$ 89,741</u>

Proceeds on disposal

For the three months ended June 30,

2023 2022

Other related parties:

Yuanta SPAC IV \$ - \$ -

Proceeds on disposal

For the six months ended June 30,

2023 2022

Other related parties:

Yuanta SPAC IV \$ - \$ 14,498

Q. Credit transaction between the Yuanta Group and related parties

June 30, 2023			
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 4,277	\$ 3,259	\$ 79,144
Other related parties:			
Others	1,393	1,480	20,142
	<u>\$ 5,670</u>	<u>\$ 4,739</u>	<u>\$ 99,286</u>
	December 31, 2022		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 11,459	\$ 81,828	\$ 82,757
Other related parties:			
Others	1,048	57,506	22,206
	<u>\$ 12,507</u>	<u>\$ 139,334</u>	<u>\$ 104,963</u>
	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
	<u>\$ 6,500</u>	<u>\$ 106,280</u>	<u>\$ 101,904</u>
R. <u>Other operating expenses</u>			
(A) ETF redemption fees			
	For the three months ended June 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 14,009</u>	<u>\$ 12,474</u>	
	For the six months ended June 30,		
	2023	2022	
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	<u>\$ 25,200</u>	<u>\$ 19,983</u>	

(B) Financial costs

		For the three months ended June 30,	
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 91,868	\$ 1,995
		For the six months ended June 30,	
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 91,868	\$ 1,998
S. <u>Operating expenses</u>			
		For the three months ended June 30,	
		2023	2022
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	23,000	31,600
		\$ 103,000	\$ 111,600
		For the six months ended June 30,	
		2023	2022
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	\$ 80,000
Yuanta-Polaris Research	Donation expenditure	23,000	31,600
		\$ 103,000	\$ 111,600
T. Premium income			
		For the three months ended June 30,	
		2023	2022
Other related parties:			
Others		\$ 152,128	\$ 114,333
		For the six months ended June 30,	
		2023	2022
Other related parties:			
Others		\$ 216,715	\$ 220,075

U. The details of the brokerage service fee income from the Yuanta Group and its related parties

	For the three months ended June 30,	
	2023	2022
Key management personnel:		
Others	\$ 5,892	\$ 6,705
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	66,382	80,913
Others	5,870	8,221
	<u>\$ 78,144</u>	<u>\$ 95,839</u>
	For the six months ended June 30,	
	2023	2022
Key management personnel:		
Others	\$ 10,867	\$ 12,995
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	142,803	144,701
Others	12,739	16,817
	<u>\$ 166,409</u>	<u>\$ 174,513</u>

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

	For the three months ended June 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 1,983	\$ 2,012
Yuanta-Polaris Research	25	283
Yuanta Foundation	16	16
	<u>\$ 2,024</u>	<u>\$ 2,311</u>
	For the six months ended June 30,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 3,966	\$ 4,083
Yuanta-Polaris Research	50	566
Yuanta Foundation	32	32
	<u>\$ 4,048</u>	<u>\$ 4,681</u>

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

	For the three months ended June 30,	
	2023	2022
Other related parties:		
Yuanta Foundation	\$ -	\$ 1

		For the six months ended June 30,	
		2023	2022
Other related parties:			
Yuanta Foundation		\$ -	\$ 3
X. <u>Refundable deposits - rental deposit from leasing the Yuanta Group's own assets to related parties</u>			
	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Yuanta Construction			
Development	\$ 1,510	\$ 1,510	\$ 1,510
Yuanta-Polaris Research	17	17	189
Yuanta Foundation	10	10	10
	<u>\$ 1,537</u>	<u>\$ 1,537</u>	<u>\$ 1,709</u>
Y. <u>Gain on investment property</u>			
(A) Imputed interest on rental deposits			
		For the three months ended June 30,	
		2023	2022
Other related parties:			
Yuanta Construction Development		\$ 5	\$ 3
For the six months ended June 30,			
		2023	2022
Other related parties:			
Yuanta Construction Development		\$ 11	\$ 6
(B) Other income			
		For the three months ended June 30,	
		2023	2022
Other related parties:			
Yuanta Construction Development		\$ 547	\$ 522
For the six months ended June 30,			
		2023	2022
Other related parties:			
Yuanta Construction Development		\$ 1,054	\$ 994
Z. <u>Revenue from funds managed by related parties of the Yuanta Group</u>			
		For the three months ended June 30,	
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 94,176	\$ 17,034
For the six months ended June 30,			
		2023	2022
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 199,950	\$ 43,982

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

	For the three months ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 1,640,354	\$ 1,227,142
Termination benefits	613	13,095
Other long-term benefits	2,698	2,721
Post-employment benefit	38,868	40,551
Total	<u>\$ 1,682,533</u>	<u>\$ 1,283,509</u>
	For the six months ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 3,426,935	\$ 2,759,769
Termination benefits	9,798	15,184
Other long-term benefits	5,535	5,669
Post-employment benefit	78,885	83,045
Total	<u>\$ 3,521,153</u>	<u>\$ 2,863,667</u>

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

June 30, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 87,689,179</u>	<u>5.49</u>	0.00~6.56
December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 98,990,338</u>	<u>6.65</u>	0.00~6.44
June 30, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 115,044,903</u>	<u>7.75</u>	0.00~6.19

Apart from an interest rate limit on staff demand savings deposits of 6.44%~6.56% and 5.80%~6.19%, respectively, for the six months ended June 30, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.82% and 0.00%~3.63%, 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, 2023 and 2022, interest expense on the above deposits were \$294,221, \$107,598, \$618,801 and \$165,780, respectively.

(B) Loans

June 30, 2023

Unit: In thousands of NT dollars

Types	Number of accounts or name of related party	Highest balance	Ending balance	Loan status		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties.
				Normal loans	Overdue accounts		
Consumer loans	237	\$ 92,239	\$ 62,429	\$ 62,429	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage	479	4,352,596	3,944,733	3,944,733	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	80	387,917	258,491	258,491	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,285,653	\$ 4,285,653	\$ -		

December 31, 2022

Unit: In thousands of NT dollars

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

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	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	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 2.02%~2.15% and 1.47%~1.62% for the six months ended June 30, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.42% for the six months ended June 30, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2023 and 2022, interest income resulting from the above loans amounted to \$21,222, \$14,859, \$40,876 and \$27,693, respectively.

(C) Service fee income

		For the three months ended June 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life	\$	281,700	\$ 251,693
Yuanta Securities Investment Trust		21,796	11,541
Yuanta Securities (Hong Kong)		18,148	27,346
Yuanta Securities		4,002	5,615
	\$	<u>325,646</u>	<u>\$ 296,195</u>
		For the six months ended June 30,	
		2023	2022
Fellow subsidiary:			
Yuanta Life	\$	710,232	\$ 661,177
Yuanta Securities Investment Trust		45,184	22,271
Yuanta Securities (Hong Kong)		22,962	34,749
Yuanta Securities		8,810	10,335
	\$	<u>787,188</u>	<u>\$ 728,532</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Life	\$ 105,780	\$ 56,052	\$ 91,276
Yuanta Securities Investment Trust	6,796	8,510	3,348
Yuanta Securities (Hong Kong)	9,808	1,592	16,039
	<u>\$ 122,384</u>	<u>\$ 66,154</u>	<u>\$ 110,663</u>

(D) Rental expense

Name of related parties		Usage		For the three months ended June 30,	
				2023	2022
Fellow subsidiary:					
Yuanta Securities	Office rental/ place rental	\$	52,571	\$	48,631
Name of related parties		Usage		For the six months ended June 30,	
				2023	2022
Fellow subsidiary:					
Yuanta Securities	Office rental/ place rental	\$	101,902	\$	102,615

(E) Current income tax assets/liabilities

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income			
tax return receivable	<u>\$ 99,119</u>	<u>\$ 99,119</u>	<u>\$ 99,119</u>
Consolidated income			
tax return payable	<u>\$ 272,729</u>	<u>\$ 351,059</u>	<u>\$ 8,281</u>

(F) Property transactions

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

<u>Name of related parties</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Futures			
Futures Margin	<u>\$ 628,408</u>	<u>\$ 105,310</u>	<u>\$ 100,656</u>

(G) 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.

B. Yuanta Securities and its subsidiaries

(A) Futures transactions

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

	<u>June 30, 2023</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,031,333	\$ 2,022,169
Other	<u>7,996</u>	<u>71,523</u>
	<u>\$ 1,039,329</u>	<u>\$ 2,093,692</u>
	<u>December 31, 2022</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 717,219	\$ 2,232,615
Other	<u>24,089</u>	<u>128,210</u>
	<u>\$ 741,308</u>	<u>\$ 2,360,825</u>
	<u>June 30, 2022</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 2,049,208	\$ 2,252,280
Other	<u>11,886</u>	<u>188,217</u>
	<u>\$ 2,061,094</u>	<u>\$ 2,440,497</u>

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

		Commission income receivable		
		June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:				
Yuanta Futures		\$ 19,234	\$ 22,020	\$ 25,515
		Commission income - futures		
		For the three months ended June 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Futures		\$ 53,941	\$ 76,020	
		Commission income - futures		
		For the six months ended June 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Futures		\$ 112,742	\$ 147,807	

(B) Bank deposits, loans and interest income

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

		Ending balance of Bank deposits		
		June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:				
Yuanta Bank		\$ 21,290,729	\$ 34,431,718	\$ 28,540,565
		Other gains and losses		
		– interest income (Note)		
		For the three months ended June 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Bank		\$ 162,811	\$ 44,432	
		Other gains and losses		
		– interest income (Note)		
		For the six months ended June 30,		
		2023	2022	
Fellow subsidiary:				
Yuanta Bank		\$ 299,362	\$ 56,729	

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

- b. As of June 30, 2023, December 31, 2022 and June 30, 2022, the certificates of deposit that Yuanta Securities and its subsidiaries provided to Yuanta Bank (recorded as “other current assets”) as collateral for credit facility and guarantee deposits of structured products and guarantee deposits on money lending amounted to \$2,010,881, \$521,408 and \$5,043,494, respectively.

c. As of June 30, 2023, December 31, 2022, and June 30, 2022, the short-term loans that Yuanta Securities and its subsidiaries borrowed from fellow subsidiary, Yuanta Bank amounted to \$0, \$0, and \$1,450,000, respectively.

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	<u>\$ 66,009</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated income tax return payables	<u>\$ 726,355</u>	<u>\$ 377,277</u>	<u>\$ 1,123,785</u>

(D) Settlement payable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ 26,283	\$ -	\$ -
Yuanta Life	78,702	-	-
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>1,444</u>	<u>-</u>	<u>438</u>
	<u>\$ 106,429</u>	<u>\$ -</u>	<u>\$ 438</u>

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

(F) Refundable deposits for securities lending auction

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

(G) 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.

(H) Receivables from loans to employees
Please refer to Note 7(2)F.

(I) Commission income

	Commission income	
	For the three months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 104,962	\$ 203,015
	Commission income	
	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 224,321	\$ 432,818

(J) Investment refund receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Yuanta Investment Management (Cayman)	\$ -	\$ -	\$ 341,177
IBKC-TONGYANG Growth 2013 Private Equity Fund	48,524	50,066	47,013
Kiwoom-Yuanta 2019 Scale-up Fund	11,648	12,031	-
Others	-	1,544	1,162
	<u>\$ 60,172</u>	<u>\$ 63,641</u>	<u>\$ 389,352</u>

(K) Amounts held for settlement

As of June 30, 2023, December 31, 2022 and June 30, 2022, Yuanta Securities and its subsidiaries had amounts held for settlement of \$631,876, \$831,936 and \$919,229, 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")

For the three months ended June 30, 2023	
Purchased	Sold
Fellow subsidiary:	
Yuanta Futures	\$ - \$ 2,395,669

For the six months ended June 30, 2023	
Purchased	Sold
Fellow subsidiary:	
Yuanta Futures	\$ - \$ 2,992,322

For the three months ended June 30, 2022	
Purchased	Sold
Parent company:	
Yuanta Financial Holdings	\$ 2,300,000 \$ -

For the six months ended June 30, 2022	
Purchased	Sold
Parent company:	
Yuanta Financial Holdings	\$ 2,300,000 \$ -
Fellow subsidiary:	
Yuanta Bank	1,400,000 -
\$ 3,700,000	\$ -

(M) Lease transactions—Lessee

- a. Yuanta Securities and its subsidiaries lease 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

	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Life	\$ 248,745	\$ 301,588	\$ 354,270
Others	17,865	16,391	10,742
	<u>\$ 266,610</u>	<u>\$ 317,979</u>	<u>\$ 365,012</u>

(N) Customer margin accounts

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Futures	\$ 235,334	\$ 282,877	\$ 255,207
Others	<u>1,185</u>	<u>1,188</u>	<u>1,132</u>
	<u>\$ 236,519</u>	<u>\$ 284,065</u>	<u>\$ 256,339</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:

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 47,124</u>	<u>\$ 51,960</u>
	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 94,248</u>	<u>\$ 103,920</u>

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

(P) Brokerage fee revenue

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 8,621	\$ 5,516
Yuanta Life	2,745	5,079
Others	847	710
Key management personnel:		
Others	5,892	6,705
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	54,613	42,990
Others	<u>4,590</u>	<u>5,615</u>
	<u>\$ 77,308</u>	<u>\$ 66,615</u>

	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 11,650	\$ 16,978
Yuanta Life	7,419	12,817
Others	2,387	1,640
Key management personnel:		
Others	10,867	12,995
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	93,074	70,426
Others	10,172	11,830
	<u>\$ 135,569</u>	<u>\$ 126,686</u>

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

(Q) Rebate income

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

	Rebate income	
	For the three months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	<u>\$ 52,604</u>	<u>\$ 48,764</u>
	Rebate income	
	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	<u>\$ 111,209</u>	<u>\$ 118,850</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 9,871,682</u>	<u>\$ 4,753,291</u>	<u>\$ 5,154,524</u>

For the three months ended June 30,				
2023		2022		
	Proceeds on disposal	Realised gain	Proceeds on disposal	Realised gain
Other related parties:				
Fund managed by Yuanta Securities Investment Trust	\$ 82,715,141	\$ 509,555	\$ 100,106,910	\$ 220,617
For the six months ended June 30,				
2023		2022		
	Proceeds on disposal	Realised gain	Proceeds on disposal	Realised gain
Other related parties:				
Fund managed by Yuanta Securities Investment Trust	\$ 155,265,521	\$ 588,362	\$ 181,657,145	\$ 56,434
(S) Securities issued by fellow subsidiary (recorded as “financial assets at fair value through profit or loss”)				
	June 30, 2023	December 31, 2022	June 30, 2022	
Other related parties:				
Yuanta SPAC VII	\$ -	\$ -	\$	21,749
Yuanta SPAC VIII	23,343	24,110		22,664
Yuanta SPAC IX	23,343	24,110		22,664
Yuanta SPAC X	23,343	24,110		22,664
Yuanta SPAC XI	23,343	24,110		-
Yuanta SPAC XII	18,628	19,240		-
Yuanta SPAC XIII	23,343	24,111		-
Yuanta SPAC XIV	23,343	24,111		-
	<u>\$ 158,686</u>	<u>\$ 163,902</u>	<u>\$</u>	<u>89,741</u>
For the three months ended June 30,				
2023		2022		
Parent subsidiary:				
Yuanta Financial Holdings		\$ 195,656	\$	84,167
For the six months ended June 30,				
2023		2022		
Parent subsidiary:				
Yuanta Financial Holdings		\$ 331,512	\$	229,861
Other related parties:				
Yuanta SPAC IV		-		14,498
		<u>\$ 331,512</u>	<u>\$</u>	<u>244,359</u>
(T) Credit transaction				
Please refer to Note 7(2)Q.				

(U) Others

- a. As of June 30, 2023, December 31, 2022 and June 30, 2022, the credit facilities granted by fellow subsidiary - Yuanta Bank to Yuanta Securities and its subsidiaries with land and buildings as collateral were \$11,500,000, \$11,500,000 and \$10,000,000, respectively. The carrying amounts of land and building amounting to \$3,408,293, \$3,426,627 and \$3,443,836, respectively, were designated as collateral.
- b. The fund balances held by Yuanta Securities and its subsidiaries. (recorded as “financial assets at fair value through profit or loss”)

	The balance of fund		
	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Global Growth Investment, L.P.	\$ 17,989	\$ 19,176	\$ 11,339
Yuanta Asia Growth Investment, L.P.	158,181	133,063	134,672
	<u>\$ 176,170</u>	<u>\$ 152,239</u>	<u>\$ 146,011</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, 2023		
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits
Fellow subsidiary:			
Yuanta Bank	\$ 5,249,880	\$ 140,000	\$ 21,330,694
Yuanta Securities (Korea)	-	-	6,013
Yuanta Securities (Vietnam)	-	-	210,687
	<u>\$ 5,249,880</u>	<u>\$ 140,000</u>	<u>\$ 21,547,394</u>
		December 31, 2022	
	June 30, 2023		
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits
Fellow subsidiary:			
Yuanta Bank	\$ 6,098,095	\$ 140,000	\$ 25,549,016
Yuanta Securities (Korea)	-	-	4,501
Yuanta Securities (Vietnam)	-	-	279,988
	<u>\$ 6,098,095</u>	<u>\$ 140,000</u>	<u>\$ 25,833,505</u>

	June 30, 2022		
	Bank deposits ending balance	Operating guarantee deposits	Customer margin deposits
Fellow subsidiary:			
Yuanta Bank	\$ 4,219,263	\$ 140,000	\$ 27,168,543
Yuanta Securities (Korea)	-	-	7,116
Yuanta Securities (Vietnam)	-	-	112,261
	<u>\$ 4,219,263</u>	<u>\$ 140,000</u>	<u>\$ 27,287,920</u>
Yuanta Futures and its subsidiaries purchased book-entry central government securities (CGS) through Yuanta Securities for \$2,985,744 and \$0 for the six months ended June 30, 2023 and 2022, respectively, which were recorded in the customer margin account.			
(B) Customer margin account for leverage contracts			
	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Bank	<u>\$ 111,243</u>	<u>\$ 123,367</u>	<u>\$ 134,896</u>
(C) Equity of futures traders			
	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Securities	\$ 3,075,095	\$ 2,989,090	\$ 4,376,854
Yuanta Securities (Korea)	246,787	290,990	265,316
Yuanta Securities (Hong Kong)	49,217	101,689	115,906
Yuanta Bank	628,430	105,315	100,643
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	34,509,547	37,679,405	42,619,061
Others	58,068	89,347	110,756
	<u>\$ 38,567,144</u>	<u>\$ 41,255,836</u>	<u>\$ 47,588,536</u>
(D) Lease liabilities			
	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Bank	\$ 3,463	\$ 4,663	\$ 5,859
Yuanta Life	93,663	113,561	133,398
Yuanta Securities (Hong Kong)	9,790	13,013	-
	<u>\$ 106,916</u>	<u>\$ 131,237</u>	<u>\$ 139,257</u>

(E) Investment refund receivable

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

(F) Brokerage fee revenue

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 20,870	\$ 30,994
Yuanta Securities (Hong Kong)	3,300	3,905
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	11,768	37,923
Others	1,280	2,606
	<u>\$ 37,218</u>	<u>\$ 75,428</u>
	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 46,063	\$ 53,561
Yuanta Securities (Hong Kong)	7,957	8,309
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	49,728	74,275
Others	2,567	4,987
	<u>\$ 106,315</u>	<u>\$ 141,132</u>

(G) Futures commissions expense

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	<u>\$ 53,941</u>	<u>\$ 76,019</u>
	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	<u>\$ 112,742</u>	<u>\$ 147,806</u>

(H) Interest income

	For the three months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 105,975	\$ 47,781
	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 205,331	\$ 73,530

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

(I) Property transactions

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties:			
Funds managed by			
Yuanta Securities			
Investment Trust	\$ -	\$ 159,540	\$ -

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of June 30, 2023, December 31, 2022 and June 30, 2022, Yuanta Securities Investment Consulting deposited \$199,996, \$246,731 and \$190,659, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were 1.53%, 1.03% and 1.03%, respectively.

