

YUANTA FINANCIAL HOLDING CO., LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 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

PWCM23000446

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 December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Yuanta Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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Key audit matters for the Yuanta Group's consolidated financial statements of the current period are stated as follows:

Impairment evaluation of bills discounted and loans

Description

For the accounting policy of the impairment evaluation of bills discounted and loans, please refer to Note 4(10); for 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 Yuanta Group, as at December 31, 2023 were NTD 1,083,227,619 thousand and NTD 14,247,014 thousand, respectively.

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

How our audit addressed the matter

We obtained and gained an understanding of Yuanta Commercial Bank Co., Ltd.'s policies, internal controls, and operation procedures in relation to the credit risk management and the impairment evaluation of bills discounted and loans and performed sample tests. We conducted the following procedures on the impairment evaluation of bills discounted and loans as at December 31, 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(7); 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 December 31, 2023 was NTD 34,665,636 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 assessment of goodwill

Description

For the accounting policy of the impairment assessment of goodwill (intangible assets), please refer to Notes 4(12) and 4(19); for the critical accounting estimates and assumption uncertainty of impairment assessment of goodwill, please refer to Note 5; for the details on goodwill, please refer to Note 6(17). Goodwill after accumulated impairment as at December 31, 2023 was NTD 28,490,893 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. Because the amount of goodwill is material and the models and parameters used in calculating recoverable amounts are made by management's professional judgments and are critical accounting estimates, such as future cash flows, estimated growth rate and discount rate, we have thus included the impairment assessment of goodwill as one of the key audit matters.

How our audit addressed the matter

Our main audit procedures included obtaining asset impairment evaluation data prepared by management, sample testing the authorization procedures for impairment testing reports, and understanding and assessing management's estimation process for future cash flows. In addition, we and our valuation experts reviewed the management's prior year operation plan execution result; sample assessed the reasonableness of key assumptions used in impairment testing models, such as estimated growth rates and discount rates; and sample tested the parameters and calculation formulas of impairment testing models.

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(28); 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 December 31, 2023 was NTD 357,976,814 thousand.

For long-term insurance contracts, Yuanta Life Insurance Co., Ltd. recognised reserve for policy benefit in accordance with related insurance regulations, the life chart of annuity, and the specified interest rates prescribed within the insurance product statements as approved by the competent authority. The discount rates are the specified interest rates as approved by the competent authority. Liability adequacy testing is required to be conducted on insurance contracts at balance sheet date in accordance with IFRS 4, 'Insurance Contracts,' in order to reflect the current estimate of future cash flows, where various of assumption for discount rate, mortality rate, morbidity rate, lapse rate, and expense rate which involved professional judgement will affect the amount of reserve for policy benefit recognised in the financial statement. Considering that the provision of policy reserves has a material impact on the financial statements, and if insurance liabilities are not adequate, the financial statements will be materially impacted, we have thus included the reserve for policy benefit and adequacy of insurance liabilities as one of the key audit matters.

How our audit addressed the matter

The audit procedures we performed mainly include understanding and assessing the policies, internal controls, and procedures relevant to reserve for policy benefit; sample examining authorization documents for the configuration of new products in order to confirm the accuracy of configurations for the reserves system of new products; sample inspecting the number of effective policies in the policy system and the actuarial system in order to confirm the completeness of the calculations for reserve for policy benefit; sample examining the consistency between policy information of new products and information in the policy system in order to confirm the accuracy of policy information for calculating reserve for policy benefit. Our actuarial 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations 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

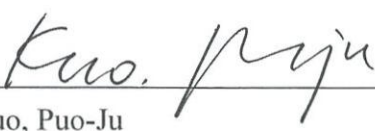
auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Yuanta Group 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

March 14, 2024

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

	ASSETS	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 81,869,960	3	\$ 76,338,164	3
11500	Due from Central Bank and call loans to other banks	6(2) and 8	83,110,140	3	79,690,160	3
12000	Financial assets at fair value through profit or loss	6(3), 7 and 8	563,701,196	17	420,057,382	14
12150	Financial assets at fair value through other comprehensive income	6(4) and 8	292,262,818	9	339,711,553	11
12200	Investments in debt instruments at amortised cost	6(5) and 8	539,131,270	16	540,529,315	18
12500	Investments in bills and bonds under resale agreements	6(6)	99,644,104	3	94,073,224	3
13000	Receivables – net	6(7) and 7	273,092,919	8	202,341,992	7
13200	Current income tax assets		2,623,799	-	3,026,971	-
13300	Assets held for sale – net	6(8)	79,099	-	81,469	-
13500	Bills discounted and loans – net	6(9) and 7	1,086,526,760	33	995,199,165	33
13700	Reinsurance contract assets – net	6(10)	1,249,093	-	1,368,195	-
15000	Equity investments accounted for under the equity method – net	6(11)	3,089,373	-	3,431,913	-
15100	Restricted assets – net	8	3,051,147	-	2,726,292	-
15500	Other financial assets – net	6(12)	111,816,531	4	114,480,773	4
18000	Investment property – net	6(13) and 8	11,307,517	-	10,487,451	-
18500	Property and equipment – net	6(14) and 8	27,352,156	1	25,503,491	1
18600	Right-of-use assets – net	6(15)	13,011,575	-	11,515,532	-
19000	Intangible assets – net	6(17)	30,728,678	1	30,959,908	1
19300	Deferred income tax assets	6(45)	5,246,624	-	5,552,131	-
19500	Other assets – net	6(18), 7 and 8	69,765,061	2	59,043,456	2
	TOTAL ASSETS		<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,016,118,537</u>	<u>100</u>

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

LIABILITIES AND EQUITY	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
21000	Deposits from Central Bank and other banks	6(20)	\$ 12,387,393	-	\$ 38,607,095	1
22000	Financial liabilities at fair value through profit or loss	6(3)(38)	158,670,714	5	134,822,676	5
22500	Bills and bonds payable under repurchase agreements	6(6)(47) and 7	251,838,703	8	224,137,491	7
22600	Commercial paper payable – net	6(21)(47)	83,155,165	3	47,836,070	2
23000	Payables	6(22) and 7	180,210,063	6	154,026,563	5
23200	Current income tax liabilities		5,366,128	-	4,052,157	-
23500	Deposits and remittances	6(23) and 7	1,548,770,818	47	1,407,441,499	47
24000	Bonds payable	6(24)(47)	104,904,691	3	102,487,542	3
24400	Other borrowings	6(25)(47)	48,439,167	2	48,460,199	2
24600	Liabilities reserve	6(26)(27)	376,640,823	11	363,676,625	12
25500	Other financial liabilities	6(28) and 7	135,723,396	4	140,319,398	5
26000	Lease liabilities	6(47)	6,191,253	-	4,712,163	-
29300	Deferred income tax liabilities	6(45)	5,341,639	-	4,914,735	-
29500	Other liabilities	6(29) and 7	72,643,721	2	63,241,416	2
	TOTAL LIABILITIES		<u>2,990,283,674</u>	<u>91</u>	<u>2,738,735,629</u>	<u>91</u>
31000	Equity attributable to owners of the parent company					
31100	Share capital					
31101	Common stock	6(30)	126,890,824	4	125,015,590	4
31500	Additional paid-in capital	6(31)	38,188,103	1	38,010,564	1
32000	Retained earnings					
32001	Legal reserve	6(32)	22,561,044	1	20,481,785	1
32003	Special reserve	6(32)	13,517,403	-	6,549,234	-
32011	Undistributed earnings	6(33)	80,901,931	2	73,279,144	2
32500	Other equity					
32500	Other equity interest	6(34)	4,947,633	1	(6,968,170)	-
39500	Non-controlling interests		<u>21,369,208</u>	<u>-</u>	<u>21,014,761</u>	<u>1</u>
	TOTAL EQUITY		<u>308,376,146</u>	<u>9</u>	<u>277,382,908</u>	<u>9</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,016,118,537</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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				Changes Percentage (%)	
		2023		2022			
		AMOUNT	%	AMOUNT	%		
41000	Interest income	6(35) and 7	\$ 62,355,083	64	\$ 45,232,088	50	38
51000	Less: Interest expense	6(35) and 7	(32,023,003)	(33)	(14,530,723)	(16)	120
49600	Net interest income	6(35)	<u>30,332,080</u>	<u>31</u>	<u>30,701,365</u>	<u>34</u>	(1)
	Net non-interest income						
49800	Net service fee and commission income	6(36) and 7	25,769,977	26	25,120,057	27	3
49810	Net income from insurance operations	6(37) and 7	8,389,197	9	13,377,691	15	(37)
49820	Gain or loss on financial assets and financial liabilities at fair value through profit or loss	6(38) and 7	19,976,171	20	(8,318,689)	(9)	(340)
49825	Gain on investment property	7	231,607	-	418,705	-	(45)
49835	Realised gain on financial assets at fair value through other comprehensive income		1,508,452	2	1,831,509	2	(18)
49850	Net gain or loss arising from derecognition of financial assets measured at amortised cost	6(5)(9)	(690,387)	(1)	83,436	-	(927)
49870	Foreign exchange gain or loss		2,827,594	3	19,127,589	21	(85)
49880	Loss on asset impairment	6(39)	(12,817)	-	(51,498)	-	(75)
49890	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	(231,099)	-	191,645	-	(221)
49898	Gain or loss on reclassification under the overlay approach		(3,053,977)	(3)	4,151,363	5	(174)
49921	Net gain on sale of non-performing loans		312,780	-	281,525	-	11
49945	Consultation service income		5,364,029	5	4,316,318	5	24
49999	Net other miscellaneous income or loss	6(40) and 7	<u>7,366,276</u>	<u>8</u>	<u>270,866</u>	<u>-</u>	2620
49700	Total net non-interest income		<u>67,757,803</u>	<u>69</u>	<u>60,800,517</u>	<u>66</u>	11
	Net profit		98,089,883	100	91,501,882	100	7
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(472,519)	-	(318,190)	(1)	49
58300	Net change in provisions for insurance liabilities	6(26)	(14,470,939)	(15)	(19,533,972)	(21)	(26)
	Operating expenses						
58501	Employee benefit expense	6(42) and 7	(29,759,901)	(30)	(25,428,255)	(28)	17
58503	Depreciation and amortization	6(43)	(3,269,205)	(3)	(3,162,099)	(3)	3
58599	Other business and administrative expenses	6(44) and 7	(16,131,668)	(17)	(14,645,553)	(16)	10
58500	Total Operating Expenses		(49,160,774)	(50)	(43,235,907)	(47)	14
61000	Consolidated income from continuing operations before income tax		33,985,651	35	28,413,813	31	20
61003	Income tax expense	6(45)	(5,457,422)	(6)	(5,703,400)	(6)	(4)
69000	Consolidated net income		<u>\$ 28,528,229</u>	<u>29</u>	<u>\$ 22,710,413</u>	<u>25</u>	26

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YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				Changes Percentage (%)
		2023		2022		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
69561		Gains (losses) on remeasurements of defined benefit plans	(\$ 700,604) (1)	\$ 1,388,890	1 (150)	
69563	6(11)	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	734 - (	352)	- (309)	
69565	6(34)	Change in fair value of financial liability attributable to change in credit risk of liability	4,003 - (	7,848)	- (151)	
69567	6(4)(34)	Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	3,929,273 4	3,454,906	4 14	
69569	6(34)(45)	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	81,709 - (	336,820)	- (124)	
Components of other comprehensive income that will be reclassified to profit or loss						
69571	6(34)	Exchange differences on translation of foreign financial statements	(1,245,566) (1)	3,014,310	3 (141)	
69585	6(4)(34)	Revaluation gain or loss from investments in debt instruments measured at fair value through other comprehensive income	8,775,409 9 (	19,199,889) (21)	(146)	
69587	6(4)(34)	Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	(16,990 ) - (	17,759)	- (4)	
69590	6(3)(34)	Other comprehensive gain or loss on reclassification under the overlay approach	3,053,977 3 (	4,151,363) (5)	(174)	
69579	6(34)(45)	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	(203,730) -	790,210	1 (126)	
69500		Other comprehensive income (loss) (net of tax)	<u>\$ 13,678,215</u> 14	<u>(\$ 15,065,715)</u> (17)	(191)	
69700		Total comprehensive income	<u>\$ 42,206,444</u> 43	<u>\$ 7,644,698</u> 8	452	
Consolidated net income attributable to:						
69901		Parent company	\$ 26,566,198 27	\$ 21,456,327	24 24	
69903		Non-controlling interests	<u>1,962,031</u> 2	<u>1,254,086</u> 1	56	
<u>\$ 28,528,229</u> 29 <u>\$ 22,710,413</u> 25 26						
Consolidated comprehensive income attributable to:						
69951		Parent company	\$ 40,462,499 41	\$ 5,414,225	6 647	
69953		Non-controlling interests	<u>1,743,945</u> 2	<u>2,230,473</u> 2 (	22)	
<u>\$ 42,206,444</u> 43 <u>\$ 7,644,698</u> 8 452						
Earnings per share (in New Taiwan Dollars) 6(46)						
70001		Basic earnings per share from continuing operations	<u>\$ 2.09</u>	<u>\$ 1.69</u>		

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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Retained earnings					Other equity interest					
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Gains on debt instruments at fair value through other comprehensive income	Other financial assets on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk	Non-controlling interests	Total equity
For the year ended December 31, 2022											
Balance, January 1, 2022	\$ 121,374,360	\$ 37,885,949	\$ 17,040,473	\$ 6,549,234	\$ 77,775,254	(\$ 8,400,123)	\$ 17,930,672	(\$ 1,072,737)	(\$ 47,621)	\$ 20,044,244	\$ 289,079,705
Consolidated net income for the year	-	-	-	-	21,456,327	-	-	-	-	1,254,086	22,710,413
Other comprehensive income (loss) for the year	-	-	-	-	1,034,054	2,280,219	(15,182,928)	(4,169,850)	(3,597)	976,387	(15,065,715)
Total comprehensive income (loss) for the year	-	-	-	-	22,490,381	2,280,219	(15,182,928)	(4,169,850)	(3,597)	2,230,473	7,644,698
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											
	-	124,615	-	-	-	-	-	-	-	-	124,615
Changes in non-controlling interests											
	-	-	-	-	-	-	-	-	-	(1,259,956)	(1,259,956)
Disposal of investments in equity instruments designated at fair value through other comprehensive income											
	-	-	-	-	(1,697,795)	-	1,697,795	-	-	-	-
Balance, December 31, 2022	<u>\$ 125,015,590</u>	<u>\$ 38,010,564</u>	<u>\$ 20,481,785</u>	<u>\$ 6,549,234</u>	<u>\$ 73,279,144</u>	<u>(\$ 6,119,904)</u>	<u>\$ 4,445,539</u>	<u>(\$ 5,242,587)</u>	<u>(\$ 51,218)</u>	<u>\$ 21,014,761</u>	<u>\$ 277,382,908</u>
For the year ended December 31, 2023											
Balance, January 1, 2023	\$ 125,015,590	\$ 38,010,564	\$ 20,481,785	\$ 6,549,234	\$ 73,279,144	(\$ 6,119,904)	\$ 4,445,539	(\$ 5,242,587)	(\$ 51,218)	\$ 21,014,761	\$ 277,382,908
Consolidated net income for the year	-	-	-	-	26,566,198	-	-	-	-	1,962,031	28,528,229
Other comprehensive income (loss) for the year	-	-	-	-	(505,511)	(841,704)	12,158,322	3,082,940	2,254	(218,086)	13,678,215
Total comprehensive income (loss) for the year	-	-	-	-	26,060,687	(841,704)	12,158,322	3,082,940	2,254	1,743,945	42,206,444
Appropriation of 2022 earnings:											
Legal reserve	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	-
Special reserve	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-	-
Cash dividend	-	-	-	-	(10,001,247)	-	-	-	-	-	(10,001,247)
Stock dividend	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method											
	-	177,539	-	-	-	-	-	-	-	-	177,539
Changes in non-controlling interests											
	-	-	-	-	-	-	-	-	-	(1,389,498)	(1,389,498)
Disposal of investments in equity instruments designated at fair value through other comprehensive income											
	-	-	-	-	2,486,009	-	(2,486,009)	-	-	-	-
Balance, December 31, 2023	<u>\$ 126,890,824</u>	<u>\$ 38,188,103</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 80,901,931</u>	<u>(\$ 6,961,608)</u>	<u>\$ 14,117,852</u>	<u>(\$ 2,159,647)</u>	<u>(\$ 48,964)</u>	<u>\$ 21,369,208</u>	<u>\$ 308,376,146</u>

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 33,985,651	\$ 28,413,813
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	2,658,900	2,581,439
Amortization	610,305	580,660
Provision for bad debt expense, commitment and guarantee policy reserve	1,436,934	1,098,159
Interest expense	32,023,003	14,530,723
Interest income	(62,355,083)	(45,232,088)
Dividend income	(9,383,053)	(5,760,370)
Impairment loss on asset impairment	12,817	51,498
Gain or loss on reclassification under the overlay approach	3,053,977	(4,151,363)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	231,099	(191,645)
Gain on disposal of assets held for sale	-	(12,330)
Gain on disposal of investment property	(67,997)	(247,533)
Gain on disposal or retirement of property and equipment	(6,218)	(51,093)
Gain on disposal of intangible assets	(3,359)	(1,139)
Intangible assets transferred to expense	-	126
Gain or loss on lease modification	120	(133,135)
Gain on lease concession	-	(97)
Net change in insurance liabilities	11,743,341	23,246,367
Changes in operating assets and liabilities		
Changes in operating assets		
Due to Central Bank and call loans to other banks	(2,503,710)	(3,269,962)
Financial assets at fair value through profit or loss	(143,643,814)	109,184,759
Financial assets at fair value through other comprehensive income	60,151,979	(16,962,992)
Investments in debt instruments measured at amortised cost	1,402,854	(31,904,780)
Receivables	(68,941,163)	63,531,901
Bills discounted and loans	(92,724,831)	(112,163,076)
Reinsurance contract assets	104,024	81,454
Restricted assets	(324,855)	(254,263)
Other financial assets	3,744,717	(3,740,673)
Other assets	(10,749,932)	27,780,028
Changes in operating liabilities		
Deposits from Central Bank and other banks	(26,219,433)	12,982,971
Financial liabilities at fair value through profit or loss	23,851,275	(23,869,157)
Payables	25,064,721	(61,703,803)
Deposits and remittances	141,329,319	32,439,116
Liabilities reserve	493,599	(358,595)
Other financial liabilities	(5,747,272)	14,071,927
Other liabilities	9,403,633	(39,285,671)
Cash outflow generated from operations	(71,368,452)	(18,881,732)
Interest received	60,339,253	43,400,966
Dividend received	9,442,495	5,876,298
Interest paid	(31,059,071)	(13,365,746)
Income tax paid	(2,821,086)	(9,102,438)
Net cash flows (used in) from operating activities	(35,466,861)	7,927,348

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YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for under the equity method	(\$ 142,808)	(\$ 267,647)
Proceeds from liquidation of investments accounted for under the equity method	95,834	174,506
Acquisition of investment property	(1,182,115)	(596,869)
Proceeds from disposal of investment property	278,345	1,034,355
Acquisition of property and equipment	(2,962,563)	(2,339,082)
Proceeds from disposal of property and equipment	20,316	300,566
Acquisition of intangible assets	(344,605)	(336,865)
Proceeds from disposal of intangible assets	6,707	3,156
Proceeds from disposal of assets held for sale	-	120,880
Acquisition of right-of-use assets	(576)	(548)
Net cash flows used in investing activities	(4,231,465)	(1,907,548)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in due to Central Bank and other banks	-	(839,700)
Increase in bills and bonds payable under repurchase agreements	27,701,212	40,271,642
Increase (decrease) in commercial paper payable	35,483,710	(2,058,788)
Proceeds from issuance of bonds	12,100,000	16,953,184
Repayments of bonds	(9,500,000)	(4,389,618)
Proceeds from issuance of bank debentures	-	8,500,000
Repayments of bank debentures	-	(2,000,000)
Decrease in other borrowings	(21,032)	(11,538,001)
Principal payment for lease liabilities	(1,455,711)	(1,545,661)
Cash dividends paid	(10,001,247)	(18,206,154)
Decrease in non-controlling interests	(1,389,498)	(1,259,956)
Net cash flows from financing activities	52,917,434	23,886,948
Net effect of foreign exchange rate changes	(1,200,162)	9,390,896
Net increase in cash and cash equivalents	12,018,946	39,297,644
Cash and cash equivalents at beginning of year	206,929,363	167,631,719
Cash and cash equivalents at end of year	\$ 218,948,309	\$ 206,929,363
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 81,869,960	\$ 76,338,164
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	37,434,245	36,517,975
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	99,644,104	94,073,224
Cash and cash equivalents at end of reporting year	\$ 218,948,309	\$ 206,929,363

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

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

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

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

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

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

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

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

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

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®”) Accounting Standards 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

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.

Amendments to IAS 12, ‘International tax reform - pillar two model rules’

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards 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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

A. IFRS 17, ‘Insurance contracts’

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

B. Amendments to IFRS 17, ‘Insurance contracts’

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

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

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

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

4. Summary of material accounting policies

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

(1) Compliance statement

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 the 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”).

(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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

All subsidiaries are included in the Yuanta Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Yuanta Group. The Yuanta Group controls an entity when the Yuanta Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Yuanta Group obtains control of the subsidiaries and ceases when the Yuanta Group loses control of the subsidiaries. The Yuanta Group acquired subsidiaries in accordance with the Acquisition Method. Acquisition costs are measured at fair value based on assets acquired, issued equity instruments and incurred or undertaking liabilities, along with directly attributable acquisition costs. Identifiable assets, liabilities and contingent liabilities that are acquired at business combinations are measured at original fair value, and shares of non-controlling interests are not considered. Acquisition costs that exceed fair value of identifiable assets recognised for shareholding ratio are recognised as goodwill; acquisition costs that are less than fair value of identifiable assets recognised for shareholding ratio

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

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B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	
	Yuanta Bank	Banking	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. (“Yuanta Life”)	Life insurance business	100.00	100.00	
	Yuanta Futures Co., Ltd. (“Yuanta Futures”)	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	66.27	
	Yuanta Securities Investment Trust Co., Ltd. (“Yuanta Securities Investment Trust”)	Securities investment trust	74.71	74.71	
	Yuanta Venture Capital Co., Ltd. (“Yuanta Venture Capital”)	Venture capital investments	100.00	100.00	
	Yuanta Asset Management Co., Ltd. (“Yuanta Asset Management”)	Management of monetary debts of financial institutions	100.00	100.00	
	Yuanta Securities Investment Consulting Co., Ltd. (“Yuanta Securities Investment Consulting”)	Securities investment consultant	100.00	100.00	
Yuanta Securities	Yuanta Securities Asia Financial Services Private Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	Note 1
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance brokerage services	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	
	Yuanta Wealth Management (Singapore) Pte. Ltd. (“Yuanta Wealth Management (Singapore)”)	Note 2	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	
	Yuanta Asia Investment (Hong Kong) Ltd. (“Yuanta Asia Investment (Hong Kong)”)	Securities trading, asset management services	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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 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	58.54	57.89	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	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	
	Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	94.10	92.62	Note 3
Yuanta Securities (Korea)	Yuanta Investment Co.,Ltd.	Investment business	58.54	57.89	
	Yuanta Financial (Hong Kong) Ltd. (“Yuanta Financial (Hong Kong)”)	Investment holding	58.54	57.89	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	58.54	57.89	
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	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	
	PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”)	Securities trading and underwriting services	99.00	99.00	
	Yuanta Securities (Vietnam)	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	5.90	7.38	Note 3
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	25.09	24.81	
Yuanta Bank	Yuanta International Leasing Co., Ltd.(“Yuanta International Leasing”)	Leasing business	100.00	100.00	

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

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

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

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

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

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C. The structured entities controlled by Yuanta Securities (Korea) are as follows:
December 31, 2023

Structured entities	Main Business Activities
DK project the second Co., Ltd.	Asset-backing
YK Hyper Co., Ltd.	Asset-backing
Y.K Life the First Co., Ltd.	Asset-backing
YK Nonhyun the first Co., Ltd.	Asset-backing
YK Kwangyang the first Co., Ltd.	Asset-backing
YK Wangji the 1st. Co., Ltd.	Asset-backing
YK Seocho the 1st. Co., Ltd.	Asset-backing
YFI Manchon Co., Ltd.	Asset-backing
YK Songak the 1st. Co., Ltd.	Asset-backing
MIL the 2nd. Co., Ltd.	Asset-backing
YK SG Co., Ltd.	Asset-backing
YK Icheon the 1st. Co., Ltd.	Asset-backing
JJ Woosan the 1st. Co., Ltd.	Asset-backing
Geumnamro PI the 1st. Co., Ltd.	Asset-backing
YOB new one Co., Ltd.	Asset-backing
YK Jugyo the 1st. Co., Ltd.	Asset-backing
YFI Namsan Co., Ltd.	Asset-backing
YK Jincheon Samduk the 1st. Co., Ltd.	Asset-backing
YK Pyeongdong the 1st. Co., Ltd.	Asset-backing
YK Lhour Co., Ltd.	Asset-backing
YK Daejeonyongdu the 1st. Co., Ltd.	Asset-backing
Pacific Leo the 1st. Co., Ltd.	Asset-backing
YFI Manchon 2 Co., Ltd.	Asset-backing
YK Gijang the 1st. Co., Ltd.	Asset-backing
YK Greenfood the 1st. Co., Ltd.	Asset-backing
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

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 December 31, 2023 and 2022, the non-controlling interests amounted to \$21,369,208 and \$21,014,761, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

Name of Subsidiary	Principal place of business	Non-controlling interests			
		December 31, 2023		December 31, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)
Yuanta Securities (Korea)	Korea	\$ 15,136,461	41.46%	\$ 15,362,015	42.11%

The comprehensive income attributable to these non-controlling interests were \$277,507 and \$1,332,555 for the years ended December 31, 2023 and 2022, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries	
	December 31, 2023	December 31, 2022
Current assets	\$ 374,120,897	\$ 311,610,272
Non-current assets	16,175,705	15,166,768
Current liabilities	(343,795,784)	(278,270,851)
Non-current liabilities	(8,521,378)	(10,669,569)
Total net assets	\$ 37,979,440	\$ 37,836,620

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2023	2022
Revenue	\$ 19,342,824	\$ 13,375,905
Profit before income tax	2,283,751	1,351,980
Income tax expense	(662,812)	(392,480)
Net income	1,620,939	959,500
Other comprehensive (loss) income (net of tax)	(930,739)	2,244,605
Total comprehensive income for the period	\$ 690,200	\$ 3,204,105

Consolidated statements of cash flows

	Yuanta Securities (Korea) and its subsidiaries	
	For the years ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities (\$	9,102,376)	\$ 11,959,317
Net cash (used in) provided by investing activities (	342,157)	671,035
Net cash provided by (used in) financing activities	8,380,248	(13,829,526)
Effects of exchange rate changes	78,015	1,600,725
(Decrease) increase in cash and cash equivalents (	986,270)	401,551
Cash and cash equivalents, beginning of period	14,687,558	14,286,007
Cash and cash equivalents, end of period	\$ 13,701,288	\$ 14,687,558

(4) Foreign currency translation

Items included in the financial statements of each of the Yuanta Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Yuanta Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions denominated in a foreign currency or required to settle in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

(B) Assets denominated in foreign currency are translated at the closing exchange rate at the balance sheet date. When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. Any translation difference is recognised as gain and loss in the period.

(C) Non-monetary assets and liabilities denominated in foreign currencies:

a. Assets and liabilities carried at cost are re-translated at the exchange rates prevailing at the original transaction date.

b. Assets and liabilities held at fair value through profit or loss are re-translated at the exchange rates prevailing at the date at which the fair value is determined.

When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income, any translation difference included in the gains and losses are also recognised in other comprehensive income. When the gains and losses on non-monetary assets and liabilities denominated in foreign currencies are recognised as gains and losses, any translation difference included in the gains and losses are also recognised as gains and losses.

B. Translation of foreign operations

If an entity has a functional currency (not in an economy with high inflation) that is different from presentation currency in the consolidated statements, its operating results and financial position is translated into presentation currency by the following procedures:

(A) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.

(B) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.

(C) All resulting exchange differences are recognised in other comprehensive income.

(5) Cash and cash equivalents

“Cash and cash equivalents” within the consolidated balance sheet include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. From the perspective of the consolidated statements of cash flows, cash and cash equivalents refer to cash and cash equivalents within the consolidated balance sheet, and cash and cash equivalents that conform to IFRS 7’s definition, as endorsed by the FSC, which are cash and cash equivalents due from Central Bank and call loans to other banks, or bills and bonds purchased under resale agreements.

(6) Bills and bonds under repurchase or resale agreements

In relation to transactions of bills and securities with a condition of repurchase agreement or resale agreement, the interest expense and interest income are recognised as incurred at the date of sale and purchase and the agreed period of sale and purchase. The repo trade liabilities, bond liabilities, reverse repo trade bills and bond investments are recognised at the date of sale or purchase.

(7) Financial assets and liabilities

All financial assets and liabilities of the Yuanta Group including derivatives are recognised in the consolidated balance sheet and are properly classified in accordance with IFRSs as endorsed by the FSC.

A. Financial assets

All financial assets held by the Yuanta Group are classified into the following six categories: “bills discounted and loans”, “receivables”, “financial assets at fair value through profit and loss”, “financial assets at fair value through other comprehensive income”, “investments in debt instruments at amortised cost”, and “other financial assets—purchase of claim receivable”.

(A) Regular way purchase or sale

Financial assets held by the Yuanta Group are all accounted for using trade date accounting.

(B) Bills discounted and loans

Bills discounted and loans consist of export bills negotiation, export bills discount, loans, and overdue receivables arising from loans. Bills discounted and loans are measured at amortised cost using the effective interest method. Measurement at initial investment amount is allowed if effect of discounting is immaterial.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower so that it is required to be derecognised, entirely or partially, in accordance with IFRS 9, the old financial asset is derecognised, and a new financial asset and related gains or losses are recognised.

If a bills discounted and loans asset held by the Yuanta Group is renegotiated or modified due to financial difficulties of the borrower, but is not required to be derecognized, or if renegotiations or modification of terms are for reasons other than financial difficulties, which rarely results in the derecognition of the asset, the carrying amount of the asset is recalculated based on the effective interest rate of original contract and the related gains or losses are recognised in profit or loss.

(C) Receivables

Receivables include those that were originated and not originated by the entity. Receivables originated by the entity refer to cash, products or services directly provided to debtors by the Yuanta Group. Receivables not originated by the entity refer to those other than whom were originated by the entity. Receivables shall be measured at amortized cost using the effective interest 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 are 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 recognized in other comprehensive income is the difference between the following two amounts:

- i. Profit or loss recognized in accordance with IFRS 9; and
- ii. Profit or loss recognized in accordance with IAS 39.

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

- a. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Yuanta Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - ii. The assets' contractual cash flows represent solely payments of principal and interest.
- b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. The Yuanta Group subsequently measures the financial assets at fair value:
 - i. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.
 - ii. Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(F) Investments in debt instruments at amortised cost

- a. Investments in debt instruments at amortised cost are those that meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved by collecting contractual cash flows.

- ii. The assets' contractual cash flows represent solely payments of principal and interest.
 - b. At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- (G) Other financial assets
 - Purchase of claim receivable – non-performing loans of financial institutions are measured by fair value of financial asset on initial recognition when being obtained by the Yuanta Group and will be subsequently measured by fair value with changes in fair value recognised as profit and loss in the period.
- B. Financial liabilities

Financial liabilities held by the Yuanta Group include financial liabilities at fair value through profit and loss (including financial liabilities designated at fair value through profit and loss) and financial liabilities carried at amortised cost.

 - (A) Financial liabilities at fair value through profit or loss

Including financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

 - a. Hybrid (combined) contracts; or
 - b. They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

At initial recognition, the Yuanta Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Yuanta Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.
 - (B) Financial liabilities carried at amortised cost

Financial liabilities carried at amortised cost include liabilities not classified as financial liabilities at fair value through profit or loss, financial guarantee contracts, loan commitment with a lower-than-market interest rate and the financial liabilities incurred due to continuing engagement or that the transferring of a financial asset does not meet the requirement of derecognition.
- C. Derecognition of financial assets

The Yuanta Group derecognises a financial asset when one of the following conditions is met:

 - (A) The contractual rights to receive cash flows from the financial asset expire.
 - (B) The contractual rights to receive cash flows from the financial asset have been transferred and the Yuanta Group has transferred substantially all risks and rewards of ownership of the financial asset.
 - (C) 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 under the liability specified in the contract is discharged or cancelled or expires.
- (B) The Yuanta Group derecognises an original financial liability and recognises a new financial liability if the terms of an existing financial liability have substantial modifications and such modifications make significant differences to the original terms. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(8) Margin loans, short sale stock loans, securities lending and security-based loans

- A. According to the “Rules Governing Securities Finance Enterprises” (RGSFE), margin loans primarily represent pecuniary financing to investors or refinancing to securities firms. The margin loans are accounted for as “Margin loans receivable” (recognised under “Receivables-net”) as incurred and such loans are secured by the securities purchased by the investors, and the Yuanta Group records these securities at par value under the memorandum accounts “securities held for collateral” and “liability for holding collateral securities”, and is not included in the balance sheets.
- B. According to Article 10 of the RGSFE, when providing margin loans to principals, the Yuanta Group shall obtain the margin pursuant to the ratio prescribed by the competent authority.
- C. Short sale stock loans represent securities financing affected by lending securities in custody that are received from margin loans, guarantee effects or borrowed securities, to investors. When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account “short sale stock loans”. Additionally, according to Article 10 of the RGSFE, the investors need to deposit a regulated amount equal to a certain percentage of the proceeds from short sale stock financing or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Short sale stock deposits” (recognised under “Payables”). The Yuanta Group deals with these securities at par value under the memorandum account “Guarantee deposits”. The proceeds from sale of securities lent, less any dealer's commission, financing commission and securities exchange tax, are held by the Yuanta Group as collateral and recorded under “Short sale proceeds payable” (recognised under “Payables”).
- D. Securities borrowed represent securities borrowed from one broker/dealer to another, who must eventually return the same security as repayment. When the securities are lent to investors, the Yuanta Group records the par value of the securities borrowed under the memorandum account “securities borrowed”. The borrower needs to deposit an amount equal to a certain percentage of the proceeds from securities borrowed or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Refundable deposits for securities lending” (recognised under “Other assets-net”). The Yuanta Group deals with securities at par value under the memorandum account “Refundable collaterals”. When the securities are lent to investors, the Yuanta Group records the par value of the securities lent under the memorandum account “Short sale stock loans”. Additionally, a lender needs to deposit an amount equal to a certain percentage of the proceeds from securities lent or equivalent collateral as guarantee with the Yuanta Group. The proceeds are accounted for as “Deposits received for securities lent” (recognised under “Other liabilities”). The Yuanta Group deals with these securities at par value under the memorandum account “Collaterals received”.
- E. “Security-based loans” are loans provided to borrowers by the Yuanta Group in accordance with “Regulations Governing Securities Finance Enterprises”. Upon the occurrence of a loan, “Security-based loans” is recorded (under “Bills discounted and loans – net”) and the borrower pledges securities from margin trading, central government bonds and treasury bills and others that are approved by the competent authority as collateral. For the collateral, the Yuanta Group records it in its memorandum under “Securities in custody” and its contra account “Collateral received”, which is not recorded in the general ledger.

(9) Financial instruments offsetting

Financial assets and liabilities are offset in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, financial assets at amortised cost (including bills discounted and loans and receivables), loan commitments, L/C and financial guarantee contracts at each reporting date, the Yuanta Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition or if asset is already credit impaired after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Yuanta Group recognises the impairment provision for lifetime ECLs.

For credit assets, subsidiary Yuanta Bank assesses the loss allowance at the balance sheet date in accordance with “Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” and other applicable laws as well as IFRS 9 requirements. The loss allowance is provisioned at the higher of the amounts assessed in compliance with the aforementioned domestic regulations and IFRS 9.

