

YUANTA FINANCIAL HOLDING CO., LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2024 AND 2023

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

PWCR24000091

To the Board of Directors and Shareholders of Yuanta Financial Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yuanta Financial Holding Co., Ltd. (the "Company") and its subsidiaries (collectively "Yuanta Group") as at June 30, 2024, December 31, 2023 and June 30, 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2024 and 2023, 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 June 30, 2024, December 31, 2023 and June 30, 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and International Accounting Standard 34, "Interim Financial Reporting", that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing 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.

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

Impairment evaluation of bills discounted and loans

Description

For the accounting policy of the impairment evaluation of bills discounted and loans, please refer to Note 4(4)B; for the critical accounting estimates and assumption uncertainty of expected credit loss on bills discounted and loans, please refer to Note 5; for the details on bills discounted and loans, please refer to Notes 6(9) and 12(3). Total bills discounted and loans (including adjustment for premium or discount) and the allowance for credit losses, arising from Yuanta Commercial Bank Co., Ltd. of the Yuanta Group as at June 30, 2024 were NTD 1,168,599,176 thousand and NTD 14,842,488 thousand, respectively.

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

How our audit addressed the matter

We obtained and gained an understanding of Yuanta Commercial Bank Co., Ltd.'s policies, internal controls, and operation procedures in relation to the credit risk management and the impairment evaluation of bills discounted and loans and performed sample tests. We conducted the following procedures on the impairment evaluation of bills discounted and loans as at June 30, 2024: sample

examined the stage classification for expected credit losses; sample tested the calculation of the probability of default, loss given default, and exposure at default; sample examined documents regarding management's individual evaluation of future cash flows and collateral value; and evaluated whether the provision for impairment loss amount complied with the competent authority's related regulations.

Fair value valuation of unlisted stocks

Description

For the accounting policy of unlisted stocks (accounted under financial assets at fair value through other comprehensive income), please refer to Note 4(4)A; for the critical accounting estimates and assumption uncertainty of the fair value of unlisted stocks, please refer to Note 5; for the details on unlisted stocks, please refer to Notes 6(4) and 12(2). The carrying amount of the financial assets at fair value through other comprehensive income – unlisted stocks as at June 30, 2024 was NTD 35,409,056 thousand.

Because there are no active market quoted prices for the financial assets at fair value through other comprehensive income – unlisted stocks held by Yuanta Group, the management uses valuation techniques and the assistance of experts to estimate the fair value. The valuation techniques used by Yuanta Group are primarily the market method and the discounted cash flow method. The market method's main assumption is determining similar and comparable companies in order to obtain the related parameters as a reference for calculations. The discounted cash flow method's main assumption is the financial forecast of unlisted companies in order to obtain their related parameters as a reference for calculations. Because models and parameters used in valuation techniques are made by management's professional judgments and estimates, such accounting judgments and estimates are highly uncertain; we have thus included the fair value valuation of unlisted stocks as one of the key audit matters.

How our audit addressed the matter

We obtained and gained an understanding of management's valuation procedures for unlisted equity securities. We sample tested the management authorization procedures for the fair value valuation reports of unlisted equity securities.

In addition, we and our valuation experts discussed with management and sample tested Yuanta Group's valuation data for unlisted stocks, including the valuation documents provided by the management's experts, evaluated whether the valuation methods used by management were commonly used; we and our valuation experts also evaluated the reasonableness of the comparable companies under the market method and sample tested related supporting documents regarding the parameters used in the valuation.

Impairment indication assessment of goodwill

Description

For the accounting policy of the impairment assessment of goodwill (intangible assets), please refer to Notes 4(4)C and 4(4)D; for the critical accounting estimates and assumption uncertainty of impairment assessment of goodwill, please refer to Note 5; for the details on goodwill, please refer to Note 6(17). Goodwill after accumulated impairment as at June 30, 2024 was NTD 28,473,782 thousand.

Yuanta Group periodically performs impairment assessments on goodwill at the end of each year. Such assessments are based on cash generating units identified through operating segments and Yuanta Group engaged experts to assist in measuring the recoverable amounts of cash generating units based on future cash flows. Yuanta Group performs impairment indication assessments of goodwill in the interim period. Since the amount of goodwill is material, and afore-mentioned assessments in the interim period consider several internal and external sources of information and involve management's subjective judgement, we have thus included the impairment indication assessment of goodwill as one of the key audit matters.

How our audit addressed the matter

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

Reserve for policy benefit and adequacy of insurance liabilities

Description

For the accounting policy of reserve for policy benefit and adequacy of insurance liabilities, please refer to Note 4(4)E; for the critical accounting estimates and assumption uncertainty of adequacy of insurance liabilities, please refer to Note 5; for the details on insurance liabilities, please refer to Note 6(26). Reserve for policy benefit under insurance liabilities as at June 30, 2024 was NTD 368,724,263 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

statements. Considering that the provision of policy reserves has a material impact on the financial statements, and if insurance liabilities are not adequate, the financial statements will be materially impacted, we have thus included the reserve for policy benefit and adequacy of insurance liabilities as one of the key audit matters.