(B) Operating income

	For the three months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 45,414	\$ 50,250
Yuanta Bank	7,500	7,500
Yuanta Securities Investment Trust	4,500	4,500
Yuanta Futures	900	900
Yuanta Securities Finance	1,710	1,710
	\$ 60,024	\$ 64,860

	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 90,828	\$ 100,500
Yuanta Bank	15,000	15,000
Yuanta Securities Investment Trust	9,000	9,000
Yuanta Futures	1,800	1,800
Yuanta Securities Finance	3,420	3,420
	<u>\$ 120,048</u>	<u>\$ 129,720</u>

E. Yuanta Securities Investment Trust

(A) Bank deposits

	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Bank	<u>\$ 3,659,930</u>	<u>\$ 4,254,024</u>	<u>\$ 4,839,903</u>

(B) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Fellow subsidiary:			
Yuanta Life	\$ 1,305	\$ 1,543	\$ 1,436
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>414,496</u>	<u>384,218</u>	<u>338,143</u>
	<u>\$ 415,801</u>	<u>\$ 385,761</u>	<u>\$ 339,579</u>

(C) Management fee income

	For the three months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 3,677	\$ 3,973
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>1,171,601</u>	<u>940,144</u>
	<u>\$ 1,175,278</u>	<u>\$ 944,117</u>
	For the six months ended June 30,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 7,494	\$ 7,038
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>2,240,967</u>	<u>1,835,898</u>
	<u>\$ 2,248,461</u>	<u>\$ 1,842,936</u>

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

Securities investment trust funds raised by the Yuanta Securities Investment Trust which are held by Yuanta Securities Investment Trust and its related parties are as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Yuanta Securities			
Investment Trust	\$ 216,953	\$ 229,318	\$ 209,599
Fellow subsidiary	<u>1,113,732</u>	<u>1,324,882</u>	<u>1,081,534</u>
	<u>\$ 1,330,685</u>	<u>\$ 1,554,200</u>	<u>\$ 1,291,133</u>

(E) Sales fee

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 49,489	\$ 30,111
Yuanta Bank	<u>20,839</u>	<u>10,321</u>
	<u>\$ 70,328</u>	<u>\$ 40,432</u>
	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 100,055	\$ 60,986
Yuanta Bank	<u>43,273</u>	<u>19,850</u>
	<u>\$ 143,328</u>	<u>\$ 80,836</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank (Note)	<u>\$ 1,444,333</u>	<u>\$ 1,245,595</u>	<u>\$ 4,352,121</u>
Note: Including other financial assets.			

(B) Current income tax assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income			
tax return receivable	<u>\$ 5,365,605</u>	<u>\$ 4,962,290</u>	<u>\$ 2,435,438</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 6,774,628	\$ 2,570,829	\$ 2,021,299
Yuanta Asia Growth Investment, L.P.	<u>158,179</u>	<u>133,064</u>	<u>134,135</u>
	<u>\$ 6,932,807</u>	<u>\$ 2,703,893</u>	<u>\$ 2,155,434</u>
	<u>For the six months ended June 30, 2023</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain or loss</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 4,781,085	\$ 779,905	(\$ 59,345)
Yuanta Asia Growth Investment, L.P.	<u>23,263</u>	<u>5,507</u>	<u>3,618</u>
	<u>\$ 4,804,348</u>	<u>\$ 785,412</u>	<u>(\$ 55,727)</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	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ -</u>
Dividends income from investments in open-end funds were as follows (recorded as “profit or loss on financial assets at fair value through profit or loss”):			
	<u>For the three months ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 82,386</u>	<u>\$ 15,551</u>	
	<u>For the six months ended June 30,</u>		
	<u>2023</u>	<u>2022</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 158,637</u>	<u>\$ 23,171</u>	

(D) Payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company:			
Yuanta Financial Holdings	\$ 557	\$ 4,098	\$ 583
Fellow subsidiary:			
Yuanta Bank	78,059	57,406	61,077
Yuanta International Insurance Brokers	47,755	20,813	45,564
	<u>\$ 126,371</u>	<u>\$ 82,317</u>	<u>\$ 107,224</u>

(E) Premium income

Please refer to Note 7(2)T.

(F) Commission expense

	<u>For the three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 288,390	\$ 265,726
Yuanta International Insurance Brokers	104,962	203,015
	<u>\$ 393,352</u>	<u>\$ 468,741</u>
	<u>For the six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 682,312	\$ 634,632
Yuanta International Insurance Brokers	224,321	432,818
	<u>\$ 906,633</u>	<u>\$ 1,067,450</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, 2023 and 2022 were \$29,526,182 and \$30,762,606, respectively; the trustee's compensation for the commissioned services during the six months ended June 30, 2023 and 2022 amounted to \$7,494 and \$7,013, 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, 2023 and 2022 amounted to \$14,122 and \$14,330, respectively.

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ 1,152,284	\$ 739,988	\$ 1,136,073
Yuanta Securities (Hong Kong)	5,679	5,627	5,413
	<u>\$ 1,157,963</u>	<u>\$ 745,615</u>	<u>\$ 1,141,486</u>

- a. For the three months and six months ended June 30, 2023 and 2022, interest income from abovementioned bank accounts were \$3,213, \$1,384, \$5,673 and \$2,253, respectively.
- b. As of June 30, 2023, December 31, 2022 and June 30, 2022, the deposits in Yuanta Securities (Hong Kong) for invested securities settlement amounted to HKD1,429 thousand, the corresponding rate used to convert the amounts were 3.9743, 3.9383 and 3.7888, respectively.

(B) Other payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Parent company:			
Yuanta Financial Holdings	\$ <u>16</u>	\$ <u>61</u>	\$ <u>808,892</u>

H. Yuanta Asset Management

(A) Bank deposits

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Fellow subsidiary:			
Yuanta Bank	\$ <u>545,893</u>	\$ <u>446,218</u>	\$ <u>698,174</u>

For the three months and six months ended June 30, 2023 and 2022, interest income from abovementioned bank accounts were \$1,582, \$836, \$2,801 and \$1,055, respectively.

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

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

8. Pledged assets

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

Items	June 30, 2023	December 31, 2022	June 30, 2022	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 188,632	\$ 121,770	\$ 114,465	Operating guarantee deposits
Financial assets at fair value through profit or loss	157,595,784	133,457,339	140,766,273	Bonds and bills under repurchase agreement, collateral for securities lending and OTC
	52,577,475	52,617,228	64,559,223	Brokerage business
	50,166	50,260	50,537	Guarantee deposits for notes
Financial assets at fair value through other comprehensive income	4,448,450	4,441,970	4,823,345	Claim reserve from trust business, collateral for securities lending business and guarantees on asset disposal
	88,180,068	70,950,144	65,070,595	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve from trust fund and guarantees on
Investments in debt instruments at amortised	3,622,641	3,622,836	3,623,038	Operating guarantee deposits
	208,863	209,857	210,871	Deposits for guarantees in the Central Bank
	224,532	182,600	183,208	Claim reserve from trust business
	10,000,000	10,000,000	10,000,000	Overdraft guarantee for foreign currency settlement
	107,736	108,092	108,456	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	53,868	54,046	54,228	Deposit guarantees of bills merchants
	271,064	286,767	371,352	Collateral for provisional seizure
	5,818	5,837	5,206	VISA international card payment reserves
	53,868	54,046	-	Settlement reserves for Taiwan Futures Exchange
Restricted assets—net	2,073,241	2,004,543	3,667,191	Collateral for settlement limit, short-term loans, payable short-term bills, securities lending and OTC derivative transactions
	429,715	696,307	617,630	Operating guarantee deposits-exchange, structured products, interest rate swap account, repo trade and money lending refundable liquidation and settlement
	931	962	904	Overdraft guarantee
	24,680	24,480	21,902	Dividends to be paid for transfer-agent services business
Other assets—net	847,544	569,146	486,747	Operating guarantee deposits
	3,745,795	4,228,069	4,713,623	Performance bond and rental deposits
	544	12,551	118,603	Underwriting share proceeds collected on behalf of customers
	10,000	-	-	Claim reserve from trust business
Property and equipment and investment property	2,475,726	2,506,252	2,542,658	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	436,023	402,462	428,866	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

- (1) As of June 30, 2023, December 31, 2022 and June 30, 2022, capital expenditure contracted for at the balance sheet date but not yet incurred were \$7,672,016, \$8,634,777 and \$9,603,018, respectively.
- (2) As of June 30, 2023, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was USD2,924 thousand dollars.
- (3) Stocks entrusted to custody
As of June 30, 2023, December 31, 2022 and June 30, 2022, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were all 7,483 thousand shares. The market value of these entrusted stocks was approximately \$78,896, \$78,133 and \$78,488, respectively.
- (4) Transactions on behalf of customers
Yuanta Securities had several proxy delivery agreements with certain securities companies. In accordance with these agreements, these securities companies have agreed to be Yuanta Securities' first and second proxy. If Yuanta Securities is unable to fulfil its settlement obligations to the TWSE, the proxies must then act pursuant to said obligations and responsibilities.
- (5) As of June 30, 2023, Yuanta Securities (Korea) had issued a commitment letter with the total commitment amount no more than KRW71,000 million (about \$1.7 billion) for an M&A acquisition financing. Yuanta Securities (Korea) has fulfilled the commitment amounting to KRW71,000 million (about \$1.7 billion). The performance obligation was expired after the reporting period.
- (6) Other lawsuits- Yuanta Securities
 - A. With respect to the land and parking space sales dispute, Seventh-Day Adventist Church Taiwan Conference and Taiwan Adventist Hospital initiated a mediation procedure against Yuanta Securities and another party. On January 17, 2018, the claimants raised its claim to \$952,511 thousand (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 and reduced the claim amount to \$722,378 thousand (the amount of \$512,454 thousand of which is claimed by Seventh-Day Adventist Church Taiwan Conference and the amount of \$209,924 thousand of which is claimed by Taiwan Adventist Hospital). Yuanta Securities will defend the case in accordance with the law.
 - B. As of June 30, 2023, of the total 11 litigations against Yuanta Securities (Korea) and its subsidiaries, a litigation was related to the financial product selling disputes of former TongYang Securities Inc. (please refer to the explanation in Note 6(26)). The remaining 10 litigations were compensation claims totaling KRW18,843 million (approximately \$400 million). As of June 30, 2023, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW657 million (about \$15 million) for the abovementioned 10 litigations that were unrelated to the financial product selling disputes. Also, please refer to the explanation in Note 6(26) for an arbitration award to which Yuanta Securities (Korea) is subject to.
Separately, Yuanta Securities (Korea) filed 8 lawsuits as the plaintiff with a total claimed amount of KRW81,076 million (about \$1.9 billion).
 - C. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB301 million (approximately \$300 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all

dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022. The plaintiffs appealed the case to the court of the third instance for review and reduced the claim amount from THB301 million to THB149 million (approximately \$100 million).

- D. As of June 30, 2023, Yuanta Securities (Hong Kong)'s receivables from certain margin loans amounting to HKD147,504 thousand (approximately \$600 million) were secured by listed securities that were suspended for trading. These margin clients were served by an account executive who entered into a guarantee agreement with Yuanta Securities (Hong Kong) (the "Guarantee Agreement") under which the account executive agreed to guarantee against all losses incurred by Yuanta Securities (Hong Kong) in relation to the accounts of these margin clients. Considering that Yuanta Securities (Hong Kong) had exercised its right of set-off under the Guarantee Agreement against the account executive's assets amounting to HKD68,552 thousand (approximately \$300 million) and received the first repayment distributed by certain clients' liquidator amounting to HKD44 thousand (approximately \$170 thousand), the remaining loss of HKD78,908 thousand (approximately \$300 million) has been recognised. Yuanta Securities (Hong Kong) has raised a litigation proceeding against the account executive claiming the full amount of the debt owed by those margin clients based on the Guarantee Agreement. The claim amount is HKD135,191 thousand (approximately \$500 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(7) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of June 30, 2023, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(8) Other lawsuits- Yuanta Life Insurance

As of June 30 2023, Yuanta Life Insurance still has several insurance claim litigations in process. Yuanta Life Insurance handled these cases by itself or with assistance of legal counsels and has provisioned an appropriate amount of claim reserves.

(9) Others

	June 30, 2023	December 31, 2022	June 30, 2022
Commitment of the securities under a repurchase agreement	\$ 251,892,805	\$ 229,074,828	\$ 173,683,921
Commitment of the securities under a resale agreement	73,231,306	94,442,928	43,545,648
Unused loan commitments	27,603,183	17,517,117	22,413,909
Credit commitment on credit card	123,312,586	121,431,714	121,770,314
Unused L/C balance	3,459,420	2,378,257	4,339,038
Other guarantees	11,112,165	9,236,552	10,414,504
Consignment collection for others	15,302,831	14,667,670	16,754,870
Trust assets	314,904,030	308,923,240	273,808,355
Items under custody	64,242,087	61,309,258	67,409,228
Book-Entry Central Government Securities	128,615,700	117,452,000	126,674,700

(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, 2023

Trust Balance Sheet			
Trust assets		Trust liabilities	
Bank deposits	\$ 7,376,835	Payables-Customers' securities	\$ 43,616,261
Stocks	7,707,019	Pecuniary trust	185,011,282
Funds (Note)	123,959,785	Securities trust	1,201,368
Bonds	43,540,018	Real estate trust	18,906,702
Structured products	6,877,008	Net loss	12,005
Real estate-Land	12,100,556	Retained earnings	1,691,471
-Construction in progress	5,261,607		
Customers' securities under custody	43,616,261		
Total trust assets	<u>\$ 250,439,089</u>	Total trust liabilities	<u>\$ 250,439,089</u>

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>

Note: Includes mutual funds in money market.

Trust Income Statement

For the six months ended June 30, 2023		For the six months ended June 30, 2022	
<u>Trust revenue:</u>		<u>Trust revenue:</u>	
Interest income	\$ 20,299	Interest income	\$ 5,588
Dividend income	175	Dividend income	-
Gains on property exchange	35	Gains on property exchange	-
Investment income		Investment income	
(Fund)	-	(Fund)	14
	<u>20,509</u>		<u>5,602</u>
<u>Trust expenses:</u>		<u>Trust expenses:</u>	
Management fees	7,416	Management fees	7,813
Insurance expense	30	Insurance expense	-
Loss on investment (fund)	29	Loss on investment (fund)	-
Tax expense	-	Tax expense	2,369
Investment losses (Stock)	-	Investment losses (Stock)	43
	<u>7,475</u>		<u>10,225</u>
Loss before income tax	13,034	Loss before income tax	(4,623)
Income tax expense	(1,029)	Income tax expense	(16)
Net income	<u>\$ 12,005</u>	Net loss	<u>(\$ 4,639)</u>

Schedule of Trust Property

June 30, 2023		June 30, 2022	
Invested items	Book values	Invested items	Book values
Bank deposits	\$ 7,376,835	Bank deposits	\$ 6,199,835
Bonds	43,540,018	Bonds	26,200,839
Stocks	7,707,019	Stocks	6,720,902
Structured products	6,877,008	Structured products	7,329,486
Funds (Note)	123,959,785	Funds (Note)	120,367,775
Real estate-land	12,100,556	Real estate-land	10,492,764
-Construction		-Construction	
in progress	5,261,607	in progress	4,649,631
Customers' securities		Customers' securities	
under custody	43,616,261	under custody	37,629,400
	<u>\$ 250,439,089</u>		<u>\$ 219,590,632</u>

Note: Includes mutual funds in money market.