(11) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

(12) Impairment of non-financial assets

The Yuanta Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs on disposal to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(13) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Equity investments accounted for under the equity method—associates

- A. Associates are all entities over which the Yuanta Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20%~50% of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Yuanta Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Yuanta Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Yuanta Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Yuanta Group's ownership percentage of the associate, the Yuanta Group recognises change in ownership interests in the associate in capital surplus in proportion to its ownership.
- D. Unrealised gains on transactions between the Yuanta Group and its associates are eliminated to the extent of the Yuanta Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Yuanta Group.
- E. When overseas investments are valued under the equity method, exchange differences arising from the translation of the investee's financial statements are recognised in other comprehensive income and are cumulated under equity as "Exchange differences on translation of foreign financial statements" (and appropriately allocated to non-controlling interests).
- F. When the Yuanta Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Yuanta Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Leasing arrangements (lessor)—lease receivables/operating leases

- A. Operating lease
Payments that the Yuanta Group receives or charges under the operating lease are recognised as gain and loss on a straight-line basis during the contract term, which are recognised under "other business and administrative expenses" and "other net non-interest income", respectively.
- B. Finance lease
The asset is derecognised when the finance leasing contract is signed by the Yuanta Group and the finance lease shall be recorded in the balance sheet as lease receivables at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as unrealised interest income, which is calculated based on remaining lease receivables over the lease term and recognised in profit or loss at the end of the period using the embedded interest rate or incremental borrowing interest rate.

(16) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Yuanta Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate or the interest rate implicit in the lease.

Lease payments are comprised of the following:

- a. Fixed payments, less any lease incentives receivable;
- b. Variable lease payments that depend on an index or a rate;
- c. Amounts expected to be payable by the lessee under residual value guarantees;
- d. The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- e. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Yuanta Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - a. The amount of the initial measurement of lease liability;
 - b. Any lease payments made at or before the commencement date;
 - c. Any initial direct costs incurred by the lessee; and
 - d. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Investment property

The properties held by the Yuanta Group, with an intention to obtain long-term rental profit or capital increase or both and not being used by any other enterprises of the consolidated entities, are classified as investment property. Investment property includes the office building and land rented in a form of operating lease.

Part of the property may be held by the Yuanta Group for self-use purpose and the remaining are used to generate rental income or capital appreciation. If the property held by the Yuanta Group can be sold individually, then the accounting treatment should be made respectively. If each part of the property cannot be sold individually and the self-use proportion is not material, then the property is deemed as investment property in its entirety.

When the future economic benefit related to the investment property is highly likely to flow into the Yuanta Group and the costs can be reliably measured, the investment property shall be recognised as assets. When the future economic benefit generated from subsequent costs is highly likely to flow into the entity and the costs can be reliably measured, the subsequent expenses of the assets shall be

capitalized. All maintenance cost is recognised as incurred in the consolidated statement of comprehensive income.

When there is certain replacement occurring onto the investment property, the replacement cost should be recognised in the carrying amount of the investment property given that the criteria of recognition can be met. The carrying amount of the replaced account should be derecognised.

An investment property is stated initially at its cost and measured subsequently using the fair value model. Depreciated cost is used to calculate amortization expense after initial measurement. The depreciation method, remaining useful life and residual value should apply the same rules as applicable for property and equipment.

The fair value of investment property is disclosed in the financial statements at each consolidated balance sheet date. Valuation of fair value is annually provided by an external valuer. The Company determines the fair value of investment property by examining the characteristics, location and status of investment property along with the external valuation report on each consolidated balance sheet date.

However, the fair value of investment property does not reflect future capital expenditures that improve or benefit the property, nor does it reflect future benefits associated from those expenditures in the future.

(18) Property and equipment

The property and equipment of the Yuanta Group are recognised on the basis of cost less accumulated depreciation and accumulated impairment. Cost includes any cost directly attributable to the acquisition of the asset.

If the future economic benefit generated from subsequent expenses of the asset can be measured reliably and is very likely to flow into the Yuanta Group, the subsequent expenses of property and equipment may be individually recognised as an asset or included in the carrying amount of the asset. Significant renewals and improvements incurred to increase the future economic benefits of the assets are capitalized. Routine maintenance and repairs are charged to expense as incurred.

The property and equipment of the Yuanta Group were initially recognised at the original cost and subsequently measured by cost model.

Land is not depreciated. Depreciation for other assets is provided on a straight-line basis over the estimated useful lives of the assets till residual value. Useful life is as follows:

Buildings (including auxiliary equipment)	3~60 years
Machinery and computer equipment	1~10 years
Transportation equipment	2~6 years
Leasehold improvements	3~6 years
Other equipment	1~21 years

On each consolidated balance sheet date, the Yuanta Group appropriately adjusts the residual value and useful life of the assets.

Any gain or loss on disposal is calculated by the difference between the carrying amounts and proceeds on disposal, which is recognised in “Other non-interest income” in the consolidated statement of comprehensive income.

(19) Intangible assets

A. Computer software and operating rights are initially recognised at the acquisition cost. Intangible assets, with limited useful lives, and other intangible assets are amortised using the straight-line method.

B. Pursuant to IFRS 3, ‘Business Combinations’ as endorsed by 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.

(20) Customer margin deposit account and futures traders' equity recognised (under Other financial assets/ Other financial liabilities)

Customer margin deposit account receives margins, premiums and differences from daily market closing prices, which are all included in the customer margin deposit account.

Futures traders' equity is the margin and premium customers pay for futures trading. The differences of daily market closing prices are accounted for as current liabilities. Accounts cannot be offset except for the same type of accounts of the same customer; if borrower's balance arises from futures traders' equity, the balance shall be recognised as futures trading margin receivable, which shall be recovered from the traders.

(21) Bonds payable

A. Bank debentures payable

Bank debentures payable issued by the Yuanta Group is carried at amortised cost using the effective interest method.

B. Corporate bonds payable

Ordinary corporate bonds issued by the Yuanta Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'interest expense' over the period of bond circulation using the effective interest method.

(22) Provisions, contingent liabilities and contingent assets

A. The Yuanta Group recognises liabilities when all of the following three conditions are met :

(A) Present obligation (legal or constructive) has arisen as a result of past event.

(B) The outflow of economic benefits is highly probable upon settlement.

(C) The amount is reliably measurable.

B. The Yuanta Group does not recognise provisions for the future operating losses. If there are several similar obligations, the outflow of economic benefit as a result of settlement is determined based on the overall obligation. Provisions should be recognised when the outflow of economic benefits is probable in order to settle the obligation as a whole even if the outflow of economic benefits from any one of the obligations is remote.

C. When the time value may have a significant impact on a currency, the reserve is measured by the present value of expense which is required for settling the anticipated obligation. The pre-tax discount rate is used with timely adjustment that reflects the current market assessments on the time value of money and the risks specific to the liabilities.

D. Contingent liability is a possible obligations that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. Or it could be a present obligation as a result of past event but the payment is not probable or the amount cannot be measured reliably. The Yuanta Group did not recognise any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

E. Contingent asset is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Yuanta Group. The Yuanta Group did not recognise any contingent assets and made appropriate disclosure in compliance with relevant regulations when the economic inflow is probable.

(23) Financial guarantee contracts and loan commitment

- A. A financial guarantee contract is a contract that requires the Yuanta Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
- B. The Yuanta Group initially recognises financial guarantee contracts at fair value on the date of issuance. The Yuanta Group charges a service fee when the contract is signed and therefore the service fee income charged is the fair value at the date that the financial guarantee contract is signed. Service fee received in advance is recognised in deferred accounts and amortised through straight-line method during the contract term.
- C. The Yuanta Group measures the financial guarantee contract it issues at the greater of the following two amounts:
 - (A) Allowance for losses in accordance with IFRS 9 that came into effect as endorsed by the FSC.
 - (B) The amount initially recognised less, when appropriate, cumulative effect recognized in accordance with IFRS 15.
- D. The Yuanta Group's assessment of provisions for losses for loan commitments and financial guarantee contracts is described in Note 4(10). "Recognizing and measuring expected credit losses". The increase in liabilities due to financial guarantee contracts and loan commitments is recognised in "bad debt expenses, commitments and guaranty policy reserve".
- E. In addition to the assessment of provisions for losses for financial guarantee contract described above, subsidiary Yuanta Bank also assesses provisions for losses in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and other applicable laws. The greater of the two amounts is recognised and included in the guaranty policy reserve.

(24) Employee benefits

- A. Short-term employee benefits
Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.
- B. Pensions
 - (A) Defined contribution plans
For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.
 - (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 net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Yuanta Group uses interest rates of government bonds (at the balance sheet date) instead.
 - b. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
 - c. Past service costs are recognised immediately in profit or loss.

C. Deposits

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

D. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Yuanta Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Yuanta Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

E. Employees' 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 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 recognised as changes in estimates.

(25) Classification of insurance contracts

A. Insurance products should be classified according to IFRS 4. The Company has to identify whether to assume components of an insurance contract including insurance risks and other risks with respect to the insurance products issued and make judgement on whether the components of an insurance contract are unbundled and separately measurable. In addition, the Company has to make judgement on whether the insurance products issued transfer insurance risk, whether transfer of insurance risk has commercial substance, and whether the transferred insurance risk is significant when performing significant insurance risk transfer tests. Result of such judgement will affect the classification of insurance contracts. Identification and unbundling of components of an insurance contract and classification of insurance products can affect the recognition of revenue, measurement of liabilities, and presentation of financial statements.

B. An insurance contract is a contract under which the Yuanta Group accepts significant risk transferred from the policyholder by agreeing to compensate the policyholder if a future insured event adversely affects the policyholder, including reinsurance contracts with a transferrable significant risk held by the Yuanta Group. Non-insurance contracts (also called investment contracts), denote to insurance contracts with a nature of financial instruments that are exposed to financial risks but without significant transferred insurance risks. The definition of significant transferred risks employed by the Yuanta Group here refers to any event or incident that leads to the Yuanta Group's additional significant payment.

C. Insurance policies which meet the definition of insurance contracts on initial recognition shall be classified as insurance contracts before all rights and obligations expire or mature, even if the insurance risks have been significantly reduced during the coverage period. However, insurance contracts with a nature of financial instruments shall be reclassified as insurance contracts, if significant insurance risks have been transferred to the Yuanta Group.

D. Insurance contracts and investment contracts will be further classified depending on the discretionary participation feature. The discretionary participation feature is a contractual right to receive additional benefits rather than guaranteed benefits, and this kind of right will need to meet the following criteria at the same time:

(A) additional benefits that are likely to be a significant portion of the total contractual benefits;

(B) the amount or timing of additional benefits is contractually at the discretion of the Yuanta

Group; and

(C) additional benefits are contractually based on the performance of specified investment portfolio of the Yuanta Group.

(26) Insurance contracts

A. Recognition and measurement

For the Yuanta Group's insurance contracts and financial instruments with discretionary participation features, premium income and commission expense are recognised when premiums are collected and the underwritings are approved for initial policies, and when premiums are collected for renewal policies. Claim and policy benefits are recognised under profit and loss accounts as incurred. In addition, the Yuanta Group shall set aside various insurance liabilities. Please refer to recognition basis for various insurance liabilities set out. Even though certain insurance contracts of the Yuanta Group do have a participation discretion feature and guarantee element, the Yuanta Group did not separately recognise but categorize the whole contract as a liability.

B. Liability adequacy test

The Yuanta Group performs liability adequacy test in accordance with IFRS 4. The liability adequacy test is performed using the gross premium valuation based on the overall contracts of the whole entity in compliance with relevant regulations of The Actuarial Institute of The Republic of China. The test is based on the comparison between carrying amount of insurance liability and current estimate of its future cash flow on each balance sheet date. The aforementioned liability adequacy test is conducted under the best possible assumption and discount the reward of the Yuanta Group's investment portfolio. If the test result shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

C. Reinsurance

With the classification of reinsurance contracts, the Yuanta Group assesses the agreements under the deposit accounting given that the objective insurance risks of reinsurance agreements are not transferred to the reinsured. Calculation of reinsurance standards for inwards and outwards, reinsurance commissions, reinsurance payments and reinsurance premiums should be managed by reinsurance contracts signed by other reinsurance companies and stated on a monthly basis.

The Yuanta Group evaluates whether privileges of reinsured, including reinsurance assets, claims recoverable from reinsurers and due from reinsurance and ceding companies are impaired on a regular basis. When objective evidence indicates that such option being exercised after the initial recognition will possibly lead to the Yuanta Group being unable to collect all receivables on the contract, and the impact of the receivables from reinsured can be reliably measured with regard to the aforementioned event. The provision for impairment loss shall be recognised to the extent that the recovered amounts are no greater than the reinsurance reserve asset of the aforementioned rights. Also, allowance for doubtful debt should be appropriately made for the non-recoverable amounts of claims recoverable from reinsurers, due from reinsurers and ceding companies.

(27) Non-discretionary participation feature investment contracts

Except that processes for insurance contracts are applicable for "investment contracts with a discretionary participation feature", for insurance contracts classified as investment contracts due to non-transferred objective risks, IFRS 9, "Financial Instruments: Recognition and Measurement" should be applied to "investment contract with no discretionary feature" regarding any of its accrued financial assets and liabilities. The consideration received or paid accordingly should be recognised as financial assets or liabilities instead of income or expenses according to what is commonly called "deposit accounting". If no financial assets or liabilities have been created, IFRS 15, "Revenue from contracts with customers" shall be applied.

(28) Provision basis for various insurance liabilities

All reserves of insurance contracts that the Yuanta Group recognised are based on “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. The following various insurance liabilities reserves do not apply discount method other than reserve for policy benefit, liability adequacy reserve, and premium deficiency reserve with a coverage period over one year. Provision basis of various insurance liabilities reserves are as follows:

A. Unearned premium reserve

For effective contracts with a coverage period under one year, unearned premium reserve is provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period; for casualty insurance with coverage period over one year, unearned premium reserve is provided in accordance with Jin-Guan-Bao-Cai-Zi Letter No. 09902503922 “Supplementary Information on the Calculation of Unearned Premium Reserve and Earned Premium for Casualty Insurance with Coverage Period over One Year.”

B. Claims reserve

Claims reserves for health insurance, life insurance, and casualty insurance with a coverage period under one year are provided based on claim experience and expenses of various insurance types and are calculated with actuarial principles. Additionally, reserves are provided for “claims reported but not paid” and “claims incurred but not reported”. For “claims reported but not paid”, a reserve has been provided on an individual claim basis for each type of insurance.

For claims reserves for health insurance, life insurance, and annuity insurance with a coverage period over one year for “claims reported but not paid”, a reserve has been provided on an individual claim basis for each type of insurance.

C. Reserve for policy benefit

Long-term insurance contracts are recognised and calculated in conformity with related insurance regulations and based on the life chart of annuity specified within the calculation instructions when filing to competent authorities for each product, as well as the assumed interest rate for the calculation of policy reserves. The discount rate is based on the assumed interest rate for calculating policy reserves when filing to competent authorities for each insurance product.

D. Special reserve

(A) In particular for retention policies with coverage less than a year, special reserves include “catastrophe reserve” and “risk claim reserve”. Except for some reserves netting aside for regulatory purpose, special reserve, after deducting income tax, shall be recognised as special reserve under equity. Additional provision of special reserve and amounts written-off or recovered with respect to special reserve shall also be written-off or recovered from the special reserve which has been recognised under equity.

Risk claim reserve recovered from equity, net of tax (effective rate), shall all be set aside as special reserve following the resolution adopted at the shareholders’ meeting in the following year. Such special reserve shall neither be distributed as dividends nor used in other ways without proper approval.

(B) Profit and loss before tax (before dividends distribution) for the Yuanta Group’s participating life insurance should be assessed at each annual closing date in compliance with “The Method of Expense and Revenue Allocation to Participating and Non-participating Life Insurance”. “Special reserve-dividend payment reserve” should be recognised and written off at dividend declaration date. With negative balance of “special reserve-dividend payment reserve of participating insurance”, equal amount of “special reserve-dividend liability” should be recognised at the same time.

E. Premium deficiency reserve

Effective from 2001, if the issued premiums of life insurance, health insurance, and annuity insurance contract with a coverage period over one year are less than the net premium in

compliance with regulation, the deficiency of subsequent periods should be recognised as premium deficiency reserve. In addition, potential claims and expenses are estimated for effective contracts yet to mature and injury insurance contracts with a coverage period over one year. If the assessed amount is more than unearned premium reserve and expected premium income, the insufficient amount should be recognised as premium deficiency reserve by product types.

F. Liability adequacy reserve

In accordance with IFRS 4 and the regulations of The Actuarial Institute of The Republic of China, liability adequacy test is performed using the gross premium valuation based on all contracts of the Company. At each balance sheet date, liability adequacy reserve is provided for all deficiency in net carrying amount and recognised in profit or loss, through comparison between the net carrying amounts of insurance liabilities less deferred acquisition cost and related intangible assets and the present value of estimated future cash flows of insurance contracts.

(29) Foreign exchange reserve

In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Yuanta Group set aside foreign exchange reserve under liabilities (recognised as provisions) with regard to the foreign investment assets held (excluding non-investment-linked life insurance product assets denominated in foreign currency). Treatments for accumulation limit of related reserves, method for provision or writing-off, and other binding matters shall be in compliance with “Guidelines for Foreign Exchange Reserve by Life Insurance Enterprises” and relevant regulations.

(30) Income tax

A. Current income tax

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

B. Deferred income tax

(A) Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included on the consolidated balance sheet are calculated using the balance sheet liability method and recognised as deferred income tax.

(B) The land revaluation appraisal due to the revaluation assessment in compliance with relevant regulations, deemed as taxable temporary difference, is recognised as deferred income tax liabilities.

(C) If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realised in the future, the proportion of realization is deemed as deferred income tax asset.

C. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on

a net basis or realise the asset and settle the liability simultaneously. The Yuanta Group does not offset deferred income tax assets against liabilities taxed by different tax authorities.

(31) Share capital

Common stocks are classified as equity. If the date of dividends declared is later than the consolidated balance sheet date, common stocks are disclosed in the subsequent events.

(32) Interest income and expense

Other than those classified as financial assets and liabilities at fair value through profit and loss, all the interest income and interest expense generated from interest-bearing financial assets are calculated by effective interest rate according to relevant regulations and recognised as “interest income” and “interest expense” in the consolidated statement of comprehensive income.

(33) Net service fee and commission income

Income is recognised when the economic benefits are probable to flow into the Yuanta Group and can be reliably calculated. Details are as follows:

- A. Brokerage service fee income and other related expenses are recognised at the date of securities transaction.
- B. Underwriting service fee income and expenses are recognised on an accrual basis under the agreed terms.
- C. Stock agency income is recognised monthly based on the contract terms.
- D. Futures commission income is the commission charged to the assigned futures merchants for the assistance provided during futures trading and recognised on an accrual basis during the trading period.

(34) Investment-linked products

- A. In accordance with the Insurance Law and “Regulations Governing Investment-linked Products”, premiums from these products are deposited to a separate and independent account, net of expenses, and invested as stipulated under the contracts. This separate and independent account is managed independently from other assets of the Yuanta Group.
- B. The assets and liabilities of this independent account are classified under other assets and liabilities for investment-linked products, respectively, and revenues and expenses are classified under operating revenues and costs for investment-linked products, respectively. Revenues and expenses from investment-linked product, which meet the definition of insurance contracts under IFRS 4 should be recognised.
- C. The value of this independent account’s assets is determined based on the market price at the balance sheet date.
- D. The sales commission and fee income including pre-sale charge, policy and investment related charges received from the investment from the investment-linked life products are recognised as handling fee revenue. Service income derived from relevant expenses from policy holders, which belong to investment contracts and are classified as non-discretionary participation feature products, are the consideration of services provided by the Company during the specified period. If the service is not rendered during the period the premium is received, then the service income shall be recognised as “deferred handling fee income” and amortised using the straight-line method over the period the service is provided. Relevant additional costs, such as commission expenses and sales compensation, shall also be recognised as “deferred acquisition cost” and are amortised using the straight-line method to “Other non-interest income” based on the matching principle.

(35) Business combinations

- A. The Yuanta Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration

arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Yuanta Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(36) Operating segments

The Yuanta Group's operation segment reports are consistent with the internal reports provided to the chief operating decision-maker ("CODM").

Inter-segmental transactions are arm's length transactions, and gain and loss arising from such transactions are eliminated by the Yuanta Group upon the preparation of consolidated financial statements. Profit and loss directly attributable to various segments have been considered when segment performance is being evaluated.

5. Critical accounting 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 December 31, 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 December 31, 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. Please refer to Note 6(17) for details of the assessment of goodwill impairment as of December 31, 2023.

(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 is based on the Company’s past experience, industry experience, and experience obtained from reinsurers. The discount rate is based on the interest rate of reserve for policy benefit from newly issued contracts and treated in compliance with calculation basis for insurance products and relevant regulations as approved by the competent authority. The above assumptions are locked-in during price setting in accordance with related regulations.

However, it is reasonably possible that changes in assumption from the competent authority may have an impact on gains, losses, or equity. The liability adequacy testing is conducted by discounting the Company’s overall return on investment under the best estimate on valuation date. If the test result shows that the liability is inadequate, the entire deficiency is recognised in expenses and losses in the period. If there is a change in the future best estimate assumption, incremental reserve for adverse movement in such assumption shall be made. Please refer to Note 6(26), for details of reserves of insurance liabilities as of December 31, 2023.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 7,031,300	\$ 8,717,834
Deposits in banks	71,111,899	63,687,758
Futures excess margin and cash equivalents	2,088,601	2,403,832
Checks for clearance	<u>1,638,160</u>	<u>1,528,740</u>
Total	<u>\$ 81,869,960</u>	<u>\$ 76,338,164</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Reserve for deposits - account A	\$ 15,405,956	\$ 10,967,640
Reserve for deposits - account B	45,217,980	42,591,672
Deposits by foreign subsidiary to designated accounts of respective local central banks	2,232,294	3,192,805
Reserve for deposits	13,246,331	10,224,932
Call loans to banks	7,007,579	12,713,111
Total	<u>\$ 83,110,140</u>	<u>\$ 79,690,160</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 December 31, 2023 and 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>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Commercial paper	\$ 87,992,496	\$ 46,433,021
Beneficiary certificates / securities	75,751,386	41,201,887
Listed stocks	31,213,329	29,243,102
Emerging stocks	1,893,718	1,206,148
Government bonds	40,585,060	24,965,814
Bank debentures	116,349,322	88,580,934
Corporate bonds	34,934,285	37,739,641
Convertible corporate bonds	63,236,850	63,351,719
Derivative financial instruments	17,922,423	19,629,863
Structured products	15,241,899	10,662,464
Reserve for claims of customers' deposits with KSFC (Note 1)	54,827,303	52,617,228
Other marketable securities	22,482,956	17,674,966
Valuation adjustment	1,270,169	(13,249,405)
Total	<u>\$ 563,701,196</u>	<u>\$ 420,057,382</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial liabilities held for trading		
Derivative financial instruments	\$ 31,418,104	\$ 27,683,180
Non-derivative financial instruments	41,966,169	34,600,597
Valuation adjustment of non-derivative financial instruments	2,518,776	(1,233,298)
Liabilities for issuance of ETNs	892,156	1,648,324
Financial liabilities designated as at fair value through profit or loss		
Structured products (Note 2)	57,804,859	48,482,434
Convertible bond asset swap not qualifying for derecognition (Note 2)	<u>24,070,650</u>	<u>23,641,439</u>
Total	<u>\$ 158,670,714</u>	<u>\$ 134,822,676</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 December 31, 2023 and 2022.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity instruments		
Domestic stocks	\$ 1,122,201	\$ 8,857,480
Domestic beneficiary certificates	22,465,016	12,405,800
Overseas beneficiary certificates	684,115	1,069,798
	<u>\$ 24,271,332</u>	<u>\$ 22,333,078</u>

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

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Profit (loss) recognised in accordance with IFRS 9	\$ 6,703,232	(\$ 3,854,480)
Less: Profit that would have been recognised under IAS 39	(3,649,255)	(296,883)
Profit (loss) from adopting the overlay approach	<u>\$ 3,053,977</u>	<u>(\$ 4,151,363)</u>
Effects on income tax	<u>\$ 28,963</u>	<u>(\$ 18,487)</u>

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

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

Items	December 31, 2023	December 31, 2022
Debt instruments		
Government bonds	\$ 51,723,187	\$ 66,141,036
Bank debentures	63,494,452	69,146,868
Corporate bonds	144,189,952	169,249,746
Commercial paper	772	27,282
Others	1,891,952	1,507,887
Valuation adjustment	(11,461,127)	(20,358,290)
Subtotal	249,839,188	285,714,529
Equity instruments		
Listed stocks	\$ 5,542,753	\$ 18,307,697
Unlisted stocks/Emerging stocks	4,582,490	4,614,049
Others	2,648,611	2,659,126
Valuation adjustment	29,649,776	28,416,152
Subtotal	42,423,630	53,997,024
Total	\$ 292,262,818	\$ 339,711,553

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 December 31, 2023 and 2022, the fair value of such investments were \$42,423,630 and \$53,997,024, 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 years ended December 31, 2023 and 2022, the fair value of such equity investments sold amounted to \$29,194,182 and \$11,938,177, and accumulated gains (losses) on disposal were \$2,571,700 and (\$1,737,950), 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 years ended December 31,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 3,929,273	\$ 3,454,906
Reclassified to retained earnings due to derecognition of accumulated gains or losses under the consideration of income tax	\$ 2,486,009	(\$ 1,697,795)
Dividend income recognised in profit or loss		
Held at end of period	\$ 1,176,739	\$ 2,184,882
Derecognised in the current period	3,306,136	522,203
	\$ 4,482,875	\$ 2,707,085

	For the years ended December 31,	
	2023	2022
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,799,548	(\$ 20,072,583)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 15,552)	(\$ 20,641)
Reclassified due to derecognition	2,974,423	875,576
	<u>\$ 2,958,871</u>	<u>\$ 854,935</u>
Interest income recognised in profit or loss	<u>\$ 5,171,631</u>	<u>\$ 3,820,155</u>

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

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

(5) Investments in debt instruments at amortised cost

Items	December 31, 2023	December 31, 2022
Government bonds	\$ 109,776,649	\$ 118,653,300
Time deposits	142,692,828	173,075,000
Bank debentures	119,849,038	108,753,511
Corporate bonds	170,532,824	143,771,283
Subtotal	<u>542,851,339</u>	<u>544,253,094</u>
Less: Accumulated impairment	(159,669)	(163,379)
Statutory deposits	(3,560,400)	(3,560,400)
Total	<u>\$ 539,131,270</u>	<u>\$ 540,529,315</u>

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

	For the years ended December 31,	
	2023	2022
Interest income	\$ 13,550,989	\$ 11,551,810
Reversal gain (impairment loss)	3,751	(14,397)
(Losses) gains on disposal	(690,387)	83,436
	<u>\$ 12,864,353</u>	<u>\$ 11,620,849</u>

B. The Yuanta Group sold certain financial assets at amortised cost for the years ended December 31, 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 (\$690,387) and \$83,436, 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 December 31, 2023 and 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 above financial assets at amortised cost pledged to others as collateral as of December 31, 2023 and 2022, are provided in Note 8.

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills and bonds purchased under resale agreement	\$ 99,644,104	\$ 94,073,224
Interest rate range	0.92% ~ 6.65%	0.56% ~ 5.90%
Contract resale amount	\$ 100,042,588	\$ 94,442,928
Bills and bonds sold under repurchase agreement	\$ 251,838,703	\$ 224,137,491
Interest rate range	0.50% ~ 5.80%	0.45% ~ 4.85%
Contract repurchase amount	\$ 257,448,903	\$ 229,074,828

(7) Receivables – net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Interest receivable	\$ 11,708,251	\$ 9,692,421
Receivable of securities business money lending	71,687,248	50,876,971
Factoring receivable	5,025,112	6,749,712
Margin loans receivable	98,783,527	84,058,674
Spot exchange receivable	828,096	2,006,360
Credit card receivable	9,189,343	8,883,926
Net exchange clearing receivable	8,718,790	6,110,052
Settlement receivable	53,217,175	26,035,305
Securities sold receivable	9,638,023	4,511,972
Other receivables	6,227,378	5,426,681
Subtotal	275,022,943	204,352,074
Less: Allowance for credit losses	(1,930,024)	(2,010,082)
Total	\$ 273,092,919	\$ 202,341,992

A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the years ended December 31, 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 December 31, 2023 and 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% and 7.00%~10.40%, respectively; the annual interest rates range of Yuanta Securities (Hong Kong) were 2.68%~13.75% and 0.25%~13.50%, 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 5.56%~5.90% and 4.13%~4.50%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 8.00%~13.50% and 6.79%~15.51%, 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 \$ 79,099 and

\$81,469 as of December 31, 2023 and 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 year ended December 31, 2022, the Yuanta Group sold part of the assets held for sale, and the proceeds from disposal all amounted to \$120,880, and gain on disposal amounted to \$12,331, respectively. For the year ended December 31, 2023, there were no sales transaction. For the years ended December 31, 2023 and 2022, the Yuanta Group recognised related impairment loss were \$2,370 and \$4,545, respectively.

(9) Bills discounted and loans - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills discounted	\$ 34,373	\$ 10,663
Overdrafts	3,820	3,634
Short-term loans	148,164,186	130,844,368
Short-term loans secured	110,824,956	90,689,357
Medium-term loans	162,900,732	141,328,962
Medium-term loans secured	228,608,660	228,098,646
Long-term loans	5,350,960	4,823,525
Long-term loans secured	435,462,856	404,064,697
Export-import bills negotiated	8,454	37,855
Accounts receivable financing	318,491	489,648
Automatic policy loans	1,670,455	1,601,933
Life insurance policy loans	6,451,096	6,049,114
Overdue loans	<u>2,017,089</u>	<u>1,513,972</u>
Subtotal	1,101,816,128	1,009,556,374
Less: Allowance for credit losses	(15,266,124)	(14,367,092)
Less: Adjustment for discount or premium	(23,244)	9,883
Total	<u>\$ 1,086,526,760</u>	<u>\$ 995,199,165</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 years ended December 31, 2023 and 2022, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bills discounted and loans including adjustment for premium		
Yuanta Bank	\$ 1,083,227,619	\$ 990,145,956
Yuanta Securities	10,443,714	11,769,254
Yuanta Life	<u>8,121,551</u>	<u>7,651,047</u>
Subtotal	<u>\$ 1,101,792,884</u>	<u>\$ 1,009,566,257</u>
Allowance for credit losses		
Yuanta Bank	(\$ 14,247,014)	(\$ 13,400,050)
Yuanta Securities	(1,019,110)	(967,042)
Subtotal	<u>(15,266,124)</u>	<u>(14,367,092)</u>
Total	<u>\$ 1,086,526,760</u>	<u>\$ 995,199,165</u>

C. For the year ended December 31, 2022, the Yuanta Group has recognised gain of \$5,985, when derecognising credit assets measured at amortised cost. There was no derecognition for the year

ended December 31, 2023.

(10) Reinsurance contract assets

	December 31, 2023		December 31, 2022	
Claims recoverable from reinsurers	\$	472,208	\$	640,013
Due from reinsurers and ceding companies		119,616		153,324
Reinsurance reserve assets				
Ceded unearned premium reserve		456,271		436,945
Ceded claims reserve		88,959		123,363
Overdue receivables		112,039		14,550
Total	\$	1,249,093	\$	1,368,195

(11) Investments accounted for under the equity method

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Associates:				
CR Yuanta Fund Management Company Limited	\$ 341,109	24.50%	\$ 346,416	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	22,299	100.00%	22,324	100.00%
Woori Asset Management Corp.	810,967	27.00%	793,797	27.00%
TONGYANG AGRI-FOOD INVESTMENT FUND II	-	-	72,028	40.74%
KVIC-Yuanta 2015 Overseas Advance Fund	77,480	44.00%	162,026	44.00%
IBKC-TONGYANG Growth 2013 Private Equity Fund	47,978	10.71%	67,762	10.71%
2016 KIF-Yuanta ICT Venture Fund	44,596	16.67%	74,120	16.67%
Yuanta Secondary No.2 Fund	150,990	12.28%	212,851	12.28%
Yuanta Secondary No.3 Private Equity Fund	663,043	15.26%	810,130	15.26%
SJ-ULTRA V 1st FUND	28,500	34.48%	29,014	34.48%
Yuanta-HPNT Private Equity Fund	4,703	0.09%	4,838	0.09%
Kiwoom-Yuanta 2019 Scale-up Fund	404,998	15.20%	410,896	15.20%
Yuanta SPAC VIII	-	-	480	0.15%
Yuanta Innovative Job Creation Fund	186,835	22.73%	189,764	22.73%
Yuanta Quantum Jump No.1 Fund	80,731	12.50%	86,292	12.50%
Yuanta Great Unicorn No.1 Fund	67,570	17.65%	116,684	17.65%
Yuanta Innovative Growth MPE Fund	154,168	14.02%	30,950	14.02%
Yuanta SPAC IX	479	0.19%	480	0.19%
Yuanta SPAC X	479	0.17%	528	0.17%
Yuanta SPAC XI	469	0.19%	24	4.17%
Yuanta SPAC XII	469	0.21%	21	3.70%

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Yuanta SPAC XIII	\$ 453	0.10%	\$ 244	0.81%
Yuanta SPAC XIV	464	0.22%	244	1.85%
Yuanta SPAC XV	237	1.96%	-	-
Yuanta SPAC XVI	356	4.17%	-	-
	<u>\$ 3,089,373</u>		<u>\$ 3,431,913</u>	

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

	For the years ended December 31,	
	2023	2022
Net (loss) profit for the period from continuing operations	(\$ 231,099)	\$ 191,645
Other comprehensive income (loss) (net of tax)	742	(681)
(12) <u>Other financial assets - net</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdue receivable	\$ 895,372	\$ 899,922
Less: Allowance for credit losses	(894,533)	(898,458)
	839	1,464
Purchase of claim receivable	1,790,773	1,814,911
Valuation adjustment on purchase of claim receivable	(25,072)	(22,158)
	<u>1,765,701</u>	<u>1,792,753</u>
Customer margin accounts	78,039,576	81,222,971
Investment-linked insurance product assets	31,504,281	30,353,012
Receivables from security lending	234,920	846,335
Others	271,214	264,238
Total	<u>\$ 111,816,531</u>	<u>\$ 114,480,773</u>

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

B. The Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of December 31, 2023 and 2022, as well as for the years ended December 31, 2023 and 2022, details about the investment insurance products - separate accounts were as follows:

	December 31, 2023	December 31, 2022
Investment – linked insurance product assets		
Financial assets at fair value through profit or loss	\$ 31,437,073	\$ 30,324,039
Other receivables	67,208	28,973
	<u>\$ 31,504,281</u>	<u>\$ 30,353,012</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investment – linked insurance product liabilities		
Reserve for investment linked insurance product		
– insurance contract	\$ 7,322,624	\$ 6,694,344
– investment contract	24,127,964	23,636,016
Other payables	<u>53,693</u>	<u>22,652</u>
	<u>\$ 31,504,281</u>	<u>\$ 30,353,012</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue on investment – linked insurance products		
Premium income	\$ 267,215	\$ 2,245,009
Gain (loss) on financial assets at fair value through profit or loss	1,103,680	(1,063,657)
Exchange loss	(150)	(3,902)
Interest income	5,681	5,177
Other income	<u>1,073</u>	<u>4,706</u>
	<u>\$ 1,377,499</u>	<u>\$ 1,187,333</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 455,568	\$ 256,216
Net change in reserve for investment-linked insurance product-insurance contract	628,129	604,504
Administrative expenses and other expenses	<u>293,802</u>	<u>326,613</u>
	<u>\$ 1,377,499</u>	<u>\$ 1,187,333</u>

(13) Investment property - net

	<u>December 31, 2023</u>			
<u>Assets</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land and land improvements	\$ 1,918,238	\$ -	(\$ 198,897)	\$ 1,719,341
Buildings	1,707,854	(780,365)	(35,347)	892,142
Right-of-use assets	6,471,964	(382,993)	-	6,088,971
Investment property under construction	<u>2,607,063</u>	<u>-</u>	<u>-</u>	<u>2,607,063</u>
Total	<u>\$ 12,705,119</u>	<u>(\$ 1,163,358)</u>	<u>(\$ 234,244)</u>	<u>\$ 11,307,517</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>

Change in investment property of the Yuanta Group:

	For the years ended December 31,	
	2023	2022
Cost		
At January 1	\$ 11,818,982	\$ 12,185,874
Additions	1,301,449	729,114
Disposals	(252,462)	(1,107,928)
Transferred out to property and equipment	(205,160)	(244,192)
Transferred in from property and equipment	83,491	213,183
Others	-	(16,799)
Foreign exchange adjustment and others	(41,181)	59,730
At December 31	<u>\$ 12,705,119</u>	<u>\$ 11,818,982</u>
Accumulated depreciation		
At January 1	(\$ 1,092,399)	(\$ 1,240,700)
Depreciation	(58,839)	(68,848)
Disposals	42,114	318,005
Transferred out to property and equipment	26,083	21,735
Transferred in from property and equipment	(1,509)	(13,336)
Others	-	2,687
Foreign exchange adjustment and others	(78,808)	(111,942)
At December 31	<u>(\$ 1,163,358)</u>	<u>(\$ 1,092,399)</u>
Accumulated impairment		
At January 1	(\$ 239,132)	(\$ 251,652)
Reversal of impairment loss	4,888	10,901
Disposals	-	3,101
Transferred in from property and equipment	-	(1,482)
At December 31	<u>(\$ 234,244)</u>	<u>(\$ 239,132)</u>

- A. The fair value of the investment property held by the Yuanta Group as of December 31, 2023 and 2022, were \$13,161,957 and \$12,524,213, 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 December 31, 2023, the fair value included the amounts of \$2,930,651 and \$10,231,306; 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.
- B. For the years ended December 31, 2023 and 2022, rental income from the lease of the investment property were \$161,129 and \$169,032, respectively.
- C. Please refer to Note 8 for details of the above investment property pledged to others as collateral.