The trust balance sheet and schedule of trust property as at June 30, 2023 and 2022 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 trust property list are as follows:

June 30, 2023

Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 4,354,570	Payables	\$ 41,287
Bonds	26,533	Income tax payable	295
Stocks	3,969,311	Advance Collections	316
Funds	54,909,516	Other liabilities	1,060
Structured products	787,364	Trust capital-pecuniary trust	54,344,876
Accounts receivable	417,647	Trust capital-securities trust	3,121,040
		Net income	1,489,911
		Retained earnings	6,398,043
		Deferred carryforwards	(931,887)
Total trust assets	<u>\$ 64,464,941</u>	Total trust liabilities	<u>\$ 64,464,941</u>

June 30, 2022

Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,932,968	Payables	\$ 39,246
Bonds	25,332	Income tax payable	263
Stocks	3,723,349	Advance Collections	-
Funds	47,625,946	Other liabilities	-
Structured products	771,180	Trust capital-pecuniary trust	44,490,085
Accounts receivable	138,948	Trust capital-securities trust	3,260,947
		Net income	1,310,568
		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>

Trust Income Statement

For the six months ended June 30, 2023				For the six months ended June 30, 2022			
<u>Trust revenue:</u>				<u>Trust revenue:</u>			
Interest income	\$	402,803		Interest income	\$	1,244,447	
Realised investment income		408,021		Realised investment income		-	
Unrealised investment income		588,353		Unrealised investment income		-	
Exchange gain		71,766		Exchange gain		1,068,403	
Rental income		16,960		Rental income		15,628	
Dividend income		58,700		Dividend income		65,342	
		<u>1,546,603</u>				<u>2,393,820</u>	
 Trust expenses:				 Trust expenses:			
Administrative expenses	(	21,803)		Administrative expenses	(	12,220)	
Fees (Service charges)	(	30,415)		Fees (Service charges)	(	57,334)	
Loss on realised investment		-		Loss on realised investment	(	36,818)	
Loss on unrealised investment		-		Loss on unrealised investment	(	973,536)	
Insurance expense	(	212)		Insurance expense	(	61)	
Other expense	(	1)		Other expense		-	
Income before income tax		1,494,172		Income before income tax		1,313,851	
Income tax expense	(	4,261)		Income tax expense	(	3,283)	
Net income	\$	<u>1,489,911</u>		Net income	\$	<u>1,310,568</u>	

Schedule of Trust Property

June 30, 2023				June 30, 2022			
Invested items		Book values		Invested items		Book values	
Bank deposits	\$	4,354,570		Bank deposits	\$	1,932,968	
Bonds		26,533		Bonds		25,332	
Stocks		3,969,311		Stocks		3,723,349	
Funds		54,909,516		Funds		47,625,946	
Structured products		787,364		Structured products		771,180	
Others		417,647		Others		138,948	
		<u>\$ 64,464,941</u>				<u>\$ 54,217,723</u>	

- (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, 2023, December 31, 2022, and June 30, 2022 were USD6,198 thousand dollars, USD5,996 thousand dollars and USD7,739 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:

- A. In order to replenish its working capital, the Board of Directors of Yuanta Securities on November 24, 2022 approved an issuance limit of \$8 billion for ordinary corporate bonds. On August 15, 2023, Yuanta Securities completed the 2023 first issuance of \$5.5 billion unsecured ordinary corporate bonds.
- B. Yuanta Securities (Korea) had issued a commitment letter with the total commitment amount no more than KRW71,000 million (about NT\$1.7 billion) to provide its clients with acquisition financing services. Yuanta Securities (Korea) has fulfilled the commitment amounting to KRW71,000 million (about NT\$1.7 billion). The commitment had expired and ended after the reporting period. Please refer to the explanation in Note 9, Significant contingent liabilities and unrecognized contract commitments.

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, 2023			
Recurring fair value measurements	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 68,475,845	\$ 66,166,074	\$ -	\$ 2,309,771
Liability instruments	318,488,127	87,041,786	230,836,596	609,745
Others	126,287,341	40,941,063	81,129,252	4,217,026
Financial assets at fair value through other comprehensive income				
Equity instruments	57,008,412	25,327,654	-	31,680,758
Liability instruments	306,271,671	133,414,502	172,857,169	-
Other financial assets				
Purchase of claim receivable	1,782,264	-	-	1,782,264
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 93,124,292	\$ 22,553,081	\$ 26,124,583	\$ 44,446,628
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 17,361,402	\$ 8,041,868	\$ 6,963,632	\$ 2,355,902
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 35,930,381	\$ 3,556,910	\$ 25,632,567	\$ 6,740,904

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

Recurring fair value measurements	June 30, 2022			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 44,812,352	\$ 42,767,252	\$ -	\$ 2,045,100
Liability instruments	281,174,350	66,680,003	213,653,529	840,818
Others	117,665,328	37,851,530	75,622,746	4,191,052
Financial assets at fair value through other comprehensive income				
Equity instruments	54,044,811	24,404,537	-	29,640,274
Liability instruments	294,845,535	122,598,444	172,172,753	74,338
Other financial assets				
Purchase of claim receivable	1,802,049	-	-	1,802,049
Liabilities				
Financial liabilities at fair value through profit or loss	\$116,315,474	\$ 55,209,119	\$ 24,742,681	\$ 36,363,674
<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
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 36,039,945	\$ 3,976,499	\$ 19,284,414	\$ 12,779,032

- (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, 2023, December 31, 2022 and June 30, 2022, certain foreign debt held by the Yuanta Group, totaling, USD20,196 thousand, USD1,744 thousand and USD34,122 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, 2023, December 31, 2022 and June 30, 2022, certain foreign debt held by the Yuanta Group, totaling USD9,535 thousand, USD8,467 thousand and USD8,598 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, 2023								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,246,102	(\$ 38,858)	\$ 67,441	\$ 25,742,273	\$ -	(\$ 26,065,147)	(\$ 459,367)	\$ 9,492,444
Financial assets at fair value through other comprehensive income	35,488,714	(182,163)	(3,582,311)	-	-	(43,482)	-	31,680,758
purchase of claim receivable	1,792,753	(2,449)	-	-	-	(8,040)	-	1,782,264
Total	<u>\$ 47,527,569</u>	<u>(\$ 223,470)</u>	<u>(\$ 3,514,870)</u>	<u>\$ 25,742,273</u>	<u>\$ -</u>	<u>(\$ 26,116,669)</u>	<u>(\$ 459,367)</u>	<u>\$ 42,955,466</u>
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
purchase of claim receivable	1,813,266	255	-	-	-	(11,472)	-	1,802,049
Total	<u>\$ 39,437,895</u>	<u>(\$ 1,916,232)</u>	<u>\$ 3,000,345</u>	<u>\$ 7,639,270</u>	<u>\$ -</u>	<u>(\$ 6,117,515)</u>	<u>(\$ 453,935)</u>	<u>\$ 41,589,828</u>

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net losses belonging to assets as of June 30, 2023 and 2022 were \$306,462 and \$2,069,794, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net (losses) gains belonging to assets as of June 30, 2023 and 2022 were (\$3,514,046) and \$2,998,299, respectively.

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

For the six months ended June 30, 2023								
Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial liabilities at fair value through profit or loss	\$ 55,517,400	(\$ 745,764)	(\$ 146)	\$ 27,935,663	\$ -	(\$ 31,519,621)	\$ -	\$ 51,187,532

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

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, 2023 and 2022 were \$289,897 and \$164,548, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains (losses) belonging to liabilities as of June 30, 2023 and 2022 were \$664 and (\$786), respectively.

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

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

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

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
June 30, 2023				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 134,386	(\$ 131,074)	\$ -	\$ -
Derivative instruments	3,371	(3,371)	-	-
Financial assets at fair value through other comprehensive income	-	-	539,983	(407,851)
Other financial assets- purchase of claim receivable	86,610	(86,610)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 63,684)	\$ 63,684	\$ -	\$ -
Derivative instruments	(63,171)	63,171	-	-
December 31, 2022				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 155,334	(\$ 151,467)	\$ -	\$ -
Derivative instruments	25,035	(25,035)	-	-
Financial assets at fair value through other comprehensive income	-	-	488,359	(378,093)
Other financial assets- purchase of claim receivable	89,815	(89,815)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 98,600)	\$ 98,600	\$ -	\$ -
Derivative instruments	(158,284)	158,266	-	-

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
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	-	-

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, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss				
Equity instruments \$ 2,309,771	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	13.30%~14.52%	The higher the discount rate, the lower the fair value
	4.Discouted Cash Flow	Stock price volatility	19.56%~74.67%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		Credit Spread	5.38%~26.62%	The higher the credit spread, the lower the fair value
		Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value

June 30, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 609,745	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	35.61%~56.69%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	77.67%~77.69%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	2.90%~5.81%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,355,902	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.69% ~ 25.09%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.16 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	4,217,026	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	17.69% ~ 25.09%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.16 ~ 0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,782,264	Recoverable amount	Contact rate	6.98%~38.79%	The higher the contact rate, the higher the fair value
			Payment rate	3.70%~34.92%	The higher the payment rate, the higher the fair value
			Discount rate	5.26%~39.83%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	31,680,758	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	11.35%~11.35%	The higher the discount rate, the lower the fair value

June 30, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 6,740,904	1.FDM	Stock price volatility	17.69% ~ 37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the
		2.Option Model			
		3.Monte Carlo Simulation			
		4.Equity Model by L.Andersen and D.Buffum			
			Correlation coefficient	0.16 ~ 0.97	The higher the correlation coefficient, the
			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	44,446,628	1.FDM	Stock price volatility	0.31% ~ 67.26%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		2.Option Model			
		3.IR Model			
		4.Hybrid Model			
		5.Monte Carlo Simulation	Correlation coefficient	0.16 ~ 0.97	The higher the correlation coefficient, the higher the fair value
		6.Equity Model by L.Andersen and D.Buffum			
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,402,805	1.Market method	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
		2.Income method	Discount rate	11.85%~15.54%	The higher the discount rate, the lower the fair value
		3.Equity Model by L. Anderson and D. Buffum			
		4.Discounted Cash Flow	Stock price volatility	19.25%~97.79%	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%~26.50%	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	776,537	1.Hybrid Model	Stock price volatility	35.61%~40.59%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		2.Equity Model by L. Anderson and D. Buffum			
		3.Discounted cash flow			
			Credit Spread	77.67%~77.69%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	3.05%-8.44%	The higher the discount rate, the lower the fair value

December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	\$ 2,415,747	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	18.08%~25.14%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	4,651,013	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability	<=10%	The higher the discount for marketability, the lower the fair value
			Stock price volatility	18.08%~25.14%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,792,753	Recoverable amount	Contact rate	6.61%~43.20%	The higher the contact rate, the higher the fair value
			Payment rate	4.99%~38.00%	The higher the payment rate, the higher the fair value
			Discount rate	4.90%~39.94%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,448,366	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0.00%~1.00%	The higher the growth rate, the higher the fair value
			Discount rate	0.1126~0.1126	The higher the discount rate, the lower the fair value
Liability instruments	40,348	Discounted cash flow	Discount rate	3.05%~8.44%	The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments (including futures and options trade in futures market)	9,471,834	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	18.08%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value

December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss					
Others	\$ 46,045,566	1.FDM	Stock price volatility	0.46%~85.87%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
		2.Option Model			
		3.IR Model			
		4.Hybrid Model			
		5.Monte Carlo Simulation			
		6.Equity Model by L.Andersen and D.Buffum	Correlation coefficient	0.15~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
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
Liability instruments	840,818	1.Hybrid Model	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.
		2.Equity Model by L. Anderson and D. Buffum			
		3.Discouted cash flow			
			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	1.30%~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	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.
		2.FDM			
		3.Monte Carlo Simulation			
			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

June 30, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Others	\$ 4,191,052	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility	<=10% 17.97%~23.24%	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	0.19~0.97	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 Expected growth rate Discount rate	<=40% 0%~1% 0.1155~0.1155	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	74,338	Discounted cash flow	Discount rate	1.30%~7.37%	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)	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
			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

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

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

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

C. Financial instruments not measured at fair value

(A) Fair value information:

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

	June 30, 2023				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$398,112,766	\$344,931,212	\$ 13,536,274	\$331,380,847	\$ 14,091

<u>Financial liabilities</u>					
Bonds payable	94,259,656	88,303,604	-	88,303,604	-

	December 31, 2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets</u>					
Investments in debt instruments at amortised cost (Notes 1 and 2)	\$ 371,014,715	\$ 313,929,993	\$ 6,383,759	\$ 307,531,304	\$ 14,930

<u>Financial liabilities</u>					
Bonds payable	102,487,542	95,557,208	-	95,557,208	-

	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	-

Note 1: Including the statutory deposits of \$3,560,400 of Yuanta Life of the Yuanta Group as

of June 30, 2023, December 31, 2022 and June 30, 2022.

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

(B) Financial valuation technique:

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

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

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

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

Audit Committee and Board of Directors in implementing their risk management responsibilities. Its primary responsibilities include negotiating the annual risk limits, monitoring the indicator threshold, reviewing risk monitor execution reports, coordinating common risk management issues between subsidiaries, and promoting important risk management issues. Senior management should examine risks involved in operating activities and ensure the Yuanta Group's risk management system can thoroughly and effectively control related risks. The Risk Management Department is an independent department subordinated under the Board of Directors. The Risk Management Department's primary responsibilities includes developing the risk management system, establishing a method to effectively measure risk, establishing the risk management system, monitoring and analyzing risk and alerting and reporting significant risks in a timely manner. The Legal Compliance department should implement legal compliance risk management. It should ensure that all businesses and management regulations are updated in time in accordance with the relevant laws and regulations, supervise Legal Compliance Management of all units to carry out introduction, establishment and implement of related internal measurements, as well as assist in evaluating possible legal compliance risks that all business units may be involved with. The Legal Department should implement legal risk management. It should assist in evaluating possible legal risk that business units, legal documents and contracts may be involved with. The Information Department's primary responsibilities are to implement information security risk control and assist in preventing damage to the related information system and impact on information security risk of normal operations caused by external deliberate cyber attack or internal improper use, leakage, tampering and destruction of information assets.

The risk management responsibilities of business departments are to comprehensively examine all risk management regulations before conducting their respective tasks and certainly comply with all risk management regulations.

Each subsidiary has built a risk management organization with appropriate levels and scale based on its business portfolio, operating scale and capital scale. The Yuanta Group constantly examines each subsidiary's risk management structure to ensure that it can manage its assumed risks effectively.

(B) Risk management policy

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

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

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

(A) Credit risk

a. Source and definition of credit risk

Credit risks occur when the bond issuer, borrower or counterparty fails to fulfil its obligation and results in a loss of default. Credit risk may happen due to accounts on and

off the balance sheet. For accounts on the balance sheet, credit risk exposure of the Yuanta Group mainly comprises of bills discounted and loans and credit card business, debt instrument and derivatives and call loans from banks, etc. Off-balance-sheet accounts include financial guarantee, acceptance bill, letter of credit and loan commitments that could give rise to credit risk exposure to the Yuanta Group.

b. Principle of credit risk management

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

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

c. Methods used in credit risk management

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

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

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

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

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

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

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

(b) Debt instruments investment and derivatives

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

(c) Margin purchase and short sale

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

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

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

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

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

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

(b) Expected credit losses calculation

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

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

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

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

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

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

(I) Credit business

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

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

(II) Investments in debt instruments

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

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

(III) Other financial assets

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

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

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

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

(I) Credit business

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

- x. Debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings.
- xi. Debtor renews, extends the length of, and negotiates new payment terms on the loan in accordance with the Bankers Association Self-regulatory Rules for Debt Workouts.
- xii. Non-performing loans where a payment installment plan has been negotiated.
- xiii. Loans classified as “in default” according to the Yuanta Group’s internal credit rating model.

(II) Investments in debt instruments

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

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

(III) Other financial assets

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

(IV) Definition of default

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

III. Write off policy

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

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

(IV) The non-performing and non-accrual loans are two years past due, and could not be recovered from collection procedures.

IV. Measurement of expected credit losses

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

(I) Credit business

i. Probability of default

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

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

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

ii. Loss given default

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

iii. Exposure at default (EAD)

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

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

(II) Investments in debt instruments

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

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

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

V. Consideration of forecastable information

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

(I) For determining significant increase in credit risk

- i. The Yuanta Group's credit approval process includes evaluation of forecastable information such as business potential, financial condition, industry outlook, loan collateral, and ability to repay.
- ii. Identify customers with potential risk using the early warning list of the Yuanta Group. The early warning system of the Yuanta Group involves the assessment of the credit risk of the customer by reviewing the following five factors: management, financial statements, cash flows, source of repayment, and past performance.

(II) For measuring expected credit losses

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

(III) Other

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

e. Hedging or mitigation of credit risk

(a) Collateral

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

(b) Credit risk limit and credit risk concentration control

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

single counterparty, group's enterprises, affiliated enterprise, industry, nationality, ultimate risk and various credit risk concentration can be monitored.

(c) Net-settled general agreement

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

(d) Others

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

I. Additional credit exposure limit;

II. Credit limits reduction;

III. Hedging through credit derivatives;

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

f. Maximum risk exposure of the Yuanta Group

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

Bills discounted and loans

				Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
June 30, 2023	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)		
Credit ratings					
Internal ratings — excellent	\$ 748,448,219	\$ 1,666,492	\$ -	\$ -	\$ 750,114,711
Internal ratings — acceptable	210,143,786	8,877,653	-	-	219,021,439
Internal ratings — weak	59,309,123	1,544,130	-	-	60,853,253
Internal ratings — not rated	151,904	2	-	-	151,906
Internal ratings — credit impairment	-	62,952	5,511,925	-	5,574,877
The total carrying amount	1,018,053,032	12,151,229	5,511,925	-	1,035,716,186
Allowance for credit losses	(1,730,407)	(901,869)	(2,363,839)	-	(4,996,115)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(10,048,722)	(10,048,722)
Total (Note)	<u>\$ 1,016,322,625</u>	<u>\$ 11,249,360</u>	<u>\$ 3,148,086</u>	<u>(\$ 10,048,722)</u>	<u>\$ 1,020,671,349</u>

Note: Including interest receivable and temporary payments for others amounting to \$1,277,706. In addition, allowance for doubtful receivables was \$19,169.

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 \$198,187,810 and \$878,186,459, 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

				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	
December 31, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)		Total
Credit ratings					
Internal ratings — excellent	\$ 710,921,062	\$ 1,192,067	\$ -	\$ -	\$ 712,113,129
Internal ratings — acceptable	243,423,036	4,269,264	-	-	247,692,300
Internal ratings — weak	45,050,252	1,400,174	-	-	46,450,426
Internal ratings — not rated	153,369	-	-	-	153,369
Internal ratings — credit impairment	-	62,936	4,308,988	-	4,371,924
The total carrying amount	999,547,719	6,924,441	4,308,988	-	1,010,781,148
Allowance for credit losses	(1,682,978)	(453,410)	(2,370,871)	-	(4,507,259)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(9,878,100)	(9,878,100)
Total (Note)	<u>\$ 997,864,741</u>	<u>\$ 6,471,031</u>	<u>\$ 1,938,117</u>	<u>(\$ 9,878,100)</u>	<u>\$ 996,395,789</u>

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

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

Bills discounted and loans

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.