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(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2023

Cost	2023						Construction in progress and prepayments for business facilities	Total
	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment			
At January 1	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659	
Additions	-	1,512	617,301	12,357	127,888	2,203,505	2,962,563	
Disposals	(2,798)	(9,189)	(313,506)	(22,432)	(206,219)	-	(554,144)	
Transferred in from investment property	(72,395)	(11,096)	-	-	-	-	(83,491)	
Transferred out to investment property	156,704	48,456	-	-	-	-	205,160	
Others	-	-	446,290	1,700	86,595	(529,730)	4,855	
Translation difference	(7,268)	(24,958)	(46,712)	20	(376)	66	(79,228)	
At December 31	\$ 15,070,429	\$ 7,074,907	\$ 4,985,702	\$ 199,203	\$ 1,814,817	\$ 5,438,316	\$ 34,583,374	
<u>Accumulated depreciation</u>								
At January 1	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	\$ -	(\$ 6,434,820)	
Depreciation	-	(203,227)	(675,621)	(22,853)	(288,374)	-	(1,190,075)	
Disposals	-	4,768	311,823	19,490	203,965	-	540,046	
Transferred in from investment property	-	1,509	-	-	-	-	1,509	
Transferred out to investment property	-	(26,083)	-	-	-	-	(26,083)	
Others	-	-	2	-	(2)	-	-	
Translation difference	-	10,718	38,258	7	(220)	-	48,763	
At December 31	\$ -	(\$ 2,550,615)	(\$ 3,182,173)	(\$ 147,183)	(\$ 1,180,689)	\$ -	(\$ 7,060,660)	
<u>Accumulated impairment</u>								
At January 1	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)	
Reversal of impairment loss	11,683	7,107	-	-	-	-	18,790	
At December 31	(\$ 119,057)	(\$ 51,203)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 170,558)	
Net carrying amount	\$ 14,951,372	\$ 4,473,089	\$ 1,803,529	\$ 52,020	\$ 633,830	\$ 5,438,316	\$ 27,352,156	

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 (Note)		Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and prepayments for business facilities	Total
		Buildings					
At January 1	\$ 15,095,745	\$ 7,241,243	\$ 4,033,225	\$ 209,637	\$ 1,738,942	\$ 2,420,243	\$ 30,739,035
Additions	-	462	553,427	9,898	176,964	1,598,331	2,339,082
Disposals	(127,000)	(228,253)	(527,235)	(13,973)	(274,209)	(19,941)	(1,190,611)
Transferred in from investment property	196,614	47,578	-	-	-	-	244,192
Transferred out to investment property	(180,708)	(32,475)	-	-	-	-	(213,183)
Others	-	-	108,045	1,449	132,015	(235,413)	6,096
Translation difference	11,535	41,627	114,867	547	33,217	1,255	203,048
At December 31	\$ 14,996,186	\$ 7,070,182	\$ 4,282,329	\$ 207,558	\$ 1,806,929	\$ 3,764,475	\$ 32,127,659
<u>Accumulated depreciation</u>							
At January 1	\$ -	(\$ 2,223,653)	(\$ 2,681,768)	(\$ 128,225)	(\$ 1,024,589)	\$ -	(\$ 6,058,235)
Depreciation	-	(203,589)	(607,332)	(26,099)	(311,447)	-	(1,148,467)
Disposals	-	115,296	525,609	10,954	267,893	-	919,752
Transferred in from investment property	-	(21,735)	-	-	-	-	(21,735)
Transferred out to investment property	-	13,336	-	-	-	-	13,336
Others	-	-	3,491	-	1,403	-	4,894
Translation difference	-	(17,955)	(96,635)	(457)	(29,318)	-	(144,365)
At December 31	\$ -	(\$ 2,338,300)	(\$ 2,856,635)	(\$ 143,827)	(\$ 1,096,058)	\$ -	(\$ 6,434,820)
<u>Accumulated impairment</u>							
At January 1	(\$ 149,649)	(\$ 62,269)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 212,216)
Disposals	18,919	2,467	-	-	-	-	21,386
Transferred out to investment property	(10)	1,492	-	-	-	-	1,482
At December 31	(\$ 130,740)	(\$ 58,310)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 189,348)
Net carrying amount	\$ 14,865,446	\$ 4,673,572	\$ 1,425,694	\$ 63,731	\$ 710,573	\$ 3,764,475	\$ 25,503,491

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>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,511,019	\$ 8,642,912
Buildings	4,367,284	2,701,303
Machinery and equipment	47,479	92,732
Transportation equipment	28,006	33,979
Others	57,787	44,606
	<u>\$ 13,011,575</u>	<u>\$ 11,515,532</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 20,072	\$ 19,925
Buildings	1,322,516	1,277,386
Machinery and equipment	45,227	45,334
Transportation equipment	13,678	13,539
Others	8,493	7,940
	<u>\$ 1,409,986</u>	<u>\$ 1,364,124</u>

- C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets amounted to \$3,120,392 and \$1,617,259, respectively.
- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 79,263	\$ 62,313
Expense on short-term lease contracts	84,622	86,575
Expense on leases of low-value assets	5,469	6,070
Gain on sublease of right-of-use assets	13,376	11,891
(Loss) gain on lease modification	(120)	133,135

- E. For the years ended December 31, 2023 and 2022, the Yuanta Group's total cash outflow for leases amounted to \$1,625,065 and \$1,700,619, 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 years ended December 31,	
	2023	2022
Finance income from the net investment in the finance lease	\$ 214	\$ 596

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

	December 31, 2022
2023	\$ 8,463

As of December 31, 2023, the Yuanta Group had no undiscounted lease payments in the finance lease.

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

	December 31, 2022
Undiscounted lease payments	\$ 8,463
Unearned finance income	(214)
Net investment in the lease	\$ 8,249

As of December 31, 2023, the Yuanta Group had no undiscounted lease payments in the finance lease.

- E. For the years ended December 31, 2023 and 2022, the Yuanta Group recognised rent income in the amounts of \$161,210 and \$169,073, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	December 31, 2023		December 31, 2022
2024	\$ 100,707	2023	\$ 107,402
2025	67,060	2024	63,395
2026	18,070	2025	35,402
2027	8,887	2026	7,555
2028	3,611	2027	5,113
After 2029	2,442	After 2028	3,917
Total	\$ 200,777	Total	\$ 222,784

(17) Intangible assets - net

	2023					
	Goodwill (Note 1)	Operating rights	Computer software	Customer relationship	Others	Total
<u>Cost</u>						
At January 1	\$ 31,496,813	\$ 385,472	\$ 5,079,715	\$ 3,045,314	\$ 4,367,806	\$ 44,375,120
Additions	-	-	312,909	-	31,696	344,605
Disposals	-	-	(141,236)	-	(3,340)	(144,576)
Reclassifications	-	-	97,254	-	-	97,254
Translation difference	(2,848)	(16)	(98,619)	-	(23,541)	(125,024)
At December 31	<u>\$ 31,493,965</u>	<u>\$ 385,456</u>	<u>\$ 5,250,023</u>	<u>\$ 3,045,314</u>	<u>\$ 4,372,621</u>	<u>\$ 44,547,379</u>
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 374,975)	(\$ 4,152,345)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ 10,141,836)
Amortisation	-	-	(349,434)	(3,438)	(232,394)	(585,266)
Disposals	-	-	141,228	-	-	141,228
Translation difference	-	5	89,592	-	1,479	91,076
At December 31	<u>\$ -</u>	<u>(\$ 374,970)</u>	<u>(\$ 4,270,959)</u>	<u>(\$ 3,045,314)</u>	<u>(\$ 2,803,555)</u>	<u>(\$ 10,494,798)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 2,956,649)	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ 3,273,376)
Impairments (Note)	(48,966)	(4,586)	-	-	-	(53,552)
Translation difference	2,543	53	-	-	429	3,025
At December 31	<u>(\$ 3,003,072)</u>	<u>(\$ 4,533)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 316,298)</u>	<u>(\$ 3,323,903)</u>
Net carrying amount	<u>\$ 28,490,893</u>	<u>\$ 5,953</u>	<u>\$ 979,064</u>	<u>\$ -</u>	<u>\$ 1,252,768</u>	<u>\$ 30,728,678</u>

Note : Goodwill impairment loss of Yuanta Securities' investment segment-Yuanta Securities (Vietnam) amounting to \$48,966 was recognized due to its recoverable amount being less than its carrying amount after assessment.

2022

Cost	2022					
	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	-	-	332,568	-	4,297	336,865
Disposals	-	-	(120,707)	-	(1,276)	(121,983)
Reclassifications	-	-	105,663	-	-	105,663
Translation difference	13,515	1,463	187,428	-	46,921	249,327
At December 31	\$ 31,496,813	\$ 385,472	\$ 5,079,715	\$ 3,045,314	\$ 4,367,806	\$ 44,375,120
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 373,041)	(\$ 3,807,101)	(\$ 3,038,126)	(\$ 2,338,021)	(\$ 9,556,289)
Amortisation	-	(1,504)	(298,183)	(3,750)	(232,175)	(535,612)
Disposals	-	-	119,960	-	6	119,966
Reclassifications	-	-	334	-	-	334
Translation difference	-	(430)	(167,355)	-	(2,450)	(170,235)
At December 31	\$ -	(\$ 374,975)	(\$ 4,152,345)	(\$ 3,041,876)	(\$ 2,572,640)	(\$ 10,141,836)
<u>Accumulated impairment</u>						
At January 1	(\$ 2,886,663)	\$ -	\$ -	\$ -	(\$ 316,015)	(\$ 3,202,678)
Impairments (Note)	(64,077)	-	-	-	-	(64,077)
Translation difference	(5,909)	-	-	-	(712)	(6,621)
At December 31	(\$ 2,956,649)	\$ -	\$ -	\$ -	(\$ 316,727)	(\$ 3,273,376)
Net carrying amount	\$ 28,540,164	\$ 10,497	\$ 927,370	\$ 3,438	\$ 1,478,439	\$ 30,959,908

Note : Goodwill impairment loss of Yuanta Securities' investment segment-Yuanta Securities (Vietnam) amounting to \$64,077 was recognized due to its recoverable amount being less than its carrying amount after assessment.

1. The Yuanta Group's goodwill all arose from business combination. According to the accounting treatment of the acquisition method, the acquisition costs exceeding the fair value of tangible and identifiable intangible assets after deducting the fair value of the liabilities assumed is recognized as goodwill.
2. Goodwill is allocated to cash-generating units identified according to operating segments, and experts are entrusted to assist in assessing the recoverable amount based on value-in-use, which is calculated based on management's estimate of future cash flows for future periods. For cash flows that exceed the aforementioned future periods, the following estimated growth rates are used for calculations. The goodwill of the Yuanta Group is regularly tested for impairment at the end of each year. In 2023 and 2022, the cash-generating unit of Yuanta Securities' investment segment-Yuanta Securities (Vietnam), after evaluation, the recoverable amount was lower than its carrying amount, therefore goodwill impairment losses of \$48,966 and \$64,077 were recognized in 2023 and 2022, respectively; the recoverable amounts of the remaining cash-generating units after evaluation are higher than their carrying amounts.

The key assumptions used for value in use calculations are as follows:

	Bank subsidiaries				
	Corporate finance	Personal finance	Financial management	Financial market	
2023					
Growth rate	2.00%	2.00%	2.00%	2.00%	
Discount rate	9.30%	9.30%	9.40%	9.20%	
	Securities subsidiaries				
	Brokerage Segment	Investment Banking Segment	Investment Segment	Futures	Securities Investment Trust
2023					
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%
Discount rate	8.20%	8.20%	19.00%~22.40%	8.00%	13.00%
	Bank subsidiaries				
	Corporate finance	Personal finance	Financial management	Financial market	
2022					
Growth rate	2.00%	2.00%	2.00%	2.00%	
Discount rate	8.80%	8.70%	9.10%	8.80%	
	Securities subsidiaries				
	Brokerage Segment	Investment Banking Segment	Investment Segment	Futures	Securities Investment Trust
2022					
Growth rate	2.00%	2.00%	3.00%	2.00%	2.00%
Discount rate	8.00%	8.00%	19.30%~23.00%	8.00%	12.70%

(18) Other assets - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Refundable deposits - net	\$ 5,149,361	\$ 6,313,415
Deposits on securities borrowed	35,199,050	25,663,435
Operating guarantee deposits and settlement and clearing fund	4,911,907	5,188,796
Prepayments	1,114,769	1,013,577
Bank deposits - amounts held for settlement	22,849,175	20,495,962
Others	540,799	368,271
Total	<u>\$ 69,765,061</u>	<u>\$ 59,043,456</u>

Please refer to Note 8 for details of the above other assets pledged to others as collateral.

(19) Impairment of non-financial assets

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investment property	\$ 234,244	\$ 239,132
Property and equipment	170,558	189,348
Intangible assets - goodwill	3,003,072	2,956,649
Intangible assets - operating rights	4,533	-
Intangible assets - other	316,298	316,727

(20) Deposits from Central Bank and other banks

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdrafts with other banks	\$ 5,935,763	\$ 1,923,082
Call loans from other banks	6,451,630	36,684,013
Total	<u>\$ 12,387,393</u>	<u>\$ 38,607,095</u>

(21) Commercial paper payable - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial paper payable	\$ 83,446,921	\$ 47,963,211
Less: Discount on commercial paper payable	(291,756)	(127,141)
Total	<u>\$ 83,155,165</u>	<u>\$ 47,836,070</u>

As of December 31, 2023 and 2022, the annual interest rate of commercial paper payable was 1.528%~5.590% and 0.950%~5.990%, respectively.

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

(22) Payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	\$ 76,177,280	\$ 76,475,038
Spot exchange payable	828,284	2,009,705
Accrued expenses	12,261,577	10,136,916
Deposit payable for short sales	7,081,301	10,153,978
Net exchange clearing payable	3,777,723	3,335,104
Securities purchased payable	2,659,924	3,133,408
Settlement payable	58,070,615	28,080,026
Guarantee deposit received from short sales	6,351,449	11,091,743
Other payables	13,001,910	9,610,645
Total	<u>\$ 180,210,063</u>	<u>\$ 154,026,563</u>

(23) Deposits and remittances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Checking deposits	\$ 5,820,328	\$ 6,041,755
Demand deposits	181,485,255	180,320,808
Time deposits	404,594,380	380,133,262
Negotiable certificates of deposit	12,180,900	4,694,000
Savings deposits	944,529,272	836,179,477
Remittances	160,683	72,197
Total	<u>\$ 1,548,770,818</u>	<u>\$ 1,407,441,499</u>

(24) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank debentures	\$ 28,700,000	\$ 28,700,000
Unsecured corporate bonds	76,204,691	73,787,542
Total	<u>\$ 104,904,691</u>	<u>\$ 102,487,542</u>

A. The details of bank debentures as of December 31, 2023 were as follows:

First issue of subordinate bank debentures in 2014(B)

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

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

	<u>First issue of general bank debentures in 2022</u>
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
	<u>Second issue of subordinate bank debentures in 2022</u>
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
	<u>Third issue of subordinate bank debentures in 2022(A)</u>
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
	<u>Third issue of subordinate bank debentures in 2022(B)</u>
Par value	\$1,900,000
Stated interest rate	Fixed interest rate at 2.55%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
B. The details of unsecured corporate bonds as of December 31, 2023 were as follows: The Company	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2018(B)
Par value	\$8,500,000
Stated interest rate	Fixed interest rate at 0.96%
Period	Seven years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the sixth and seventh years
Issue price	Priced at face value on issue date

	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2020
Par value	\$5,000,000
Stated interest rate	Fixed interest rate at 0.59%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2022
Par value	\$5,300,000
Stated interest rate	Fixed interest rate at 0.85%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings second issue of local unsecured ordinary corporate bond in 2022
Par value	\$8,200,000
Stated interest rate	Fixed interest rate at 1.55%
Period	Five years
Interest payment date	Payable annually
Term of principal payment	Half of principal will be repaid in the fourth and fifth years
Issue price	Priced at face value on issue date
	Yuanta Financial Holdings first issue of local unsecured ordinary corporate bond in 2023(A)
Par value	\$1,850,000
Stated interest rate	Fixed interest rate at 1.65%
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 2023(B)
Par value	\$4,750,000
Stated interest rate	Fixed interest rate at 1.80%
Period	ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(A)
Par value	\$2,200,000
Stated interest rate	Fixed interest rate at 1.25%
Issuance date	June 6, 2019
Maturity date	June 6, 2026
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2019(B)
Par value	\$6,300,000
Stated interest rate	Fixed interest rate at 1.40%
Issuance date	June 6, 2019
Maturity date	June 6, 2029
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(A)
Par value	\$1,300,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	October 20, 2020
Maturity date	October 20, 2027
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2020(B)
Par value	\$3,700,000
Stated interest rate	Fixed interest rate at 0.95%
Issuance date	October 20, 2020
Maturity date	October 20, 2030
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(A)
Par value	\$4,800,000
Stated interest rate	Fixed interest rate at 0.82%
Issuance date	May 17, 2021
Maturity date	May 17, 2031
Issuance area	Taiwan
	Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2021(B)
Par value	\$5,200,000
Stated interest rate	Fixed interest rate at 1.02%
Issuance date	May 17, 2021
Maturity date	May 17, 2036
Issuance area	Taiwan

Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2023(A)	
Par value	\$950,000
Stated interest rate	Fixed interest rate at 1.62%
Issuance date	August 15, 2023
Maturity date	August 15, 2028
Issuance area	Taiwan
Yuanta Securities first issue of unsecured subordinate ordinary corporate bond in 2023(B)	
Par value	\$4,550,000
Stated interest rate	Fixed interest rate at 1.82%
Issuance date	August 15, 2023
Maturity date	August 15, 2033
Issuance area	Taiwan
Yuanta Securities Finance first issue of 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 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>December 31, 2023</u>	<u>December 31, 2022</u>
Short-term borrowings		
Unsecured bank borrowings	\$ 7,257,098	\$ 8,457,322
Secured bank borrowings	2,282,866	4,930,967
KSFC secured borrowings	24,522,128	22,144,885
Asset-backed short-term bonds	14,377,075	12,927,025
	<u>\$ 48,439,167</u>	<u>\$ 48,460,199</u>
Interest rate range	<u>0.712% ~ 8.450%</u>	<u>1.690% ~ 10.400%</u>

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

(26) Provisions

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Insurance liabilities	\$ 364,806,930	\$ 350,428,059
Reserve for foreign exchange fluctuation	1,273,406	3,988,784
Employee benefit provisions	5,302,863	4,553,279
Guaranteed policy reserve	190,232	177,637
Loan commitment reserve and letters of credit	45,551	37,202
Reserve for insurance with nature of financial instrument	186,286	130,855
Other reserves (Note)	4,835,555	4,360,809
Total	<u>\$ 376,640,823</u>	<u>\$ 363,676,625</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 \$16.5 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 December 31, 2023, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, with the claim amount of KRW492,565 million (approximately \$11.7 billion) (which claim amount was reduced to KRW113,007 million (approximately \$2.7 billion) by the plaintiffs) and KRW50,000 million (approximately \$1.2 billion), respectively, demanding compensations totaling KRW163,007 million (approximately \$3.9 billion); both litigations were class actions. For the class action with the claim amount of KRW492,565

million, the Seoul High Court ruled on October 28, 2019 that the relevant formal requirements of the class action (such as commonality and efficiency) were met and thus the procedural application for this class action should be permitted. Then the Supreme Court dismissed the appeal of Yuanta Securities (Korea), so that the case would be reviewed in substance. The plaintiffs reduced the claim amount to KRW113,516 million (approximately \$2.7 billion) on November 16, 2022. The Seoul Central District Court dismissed the plaintiffs' claim on January 19, 2023. The plaintiffs appealed the case on February 9, 2023 with the claim amount of KRW113,007 million. Later, the Seoul High Court dismissed the plaintiffs' claim on January 24, 2024. The plaintiffs filed an appeal on February 15, 2024. 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 liability reserve for the aforementioned sales dispute with adjustments made for actual compensation payments. As of December 31, 2023, the balance of the liability reserve related to the aforementioned financial product selling disputes and class action was KRW4,102 million (approximately \$0.1 billion).

In addition, there is an arbitration award issued for a dispute where, Anbang Group Holdings Co., Ltd. and Anbang Life Insurance Co., Ltd. (now known as Dajia Life Insurance Co., Ltd., collectively, "Anbang") filed an arbitration counterclaim in Hong Kong against Yuanta Securities (Korea) and four other sellers in June 2017 based on the share purchase agreement with respect to Tong Yang Life Insurance Co., Ltd. The International Court of Arbitration of International Chamber of Commerce (ICC) made an arbitration award in August 2020, ruling that the sellers shall pay Anbang compensation amounting to KRW166,600 million (approximately \$4 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW57,843 million as of December 31, 2023 (approximately \$1.4 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 KRW22,278 million (approximately \$0.5 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 KRW178,061 million (approximately \$4.2 billion). However, the actual compensation amount to be borne by Yuanta Securities (Korea) might change due to the subsequent legal actions.

Furthermore, for the delay in redeeming certain funds sold by Yuanta Securities (Korea), Yuanta Securities (Korea) has made provisions about KRW12,525 million (approximately \$0.3 billion). The amount of provisions is estimated and referred to cases that the Financial Dispute Settlement Committee has granted in relevant fund sales, this amount will be adjusted once the actual compensatory payments is made. As of December 31, 2023, after reflecting the current status of actual compensatory payments, the remaining amount of provisions is about KRW6,984 million (approximately \$0.2 billion).

A. The components of insurance liabilities are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unearned premium reserve	\$ 1,091,461	\$ 1,053,928
Claims reserve	1,604,402	1,489,530
Reserve for policy benefit	357,976,814	343,632,568
Special reserve	453,004	235,057
Premium deficiency reserve	507,295	691,773
Other reserves	<u>3,173,954</u>	<u>3,325,203</u>
Total	<u>\$ 364,806,930</u>	<u>\$ 350,428,059</u>

(A) Unearned premium reserve and ceded unearned premium reserve

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

	<u>December 31, 2023</u>		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,430	\$ -	\$ 1,430
Personal accident insurance	336,086	-	336,086
Personal health insurance	553,231	-	553,231
Group insurance	197,986	-	197,986
Investment-linked insurance	<u>2,728</u>	<u>-</u>	<u>2,728</u>
	<u>\$ 1,091,461</u>	<u>\$ -</u>	<u>\$ 1,091,461</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 274,622	\$ -	\$ 274,622
Personal accident insurance	375	-	375
Personal health insurance	180,200	-	180,200
Group insurance	551	-	551
Investment-linked insurance	<u>523</u>	<u>-</u>	<u>523</u>
	<u>\$ 456,271</u>	<u>\$ -</u>	<u>\$ 456,271</u>

(B) Claims reserve and ceded claims reserve

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

	December 31, 2023		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 744,555	\$ -	\$ 744,555
Personal accident insurance	10,699	26,140	36,839
Personal health insurance	497,655	289,068	786,723
Group insurance	1,967	28,328	30,295
Investment-linked insurance	5,990	-	5,990
	<u>\$ 1,260,866</u>	<u>\$ 343,536</u>	<u>\$ 1,604,402</u>
Ceded claims reserve			
Personal life insurance	\$ 46,699	\$ -	\$ 46,699
Personal accident insurance	16	-	16
Personal health insurance	42,244	-	42,244
	<u>\$ 88,959</u>	<u>\$ -</u>	<u>\$ 88,959</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>

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

	For the years ended December 31,	
	2023	2022
Claims reserve		
At January 1	\$ 1,489,530	\$ 1,177,187
Provision (Note)	1,604,433	1,487,914
Recovery	(1,489,530)	(1,177,187)
(Gain) loss on foreign exchange	(31)	1,616
At December 31	<u>\$ 1,604,402</u>	<u>\$ 1,489,530</u>
	For the years ended December 31,	
	2023	2022
Ceded claims reserve		
At January 1	\$ 123,363	\$ 146,072
Current net change	(34,413)	(22,924)
Gain on foreign exchange	9	215
At December 31	<u>\$ 88,959</u>	<u>\$ 123,363</u>

Note: The provision of claims incurred but not reported in 2023 and 2022 amounted to \$343,536 and \$324,139, respectively.

(C) Reserve for policy benefit

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

	December 31, 2023		
	Financial instruments with discretionary		Total
	Insurance contract	participation features	
Life insurance	\$ 323,798,113	\$ -	\$ 323,798,113
Health insurance	33,715,366	-	33,715,366
Annuity insurance	2,934	282,038	284,972
Investment-linked insurance	76,935	-	76,935
	<u>\$ 357,593,348</u>	<u>\$ 282,038</u>	<u>357,875,386</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			51,145
Total			<u>\$ 357,976,814</u>

	December 31, 2022		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Life insurance	\$ 312,022,943	\$ -	\$ 312,022,943
Health insurance	31,050,423	-	31,050,423
Annuity insurance	4,377	384,754	389,131
Investment-linked insurance	66,116	-	66,116
	<u>\$ 343,143,859</u>	<u>\$ 384,754</u>	<u>343,528,613</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			53,672
Total			<u>\$ 343,632,568</u>

b. Changes in reserve for policy benefit:

	For the years ended December 31,	
	2023(Note 1)	2022(Note 2)
At January 1	\$ 343,618,651	\$ 318,611,643
Provision	35,728,394	39,802,038
Recovery	(21,373,250)	(20,577,862)
(Gain) loss on foreign exchange	(11,025)	5,782,832
At December 31	<u>\$ 357,962,770</u>	<u>\$ 343,618,651</u>

Note 1: As of December 31, 2023, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$14,044. As of December 31, 2023, adding the abovementioned payables, the reserve for policy benefit amounted to \$357,976,814.

Note 2: As of December 31, 2022, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$13,917. As of December 31, 2022, adding the abovementioned payables, the reserve for policy benefit amounted to \$343,632,568.

For the years ended December 31, 2023 and 2022, the interest expense, reflecting on the contract liabilities over a period of time, were \$8,734,990 and \$8,398,948, respectively.

(D)Special Reserve

a. Details of special reserve are as follows:

	December 31, 2023	December 31, 2022
Dividend payment reserve	<u>\$ 453,004</u>	<u>\$ 235,057</u>

b. Change in special reserve:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 235,057	\$ -
Dividend provision for participation policies	303,214	235,057
Reversal of dividend provision for participation policies	(85,267)	-
At December 31	<u>\$ 453,004</u>	<u>\$ 235,057</u>

(E) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	December 31, 2023		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Personal life insurance	\$ 486,447	\$ -	\$ 486,447
Personal health insurance	20,848	-	20,848
Total	<u>\$ 507,295</u>	<u>\$ -</u>	<u>\$ 507,295</u>

	December 31, 2022		
	Financial instruments with discretionary		
	Insurance contract	participation features	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>

b. Change in premium deficiency reserve:

	For the years ended December 31,	
	2023	2022
At January 1	\$ 691,773	\$ 819,935
Provision	(88,533)	(37,676)
Recovery	(97,368)	(137,925)
Loss on foreign exchange	1,423	47,439
At December 31	<u>\$ 507,295</u>	<u>\$ 691,773</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 years ended December 31,	
	2023	2022
At January 1	\$ 3,325,203	\$ 3,520,237
Recovery	(151,249)	(195,034)
At December 31	<u>\$ 3,173,954</u>	<u>\$ 3,325,203</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 years ended December 31,	
	2023	2022
At January 1	\$ 3,988,784	\$ 333,427
Provision		
Compulsory provision	460,106	323,370
Additional provision	1,296,366	5,653,869
Subtotal	5,745,256	6,310,666
Recovery	(4,471,850)	(2,321,882)
At December 31	\$ 1,273,406	\$ 3,988,784

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31, 2023		
	Ineligible amount	Eligible amount	Impact
Net income	(\$ 153,342)	\$ 2,018,960	\$ 2,172,302
Earnings per share (in dollars)	(0.06)	0.85	0.91
Reserve for foreign exchange fluctuation	-	1,273,406	1,273,406
Total equity	30,379,447	29,345,415	(1,034,032)

	For the year ended December 31, 2022		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 4,300,802	\$ 1,376,517	(\$ 2,924,285)
Earnings per share (in dollars)	1.81	0.58	(1.23)
Reserve for foreign exchange fluctuation	-	3,988,784	3,988,784
Total equity	26,059,838	22,853,504	(3,206,334)

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

	December 31, 2023	December 31, 2022
Investment-linked insurance	\$ 186,286	\$ 130,855

	For the years ended December 31,	
	2023	2022
At January 1	\$ 130,855	\$ 58,139
Net provision of statutory reserve	55,431	72,716
At December 31	\$ 186,286	\$ 130,855

(27) Employee benefit provisions

A. Defined benefit plans:

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, 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 Labor Standards Act. 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 December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected qualify for retirement in the following year, the Yuanta Group will make contributions to cover the deficit by next March. Yuanta Securities (Korea) and its subsidiaries have a defined benefit plan or a defined contribution plan in accordance with the relevant laws and regulations applied by the local Korean government. Yuanta Securities Investment Trust obtained the approval letter no. 1106083936, no. 1116069917 and no. 1126042800 from Department of Labor, Taipei City government to suspend the pension contribution for the period from September 2021 to August 2024.

(B) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 7,950,297	\$ 7,547,604
Faire value of plan assets	(2,915,352)	(3,247,439)
	5,034,945	4,300,165
Prepaid pension cost	58,968	59,486
Net defined benefit laibilities	<u>\$ 5,093,913</u>	<u>\$ 4,359,651</u>

(C) Movement in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2023			
Balance at January 1,	\$ 7,547,604	(\$ 3,247,439)	\$ 4,300,165
Current service cost	334,990	-	334,990
Interest expense (income)	197,311	(47,924)	149,387
Past service cost	31,010	-	31,010
Settlement loss	-	893	893
	<u>8,110,915</u>	<u>(3,294,470)</u>	<u>4,816,445</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	1,921	(12,832)	(10,911)
Change in demographic assumptions	(45,362)	-	(45,362)
Change in financial assumptions	231,920	-	231,920
Experience adjustment	529,000	(81)	528,919
	<u>717,479</u>	<u>(12,913)</u>	<u>704,566</u>
Pension fund contribution	-	(162,735)	(162,735)
Paid pension	(800,240)	549,344	(250,896)
Translation difference	(77,857)	5,422	(72,435)
Balance at December 31,	<u>\$ 7,950,297</u>	<u>(\$ 2,915,352)</u>	<u>\$ 5,034,945</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Year ended December 31, 2022			
Balance at January 1,	\$ 8,797,853	(\$ 2,295,805)	\$ 6,502,048
Current service cost	353,722	-	353,722
Interest expense (income)	103,001	(16,885)	86,116
Settlement loss	-	905	905
	<u>9,254,576</u>	<u>(2,311,785)</u>	<u>6,942,791</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	4,788	(143,597)	(138,809)
Change in demographic assumptions	41,897	-	41,897
Change in financial assumptions	(411,226)	-	(411,226)
Experience adjustment	(852,997)	(1,379)	(854,376)
	<u>(1,217,538)</u>	<u>(144,976)</u>	<u>(1,362,514)</u>
Pension fund contribution	-	(1,215,696)	(1,215,696)
Paid pension	(614,013)	434,009	(180,004)
Translation difference	124,579	(8,991)	115,588
Balance at December 31,	<u>\$ 7,547,604</u>	<u>(\$ 3,247,439)</u>	<u>\$ 4,300,165</u>

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenue, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in

domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make contributions to cover the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The operating status of Yuanta Securities (Korea)'s defined benefit plan's assets is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 16,129	\$ 13,352
Debt instruments	42,496	43,139
Beneficiary certificates	1,562	2,325
Others	141,323	147,786
	<u>\$ 201,510</u>	<u>\$ 206,602</u>

(E) The principal actuarial assumptions used were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	<u>1.20%~4.31%</u>	<u>1.20%~5.18%</u>
Future salary increases	<u>2.00%~5.28%</u>	<u>2.00%~5.29%</u>

The assumptions for future mortality are estimated based on published statistics and experience of countries.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of the Yuanta Group (except for Yuanta Securities (Korea)) was as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ <u>84,592</u>)	<u>\$ 87,038</u>	<u>\$ 73,735</u>	(\$ <u>72,137</u>)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ <u>90,131</u>)	<u>\$ 92,870</u>	<u>\$ 79,628</u>	(\$ <u>77,795</u>)

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis of Yuanta Securities (Korea) was as follows:

	Discount rate		Future salary increase rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 246,755)	\$ 281,709	\$ 282,358	(\$ 251,775)
	Discount rate		Future salary increase rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 218,672)	\$ 250,095	\$ 253,616	(\$ 225,372)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. There is no change in the assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

- (F) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year 2024 amounted to \$52,527. Yuanta Securities (Korea) and its subsidiaries for the year 2024 amounts to \$10,426.
- (G) As of December 31, 2023, the weighted average duration of the retirement plan of the Company and its domestic subsidiaries, Yuanta Securities (Korea) and its subsidiaries, are 6~12 years and 9.45~11.13 years, respectively.
- 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) Under the defined contribution plan, the Company and its domestic subsidiaries recognized pension expense of \$543,389 (recorded as “employees’ benefit expenses” of \$540,226 and “net income other than interest” of \$3,163) and \$547,577 (recorded as “employees’ benefit expenses” of \$544,360 and “net income other than interest” of \$3,217) for the years ended December 31, 2023 and 2022, respectively.
- (C) The pension plans for the consolidated foreign subsidiaries are as follows:
The pension plan for Yuanta Securities Asia Finance is in compliance with the regulations of each employee nationality. Yuanta HK Holdings (Cayman) Ltd. does not have compulsory pension plans according to local regulations. The pension plans for other foreign subsidiaries are in compliance with local regulations.
Yuanta Securities Asia Finance, Yuanta Securities (Hong Kong), Yuanta Investment Consulting Beijing and Yuanta Securities (UK) recognised pension expense of \$12,838 and \$12,262 for the years ended December 31, 2023 and 2022, respectively, based on the abovementioned pension plan and local regulations. Under the defined contribution

plan, Yuanta Securities (Korea) and its subsidiaries recognised pension expense of \$102,047 and \$35,230 for the years ended December 31, 2023 and 2022, respectively.

In accordance with the local regulations, Yuanta Securities (Indonesia) and Yuanta Securities (Thailand) and its subsidiaries recognised pension liabilities of \$200,386 and \$184,570 as of December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, pension expenses were recognised amounting to \$32,399 and \$29,446, respectively. Additionally, losses on remeasurements of defined benefit plans were \$5,519 and \$19,538, respectively.

In accordance with the local regulations, Yuanta Savings Bank (Philippines) has recognised employee benefit liabilities of \$4,142 and \$4,570, respectively, as of December 31, 2023 and 2022, and recognised pension expense of \$998 and \$1,091 under other comprehensive income, respectively, for the years ended December 31, 2023 and 2022. Additionally, (losses) gains on remeasurements of defined benefit plans were \$573 and \$1,110, respectively.