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, 2023	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 15,633	\$ -	\$ 15,633
Bills discounted and loans	753,488,892	-	753,488,892
Financial assets at fair value through profit or loss	1,261,663	1,476,674	2,738,337
<u>For off-balance sheet accounts</u>			
Unused loan commitments	4,588,234	-	4,588,234
Unused credit commitment	107,624	-	107,624
Guarantees (including for non-performing loans)	2,851,987	-	2,851,987
December 31, 2022	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 18,166	\$ -	\$ 18,166
Bills discounted and loans	731,753,219	-	731,753,219
Financial assets at fair value through profit or loss	1,122,407	1,863,544	2,985,951
<u>For off-balance sheet accounts</u>			
Unused loan commitments	5,091,118	-	5,091,118
Unused credit commitment	102,140	-	102,140
Guarantees (including for non-performing loans)	2,848,121	-	2,848,121
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

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

g. Credit risk concentration

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

The credit risks of the Yuanta Group concentrate on accounts on and off balance sheet that occurs through obligation fulfilling or implementation of transactions (either product or service), or through trans-type exposure portfolio, including cash and cash equivalents, loans, placements and call loan from the banks, securities investment, receivables and derivatives. The Yuanta Group does not significantly carry out transactions with single client or single counterparty, and the credit risk concentration by industry and location are shown as follows:

(a) Industry:

Industry	June 30, 2023		December 31, 2022	
	Amount	%	Amount	%
Privately owned businesses	\$ 846,144,914	28.71	\$ 782,691,868	27.95
Natural person	736,978,878	25.01	704,215,983	25.15
Financial institutions	789,571,310	26.79	777,788,781	27.78
Governmental institutions	513,524,247	17.43	493,309,142	17.62
Government-owned businesses	52,667,377	1.79	39,010,527	1.39
Others	7,948,785	0.27	3,061,140	0.11
Total	<u>\$ 2,946,835,511</u>	<u>100.00</u>	<u>\$ 2,800,077,441</u>	<u>100.00</u>

Industry	June 30, 2022	
	Amount	%
Privately owned businesses	\$ 733,552,275	26.57
Natural person	723,372,739	26.20
Financial institutions	732,360,290	26.53
Governmental institutions	529,418,066	19.17
Government-owned businesses	39,301,369	1.42
Others	3,069,290	0.11
Total	<u>\$ 2,761,074,029</u>	<u>100.00</u>

(b) Geographic location:

Geography location	June 30, 2023	December 31, 2022	June 30, 2022
Taiwan	\$ 2,095,225,637	\$ 1,990,532,604	\$ 1,948,957,386
Asia	488,323,680	467,593,310	486,972,100
America	227,517,834	219,048,787	205,258,537
Europe	85,914,009	79,246,441	82,471,865
Oceania	49,730,489	43,449,731	37,155,339
Africa	123,862	206,568	258,802
Total	<u>\$ 2,946,835,511</u>	<u>\$ 2,800,077,441</u>	<u>\$ 2,761,074,029</u>

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

(a) Credit business

For the six months ended June 30, 2023 and 2022, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
For the six months ended June 30, 2023						
Beginning balances	\$ 1,679,718	\$ 453,321	\$ 2,362,164	4,495,203	\$ 9,871,889	\$ 14,367,092
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(34,078)	47,338	(13,260)	-	-	-
-Transferred to credit-impaired financial asset	(8,029)	(6,907)	14,936	-	-	-
-Transferred to 12-month expected credit losses	79,336	(3,379)	(75,957)	-	-	-
-Financial assets derecognised in the current period	(420,673)	(1,181)	(52,427)	(474,281)	-	(474,281)
Impairment allowance for purchased or originated financial assets	519,673	549	29,504	549,726	-	549,726
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	-	-	-	-	174,416	174,416
Write-off as bad debt	(7,740)	(3,393)	(39,566)	(50,699)	-	(50,699)
Change in exchange and others	(81,342)	415,352	125,404	459,414	-	459,414
Ending balances	<u>\$ 1,726,865</u>	<u>\$ 901,700</u>	<u>\$ 2,350,798</u>	<u>\$ 4,979,363</u>	<u>\$ 10,046,305</u>	<u>\$ 15,025,668</u>

					Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9		Total
For the six months ended June 30, 2022						
Beginning balances	\$ 1,595,241	\$ 380,510	\$ 3,026,002	\$ 5,001,753	\$ 8,241,645	\$ 13,243,398
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(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	<u>\$ 1,690,820</u>	<u>\$ 516,963</u>	<u>\$ 2,960,682</u>	<u>\$ 5,168,465</u>	<u>\$ 8,703,787</u>	<u>\$ 13,872,252</u>

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

Bills discounted and loans	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Total
Beginning balances	\$ 998,354,115	\$ 6,909,422	\$ 4,292,837	\$ 1,009,556,374
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(6,505,848)	6,533,229	(27,381)	-
-Transferred to credit-impaired financial asset	(790,366)	(931,423)	1,721,789	-
-Transferred to 12-month expected credit losses	705,538	(458,102)	247,436	-
-Financial assets derecognised in the current period	(287,490,966)	(551,635)	(160,057)	(288,202,658)
Impairment allowance for purchased or originated financial assets	343,678,070	660,278	68,168	344,406,516
Write-off as bad debt	(7,740)	(3,393)	(39,565)	(50,698)
Change in exchange and others	(31,121,033)	(34,421)	(115,600)	(31,271,054)
Ending balances	<u>\$ 1,016,821,770</u>	<u>\$ 12,123,955</u>	<u>\$ 5,492,755</u>	<u>\$ 1,034,438,480</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>

(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, 2023, December 31, 2022 and June 30, 2022, the carrying amount of accounts receivable amounted to \$58,481,745, \$30,341,959 and \$52,751,705, respectively. For the three months and six months ended June 30, 2023 and 2022, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	For the six months ended June 30,	
	2023	2022
January 1	(\$ 193)	(\$ 544)
Reversal of impairment loss	28	272
June 30	<u>(\$ 165)</u>	<u>(\$ 272)</u>

(BLANK)

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

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
For the six months ended June 30, 2023						
The beginning balances	\$ 110,438	\$ 60,315	\$ 2,669,689	\$ 2,840,442	\$ 75,089	\$ 2,915,531
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(2,024)	14,209	(12,185)	-	-	-
-Transferred to credit-impaired financial asset	(123,872)	(1,678)	125,550	-	-	-
-Transferred to 12-month expected credit losses	31,337	(24,292)	(7,045)	-	-	-
-Financial assets derecognised in the current period	(25,414)	(271)	(7,058)	(32,743)	-	(32,743)
Impairment allowance for purchased or originated financial assets	15,275	2,431	9,471	27,177	-	27,177
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	-	-	-	-	(12,485)	(12,485)
Write-off as bad debt	(6,317)	(5,466)	(37,813)	(49,596)	-	(49,596)
Change in exchange and others	87,956	13,976	35,140	137,072	-	137,072
The ending balances	<u>\$ 87,379</u>	<u>\$ 59,224</u>	<u>\$ 2,775,749</u>	<u>\$ 2,922,352</u>	<u>\$ 62,604</u>	<u>\$ 2,984,956</u>

					Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9		Total
For the 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, 2023 and 2022, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

					Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	
For the six months ended June 30, 2023	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9		Total
The beginning balances	\$ 29,264	\$ 12,275	\$ 85,263	\$ 126,802	\$ 88,037	\$ 214,839
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(421)	489	(68)	-	-	-
-Transferred to credit-impaired financial asset	(2)	(26)	28	-	-	-
-Transferred to 12-month expected credit losses	9,300	(8,246)	(1,054)	-	-	-
-Financial assets derecognised in the current period	(5,693)	(1,034)	(19,773)	(26,500)	-	(26,500)
Impairment allowance for purchased or originated financial assets	10,667	255	18,274	29,196	-	29,196
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	-	-	-	-	(2,658)	(2,658)
Change in exchange and others	(10,133)	8,693	3,214	1,774	-	1,774
The ending balances	<u>\$ 32,982</u>	<u>\$ 12,406</u>	<u>\$ 85,884</u>	<u>\$ 131,272</u>	<u>\$ 85,379</u>	<u>\$ 216,651</u>

					Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9		Total
For the six months ended June 30, 2022						
The beginning balances	\$ 47,636	\$ 11,888	\$ 58,566	\$ 118,090	\$ 64,014	\$ 182,104
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(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>

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

(d) Bills and bonds investments

For the six months ended June 30, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$62,053 and \$81,595; the ending balances were \$60,713 and \$68,072, respectively. For the three months and six months ended June 30, 2023 and 2022, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$163,379 and \$148,842; the ending balances were \$160,210 and \$159,531, 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, 2023			
	June 30, 2023	VaR Average	VaR Minimum	VaR Maximum
Interest rate	227,495	173,830	128,453	241,071
Equity securities	224,361	219,664	167,725	256,313
Foreign exchange	812,901	765,800	637,510	843,878
Commodity	35,720	28,929	6,803	123,241
Less: diversification effects	(642,367)	(483,504)	-	-
Total VaR	658,110	704,719	583,169	918,871

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

- (b) Non-trading purpose

Sensitivity analysis on interest rate:

		June 30, 2023	December 31, 2022	June 30, 2022
Interest rate shift		Effect on other comprehensive income	Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds				
Yuanta Bank	Increase of 1 basis point	(\$ 34,721)	(\$ 37,488)	(\$ 43,187)
Yuanta Life	Increase of 1 basis point	(40,082)	(28,240)	(32,685)

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

	June 30, 2023		December 31, 2022		June 30, 2022	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets						
Cash and cash equivalents	\$ 1,109,979	\$ 34,559,189	\$ 1,360,789	\$ 41,787,094	\$ 778,822	\$ 23,151,262
Financial assets at fair value through profit or loss	720,926	22,446,032	670,049	20,575,871	740,200	22,003,186
Financial assets at fair value through other comprehensive income	4,013,638	124,964,615	3,853,642	118,337,628	3,920,137	116,529,984
Financial assets at amortised cost	8,365,922	260,472,968	8,057,761	247,437,727	7,790,596	231,583,257
Bills discounted and loans	1,460,503	45,472,748	1,501,188	46,098,466	1,701,181	50,569,304
Foreign currency denominated financial liabilities						
Bills and bonds payable under repurchase agreements	1,870,103	58,225,671	1,902,413	58,419,305	982,383	29,202,331
Deposits and remittances	5,430,097	169,066,077	5,589,245	171,634,525	5,612,212	166,828,628
Other liabilities	1,628,825	50,713,472	1,830,527	56,211,838	1,635,925	48,629,517

Note: As of June 30, 2023, December 31, 2022 and June 30, 2022, USD to TWD exchange rates were 31.135, 30.708 and 29.726, respectively.

e. As of June 30, 2023, December 31, 2022 and June 30, 2022, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	June 30, 2023		December 31, 2022		June 30, 2022	
	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	\$ 563,129,350	\$ 13,278,027	\$ 570,912,905	\$ 13,904,013	\$ 745,130,173	\$ 17,058,265
Financial assets at fair value through profit or loss	8,280,824,659	195,253,565	7,303,285,224	177,864,208	8,408,792,858	192,502,495
Financial assets at fair value through other comprehensive income	398,346,675	9,392,616	226,325,293	5,511,926	268,336,155	6,143,020
Accounts receivable	505,076,920	11,909,209	194,579,155	4,738,781	279,500,945	6,398,615
Other financial assets	453,867,811	10,701,749	436,282,547	10,625,225	526,871,371	12,061,666
Other current assets	83,907,260	1,978,449	117,390,736	2,858,934	126,368,763	2,892,960
Financial liabilities						
Short-term borrowings	1,721,559,465	40,592,651	1,470,088,286	35,802,530	1,959,936,648	44,868,830
Financial liabilities at fair value through profit or loss	2,047,099,385	48,268,556	1,904,511,237	46,382,467	2,400,078,884	54,945,006
Bonds sold under repurchase agreements	4,334,950,688	102,213,802	3,771,448,650	91,849,860	3,493,847,669	79,984,655
Guarantee deposit-in and margin deposits	65,652,650	1,548,024	51,359,250	1,250,803	82,634,991	1,891,763
Other financial liabilities	2,209,473,658	52,097,179	2,211,438,271	53,857,368	2,738,886,347	62,701,325
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted	122,506,043	2,888,570	125,777,011	3,063,173	127,659,338	2,922,505

Note: As of June 30, 2023, December 31, 2022 and June 30, 2022, the KRW to TWD exchange rates were 0.024, 0.024 and 0.023, respectively.

(C) Liquidity risk

a. Source and definition of liquidity risk

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

b. Liquidity risk management principle

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

c. Assessment on liquidity risk

(a) Set up liquidity risk indicator and warning in order to control adverse element to the liquidity. At the same time, analysis and appropriate measures are made to mitigate the extent of effects.

(b) Assessments are regularly made to the assets and liabilities denominated in major currencies on the balance sheet and the cash inflow, cash outflow and liquidity gap off the balance sheet by different time period.

d. Maturity analysis for the financial assets and non-derivative liabilities held for liquidity risk management:

(a) Financial assets held for liquidity risk management

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

(b) Maturity analysis on non-derivative assets and liabilities

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

(c) Maturity analysis on derivative financial assets and financial liabilities by date

I. Derivative financial instruments settled on a net basis

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

II. Derivative financial instruments settled on a gross basis

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

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

(BLANK)

June 30, 2023						
Financial assets	0~90 days		91 days~1 year		Over 1 year	Total
Non-derivative financial instruments						
Cash and cash equivalents	\$	64,173,942	\$	11,420,839	\$ 50,000	\$ 75,644,781
Due from Central Bank and call loans to other banks		46,154,695		14,533,308	20,910,102	81,598,105
Financial assets at fair value through profit or loss		400,352,969		39,000,909	78,699,665	518,053,543
Financial assets at fair value through other comprehensive income		46,791,839		26,659,662	289,042,606	362,494,107
Investments in bills and bonds under resale agreements		73,034,678		-	-	73,034,678
Receivables		189,650,751		50,066,832	15,183,396	254,900,979
Bills discounted and loans		274,464,898		185,546,267	573,402,581	1,033,413,746
Reinsurance contract assets		431,710		864,801	-	1,296,511
Financial assets at amortised cost		118,399,838		42,448,714	390,369,737	551,218,289
Restricted assets		-		-	2,528,567	2,528,567
Other financial assets		81,930,983		26,441	33,627,730	115,585,154
Other assets		16,559,165		371,874	21,924,398	38,855,437
Derivative financial instruments						
Financial assets at fair value through profit or loss						
Gross settlement						
Cash inflow		74,010,126		24,295,918	4,670,250	102,976,294
Cash outflow	(	72,334,544)	(	21,968,027)	(4,045,420)	(98,347,991)
Net settlement		324,004		562,675	665,334	1,552,013
Total	\$	1,313,945,054	\$	373,830,213	\$ 1,427,028,946	\$ 3,114,804,213
Financial liabilities						
Non-derivative financial instruments						
Deposits from Central Bank and other banks	\$	9,082,076	\$ -	\$ -	\$ -	\$ 9,082,076
Financial liabilities at fair value through profit or loss		22,307,387		-	1,627,595	23,934,982
Bills and bonds payable under repurchase agreements		179,659,899		35,760,928	30,996,621	246,417,448
Commercial paper payable		88,107,757		9,169,869	-	97,277,626
Payables		138,667,886		15,854,050	33,125,620	187,647,556
Deposits and remittances		394,234,164		500,146,587	635,866,465	1,530,247,216
Bonds payable		2,533,700		7,318,842	82,413,789	92,266,331
Other borrowings		46,165,049		560,804	10,113,976	56,839,829
Other financial liabilities		92,154,084		2,722,287	41,501,966	136,378,337
Other liabilities		52,949,719		1,885	1,699,465	54,651,069
Lease liabilities		272,499		1,058,071	4,743,750	6,074,320
Derivative financial instruments						
Financial liabilities at fair value through profit or loss						
Gross settlement						
Cash inflow	(	69,852,315)	(	25,116,422)	(4,908,953)	(99,877,690)
Cash outflow		71,399,650		26,924,599	5,617,092	103,941,341
Net settlement		1,334,330		1,816,940	1,421,774	4,573,044
Total	\$	1,029,015,885	\$	576,218,440	\$ 844,219,160	\$ 2,449,453,485

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

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
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

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, 2023, December 31, 2022 and June 30, 2022, expenses on period of 0-90 days will increase by \$744,989,529, \$658,355,590 and \$665,704,870, 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, 2023			
		Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet					
Unused loan commitment	\$	27,603,183	\$ -	\$ -	\$ 27,603,183
Unused credit commitment		3,459,420	-	-	3,459,420
Guarantees		11,112,165	-	-	11,112,165
Capital expenditure commitment		2,649,187	5,022,829	-	7,672,016
		December 31, 2022			
		Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet					
Unused loan commitment	\$	17,517,117	\$ -	\$ -	\$ 17,517,117
Unused credit commitment		2,378,257	-	-	2,378,257
Guarantees		9,236,552	-	-	9,236,552
Capital expenditure commitment		3,449,360	5,185,417	-	8,634,777
		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

(D) Insurance risk

a. Measurement and management of insurance risk

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

(a) Life insurance

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

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

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

(b) Variable life insurance

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

(c) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise of the occurrence of the accident rate and the morbidity rate. The Yuanta Group tracks loss rate of each insurance type, assesses the premium rate of main insurance products on the market, and makes related statistical measurement of occurrence of the accident rate and the morbidity rate, such as cash flow test and experience test in order to evaluate the impact toward the overall operation or the extent of negative impact arising accordingly, and to further determine whether or not to cease the sale of the product and adjust the premium rate of the new product. The Yuanta Group could also arrange reinsurance ceded to mitigate overall potential risk of loss from claims in the future.

(d) Management of insurance risk

I. Risk management of policy underwriting

Underwriting risk refers to the risk of unexpected losses arising from soliciting insurance policies, assessing policy underwritings and related expenses etc. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy and timeliness of policy underwritings.

II. Risk management of payment of claims

Risk arising from payment of claims refers to the risk of unexpected losses arising from improper assessment of claims or negligence when handling policy claims. In accordance with “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, the Yuanta Group has established an appropriate risk management mechanism, which includes the establishment of policy underwriting systems and procedures, the establishment of policy underwriting manuals and standards, and the establishment of policy underwriting risk management indicators, as well as their faithful implementation, in order to regulate the underwriting limit of policy underwriters and control the accuracy, timeliness, policy claim rate and rate of actual policy payments of policy claims.

III. Risk of product designing and pricing

Risk of product designing and pricing refers to risks arising from the improper or inconsistent design of a product's content, stipulated terms or cited fees, or unexpected changes etc. The Yuanta Group has established related operation procedures pursuant to "Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises", complying with the operation procedures in each developing phase of an insurance product and controlling product designing and pricing by putting in place quantitative mechanisms such as probability testing.

b. Insurance risk concentration

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

c. Liability adequacy test

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

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

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

(a) Credit risk

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

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

required to monitor the adverse impacts from the downgraded reinsurer on the Yuanta Group.