In accordance with the above-mentioned pension plan, Yuanta Savings Bank (Korea) has recognised the employee benefit liabilities are both \$0, as of December 31, 2023 and 2022, and recognised pension expenses of \$6,208 and \$8,578 in comprehensive income statements, respectively, for the years ended December 31, 2023 and 2022. Additionally, gains on remeasurements of defined benefit plans were (\$2,130) and \$5,728, respectively.

For the aforementioned pension plan, Yuanta Futures Hong Kong and SYF Information (Shanghai) recognised pension expenses of \$1,511 and \$1,354 for the years ended December 31, 2023 and 2022, respectively.

(28) Other financial liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Futures traders' equity	\$ 101,851,341	\$ 107,388,229
Structured deposit	2,232,061	2,578,157
Investment-linked products liabilities	31,504,281	30,353,012
Others	135,713	-
Total	<u>\$ 135,723,396</u>	<u>\$ 140,319,398</u>

(29) Other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee deposit received on security lent	\$ 56,969,769	\$ 47,820,314
Underwriting share proceeds collected on behalf of customers	231,930	1,922,946
Collections in advance	2,425,845	1,778,009
Retention compensation payable	1,896,150	1,562,058
Refundable deposits	600,030	981,795
Refundable deposits-derivative transactions	2,830,074	3,595,746
Equity for each customer in the account	6,632,447	4,651,913
Others	1,057,476	928,635
Total	<u>\$ 72,643,721</u>	<u>\$ 63,241,416</u>

(30) Share capital

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

(31) Capital surplus

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Post 1998	\$ 4,036,443	\$ 4,036,443
Source and details of the capital surplus of the Company are as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Additional paid-in capital	\$ 33,573,790	\$ 33,573,790
Treasury share transactions	3,479,710	3,479,710
Others	1,134,603	957,064
	<u>\$ 38,188,103</u>	<u>\$ 38,010,564</u>

(32) Legal reserve and special reserve

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

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

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

unexpected impairment by a certified public accountant, and the special reserve could be used in recovering accumulated deficit, or increasing the Company's capital.

(33) Undistributed earnings

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

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

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

C. Details of the earnings distribution for 2022 resolved by the stockholders' meeting on June 9, 2023 and the earnings distribution for 2021 resolved by the stockholders' meeting on June 10, 2022 are as follows:

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

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

D. The earnings distribution for 2023 of the Company has been resolved by the Board of Directors on March 14, 2024. Details are as follows:

	2023	
	Amount	Dividend per share (in dollars)
Cash dividends	\$ 13,957,991	\$ 1.10
Stock dividends	2,537,816	0.20

E. 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	-	9,457,014	-	-	9,457,014
- Revaluation transferred to profit or loss	-	2,958,871	-	-	2,958,871
- Revaluation transferred to retained earnings	-	(2,486,009)	-	-	(2,486,009)
Other comprehensive income on reclassification under the overlay approach	-	-	-	3,053,977	3,053,977
Changes in translation difference of foreign operating entities	(821,525)	-	-	-	(821,525)
Effects on income tax	(20,179)	(257,563)	(462)	28,963	(249,241)
Evaluation of credit risk	-	-	2,716	-	2,716
Balance, December 31	<u>(\$ 6,961,608)</u>	<u>\$ 14,117,852</u>	<u>(\$ 48,964)</u>	<u>(\$ 2,159,647)</u>	<u>\$ 4,947,633</u>
	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	-	(16,795,154)	-	-	(16,795,154)
- Revaluation transferred to profit or loss	-	854,934	-	-	854,934
- Revaluation transferred to retained earnings	-	1,697,795	-	-	1,697,795
Other comprehensive income on reclassification under the overlay approach	-	-	-	(4,151,363)	(4,151,363)
Changes in translation difference of foreign operating entities	2,251,891	-	-	-	2,251,891
Effects on income tax	28,328	757,292	1,045	(18,487)	768,178
Evaluation of credit risk	-	-	(4,642)	-	(4,642)
Balance, December 31	<u>(\$ 6,119,904)</u>	<u>\$ 4,445,539</u>	<u>(\$ 51,218)</u>	<u>(\$ 5,242,587)</u>	<u>(\$ 6,968,170)</u>

(35) Net interest income

	For the years ended December 31,	
	2023	2022
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 25,736,250	\$ 18,355,887
Financing interest income	5,911,317	6,134,506
Interest income on securities investment	18,789,620	15,403,992
Interest income from placement and call loan to other banks	4,823,146	2,056,473
Interest income on bills and bonds purchased under resale agreements	3,023,415	1,076,350
Credit cards revolving interest	171,910	171,764
Interest income on securities business money lending	1,498,741	1,146,917
Interest income on bills	216,420	43,927
Other interest income	2,184,264	842,272
Subtotal	<u>62,355,083</u>	<u>45,232,088</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 16,000,396)	(\$ 6,897,711)
Interest expense of Central Bank and other banks' deposit	(352,710)	(188,189)
Interest expense on due to the Central Bank and other banks	(2,342,579)	(1,632,428)
Interest expense on bills and bonds sold under repurchase agreements	(7,575,599)	(2,956,889)
Interest expense of structured products	(159,231)	(84,972)
Coupon rate of bank debenture	(653,534)	(511,667)
Coupon rate of corporate bonds	(884,488)	(765,007)
Coupon rate of commercial papers	(1,086,579)	(467,868)
Interest expense from short sales	(26,295)	(31,199)
Lease liabilities interest expense	(79,263)	(62,313)
Financial costs on guarantee deposits received from security leadings	(2,072,564)	(667,572)
Other interest expense	(789,765)	(264,908)
Subtotal	<u>(32,023,003)</u>	<u>(14,530,723)</u>
Total	<u>\$ 30,332,080</u>	<u>\$ 30,701,365</u>

(36) Net service fee and commission income

	For the years ended December 31,	
	2023	2022
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 25,181,551	\$ 23,686,914
Service fee income on insurance brokerage and transfer-agent	769,934	991,147
Service fee on credit cards	1,175,315	888,465
Service fee income on trust business	2,842,425	2,808,112
Service income on credit extension	480,769	438,560
Underwriting service income	899,829	959,341
Service income from short sales	113,369	165,851
Commission – reinsurance allowance	84,564	137,298
Service income on foreign exchange	79,961	85,995
Service fee income on consigned settlement	35,363	37,221
Deposits and remittance and other service income	1,067,524	1,343,312
Subtotal	<u>32,730,604</u>	<u>31,542,216</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 1,598,590)	(\$ 1,213,314)
Service expense on trust business	(1,092)	(1,391)
Service expense on brokerage	(2,615,426)	(2,480,497)
Service expense on proprietary trading	(150,584)	(143,185)
Service fee expense on credit cards	(1,016,465)	(905,327)
Service expense on clearing and settlement	(522,550)	(673,581)
Futures commission expense	(426,432)	(446,383)
Underwriting service expense	(5,801)	(7,992)
Service expense on foreign exchange	(57,444)	(43,186)
Service expense on credit extension	(41,283)	(34,231)
Deposits and remittance and other service expense	(524,960)	(473,072)
Subtotal	<u>(6,960,627)</u>	<u>(6,422,159)</u>
Total	<u>\$ 25,769,977</u>	<u>\$ 25,120,057</u>

(37) Net income from insurance operations

	For the years ended December 31,	
	2023	2022
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 34,765,773	\$ 38,591,694
Less: Reinsurance premium ceded	(776,410)	(822,461)
Net changes of unearned premium reserve	(18,029)	(96,047)
Retention earned premium income	33,971,334	37,673,186
Investment-linked product income (Note)	1,377,499	1,187,333
Subtotal	<u>35,348,833</u>	<u>38,860,519</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 26,130,973)	(\$ 24,991,863)
Less: Claims recovered from reinsurers	<u>626,577</u>	<u>757,013</u>
Retention claims and policy benefits payments	(25,504,396)	(24,234,850)
Underwriting expenses	(2,526)	(4,033)
Expense from guaranty fund	(75,215)	(56,612)
Investment-linked product expenses (Note)	(1,377,499)	(1,187,333)
Subtotal	<u>(26,959,636)</u>	<u>(25,482,828)</u>
Total	<u>\$ 8,389,197</u>	<u>\$ 13,377,691</u>

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

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

	For the years ended December 31,	
	2023	2022
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 1,343,146	\$ 456,396
Bonds	5,456,304	2,467,195
Stocks	13,714,884	224,583
Beneficiary certificates	4,344,663	(111,931)
Interest-linked instrument	684,809	(89,300)
Exchange rate-linked instrument	(6,909,177)	(8,153,639)
Other financial derivative instruments	(1,103,565)	(8,806,517)
(Loss) gain on covering of borrowed securities and bonds with resale agreements	(3,035,215)	6,964,880
Loss from issuing call warrants (put)	(4,236,582)	(22,662,201)
Issuing call warrants (put) expense	(634,485)	(564,223)
Others	(1,000,352)	383,728
Subtotal	<u>8,624,430</u>	<u>(29,891,029)</u>

	For the years ended December 31,	
	2023	2022
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	(\$ 16,614)	\$ 19,505
Bonds	6,627,650	(1,988,856)
Stocks	6,118,890	(13,689,236)
Beneficiary certificates	1,368,383	(2,436,360)
Interest-linked instrument	(6,053,284)	7,928,442
Exchange rate-linked instrument	848,243	(4,446,640)
Other financial derivative instruments	(1,422,439)	1,506,222
Valuation (loss) gain on borrowed securities and bonds with resale agreements	(3,415,550)	6,699,901
Gain on changes in fair value of liabilities for issuance of call (put) warrants	5,439,510	26,936,174
Others	1,856,952	1,043,188
Subtotal	<u>11,351,741</u>	<u>21,572,340</u>
Total	<u>\$ 19,976,171</u>	<u>(\$ 8,318,689)</u>

- A. The realised gains or losses on the financial assets and liabilities at fair value through profit and loss of the Yuanta Group for the years ended December 31, 2023 and 2022, including the gain (loss) on disposal, were (\$2,151,196) and (\$36,044,734), respectively, and the issuing call (put) warrants expense, were \$634,485 and \$564,223, respectively, and the dividends income were \$4,900,178 and \$3,053,286, respectively, and the interest income were \$6,509,933 and \$3,664,642, respectively.
- B. The Yuanta Group recognised net (loss) gain amounted to (\$6,829,739) and \$1,979,009, respectively, on financial liabilities designated as at fair value through profit or loss for the years ended December 31, 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 years ended December 31,	
	2023	2022
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 15,552	\$ 20,641
Reversal gain (impairment loss) on investments in debt instruments at amortised cost	3,751 (	14,397)
Impairment loss on intangible assets	(53,552)	(64,077)
Reversal gain on investment property	4,888	10,901
Reversal gain on property and equipment	18,790	-
Impairment loss on assets held for sale	(2,370)	(4,545)
Reversal gain (impairment loss) on other assets	124	(21)
Total	<u>(\$ 12,817)</u>	<u>(\$ 51,498)</u>

(40) Net other miscellaneous income (loss)

	For the years ended December 31,	
	2023	2022
Borrowed stock revenue	\$ 3,082,054	\$ 2,549,595
Net change of reserve for foreign exchange fluctuation	2,715,377 (	3,655,357)
Loss on litigation reserves	(614,560)	(312,382)
Loss on sales fund compensation reserves	(50,008)	(163)
Sub-brokerage income	1,080,673	322,583
Fund management fee	384,191	339,986
Other net income	768,549	1,026,604
Total	<u>\$ 7,366,276</u>	<u>\$ 270,866</u>

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

	For the years ended December 31,	
	2023	2022
Bad debt expense (reversal of bad debt expense) for accounts receivable	\$ 20,005	(\$ 56,840)
Bad debt expense of bills discounted and loans	1,395,313	1,114,524
Provision for guarantee reserve	12,500	43,100
Provision for commitments and other reserve (reversal of provision)	9,116 (	2,625)
Recovery of bad debt expense	(964,415)	(779,969)
Total	<u>\$ 472,519</u>	<u>\$ 318,190</u>

(42) Employee benefit expense

	For the years ended December 31,	
	2023	2022
Wages and salaries	\$ 25,937,579	\$ 21,564,553
Labor and health insurance fees	1,097,696	1,296,806
Pension costs	1,212,507	1,073,064
Termination benefits	49,426	49,978
Other employee benefit expenses	1,462,693	1,443,854
Total	<u>\$ 29,759,901</u>	<u>\$ 25,428,255</u>

The numbers of employees of the Yuanta Group were 14,913 and 14,753 for the years ended December 31, 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 the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$4,631 and \$4,261, respectively; directors' and supervisors' remuneration were accrued at \$215,186 and \$173,796, 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 years ended December 31,	
	2023	2022
Investment property depreciation	\$ 58,839	\$ 68,848
Property and equipment depreciation	1,190,075	1,148,467
Right-of-use asset depreciation	1,409,986	1,364,124
Intangible asset amortisation	585,266	535,612
Deferred asset amortisation	25,039	45,048
Total	<u>\$ 3,269,205</u>	<u>\$ 3,162,099</u>

(44) Other business and administrative expenses

	For the years ended December 31,	
	2023	2022
Tax	\$ 5,299,578	\$ 4,594,757
Computer science expense	1,623,977	1,550,938
Security borrowing expenses	1,569,258	1,224,933
Commission expense	740,672	891,072
Miscellaneous expenses	796,264	850,943
Postage and telephone costs	832,619	769,560
Others	5,269,300	4,763,350
Total	<u>\$ 16,131,668</u>	<u>\$ 14,645,553</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 years ended December 31,	
	2023	2022
Current tax:		
Income tax from current income period	\$ 5,383,084	\$ 1,998,846
Income tax on unappropriated earnings	2,694	456,642
Adjustments in respect of prior years	(356,191)	(298,771)
Total current tax	<u>5,029,587</u>	<u>2,156,717</u>
Deferred tax:		
Origination and reversal of temporary differences	318,191	3,468,146
Impact of change in tax rate	<u>109,644</u>	<u>78,537</u>
Total deferred tax	<u>427,835</u>	<u>3,546,683</u>
Income tax expense	<u>\$ 5,457,422</u>	<u>\$ 5,703,400</u>

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

	For the years ended December 31,	
	2023	2022
Unrealised gain or loss from investments in debt instruments measured at fair value through other comprehensive income	\$ 212,514	(\$ 780,369)
Unrealised gain or loss from investments in equity instruments measured at fair value through other comprehensive income	65,087	52,367
Other comprehensive income or loss on reclassification under the overlay approach	(28,963)	18,487
Share of profit or loss of associates and joint ventures accounted for under the equity method	1,476	(1,033)
Gain or loss on remeasurements of defined benefit plans	(149,039)	287,240
Change in fair value of financial liability attributable to change in own credit risk	767	(1,754)
Translation gain and loss on the financial statements of foreign operating entities	<u>20,179</u>	<u>(28,328)</u>
Total	<u>\$ 122,021</u>	<u>(\$ 453,390)</u>

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Income tax from pretax income calculated at regulated tax rate	\$ 13,012,102	\$ 10,768,994
Additional tax payment levied on undistributed earnings	2,694	456,642
Alternative minimum tax effects	16,596	91,470
Temporary differences not recognized under deferred tax	(389,598)	(309,182)
Adjustments in respect of prior years	(324,073)	(298,771)
Use of prior years' unrealized tax losses in the current year	(7,378)	(39,566)
Effects of items not recognized under relevant regulations, exemption and other income	(6,852,921)	(4,966,187)
Income tax expense	<u>\$ 5,457,422</u>	<u>\$ 5,703,400</u>

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C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	For the year ended December 31, 2023				
	January 1,	Recognised in profit or loss	Recognised in other comprehensive income	Others (Note)	December 31,
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	\$ 189,605	(\$ 189,004)	\$ -	\$ -	\$ 601
Allowance for doubtful accounts in excess of tax limitation	591,012	5,688	-	(30)	596,670
Unrealized loss on litigation loss	14,986	(1,163)	8	-	13,831
Unrealized losses on financial instruments	1,520,397	(242,194)	(262,686)	(270)	1,015,247
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,229,767	46,660	134,287	(185,074)	1,225,640
Deferred income on credit card	1,525	131	-	-	1,656
Others	1,682,105	635,771	(56,255)	(549)	2,261,072
Tax loss carryforwards	<u>322,734</u>	<u>(299,933)</u>	<u>105,748</u>	<u>3,358</u>	<u>131,907</u>
Subtotal	<u>5,552,131</u>	<u>(44,044)</u>	<u>(78,898)</u>	<u>(182,565)</u>	<u>5,246,624</u>
-Deferred tax liabilities:					
Unrealised exchange gain	(\$ 1,377,662)	(\$ 321,864)	\$ 5,851	(\$ 14)	(\$ 1,693,689)
Reserve for land value increment tax	(26,767)	-	-	-	(26,767)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(5,939)	136	(1,746)	-	(7,549)
Unrealized gain on financial instruments	(1,194,551)	24,111	(48,827)	16	(1,219,251)
Goodwill amortization	(2,042,392)	(165,548)	-	-	(2,207,940)
Others	<u>(267,424)</u>	<u>79,374</u>	<u>1,598</u>	<u>9</u>	<u>(186,443)</u>
Subtotal	<u>(4,914,735)</u>	<u>(383,791)</u>	<u>(43,124)</u>	<u>11</u>	<u>(5,341,639)</u>
Total	<u>\$ 637,396</u>	<u>(\$ 427,835)</u>	<u>(\$ 122,022)</u>	<u>(\$ 182,554)</u>	<u>(\$ 95,015)</u>

Note: Impact of foreign exchange rate difference included.

For the year ended December 31, 2022

	January 1,	Recognised in profit or loss	Recognised in other comprehensive income	Others (Note)	December 31,
Temporary differences:					
-Deferred tax assets:					
Unrealised exchange loss	\$ 3,000,597	(\$ 2,810,992)	\$ -	\$ -	\$ 189,605
Allowance for doubtful accounts in excess of tax limitation	600,176	(9,189)	-	25	591,012
Unrealized loss on litigation loss	14,853	55	78	-	14,986
Unrealized losses on financial instruments	142,042	619,802	694,497	64,056	1,520,397
Employee benefit expense and actuarial gains and losses on defined benefit plans	1,504,772	(16,903)	(258,122)	20	1,229,767
Deferred income on credit card	1,592	(67)	-	-	1,525
Others	2,183,916	(568,467)	75,331	(8,675)	1,682,105
Tax loss carryforwards	<u>36,998</u>	<u>267,343</u>	<u>17,858</u>	<u>535</u>	<u>322,734</u>
Subtotal	<u>7,484,946</u>	<u>(2,518,418)</u>	<u>529,642</u>	<u>55,961</u>	<u>5,552,131</u>
-Deferred tax liabilities:					
Unrealised exchange gain	(\$ 265,920)	(\$ 1,096,153)	(\$ 15,579)	(\$ 10)	(\$ 1,377,662)
Reserve for land value increment tax	(26,767)	-	-	-	(26,767)
Employee benefit expense and actuarial gains and losses on defined benefit plans	(5,637)	(174)	(128)	-	(5,939)
Unrealized gain on financial instruments	(1,477,004)	366,405	(56,771)	(27,181)	(1,194,551)
Goodwill amortization	(1,919,297)	(165,549)	-	42,454	(2,042,392)
Others	(130,841)	(132,794)	(3,774)	(15)	(267,424)
Subtotal	<u>(3,825,466)</u>	<u>(1,028,265)</u>	<u>(76,252)</u>	<u>15,248</u>	<u>(4,914,735)</u>
Total	<u>\$ 3,659,480</u>	<u>(\$ 3,546,683)</u>	<u>\$ 453,390</u>	<u>\$ 71,209</u>	<u>\$ 637,396</u>

Note: Impact of foreign exchange rate difference included.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/assessed/ Estimated	Unused amount	Unrecognised deferred tax assets	Usable until year
2014	Assessed	\$ 74,275	\$ 74,275	2024
2018	Assessed	8,736	8,736	2028
2019	Assessed	14,328	14,328	2029
2020	Assessed	6,731	6,731	2030
2021	Assessed	9,418	9,418	2031
December 31, 2022				
Year incurred	Amount filed/assessed/ Estimated	Unused amount	Unrecognised deferred tax assets	Usable until year
2012	Assessed	\$ 107,596	\$ 107,596	2022
2014	Assessed	74,275	74,275	2024
2018	Assessed	8,736	8,736	2028
2019	Assessed	14,328	14,328	2029
2020	Assessed	6,731	6,731	2030
2021	Filed	9,418	9,418	2031

There were no expiration dates for the tax losses pursuant to local laws. As of December 31, 2023, Yuanta Investment Consulting Beijing's unused tax losses were \$20,816, respectively; of which unrecognised deferred tax assets were \$20,816, respectively. The validity period for the tax losses pursuant to local laws was before 2026.

The Yuanta Group has not estimated deferred tax liabilities for related taxes that may be payable due to Yuanta Securities Asia Financial Services' unrepatriated earnings, which as of December 31, 2023 were \$6,286,020. The above-mentioned unrepatriated earnings are expected to be used for reinvestment. As of December 31, 2023, Yuanta Securities Asia Financial Services' unrepatriated earnings were \$32,006,765. As of December 31, 2023, the unrecognized deferred income tax asset (liability) of Yuanta Securities (Korea) for taxable temporary differences associated with equity method were \$195,800 and (\$1,266,530), respectively.

As of December 31, 2023, Yuanta Savings Bank (Philippines)'s unused loss deductions was \$185,749; the validity period for the loss deductions pursuant to local laws was before 2026. As of December 31, 2023, Yuanta Savings Bank (Korea)'s unused loss deductions was \$22,072; the validity period for the loss deductions pursuant to local laws was before 2026.

E. As of December 31, 2023, the information on the Yuanta Group's income tax returns that have been assessed by the Tax Authority are as follows:

	<u>Assessment Information</u>
Yuanta Financial Holdings	Assessed through 2017
Yuanta Securities	Assessed through 2017
Yuanta Bank	Assessed through 2017
Yuanta Securities Finance	Assessed through 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 2021
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.

F. The Yuanta Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in Korea and Vietnam, the jurisdiction in which foreign subsidiaries (branches) is incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of December 31, 2023.

G. The Yuanta Group has applied the exception on recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(46) Earnings per share

	<u>For the year ended December 31, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,566,198	12,689,082	\$ 2.09
	<u>For the year ended December 31, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 21,456,327	12,689,082	\$ 1.69

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 was 1.72 for the year ended December 31, 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	27,701,212	35,483,710	2,600,000	(21,032)	(1,455,711)
Impact of changes in foreign exchange rate	-	-	(191,400)	-	(197,246)
Amortisation of a premium or a discount on interest expense	-	(164,615)	8,549	-	-
Changes in other non-cash items	-	-	-	-	3,132,047
At December 31	<u>\$251,838,703</u>	<u>\$ 83,155,165</u>	<u>\$104,904,691</u>	<u>\$ 48,439,167</u>	<u>\$ 6,191,253</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	40,271,642	(2,058,788)	19,063,566	(11,538,001)	(927,250)
Impact of changes in foreign exchange rate	-	-	880,052	-	(50,761)
Amortisation of a premium or a discount on interest expense	-	(88,644)	4,839	-	-
Changes in other non-cash items	-	-	-	-	(30,611)
At December 31	<u>\$224,137,491</u>	<u>\$ 47,836,070</u>	<u>\$102,487,542</u>	<u>\$ 48,460,199</u>	<u>\$ 4,712,163</u>

7. Related party transactions

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

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Funds managed by Yuanta Securities Investment Trust	Security investment trust fund raised by the Yuanta Securities Investment Trust
SYF Information (Shanghai)	Associate of Yuanta Futures (Note 1)
Yuanta-Polaris Research Institute (Yuanta-Polaris Research)	Related party in substance (Note 2)
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Greatness Trading Co., Ltd.	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Yuanta Diamond Funds SPC	" (Note 3)
Securities Investment Trust & Advisory Association of Taipei, R.O.C. (SITCA)	The group management is its main management level (Has become a related party since July 1, 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.	"
IBKC-TONGYANG Growth 2013 Private Equity Fund	Investments accounted for under the equity method of Yuanta Securities (Korea)
Yuanta Secondary No.3 Private Equity Fund	"
Yuanta SPAC V	"
	(No longer a related party since March 30, 2022.)
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta SPAC VII	"
	(No longer a related party since November 23, 2022.)
Yuanta SPAC VIII	"
	(No longer a related party since August 23, 2023.)
Yuanta Secondary No.2 Fund	"
Yuanta Innovative Growth MPE Fund	"
Polaris Ocean Private Equity Fund	"
	(No longer a related party since July 22, 2022.)
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.)

Names of related parties	Relationship with the Group
Yuanta SPAC XII	Investments accounted for under the equity method of Yuanta Securities (Korea) (Has become a related party since September 23, 2022.)
Yuanta SPAC XIII	" (Has become a related party since November 4, 2022.)
Yuanta SPAC XIV	" (Has become a related party since December 9, 2022.)
Yuanta SPAC XV	" (Has become a related party since November 20, 2023.)
Yuanta Quantum Jump No.1 Fund	"
Other related parties	The Yuanta Group, funds managed by consolidated subsidiaries, related parties in substance, major stockholders of affiliated entities, key management and invested enterprise and consolidated company of its close relatives, employees' welfare committee which was established by consolidated company and key management which was related with group.

Note 1: On June 30, 2022, the Board of Directors of SYF Information Co., Ltd. approved the dissolution and liquidation of SYF Information (Shanghai) Limited. The record date for the liquidation was June 30, 2022. And the liquidation was completed on January 30, 2024.

Note 2: On September 14, 2023, Ministry of Economic Affairs approved the dissolution and liquidation of Yuanta-Polaris Research Institute. The record date for the liquidation was September 14, 2023. The relevant procedures are currently in progress.

Note 3: 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

December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 10,712,470	0.69	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

Apart from an interest rate limit on staff demand savings deposits of 6.44% ~ 6.56% and 5.80%~6.44%, respectively, for the years ended December 31, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00% ~ 5.60% and 0.00%~5.82%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2023 and 2022, interest expense on the above deposits were \$115,944 and \$85,416, respectively.

B. Loans

Yuanta Bank and its subsidiaries

December 31, 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	315	\$ 139,320	\$ 77,632	\$ 77,632	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	511	4,800,423	4,117,848	4,117,848	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	101	536,894	317,180	317,180	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,532,660	\$ 4,532,660	\$ -		

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	\$ -		

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.90%~2.15% and 1.89%~1.90% for the years ended December 31, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.97% for the years ended December 31, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2023 and 2022, interest income resulting from the above loans amounted to \$88,025 and \$64,188, 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>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 19,670,991	\$ 7,843,409
Global Growth Investment, L.P.	17,486	19,176
Yuanta Asia Growth Investment, L.P.	309,586	266,127
	<u>\$ 19,998,063</u>	<u>\$ 8,128,712</u>
<u>Proceeds on disposal</u>		
<u>For the years ended December 31,</u>		
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 378,832,165	\$ 392,905,701
Yuanta Asia Growth Investment, L.P.	18,452	7,391
	<u>\$ 378,850,617</u>	<u>\$ 392,913,092</u>
<u>Realised gain or loss</u>		
<u>For the years ended December 31,</u>		
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 1,244,862	(\$ 4,808)
Yuanta Asia Growth Investment, L.P.	12,343	3,731
	<u>\$ 1,257,205</u>	<u>(\$ 1,077)</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”)

	<u>December 31, 2023</u>			
	<u>Highest balance</u>	<u>Ending balance</u>	<u>Interest rate (%)</u>	<u>Foreign currency ending balance</u>
Key management personnel:				
Others	\$ 50,009	\$ 50,000	0.55	
Others	33,901	27,355	4.70~4.95 (Note : USD)	USD 890
Other related parties:				
Others	1,525,200	359,868	0.35~0.55	
		<u>\$ 437,223</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>\$</u>	<u>958,346</u>	

Note: For foreign currency repo trade.

D. Futures traders' equity

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 39,128,798	\$ 37,679,405
Others	68,659	89,347
	<u>\$ 39,197,457</u>	<u>\$ 37,768,752</u>

E. Accounts receivable

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust (Note)	\$ 10,263	\$ 18,375
Yuanta Construction Development	1,645	2,038
	<u>\$ 11,908</u>	<u>\$ 20,413</u>

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

F. Other payables

	December 31, 2023	December 31, 2022
Key management personnel:		
Others	\$ 100	\$ 11
Other related parties:		
SITCA	50	55
Others	-	89
	<u>\$ 150</u>	<u>\$ 155</u>

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

		Deposits on securities borrowed	
		December 31, 2023	December 31, 2022
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$	-	\$ 133,346

	Receivables from deposits on securities borrowed	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 41,242	\$ 590,054
	<u>Security borrowing expenses</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 58,153	\$ 116,770
H. <u>Receivable of securities business money lending</u>	<u>December 31, 2023</u>	
Key management personnel:		
Others	\$ 50	
Other related parties:		
Others	40,220	
	<u>\$ 40,270</u>	
I. <u>Receivables from loans to employees</u>	<u>Receivables from loans to employees</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel:		
Others	\$ 948	\$ 1,283
Other related parties:		
Others	163,134	158,265
	<u>\$ 164,082</u>	<u>\$ 159,548</u>
J. <u>Income from distribution fee</u>	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Key management personnel:		
Others	\$ 1,059	\$ 918
Other related parties:		
Others	349	322
	<u>\$ 1,408</u>	<u>\$ 1,240</u>
K. <u>Income from transfer-agent services</u>	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Others	\$ 121	\$ 124

L. Investment refund receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
IBKC-TONGYANG Growth 2013 Private Equity Fund	\$ 48,856	\$ 50,066
Kiwoom-Yuanta 2019 Scale-up Fund	12,161	12,031
SYF Information (Shanghai)	85,526	118,159
Others	-	1,544
	<u>\$ 146,543</u>	<u>\$ 181,800</u>

M. Other financial liabilities

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel:		
Others	\$ 25,983	\$ 4,772
Other related parties:		
Others	10	11
	<u>\$ 25,993</u>	<u>\$ 4,783</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta SPAC VIII	\$ -	\$ 24,110
Yuanta SPAC IX	23,478	24,110
Yuanta SPAC X	23,478	24,110
Yuanta SPAC XI	23,478	24,110
Yuanta SPAC XII	18,735	19,240
Yuanta SPAC XIII	23,478	24,111
Yuanta SPAC XIV	23,478	24,111
Yuanta SPAC XV	23,478	-
Other	16,244	-
	<u>\$ 175,847</u>	<u>\$ 163,902</u>
	<u>Proceeds on disposal</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Yuanta SPAC IV	\$ -	\$ 15,423

O. Credit transaction between the Yuanta Group and related parties

	December 31, 2023		
	Guarantee deposit receivable from short sales	Deposit for short sales	Margin loans
Key management personnel:			
Others	\$ 4,913	\$ 971	\$ 117,381
Other related parties:			
Others	1,054	1,127	35,630
	<u>\$ 5,967</u>	<u>\$ 2,098</u>	<u>\$ 153,011</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>

P. Fund management fee income and fund management fee receivables

	Fund management fee income	
	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 4,981,594	\$ 3,784,559
Yuanta Asia Growth Investment, L.P.	37,997	33,685
Yuanta Diamond Funds SPC's funds	12,704	24,459
Global Growth Investment, L.P.	401	560
	<u>\$ 5,032,696</u>	<u>\$ 3,843,263</u>
	Fund management fee receivables	
	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 496,518	\$ 365,843
Yuanta Asia Growth Investment, L.P.	9,929	8,919
Global Growth Investment, L.P.	572	582
	<u>\$ 507,019</u>	<u>\$ 375,344</u>

Q. 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	
	December 31, 2023	December 31, 2022
Other related parties:		
Yuanta Secondary No.2 Fund	\$ -	\$ 18,311
Yuanta Secondary No.3 Private Equity Fund	36,944	7,638
Yuanta Innovative Growth MPE Fund	8,122	9,778
Yuanta Quantum Jump No.1 Fund	161,593	1,461
Others	27,744	26,154
	<u>\$ 234,403</u>	<u>\$ 63,342</u>

	Performance fee and management fee income	
	For the years ended December 31, 2023	2022
Other related parties:		
Yuanta Innovative Growth MPE Fund	\$ 36,906	\$ 37,081
Polaris Ocean Private Equity Fund	-	136,864
Yuanta Quantum Jump No.1Fund	166,855	5,541
Others	122,923	114,709
	<u>\$ 326,684</u>	<u>\$ 294,195</u>

R. Premium income

	For the years ended December 31,	
	2023	2022
Other related parties:		
Others	<u>\$ 369,415</u>	<u>\$ 359,468</u>

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

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

T. <u>The details of the brokerage service fee income from the Yuanta Group and its related parties</u>		
	For the years ended December 31,	
	2023	2022
Key management personnel:		
Others	\$ 22,795	\$ 24,617
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	294,672	315,011
Others	26,488	30,619
	<u>\$ 343,955</u>	<u>\$ 370,247</u>
U. <u>Rental income from leasing the Yuanta Group's own assets to related parties</u>		
	For the years ended December 31,	
	2023	2022
Other related parties:		
Yuanta-Polaris Research	\$ 84	\$ 846
Yuanta Construction Development	7,956	8,044
Yuanta Foundation	64	64
	<u>\$ 8,104</u>	<u>\$ 8,954</u>
V. <u>The details of the real estate management and maintenance income engaged by the Yuanta Group and its related parties</u>		
	For the years ended December 31,	
	2023	2022
Other related parties:		
Yuanta Foundation	\$ -	\$ 6
W. <u>Refundable deposits - rental deposit from leasing the Yuanta Group's own assets to related parties</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta-Polaris Research	\$ -	\$ 17
Yuanta Foundation	11	10
Yuanta Construction Development	1,527	1,510
	<u>\$ 1,538</u>	<u>\$ 1,537</u>
X. <u>Gain on investment property</u>		
(A) Imputed interest on rental deposits		
	For the years ended December 31,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 22	\$ 12
(B) Other income		
	For the years ended December 31,	
	2023	2022
Other related parties:		
Yuanta Construction Development	\$ 2,332	\$ 2,072

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

	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 601,045	\$ 160,497
Yuanta Asia Growth Investment,L.P.	96	-
	<u>\$ 601,141</u>	<u>\$ 160,497</u>

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

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

	For the years ended December 31,	
	2023	2022
Other related parties:		
Yuanta SPAC V	\$ -	\$ 4,526
Yuanta SPAC VII	-	3,515
Yuanta SPAC IX	-	3,463
Yuanta SPAC X	-	3,810
Yuanta SPAC XI	3,579	-
Yuanta SPAC XII	3,221	-
Yuanta SPAC XIII	6,083	-
Yuanta SPAC XIV	2,863	-
	<u>\$ 15,746</u>	<u>\$ 15,314</u>

(B) Borrowed stock revenue

	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 8,667	\$ 11,204

AA. Operating expenses

		For the years end	
		2023	
<u>Name of related parties</u>	<u>Nature</u>		
Other related parties:			
Yuanta Foundation	Donation expenditure	\$ 80,000	
Yuanta-Polaris Research	Donation expenditure	23,000	
		<u>\$ 103,000</u>	

BB. Other operating expenses

(A) ETF redemption fees

	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 52,438	\$ 41,250

(B) Financial costs

	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 207,972	\$ 38,027

(C) Miscellaneous expenses

	For the years ended December 31,	
	2023	2022
Other related parties:		
SITCA	\$ 2,893	\$ 2,900

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

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	\$ 6,660,827	\$ 5,469,831
Termination benefits	13,201	19,828
Other long-term benefits	11,692	11,659
Post-employment benefit	158,037	160,252
Total	\$ 6,843,757	\$ 5,661,570

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 83,919,145	5.19	0.00~6.56

December 31, 2022			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 98,990,338	6.65	0.00~6.44

Apart from an interest rate limit on staff demand savings deposits of 6.44%~6.56% and 5.80%~6.44%, respectively, for the years ended December 31, 2023 and 2022, the range of interest rates on other related parties' demand savings deposits were 0.00%~5.86% and 0.00%~5.82%, respectively. The interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2023 and 2022, interest expense on the above deposits were \$1,373,246 and \$657,174, respectively.