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

(b) Liquidity risk

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

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

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

	June 30, 2023	December 31, 2022	June 30, 2022
Less than 1 year	(\$ 2,871,714)	(\$ 2,003,722)	(\$ 1,981,040)
1 ~5 years	21,116,826	23,126,077	21,879,119
6 ~15 years	113,009,762	105,179,714	98,329,128
More than 15 years	579,544,516	570,041,728	563,461,819
Total	<u>\$ 710,799,390</u>	<u>\$ 696,343,797</u>	<u>\$ 681,689,026</u>

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

(c) Market risk

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

C. Climate-related Risk Management:

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

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

(A) Risk and opportunity identification:

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

(B) Risk and opportunity measurement:

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

(C) Risk and opportunity monitoring:

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

(D) Risk and Opportunity Reporting:

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

D. Transfer of financial assets

Transferred financial assets not fully derecognised

- (A) The Yuanta Group has financial assets that are fully or partially derecognised through transactions of transfer of financial assets to others. When the Yuanta Group receives the contract right of cash flow from the financial assets, or retains the above rights but bears obligation to pay the cash flow to one or more recipients and the risks and compensation of rights are mostly transferred, the assets should be derecognised. If the Yuanta Group still retains most of the risks and compensation of rights, the Yuanta Group should continue recognises the financial assets. If the Yuanta Group does not transfer or retains most of the risks and compensation of rights and maintains control over the assets, the Yuanta Group should continue recognise the part of financial assets that are involved.

- (B) Financial assets that do not meet the derecognition conditions are mainly: (1) convertible bonds transferred to counterparties during transactions of exchanging assets and (2) bills and bonds sold under repurchase agreements. The targeted assets exchanged in the transactions are either acquired through public subscription, book building, auctions or others by the Yuanta Group or owned by the Yuanta Group for proprietary trading, and are sold to counterparties in order to receive consideration. During the contract period, the contracted interest compensation is exchanged for bond interest and interest refund arising from the convertible bonds held by the counterparties. The Yuanta Group obtains rights to repurchase the convertible bonds before the end of contract expiration date. As the options are neither deep-in-the-money nor deep-out-of-the-money at transactions, the Yuanta Group must further assess whether to retain the control over the convertible bonds. Since the convertible bonds cannot be easily obtained in markets, the Yuanta Group still keeps its control over the assets and continuing involvement. Because transactions in respect to the repurchase agreements of debt instruments and bills had transferred their receivable contractual cash flows to other parties, and are reflected in the Consolidated Company's related liabilities, which indicate the obligation to repurchase transferred financial assets in a specified future period within a fixed price, the Consolidated Company, within the effective period of the transaction, cannot use, sell or pledge the already transferred financial asset, but must still bear interest risk and credit risk. Thus, such financial assets were not derecognised in its entirety.

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

June 30, 2023		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 26,675,229	\$ 23,067,202
Bonds sold under repurchase agreements	234,146,818	232,394,166
Bills sold under repurchase agreements	11,701,313	11,738,192
Securities Lending Agreement	854,948	-
December 31, 2022		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 25,532,094	\$ 23,641,439
Bonds sold under repurchase agreements	214,155,002	212,822,398
Bills sold under repurchase agreements	11,294,413	11,315,093

June 30, 2022		
<u>Financial assets category</u>	<u>Carrying amount of transferred financial assets</u>	<u>Carrying amount of related financial liabilities</u>
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

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.

(BLANK)

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

(A) Financial assets

June 30, 2023

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements						
				Related amounts not set off in the balance sheet(d)(Note 1)		
	Gross amounts of	Gross amounts of	Net amounts of			
	recognised financial	recognised financial	financial assets	Financial	Cash collateral	Net amount
Description	assets(a)	liabilities set off in the balance sheet(b)	presented in the balance sheet (c)=(a)-(b)	instruments (Note 2)	received	(e)=(c)-(d)
Derivative instruments	\$ 9,628,807	\$ -	\$ 9,628,807	\$ 6,290,990	\$ 945,940	\$ 2,391,877
Bonds purchased under resale agreements	68,512,686	-	68,512,686	66,817,686	1,672,509	22,491
Bills under resale agreements	4,521,992	-	4,521,992	4,272,231	-	249,761
December 31, 2022						

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
				Related amounts not set off in the balance sheet(d)(Note 1)			
	Gross amounts of	Gross amounts of	Net amounts of				
	recognised financial	recognised financial	financial assets	Financial	Cash collateral	Net amount	
Description	assets(a)	liabilities set off in the balance sheet(b)	presented in the balance sheet (c)=(a)-(b)	instruments (Note 2)	received	(e)=(c)-(d)	
Derivative instruments	\$ 12,444,763	\$ -	\$ 12,444,763	\$ 8,984,759	\$ 1,467,786	\$ 1,992,218	
Bonds purchased under resale agreements	72,876,818	-	72,876,818	69,671,818	3,153,146	51,854	
Bills under resale agreements	21,196,406	-	21,196,406	20,946,600	-	249,806	
June 30, 2022							

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
				Related amounts not set off in the balance sheet(d)(Note 1)			
Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 2)	Cash collateral received	Net amount (e)=(c)-(d)	
Derivative instruments	\$ 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	

(B) Financial liabilities

June 30, 2023

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
				Related amounts not set off in the balance sheet(d)(Note 1)			
		Gross amounts of recognised financial assets set off in the balance sheet(b)		Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Description	Gross amounts of recognised financial liabilities(a)						
Derivative instruments	\$ 23,474,492	\$ -	\$ 23,474,492	\$ 17,189,085	\$ 3,640,565	\$ 2,644,842	
Bonds sold under repurchase agreements	234,679,257	-	234,679,257	234,067,849	611,408	-	
Bills sold under repurchase agreements	11,738,191	-	11,738,191	11,701,313	-	36,878	
December 31, 2022							

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
				Related amounts not set off in the balance sheet(d)(Note 1)			
		Gross amounts of recognised financial assets set off in the balance sheet(b)		Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Description	Gross amounts of recognised financial liabilities(a)						
Derivative instruments	\$ 20,624,935	\$ -	\$ 20,624,935	\$ 14,631,689	\$ 4,011,072	\$ 1,982,174	
Bonds sold under repurchase agreements	212,822,398	-	212,822,398	212,485,262	337,136	-	
Bills sold under repurchase agreements	11,315,093	-	11,315,093	11,294,413	-	20,680	
June 30, 2022							

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
				Related amounts not set off in the balance sheet(d)(Note 1)			
		Gross amounts of recognised financial assets set off in the balance sheet(b)		Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral received	Net amount (e)=(c)-(d)
Description	Gross amounts of recognised financial liabilities(a)						
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	

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, 2023, the Group has completed all the transition and has no relevant exposure.

(4) Capital adequacy ratio:

June 30, 2023				Expressed In Thousands of NTD	
	Financial Holding Company				
	Shareholding Ratio	Eligible capital	Minimum capital		
Financial holding company	-	\$ 266,745,322	\$ 303,144,746		
Bank subsidiaries	100.00%	143,447,646	101,535,851		
Securities subsidiaries	100.00%	83,359,047	31,495,473		
Futures subsidiaries	66.27%	8,770,978	5,076,250		
Insurances subsidiaries	100.00%	33,323,121	13,391,712		
Venture capital subsidiaries	100.00%	3,057,954	1,575,019		
Securities investment trust subsidiaries	74.71%	4,173,715	2,457,836		
Other subsidiaries	100.00%	4,106,140	2,160,829		
Deduction item		(319,773,439)	(301,653,257)		
Subtotal		<u>\$ 227,210,484</u>	<u>\$ 159,184,459</u>		
Capital adequacy ratio of the Consolidated Company				142.73%	

June 30, 2022

	Financial Holding Company		
	Shareholding Ratio	Eligible capital	Minimum capital
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%

As of June 30, 2023, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 126,890,824
Additional paid-in capital	38,090,889
Legal reserve	22,561,044
Special reserve	13,517,403
Accumulated earnings	68,873,387
Other equity	(3,127,235)
Less: goodwill and other intangible assets	(14,489)
Less: deferred assets	(46,501)
Total net eligible capital	\$ 266,745,322

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	\$ 242,234,543

(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, 2023	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	\$ 155,895	58.43
Central Government, R.O.C	127,292	47.71
Securities Korea_Korea_Finance and Insurance Industry	115,469	43.28
Agricultural Bank of Taiwan	37,623	14.10
Taiwan Semiconductor Manufacturing Co., Ltd.	35,276	13.22
Securities Korea_Korea_Public Administration and National Defense	23,192	8.69
U.S. Government	22,882	8.58
CPC Corporation, Taiwan	20,364	7.63
Taiwan Cement Corporation	19,524	7.32
Taiwan Power Company	17,718	6.64
Nan Ya Plastics Corporation	13,135	4.92
Taiwan Depository & Clearing Corporation	12,447	4.67
CTBC Financial Holding Co., Ltd.	12,278	4.60
ASE Technology Holding Co., Ltd.	11,749	4.40
China Steel Corporation	10,446	3.92
Chunghwa Telecom Co., Ltd.	10,273	3.85
Delta Electronics, Inc.	9,697	3.63
Taiwan Cooperative Bank	9,246	3.47
Uni-President Enterprises Corp.	9,217	3.45
Quanta Computer Inc.	8,747	3.28
Taiwan High Speed Rail Corporation	8,692	3.26
Cathay Financial Holding Co., Ltd.	8,588	3.22
National Australia Bank Ltd.	8,205	3.08
SinoPac Securities Corporation	8,029	3.01
Taiwan Water Corporation	8,001	3.00
Far Eastern New Century Corporation	7,500	2.81
Asia Cement Corporation	7,106	2.66
Formosa Plastics Corporation	7,100	2.66
Taiwan Stock Exchange	7,004	2.63
Taiwan Futures Exchange	6,725	2.52
TSMC Global Ltd.	6,678	2.50
JPMorgan Chase & Co.	6,628	2.48
DING SHUAI Development Co., Ltd.	6,502	2.44
Formosa Chemicals & Fibre Corporation	6,473	2.43
Federal National Mortgage Association	6,465	2.42
Federal Home Loan Mortgage CORPORATION	6,347	2.38
BNP Paribas	6,207	2.33
ADVANCED SEMICONDUCTOR ENGINEERING, INC.	6,200	2.32

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2023	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Commonwealth Bank of Australia	\$ 6,157	2.31
Evergreen Marine Corp.	6,053	2.27
GlobalWafers Co., Ltd.	6,012	2.25
Westpac Banking Corporation	5,770	2.16
Aerospace Industrial Development Corporation	5,683	2.13
Taiwan Mobile Co., Ltd.	5,597	2.10
President Chain Store Corporation	5,596	2.10
STATE OF ISRAEL	5,478	2.05
Fubon Securities Investment Trust Co., Ltd	5,289	1.98
IBF Securities Co., Ltd.	5,161	1.93
ABU DHABI GOVT INTL	5,150	1.93
Apple Inc.	4,980	1.87
Bank Korea Branch_Korea_Real Estate Industry	4,918	1.84
New Taipei City Government	4,889	1.83
FIRST ABU DHABI BANK PJS	4,836	1.81
Chang Chun Petrochemical Co., Ltd.	4,698	1.76
Shanghai Commercial and Savings Bank	4,610	1.73
TATUNG CO.	4,586	1.72
Formosa Group (Cayman) Limited	4,551	1.71
Wistron Corporation	4,539	1.70
The Bank of Tokyo-Mitsubishi UFJ	4,389	1.64
Capital Investment Trust Corp.	4,349	1.63
Far Eastone Telecommunications Co., Ltd.	4,303	1.61
Wan Hai Lines, Ltd.	4,263	1.60
Australia and New Zealand Banking Group	4,101	1.54
YO JI CONSTRUCTION CO., LTD.	4,100	1.54
Government of Australia	4,085	1.53
UNITED OVERSEAS BANK LTD.	4,045	1.52
Hotai Insurance Co., Ltd.	4,000	1.50
STATE OF QATAR	3,977	1.49
DRAGON STEEL CORPORATION	3,845	1.44
Synnex Technology International Corporation	3,843	1.44
ADCB Finance Cayman Ltd	3,830	1.44
Credit Agricole Corporate and Investment Bank	3,822	1.43
Rabobank	3,712	1.39
Mega Financial Holding Company Ltd.	3,680	1.38
Bank of America Corporation	3,657	1.37
Securities Korea_United States_Public Administration and Defense	3,643	1.37
Lien-Jade Construction Co.,Ltd.	3,589	1.35
Cathay Securities Investment Trust	3,586	1.34
RUN LONG CONSTRUCTION CO., LTD.	3,569	1.34
VEDAN Enterprise Corporation	3,566	1.34
Bank Korea Branch_Korea_Finance and Insurance Industry	3,547	1.33

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2023	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Grand River D. Limited	\$ 3,537	1.33
Barclays Bank	3,515	1.32
SUNPOWER CONSTRUCTION CO., LTD.	3,509	1.32
European Investment Bank	3,508	1.31
GOLDMAN SACHS GROUP INC	3,492	1.31
FORMOSA HA TINH (CAYMAN) LIMITED	3,425	1.28
CITIGROUP INC	3,410	1.28
FORMOSAN CHEMICAL IND. CORP.	3,398	1.27
International Business Machines Corporation	3,370	1.26
VISA INC	3,369	1.26
CTBC Investments Co., Ltd.	3,364	1.26
Sumitomo Mitsui Financial Group Inc	3,311	1.24
Korea Exchange Bank	3,286	1.23
ASUSTEK COMPUTER INC.	3,272	1.23
SHINHAN Bank	3,229	1.21
LEOFOO DEVELOPMENT CO., LTD.	3,200	1.20
Hotai Finance Co., Ltd.	3,198	1.20
Sumitomo Mitsui Trust Bank Ltd.	3,188	1.19
FORMOSA HA TINH STEE	3,176	1.19
Formosa Petrochemical Corp	3,171	1.19
EVA Air	3,167	1.19
E.SUN COMMERCIAL BANK, LTD.	3,158	1.18
Hua Nan Commercial Bank Ltd.	3,146	1.18
First Financial Holding Co. Ltd.	3,129	1.17
Sumitomo Mitsui Financial Group Inc	3,111	1.17
Government National Mortgage Association	3,103	1.16
Comcast Corporation	3,080	1.15
Shin Kong Financial Holding Co.,Ltd.	3,064	1.15
SAUDI ARABIAN OIL CO	3,051	1.14
Bank Sinopac Company Limited	3,031	1.14
MasterLink Securities Corporation	3,012	1.13
Total	1,105,954	414.52
Same related party:		
Mr. Fang and its related parties	\$ 35,293	13.23
Mr. Jin and its related parties	25,772	9.66
Mr. Lin and its related parties	19,934	7.47
Mr. Chen and its related parties	14,406	5.40
Mr. Li and its related parties	9,702	3.64
Mr. Wang and its related parties	8,039	3.01
Mr. Wu and its related parties	7,721	2.89
Mr. Lin and its related parties	6,417	2.40
Mr. Chen and its related parties	6,067	2.27

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2023	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same related party:		
Mr. Huang and its related parties	\$ 5,983	2.24
Mr. Hsu and its related parties	5,304	1.99
Mr. Hsu and its related parties	5,113	1.92
Mr. Yang and its related parties	4,597	1.72
Mr. Yang and its related parties	4,590	1.72
Mr. Yang and its related parties	3,891	1.46
Mr. Li and its related parties	3,864	1.45
Mr. Chen and its related parties	3,597	1.35
Mr. Hsu and its related parties	3,568	1.34
Mr. Ding and its related parties	3,477	1.30
Mr. Chang and its related parties	3,367	1.26
Mr. Huang and its related parties	3,261	1.22
Mr. Yen and its related parties	3,147	1.18
Mr. Chang and its related parties	3,143	1.18
Mr. Chen and its related parties	3,111	1.17
Mr. Kuo and its related parties	3,067	1.15
Mr. Chang and its related parties	3,043	1.14
Total	199,474	74.76
Same affiliated company:		
Taiwan Semiconductor Group	\$ 47,649	17.86
Formosa Plastic Group	45,005	16.87
Far Eastern Group	28,119	10.54
CTBC Financial Holding Group	21,129	7.92
Taiwan Cement Group	21,065	7.90
Taiwan Stock Exchange	19,468	7.30
China Steel Corporation Group	18,826	7.06
ASE Group	18,654	6.99
Yong Feng Yu Group	17,785	6.67
Uni-President Enterprises Group	17,605	6.60
Cathay Holdings Group	15,693	5.88
Taiwan Cooperative Financial Holding Co., Ltd.	13,807	5.17
Fubon Group	12,106	4.54
Chunghwa Telecom Company, Ltd.	10,401	3.90
Hotai Motor Co., Ltd.	10,400	3.90
PARCO A. G. CORP.	9,858	3.69
Delta Electronics, Inc.	9,732	3.65
Evergreen Group	9,472	3.55
National Australia Bank	9,296	3.48
Quanta Computer Group	9,162	3.43
Shin Kong Group	8,734	3.27
Mega Financial Holdings Group	8,218	3.08
China Development Group	7,629	2.86
Wistron Corporation	7,412	2.78

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2023	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
Commonwealth Bank of Australia	\$ 7,252	2.72
Kinpo Group	7,235	2.71
JPMorgan Chase & Co.	7,120	2.67
First Financial Holdings Group	6,846	2.57
IBF Financial Holdings Group	6,792	2.55
Hua Nan Financial Holdings Group	6,596	2.47
MiTAC-Synnex Group	6,497	2.44
Crédit Agricole Group	6,382	2.39
SINO-AMERICAN SILICON PRODUCTS INC.	6,137	2.30
Westpac Banking Corporation	5,956	2.23
UBS Group AG	5,746	2.15
Aerospace Industrial Development Corp	5,728	2.15
Abu Dhabi Commercial Bank	5,504	2.06
E.SUN Financial Holding Co., Ltd.	5,407	2.03
Mitsubishi UFJ Financial Group, Inc.	5,231	1.96
Four Union Group	5,215	1.95
Union Group	5,214	1.95
Macquarie Group Limited.	4,984	1.87
Taishin Financial Holdings Group	4,842	1.81
Kingtown & Construction Co., Ltd	4,680	1.75
Australia and New Zealand Banking Group Limited	4,655	1.74
Vedan Group	4,616	1.73
Tatung Company	4,608	1.73
Wan Hai Lines (America) Ltd.	4,344	1.63
Sumitomo Mitsui Financial Group	4,226	1.58
Berkshire Hathaway	4,223	1.58
LIEN JADE Construction Group	4,186	1.57
FUYU PROPERTY COMPANY LIMITED	4,025	1.51
WAH LEE INDUSTRIAL CORP.	3,963	1.49
Foxconn Technology Group	3,959	1.48
HIGHWEALTH Group	3,953	1.48
Aurora Group	3,834	1.44
Lealea Group	3,791	1.42
Bank of America Group	3,706	1.39
USI Group	3,625	1.36
ASUS Group	3,525	1.32
BenQ Group	3,436	1.29
United Microelectronics Group	3,377	1.27
Wells Fargo & Company	3,347	1.25
Yulon Group	3,256	1.22
Saudi Arabian Oil Co.	3,114	1.17
	598,358	224.27
	\$ 1,903,786	\$ 713.55

(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
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

(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:		
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
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
Leofoo 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

(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:		
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
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

(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 affiliated company:		
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
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

(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 affiliated company:		
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	245,339	101.23
	\$ 1,331,274	549.33

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

None.

(7) Information for discontinued operations:

None.

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

None.

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

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

(10) Information for private placement securities:

None.

(11) Financial information by business segments

Information by business segments for the six months ended June 30, 2023 is as follows:

(Expressed In Thousands of New Taiwan Dollars)

Item	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 7,674,573	\$ 1,000,793	\$ 804,482	\$ 5,606,999	(\$ 197,423)	\$ 14,889,424
Net non-interest income	4,420,651	21,130,915	960,468	5,776,297	2,954,849	35,243,180
Net profit	12,095,224	22,131,708	1,764,950	11,383,296	2,757,426	50,132,604
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	15,554	(179,484)	1,848	(644)	-	(162,726)
Net change in provisions for insurance liabilities	-	-	-	(8,022,660)	-	(8,022,660)
Operating expenses	(5,937,688)	(14,292,482)	(775,475)	(780,703)	(1,716,544)	(23,502,892)
Net income from continuing operations before income tax	6,173,090	7,659,742	991,323	2,579,289	1,040,882	18,444,326
Income tax expense	(952,339)	(943,087)	(182,459)	(76,165)	(450,745)	(2,604,795)
Consolidated income, net of tax	<u>\$ 5,220,751</u>	<u>\$ 6,716,655</u>	<u>\$ 808,864</u>	<u>\$ 2,503,124</u>	<u>\$ 590,137</u>	<u>\$ 15,839,531</u>

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) reversal of 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>

(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, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 8,446,437	\$ 17,751,466	Payables	\$ 16,514,209	\$ 21,683,935
Financial assets at fair value through other comprehensive income	54,991	49,648	Current income tax liabilities	2,267,769	2,463,894
Receivables - net	1,281,666	3,468,194	Bonds payable	28,500,000	31,200,000
Current income tax assets	2,591,632	-	Liabilities reserve	35,259	37,702
Equity investments accounted for under the equity method - net	301,653,257	276,298,234	Lease liability	108,988	36,871
Property and equipment - net	40,887	45,678	Other liabilities	11,268	6,088
Right-of-use assets - net	105,527	35,186	Total liabilities	47,437,493	55,428,490
Intangible assets - net	14,489	13,413	Equity		
Deferred income tax assets	46,501	78,605	Common stock	125,015,590	121,374,360
Other assets - net	8,418	14,627	Stock dividend to be distributed	1,875,234	3,641,230
			Additional paid-in capital	38,090,889	37,890,734
			Retained earnings		
			Legal reserve	22,561,044	20,481,785
			Special reserve	13,517,403	6,549,234
			Undistributed earnings	68,873,387	63,984,942
			Other equity	(3,127,235)	(11,595,724)
			Total equity	266,806,312	242,326,561
Total assets	\$ 314,243,805	\$ 297,755,051	Total liabilities and equity	\$ 314,243,805	\$ 297,755,051

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

	For the six months ended June 30,	
	2023	2022
Revenues		
Share of the profit or loss of associates and joint ventures accounted for under the equity method	\$ 15,876,306	\$ 12,543,050
Other revenues	67,069	64,419
	<u>15,943,375</u>	<u>12,607,469</u>
Expenses and losses		
Operating expenses	(662,391)	(538,738)
Other expenses and losses	(183,417)	(132,648)
	<u>(845,808)</u>	<u>(671,386)</u>
Income from continuing operations before income tax	15,097,567	11,936,083
Income tax expense	(128,026)	(413,269)
Net income	<u>14,969,541</u>	<u>11,522,814</u>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	(11,329)	3,995
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	(293,572)	(1,325,283)
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	5,694,447	(18,709,057)
Other comprehensive income (loss)	<u>5,389,546</u>	<u>(20,030,345)</u>
Total comprehensive income (loss)	<u>\$ 20,359,087</u>	<u>(\$ 8,507,531)</u>
Earnings per share (in dollars)		
Basic and diluted earnings per share	<u>\$ 1.18</u>	<u>\$ 0.91</u>

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

	Retained Earnings						Other 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	Total equity	
<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	(\$ 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 using 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	<u>\$ 121,374,360</u>	<u>\$ 3,641,230</u>	<u>\$ 37,890,734</u>	<u>\$ 20,481,785</u>	<u>\$ 6,549,234</u>	<u>\$ 63,984,942</u>	<u>(\$ 8,179,748)</u>	<u>\$ 1,759,461</u>	<u>(\$ 47,414)</u>	<u>(\$ 5,128,023)</u>	<u>\$ 242,326,561</u>	
<u>For the six months ended June 30, 2023</u>												
Balance, January 1, 2023	\$ 125,015,590	\$ -	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	\$ 256,368,147	
Appropriation of 2022 earnings												
Legal reserve	-	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	
Special reserve	-	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-	
Cash dividend	-	-	-	-	-	(10,001,247)	-	-	-	-	(10,001,247)	
Stock dividend	-	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	
Net income for the period	-	-	-	-	-	14,969,541	-	-	-	-	14,969,541	
Other comprehensive income (loss) for the period	-	-	-	-	-	(44,585)	(887,953)	2,955,869	174	3,366,041	5,389,546	
Total comprehensive income (loss) for the period	-	-	-	-	-	14,924,956	(887,953)	2,955,869	174	3,366,041	20,359,087	
Changes in equity of associates and joint ventures accounted for under equity method	-	-	80,325	-	-	-	-	-	-	-	80,325	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,593,196	-	(1,593,196)	-	-	-	
Balance, June 30, 2023	<u>\$ 125,015,590</u>	<u>\$ 1,875,234</u>	<u>\$ 38,090,889</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 68,873,387</u>	<u>(\$ 7,007,857)</u>	<u>\$ 5,808,212</u>	<u>(\$ 51,044)</u>	<u>(\$ 1,876,546)</u>	<u>\$ 266,806,312</u>	

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

	For the six months ended June 30,	
	2023	2022
Cash Flows From Operating Activities		
Profit before tax	\$ 15,097,567	\$ 11,936,083
Adjustment items		
Income and expense item		
Depreciation	31,133	30,368
Amortisation	2,613	1,996
Interest expense	183,203	132,604
Interest income	(46,328)	(5,755)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(15,876,306)	(12,543,050)
Gain on lease modification	-	(2)
Intangible assets transferred to expense	-	126
Changes in operating assets and liabilities		
Decrease (increase) in receivables	13,406	(3,792)
Decrease (increase) in other assets	1,740	(2,620)
Decrease in payables	(120,661)	(458,699)
Increase in liabilities reserve	190	74
Increase in other liabilities	1,118	672
Interest received	48,946	3,998
Dividend received	10,455,926	15,450,225
Interest paid	(158,895)	(113,547)
Income tax refund	330,894	1,014
Net cash flows generated from operating activities	<u>9,964,546</u>	<u>14,429,695</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(4,134)	(7,386)
Acquisition of intangible assets	-	(1,031)
Acquisition of right-of-use assets	-	(27)
Net cash flows used in investing activities	<u>(4,134)</u>	<u>(8,444)</u>
Cash Flows From Financing Activities		
Decrease in commercial paper payable	-	(2,789,000)
Proceeds from issuance of bonds	-	5,300,000
Repayments of bonds	(8,000,000)	-
Principal payment for lease liabilities	(22,630)	(22,043)
Net cash flows (used in) generated from financing activities	<u>(8,022,630)</u>	<u>2,488,957</u>
Net increase in cash and cash equivalents	1,937,782	16,910,208
Cash and cash equivalents at beginning of period	<u>6,508,655</u>	<u>841,258</u>
Cash and cash equivalents at end of period	<u>\$ 8,446,437</u>	<u>\$ 17,751,466</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 8,446,437	\$ 17,751,466
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>\$ 8,446,437</u>	<u>\$ 17,751,466</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank

Individual Balance Sheets

June 30, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 19,894,854	\$ 17,379,584	Deposits from Central Bank and other banks	\$ 9,082,076	\$ 18,026,366
Due from Central Bank and call loans to other banks	78,899,298	74,463,160	Financial liabilities at fair value through profit or loss	3,850,612	3,312,625
Financial assets at fair value through profit or loss	136,896,818	105,836,022	Bills and bonds payable under repurchase agreement	29,199,692	4,351,897
Financial assets at fair value through other comprehensive income	206,514,377	225,764,901	Payables	10,033,033	10,848,731
Investments in debt instruments at amortised cost	258,285,679	265,693,234	Current income tax liabilities	1,069,490	738,832
Investments in bills and bonds under resale agreements	38,830,557	7,825,786	Deposits and remittances	1,583,764,277	1,470,785,503
Receivables- net	24,028,531	23,524,231	Bank debentures payable	28,700,000	22,200,000
Current income tax assets	99,119	99,119	Other financial liabilities	2,439,755	2,609,245
Assets held for sale- net	80,998	138,384	Liabilities reserve	705,027	895,879
Bills discounted and loans- net	988,200,146	886,777,521	Lease liabilities	2,346,917	2,368,532
Equity investments accounted for under the equity method- net	4,910,615	4,615,964	Deferred income tax liabilities	746,484	638,546
Other financial assets- net	2,954	4,694	Other liabilities	2,986,026	2,776,438
Property and equipment- net	15,368,238	13,797,185	Total liabilities	1,674,923,389	1,539,552,594
Right-of-use assets- net	9,932,770	10,077,473			
Investment property- net	944,616	949,366	Common stock	73,940,390	73,940,390
Intangible assets- net	8,637,234	8,899,294	Additional paid-in capital	25,960,441	25,960,441
Deferred income tax assets	919,947	883,539	Retained earnings	31,544,232	21,719,371
Other assets - net	2,417,421	2,208,533	Other equity	(11,504,280)	(12,234,806)
Total assets	<u>\$ 1,794,864,172</u>	<u>\$ 1,648,937,990</u>	Total equity	<u>119,940,783</u>	<u>109,385,396</u>
			Total liabilities and equity	<u>\$ 1,794,864,172</u>	<u>\$ 1,648,937,990</u>

Yuanta Commercial Bank

Individual Condensed Statements of Comprehensive Income

For the six months ended June 30, 2023 and 2022

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

	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Interest income	\$ 15,363,344	127	\$ 9,204,691	100
Less: Interest expense	(8,520,134)	(70)	(2,557,923)	(28)
Net interest income	6,843,210	57	6,646,768	72
Net non-interest income	5,244,320	43	2,571,892	28
Net profit	12,087,530	100	9,218,660	100
Reversal of (provision for) bad debt expenses, commitment and guarantee policy reserve	47,783	- (	102,514)	(1)
Operating expenses	(5,940,364)	(49)	(5,441,291)	(59)
Income from continuing operations before income tax	6,194,949	51	3,674,855	40
Income tax expense	(948,684)	(8)	(561,398)	(6)
Net income	5,246,265	43	3,113,457	34
Other comprehensive income (loss) (net of tax)	2,814,561	24	(11,748,576)	(128)
Total comprehensive income (loss)	<u>\$ 8,060,826</u>	<u>67</u>	<u>\$ 8,635,119)</u>	<u>(94)</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.71</u>		<u>\$ 0.42</u>	

(B) Yuanta Securities

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 419,331,659	\$ 351,919,052	Current liabilities	\$ 352,133,860	\$ 285,011,261
Financial assets at fair value through profit or loss-non-current	-	50,537	Bonds payable	23,500,000	23,500,000
Financial assets at fair value through other comprehensive income-non-current	12,444,542	11,828,075	Liabilities reserve- non-current	64,806	63,993
Equity investments accounted for under the equity method	57,487,963	50,112,815	Lease liabilities- non-current	432,290	497,977
Property and equipment	5,316,779	5,245,997	Deferred income tax liabilities	1,493,984	1,460,656
Right-of-use assets	692,238	746,192	Other non-current liabilities	1,086,128	2,125,830
Investment property	1,949,899	2,091,192	Total liabilities	378,711,068	312,659,717
Intangible assets	11,574,551	11,575,235	Common stock	65,924,526	59,820,321
Deferred income tax assets	572,951	958,134	Stock dividend to be distributed	-	6,104,205
Other non-current assets	2,534,653	2,356,504	Additional paid-in capital	1,185,380	985,225
Total assets	\$ 511,905,235	\$ 436,883,733	Retained earnings	53,142,221	48,688,964
			Other equity	12,942,040	8,625,301
			Total equity	133,194,167	124,224,016
			Total liabilities and equity	\$ 511,905,235	\$ 436,883,733

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 16,568,099	100	\$ 15,895,065	100
Service fee expense	(591,617)	(4)	(649,047)	(4)
Employee benefit expense	(4,651,180)	(28)	(4,250,056)	(27)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	1,404,597	8	1,065,257	7
Operating expenses	(5,045,947)	(30)	(4,413,151)	(28)
Income from continuing operations before income tax	7,683,952	46	7,648,068	48
Income tax expense	(545,630)	(3)	(1,082,643)	(7)
Net income	7,138,322	43	6,565,425	41
Other comprehensive loss (net of tax)	(1,270,996)	(8)	(999,762)	(6)
Total comprehensive income	\$ 5,867,326	35	\$ 5,565,663	35
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$ 1.08		\$ 1.00	

(C) Yuanta Securities (Korea)

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 46,282,839	\$ 54,195,338	Current liabilities	\$ 128,577,911	\$ 145,759,298
Financial assets at fair value			Bonds payable	146,928,718	127,851,583
through profit or loss-non-current	205,306,268	200,405,399	Liabilities reserve- non-current	4,575,159	3,681,120
Financial assets at fair value through			Lease liabilities- non-current	476,241	655,542
other comprehensive income			Other non-current liabilities	21,307,472	16,523,323
-non-current	9,420,202	6,156,270	Total liabilities	301,865,501	294,470,866
Equity investments accounted for					
under the equity method	2,384,015	2,302,774			
Property and equipment	1,108,277	1,024,717			
Right-of-use assets	505,059	685,837	Common stock	25,053,723	24,324,818
Investment property	1,064,554	1,174,553	Additional paid-in capital	(1,335,283)	(1,290,136)
Intangible assets	977,035	826,012	Retained earnings	8,548,278	7,871,808
Deferred income tax assets	860,244	738,037	Other equity	3,417,744	3,507,325
Other non-current assets	69,641,470	61,375,744	Total equity	35,684,462	34,413,815
Total assets	\$ 337,549,963	\$ 328,884,681	Total liabilities and equity	\$ 337,549,963	\$ 328,884,681

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, 2023 and 2022

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 33,793,958	100	\$ 31,095,190	100
Service fee expense	(192,333)	(1)	(192,633)	(1)
Employee benefit expense	(2,820,749)	(8)	(2,625,598)	(8)
Operating expenses	(30,086,023)	(89)	(27,632,197)	(89)
Income from continuing operations before income tax	694,853	2	644,762	2
Income tax expense	(162,355)	-	(196,161)	(1)
Net income	532,498	2	448,601	1
Other comprehensive income (net of tax)	180,335	-	927,036	3
Total comprehensive income	\$ 712,833	2	\$ 1,375,637	4
Earnings per share (in dollars)				
Basic earnings per share - ordinary share	\$ 2.60		\$ 2.19	
Diluted earnings per share - ordinary share	\$ 2.60		\$ 2.19	
Basic earnings per share - preferred share	\$ 2.60		\$ 2.19	
Diluted earnings per share - preferred share	\$ 2.60		\$ 2.19	

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, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 99,750,532	\$ 114,571,015	Current liabilities	\$ 89,718,948	\$ 105,651,079
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,668,354	1,703,801
-non-current	2,054,631	2,006,866	Total liabilities	91,387,302	107,354,880
Equity investments accounted for under the equity method	1,258,848	1,185,031			
Property and equipment	627,064	663,977	Common stock	2,899,763	2,899,763
Right-of-use assets	93,218	127,628	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	65,072	78,704	Retained earnings	5,502,169	4,561,333
Deferred income tax assets	28,295	31,574	Other equity	1,762,800	1,509,006
Other non-current assets	744,858	730,671	Total equity	13,235,216	12,040,586
Total assets	<u>\$ 104,622,518</u>	<u>\$ 119,395,466</u>	Total liabilities and equity	<u>\$ 104,622,518</u>	<u>\$ 119,395,466</u>

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 1,598,961	100	\$ 1,959,144	100
Service fee expense	(273,800)	(17)	(405,093)	(21)
Employee benefit expense	(414,977)	(26)	(347,056)	(18)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	31,008	2	(25,126)	(1)
Operating expenses	<u>171,150</u>	<u>10</u>	<u>(621,076)</u>	<u>(31)</u>
Income from continuing operations before income tax	1,112,342	69	560,793	29
Income tax expense	(182,459)	(11)	(108,719)	(6)
Net income	929,883	58	452,074	23
Other comprehensive income (loss) (net of tax)	<u>159,425</u>	<u>10</u>	<u>(94,441)</u>	<u>(5)</u>
Total comprehensive income	<u>\$ 1,089,308</u>	<u>68</u>	<u>\$ 357,633</u>	<u>18</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 3.21</u>		<u>\$ 1.56</u>	