(B) Loans

December 31, 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	315	\$ 139,320	\$ 77,632	\$ 77,632	\$ -	Small and medium enterprise credit guarantee fund, movables, deposits and credit loans	None
Residential mortgage loans	511	4,800,423	4,117,848	4,117,848	-	Real estate	None
Other loans	Yuanta Securities	4,049,921	-	-	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	101	536,894	317,180	317,180	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,532,660	\$ 4,532,660	\$ -		

December 31, 2022

Unit: In thousands of NT dollars

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

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.75%~2.15% and 1.89%~1.90% for the years ended December 31, 2023 and 2022, respectively, the interest rates on the remaining loans are ranging from 0.00%~12.00% and 0.00%~6.97% for the years ended December 31, 2023 and 2022, respectively, which are the same with the terms of general loans.

For the years ended December 31, 2023 and 2022, interest income resulting from the above loans amounted to \$88,495 and \$64,246, respectively.

(C) Service fee income

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Life	\$ 1,369,766	\$ 1,093,739
Yuanta Securities Investment Trust	112,962	64,768
Yuanta Securities (Hong Kong)	84,234	50,165
Yuanta Securities	18,140	21,517
	<u>\$ 1,585,102</u>	<u>\$ 1,230,189</u>

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

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Life	\$ 107,519	\$ 56,052
Yuanta Securities Investment Trust	11,832	8,510
Yuanta Securities (Hong Kong)	12,986	1,592
	<u>\$ 132,337</u>	<u>\$ 66,154</u>

(D) Rental expense

Name of related parties	Usage	For the years ended December 31,	
		2023	2022
Fellow subsidiary:			
Yuanta Securities	Office / place	\$ 205,378	\$ 197,117

(E) Current income tax assets/liabilities

	December 31, 2023	December 31, 2022
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	\$ 54,209	\$ 99,119
Consolidated income tax return payable	\$ 872,906	\$ 351,059

(F) Property transactions

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

Name of related parties	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Futures		
Futures Margin	\$ 513,893	\$ 105,310

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

For the year ended December 31, 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:

		December 31, 2023	
		Futures margins	
		Own funds	Excess margins
Fellow subsidiary:			
Yuanta Futures	\$	1,093,798	\$ 1,449,854
Others		18,713	70,743
	\$	<u>1,112,511</u>	<u>\$ 1,520,597</u>
		December 31, 2022	
		Futures margins	
		Own funds	Excess margins
Fellow subsidiary:			
Yuanta Futures	\$	717,219	\$ 2,232,615
Others		24,089	128,210
	\$	<u>741,308</u>	<u>\$ 2,360,825</u>
		Handing charges - proprietary trading	
		For the years ended December 31,	
		2023	2022
Fellow subsidiary:			
Yuanta Futures	\$	95,733	\$ 115,485
Others		2,424	2,816
	\$	<u>98,157</u>	<u>\$ 118,301</u>

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

		Commission income - futures	
		For the years ended December 31,	
		2023	2022
Fellow subsidiary:			
Yuanta Futures	\$	<u>238,351</u>	<u>\$ 292,413</u>

(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	
		December 31, 2023	December 31, 2022
Fellow subsidiary:			
Yuanta Bank	\$	<u>29,619,224</u>	<u>\$ 34,431,718</u>

	Other gains and losses – interest income (Note)	
	For the years ended December 31,	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>721,568</u>	\$ <u>318,684</u>
Note: Including the interest of demand deposits, time deposits and operating guarantee deposits.		
b. As of December 31, 2023 and 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 \$393,383 and \$521,408, respectively.		
(C) Consolidated income tax return - receivables/ payables (recorded as “current income tax assets/liabilities”)		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivables	\$ <u>66,009</u>	\$ <u>-</u>
Consolidated income tax return payables	\$ <u>1,617,979</u>	\$ <u>377,277</u>
(D) Operating guarantee deposits		
Yuanta Securities and its subsidiaries provided time deposits to a related party as operating guarantee deposits for engaging in securities and futures business. Details were as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>1,290,000</u>	\$ <u>1,275,000</u>
(E) Refundable deposits for securities lending auction		
Yuanta Securities and its subsidiaries made refundable deposits with related parties for securities lending auction. Details were as follows:		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ <u>304,000</u>	\$ <u>204,000</u>
(F) Deposits on securities borrowed, receivables from deposits on securities borrowed, security borrowing expenses payable and security borrowing expenses		
	<u>Deposits on securities borrowed</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>-</u>	\$ <u>133,346</u>

	Receivables from deposits on securities borrowed	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>41,242</u>	\$ <u>590,054</u>
	<u>Security borrowing expenses</u>	
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Others	\$ 4,265	\$ -
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>58,153</u>	<u>116,770</u>
	<u>\$ 62,418</u>	<u>\$ 116,770</u>
(G) Receivables from loans to employees		
Please refer to Note 7(2)I.		
(H) Commission income		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ <u>372,869</u>	\$ <u>595,267</u>
(I) Trust income		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	\$ <u>205,573</u>	\$ <u>104,411</u>
(J) Amounts held for settlement		
As of December 31, 2023 and 2022, Yuanta Securities and its subsidiaries had amounts held for settlement of \$261,247 and \$831,936, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.		
(K) Property transactions		
a. Bonds transactions under repurchase agreements (recorded as "liabilities for bonds with repurchase agreements")		
Please refer to Note 7(2)C(B).		
b. Bonds sold and purchased (recorded as "financial assets at fair value through profit or loss")		
	<u>For the year ended December 31, 2023</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	\$ 5,000,000	\$ -
Fellow subsidiary:		
Yuanta Futures	<u>-</u>	<u>2,992,322</u>
	<u>\$ 5,000,000</u>	<u>\$ 2,992,322</u>

	<u>For the year ended December 31, 2022</u>	
	<u>Purchased</u>	<u>Sold</u>
Parent company:		
Yuanta Financial Holdings	\$ 7,900,000	\$ -
Fellow subsidiary:		
Yuanta Bank	1,400,000	-
	<u>\$ 9,300,000</u>	<u>\$ -</u>
(L) 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		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 193,358	\$ 301,588
Yuanta Bank	23,703	16,391
	<u>\$ 217,061</u>	<u>\$ 317,979</u>
(M) Customer margin accounts		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Futures	\$ 274,639	\$ 282,877
Others	1,174	1,188
	<u>\$ 275,813</u>	<u>\$ 284,065</u>
(N) Brokerage fee revenue		
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Others	\$ 36,455	\$ 43,401
Key management personnel:		
Others	22,795	24,617
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	222,271	179,427
Others	21,537	20,799
	<u>\$ 303,058</u>	<u>\$ 268,244</u>

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

(O) Other operating expense—Professional fee

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

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities Investment Consulting	\$ 188,649	\$ 208,057

(P) Other operating income—dividend income

	Rebate income	
	For the years ended December 31,	
	2023	2022
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ 225,055	\$ 91,619

(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 years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Bank	\$ 227,076	\$ 230,122

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

	December 31, 2023		December 31, 2022	
Other related parties:				
Funds managed by Yuanta				
Securities Investment Trust	\$ 9,598,907	\$ 4,753,291		
	For the years ended December 31,			
	2023		2022	
	Proceeds on disposal	Realised gain	Proceeds on disposal	Realised gain
Other related parties:				
Fund managed by Yuanta Securities				
Investment Trust	\$ 376,968,505	\$ 1,307,224	\$ 390,576,896	\$ 120,904

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta SPAC VIII	\$ -	\$ 24,110
Yuanta SPAC IX	23,478	24,110
Yuanta SPAC X	23,478	24,110
Yuanta SPAC XI	23,478	24,110
Yuanta SPAC XII	18,735	19,240
Yuanta SPAC XIII	23,478	24,111
Yuanta SPAC XIV	23,478	24,111
Yuanta SPAC XV	23,478	-
Others	16,244	-
	<u>\$ 175,847</u>	<u>\$ 163,902</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Parent subsidiary:		
Yuanta Financial Holdings	\$ 1,396,087	\$ 334,941
Other related parties:		
Others	-	15,423
	<u>\$ 1,396,087</u>	<u>\$ 350,364</u>

(T) Credit transaction

Please refer to Note 7(2)O.

(U) Others

- a. As of December 31, 2023 and 2022, the credit facilities granted by fellow subsidiary - Yuanta Bank to Yuanta Securities and its subsidiaries with land and buildings as collateral were \$11,500,000. The carrying amounts of land and building amounting to \$ 3,393,960 and \$3,426,627, 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”).

	<u>The balance of fund</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Yuanta Asia Growth Investment, L.P.	\$ 154,793	\$ 133,063
Global Growth Investment, L.P.	17,486	19,176
	<u>\$ 172,279</u>	<u>\$ 152,239</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)Q.

C. Yuanta Futures and its subsidiaries

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

	<u>December 31, 2023</u>		
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 4,454,633	\$ 140,000	\$ 22,468,952
Yuanta Securities (Korea)	-	-	24,063
Yuanta Securities (Vietnam)	-	-	209,670
	<u>\$ 4,454,633</u>	<u>\$ 140,000</u>	<u>\$ 22,702,685</u>
		<u>December 31, 2022</u>	
	<u>Bank deposits ending balance</u>	<u>Operating guarantee deposits</u>	<u>Customer margin deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 6,098,095	\$ 140,000	\$ 25,549,016
Yuanta Securities (Korea)	-	-	4,501
Yuanta Securities (Vietnam)	-	-	279,988
	<u>\$ 6,098,095</u>	<u>\$ 140,000</u>	<u>\$ 25,833,505</u>

Yuanta Futures and its subsidiaries purchased book-entry central government securities (CGS) through Yuanta Securities for \$2,985,744 and \$0 for the years ended December 31, 2023 and 2022, respectively.

(B) Customer margin accounts for leverage contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 266,264</u>	<u>\$ 123,367</u>

(C) Equity of futures traders

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 2,567,422	\$ 2,989,090
Yuanta Bank	513,843	105,315
Yuanta Securities (Hong Kong)	55,577	101,689
Yuanta Securities (Korea)	286,651	290,990
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	39,128,798	37,679,405
Others	68,659	89,347
	<u>\$ 42,620,950</u>	<u>\$ 41,255,836</u>

(D) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 2,260	\$ 4,663
Yuanta Life	73,705	113,561
Yuanta Securities (Hong Kong)	6,269	13,013
	<u>\$ 82,234</u>	<u>\$ 131,237</u>

(E) Investment refund receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
SYF Information (Shanghai)	\$ 85,526	\$ 118,159

(F) Brokerage fee revenue

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 85,230	\$ 100,975
Yuanta Bank	2,034	725
Yuanta Securities (Hong Kong)	13,640	19,275
Yuanta Securities (Korea)	2,369	1,929
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	72,401	135,584
Others	4,951	9,820
	<u>\$ 180,625</u>	<u>\$ 268,308</u>

(G) Futures commissions expense

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 238,351	\$ 292,413
Yuanta Securities(Vietnam)	1,234	953
	<u>\$ 239,585</u>	<u>\$ 293,366</u>

(H) Interest income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 473,843	\$ 254,472

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

(I) Financial cost

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 9,546	\$ 3,956
Yuanta Bank	1,028	103
Yuanta Securities (Korea)	2,397	539
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	207,972	38,027
	<u>\$ 220,943</u>	<u>\$ 42,625</u>

(J) Property transactions

	December 31, 2023	December 31, 2022
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 292,896	\$ 159,540

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of December 31, 2023 and 2022, Yuanta Securities Investment Consulting deposited \$242,005 and \$246,731, respectively, to Yuanta Bank, amongst which, the operating guarantee deposits were both \$5,000, and annual interest rates were 1.53% and 1.03%, respectively.

(B) Operating income

	For the years ended December 31,	
	2023	2022
Fellow subsidiary:		
Yuanta Securities	\$ 181,809	\$ 201,217
Yuanta Bank	30,000	30,000
Yuanta Securities Investment Trust	18,000	18,000
Yuanta Futures	3,600	3,600
Yuanta Securities Finance	6,840	6,840
	<u>\$ 240,249</u>	<u>\$ 259,657</u>

The above-mentioned operating income includes consulting income, journal income and lecture income, etc. It is calculated according to the contract signed by both parties, and is settled and collected on a monthly basis.

E. Yuanta Securities Investment Trust

(A) Bank deposits

	December 31, 2023	December 31, 2022
Fellow subsidiary:		
Yuanta Bank	\$ 4,671,246	\$ 4,254,024

(B) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 1,465	\$ 1,543
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>506,781</u>	<u>384,218</u>
	<u>\$ 508,246</u>	<u>\$ 385,761</u>

(C) Management fee income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Life	\$ 16,769	\$ 16,262
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	<u>4,981,594</u>	<u>3,784,559</u>
	<u>\$ 4,998,363</u>	<u>\$ 3,800,821</u>

(D) Fund transactions

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>December 31, 2023</u>	<u>December 31, 2022</u>
Yuanta Securities Investment Trust	\$ 295,662	\$ 229,318
Fellow subsidiary:		
Yuanta Life	2,344,521	1,034,914
Others	<u>373,258</u>	<u>289,968</u>
	<u>\$ 3,013,441</u>	<u>\$ 1,554,200</u>

(E) Sales fee

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Securities	\$ 252,040	\$ 147,710
Yuanta Bank	<u>108,916</u>	<u>60,272</u>
	<u>\$ 360,956</u>	<u>\$ 207,982</u>

F. Yuanta Life

(A) Bank deposits and time deposits

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank (Note)	<u>\$ 1,700,100</u>	<u>\$ 1,245,595</u>
Note: Including other financial assets.		

(B) Current income tax assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings		
Consolidated income tax return receivable	\$ <u>5,215,483</u>	\$ <u>4,962,290</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ 9,453,315	\$ 2,570,829
Yuanta Asia Growth Investment, L.P.	<u>154,793</u>	<u>133,064</u>
	<u>\$ 9,608,108</u>	<u>\$ 2,703,893</u>

For the year ended December 31, 2023

	<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	\$ 7,227,188	\$ 963,915	(\$ 66,313)
Yuanta Asia Growth Investment, L.P.	<u>23,263</u>	<u>18,452</u>	<u>12,343</u>
	<u>\$ 7,250,451</u>	<u>\$ 982,367</u>	<u>(\$ 53,970)</u>

For the year ended December 31, 2022

	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 1,446,000	\$ -	-
Yuanta Asia Growth Investment, L.P.	<u>8,980</u>	<u>7,391</u>	<u>3,731</u>
	<u>\$ 1,454,980</u>	<u>\$ 7,391</u>	<u>\$ 3,731</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 years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>375,516</u>	\$ <u>67,647</u>

(D) Payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Parent company:		
Yuanta Financial Holdings	\$ 548	\$ 4,098
Fellow subsidiary:		
Yuanta Bank	89,751	57,406
Yuanta International Insurance Brokers	43,730	20,813
	<u>\$ 134,029</u>	<u>\$ 82,317</u>

(E) Premium income

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Parent company:		
Yuanta Financial Holdings	\$ 1,769	\$ 1,560
Fellow subsidiary:		
Yuanta Bank	30,407	30,001
Yuanta Securities	41,345	40,365
Yuanta Securities Investment Trust	2,030	1,880
Yuanta Futures	2,674	2,825
Other related parties:		
Others (Note)	369,415	359,468
	<u>\$ 447,640</u>	<u>\$ 436,099</u>

Note: The balance of individual related parties does not exceed 10% of the transaction balance.

(F) Commission expense

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 1,350,859	\$ 1,093,258
Yuanta International Insurance Brokers	372,869	595,267
	<u>\$ 1,723,728</u>	<u>\$ 1,688,525</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 December 31, 2023 and 2022 were \$29,435,070 and \$28,486,717, respectively; the trustee's compensation for the commissioned services during the years ended December 31, 2023 and 2022 amounted to \$16,769 and \$16,262, 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 years ended December 31, 2023 and 2022 amounted to \$28,969 and \$29,582, respectively.

(H) Rental income

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

	For the years ended December 31,	
	2023	2022
Parent company:		
Yuanta Financial Holdings	\$ 5,175	\$ 5,223
Fellow subsidiary:		
Yuanta Securities	92,805	92,777
Yuanta Futures	35,398	35,353
Yuanta Bank	12,668	12,583
Yuanta Asset Management	4,096	4,070
Yuanta Securities Investment Trust	1,065	1,064
Other related parties:		
Yunta Development	7,956	7,922
	<u>\$ 159,163</u>	<u>\$ 158,992</u>
G. <u>Yuanta Ventures and its subsidiary</u>		
Bank deposits	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	\$ 1,142,708	\$ 739,988
Yuanta Securities (Hong Kong)	5,622	5,627
	<u>\$ 1,148,330</u>	<u>\$ 745,615</u>
H. <u>Yuanta Asset Management</u>		
(A) Bank deposits	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 367,521</u>	<u>\$ 446,218</u>
(B) Property transactions—Beneficiary certificates (recorded as financial assets at fair value through profit or loss)	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 30,211</u>	<u>\$ 130,431</u>
	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
	<u>Proceeds on disposal</u>	<u>Realised gain</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 180,928</u>	<u>\$ 928</u>
	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2022</u>
	<u>Proceeds on disposal</u>	<u>Realised gain</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	December 31, 2023	December 31, 2022	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 260,865	\$ 121,770	Operating guarantee deposits
Financial assets at fair value through profit or loss	188,992,362	133,515,082	Bonds and bills under repurchase agreement, collateral for securities lending, OTC trading and compensation for mutual fund
	54,827,303	52,617,228	Brokerage business
	50,051	50,260	Guarantee deposits for notes
	699,472	967,891	Compensation for mutual fund
Financial assets at fair value through other comprehensive income	4,411,695	4,441,970	Claim reserve from trust business, collateral for securities lending business and guarantees on asset disposal
	59,341,062	70,950,144	Bonds under repurchase agreement, operating guarantee deposits, OTC performance bonds, claim reserve
Investments in debt instruments at amortised	3,622,439	3,622,836	Operating guarantee deposits
	207,858	209,857	Deposits for guarantees in the Central Bank
	223,758	182,600	Claim reserve from trust business
	10,000,000	10,000,000	Overdraft guarantee for foreign currency settlement
	107,369	108,092	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	53,684	54,046	Deposit guarantees of bills merchants
	279,159	286,767	Collateral for provisional seizure
	6,120	5,837	VISA international card payment reserves
	207,128	54,046	Settlement reserves for Taiwan Futures Exchange
Restricted assets – net	2,551,751	2,004,543	Collateral for settlement limit, short-term loans, payable short-term bills, securities lending and OTC derivative transactions
	473,000	696,307	Operating guarantee deposits-exchange, structured products, interest rate swap account, repo trade and money lending refundable liquidation and settlement
	937	962	Overdraft guarantee
	25,459	24,480	Dividends to be paid for transfer-agent services business
Other assets – net	295,392	569,146	Operating guarantee deposits
	2,487,522	4,228,069	Performance bond and rental deposits
	76,550	12,551	Underwriting share proceeds collected on behalf of customers
	10,000	-	Claim reserve from trust business
Property and equipment and investment property	2,468,502	2,506,252	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	417,265	402,462	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

(1) As of December 31, 2023 and 2022, capital expenditure contracted for at the balance sheet date but not yet incurred were \$8,041,524 and \$8,634,777, respectively.

(2) As of December 31, 2023, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was USD 1,885 thousand dollars.

(3) Stocks entrusted to custody

As of December 31, 2023 and 2022, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were both 7,483 thousand shares. The market value of these entrusted stocks was approximately \$78,808 and \$78,133, respectively.

(4) Transactions on behalf of customers

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

(5) Other lawsuits- Yuanta Securities

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

B. As of December 31, 2023, of the total 14 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 13 litigations were compensation claims totaling KRW20,161 million (approximately \$500 million). As of December 31, 2023, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW189 million (approximately \$4 million) for the abovementioned 13 litigations that were unrelated to the financial product selling disputes. Also, please refer to the explanation in Note 6(26) for an arbitration result which Yuanta Securities (Korea) is subject to.

Separately, Yuanta Securities (Korea) filed 9 lawsuits as the plaintiff with a total claimed amount of KRW81,292 million (approximately \$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 December 31, 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.

E. As of December 31, 2023, Yuanta Securities (Korea) had issued commitment letters, with a total amount not exceeding KRW28,500 million (approximately \$700 million), for the purpose of providing merger and acquisition financial services. Yuanta Securities (Korea) has fulfilled the commitment amount of KRW28,500 million (approximately \$700 million) and acquired a fund position of KRW22,200 million (approximately \$500 million). The commitment letter will expire after the reporting period.

(6) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of KRW28 billion to Yuanta Savings Bank (Korea). In 2018, Pentagon City claimed that Yuanta Savings Bank (Korea) breached the 10% holding limit for an unlisted company imposed by laws with respect to savings banks, and thus claimed Yuanta Savings Bank (Korea) should return KRW19,599,160 thousand as unjustly received benefit, which represents consideration of shares above the 10% holding limit. On June 20, 2019, the Seoul Central District Court as the court of the first instance ruled in favour of Yuanta Savings Bank (Korea). Pentagon City disagreed with the ruling and filed an appeal on July 8, 2019. The Seoul High Court as the court of the second instance ruled in favor of Yuanta Savings Bank (Korea) on November 3, 2020. However, Pentagon City still disagreed with the ruling and filed an appeal for the review of the third instance on November 18, 2020. As of December 31, 2023, the case is still under the review of the Supreme Court of South Korea. The subsequent proceedings of the litigation have been assessed to have no material impact on the operations and shareholders' equity of Yuanta Savings Bank (Korea) and Yuanta Bank.

(7) Other lawsuits- Yuanta Life Insurance

As of December 31, 2023, Yuanta Life Insurance still has several insurance claim litigations in process. Yuanta Life Insurance handled these cases by itself or with assistance of legal counsels and has provisioned an appropriate amount of claim reserves.

(8) Others

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commitment of the securities under a repurchase agreement	\$ 257,448,903	\$ 229,074,828
Commitment of the securities under a resale agreement	100,042,588	94,442,928
Unused loan commitments	28,671,871	17,517,117
Credit commitment on credit card	123,735,821	121,431,714
Unused L/C balance	2,189,074	2,378,257
Other guarantees	12,335,000	9,236,552
Consignment collection for others	13,626,512	14,667,670
Trust assets	346,068,957	308,923,240
Book-Entry Central Government Securities	96,757,000	117,452,000
Items under custody	76,077,941	61,309,258

(9) 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:

<u>December 31, 2023</u>			
<u>Trust Balance Sheet</u>			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 6,542,474	Payable - Customers'	\$ 47,638,762
Stocks	8,495,098	securities	
Funds (Note)	129,746,809	Pecuniary trust	197,604,040
Bonds	50,748,812	Securities trust	1,634,354
Structured products	7,952,970	Real estate trust	21,061,457
Real estate-Land	12,179,119	Net income	305,458
-Construction		Retained earnings	1,599,687
in progress	6,539,714		
Customers' securities under custody	47,638,762		
Total trust assets	<u>\$ 269,843,758</u>	Total trust liabilities	<u>\$ 269,843,758</u>

December 31, 2022

Trust Balance Sheet

<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 6,171,056	Payable - Customers' securities	\$ 37,104,555
Stocks	7,737,858	Pecuniary trust	180,916,214
Funds (Note)	128,043,073	Securities trust	1,281,753
Bonds	36,926,891	Real estate trust	19,768,603
Structured products	6,510,700	Net income	457,205
Real estate-Land	12,606,605	Retained earnings	1,326,390
-Construction in progress	5,753,982		
Customers' securities under custody	37,104,555		
Total trust assets	<u>\$ 240,854,720</u>	Total trust liabilities	<u>\$ 240,854,720</u>

Note : Includes mutual funds in money market.

Trust Income Statement

	For the years ended December 31,	
	2023	2022
Trust revenue		
Dividend income	\$ 294,389	\$ 468,150
Interest income	45,051	17,665
Gains on property exchange	35	-
Investment income (Fund)	-	14
	<u>339,475</u>	<u>485,829</u>
Trust expenses		
Management fees	(20,991)	(15,395)
Insurance expense	(6,184)	(9,231)
Tax expense	(3,214)	(3,134)
Investment loss (Fund)	(1,429)	(326)
Investment loss (Stock)	-	(43)
	<u>(31,818)</u>	<u>(28,129)</u>
Income before income tax	307,657	457,700
Income tax expense	(2,199)	(495)
Net income	<u>\$ 305,458</u>	<u>\$ 457,205</u>

Trust Property List

Invested items	December 31, 2023	December 31, 2022
	Book value	Book value
Bank deposits	\$ 6,542,474	\$ 6,171,056
Bonds	50,748,812	36,926,891
Stocks	8,495,098	7,737,858
Structured products	7,952,970	6,510,700
Funds (Note)	129,746,809	128,043,073
Real estate-Land	12,179,119	12,606,605
-Construction in progress	6,539,714	5,753,982
Customers' securities under custody	47,638,762	37,104,555
	<u>\$ 269,843,758</u>	<u>\$ 240,854,720</u>

Note : Includes mutual funds in money market.

The trust balance sheet and schedule of trust property as at December 31, 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.

- (10) 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:

December 31, 2023			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,908,710	Payables	\$ 42,340
Bonds	26,192	Income tax payable	266
Stocks	4,422,753	Trust capital-pecuniary trust	65,594,866
Fund	68,238,768	Trust capital-securities trust	3,415,439
Structured products	849,697	Net income	2,536,109
Accounts receivable	779,079	Retained earnings	6,386,478
		Deferred carryforwards	(1,750,299)
Total trust assets	<u>\$ 76,225,199</u>	Total trust liabilities	<u>\$ 76,225,199</u>
December 31, 2022			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 1,434,976	Payables	\$ 29,015
Bonds	26,169	Income tax payable	264
Stocks	3,520,211	Trust capital-pecuniary trust	58,373,206
Fund	62,196,327	Trust capital-securities trust	3,260,292
Structured products	714,085	Net income	1,370,845
Accounts receivable	176,752	Retained earnings	5,480,745
		Deferred carryforwards	(445,847)
Total trust assets	<u>\$ 68,068,520</u>	Total trust liabilities	<u>\$ 68,068,520</u>

Trust Income Statement

	For the years ended December 31,	
	2023	2022
Trust revenue		
Interest income	\$ 837,579	\$ 1,657,736
Realized investment income	1,215,944	-
Unrealized investment income	747,395	-
Foreign exchange gain	-	1,488,378
Rental income	29,460	30,878
Dividend revenue	140,355	171,035
	2,970,733	3,348,027
Trust expenses		
Management fees	(56,258)	(23,371)
Fees (Service charges)	(194,490)	(157,095)
Realized investment loss	-	(614,529)
Unrealized investment loss	-	(1,176,020)
Foreign exchange loss	(173,467)	-
Insurance expense	(2,466)	(2,355)
Others	(5)	(5)
	(426,686)	(1,973,375)
Income before income tax	2,544,047	1,374,652
Income tax expense	(7,938)	(3,807)
Net income	\$ 2,536,109	\$ 1,370,845

Trust Property List

Invested items	December 31, 2023	December 31, 2023
	Book value	Book value
Bank deposits	\$ 1,908,710	\$ 1,434,976
Bonds	26,192	26,169
Stocks	4,422,753	3,520,211
Funds	68,238,768	62,196,327
Structured products	849,697	714,085
Others	779,079	176,752
	\$ 76,225,199	\$ 68,068,520

(11) According to Ministry of Finance, Ruling No.1030026386, disclose the information as follows:
Offshore Securities Unit of Yuanta Securities engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on December 31, 2023 and 2022 were USD5,558 thousand dollars and USD5,996 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. Yuanta Securities (Korea) had issued a commitment letter with a total amount no exceeding KRW28,500 million (approximately \$700 million). Yuanta Securities (Korea) has fulfilled the commitment amount of KRW28,500 million (approximately \$700 million) and acquired a fund position to KRW22,200 million (approximately \$500 million). After the reporting period, the performance obligation was completed. Please refer to Note 9 for the details of significant contingent liabilities and unrecognised contract commitments.
- B. On January 31, 2024, the Board of Directors of Yuanta Securities (Korea) resolved to issue unsecured ordinary corporate bonds in the amount of KRW200 billion (approximately \$4.7 billion). Yuanta Securities (Korea) completed its 89th issuance of KRW160 billion (approximately \$3.8 billion) unsecured ordinary corporate bonds on February 15, 2024, of which KRW100 billion (approximately \$2.4 billion) mature 2 years from the issue date and the remaining KRW60 billion (approximately \$1.4 billion) mature 3 years from the issue date.
- C. On January 31, 2024, the Board of Directors of Yuanta Securities resolved to fully sell the equity interest in Woori Asset Management Corp held by Yuanta Securities (Korea). The sale will be conducted after reporting to the competent authority of Taiwan.
- D. Yuanta Futures invested USD5 million in Yuanta Global (Singapore) Pte. Ltd. on January 24, 2024.

12. Others

(1) Capital risk management

- A. The objectives of capital management of the Yuanta Group:
 - (A) Meeting the minimum regulated capital adequacy ratio is the most basic objective for the qualifying self-owned capital of the financial group controlled by the Company. The calculation of qualifying self-owned capital and legal capital should be made in compliance with regulations of competent authorities.
 - (B) In order to process sufficient capital to assume various risks, the Company assesses the required capital with consideration of the risk portfolio it faces and the risk characteristic, and manages risk through capital allocation to realise utilization of capital allocation.
- B. Capital management procedure:
 - (A) The Company regularly monitors the overall capital adequacy ratio, which is maintained and reported to the competent authorities every 6 or 12 months in compliance with the regulations from both competent authorities and internal requirements.
 - (B) Calculation and control procedures related to capital adequacy of the financial group are all in compliance with “Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies” and “Regulations Governing the Capital Adequacy management for the Yuanta Financial Holding Company., Ltd.”.
 - (C) The objective of capital management of the Company shall be agreed by the Board of Directors, of which an appropriate capital projection is scheduled by the finance management according to the long-term developing strategies, operating plan and characteristics of assets and liabilities. The consolidated capital adequacy ratio of the Yuanta Group is assessed and calculated by month. The Risk Management Department regularly monitors the overall capital adequacy and analyses the impact to the capital adequacy arising from the Company’s

business development and the change of regulations. The Business Departments shall consider the impact of each transaction or task on the capital adequacy when conducting such transaction or task according to the annual risk limits authorised by the Company.

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

(2) Fair value information of financial instruments

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

(A) Outline

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

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

a. Level 1

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

b. Level 2

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

c. Level 3

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

B. Financial instruments measured at fair value

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

Recurring fair value measurements	December 31, 2023			
	<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	\$ 37,665,667	\$ 35,633,825	\$ 9,146	\$ 2,022,696
Liability instruments	346,595,401	108,814,593	237,489,244	291,564
Others	161,517,705	69,780,205	87,634,286	4,103,214
Financial assets at fair value through other comprehensive income				
Equity instruments	42,423,630	7,757,994	-	34,665,636
Liability instruments	249,839,188	117,208,267	132,630,921	-
Other financial assets				
Purchase of claim receivable	1,765,701	-	-	1,765,701
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 44,484,945	\$ 44,392,533	\$ 92,412	\$ -
<u>Derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss	\$ 17,922,423	\$ 6,529,518	\$ 8,150,557	\$ 3,242,348
Liabilities				
Financial liabilities at fair value through profit or loss	\$ 114,185,769	\$ 3,556,773	\$ 59,331,721	\$ 51,297,275

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements				
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 30,704,236	\$ 28,301,431	\$ -	\$ 2,402,805
Liability instruments	256,124,753	69,349,109	185,999,107	776,537
Others	113,598,530	32,818,232	76,129,285	4,651,013
Financial assets at fair value through other comprehensive income				
Equity instruments	53,997,024	18,548,658	-	35,448,366
Liability instruments	285,714,529	128,391,252	157,282,929	40,348
Other financial assets				
Purchase of claim receivable	1,792,753	-	-	1,792,753
Liabilities				
Financial liabilities at fair value through profit or loss				
	\$ 33,367,298	\$ 33,367,298	\$ -	\$ -
<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				
	\$101,455,378	\$ 3,846,440	\$ 42,091,538	\$ 55,517,400

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

(BLANK)

(E) Movements of financial instruments classified into Level 3 of fair value are as follows:

a. Movements of financial assets classified into Level 3 of fair value are as follows:

For the year ended December 31, 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	\$ 458,769	\$ 62,853	\$ 35,976,251	\$ 52,933	(\$ 36,054,687)	(\$ 1,082,399)	\$ 9,659,822
Financial assets at fair value through other comprehensive income	35,488,714	(152,106)	(627,078)	-	-	(43,894)	-	34,665,636
Other financial assets-purchase of claim receivable	1,792,753	(3,488)	-	-	-	(23,564)	-	1,765,701
Total	\$ 47,527,569	\$ 303,175	(\$ 564,225)	\$ 35,976,251	\$ 52,933	(\$ 36,122,145)	(\$ 1,082,399)	\$ 46,091,159

For the year ended December 31, 2022

Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,762,239	(\$ 2,588,825)	(\$ 113,475)	\$ 18,274,750	\$ -	(\$ 15,564,028)	(\$ 524,559)	\$ 10,246,102
Financial assets at fair value through other comprehensive income	26,862,390	239,289	8,435,645	57,722	-	(106,332)	-	35,488,714
Other financial assets-purchase of claim receivable	1,813,266	(570)	-	-	-	(19,943)	-	1,792,753
Total	\$ 39,437,895	(\$ 2,350,106)	\$ 8,322,170	\$ 18,332,472	\$ -	(\$ 15,690,303)	(\$ 524,559)	\$ 47,527,569

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net losses belonging to assets as of December 31, 2023 and 2022 were \$657,071 and \$3,128,968, 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 December 31, 2023 and 2022 were (\$563,544) and \$8,318,571, respectively.

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

For the year ended December 31, 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	\$ 667,480	(\$ 3,760)	\$ 62,054,661	\$ -	(\$ 66,938,506)	\$ -	\$ 51,297,275

For the year ended December 31, 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	\$ 611,430	\$ 7,996	\$ 50,637,512	\$ 1,641,488	(\$ 39,398,438)	(\$ 133,685)	\$ 55,517,400

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains (losses) belonging to liabilities as of December 31, 2023 and 2022 were \$454,653 and \$3,183,588, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of December 31, 2023 and 2022 were \$4,277 and (\$7,355), respectively.

Note: For the years ended December 31, 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
December 31, 2023				
<u>Assets</u>				
Financial assets at fair value				
through profit or loss	\$ 106,835	(\$ 105,710)	\$ -	\$ -
Derivative instruments	16,744	(16,744)	-	-
Financial assets at fair value through other comprehensive income	-	-	418,985	(327,780)
Other financial assets- purchase of claim receivable	84,309	(84,309)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value				
through profit or loss	(\$ 57,625)	\$ 57,625	\$ -	\$ -
Derivative instruments	(80,437)	80,437	-	-
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	-	-

Favorable and unfavorable movements of the Yuanta Group refer to the favorable and unfavorable movements of fair value. Movements in fair value are derived from financial valuation techniques on different unobservable valuation parameters. If the fair value of financial instruments is affected by more than one input, the above table will only reflect the impact resulting from changes in the single input without considering the correlations and variability between inputs.

(G) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

December 31, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,022,696	1. Market method 2. Income method 3. Equity Model by L. Anderson and D. Buffum 4. Discounted Cash Flow	Discount for marketability Discount rate Stock price volatility	<=40% 13.31%~14.52% 22.20%~64.25%	The higher the discount for marketability, the lower the fair value The higher the discount rate, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	5.87%~75.73%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
Financial assets at fair value through profit or loss					
Liability instruments	\$ 291,564	1. Hybrid Model 2. Discounted cash flow	Stock price volatility	59.16%~61.16%	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	2.41%~7.85%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	3,242,348	1. Option Model 2. FDM 3. Monte Carlo Simulation	Stock price volatility	17.58%~25.11%	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, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Others	4,103,214	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	17.58%~25.11%	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	1,765,701	Recoverable amount	Contact rate	6.44%~38.25%	The higher the contact rate, the higher the fair value
			Payment rate	4.22%~34.88%	The higher the payment rate, the higher the fair value
			Discount rate	5.47%~39.76%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	34,665,636	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0%~1%	The higher the growth rate, the higher the fair value
			Discount rate	12.74%~12.74%	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)	\$ 51,297,275	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation	Stock price volatility	0.46%~74.37%	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 assets at fair value through profit or loss					
Equity instruments	\$ 2,402,805	1. Market method 2. Income method 3. Equity Model by L. Anderson and D. Buffum 4. Discounted Cash Flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Discount rate	11.85%~15.54%	The higher the discount rate, the lower the fair value
			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 2. Equity Model by L. Anderson and D. Buffum 3. Discounted cash flow	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.
			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
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

December 31, 2022		Valuation technique	Significant unobservable input	Range	Relationship of inputs to 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	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
		2.Residual income valuation model	Expected growth rate	0.00%~1.00%	The higher the growth rate, the higher the fair value
		3.Discouted cash flow	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)	55,517,400	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

(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.