(E) Yuanta Life

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 6,847,325	\$ 13,724,501	Payables	\$ 1,156,508	\$ 2,143,916
Receivables	4,376,729	2,985,163	Current income tax liabilities	30,829	30,829
Current income tax assets	5,382,887	2,452,721	Financial liabilities at fair value through profit or loss	3,676,576	6,161,866
Financial assets at fair value through profit or loss	35,122,923	37,874,759	Insurance liabilities	356,135,098	338,066,943
Financial assets at fair value through other comprehensive income	25,460,506	24,140,482	Reserve for insurance contract with the nature of financial products	185,964	133,117
Financial assets at amortised cost	290,570,926	265,190,199	Foreign exchange reserve	4,018,654	2,877,397
Other financial assets	749,080	-	Liabilities reserve	50,905	69,605
Right-of-use assets	220,149	286,782	Lease liabilities	1,041,404	1,107,083
Investment property	13,415,509	12,531,532	Deferred income tax liabilities	1,961,315	287,215
Loans	7,697,361	7,332,059	Other liabilities	2,047,427	1,809,174
Reinsurance contract assets	1,296,511	1,510,758	Investment-linked insurance products liabilities	31,533,342	32,945,654
Property and equipment	76,411	52,827	Total liabilities	401,838,022	385,632,799
Intangible assets	145,594	105,691	Common stock	23,735,695	23,735,695
Deferred income tax assets	1,167,747	1,811,688	Retained earnings	8,725,070	7,864,530
Other assets	6,019,822	6,832,752	Other equity	(4,215,965)	(7,455,456)
Investment-linked insurance products assets	31,533,342	32,945,654	Total equity	28,244,800	24,144,769
Total assets	<u>\$ 430,082,822</u>	<u>\$ 409,777,568</u>	Total liabilities and equity	<u>\$ 430,082,822</u>	<u>\$ 409,777,568</u>

Yuanta Life

Individual Condensed Statements of Comprehensive Income

For the six months ended June 30, 2023 and 2022

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 24,603,745	100	\$ 29,108,939	100
Operating costs	(22,095,145)	(90)	(25,691,599)	(88)
Operating expenses	(811,202)	(3)	(791,470)	(3)
Net operating income	1,697,398	7	2,625,870	9
Non-operating revenues and expenses	(1,490)	-	(1,153)	-
Income from continuing operations before income tax	1,695,908	7	2,624,717	9
Income tax expense	(76,165)	-	(482,954)	(1)
Net income	1,619,743	7	2,141,763	8
Other comprehensive income (loss) (net of tax)	3,771,553	15	(7,231,860)	(25)
Total comprehensive income (loss)	<u>\$ 5,391,296</u>	<u>22</u>	<u>(\$ 5,090,097)</u>	<u>(17)</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.68</u>		<u>\$ 0.90</u>	

(F) Yuanta Securities Investment Trust

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 4,674,788	\$ 5,652,829	Current liabilities	\$ 786,271	\$ 2,290,273
Financial assets at fair value through other comprehensive income	359,186	346,980	Deferred income tax liabilities	158,888	159,411
Equity investments accounted for under the equity method	340,131	338,326	Lease liability- non-current	15,134	28,592
Property and equipment	293,312	308,278	Other non-current liabilities	32,802	32,160
Intangible assets	768,551	768,551	Total liabilities	993,095	2,510,436
Prepaid pension cost	30,404	31,218	Common stock	2,269,235	2,269,235
Deferred income tax assets	498	534	Additional paid-in capital	296,729	296,729
Right-of-use assets	27,765	41,280	Retained earnings	2,885,283	2,359,139
Other non-current assets	84,897	73,683	Other equity	135,190	126,140
Total assets	<u>\$ 6,579,532</u>	<u>\$ 7,561,679</u>	Total equity	<u>5,586,437</u>	<u>5,051,243</u>
			Total liabilities and equity	<u>\$ 6,579,532</u>	<u>\$ 7,561,679</u>

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 2,343,625	100	\$ 1,938,628	100
Operating expenses	(932,998)	(40)	(700,386)	(36)
Operating income	1,410,627	60	1,238,242	64
Non-operating revenues and expenses	46,356	2	(150,810)	(8)
Income from continuing operations before income tax	1,456,983	62	1,087,432	56
Income tax expense	(288,329)	(12)	(247,006)	(13)
Net income	1,168,654	50	840,426	43
Other comprehensive (loss) income (net of tax)	(25,641)	(1)	20,075	-
Total comprehensive income	<u>\$ 1,143,013</u>	<u>49</u>	<u>\$ 860,501</u>	<u>43</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 5.15</u>		<u>\$ 3.70</u>	

(G) Yuanta Asset Management

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 2,918,998	\$ 2,830,510	Current liabilities	\$ 88,140	\$ 66,289
Financial assets at fair value through other comprehensive income	46,141	37,166	Non-current liabilities	18,548	19,120
Property and equipment	6,256	8,125	Total liabilities	106,688	85,409
Right-of-use assets	9,293	13,275	Common stock	3,346,138	3,346,138
Investment property	1,087,603	1,127,237	Additional paid-in capital	1,047	1,047
Deferred income tax assets	3,726	3,026	Retained earnings	590,864	568,461
Other non-current assets	831	853	Other equity	28,111	19,137
Total assets	<u>\$ 4,072,848</u>	<u>\$ 4,020,192</u>	Total equity	<u>3,966,160</u>	<u>3,934,783</u>
			Total liabilities and equity	<u>\$ 4,072,848</u>	<u>\$ 4,020,192</u>

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 210,906	100	\$ 212,853	100
Operating expenses	(135,256)	(64)	(111,492)	(52)
Operating income	75,650	36	101,361	48
Non-operating revenues and expenses	6,929	3	(26,330)	(12)
Income from continuing operations before income tax	82,579	39	75,031	36
Income tax expense	(16,392)	(7)	(18,610)	(9)
Net income	66,187	32	56,421	27
Other comprehensive loss (net of tax)	(1,725)	(1)	(2,675)	(1)
Total comprehensive income	<u>\$ 64,462</u>	<u>31</u>	<u>\$ 53,746</u>	<u>26</u>

(H) Yuanta Venture Capital

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 2,082,472	\$ 2,587,489	Current liabilities	\$ 152,165	\$ 900,083
Financial assets at fair value through other comprehensive income	57,742	70,240	Lease liability- non-current	5,203	-
Equity investments accounted for under the equity method	998,666	860,970	Other non-current liabilities	6,700	4,700
Property and equipment	750	2,367	Total liabilities	164,068	904,783
Right-of-use assets	8,968	1,257	Common stock	2,715,220	2,715,220
Deferred income tax assets	72,780	46,558	Additional paid-in capital	918	918
Other non-current assets	644	635	(accumulated deficit)	274,764	(125,991)
Total assets	<u>\$ 3,222,022</u>	<u>\$ 3,569,516</u>	Other equity	67,052	74,586
			Total equity	3,057,954	2,664,733
			Total liabilities and equity	<u>\$ 3,222,022</u>	<u>\$ 3,569,516</u>

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 389,543	100	(\$ 272,997)	(100)
Operating expenses	(77,554)	(20)	2,971	1
Operating income (loss)	311,989	80	(270,026)	(99)
Non-operating revenues and expenses	3,793	1	1,663	1
Income (loss) from continuing operations before income tax	315,782	81	(268,363)	(98)
Income tax expense	(6,658)	(2)	(20,541)	(8)
Net income (loss)	309,124	79	(288,904)	(106)
Other comprehensive loss (net of tax)	986	-	(3,881)	-
Total comprehensive income (loss)	<u>\$ 310,110</u>	<u>79</u>	<u>(\$ 292,785)</u>	<u>(106)</u>

(I) Yuanta Securities Investment Consulting

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

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023	June 30, 2022	LIABILITIES AND EQUITY	June 30, 2023	June 30, 2022
Current assets	\$ 201,759	\$ 193,104	Current liabilities	\$ 104,038	\$ 77,055
Property and equipment	13,575	13,291	Non-current liabilities	19,581	29,682
Right-of-use assets	17,633	22,173	Total liabilities	123,619	106,737
Intangible assets	9,856	789	Common stock	100,000	100,000
Deferred income tax assets	11,313	3,895	Additional paid-in capital	6,017	6,017
Other non-current assets	9,463	13,219	Retained earnings	33,963	33,717
			Total equity	139,980	139,734
Total assets	<u>\$ 263,599</u>	<u>\$ 246,471</u>	Total liabilities and equity	<u>\$ 263,599</u>	<u>\$ 246,471</u>

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

Item	For the six months ended June 30,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 120,850	100	\$ 130,845	100
Operating costs	(506)	(1)	(584)	-
Operating expenses	(118,461)	(98)	(126,818)	(97)
Operating income	1,883	1	3,443	3
Non-operating revenues and expenses	943	1	507	-
Income from continuing operations before income tax	2,826	2	3,950	3
Income tax expense	(551)	-	(696)	(1)
Net income	2,275	2	3,254	2
Total comprehensive income	<u>\$ 2,275</u>	<u>2</u>	<u>\$ 3,254</u>	<u>2</u>

(13) Profitability, asset quality, management information, and liquidity and market risk sensitivity of the Yuanta Group and its subsidiaries:

A. Profitability

(A) Yuanta Financial Holdings

Unit: %

		For the six months ended June 30,	
		2023	2022
Return on total assets	Before tax	4.91	3.95
	After tax	4.86	3.81
Return on equity	Before tax	5.77	4.67
	After tax	5.72	4.51
Net profit margin ratio		94.98	92.37

(B) Yuanta Financial Holdings and its subsidiaries

		For the six months ended June 30,	
		2023	2022
Return on total assets	Before tax	0.59	0.51
	After tax	0.51	0.41
Return on equity	Before tax	6.53	5.61
	After tax	5.61	4.42
Net profit margin ratio		31.60	24.20

(C) Yuanta Bank

		For the six months ended June 30,	
		2023	2022
Return on total assets	Before tax	0.35	0.22
	After tax	0.30	0.19
Return on equity	Before tax	5.34	3.16
	After tax	4.53	2.68
Net profit margin ratio		43.40	33.77

(D) Yuanta Securities

		For the six months ended June 30,	
		2023	2022
Return on total assets	Before tax	1.63	1.57
	After tax	1.52	1.35
Return on equity	Before tax	5.71	6.05
	After tax	5.31	5.19
Net profit margin ratio		41.07	40.25

(E) Yuanta Life

		For the six months ended June 30,	
		2023	2022
Return on total assets	Before tax	0.40	0.66
	After tax	0.38	0.54
Return on equity	Before tax	6.64	9.83
	After tax	6.34	8.02
Net profit margin ratio		64.61	62.69

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, 2023					June 30, 2022					
Business / Items		Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio	Amount of non-performing loans	Gross loans	Non-performing loan ratio	Allowance for doubtful accounts	Coverage ratio	
Corporate banking	Secured loans	144,937	256,839,469	0.06%	3,777,537	2,606.33%	433,892	247,623,949	0.18%	3,299,188	760.37%	
	Unsecured loans	81,614	257,300,910	0.03%	3,744,241	4,587.74%	178,478	193,578,236	0.09%	3,469,589	1,943.99%	
Consumer banking	Residential mortgage loans	46,307	273,568,512	0.02%	4,101,856	8,857.96%	123,373	269,030,076	0.05%	4,051,052	3,283.58%	
	Cash card services	-	16,642	-	368	-	-	26,050	-	521	-	
	Small amount of credit loans	11,422	18,358,721	0.06%	199,183	1,743.85%	4,193	14,033,025	0.03%	153,518	3,661.29%	
	Others	Secured loans	82,336	204,723,948	0.04%	2,136,532	2,594.89%	142,650	186,459,709	0.08%	1,946,308	1,364.39%
		Unsecured loans	1,166	4,031,995	0.03%	41,217	3,534.91%	993	3,040,830	0.03%	31,110	3,132.93%
Gross loan business		367,782	1,014,840,197	0.04%	14,000,934	3,806.86%	883,579	913,791,875	0.10%	12,951,286	1,465.78%	

Month / Year		June 30, 2023					June 30, 2022				
		Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio	Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services		7,330	9,494,415	0.08%	106,916	1,458.61%	5,786	7,629,143	0.08%	110,857	1,915.95%
Without recourse factoring		-	6,299,080	-	66,950	-	-	8,939,038	-	103,950	-

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, 2023		June 30, 2022	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Amounts exempted from reporting to the competent authority under debt negotiation (Note 1)	14,304	12,749	25,897	17,880
Perform in accordance with debt liquidation program and restructuring program (Note 2)	567,465	265,580	691,571	296,385
Total	581,769	278,329	717,468	314,265

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

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

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

Unit: In thousands of NT Dollars, %

June 30, 2023			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Property Insurance	\$ 10,184,963	8.49
2	Group B–Real Estate Development	9,858,220	8.22
3	Group C–Convenience Store	9,489,875	7.91
4	Group D–Packaging and Testing of Semi-conductors	8,200,870	6.84
5	Group E–Financial Holding Companies	8,103,260	6.76
6	Group F–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	6,302,456	5.25
7	Group G–Financial Holding Companies	6,100,000	5.09
8	Group H–Quarrying of Stone and Sand and Other Mining	5,908,100	4.93
9	Group I–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.59
10	Company J–Manufacture of Other Computer Peripheral Equipment	4,100,000	3.42

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

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

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(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

	Total	0 ~ 10 days	11 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	1,633,598,142	244,242,985	168,061,274	202,808,875	89,965,319	172,734,270	755,785,419
Primary funds outflow upon maturity	1,932,919,082	63,373,802	161,972,135	250,441,703	250,118,951	372,604,802	834,407,689
Gap	(299,320,940)	180,869,183	6,089,139	(47,632,828)	(160,153,632)	(199,870,532)	(78,622,270)

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

b. Structure analysis of time to maturity (USD)

June 30, 2023

(Expressed in Thousands of US Dollars)

	Total	0 ~ 30 days	31 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year
Primary funds inflow upon maturity	6,473,916	2,071,134	505,344	315,486	231,797	3,350,155
Primary funds outflow upon maturity	7,975,273	2,271,642	1,820,423	1,369,226	1,579,416	934,566
Gap	(1,501,357)	(200,508)	(1,315,079)	(1,053,740)	(1,347,619)	2,415,589

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

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

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

June 30, 2023

(Expressed in Thousands of New Taiwan Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	1,090,753,943	68,656,634	51,879,823	246,280,413	1,457,570,813
Interest-rate-sensitive liabilities	439,917,683	843,231,813	100,089,268	33,504,669	1,416,743,433
Interest-rate-sensitive gap	650,836,260	(774,575,179)	(48,209,445)	212,775,744	40,827,380
Total equity					130,052,332
Ratio of interest-rate-sensitive assets to liabilities					102.88
Ratio of interest-rate-sensitive gap to equity					31.39

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

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, 2023

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	2,993,740	294,458	125,411	2,556,469	5,970,078
Interest-rate-sensitive liabilities	3,334,295	850,008	1,139,503	1,010,923	6,334,729
Interest-rate-sensitive gap	(340,555)	(555,550)	(1,014,092)	1,545,546	(364,651)
Total equity					(296,460)
Ratio of interest-rate-sensitive assets to liabilities					94.24
Ratio of interest-rate-sensitive gap to equity					123.00

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

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, 2023	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	\$ 729,046 (Note)	-	\$ -	-	\$ -	\$ -

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

- E. Information regarding selling non-performing loans: None.
- F. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.
- G. Other material transaction items which were significant to the users of the financial statements: None.

(2) Supplementary disclosure regarding investee companies:

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Total										
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	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	\$ 133,618,204	\$ 7,138,049	6,592,453	-	6,592,453	100
"	Yuanta Commercial Bank Co., Ltd.	"	Banking	100	119,969,109	5,217,115	7,394,039	-	7,394,039	100
"	Yuanta Futures Co., Ltd.	"	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	9,327,999	615,566	192,167	-	192,167	66.27
"	Yuanta Life Co., Ltd.	"	Life insurance business	100	25,605,010	1,654,872	2,373,570	-	2,373,570	100
"	Yuanta Asset Management Co., Ltd.	"	Venture capital business	100	3,893,842	66,187	334,614	-	334,614	100
"	Yuanta Venture Capital Co., Ltd.	"	Management of monetary debts of financial institutions	100	3,057,954	309,123	271,522	-	271,522	100
"	Yuanta Securities Investment Consulting Co., Ltd.	"	Investment consulting on securities	100	139,980	2,275	10,000	-	10,000	100
"	Yuanta Securities Investment Trust Co., Ltd.	"	Investment trust	74.71	6,041,159	873,119	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	104,856	-	10,000	-	10,000	100
"	Yuanta Savings Bank (Philippines)	Philippines	Deposit services	100	1,124,919	-	2,400,000	-	2,400,000	100
"	Yuanta Savings Bank (Korea)	Korea	Deposit services	100	3,680,840	-	13,516	-	13,516	100

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Total										
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	Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities Co., Ltd.	Yuanta Securities Asia Financial Services Limited	Singapore	Investment holding	100	\$ 43,068,841	\$ -	390,909	-	390,909	100
"	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance agent	100	101,513	-	500	-	500	100
"	Yuanta Securities Finance Co., Ltd.	"	Margin loans and short sales of securities	100	14,320,482	-	400,000	-	400,000	100
"	Yuanta Asset Management (Singapore)	Singapore	-	100	(2,873)	-	-	-	-	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	8,528,458	-	2,268,133	-	2,268,133	100
"	Yuanta Asia Investment (Hong Kong) Ltd.	"	Securities trading and providing assets management services	100	1,481,136	-	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	58.19	21,479,083	-	116,147	-	116,147	58.19

(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	\$ 40,632	\$ -	74	-	74	100
"	Yuanta Securities (Thailand) Co., Ltd.	Thailand	Security brokerage, proprietary trading, underwriting, and investment consulting; mutual fund management; private fund management; security borrowing; venture capital fund management; derivative product brokerage,	99.99	5,791,079	-	450,000	-	450,000	99.99
"	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	proprietary trading, Brokerage, dealing, underwriting, Securities investment consulting Derivatives product	94.10	3,906,009	-	-	-	-	100
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Investment	100	1,325,802	-	6,401	-	6,401	100
"	Yuanta Financial (Hong Kong) Limited	Hong Kong	Investment holding	100	408,479	-	18,954	-	18,954	100
"	Woori Asset Management Corp.	Korea	Asset management	27	795,366	-	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	385,029	-	12,500	-	12,500	100

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Total										
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	Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities (Hong Kong) Limited	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Solicitation of financial products, proprietary investment	100	\$ 237,471	\$ -	50,000	-	50,000	100
"	Yuanta Finance (Hong Kong) Ltd.	"	Credit loans	100	238,855	-	50,000	-	50,000	100
"	Yuanta Securities (Vietnam) Co., Ltd.	Vietnam	Brokerage, dealing, underwriting, Securities investment	5.90	249,740	-	-	-	-	100
"	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	567,750	-	474	-	474	99
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital business	100	998,666	-	85,000	-	85,000	100
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	967,721	-	34,000	-	34,000	100
"	SYF Information Limited	R.O.C	Information software and data processing services	100	292,153	-	35,000	-	35,000	100
"	Yuanta Global (Singapore) Pte. Ltd.(Note3)	Singapore	Applying	100	(1,026)	-	-	-	-	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: The case concerning Yuanta Securities Co., Ltd. applying for reinvesting established Yuanta Capital had been approved by the FSC, Jin-Guan-Cheng-Quan-Zi Letter No.1100351895 on November 4, 2021. Currently, the case is temporarily suspended in response to the circumstance changes and strategic adjustments.