	December 31, 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)	\$ 399,998,842	\$ 350,419,053	\$ 17,650,496	\$ 332,758,307	\$ 10,250
<u>Financial liabilities</u>					
Bonds payable	104,904,691	99,486,525	-	99,486,525	-

	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	-

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

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

(B) Financial valuation technique:

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

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

- d. Deposits and remittances: The duration between the commencement date and maturity date for deposits and remittances are usually within one year. As a result, the carrying amount is a reasonable basis to estimate the fair value. The fair value of long-term fixed rate deposits should be estimated by discounting expected future cash flows; however, since the duration between the commencement date and the maturity date is within three years, it is reasonable to use the carrying amount to estimate the fair value.
- e. Bonds payable: The coupon rate for bank debentures issued by the Yuanta Group is approximate to the market interest rate. Thus, the present value of its expected future cash flows for estimating fair value is approximate to carrying value.

(3) Management objective and policy for financial risk

A. Risk management policy and structural organization

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

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

certainly comply with all risk management regulations.

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

(B) Risk management policy

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

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

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

(A) Credit risk

a. Source and definition of credit risk

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

b. Principle of credit risk management

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

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

c. Methods used in credit risk management

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

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

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

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

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

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

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

(b) Debt instruments investment and derivatives

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

(c) Margin purchase and short sale

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

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

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

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

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

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

(b) Expected credit losses calculation

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

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

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

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

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

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

(I) Credit business

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

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

(II) Investments in debt instruments

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

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

(III) Other financial assets

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

- i. Guarantee deposits: At the balance sheet date, the deposit has not been returned at maturity, and the number of past-due days is lower than the

terms recorded in the contract, unless the contractual terms specify it.

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

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

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

(I) Credit business

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

(II) Investments in debt instruments

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

- i. Both internal and external credit ratings of the instrument are "in default."
- ii. Principal or interest payments are not made in accordance with the agreement.

- iii. Bankruptcy, reorganization, or other debt clearance proceedings has been filed.
- iv. Other breaches of contract by the debtor as assessed on a case-by-case basis.

(III) Other financial assets

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

(IV) Definition of default

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

III. Write off policy

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

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

IV. Measurement of expected credit losses

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

(I) Credit business

i. Probability of default

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

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

requires selecting the corresponding lifetime. The lifetime of the loan is estimated based on the length of the remaining contract.

ii. Loss given default

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

iii. Exposure at default (EAD)

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

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

(II) Investments in debt instruments

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

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

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

V. Consideration of forecastable information

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

(I) For determining significant increase in credit risk

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

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

(II) For measuring expected credit losses

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

(III) Other

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

e. Hedging or mitigation of credit risk

(a) Collateral

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

(b) Credit risk limit and credit risk concentration control

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

(c) Net-settled general agreement

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

(d) Others

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

I. Additional credit exposure limit;

II. Credit limits reduction;

III. Hedging through credit derivatives;

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

f. Maximum risk exposure of the Yuanta Group

The maximum risk exposure of assets on the consolidated balance sheet, without consideration of the collateral or other credit enhancements, is equivalent to the carrying amount. Please see Note 9(8) for the maximum credit risk exposure of the consolidated

balance sheet.

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

Bills discounted and loans

December 31, 2023	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	\$ 816,121,091	\$ 1,025,140	\$ -	\$ -	\$ 817,146,231
Internal ratings— acceptable	213,229,826	3,416,948	-	-	216,646,774
Internal ratings— weak	53,215,582	2,005,844	-	-	55,221,426
Internal ratings— not rated	3,803,287	3,860,806	-	-	7,664,093
Internal ratings— credit impairment	-	863,421	5,874,409	-	6,737,830
The total carrying amount	1,086,369,786	11,172,159	5,874,409	-	1,103,416,354
Allowance for credit losses	(2,081,442)	(754,225)	(2,537,982)	-	(5,373,649)
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	-	-	-	(9,916,163)	(9,916,163)
Total (Note)	\$ 1,084,288,344	\$10,417,934	\$ 3,336,427	(\$ 9,916,163)	\$1,088,126,542

Note: Including interest receivable and temporary payments for others amounting to \$1,600,226. In addition, allowance for doubtful receivables was \$23,688.

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 \$213,356,151 and \$804,151,654, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

Bills discounted and loans

December 31, 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	\$ 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.

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

December 31, 2023	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 19,322	\$ -	\$ 19,322
Bills discounted and loans	788,506,493	-	788,506,493
Financial assets at fair value through profit or loss	938,750	2,112,033	3,050,783
<u>For off-balance sheet accounts</u>			
Unused loan commitments	4,308,121	-	4,308,121
Unused credit commitment	77,052	-	77,052
Guarantees (including for non-performing loans)	2,549,431	-	2,549,431
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

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	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Privately owned businesses	\$ 844,738,049	27.48	\$ 782,691,868	27.95
Natural person	818,702,648	26.64	704,215,983	25.15
Financial institutions	873,718,233	28.43	777,788,781	27.78
Governmental institutions	489,928,818	15.94	493,309,142	17.62
Government-owned businesses	44,099,834	1.43	39,010,527	1.39
Others	2,373,785	0.08	3,061,140	0.11
Total	<u>\$ 3,073,561,367</u>	<u>100.00</u>	<u>\$ 2,800,077,441</u>	<u>100.00</u>

(b) Geographic location:

Geography location	December 31, 2023	December 31, 2022
Taiwan	\$ 2,195,066,668	\$ 1,990,532,604
Asia	526,917,085	467,593,310
America	232,780,801	219,048,787
Europe	73,121,354	79,246,441
Oceania	45,541,559	43,449,731
Africa	133,900	206,568
Total	<u>\$ 3,073,561,367</u>	<u>\$ 2,800,077,441</u>

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

(a) Credit business

For the years ended December 31, 2023 and 2022, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

<u>For the year ended December 31, 2023</u>	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	<u>Total</u>
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	(33,532)	38,240	(4,708)	-	-	-
-Transferred to credit-impaired financial asset	(10,760)	(11,750)	22,510	-	-	-
-Transferred to 12-month expected credit losses	63,913	(3,324)	(60,589)	-	-	-
-Financial assets derecognised in the current period	(626,628)	(78,912)	(110,313)	(815,853)	-	(815,853)
Impairment allowance for purchased or originated financial assets	968,396	5,679	106,874	1,080,949	-	1,080,949
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	-	-	-	-	42,744	42,744
Write-off as bad debt	(32,840)	(4,952)	(432,660)	(470,452)	-	(470,452)
Change in exchange and others	67,574	355,657	638,413	1,061,644	-	1,061,644
Ending balances	<u>\$ 2,075,841</u>	<u>\$ 753,959</u>	<u>\$ 2,521,691</u>	<u>\$ 5,351,491</u>	<u>\$ 9,914,633</u>	<u>\$ 15,266,124</u>

<u>For the year ended December 31, 2022</u>	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
Beginning balances	\$ 1,595,241	\$ 380,510	\$ 3,026,002	\$ 5,001,753	\$ 8,241,645	\$ 13,243,398
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(19,292)	21,343	(2,051)	-	-	-
-Transferred to credit-impaired financial asset	(5,758)	(463)	6,221	-	-	-
-Transferred to 12-month expected credit losses	57,079	(4,087)	(52,992)	-	-	-
-Financial assets derecognised in the current period	(599,067)	(1,591)	(398,734)	(999,392)	-	(999,392)
Impairment allowance for purchased or originated financial assets	755,228	2,148	49,982	807,358	-	807,358
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	-	-	-	-	1,630,244	1,630,244
Write-off as bad debt	(28,239)	(6,585)	(131,353)	(166,177)	-	(166,177)
Change in exchange and others	(75,474)	62,046	(134,911)	(148,339)	-	(148,339)
Ending balances	<u>\$ 1,679,718</u>	<u>\$ 453,321</u>	<u>\$ 2,362,164</u>	<u>\$ 4,495,203</u>	<u>\$ 9,871,889</u>	<u>\$ 14,367,092</u>

For the year ended December 31, 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	(7,109,735)	(7,126,976)	(17,241)	-
-Transferred to credit-impaired financial asset	(1,169,675)	(1,080,842)	2,250,517	-
-Transferred to 12-month expected credit losses	621,036	(450,610)	(170,426)	-
-Financial assets derecognised in the current period	(382,080,450)	(1,134,510)	(306,395)	(383,521,355)
Impairment allowance for purchased or originated financial assets	525,604,814	50,776	191,965	525,847,555
Write-off as bad debt	(32,840)	(4,952)	(432,660)	(470,452)
Change in exchange and others	(49,375,385)	(260,991)	40,382	(49,595,994)
Ending balances	<u>\$ 1,084,811,880</u>	<u>\$ 11,155,269</u>	<u>\$ 5,848,979</u>	<u>\$ 1,101,816,128</u>

For the year ended December 31, 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	(3,306,543)	(3,319,846)	(13,303)	-
-Transferred to credit-impaired financial asset	(487,895)	(24,546)	512,441	-
-Transferred to 12-month expected credit losses	522,166	(368,009)	(154,157)	-
-Financial assets derecognised in the current period	(292,815,957)	(1,175,113)	(1,184,465)	(295,175,535)
Impairment allowance for purchased or originated financial assets	454,151,336	469,165	116,837	454,737,338
Write-off as bad debt	(28,239)	(6,586)	(131,353)	(166,178)
Change in exchange and others	(47,457,136)	320,970	(215,140)	(47,351,306)
Ending balances	<u>\$ 998,354,115</u>	<u>\$ 6,909,422</u>	<u>\$ 4,292,837</u>	<u>\$ 1,009,556,374</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 December 31, 2023 and 2022, the carrying amount of accounts receivable amounted to \$61,666,792 and \$30,341,959, respectively. For the years ended December 31, 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 years ended December 31,	
	2023	2022
January 1	(\$ 193)	(\$ 544)
Reversal of impairment loss	91	351
December 31	(\$ 102)	(\$ 193)

(BLANK)

II. For the years ended December 31, 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:

For the year ended December 31, 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	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 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	(6,431)	8,364	(1,933)	-	-	-
-Transferred to credit-impaired financial asset	(126,993)	(1,324)	128,317	-	-	-
-Transferred to 12-month expected credit losses	39,649	(24,333)	(15,316)	-	-	-
-Financial assets derecognised in the current period	(26,654)	(487)	(7,687)	(34,828)	-	(34,828)
Impairment allowance for purchased or originated financial assets	12,644	6,739	14,483	33,866	-	33,866
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	-	-	-	-	(8,678)	(8,678)
Write-off as bad debt	(31,947)	(10,283)	(215,086)	(257,316)	-	(257,316)
Change in exchange and others	135,439	27,533	22,954	185,926	-	185,926
The ending balances	\$ 106,145	\$ 66,524	\$ 2,595,421	\$ 2,768,090	\$ 66,411	\$ 2,834,501

For the year ended December 31, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 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	(223)	2,623	(2,400)	-	-	-
-Transferred to credit-impaired financial asset	(47,247)	(733)	47,980	-	-	-
-Transferred to 12-month expected credit losses	43,131	(26,555)	(16,576)	-	-	-
-Financial assets derecognised in the current period	(9,473)	(603)	(1,125)	(11,201)	-	(11,201)
Impairment allowance for purchased or originated financial assets	15,755	6,410	13,140	35,305	-	35,305
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	-	-	-	-	(17,872)	(17,872)
Write-off as bad debt	(21,329)	(6,924)	(149,870)	(178,123)	-	(178,123)
Change in exchange and others	(121,735)	29,351	179,513	87,129	-	87,129
The ending balances	<u>\$ 110,438</u>	<u>\$ 60,315</u>	<u>\$ 2,669,689</u>	<u>\$ 2,840,442</u>	<u>\$ 75,089</u>	<u>\$ 2,915,531</u>

For the years ended December 31, 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

For the year ended December 31, 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	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 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	(509)	531	(22)	-	-	-
-Transferred to credit-impaired financial asset	(13)	(73)	86	-	-	-
-Transferred to 12-month expected credit losses	9,286	(8,176)	(1,110)	-	-	-
-Financial assets derecognised in the current period	(8,017)	(1,653)	(20,101)	(29,771)	-	(29,771)
Impairment allowance for purchased or originated financial assets	19,577	544	16,518	36,639	-	36,639
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	-	-	-	-	16,690	16,690
Change in exchange and others	(10,312)	9,327	(1,629)	(2,614)	-	(2,614)
The ending balances	<u>\$ 39,276</u>	<u>\$ 12,775</u>	<u>\$ 79,005</u>	<u>\$ 131,056</u>	<u>\$ 104,727</u>	<u>\$ 235,783</u>

For the year ended December 31, 2022	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (Stage 2)	Lifetime expected credit losses (Stage 3)	Impairment recognised in accordance with IFRS 9	Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans	Total
The beginning balances	\$ 47,636	\$ 11,888	\$ 58,566	\$ 118,090	\$ 64,014	\$ 182,104
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(769)	805	(36)	-	-	-
-Transferred to credit-impaired financial asset	(115)	(73)	188	-	-	-
-Transferred to 12-month expected credit losses	8,159	(7,893)	(266)	-	-	-
-Financial assets derecognised in the current period	(15,315)	(1,725)	(19,860)	(36,900)	-	(36,900)
Impairment allowance for purchased or originated financial assets	10,213	487	18,905	29,605	-	29,605
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	-	-	-	-	24,023	24,023
Change in exchange and others	(20,545)	8,786	27,766	16,007	-	16,007
The ending balances	<u>\$ 29,264</u>	<u>\$ 12,275</u>	<u>\$ 85,263</u>	<u>\$ 126,802</u>	<u>\$ 88,037</u>	<u>\$ 214,839</u>

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

(d) Bills and bonds investments

For the years ended December 31, 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 \$45,063 and \$62,053, respectively. For the years ended December 31, 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 \$159,669 and \$163,379, 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 year ended December 31, 2023			
	December 31, 2023	VaR Average	VaR Minimum	VaR Maximum
Interest rate	246,892	196,283	128,453	265,593
Equity securities	199,804	211,530	143,425	320,063
Foreign exchange	644,043	773,324	552,863	891,842
Commodity	19,903	30,279	6,803	123,241
Less: diversification effects	(522,283)	(514,958)	-	-
Total VaR	588,359	696,458	506,914	918,871

Instrument type	For the year ended December 31, 2022			
	December 31, 2022	VaR Average	VaR Minimum	VaR Maximum
Interest rate	137,036	150,662	103,874	211,805
Equity securities	213,011	284,584	122,786	501,653
Foreign exchange	676,012	433,725	219,145	762,623
Commodity	12,846	73,561	9,256	204,720
Less: diversification effects	(420,766)	(406,849)	-	-
Total VaR	618,139	535,683	442,301	701,826

- (b) Non-trading purpose

Sensitivity analysis on interest rate:

	Interest rate shift	December 31, 2023		December 31, 2022	
			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	(\$	27,676)	(\$	37,488)
Yuanta Life	Increase of 1 basis point	(	43,093)	(	28,240)

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

	December 31, 2023		December 31, 2022	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets				
Cash and cash equivalents	\$ 1,012,449	\$ 31,117,618	\$ 1,360,789	\$ 41,787,094
Financial assets at fair value through profit or loss	684,734	21,045,291	670,049	20,575,871
Financial assets at fair value through other comprehensive income	3,641,593	111,924,349	3,853,642	118,337,628
Financial assets at amortised cost	8,620,743	264,958,538	8,057,761	247,437,727
Bills discounted and loans	1,334,350	41,011,247	1,501,188	46,098,466
Foreign currency denominated financial liabilities				
Bills and bonds payable under repurchase agreements	1,625,019	49,944,954	1,902,413	58,419,305
Deposits and remittances	6,208,073	190,805,132	5,589,245	171,634,525
Other liabilities	1,693,085	52,036,979	1,830,527	56,211,838

Note: As of December 31, 2023 and 2022, USD to TWD exchange rates were 30.735 and 30.708, respectively.

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

	December 31, 2023		December 31, 2022	
	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	\$ 524,623,207	\$ 12,441,439	\$ 570,912,905	\$ 13,904,013
Financial assets at fair value	10,101,996,478	239,568,846	7,303,285,224	177,864,208
Financial assets at fair value through other	505,059,500	11,977,486	226,325,293	5,511,926
Accounts receivable	310,454,714	7,362,434	194,579,155	4,738,781
Other financial assets	390,184,706	9,253,230	436,282,547	10,625,225
Other current assets	205,502,549	4,873,493	117,390,736	2,858,934
Financial liabilities				
Short-term borrowings	1,660,278,431	39,373,503	1,470,088,286	35,802,530
Financial liabilities at fair value through profit or loss	2,622,462,299	62,191,693	1,904,511,237	46,382,467
Bonds sold under repurchase	5,806,189,906	137,693,794	3,771,448,650	91,849,860
Guarantee deposit-in and margin deposits	68,476,873	1,623,929	51,359,250	1,250,803
Other financial liabilities	2,226,431,785	52,799,830	2,211,438,271	53,857,368
<u>Effect on profit or loss and equity</u>				
Financial assets				
Equity investments accounted	114,946,891	2,725,966	125,777,011	3,063,173

Note: As of December 31, 2023 and 2022, the KRW to TWD exchange rates were both 0.024.

(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)

December 31, 2023					
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total	
Non-derivative financial instruments					
Cash and cash equivalents	\$ 71,211,604	\$ 10,358,356	\$ 300,000	\$ 81,869,960	
Due from Central Bank and call loans to other banks	46,990,617	15,277,253	20,842,270	83,110,140	
Financial assets at fair value through profit or loss	426,985,109	41,369,131	94,922,780	563,277,020	
Financial assets at fair value through other comprehensive income	28,976,502	25,603,680	230,875,278	285,455,460	
Investments in bills and bonds under resale agreements	99,644,104	-	-	99,644,104	
Receivables	200,756,177	52,297,300	20,276,416	273,329,893	
Bills discounted and loans	310,027,512	190,343,543	600,425,963	1,100,797,018	
Reinsurance contract assets	427,319	821,774	-	1,249,093	
Financial assets at amortised cost	115,468,356	38,390,258	385,065,550	538,924,164	
Restricted assets	-	-	3,051,147	3,051,147	
Other financial assets	78,591,004	33,090	33,536,378	112,160,472	
Other assets	20,626,734	12,720,680	11,912,922	45,260,336	
Derivative financial instruments					
Financial assets at fair value through profit or loss					
Gross settlement					
Cash inflow	135,419,599	24,801,655	8,083	160,229,337	
Cash outflow	(132,798,866)	(23,237,890)	-	(156,036,756)	
Net settlement	<u>1,242,709</u>	<u>1,289,374</u>	<u>486,539</u>	<u>3,018,622</u>	
Total	<u>\$ 1,403,568,480</u>	<u>\$ 390,068,204</u>	<u>\$ 1,401,703,326</u>	<u>\$ 3,195,340,010</u>	
Financial liabilities					
Non-derivative financial instruments					
Deposits from Central Bank and other banks	\$ 12,387,393	\$ -	\$ -	\$ 12,387,393	
Financial liabilities at fair value through profit or loss	37,036,519	-	8,340,582	45,377,101	
Bills and bonds payable under repurchase agreements	194,011,095	22,559,389	35,268,219	251,838,703	
Commercial paper payable	61,433,540	21,721,625	-	83,155,165	
Payables	128,340,812	17,413,326	33,862,735	179,616,873	
Deposits and remittances	388,048,088	528,866,130	631,856,600	1,548,770,818	
Bonds payable	13,644	12,187,475	90,558,900	102,760,019	
Other borrowings	36,963,755	1,586,257	9,889,155	48,439,167	
Other financial liabilities	96,153,745	2,677,123	36,892,528	135,723,396	
Other liabilities	66,607,488	2,975	1,693,759	68,304,222	
Lease liabilities	285,495	1,039,952	6,274,036	7,599,483	
Derivative financial instruments					
Financial liabilities at fair value through profit or loss					
Gross settlement					
Cash inflow	(175,002,272)	(21,661,041)	(2,949,708)	(199,613,021)	
Cash outflow	179,103,165	22,775,212	3,753,548	205,631,925	
Net settlement	<u>(405,780)</u>	<u>(940,359)</u>	<u>(392,573)</u>	<u>(1,738,712)</u>	
Total	<u>\$ 1,024,976,687</u>	<u>\$ 608,228,064</u>	<u>\$ 855,047,781</u>	<u>\$ 2,488,252,532</u>	

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

Maturity analysis for above deposits and remittances are amortised to each period based on historical experience. Given that all the deposits and remittances have to be paid in the shortest possible time, as of December 31, 2023 and 2022, expenses on period of 0-90 days will increase by \$742,401,069 and \$658,355,590, respectively.

e. Maturity analysis for items off the balance sheet and capital expense commitment

Items off the balance sheet, while the client may choose when to make a payment, are classified into the earliest time category.

Capital expenditure commitment of the Yuanta Group refers to the capital expenses spent on the contract commitment in order to acquire the building and equipment.

Please refer to the below table for maturity analysis on off balance sheet items and capital expenditure commitment of the Yuanta Group:

	December 31, 2023			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 28,671,871	\$ -	\$ -	\$ 28,671,871
Unused credit commitment	2,189,074	-	-	2,189,074
Guarantees	12,335,000	-	-	12,335,000
Capital expenditure commitment	3,503,972	4,537,552	-	8,041,524
	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

(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 December 31, 2023 and 2022, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

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

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

(a) Credit risk

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

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

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

(b) Liquidity risk

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

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Less than 1 year	(\$ 3,254,664)	(\$ 2,003,722)
1 ~5 years	19,518,829	23,126,077
6 ~15 years	119,923,760	105,179,714
More than 15 years	581,877,003	570,041,728
Total	<u>\$ 718,064,928</u>	<u>\$ 696,343,797</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 Yuanta Group's related liabilities, which

indicate the obligation to repurchase transferred financial assets in a specified future period within a fixed price, the Yuanta Group, within the effective period of the transaction, cannot use, sell or pledge the already transferred financial asset, but must still bear interest risk and credit risk. Thus, such financial assets were not derecognised in its entirety.

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

December 31, 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	\$ 27,938,215	\$ 24,070,650
Bonds sold under repurchase agreements	237,010,478	233,986,894
Bills sold under repurchase agreements	15,959,969	16,001,688
Securities Lending Agreement	125,653	-
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

E. Offsetting financial assets and financial liabilities

The Yuanta Group has transactions that are or are similar to net settled master netting arrangements but do not meet the offsetting criteria. The above transactions are settled on a net basis after offsetting financial assets with financial liabilities if both parties of the transaction choose to use net settlement; the above transactions are settled on a gross basis if both parties do not choose to use net settlement. However, if one party breaches the contract, the counterparty can choose to use net settlement.

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

(A) Financial assets

December 31, 2023

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial assets(a)	Gross amounts of recognised financial liabilities set off in the balance sheet(b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 2)	Cash collateral received		
Derivative instruments	\$ 11,581,472	\$ -	\$ 11,581,472	\$ 8,026,854	\$ 1,065,991		\$ 2,488,627
Bonds purchased under resale agreements	82,077,165	-	82,077,165	76,922,165	5,097,748		57,252
Bills under resale agreements	17,566,939	-	17,566,939	17,422,164	-		144,775
December 31, 2022							

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

(B) Financial liabilities

December 31, 2023

Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 18,760,265	\$ -	\$ 18,760,265	\$ 11,569,562	\$ 2,621,821	\$ 4,568,882	
Bonds sold under repurchase agreements	235,837,015	-	235,837,015	235,802,332	34,683	-	
Bills sold under repurchase agreements	16,001,688	-	16,001,688	15,959,969	-	41,719	

December 31, 2022

Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral received		
Derivative instruments	\$ 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	

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 December 31, 2023, the Group has completed all the transition and has no relevant exposure.

(4) Capital adequacy ratio:

Expressed In Thousands of New Taiwan Dollars
December 31, 2023

	Financial Holding Company		
	<u>Shareholding Ratio</u>	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	-	\$ 286,946,786	\$ 324,661,836
Bank subsidiaries	100.00%	149,701,013	106,058,468
Securities subsidiaries	100.00%	90,285,607	27,763,394
Insurances subsidiaries	100.00%	31,981,197	13,643,340
Futures subsidiaries	66.27%	9,617,572	5,490,505
Venture capital subsidiaries	100.00%	3,101,202	1,622,750
Securities Investment Trust subsidiaries	74.71%	4,606,721	2,861,275
Other subsidiaries	100.00%	4,191,004	2,243,733
Deduction items		(339,948,473)	(321,901,762)
Subtotal		<u>\$ 240,482,629</u>	<u>\$ 162,443,539</u>
Capital adequacy ratio of the Consolidated Company			148.04%

Expressed In Thousands of New Taiwan Dollars
December 31, 2022

	Financial Holding Company		
	<u>Shareholding Ratio</u>	<u>Eligible capital</u>	<u>Minimum capital</u>
Financial holding company	-	\$ 256,272,433	\$ 292,041,702
Bank subsidiaries	100.00%	134,758,411	96,564,581
Securities subsidiaries	100.00%	85,003,269	26,507,976
Insurances subsidiaries	100.00%	30,521,303	12,147,468
Futures subsidiaries	66.27%	8,529,512	4,892,338
Venture capital subsidiaries	100.00%	2,747,844	1,420,846
Securities Investment Trust subsidiaries	74.71%	4,531,441	2,673,586
Other subsidiaries	100.00%	4,164,175	2,207,354
Deduction items		(308,833,954)	(290,751,677)
Subtotal		<u>\$ 217,694,434</u>	<u>\$ 147,704,174</u>
Capital adequacy ratio of the Consolidated Company			147.39%

As of December 31, 2023, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 126,890,824
Additional paid-in capital	38,188,103
Legal reserve	22,561,044
Special reserve	13,517,403
Accumulated earnings	80,901,931
Other equity	4,947,633
Less: goodwill and other intangible assets	(13,643)
Less: deferred assets	(46,509)
Total net eligible capital	<u>\$ 286,946,786</u>

As of December 31, 2022, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 125,015,590
Additional paid-in capital	38,010,564
Legal reserve	20,481,785
Special reserve	6,549,234
Accumulated earnings	73,279,144
Other equity	(6,968,170)
Less: goodwill and other intangible assets	(17,102)
Less: deferred assets	(78,612)
Total net eligible capital	<u>\$ 256,272,433</u>

(5) In accordance with Article 46 of the Financial Holding Company Act, the following table represents the Company and its subsidiaries' provision of business credit or endorsements to, or other transactions with, the same individual, the same related party, or the same affiliated company.

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2023		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Securities Korea_Korea_Finance and Insurance Industry	\$ 146,265	50.96
Central Bank, R.O.C	141,719	49.38
Central Government, R.O.C	95,222	33.18
Securities Korea_Korea_Public Administration and National Defense	41,439	14.44
Agricultural Bank of Taiwan	34,311	11.95
U.S. Government	21,519	7.50
CPC Corporation, Taiwan	18,500	6.45
Taiwan Semiconductor Manufacturing Co., Ltd.	18,455	6.43
Taiwan Depository & Clearing Corporation	14,458	5.04
China Steel Corporation	13,316	4.64
Taiwan Cooperative Bank	12,884	4.49
Taiwan Cement Corporation	11,207	3.90
Cathay Financial Holding Co., Ltd.	10,704	3.73
Taiwan Power Company	10,191	3.55
Chunghwa Telecom Co., Ltd.	10,140	3.53
Uni-President Enterprises Group	10,049	3.50
SinoPac Securities Corporation	9,808	3.42
Nan Ya Plastics Corporation	9,784	3.41
Delta Electronics, Inc.	9,323	3.25
Mega Financial Holding Company Ltd.	9,290	3.24
Taiwan High Speed Rail Corporation	8,772	3.06
Taiwan Water Corporation	7,997	2.79
National Australia Bank Ltd.	7,875	2.74
Fubon Securities Investment Trust Co., Ltd	7,787	2.71
Taiwan Futures Exchange	7,641	2.66
ASE Technology Holding Co., Ltd.	7,538	2.63
Taiwan Stock Exchange	7,287	2.54
Asia Cement Corporation	7,135	2.48
Taiwan Mobile Co., Ltd.	7,090	2.47
Far Eastern New Century Corporation	6,974	2.43
IBF Securities Co., Ltd.	6,772	2.36
DING SHUAI Development Co., Ltd.	6,720	2.34
Capital Securities Investment Trust Co., Ltd	6,517	2.27
Federal National Mortgage Association	6,439	2.24
BNP Paribas	6,350	2.21
Federal Home Loan Mortgage CORPORATION	6,319	2.20
CTBC Financial Holding Co., Ltd.	6,149	2.14
Formosa Plastics Corporation	6,007	2.09
Taichung City Government	6,000	2.09
JPMorgan Chase & Co.	5,795	2.02
TSMC Global Ltd.	5,768	2.01
GlobalWafers Co., Ltd.	5,760	2.01
STATE OF ISRAEL	5,710	1.99
Commonwealth Bank of Australia	5,628	1.96
Catcher Technology Co., Ltd.	5,591	1.95
Cathay Securities Investment Trust Co., LTD.	5,421	1.89
Westpac Banking Corporation	5,339	1.86

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Formosa Chemicals & Fibre Corporation	\$ 5,300	1.85
Far Eastone Telecommunications Co., Ltd.	5,233	1.82
CTBC Investments	5,211	1.82
Apple Inc.	5,203	1.81
ABU DHABI GOVT INTL	5,085	1.77
Bank Korea Branch_Korea_Real Estate Industry	5,052	1.76
Hotai Finance Co., Ltd.	4,969	1.73
New Taipei City Government	4,809	1.68
The Bank of Tokyo-Mitsubishi UFJ	4,737	1.65
Formosa Group (Cayman) Limited	4,581	1.60
Shanghai Commercial and Savings Bank	4,552	1.59
TATUNG CO.	4,457	1.55
Grand Bills Finance Corp.	4,405	1.53
Synnex Technology International Corporation	4,347	1.51
China Bills Finance Corporation	4,309	1.50
United Microelectronics Corporation	4,272	1.49
Dragon Steel Corporation	4,246	1.48
UNITED OVERSEAS BANK LTD.	4,244	1.48
Lien-Jade Construction Co.,Ltd.	4,243	1.48
President Chain Store Corporation	4,063	1.42
Aerospace Industrial Development Corporation	4,013	1.40
EXPORT-IMPORT BANK KOREA	4,005	1.40
MEGA BILLS FINANCE CO., LTD.	3,971	1.38
AUSTRALIAN GOVERNMENT	3,961	1.38
ADCB Finance Cayman Ltd	3,848	1.34
Crédit Agricole Corporate and Investment Bank	3,841	1.34
Bank Korea Branch_Korea_Finance and Insurance Industry	3,841	1.34
FIRST ABU DHABI BANK PJSC	3,826	1.33
IBM	3,814	1.33
Wistron Corporation	3,807	1.33
FORMOSAN CHEMICAL IND. CORP	3,783	1.32
Hua Nan Commercial Bank, Ltd.	3,761	1.31
STATE OF QATAR	3,741	1.30
Wan Hai Lines Limited	3,682	1.28
Quanta Computer Inc.	3,600	1.25
BANK OF AMERICA CORP	3,574	1.25
YO JI CONSTRUCTION CO., LTD.	3,565	1.24
Taishin International Bank Co., Ltd.	3,563	1.24
BARCLAYS BANK PLC	3,539	1.23
Shuohe Development Co., Ltd.	3,537	1.23
Mitsubishi Corporation	3,527	1.23
COMCAST CORP	3,506	1.22
Hotai Insurance Co., Ltd.	3,500	1.22
Ta Ching Bills Finance Corporation	3,497	1.22
THE GOLDMAN SACHS GROUP INC	3,476	1.21
European Investment Bank	3,458	1.20
VISA INC	3,433	1.20
SUNPOWER CONSTRUCTION CO., LTD.	3,395	1.18
Leofoo Development Co.Ltd.	3,385	1.18
FORMOSA HA TINH (CAYMAN) LIMITED	3,381	1.18
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	3,370	1.17

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Masterlink Securities Corp.	\$ 3,367	1.17
Australia and New Zealand Banking Group	3,351	1.17
CITIGROUP INC	3,335	1.16
CTBC Bank Co., Ltd.	3,316	1.16
Wells Fargo & Company	3,298	1.15
KEB Hana Bank	3,282	1.14
RABO BANK NEDERL-ANDS	3,240	1.13
VEDAN Enterprise Corporation	3,217	1.12
Sumitomo Mitsui Financial Group Inc	3,189	1.11
Bank Sinopac Company Limited	3,187	1.11
Credit Agricole S.A.	3,183	1.11
Fu Yu Construction	3,177	1.11
E.SUN COMMERCIAL BANK, LTD.	3,155	1.10
Compal Electronics, Inc	3,143	1.10
Land Bank of Taiwan	3,133	1.09
China Airlines Ltd.	3,081	1.07
Securities Korea_Ireland_Finance and Insurance Industry	3,038	1.06
UBS Taiwan	3,028	1.06
Alphabet Inc.	3,021	1.05
Total	1,094,224	381.25
Same related party:		
Mr. Jin and its related parties	\$ 18,239	6.35
Mr. Lin and its related parties	11,633	4.05
Mr. Chen and its related parties	11,176	3.89
Mr. Wang and its related parties	9,817	3.42
Mr. Li and its related parties	9,325	3.25
Mr. Wu and its related parties	7,191	2.51
Mr. Chen and its related parties	6,902	2.41
Mr. Huang and its related parties	6,575	2.29
Mr. Hsu and its related parties	6,085	2.12
Mr. Yu and its related parties	5,807	2.02
Mr. Chen and its related parties	5,432	1.89
Mr. Xu and its related parties	5,058	1.76
Mr. Hsu and its related parties	4,643	1.62
Mr. Yang and its related parties	4,375	1.53
Mr. Li and its related parties	3,759	1.31
Mr. Ding and its related parties	3,670	1.28
Mr. Chang and its related parties	3,243	1.13
Mr. Chang and its related parties	3,171	1.11
Mr. Wu and its related parties	3,048	1.06
Total	129,149	45.00
Same affiliated company:		
Formosa Plastic Group	\$ 40,076	13.96
Taiwan Semiconductor Group	28,758	10.02
Far Eastern Group	27,777	9.68
Uni-President Enterprises Group	25,125	8.75
China Steel Corporation Group	24,970	8.70
Taiwan Stock Exchange	21,761	7.58

(Expressed In Millions of New Taiwan Dollars)
December 31, 2023

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Yong Feng Yu Group	\$ 21,559	7.51
Taiwan Cooperative Financial Holding Co., Ltd.	20,545	7.16
CTBC Financial Holding Group	20,114	7.01
Cathay Holdings Group	19,953	6.95
Mega Financial Holdings Group	18,325	6.39
Fubon Group	16,232	5.66
Taiwan Cement Group	13,711	4.78
Hotai Motor Group	13,019	4.54
ASE Group	13,001	4.53
MAW DER Property Development Group	10,197	3.55
Chunghwa Telecom Company, Ltd.	10,190	3.55
National Australia Bank	9,863	3.44
Taishin Financial Holdings Group	9,708	3.38
Delta Electronics, Inc.	9,335	3.25
IBF Financial Holdings Group	9,046	3.15
China Development Group	8,882	3.10
Hua Nan Financial Holdings Group	8,387	2.92
Union Group	8,129	2.83
MiTAC-SYNNEX Group	7,955	2.77
SINO-AMERICAN SILICON PRODUCTS INC.	7,481	2.61
Shin Kong Group	7,120	2.48
Crédit Agricole Group	7,024	2.45
First Financial Holdings Group	6,891	2.40
Commonwealth Bank of Australia	6,739	2.35
JPMorgan Chase & Co.	6,686	2.33
KINPO Group	6,525	2.27
Wistron Corporation	6,214	2.17
UBS Taiwan	5,899	2.06
ADCB Group	5,529	1.93
Westpac Banking Corporation	5,524	1.92
Foxconn Technology Group	5,324	1.86
Four Union Group	5,167	1.80
LIEN JADE Construction Group	5,098	1.78
Macquarie Taiwan	5,088	1.77
Mitsubishi UFJ Financial Group	5,066	1.77
E.SUN Financial Holding Co., Ltd.	5,002	1.74
Yulon Group	4,639	1.62
The Shanghai Commercial & Savings Bank, Ltd.	4,632	1.61
Kingtown & Construction Co., Ltd	4,565	1.59
United Microelectronics Group	4,563	1.59
Berkshire Hathaway Group	4,490	1.56
Tatung Company	4,469	1.56
O-Bank Group	4,361	1.52
WAH LEE INDUSTRIAL CORP.	4,229	1.47
Evergreen Group	4,115	1.43
Aerospace Industrial Development Corp	4,051	1.41
Sumitomo Mitsui Financial Group	3,956	1.38
Australia and New Zealand Banking Group	3,912	1.36
Fu Yu Construction Group	3,905	1.36
Bank of America Group	3,903	1.36
USI Group	3,869	1.35

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2023		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Quanta Computer Group	\$ 3,869	1.35
Foxlink Group	3,638	1.27
Wells Fargo & Company	3,484	1.21
BenQ Group	3,339	1.16
Lealea Group	3,221	1.12
China Airlines Group	3,097	1.08
Saudi Arabian Oil Co	3,078	1.07
Walsin Lihwa Group	3,022	1.05
Total	<u>609,402</u>	<u>212.33</u>
	<u>\$ 1,832,775</u>	<u>638.58</u>

(Expressed In Millions of New Taiwan Dollars)		
December 31, 2022		
Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Central Bank, R.O.C	\$ 172,775	67.39
Securities Korea_Korea_Finance and Insurance Industry	118,672	46.29
Central Government, R.O.C	116,162	45.31
Agricultural Bank of Taiwan	34,729	13.55
Taiwan Cement Corporation	19,540	7.62
U.S. Government	19,533	7.62
Taiwan Semiconductor Manufacturing Co., Ltd.	16,671	6.50
Taiwan Depository & Clearing Corporation	15,011	5.86
Securities Korea_Korea_Public Administration and National Defense	11,797	4.60
ASE Technology Holding Co., Ltd.	10,875	4.24
CPC Corporation, Taiwan	10,771	4.20
Nan Ya Plastics Corporation	10,022	3.91
Chunghwa Telecom Co., Ltd.	9,610	3.75
Uni-President Enterprises Group	9,505	3.71
China Steel Corporation	8,790	3.43
Cathay Financial Holding Co., Ltd.	8,756	3.42
Quanta Computer Inc.	8,416	3.28
GlobalWafers Co., Ltd.	8,333	3.25
Taiwan Cooperative Bank	8,150	3.18
Taiwan Stock Exchange	8,079	3.15
Taiwan Water Corporation	7,949	3.10
National Australia Bank Ltd.	7,719	3.01
Far Eastern New Century Corporation	7,320	2.86
Taiwan Futures Exchange	7,220	2.82
First Financial Holding Co. Ltd.	6,806	2.65
TSMC Global Ltd.	6,451	2.52
JPMorgan Chase & Co.	6,373	2.49
Federal National Mortgage Association	6,343	2.47
SinoPac Securities Corporation	6,330	2.47
China Bills Finance Corporation	6,303	2.46
DING SHUAI Development Co., Ltd.	6,294	2.45
Federal Home Loan Mortgage CORPORATION	6,209	2.42
ASUSTEK COMPUTER INCORPORATION	6,143	2.40
CTBC Financial Holding Co., Ltd.	5,964	2.33

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
Asia Cement Corporation	\$ 5,778	2.25
Commonwealth Bank of Australia	5,773	2.25
YO JI CONSTRUCTION CO., LTD.	5,700	2.22
Westpac Banking Corporation	5,644	2.20
Formosa Chemicals & Fibre Corporation	5,642	2.20
STATE OF ISRAEL	5,431	2.12
BNP Paribas	5,320	2.08
Far Eastone Telecommunications Co., Ltd.	5,316	2.07
Fubon Securities Investment Trust Co., Ltd	5,260	2.05
ABU DHABI GOVT INTL	5,122	2.00
Mega Financial Holding Company Ltd.	5,041	1.97
Taiwan Mobile Co., Ltd.	4,985	1.94
Taiwan Power Company	4,949	1.93
Capital Securities Investment Trust Co., Ltd	4,808	1.88
Aerospace Industrial Development Corporation	4,773	1.86
ASE Technology Holding Co., Ltd.	4,699	1.83
Bank Korea Branch_Korea_Real Estate Industry	4,676	1.82
Apple Inc.	4,612	1.80
Shanghai Commercial and Savings Bank	4,517	1.76
Formosa Plastics Corporation	4,486	1.75
Chang Chun Petrochemical Co., Ltd.	4,472	1.74
Formosa Group (Cayman) Limited	4,458	1.74
Yuan Ding Investment Corp.	4,393	1.71
Formosa Petrochemical Corp	4,364	1.70
TATUNG CO.	4,301	1.68
CTBC Bank Co., Ltd.	4,301	1.68
Wan Hai Lines Limited	4,212	1.64
BANK OF THAILAND	4,197	1.64
Taiwan High Speed Rail Corporation	4,118	1.61
Taishin International Bank Co., Ltd.	4,041	1.58
Synnex Technology International Corporation	4,009	1.56
STATE OF QATAR	3,927	1.53
Bank Korea Branch_Korea_Finance and Insurance Industry	3,926	1.53
The Bank of Tokyo-Mitsubishi UFJ	3,851	1.50
Taiwan Railways Administration	3,824	1.49
ADCB Finance Cayman Ltd	3,711	1.45
FIRST ABU DHABI BANK PJSC	3,705	1.45
BANK OF AMERICA CORP	3,648	1.42
RABO BANK NEDERL-ANDS(New York)	3,523	1.37
SUNPOWER CONSTRUCTION CO., LTD.	3,523	1.37
Lien-Jade Construction Co.,Ltd.	3,494	1.36
Shuohe Development Co., Ltd.	3,484	1.36
UNITED OVERSEAS BANK LTD.	3,421	1.33
THE GOLDMAN SACHS GROUP INC	3,417	1.33
Wells Fargo & Company	3,400	1.33
RUN LONG CONSTRUCTION CO., LTD.	3,390	1.32
Compal Electronics, Inc	3,386	1.32
FORMOSA HA TINH (CAYMAN) LIMITED	3,378	1.32
AUSTRALIAN GOVERNMENT	3,368	1.31
VISA INC	3,358	1.31
Sumitomo Mitsui Financial Group Inc	3,337	1.30
Bank Korea Branch_Korea_Natural Person	3,320	1.30

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same individual:		
IBF Securities Co., Ltd.	\$ 3,316	1.29
CITIGROUP INC	3,308	1.29
IBM	3,304	1.29
Securities Korea_U.S._Public Administration and National Defense	3,262	1.27
KEB Hana Bank	3,212	1.25
UBS Taiwan	3,201	1.25
Crédit Agricole Corporate and Investment Bank	3,195	1.25
Lefoo Development Co.Ltd.	3,150	1.23
Hua Nan Commercial Bank, Ltd.	3,143	1.23
Alphabet Inc.	3,134	1.22
VEDAN Enterprise Corporation	3,133	1.22
FORMOSA HA TINH STEE	3,132	1.22
The Export-Import Bank of the Republic of China	3,131	1.22
BARCLAYS BANK PLC	3,091	1.21
SAUDI ARABIAN OIL CO	3,088	1.20
Wistron Corporation	3,087	1.20
Australia and New Zealand Banking Group	3,073	1.20
COMCAST CORP	3,027	1.18
Total	1,000,397	390.19
Same related party:		
Mr. Jin and its related parties	\$ 25,427	9.92
Mr. Lin and its related parties	19,902	7.76
Mr. Liao and its related parties	16,688	6.51
Mr. Chen and its related parties	11,326	4.42
Mr. Wu and its related parties	7,452	2.91
Mr. Hsu and its related parties	6,535	2.55
Mr. Wang and its related parties	6,340	2.47
Mr. Huang and its related parties	5,917	2.31
Mr. Chang and its related parties	4,349	1.70
Mr. Yang and its related parties	4,188	1.63
Mr. Yang and its related parties	4,181	1.63
Mr. Hsu and its related parties	4,155	1.62
Mr. Li and its related parties	3,851	1.50
Mr. Chang and its related parties	3,667	1.43
Mr. Chang and its related parties	3,615	1.41
Mr. Yang and its related parties	3,461	1.35
Mr. Kuo and its related parties	3,351	1.31
Mr. Chang and its related parties	3,279	1.28
Mr. Yang and its related parties	3,237	1.26
Mr. Yen and its related parties	3,144	1.23
Mr. Ding and its related parties	3,074	1.20
Mr. Lin and its related parties	3,063	1.19
Mr. Chen and its related parties	3,032	1.18
Total	153,234	59.77
Same affiliated company:		
Formosa Plastic Group	\$ 38,772	15.12
Far Eastern Group	30,485	11.89
Taiwan Semiconductor Group	27,634	10.78
Taiwan Stock Exchange	23,106	9.01
Taiwan Cement Group	21,464	8.37
CTBC Financial Holding Group	16,967	6.62
ASE Group	15,575	6.08

(Expressed In Millions of New Taiwan Dollars)

December 31, 2022

Name	Total of business credit, endorsements, or other transactions	Percentage of net value of the company (%)
Same affiliated company:		
Uni-President Enterprises Group	\$ 15,397	6.01
China Steel Corporation Group	15,226	5.94
Taiwan Cooperative Financial Holding Co., Ltd.	13,229	5.16
Cathay Holdings Group	13,182	5.14
Yong Feng Yu Group	13,010	5.07
First Financial Holdings Group	12,390	4.83
Fubon Group	11,309	4.41
Chunghwa Telecom Company, Ltd.	9,701	3.78
Quanta Computer Group	9,351	3.65
MAW DER Property Development Group	9,074	3.54
SINO-AMERICAN SILICON PRODUCTS INC.	8,461	3.30
Mega Financial Holdings Group	8,167	3.19
KINPO Group	7,907	3.08
MiTAC-SYNNEX Group	7,726	3.01
China Development Group	7,515	2.93
JPMorgan Chase & Co.	6,979	2.72
O-Bank Group	6,803	2.65
Commonwealth Bank of Australia	6,676	2.60
Wistron Corporation	6,433	2.51
Taishin Financial Holdings Group	6,254	2.44
Crédit Agricole Group	6,183	2.41
ASUS Group	6,157	2.40
Hua Nan Financial Holdings Group	5,981	2.33
BNP Paribas S.A.	5,883	2.29
Foxconn Technology Group	5,829	2.27
Evergreen Group	5,420	2.11
IBF Financial Holdings Group	5,342	2.08
ADCB Group	5,334	2.08
Shin Kong Group	5,320	2.08
Four Union Group	5,262	2.05
Macquarie Taiwan	4,900	1.91
Mitsubishi UFJ Financial Group	4,786	1.87
Kingtown & Construction Co., Ltd	4,680	1.83
Union Group	4,638	1.81
Tatung Company	4,303	1.68
Wan Hai & Shihlin Paper Group	4,292	1.67
Vedan Group	4,183	1.63
Berkshire Hathaway Group	4,176	1.63
LIEN JADE Construction Group	4,130	1.61
Lealea Group	4,074	1.59
Australia and New Zealand Banking Group	3,891	1.52
Yulon Group	3,843	1.50
Tung Ho Steel Group	3,800	1.48
HIGHWEALTH Group	3,706	1.45
Hotai Motor Group	3,702	1.44
Foxlink Group	3,650	1.42
Sumitomo Mitsui Financial Group	3,625	1.41
Fu Yu Construction Group	3,581	1.40
United Overseas Bank Group	3,574	1.39
Wintech Microelectronics Group	3,531	1.38
AURORA Group	3,412	1.33
BenQ Group	3,389	1.32
USI Group	3,322	1.30
Total	516,692	201.50
	\$ 1,670,323	651.46

(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.

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(11) Financial information by business segments

Information by business segments for the year ended December 31, 2023 is as follows:

Item	(Expressed In Thousands of New Taiwan Dollars)					
	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 15,808,424	\$ 1,925,701	\$ 1,396,114	\$ 11,591,332	(\$ 389,491)	\$ 30,332,080
Net non-interest income	<u>7,604,494</u>	<u>44,122,940</u>	<u>2,196,962</u>	<u>7,781,582</u>	<u>6,051,825</u>	<u>67,757,803</u>
Net profit	23,412,918	46,048,641	3,593,076	19,372,914	5,662,334	98,089,883
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(302,808)	(207,473)	38,353	(591)	-	(472,519)
Net change in provisions for insurance liabilities	-	-	-	(14,470,939)	-	(14,470,939)
Operating expenses	(12,164,075)	(30,233,996)	(1,626,911)	(1,598,758)	(3,537,034)	(49,160,774)
Net income from continuing operations before income tax	10,946,035	15,607,172	2,004,518	3,302,626	2,125,300	33,985,651
Income tax expense	(2,090,740)	(2,569,011)	(434,021)	324,817	(688,467)	(5,457,422)
Consolidated income, net of tax	<u>\$ 8,855,295</u>	<u>\$ 13,038,161</u>	<u>\$ 1,570,497</u>	<u>\$ 3,627,443</u>	<u>\$ 1,436,833</u>	<u>\$ 28,528,229</u>

Information by business segments for the the year ended December 31, 2022 is as follows:

Item	(Expressed In Thousands of New Taiwan Dollars)					
	Bank business	Securities business	Futures business	Insurance business	Other businesses	Consolidated
Net interest income (loss)	\$ 14,940,545	\$ 4,962,464	\$ 671,191	\$ 10,464,790	(\$ 337,625)	\$ 30,701,365
Net non-interest income	<u>5,284,415</u>	<u>35,225,968</u>	<u>2,172,494</u>	<u>13,970,301</u>	<u>4,147,339</u>	<u>60,800,517</u>
Net profit	20,224,960	40,188,432	2,843,685	24,435,091	3,809,714	91,501,882
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(361,604)	40,861	2,795	(242)	-	(318,190)
Net change in provisions for insurance liabilities	-	-	-	(19,533,972)	-	(19,533,972)
Operating expenses	(11,227,465)	(26,289,744)	(1,462,433)	(1,568,172)	(2,688,093)	(43,235,907)
Net income from continuing operations before income tax	8,635,891	13,939,549	1,384,047	3,332,705	1,121,621	28,413,813
Income tax expense	(1,574,463)	(2,662,434)	(277,117)	(289,553)	(899,833)	(5,703,400)
Consolidated income, net of tax	<u>\$ 7,061,428</u>	<u>\$ 11,277,115</u>	<u>\$ 1,106,930</u>	<u>\$ 3,043,152</u>	<u>\$ 221,788</u>	<u>\$ 22,710,413</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

December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 2,819,922	\$ 6,508,655	Payables	\$ 6,555,791	\$ 6,139,991
Financial assets at fair value through other comprehensive income	63,875	66,320	Current income tax liabilities	2,861,055	2,132,045
Receivables - net	2,553,463	1,040,134	Bonds payable	33,600,000	36,500,000
Current income tax assets	2,591,632	2,670,949	Provisions	12,403	35,069
Equity investments accounted for under the equity method - net	321,901,762	290,751,677	Lease liability	84,893	131,618
Property and equipment - net	40,291	45,973	Other liabilities	12,462	10,150
Right-of-use assets - net	82,425	127,440	Total liabilities	43,126,604	44,948,873
Intangible assets - net	13,643	17,102	Equity		
Deferred income tax assets	46,509	78,612	Common stock	126,890,824	125,015,590
Other assets - net	20,020	10,158	Additional paid-in capital	38,188,103	38,010,564
			Retained earnings		
			Legal reserve	22,561,044	20,481,785
			Special reserve	13,517,403	6,549,234
			Undistributed earnings	80,901,931	73,279,144
			Other equity	4,947,633	(6,968,170)
			Total equity	287,006,938	256,368,147
Total assets	<u>\$ 330,133,542</u>	<u>\$ 301,317,020</u>	Total liabilities and equity	<u>\$ 330,133,542</u>	<u>\$ 301,317,020</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the years ended December 31,	
	2023	2022
Revenues		
Share of the profit or loss of associates and joint ventures accounted for under the equity method	\$ 28,175,994	\$ 22,907,800
Realised gain on financial assets at fair value through other comprehensive income	1,405	1,518
Other revenues	91,580	126,782
	28,268,979	23,036,100
Expenses and losses		
Operating expenses	(1,329,591)	(974,686)
Other expenses and losses	(367,014)	(299,464)
	(1,696,605)	(1,274,150)
Income from continuing operations before income tax	26,572,374	21,761,950
Income tax expense	(6,176)	(305,623)
Net income	26,566,198	21,456,327
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Loss on remeasurements of defined benefit plans	23,046	2,707
Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	(2,445)	20,667
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	3,101,088	4,263,944
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	10,774,612	(20,329,420)
Other comprehensive income (loss)	13,896,301	(16,042,102)
Total comprehensive income	\$ 40,462,499	\$ 5,414,225
Earnings per share (in dollars)		
Basic and diluted earnings per share	\$ 2.09	\$ 1.69

Yuanta Financial Holding Co., Ltd.
Individual Statement of Change in Equity
For the years ended December 31, 2023 and 2022
(Expressed In Thousands of New Taiwan Dollars)

	Retained Earnings					Other equity					Total equity
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through 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		
<u>For the year ended December 31, 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 year	-	-	-	-	21,456,327	-	-	-	-	21,456,327	
Other comprehensive income (loss) for the year	-	-	-	-	1,034,054	2,280,219	(15,182,928)	(3,597)	(4,169,850)	(16,042,102)	
Total comprehensive income (loss) for the year	-	-	-	-	22,490,381	2,280,219	(15,182,928)	(3,597)	(4,169,850)	5,414,225	
Changes in equity of associates and joint ventures accounted for using equity method	-	124,615	-	-	-	-	-	-	-	124,615	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,697,795)	-	1,697,795	-	-	-	
Balance, December 31, 2022	<u>\$ 125,015,590</u>	<u>\$ 38,010,564</u>	<u>\$ 20,481,785</u>	<u>\$ 6,549,234</u>	<u>\$ 73,279,144</u>	<u>(\$ 6,119,904)</u>	<u>\$ 4,445,539</u>	<u>(\$ 51,218)</u>	<u>(\$ 5,242,587)</u>	<u>\$ 256,368,147</u>	
<u>For the year ended December 31, 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 year	-	-	-	-	26,566,198	-	-	-	-	26,566,198	
Other comprehensive income (loss) for the year	-	-	-	-	(505,511)	(841,704)	12,158,322	2,254	3,082,940	13,896,301	
Total comprehensive income (loss) for the year	-	-	-	-	26,060,687	(841,704)	12,158,322	2,254	3,082,940	40,462,499	
Changes in equity of associates and joint ventures accounted for under equity method	-	177,539	-	-	-	-	-	-	-	177,539	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,486,009	-	(2,486,009)	-	-	-	
Balance, December 31, 2023	<u>\$ 126,890,824</u>	<u>\$ 38,188,103</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 80,901,931</u>	<u>(\$ 6,961,608)</u>	<u>\$ 14,117,852</u>	<u>(\$ 48,964)</u>	<u>(\$ 2,159,647)</u>	<u>\$ 287,006,938</u>	

Yuanta Financial Holding Co., Ltd.
Individual Statement of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2023	2022
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 26,572,374	\$ 21,761,950
Adjustment items		
Income and expense item		
Depreciation	62,503	64,158
Amortisation	5,222	4,164
Interest expense	366,681	299,288
Interest income	(80,066)	(38,623)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(28,175,994)	(22,907,800)
Gain on lease modification	(122)	(2)
Gain from disposal or retirement of property and equipment	(83)	(200)
Intangible assets transferred to expense	-	126
Changes in operating assets and liabilities		
Receivables	1,693	(30,244)
Other assets	(7,992)	1,850
Payables	169,924	(351,896)
Provisions	380	148
Other liabilities	2,312	4,735
Interest received	81,316	33,689
Dividend received	11,079,148	17,518,766
Interest paid	(402,712)	(251,675)
Income tax (paid) refunded	(400,109)	21,853
Net cash flows generated from operating activities	<u>9,274,475</u>	<u>16,130,287</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property and equipment	(15,197)	(18,888)
Proceeds from disposal of property and equipment	360	510
Acquisition of intangible assets	(1,763)	(4,313)
Acquisition of right-of-use assets	(1)	(71)
Net cash flows used in investing activities	<u>(16,601)</u>	<u>(22,762)</u>
<u>Cash Flows From Financing Activities</u>		
Commercial paper payable	-	(2,789,000)
Proceeds from issuance of bonds	6,600,000	13,500,000
Repayments of bonds	(9,500,000)	(2,900,000)
Cash dividends paid	(10,001,247)	(18,206,154)
Principal payment for lease liabilities	(45,360)	(44,974)
Net cash flows used in financing activities	<u>(12,946,607)</u>	<u>(10,440,128)</u>
Net (decrease) increase in cash and cash equivalents	(3,688,733)	5,667,397
Cash and cash equivalents at beginning of year	6,508,655	841,258
Cash and cash equivalents at end of year	<u>\$ 2,819,922</u>	<u>\$ 6,508,655</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 2,819,922	\$ 6,508,655
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 year	<u>\$ 2,819,922</u>	<u>\$ 6,508,655</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Commercial Bank

Yuanta Commercial Bank
Individual Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	December 31, 2023		December 31, 2022	
	\$		\$			\$		\$	
Cash and cash equivalents	\$	24,216,374	\$	20,068,692	Deposits from Central Bank and other banks	\$	12,359,648	\$	38,607,095
Due from Central Bank and call loans to other banks		80,877,846		76,497,355	Financial liabilities at fair value through profit or loss		6,541,033		3,811,451
Financial assets at fair value through profit or loss		131,678,271		89,187,683	Bills and bonds payable under repurchase agreements		31,643,984		36,546,046
Financial assets at fair value through other comprehensive income		179,623,811		212,621,110	Payables		11,568,726		8,849,401
Investments in debt instruments at amortised cost		252,933,385		254,722,768	Current income tax liabilities		1,696,277		1,098,841
Investments in bills and bonds under resale agreements		42,202,925		33,014,468	Deposits and remittances		1,605,258,719		1,473,530,937
Receivables- net		20,873,566		20,635,484	Bank debentures payable		28,700,000		28,700,000
Current income tax assets		54,209		99,119	Other financial liabilities		2,367,774		2,578,157
Assets held for sale- net		79,099		81,469	Provisions		964,799		859,981
Bills discounted and loans- net		1,056,720,210		962,259,898	Lease liabilities		2,444,389		2,331,706
Equity investments accounted for under the equity method- net		4,925,337		4,931,796	Deferred income tax liabilities		1,154,368		634,313
Other financial assets- net		140,783		2,582	Other liabilities		2,945,404		2,707,920
Property and equipment- net		16,459,753		14,823,963	Total liabilities		1,707,645,121		1,600,255,848
Right-of-use assets- net		9,981,731		9,976,030	Common stock		73,940,390		73,940,390
Investment property- net		1,023,487		946,386	Additional paid-in capital		25,960,441		25,960,441
Intangible assets- net		8,524,043		8,799,242	Retained earnings		33,545,319		24,990,852
Deferred income tax assets		1,163,885		1,120,560	Other equity	(	6,626,820)	(	13,011,726)
Other assets - net		2,985,736		2,347,200	Total equity		126,819,330		111,879,957
Total assets	\$	1,834,464,451	\$	1,712,135,805	Total liabilities and equity	\$	1,834,464,451	\$	1,712,135,805

Yuanta Commercial Bank

Individual Condensed Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Interest income	\$ 32,527,938	140	\$ 21,860,546	107
Less: Interest expense	(18,557,206)	(80)	(8,093,263)	(40)
Net interest income	13,970,732	60	13,767,283	67
Net non-interest income	9,211,412	40	6,597,156	33
Net profit	23,182,144	100	20,364,439	100
Provision for bad debt expenses, commitment and guarantee policy reserve	(197,201)	(1)	(346,441)	(2)
Operating expenses	(12,241,109)	(53)	(11,177,383)	(54)
Income from continuing operations before income tax	10,743,834	46	8,840,615	44
Income tax expense	(2,086,371)	(9)	(1,552,227)	(8)
Net income	8,657,463	37	7,288,388	36
Other comprehensive income (loss) (net of tax)	6,281,910	27	(13,428,946)	(66)
Total comprehensive income (loss)	\$ 14,939,373	64	\$ 6,140,558	(30)
Earnings per share (in dollars)				
Basic and diluted earnings per share	\$	1.17	\$	0.99

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 402,044,325	\$ 334,793,432	Current liabilities	\$ 322,028,099	\$ 267,543,455
Financial assets at fair value through profit or loss-non-current	-	50,260	Bonds payable	29,000,000	23,500,000
Financial assets at fair value through other comprehensive income			Provisions- non-current	64,125	65,326
-non-current	13,485,275	14,538,468	Lease liabilities- non-current	416,556	468,953
Equity investments accounted for under the equity method	60,258,512	58,014,091	Deferred income tax liabilities	1,480,694	1,501,202
Property and equipment	5,313,769	5,327,266	Other non-current liabilities	1,436,267	1,105,551
Right-of-use assets	685,069	724,514	Total liabilities	354,425,741	294,184,487
Investment property	1,950,035	2,012,153	Common stock	65,924,526	65,924,526
Intangible assets	11,574,551	11,574,551	Additional paid-in capital	1,282,594	1,105,055
Deferred income tax assets	549,556	671,887	Retained earnings	61,500,029	54,459,661
Other non-current assets	2,562,140	2,363,429	Other equity	15,290,342	14,396,322
Total assets	<u>\$ 498,423,232</u>	<u>\$ 430,070,051</u>	Total equity	143,997,491	135,885,564
			Total liabilities and equity	<u>\$ 498,423,232</u>	<u>\$ 430,070,051</u>

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

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

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 35,348,362	100	\$ 29,976,467	100
Service fee expense	(1,418,684)	(4)	(1,207,414)	(4)
Employee benefit expense	(9,790,377)	(28)	(7,884,256)	(26)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	2,791,274	8	2,240,943	8
Operating expenses	(11,565,436)	(33)	(9,094,414)	(31)
Income from continuing operations before income tax	15,365,139	43	14,031,326	47
Income tax expense	(1,571,665)	(4)	(1,979,822)	(7)
Net income	13,793,474	39	12,051,504	40
Other comprehensive income (net of tax)	2,779,962	8	5,055,877	17
Total comprehensive income	<u>\$ 16,573,436</u>	<u>47</u>	<u>\$ 17,107,381</u>	<u>57</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 2.09</u>		<u>\$ 1.83</u>	

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 42,448,823	\$ 48,401,970	Current liabilities	\$ 134,068,831	\$ 126,691,235
Financial assets at fair value through profit or loss-non-current	246,503,412	187,300,865	Bonds payable	183,932,401	132,090,107
Financial assets at fair value through other comprehensive income			Provisions- non-current	4,582,548	4,018,548
-non-current	12,004,160	5,540,954	Lease liabilities- non-current	1,838,397	592,197
Equity investments accounted for under the equity method	2,389,584	2,475,720	Other non-current liabilities	18,040,514	14,086,310
Property and equipment	1,157,273	1,149,159	Total liabilities	342,462,691	277,478,397
Right-of-use assets	1,967,314	616,592	Common stock	25,198,229	25,877,195
Investment property	812,944	1,110,270	Additional paid-in capital	(1,342,984)	(1,378,562)
Intangible assets	1,023,915	948,228	Retained earnings	9,760,091	8,846,113
Deferred income tax assets	1,234,799	718,865	Other equity	3,336,991	3,344,077
Other non-current assets	69,872,794	65,904,597	Total equity	36,952,327	36,688,823
Total assets	<u>\$ 379,415,018</u>	<u>\$ 314,167,220</u>	Total liabilities and equity	<u>\$ 379,415,018</u>	<u>\$ 314,167,220</u>

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

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

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 67,237,810	100	\$ 57,090,838	100
Service fee expense	(388,374)	-	(381,972)	(1)
Employee benefit expense	(5,880,597)	(9)	(4,905,809)	(9)
Operating expenses	(58,717,983)	(87)	(50,384,809)	(88)
Income from continuing operations before income tax	2,250,856	4	1,418,248	2
Income tax expense	(536,799)	(1)	(525,676)	(1)
Net income	1,714,057	3	892,572	1
Other comprehensive income (net of tax)	74,574	-	551,465	1
Total comprehensive income	<u>\$ 1,788,631</u>	<u>3</u>	<u>\$ 1,444,037</u>	<u>2</u>
Earnings per share (in dollars)				
Basic earnings per share - ordinary share	<u>\$ 7.99</u>		<u>\$ 4.11</u>	
Diluted earnings per share - ordinary share	<u>\$ 7.99</u>		<u>\$ 4.11</u>	
Basic earnings per share - preferred share	<u>\$ 13.48</u>		<u>\$ 7.80</u>	
Diluted earnings per share - preferred share	<u>\$ 13.48</u>		<u>\$ 7.80</u>	

Note: Individual condensed financial statements of Yuanta Securities (Korea) have been prepared in accordance with Korea IFRS.

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 104,956,727	\$ 104,902,918	Current liabilities	\$ 93,917,064	\$ 95,316,184
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,630,296	1,691,647
-non-current	2,276,213	2,155,716	Total liabilities	95,547,360	97,007,831
Equity investments accounted for under the equity method	1,282,080	1,218,760			
Property and equipment	708,583	649,159	Common stock	2,899,763	2,899,763
Right-of-use assets	73,265	113,172	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	97,515	74,012	Retained earnings	6,605,703	5,209,388
Deferred income tax assets	23,772	27,643	Other equity	1,936,759	1,691,214
Other non-current assets	641,914	737,300	Total equity	14,512,709	12,870,849
Total assets	<u>\$ 110,060,069</u>	<u>\$ 109,878,680</u>	Total liabilities and equity	<u>\$ 110,060,069</u>	<u>\$ 109,878,680</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

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

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Revenues	\$ 3,374,548	100	\$ 3,921,823	100
Service fee expense	(608,147)	(18)	(801,046)	(20)
Employee benefit expense	(901,352)	(26)	(799,901)	(20)
Share of the profit or loss of associates and joint ventures accounted for under the equity method	65,183	2	(27,264)	(1)
Operating expenses	356,508	10	(871,745)	(23)
Income from continuing operations before income tax	2,286,740	68	1,421,867	36
Income tax expense	(434,021)	(13)	(276,519)	(7)
Net income	1,852,719	55	1,145,348	29
Other comprehensive income (net of tax)	514,082	15	42,548	1
Total comprehensive income	<u>\$ 2,366,801</u>	<u>70</u>	<u>\$ 1,187,896</u>	<u>30</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 6.39</u>		<u>\$ 3.95</u>	

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 13,925,875	\$ 9,876,325	Payables	\$ 1,945,346	\$ 1,387,264
Receivables	3,430,762	2,802,445	Current income tax liabilities	20,452	30,829
Current income tax assets	5,230,867	4,979,572	Financial liabilities at fair value		
Financial assets at fair value			through profit or loss	2,403,364	4,454,436
through profit or loss	43,272,538	35,530,502	Insurance liabilities	361,632,976	347,102,856
Financial assets at fair value through			Reserve for insurance contract with		
other comprehensive income	21,414,552	20,608,078	the nature of financial products	186,286	130,855
Financial assets at amortised cost	284,296,137	280,777,815	Foreign exchange reserve	1,273,406	3,988,784
Other financial assets	1,300,000	300,000	Provisions	53,883	54,877
Right-of-use assets	186,600	257,082	Lease liabilities	1,003,220	1,076,693
Investment property	14,136,557	13,004,627	Deferred income tax liabilities	1,361,123	1,383,398
Loans	8,121,551	7,651,046	Other liabilities	2,643,102	2,238,152
Reinsurance contract assets	1,249,093	1,368,195	Investment-linked insurance		
Property and equipment	103,780	54,819	products liabilities	31,504,281	30,353,012
Intangible assets	152,132	142,655	Total liabilities	404,027,439	392,201,156
Deferred income tax assets	385,864	1,067,637	Common stock	23,735,695	23,735,695
Other assets	4,662,265	6,280,850	Retained earnings	9,120,286	7,105,328
Investment-linked insurance			Other equity	(3,510,566)	(7,987,519)
products assets	31,504,281	30,353,012	Total equity	29,345,415	22,853,504
Total assets	<u>\$ 433,372,854</u>	<u>\$ 415,054,660</u>	Total liabilities and equity	<u>\$ 433,372,854</u>	<u>\$ 415,054,660</u>

Yuanta Life

Individual Condensed Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 48,162,744	100	\$ 51,389,606	100
Operating costs	(44,882,644)	(93)	(48,078,814)	(94)
Operating expenses	(1,660,592)	(4)	(1,638,101)	(3)
Net operating income	1,619,508	3	1,672,691	3
Non-operating revenues and expenses	74,635	-	(6,621)	-
Income from continuing operations				
before income tax	1,694,143	3	1,666,070	3
Income tax benefit (expense)	324,817	1	(289,553)	-
Net income	2,018,960	4	1,376,517	3
Other comprehensive income (loss) (net of tax)	4,472,951	9	(7,757,879)	(15)
Total comprehensive income (loss)	<u>\$ 6,491,911</u>	<u>13</u>	<u>(\$ 6,381,362)</u>	<u>(12)</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.85</u>		<u>\$ 0.58</u>	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 5,714,650	\$ 5,218,988	Current liabilities	\$ 1,293,020	\$ 878,111
Financial assets at fair value through other comprehensive income	394,858	377,739	Deferred income tax liabilities	158,395	159,026
Equity investments accounted for under the equity method	341,109	346,416	Lease liability- non-current	8,664	21,643
Property and equipment	292,545	295,882	Other non-current liabilities	33,437	33,059
Intangible assets	768,551	768,551	Total liabilities	1,493,516	1,091,839
Prepaid pension cost	28,839	30,193	Common stock	2,269,235	2,269,235
Deferred income tax assets	552	675	Additional paid-in capital	296,729	296,729
Right-of-use assets	20,920	34,626	Retained earnings	3,428,094	3,338,452
Other non-current assets	97,500	84,015	Other equity	171,950	160,830
Total assets	<u>\$ 7,659,524</u>	<u>\$ 7,157,085</u>	Total equity	6,166,008	6,065,246
			Total liabilities and equity	<u>\$ 7,659,524</u>	<u>\$ 7,157,085</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 5,189,183	100	\$ 3,995,132	100
Operating expenses	(2,098,200)	(41)	(1,558,058)	(39)
Operating income	3,090,983	59	2,437,074	61
Non-operating revenues and expenses	89,355	2	(125,766)	(3)
Income from continuing operations before income tax	3,180,338	61	2,311,308	58
Income tax expense	(633,232)	(12)	(490,674)	(12)
Net income	2,547,106	49	1,820,634	46
Other comprehensive income (net of tax)	9,699	-	53,870	1
Total comprehensive income	<u>\$ 2,556,805</u>	<u>49</u>	<u>\$ 1,874,504</u>	<u>47</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 11.22</u>		<u>\$ 8.02</u>	

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 3,039,615	\$ 2,930,335	Current liabilities	\$ 121,034	\$ 88,554
Financial assets at fair value through			Non-current liabilities	17,957	17,631
other comprehensive income	46,854	47,865	Total liabilities	138,991	106,185
Property and equipment	6,228	7,303	Common stock	3,346,138	3,346,138
Right-of-use assets	7,380	11,284	Additional paid-in capital	1,047	1,047
Investment property	1,081,771	1,120,879	Retained earnings	671,698	638,418
Deferred income tax assets	4,016	3,116	Other equity	28,824	29,836
Other non-current assets	834	842	Total equity	4,047,707	4,015,439
Total assets	<u>\$ 4,186,698</u>	<u>\$ 4,121,624</u>	Total liabilities and equity	<u>\$ 4,186,698</u>	<u>\$ 4,121,624</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 416,506	100	\$ 399,953	100
Operating expenses	(249,817)	(60)	(219,369)	(55)
Operating income	166,689	40	180,584	45
Non-operating revenues and expenses	15,802	4	(18,936)	(4)
Income from continuing				
operations before income tax	182,491	44	161,648	41
Income tax expense	(35,469)	(9)	(35,269)	(9)
Net income	147,022	35	126,379	32
Other comprehensive (loss) income (net of tax)	(1,012)	-	8,023	2
Total comprehensive income	<u>\$ 146,010</u>	<u>35</u>	<u>\$ 134,402</u>	<u>34</u>

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 2,135,779	\$ 1,829,803	Current liabilities	\$ 169,011	\$ 153,344
Financial assets at fair value through other comprehensive income	45,678	60,604	Lease liability- non-current	3,305	7,087
Equity investments accounted for under the equity method	1,018,870	948,689	Other non-current liabilities	7,600	5,400
Property and equipment	675	2,038	Total liabilities	179,916	165,831
Right-of-use assets	7,112	10,823	Common stock	2,715,221	2,715,221
Deferred income tax assets	72,359	61,073	Additional paid-in capital	918	918
Other non-current assets	645	645	Retained earnings	326,647	(34,360)
Total assets	<u>\$ 3,281,118</u>	<u>\$ 2,913,675</u>	Other equity	58,416	66,065
			Total equity	3,101,202	2,747,844
			Total liabilities and equity	<u>\$ 3,281,118</u>	<u>\$ 2,913,675</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 477,164	100	(\$ 126,293)	(100)
Operating expenses	(124,368)	(26)	(40,793)	(32)
Operating income (loss)	352,796	74	(167,086)	(132)
Non-operating revenues and expenses	8,491	2	3,518	3
Income (loss) from continuing operations before income tax	361,287	76	(163,568)	(129)
Income tax expense	(280)	-	(33,704)	(27)
Net income (loss)	361,007	76	(197,272)	(156)
Other comprehensive loss (net of tax)	(7,649)	(2)	(12,402)	(10)
Total comprehensive income (loss)	<u>\$ 353,358</u>	<u>74</u>	<u>(\$ 209,674)</u>	<u>(166)</u>

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023	December 31, 2022	LIABILITIES AND EQUITY	December 31, 2023	December 31, 2022
Current assets	\$ 242,966	\$ 248,925	Current liabilities	\$ 142,267	\$ 135,695
Property and equipment	10,808	13,721	Non-current liabilities	16,292	23,441
Right-of-use assets	13,631	21,703	Total liabilities	158,559	159,136
Intangible assets	8,859	586	Common stock	100,000	100,000
Deferred income tax assets	10,474	2,894	Additional paid-in capital	6,017	6,017
Other non-current assets	15,118	20,043	Retained earnings	37,280	42,719
			Total equity	143,297	148,736
Total assets	<u>\$ 301,856</u>	<u>\$ 307,872</u>	Total liabilities and equity	<u>\$ 301,856</u>	<u>\$ 307,872</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenues	\$ 242,029	100	\$ 261,384	100
Operating costs	(1,001)	-	(1,133)	-
Operating expenses	(238,748)	(99)	(248,212)	(95)
Operating income	2,280	1	12,039	5
Non-operating revenues and expenses	2,679	1	1,406	-
Income from continuing operations before income tax	4,959	2	13,445	5
Income tax expense	(978)	(1)	(2,595)	(1)
Net income	3,981	1	10,850	4
Other comprehensive income (net of tax)	1,610	1	1,406	1
Total comprehensive income	<u>\$ 5,591</u>	<u>2</u>	<u>\$ 12,256</u>	<u>5</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 years ended December 31,	
		2023	2022
Return on total assets	Before tax	8.42	7.16
	After tax	8.41	7.06
Return on equity	Before tax	9.78	8.28
	After tax	9.78	8.17
Net profit margin ratio		95.21	94.37

(B) Yuanta Financial Holdings and its subsidiaries

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	1.08	0.94
	After tax	0.90	0.75
Return on equity	Before tax	11.60	10.03
	After tax	9.74	8.02
Net profit margin ratio		29.08	24.82

(C) Yuanta Bank

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	0.61	0.53
	After tax	0.49	0.43
Return on equity	Before tax	9.00	7.53
	After tax	7.25	6.21
Net profit margin ratio		37.35	35.79

(D) Yuanta Securities

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	3.31	2.90
	After tax	2.97	2.49
Return on equity	Before tax	10.98	10.61
	After tax	9.86	9.11
Net profit margin ratio		37.56	38.86

(E) Yuanta Life

		For the years ended December 31,	
		2023	2022
Return on total assets	Before tax	0.40	0.41
	After tax	0.48	0.34
Return on equity	Before tax	6.49	6.40
	After tax	7.74	5.29
Net profit margin ratio		60.18	41.66

Note 1: Return on total assets = Income (loss) before (after) income tax/average total assets.