Note 3: Yuanta Future's investment in incorporating Yuanta Global (Singapore) Pte. Ltd. has been approved by the FSC through Gin-Gwen-Zheng-Qi Letter No.1110357536 on October 20, 2022, as well as approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) through Jing-Shen-Er-Zi Letter No.11100198340 on December 26, 2022. The case was approved by the Singapore Accounting and Corporate Regulatory Authority (ACRA) on November 23, 2022, and the incorporation registration has been completed.

(3) Significant transactions regarding investee companies

- A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities Industry. Not applicable for all the other subsidiaries and indirect subsidiaries.
- B. Information on the acquisition of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- C. Information on the disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.
- D. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.
- E. Information regarding receivables from related parties for which the amount exceeding \$300 million or 10% of Company's paid-in capital:

Creditor	Counterparty	Relationship	Accounts receivable from related party as of June 30, 2023	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Life	The Company	Parent Company	\$ 5,366,854 (Note)	-	\$ -	-	\$ 143	\$ -
Yuanta Securities	Yuanta/P-shares Taiwan Top 50 ETF	Affiliated company	383,891	-	-	-	383,891	-

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

F. Information regarding selling non-performing loans:

Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	2023/4/26	KACMO	Loans and Advance	\$ 2	\$ 8	\$ 6	None	None	Note1
Yuanta Savings Bank (Korea)	2023/5/26	KACMO	Loans and Advance	\$ 10	\$ 6	(\$ 4)	None	None	Note2
Yuanta Savings Bank (Korea)	2023/6/28	KACMO	Loans and Advance	\$ 2	\$ 3	\$ 1	None	None	Note3
Yuanta Savings Bank (Korea)	2023/6/28	ICL Loan Coporation	Loans and Advance	\$ 10,809	\$ 14,850	\$ 4,041	None	None	Note4

Note1: The carrying amount and the sale price of the loan was KRW106 thousand and KRW360 thousand, using the exchange rate of 1 KRW to 0.023612 NTD.

Note2: The carrying amount and the sale price of the loan was KRW423 thousand and KRW255 thousand, using the exchange rate of 1 KRW to 0.023612 NTD.

Note3: The carrying amount and the sale price of the loan was KRW75 thousand and KRW135 thousand, using the exchange rate of 1 KRW to 0.023612 NTD.

Note4: The carrying amount and the sale price of the loan was KRW457,787 thousand and KRW628,902 thousand, using the exchange rate of 1 KRW to 0.023612 NTD.

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

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

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

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	\$ 1,245,400	\$ 1,027,455	\$ 622,700	4.00%	Short-term loans	\$ -	Fulfill operating cost and working capital	\$ -	-	\$ -	\$ 43,088,831 (Note 1)	\$ 43,088,831 (Note 1)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,556,750	1,556,750	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	43,088,831 (Note 1)	43,088,831 (Note 1)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,490,800	2,490,800	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	43,088,831 (Note 1)	43,088,831 (Note 1)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	934,050	934,050	-	-	Short-term loans	-	Working capital	-	-	-	43,088,831 (Note 1)	43,088,831 (Note 1)
5	Yuanta Securities Asia Finance Service	Yuanta Securities Korea Co., Ltd.	Accounts receivable-related party	Yes	2,179,450	2,179,450	-	-	Short-term loans	-	Working capital	-	-	-	43,088,831 (Note 1)	43,088,831 (Note 1)

Note 1: The ceiling on total loans granted and limit to loans granted to a single party by Yuanta Securities Asia Financial Services should not exceed the net worth of its latest audited/reviewed financial statements.

Note 2: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 dated December 2, 2020 of the FSC in Taiwan and has obtained the approval of the Securities and Futures Commission in Hong Kong on July 27, 2021.

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, 2023	Ending balance of endorsement and guarantee	Actual used amount	Property-backed endorsement and guarantee	The ratio of accumulated endorsement and guarantee amount and the net value of the latest financial statement	Maximum limit	Provision of endorsements and guarantees by parent company to subsidiary	Provision of endorsements and guarantees by subsidiary to parent company	Provision of endorsements and guarantees to the party in Mainland China	Note
		Name of company	Relationship											
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	\$ 26,638,834 (Note 1)	\$ 108,973	\$ 108,973	\$ 103,783	\$ -	0.08%	\$ 53,277,667 (Note 1)	Yes	No	No	
2	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	26,638,834 (Note 1)	1,556,750	1,556,750	43,589	-	1.71%	53,277,667 (Note 1)	Yes	No	No	
3	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	43,088,831 (Note 3)	1,297,220	1,297,220	-	-	3.01%	43,088,831 (Note 3)	Yes	No	No	
4	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	43,088,831 (Note 3)	456,740	301,065	217,945	-	0.70%	43,088,831 (Note 3)	Yes	No	No	
5	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	43,088,831 (Note 3)	886,900	422,720	26,420	-	0.98%	43,088,831 (Note 3)	Yes	No	No	

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

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

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

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

L. Securities held at the end of period:

(Expressed in Thousands of New Taiwan Dollars)								
June 30, 2023								
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta/P-shares Taiwan Top 50 ETF	The managing company of the fund	Financial assets at fair value through profit or loss	32	\$ 4,096	-	\$ 4,096	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	7	491	-	491	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	22	1,451	-	1,451	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	19	437	-	437	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	33	1,064	-	1,064	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	26	467	-	467	
	Yuanta S&P500	"	"	9	379	-	379	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	20	388	-	388	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	15	912	-	912	
	Yuanta/P-shares SSE50 ETF	"	"	19	536	-	536	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	9	216	-	216	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	2	25	-	25	
	Yuanta EURO STOXX 50 ETF	"	"	9	286	-	286	
	Yuanta Nikkei 225 ETF	"	"	2	76	-	76	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	2	69	-	69	
	Yuanta S&P US Dollar ER Futures ETF	"	"	2	33	-	33	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	8	303	-	303	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	8	351	-	351	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	1	26	-	26	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	10	359	-	359	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	-	2	-	2	
	Yuanta DJCI Silver ER Futures ETF	"	"	1	29	-	29	
	Yuanta MSCI China A ETF	"	"	11	229	-	229	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	11	379	-	379	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	8	347	-	347	

				June 30, 2023				
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Securities Investment Trust	Beneficiary certificates:							
	Yuanta S&P U.S. High Yield Preferred Stock ETF	The managing company of the fund	Financial assets at fair value through profit or loss	1	\$ 21	-	\$ 21	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	6	189	-	189	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	451	-	451	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	6	190	-	190	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	11	380	-	380	
	Yuanta Global NextGen Communications ETF	"	"	19	585	-	585	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	2	53	-	53	
	Yuanta Global 5G & NexGen Telecommunication Components ETF	"	"	22	659	-	659	
	Yuanta De- Bao Money Market Fund	"	"	8,184	100,425	-	100,425	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	"	"	10,092	101,049	-	101,049	
					<u>\$ 216,953</u>		<u>\$ 216,953</u>	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	4,213	\$ 341,391	0.88	\$ 341,391	
	FundRich Securities Co. Ltd.	-	"	819	17,795	1.36	17,795	
					<u>\$ 359,186</u>		<u>\$ 359,186</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	<u>\$ 340,131</u>	24.50	<u>\$ 340,131</u>	
Yuanta Asset Management	Beneficiary certificates:							
	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss	9,485	\$ 100,153	-	\$ 100,153	
	PGIM Money Market Fund	-	"	1,861	30,076	-	30,076	
	Taishin Ta Chong Money Market Fund	-	"	3,457	50,188	-	50,188	
	Taishin 1699 Money Market Fund	-	"	17,566	243,347	-	243,347	
	Hua Nan Phoenix Money Market Fund	-	"	6,032	100,243	-	100,243	
					<u>\$ 524,007</u>		<u>\$ 524,007</u>	
	Stocks:							
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 6,339	0.16	\$ 6,339	

				June 30, 2023				
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Asset Management	Sunsino Venture Co., Ltd.	-	Financial assets at fair value through other comprehensive income	443	\$ 5,151	0.93	\$ 5,151	
	DaYeh Development Co., Ltd.	-	"	333	247	2.22	247	
	Chung Yi Development Co., Ltd.	-	"	2,278	91	6.63	91	
	China Investment and Development Co., Ltd.	-	"	1,980	22,018	1.23	22,018	
	China Trade And Development Corporation	-	"	500	12,295	0.76	12,295	
					<u>\$ 46,141</u>		<u>\$ 46,141</u>	
Yuanta Venture Capital	Stocks:							
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 7,969	0.03	\$ 7,969	
	Taiwan Chelic Corp. Ltd.	-	"	500	27,200	0.72	27,200	
	Eurocharm Holdings Co., Ltd.	-	"	624	116,688	0.95	116,688	
	M3 Technology Inc.	-	"	200	30,200	0.48	30,200	
Yuanta Venture Capital	Ever Fortune. AI Co., Ltd.	-	"	600	63,000	0.61	63,000	
	Tot Biopharm International Company Limited	-	"	15,606	138,307	2.02	138,307	
	Apollomics, Inc.	-	"	117	20,496	0.13	20,496	
	Gorilla Technology Group Inc.	-	"	100	6,516	0.14	6,516	
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	64,444	2.35	64,444	
	Saultech Technology Co., Ltd.	-	"	438	20,976	1.45	20,976	
	Taiwan Microloops Co., Ltd.	-	"	855	58,756	1.97	58,756	
	Pharmosa Biopharm Co., Ltd.	-	"	2,001	229,986	1.80	229,986	
	Taiwan Speciality Chemicals Corporation	-	"	235	19,533	0.17	19,533	
	Seng-An Biomedical Co., Ltd.	-	"	300	21,335	0.60	21,335	
	SKY TECH INC.	-	"	84	10,937	0.14	10,937	
	CGK International Co., Ltd (Cayman)	-	"	877	11,391	2.00	11,391	
	Aprevent Medical, Inc.	-	"	394	122	2.12	122	
	Aprevent Medical, Inc.	-	"	1,808	25,109	9.71	25,109	Preferred stock B
	Li Ling Film Co., Ltd.	-	"	1,666	2,232	2.78	2,232	
	Bioflag International Corporation	-	"	1,870	46,835	3.12	46,835	
	Bioflag Nutrition Corporation Ltd.	-	"	1,530	45,895	3.12	45,895	

				June 30, 2023				
Name of company				Percentage of				
which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Venture Capital	International Ocean Vessel Technical Consultant Co. Ltd	-	Financial assets at fair value through profit or loss	645	\$ 30,658	4.47	\$ 30,658	
	GRAID Technology, Inc.	-	"	682	26,632	2.63	26,632	Preferred stock A
	MEGA UNION TECHNOLOGY INC.	-	"	1,190	102,640	1.95	102,640	
	Stocks:							
	YU-CHEN SYSTEM TECHNOLOGY CORP.	-	"	1,200	83,748	7.33	83,748	
	Certain Micro Application Technology Inc.	-	"	1,200	24,804	6.48	24,804	
	Veden Dental Group	-	"	246	-	0.50	-	
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	6.47	-	
	GenePharm Biotech Corp.	-	"	2,667	-	10.03	-	
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-	
	Asia Pacific Venture Invest II L.P.	-		-	726	10.00	726	
	GCT Semiconductor Inc.	-	"	1,402	-	1.10	-	Preferred stock G
					<u>\$ 1,237,135</u>		<u>\$ 1,237,135</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>\$ 998,666</u>	100.00	<u>\$ 998,666</u>	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 10,376	0.50	\$ 10,376	
	Prudence Capital Management	-	"	939	17,847	9.00	17,847	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	3,308	4.80	3,308	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	240	10.00	240	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	3,158	9.88	3,158	
	Hwa Lu Venture Capital Co., Ltd.	-	"	43	14,359	8.70	14,359	
	Qi Ding Venture Capital Co., Ltd.	-	"	168	755	4.35	755	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	207	2,580	10.00	2,580	
	Huiyang Venture Capital Co., Ltd.	-	"	67	<u>5,119</u>	2.46	<u>5,119</u>	
					<u>\$ 57,742</u>		<u>\$ 57,742</u>	

(4) Investments in Mainland China

A. Information of investment in Mainland China

Yuanta Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 4)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 8,643,076 (USD277,600)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 164,620	\$ -	\$ -	\$ 164,620	Note 5	2.02%	\$ -	\$ 164,620	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	249,080 (USD8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	5,599	-	-	5,599	Note 5	2.00%	-	5,599	-
Orient Optical Crystal Mfg. Co	Protection glass grinding and sales	19,872 (HKD5,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	452	-	-	452	Note 5	2.00%	-	452	-
Veden Dental Labs Inc.	Manufacturing dental restoration	329,867 (HKD83,000)	(2) CAYMAN ISLANDS VEDEN DENTAL GROUP	22,762	-	-	22,762	Note 5	0.50%	-	22,762	-

Yuanta I Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 4)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,743,510 (USD88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.18%	\$ -	\$ 27,112	\$ 26,029

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 17,720 (RMB4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 138	100.00%	In liquidation	\$ 22,528	\$ -
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	78,921 (RMB18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	5,473	100.00%	5,473 (2)B	19,954	-

Yuanta Securities Investment Trust

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,569,560 (RMB600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 1,328	24.50%	\$ 803	\$ 340,131	\$ -

Yuanta Futures

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai)	Computer software services	\$ 157,209 (RMB33,080)	(3)	\$ 157,209	\$ -	\$ -	\$ 157,209	\$ 1,443	100.00%	\$ - (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, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note)
Yuanta Venture Capital and its subsidiaries	\$ 234,168	\$ 234,021	\$ 1,834,772
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	88,802,867
Yuanta Securities Investment Trust	705,666	705,666	3,351,862
Yuanta Futures	157,209	174,000	7,941,130

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,057,954.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$148,004,779.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,586,437.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$13,235,216.

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, 2023' column:

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

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

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

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

c. Others.

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

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

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

Note 6: Yuanta Securities absorbed Polaris Securities and therefore indirectly acquired USD16 million capital of GC Investment Consultant (Shanghai) Co., Ltd., a subsidiary of GC Investment Consultant (Asian) Co., Ltd. (renamed as Polaris Capital afterwards), being reinvested by Polaris Holdings (Cayman) Ltd., the direct overseas investment of Polaris Securities. GC Investment Consultant (Shanghai) Co., Ltd. was approved to liquidate, the Yuanta Group has no significant influence over the company, therefore, the equity method was no longer applicable.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of June 30, 2023.

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

Please refer to Note 7.

(10) Significant transactions between parent company and subsidiaries

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	726,355	No significant difference from general customers	0.02%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	272,729	"	0.01%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	5,365,605	"	0.17%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	1,981,953	"	0.06%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	1,022,482	"	0.03%
1	Yuanta Securities	Yuanta Securities (Hong Kong)	3	Receivables – net	103,871	"	0.00%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Receivables – net	218,342	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	227,153	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	245,925	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	112,742	"	0.22%
1	Yuanta Securities	Yuanta Bank	3	Interest income	161,583	"	0.32%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income	101,865	"	0.20%
2	Yuanta Bank	Yuanta Futures	3	Cash and cash equivalents	177,742	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	360,971	"	0.01%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,305,903	"	0.04%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	653,072	"	0.02%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	316,763	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	148,481	"	0.00%
2	Yuanta Bank	Yuanta Financial Holdings	3	Deposits and remittances	7,574,641	"	0.24%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	4,299,912	"	0.13%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	225,012	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	5,043,600	"	0.16%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	18,397,193	"	0.57%
2	Yuanta Bank	SYF Information	3	Deposits and remittances	173,400	"	0.01%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage of total consolidated net revenues or assets (Note 3)
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	3,656,500	No significant difference from general customers	0.11%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	190,100	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	655,400	"	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	418,800	"	0.01%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	528,700	"	0.02%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	14,411,064	"	0.45%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	311,350	"	0.01%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	3,391,357	"	0.11%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	2,998,782	"	0.09%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	934,050	"	0.03%
2	Yuanta Bank	Yuanta Financial Holdings	3	Deposits and remittances	865,553	"	0.03%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	681,103	"	1.36%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	204,124	"	0.41%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial assets – net	530,404	"	0.02%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial liabilities	425,037	"	0.01%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	245,594	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	224,321	"	0.45%
5	Yuanta Securities Investment Trust	Yuanta Securities	3	Other business and administrative expenses	100,055	"	0.20%
6	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	623,008	"	0.02%
7	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	210,687	"	0.01%

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

1. 0 for the parent company.

2. According to the sequential order, subsidiaries are numbered from 1.

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

1. Parent company to subsidiary.

2. Subsidiary to parent company.

3. Subsidiary to subsidiary.

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

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

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14. Segment information

(1) General information

A. Recognition elements of reporting segment

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

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

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

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

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

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

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

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

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

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

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

Expressed in Thousands of New Taiwan Dollars

For the six months ended June 30, 2023

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 12,095,224	\$ 22,131,708	\$ 1,764,950	\$ 11,383,296	\$ 2,757,426	\$ -	\$ 50,132,604
Revenue (loss) from transactions with other operating segments of the same entity	201,236	778,230	147,687	(794,260)	361,412	(694,305)	-
Net revenues (Note)	12,296,460	22,909,938	1,912,637	10,589,036	3,118,838	(694,305)	50,132,604
Provision for bad debt expenses, commitment and guarantee policy reserve	15,554	(179,484)	1,848	(644)	-	-	(162,726)
Net change in provisions for insurance liabilities	-	-	-	(8,081,898)	-	59,238	(8,022,660)
Operating expenses	(6,113,411)	(14,409,726)	(802,143)	(810,587)	(1,926,886)	559,861	(23,502,892)
Income from continuing operations before income tax	<u>\$ 6,198,603</u>	<u>\$ 8,320,728</u>	<u>\$ 1,112,342</u>	<u>\$ 1,695,907</u>	<u>\$ 1,191,952</u>	<u>(\$ 75,206)</u>	<u>\$ 18,444,326</u>

For the six months ended June 30, 2022

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
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	549,335	746,068	(5,052)	(947,332)	161,029	(504,048)	-
Net revenues (Note)	9,409,024	22,280,748	1,271,029	16,082,751	1,752,981	(504,048)	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	-	-	-	(12,666,507)	-	73,569	(12,592,938)
Operating expenses	(5,609,076)	(14,066,183)	(710,920)	(791,077)	(1,474,600)	506,984	(22,144,872)
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>

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.