Note 2: Return on equity = Income (loss) before (after) income tax / average equity.

Note 3: Net profit margin ratio = Income (loss) after income tax / net revenues.

Note 4: The term "Income (loss) before (after) income tax" represents net income (loss) from January 1 to the balance sheet date of the reporting period.

Note 5: The profitability of Yuanta Financial Holdings, Yuanta Financial Holdings and its subsidiaries, Yuanta Bank, Yuanta Securities, and Yuanta life insurance agency shall be respectively specified in the said table.

B. Information of Yuanta Bank is as follows:

(A) Non-performing loans and non-performing loan asset quality

Unit: In thousands of NT Dollars

Month / Year		December 31, 2023					December 31, 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	241,373	260,965,746	0.09%	3,589,102	1,486.95%	44,240	249,381,318	0.02%	3,348,360	7,568.63%	
	Unsecured loans	131,363	291,198,837	0.05%	3,781,480	2,878.65%	69,642	257,327,057	0.03%	3,783,660	5,433.01%	
Consumer banking	Residential mortgage loans	62,475	289,629,863	0.02%	4,341,424	6,949.06%	32,894	267,848,793	0.01%	4,016,169	12,209.43%	
	Cash card services	-	13,512	-	242	-	-	20,979	-	465	-	
	Small amount of credit loans	10,760	20,994,788	0.05%	227,035	2,109.99%	8,335	16,138,446	0.05%	179,089	2,148.64%	
	Others	Secured loans	118,224	216,039,122	0.05%	2,262,721	1,913.93%	63,644	195,324,184	0.03%	2,030,509	3,190.42%
		Unsecured loans	1,284	4,408,995	0.03%	45,010	3,505.45%	1,217	4,095,296	0.03%	41,798	3,434.51%
Gross loan business		565,479	1,083,250,863	0.05%	14,247,014	2,519.46%	219,972	990,136,073	0.02%	13,400,050	6,091.71%	

Month / Year		December 31, 2023					December 31, 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		7,204	9,210,750	0.08%	112,674	1,564.05%	6,915	8,906,268	0.08%	109,709	1,586.54%
Without recourse factoring		-	5,025,112	-	66,950	-	-	6,749,712	-	79,350	-

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

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

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

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

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

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

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

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

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

Unit: In thousands of NT Dollars

	December 31, 2023		December 31, 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)	10,508	10,646	19,451	15,438
Perform in accordance with debt liquidation program and restructuring program (Note 2)	516,367	249,489	627,342	281,906
Total	526,875	260,135	646,793	297,344

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, %

December 31, 2023			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Other Plastic Products Manufacturing	\$ 18,352,831	14.47
2	Group B–Convenience Store	10,868,000	8.57
3	Group C–Real Estate Development	10,196,530	8.04
4	Group D–Packaging and Testing of Semi-conductors	8,947,000	7.05
5	Group E–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,823,430	6.17
6	Group F–Financial Holding Companies	7,200,720	5.68
7	Group G–Mold and Die Manufacturing	5,500,000	4.34
8	Group H–Real Estate Development	5,097,601	4.02
9	Group I–Financial Holding Companies	5,090,000	4.01
10	Group J–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.39

Unit: In thousands of NT Dollars, %

December 31, 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–Real Estate Development	\$ 9,074,350	8.11
2	Group B–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,707,500	6.89
3	Company C–Packaging and Testing of Semi-conductors	7,280,000	6.51
4	Group D–Financial Holding Companies	6,800,000	6.08
5	Group E–Quarrying of Stone and Sand and Other Mining	6,299,790	5.63
6	Group F–Financial Holding Companies	5,800,000	5.18
7	Company G–Real Estate Development	5,700,000	5.09
8	Group H–Manufacture of Other Computer Peripheral Equipment	5,000,000	4.47
9	Group I–Financial Holding Companies	4,550,000	4.07
10	Group J–Manufacture of Power Generation, Transmission and Distribution Machinery	4,300,000	3.84

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)

December 31, 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	1,670,823,805	222,166,838	180,563,450	230,522,727	106,393,485	158,474,128	772,703,177
Primary funds outflow upon maturity	2,028,776,752	67,095,199	145,344,716	304,343,441	269,596,843	412,734,599	829,661,954
Gap	(357,952,947)	155,071,639	35,218,734	(73,820,714)	(163,203,358)	(254,260,471)	(56,958,777)

December 31, 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	1,538,163,531	192,484,952	88,943,571	179,819,096	159,284,501	173,261,491	744,369,920
Primary funds outflow upon maturity	1,796,483,109	73,518,921	112,929,281	267,798,728	240,447,609	350,410,602	751,377,968
Gap	(258,319,578)	118,966,031	(23,985,710)	(87,979,632)	(81,163,108)	(177,149,111)	(7,008,048)

b. Structure analysis of time to maturity (USD)

December 31, 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	6,761,694	2,402,397	371,943	185,393	368,974	3,432,987
Primary funds outflow upon maturity	9,495,123	3,067,035	1,826,537	1,424,193	2,110,789	1,066,569
Gap	(2,733,429)	(664,638)	(1,454,594)	(1,238,800)	(1,741,815)	2,366,418

December 31, 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	6,539,868	1,643,965	908,961	180,233	305,433	3,501,276
Primary funds outflow upon maturity	8,413,008	2,780,634	1,892,420	1,134,298	1,596,003	1,009,653
Gap	(1,873,140)	(1,136,669)	(983,459)	(954,065)	(1,290,570)	2,491,623

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

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

December 31, 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	1,164,622,633	69,501,119	35,664,100	230,463,903	1,500,251,755
Interest-rate-sensitive liabilities	421,754,021	831,292,475	130,384,241	28,915,295	1,412,346,032
Interest-rate-sensitive gap	742,868,612	(761,791,356)	(94,720,141)	201,548,608	87,905,723
Total equity					135,594,778
Ratio of interest-rate-sensitive assets to liabilities					106.22
Ratio of interest-rate-sensitive gap to equity					64.83

December 31, 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	963,146,182	128,437,641	62,485,337	236,034,078	1,390,103,238
Interest-rate-sensitive liabilities	421,883,323	759,456,536	107,445,638	32,616,705	1,321,402,202
Interest-rate-sensitive gap	541,262,859	(631,018,895)	(44,960,301)	203,417,373	68,701,036
Total equity					121,626,066
Ratio of interest-rate-sensitive assets to liabilities					105.20
Ratio of interest-rate-sensitive gap to equity					56.49

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)

December 31, 2023

(Expressed in Thousands of US Dollars, %)

Item	1 ~ 90 days	91 ~ 180 days	181 days ~ 1 year	Over 1 year	Total
Interest-rate-sensitive assets	3,027,704	102,423	225,288	2,702,628	6,058,043
Interest-rate-sensitive liabilities	3,797,631	822,845	1,562,722	1,028,226	7,211,424
Interest-rate-sensitive gap	(769,927)	(720,422)	(1,337,434)	1,674,402	(1,153,381)
Total equity					(259,687)
Ratio of interest-rate-sensitive assets to liabilities					84.01
Ratio of interest-rate-sensitive gap to equity					444.14

December 31, 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	2,925,595	133,863	135,506	2,589,367	5,784,331
Interest-rate-sensitive liabilities	3,753,148	728,751	1,173,959	1,074,852	6,730,710
Interest-rate-sensitive gap	(827,553)	(594,888)	(1,038,453)	1,514,515	(946,379)
Total equity					(287,743)
Ratio of interest-rate-sensitive assets to liabilities					85.94
Ratio of interest-rate-sensitive gap to equity					328.90

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 December 31, 2023	Turnover rate	Amount overdue		Amount collected subsequent to the balance sheet date	Amount of credit losses
					Amount	Action taken		
Yuanta Financial Holdings	Yuanta Securities	Subsidiary of the Company	\$ 1,629,758 (Note1)	-	\$ -	-	\$ -	\$ -
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	878,370 (Note1)	-	-	-	-	-

Note1: 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	\$ 144,421,589	\$ 13,793,263	6,592,453	-	6,592,453	100
"	Yuanta Commercial Bank Co., Ltd.	"	Banking	100	126,857,629	8,638,286	7,394,039	-	7,394,039	100
"	Yuanta Futures Co., Ltd.	"	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	10,173,925	1,226,461	192,167	-	192,167	66.27
"	Yuanta Life Insurance Co., Ltd.	"	Life insurance business	100	26,754,526	2,102,991	2,373,570	-	2,373,570	100
"	Yuanta Asset Management Co., Ltd.	"	Management of monetary debts of financial institutions	100	3,975,390	147,021	334,614	-	334,614	100
"	Yuanta Venture Capital Co., Ltd.	"	Venture capital investments	100	3,101,202	361,007	271,522	-	271,522	100
"	Yuanta Securities Investment Consulting Co., Ltd.	"	Securities investment consultant	100	143,297	3,982	10,000	-	10,000	100
"	Yuanta Securities Investment Trust Co., Ltd.	"	Securities investment trust	74.71	6,474,204	1,902,983	169,538	-	169,538	74.71
Yuanta Commercial Bank Co., Ltd.	Yuanta International Leasing Co., Ltd.	"	Leasing business	100	104,801	-	10,000	-	10,000	100
"	Yuanta Savings Bank (Philippines) Inc.	Philippines	Deposits and loans of savings bank	100	1,095,939	-	2,400,000	-	2,400,000	100
"	Yuanta Savings Bank (Korea) Inc.	Korea	Deposits and loans of savings bank	100	3,724,597	-	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 Private Limited	Singapore	Investment holding	100	\$ 44,268,395	\$ -	390,909	-	390,909	100
"	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance brokerage services	100	177,498	-	500	-	500	100
"	Yuanta Securities Finance Co., Ltd.	"	Securities financing and refinancing to securities firms and related business	100	15,815,778	-	400,000	-	400,000	100
"	Yuanta Wealth Management (Singapore) Pte. Ltd.	Singapore	-	100	(3,159)	-	-	-	-	100
Yuanta Securities Asia Financial Services Limited	Yuanta Securities (Hong Kong) Co., Ltd.	Hong Kong	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions' financing, asset management services	100	8,807,967	-	2,268,133	-	2,268,133	100
"	Yuanta Asia Investment (Hong Kong) Ltd.	"	Securities trading, asset management services	100	1,416,627	-	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 operating business and auxiliary business	58.54	23,322,976	-	116,843	-	116,843	58.54

(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) Ltd.	Cayman Islands	Investment holding	100	\$ 40,441	\$ -	74	-	74	100
"	Yuanta Securities Thailand Co., Ltd.	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	6,111,127	-	450,000	-	450,000	99.99
"	Yuanta Securities Vietnam Limited Company	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	94.10	3,788,401	-	-	-	-	100
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Investment business	100	1,333,449	-	6,401	-	6,401	100
"	Yuanta Financial (Hong Kong) Ltd.	Hong Kong	Investment holding	100	410,835	-	18,954	-	18,954	100
"	Woori Asset Management Corp.	Korea	Asset management	27	810,967	-	1,080	-	1,080	27
Yuanta Financial (Hong Kong) Limited	Yuanta Securities (Cambodia) Plc.	Cambodia	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	100	381,654	-	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) Co., Ltd.	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Issuance of financial instruments and dealing investments	100	\$ 244,368	\$ -	50,000	-	50,000	100	
"	Yuanta Finance (Hong Kong) Ltd.	"	Credit loan business	100	242,012	-	50,000	-	50,000	100	
"	Yuanta Securities (Vietnam)	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	5.90	245,157	-	-	-	-	100	
"	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	577,315	-	474	-	474	99	
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital investments	100	1,018,870	-	85,000	-	85,000	100	
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	994,470	-	34,000	-	34,000	100	
"	SYF Information Limited	R.O.C	Information service	100	293,338	-	35,000	-	35,000	100	
"	Yuanta Global (Singapore) Pte. Ltd. (Note3)	Singapore	Applying	100	(5,728)	-	-	-	-	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: 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. In addition, the case has been approved by the FSC through Gin-Gwen-Zheng-Qi Letter No.1120355060 on September 19, 2023 which agrees to extend its starting period until April 19, 2024.

Note 3: 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. However, the case had been terminated as resolved by the Company's Board of Directors on November 30, 2023 after the Company assessed the environmental change and adjusted the strategy.

(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 December 31, 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	\$ 5,216,352 (Note)	-	\$ -	-	\$ -	\$ -

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

(BLANK)

F. Information regarding selling non-performing loans:

(A) Summary of selling non-performing loans:

Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	2023/4/26	KACMO	Loans and Advance	\$ 3	\$ 9	\$ 6	None	None	Note 2
Yuanta Savings Bank (Korea)	2023/5/26	KACMO	Loans and Advance	\$ 10	\$ 6	(\$ 4)	None	None	Note 3
Yuanta Savings Bank (Korea)	2023/6/28	KACMO	Loans and Advance	\$ 2	\$ 3	\$ 1	None	None	Note 4
Yuanta Savings Bank (Korea)	2023/6/28	ICL Loan Coporation	Loans and Advance	\$ 10,922	\$ 15,004	\$ 4,082	None	None	Note 5
Yuanta Savings Bank (Korea)	2023/8/4	KACMO	Loans and Advance	\$ 3	\$ 3	\$ -	None	None	Note 6
Yuanta Savings Bank (Korea)	2023/9/2	KACMO	Loans and Advance	\$ 4,281	\$ 4,310	\$ 29	None	None	Note 7
Yuanta Savings Bank (Korea)	2023/11/27	KACMO	Loans and Advance	\$ 20	\$ 9	(\$ 11)	None	None	Note 8

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

Note 2: The carrying amount and the sale price of the loan was KRW106 thousand and KRW360 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 3: The carrying amount and the sale price of the loan was KRW423 thousand and KRW255 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 4: The carrying amount and the sale price of the loan was KRW75 thousand and KRW135 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 5: The carrying amount and the sale price of the loan was KRW457,787 thousand and KRW628,902 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 6: The carrying amount and the sale price of the loan was KRW144 thousand and KRW139 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 7: The carrying amount and the sale price of the loan was KRW179,438 thousand and KRW180,635 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

Note 8: The carrying amount and the sale price of the loan was KRW837 thousand and KRW368 thousand, using the exchange rate of 1 KRW to 0.023857 NTD.

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

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

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

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

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	\$ 1,536,750	\$ 922,050	\$ 614,700	6.10%	Short-term loans	\$ -	Fulfill operating cost and working capital	\$ -	-	\$ -	\$ 44,288,384 (Note 1)	\$ 44,288,384 (Note 1)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Hong Kong)	Accounts receivable-related party	Yes	1,536,750	-	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,458,800	2,458,800	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	922,050	922,050	-	-	Short-term loans	-	Working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)
5	Yuanta Securities Asia Finance Service	Yuanta Securities Korea Co., Ltd.	Accounts receivable-related party	Yes	2,151,450	2,151,450	-	-	Short-term loans	-	Working capital	-	-	-	44,288,384 (Note 1)	44,288,384 (Note 1)

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

Note 2: On September 24, 2020, the Board of Directors of Yuanta Securities Asia Financial Services resolved to provide a 2-year revolving subordinated loan to Yuanta Securities (Hong Kong) Limited in the amount of USD50 million. This has been approved through Gin-Gwen-Zheng-Quan Letter No. 1090371696 dated December 2, 2020 of the FSC in Taiwan and has obtained the approval of the Securities and Futures Commission in Hong Kong on July 27, 2021. The loan was repaid on July 26, 2023.

J. Endorsements and guarantees provided for others:

Number	Endorsing and guarantee company	Endorsed and guaranteed company		Limit for endorsement and guarantee for single enterprise	Maximum outstanding endorsements and guarantee amount during for the year ended December 31	Ending balance of endorsement and guarantee	Actual used amount	Property-backed endorsement and guarantee	The ratio of accumulated endorsement and guarantee amount and the net value of the latest financial statement	Maximum limit	Provision of endorsements and guarantees by parent company to subsidiary	Provision of endorsements and guarantees by subsidiary to parent company	Provision of endorsements and guarantees to the party in Mainland China
		Name of company	Relationship										
1	Yuanta Securities	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	\$ 28,799,498 (Note 1)	\$ 107,573	\$ 107,573	\$ 97,897	\$ -	0.07%	\$ 57,598,996 (Note 1)	Yes	No	No
2	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	28,799,498 (Note 1)	1,536,750	1,536,750	61,470	-	1.07%	57,598,996 (Note 1)	Yes	No	No
3	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	1,329,336	269,460	-	-	0.61%	44,288,384 (Note 3)	Yes	No	No
4	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	510,170	295,025	43,029	-	0.67%	44,288,384 (Note 3)	Yes	No	No
5	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	44,288,384 (Note 3)	868,500	406,080	279,180	-	0.92%	44,288,384 (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'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)

December 31, 2023

Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of			
					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	34	\$ 4,570	-	\$ 4,570	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	7	495	-	495	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	23	1,665	-	1,665	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	22	542	-	542	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	35	1,312	-	1,312	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	25	412	-	412	
	Yuanta S&P500	"	"	11	483	-	483	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	18	365	-	365	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	13	840	-	840	
	Yuanta/P-shares SSE50 ETF	"	"	19	514	-	514	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	210	-	210	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	1	10	-	10	
	Yuanta EURO STOXX 50 ETF	"	"	8	269	-	269	
	Yuanta Nikkei 225 ETF	"	"	-	21	-	21	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	9	279	-	279	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	4	-	4	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	8	285	-	285	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	18	930	-	930	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	6	184	-	184	
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF	"	"	11	385	-	385	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	1	29	-	29	
	Yuanta DJCI Silver ER Futures ETF	"	"	-	2	-	2	
	Yuanta MSCI China A ETF	"	"	9	178	-	178	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	"	"	10	352	-	352	
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	7	350	-	350	

				December 31, 2023				
Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of			
					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	\$ 13	-	\$ 13	
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	6	189	-	189	
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	13	455	-	455	
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	5	172	-	172	
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	9	311	-	311	
	Yuanta Global NextGen Communications ETF	"	"	20	686	-	686	
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	1	21	-	21	
	Yuanta Global 5G & NexGen Telecommunication Components ETF	"	"	22	727	-	727	
	Yuanta De- Bao Money Market Fund	"	"	8,184	101,043	-	101,043	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund-(I)	"	"	7,471	77,359	-	77,359	
	Yuanta Japan Leaders Equity Fund-(I)	"	"	9,970	100,000	-	100,000	
					<u>\$ 295,662</u>		<u>\$ 295,662</u>	
	Stocks:							
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	4,803	\$ 377,947	0.88	\$ 377,947	
	FundRich Securities Co. Ltd.	-	"	819	16,911	1.36	16,911	
					<u>\$ 394,858</u>		<u>\$ 394,858</u>	
	CR Yuanta Fund Management Company Limited	-	Long-term equity accounted for under the equity method	147,000	\$ 341,109	24.50	\$ 341,109	
Yuanta Asset Management	Beneficiary certificates:							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	17,566	\$ 244,920	-	\$ 244,920	
	Taishin Ta Chong Money Market Fund	-	"	3,457	50,499	-	50,499	
	Franklin Templeton Sinoam Money Market Fund	-	"	9,485	100,789	-	100,789	
	Hua Nan Phoenix Money Market Fund	-	"	6,032	100,875	-	100,875	
	JIH SUN MONEY MARKET FUND	-	"	3,296	50,275	-	50,275	
	Yuanta Japan Leaders Equity Fund-(A)	-	"	3,021	30,211	-	30,211	
					<u>\$ 577,569</u>		<u>\$ 577,569</u>	

				December 31, 2023				
Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Number of shares (In thousands)	Percentage of			Note
					Book value	ownership (%)	Market value	
Yuanta Asset Management	Stocks:							
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 6,645	0.16	\$ 6,645	
	Sunsino Venture Co., Ltd.	-	"	443	5,151	0.93	5,151	
	DaYeh Development Co., Ltd.	-	"	333	233	2.22	233	
	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	12,716	0.76	12,716	
					<u>\$ 46,854</u>		<u>\$ 46,854</u>	
Yuanta Venture Capital	Stocks:							
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 5,874	0.03	\$ 5,874	
	Taiwan Chelic Corp. Ltd.	-	"	500	30,250	0.72	30,250	
	Eurocharm Holdings Co., Ltd.	-	"	624	113,568	0.94	113,568	
	Ever Fortune. AI Co. , Ltd.	-	"	300	28,950	0.30	28,950	
	Tot Biopharm International Company Limited	-	"	15,606	120,939	2.02	120,939	
	Apollomics Inc.	-	"	117	3,492	0.13	3,492	
	Gorilla Technology Group Inc.	-	"	100	1,654	0.14	1,654	
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	61,093	2.35	61,093	
	Saultech Technology Co., Ltd.	-	"	438	33,242	1.44	33,242	
	Taiwan Microloops Co., Ltd.	-	"	475	32,737	0.93	32,737	
	Pharmosa Biopharm Co. , Ltd.	-	"	1,908	167,236	1.63	167,236	
	Taiwan Speciality Chemicals Corporation	-	"	235	20,399	0.17	20,399	
	Shine-On BioMedical Co., Ltd.	-	"	300	20,801	0.60	20,801	
	Mega Union Technology Incorporated	-	"	1,051	171,809	1.73	171,809	
	OVTEC Co., Ltd.	-	"	739	56,320	4.44	56,320	
	CGK International Co., Ltd (Cayman)	-	"	877	10,400	2.00	10,400	
	Aprevent Medical Inc.	-	"	1,808	15,094	8.30	15,094	Preferred stock B

				December 31, 2023				
Name of company which holds securities	Category and name of securities (or name of issuer of securities)	Relationship between issuer of securities and the company	Account	Percentage of				
				Number of shares (In thousands)	Book value	ownership (%)	Market value	Note
Yuanta Venture Capital	Stocks:							
	Li Ling Film Co., Ltd.	-	Financial assets at fair value through profit or loss	1,666	\$ 666	2.78	\$ 666	
	Bioflag International Corporation	-	"	1,870	40,833	3.12	40,833	
	Bioflag Nutrition Corporation Ltd.	-	"	1,530	38,672	3.12	38,672	
	GRAID Technology Inc.	-	"	682	39,447	2.63	39,447	Preferred stock A
	YU-CHEN SYSTEM Technology Corp.	-	"	1,260	93,605	7.33	93,605	
	Certain Micro Application Technology Inc.	-	"	1,200	20,760	6.48	20,760	
	Song Chuan Precision Co., Ltd.	-	"	1,475	151,084	2.03	151,084	
	Aprevent Medical, Inc.	-	"	394	-	1.81	-	
	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.	-	"	-	727	10.00	727	
	GCT Semiconductor Inc.	-	"	1,991	-	1.54	-	Preferred stock G
					<u>\$ 1,279,652</u>		<u>\$ 1,279,652</u>	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 9,808	0.50	\$ 9,808	
	Prudence Capital Management			596	12,860	9.00	12,860	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	3,308	4.80	3,308	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	259	10.00	259	
	Hwa Lu Venture Capital Co., Ltd.	-	"	43	10,004	8.70	10,004	
	Sheng Yuan Venture Capital Co., Ltd.	-	"	84	3,081	9.88	3,081	
	Qi Ding Venture Capital Co., Ltd.	-	"	168	333	4.35	333	
	Der Yang Biotechnology Venture Capital Co., Ltd.	-	"	207	2,688	10.00	2,688	
	Huiyang Venture Capital Co., Ltd.	-	"	67	3,337	2.46	3,337	
					<u>\$ 45,678</u>		<u>\$ 45,678</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>\$ 1,018,870</u>	100.00	<u>\$ 1,018,870</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 year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 4)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 8,532,036 (USD 277,600)	(2) HONG KONG TOT BIOPHARM INTERNATIONAL COMPANY LIMITED	\$ 164,620	\$ -	\$ -	\$ 164,620	Note 5	2.02%	\$ -	\$ 164,620	\$ -
Jhong Shan Dong Yi Technology Co., Ltd.	Protection glass grinding and sales	245,880 (USD 8,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	5,599	-	-	5,599	Note 5	2.00%	-	5,599	-
Orient Optical Crystal Mfg. Co	Protection glass grinding and sales	19,670 (HKD 5,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	452	-	-	452	Note 5	2.00%	-	452	-
Veden Dental Labs Inc.	Manufacturing dental restoration	326,514 (HKD 83,000)	(2) CAYMAN ISLANDS VEDEN DENTAL GROUP	22,762	-	-	22,762	Note 5	0.50%	-	22,762	-

Yuanta I Venture Capital

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 4)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,708,264 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ -	\$ 40,735	Note 5	3.24%	\$ -	\$ 27,112	\$ 26,029

Yuanta Securities

(Expressed in thousands of dollars)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 17,922 (CNY 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	(\$ 116)	100.00%	In liquidation	\$ 22,299	\$ -
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	79,823 (CNY 18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	4,167	100.00%	4,167 (2)B	18,910	-

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 year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,598,900 (CNY 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 2,854	24.50%	\$ 692	\$ 341,109	\$ -

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 year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2), (2)C	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Remitted to Mainland China	Remitted back to Taiwan						
SYF Information (Shanghai) (Note 7)	Computer software services	\$ 157,209 (CNY 33,080)	(3)	\$ 157,209	\$ -	\$ 32,634	\$ 124,575	\$ 661	100.00%	\$ - (2)C	\$ 85,525	\$ 32,634

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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	\$ 1,860,721
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	95,483,870
Yuanta Securities Investment Trust	705,666	705,666	3,699,605
Yuanta Futures	124,575	174,000	8,707,625

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,101,202.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$159,139,783.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$6,166,008.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Futures's net worth of \$14,512,709.

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 year ended December 31, 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.

Note 7: Please refer to Note 7 (1) for details on the SYF Information Limited liquidation matters.

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of December 31, 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			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
0	Yuanta Financial Holdings	Yuanta Securities	1	Receivables – net	1,617,979	No significant difference from general customers	0.05%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	872,906	"	0.03%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	5,215,483	"	0.16%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	1,434,345	"	0.04%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	1,065,434	"	0.03%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	176,645	"	0.01%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	191,139	"	0.01%
1	Yuanta Securities	Yuanta Securities Investment Trust	3	Net service fee and commission income	205,573	"	0.21%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	238,351	"	0.24%
1	Yuanta Securities	Yuanta Securities Investment Consulting	3	Other business and administrative expenses	181,809	"	0.19%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income	205,301	"	0.21%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Net other miscellaneous income	111,981	"	0.11%
2	Yuanta Bank	Yuanta Futures	3	Cash and cash equivalents	236,226	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	376,955	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	16,136,793	"	0.49%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,477,385	"	0.04%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	976,652	"	0.03%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	175,461	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	151,413	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	201,041	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	7,037,147	"	0.21%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	4,243,600	"	0.13%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
2	Yuanta Bank	SYF Information	3	Deposits and remittances	174,900	No significant difference from general customers	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	4,665,000	"	0.14%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	231,300	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	647,500	"	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	357,600	"	0.01%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	12,165,099	"	0.37%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	344,232	"	0.01%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	5,852,494	"	0.18%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	6,549,377	"	0.20%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	1,600,000	"	0.05%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	4,149,225	"	0.13%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	832,919	"	0.03%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Net service fee and commission income	108,916	"	0.11%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	1,385,257	"	1.41%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	471,281	"	0.48%
2	Yuanta Bank	Yuanta Securities	3	Interest expense	380,973	"	0.39%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Interest expense	229,377	"	0.23%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial assets – net	367,855	"	0.01%
3	Yuanta Futures	Yuanta Futures(Hong Kong)	3	Other financial liabilities	497,589	"	0.02%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	285,470	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	372,869	"	0.38%
5	Yuanta Securities Asia Financial Services	Yuanta Securities (Indonesia)	3	Receivables – net	615,161	"	0.02%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Receivables – net	159,761	"	0.00%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Payables	153,543	"	0.00%
7	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	209,670	"	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 year ended December 31, 2023

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 23,412,918	\$ 46,048,641	\$ 3,593,076	\$ 19,372,914	\$ 5,662,334	\$ -	\$ 98,089,883
Revenue (loss) from transactions with other operating segments of the same entity	<u>242,023</u>	<u>1,664,037</u>	<u>339,521</u>	<u>(1,426,213)</u>	<u>638,689</u>	<u>(1,458,057)</u>	<u>-</u>
Net revenues (Note)	<u>23,654,941</u>	<u>47,712,678</u>	<u>3,932,597</u>	<u>17,946,701</u>	<u>6,301,023</u>	<u>(1,458,057)</u>	<u>98,089,883</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(302,808)	(207,473)	38,353	(591)	-	-	(472,519)
Net change in provisions for insurance liabilities	-	-	-	(14,591,938)	-	120,999	(14,470,939)
Operating expenses	<u>(12,603,930)</u>	<u>(30,470,555)</u>	<u>(1,684,210)</u>	<u>(1,660,029)</u>	<u>(4,041,187)</u>	<u>1,299,137</u>	<u>(49,160,774)</u>
Income from continuing operations before income tax	<u>\$ 10,748,203</u>	<u>\$ 17,034,650</u>	<u>\$ 2,286,740</u>	<u>\$ 1,694,143</u>	<u>\$ 2,259,836</u>	<u>(\$ 37,921)</u>	<u>\$ 33,985,651</u>

For the year ended December 31, 2022

	<u>Banking</u>	<u>Securities</u>	<u>Futures</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Consolidated</u>
Revenue from external customers	\$ 20,224,960	\$ 40,188,432	\$ 2,843,685	\$ 24,435,091	\$ 3,809,714	\$ -	\$ 91,501,882
Revenue (loss) from transactions with other operating segments of the same entity	<u>525,513</u>	<u>1,454,938</u>	<u>92,316</u>	<u>(1,440,917)</u>	<u>494,744</u>	<u>(1,126,594)</u>	<u>-</u>
Net revenues (Note)	<u>20,750,473</u>	<u>41,643,370</u>	<u>2,936,001</u>	<u>22,994,174</u>	<u>4,304,458</u>	<u>(1,126,594)</u>	<u>91,501,882</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(361,604)	40,861	2,795	(242)	-	-	(318,190)
Net change in provisions for insurance liabilities	-	-	-	(19,689,999)	-	156,027	(19,533,972)
Operating expenses	<u>(11,526,017)</u>	<u>(26,585,099)</u>	<u>(1,516,331)</u>	<u>(1,637,863)</u>	<u>(3,041,478)</u>	<u>1,070,881</u>	<u>(43,235,907)</u>
Income from continuing operations before income tax	<u>\$ 8,862,852</u>	<u>\$ 15,099,132</u>	<u>\$ 1,422,465</u>	<u>\$ 1,666,070</u>	<u>\$ 1,262,980</u>	<u>\$ 100,314</u>	<u>\$ 28,413,813</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.

(3) Information on products and services

Information on products and services of Yuanta Group is consistent with the measurement of segment information.

(4) Geographical information

Geographical revenue information of Yuanta Group is as follows:

	For the years ended December 31,	
	2023	2022
R.O.C.	\$ 81,435,070	\$ 77,385,770
South Korea	12,354,420	10,267,024
Others	4,300,393	3,849,088
	<u>\$ 98,089,883</u>	<u>\$ 91,501,882</u>

(5) Major customer information

There is no requirement for additional disclosure because no single customer accounted for 10% or more of the Yuanta Group's operating revenues.

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