How our audit addressed the matter

The audit procedures we performed mainly 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 International Accounting Standard 34, “Interim Financial Reporting”, that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Yuanta Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yuanta Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Yuanta Group’s financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

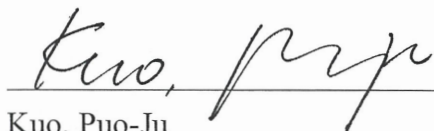
override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yuanta Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Yuanta Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Yuanta Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yuanta Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Kuo, Puo-Ju



Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 23, 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
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 87,649,693	3	\$ 81,869,960	3	\$ 75,644,781	2
11500	Due from Central Bank and call loans to other banks	6(2) and 8	91,321,286	3	83,110,140	3	81,598,105	3
12000	Financial assets at fair value through profit or loss	6(3), 7 and 8	595,881,870	17	563,701,196	17	530,612,715	17
12150	Financial assets at fair value through other comprehensive income	6(4) and 8	339,765,224	10	292,262,818	9	363,280,083	11
12200	Investments in debt instruments at amortised cost	6(5) and 8	553,103,780	15	539,131,270	16	551,216,246	17
12500	Investments in bills and bonds under resale agreements	6(6)	86,685,841	2	99,644,104	3	73,034,678	2
13000	Receivables – net	6(7) and 7	366,135,130	10	273,092,919	8	254,618,784	8
13200	Current income tax assets		2,627,170	-	2,623,799	-	2,630,671	-
13300	Assets held for sale – net	6(8)	1,329,241	-	79,099	-	108,377	-
13500	Bills discounted and loans – net	6(9) and 7	1,172,031,092	33	1,086,526,760	33	1,019,410,937	32
13700	Reinsurance contract assets – net	6(10)	1,275,427	-	1,249,093	-	1,296,511	-
15000	Equity investments accounted for under the equity method – net	6(11)	2,177,699	-	3,089,373	-	3,251,229	-
15100	Restricted assets – net	8	3,791,542	-	3,051,147	-	2,528,567	-
15500	Other financial assets – net	6(12)	117,016,471	3	111,816,531	4	115,307,082	4
18000	Investment property – net	6(13) and 8	13,262,160	-	11,307,517	-	10,791,484	-
18500	Property and equipment – net	6(14) and 8	28,757,607	1	27,352,156	1	25,981,635	1
18600	Right-of-use assets – net	6(15)	11,132,040	-	13,011,575	-	11,430,533	-
19000	Intangible assets – net	6(17)	30,609,015	1	30,728,678	1	30,824,105	1
19300	Deferred income tax assets		6,797,570	-	5,246,624	-	5,456,740	-
19500	Other assets – net	6(18), 7 and 8	79,937,146	2	69,765,061	2	62,706,326	2
	TOTAL ASSETS		<u>\$ 3,591,287,004</u>	<u>100</u>	<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,221,729,589</u>	<u>100</u>

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	June 30, 2024		December 31, 2023		June 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
21000	Deposits from Central Bank and other banks	6(20)	\$ 7,012,425	-	\$ 12,387,393	-	\$ 9,082,076	-
22000	Financial liabilities at fair value through profit or loss	6(3)	166,685,657	5	158,670,714	5	129,054,673	4
22500	Bills and bonds payable under repurchase agreements	6(6)(47) and 7	237,331,602	7	251,838,703	8	246,417,448	8
22600	Commercial paper payable – net	6(21)(47)	141,774,323	4	83,155,165	3	97,277,626	3
23000	Payables	6(22) and 7	222,702,195	6	180,210,063	6	188,149,586	6
23200	Current income tax liabilities		5,219,194	-	5,366,128	-	4,578,296	-
23500	Deposits and remittances	6(23) and 7	1,660,379,220	46	1,548,770,818	47	1,530,247,216	47
24000	Bonds payable	6(24)(47)	111,077,603	3	104,904,691	3	94,259,656	3
24400	Other borrowings	6(25)(47)	66,795,155	2	48,439,167	2	56,839,829	2
24600	Liabilities reserve	6(26)	389,396,692	11	376,640,823	11	373,133,979	12
25500	Other financial liabilities	6(28) and 7	147,591,715	4	135,723,396	4	136,378,337	4
26000	Lease liabilities	6(47)	6,119,031	-	6,191,253	-	4,672,759	-
29300	Deferred income tax liabilities		7,028,263	-	5,341,639	-	5,508,212	-
29500	Other liabilities	6(29) and 7	104,858,336	3	72,643,721	2	58,863,519	2
	TOTAL LIABILITIES		<u>3,273,971,411</u>	<u>91</u>	<u>2,990,283,674</u>	<u>91</u>	<u>2,934,463,212</u>	<u>91</u>
31000	Equity attributable to owners of the parent company							
31100	Share capital							
31101	Common stock	6(30)	126,890,824	3	126,890,824	4	125,015,590	4
31107	Stock dividend to be distributed		2,537,816	-	-	-	1,875,234	-
31500	Additional paid-in capital	6(31)	38,192,619	1	38,188,103	1	38,090,889	1
32000	Retained earnings							
32001	Legal reserve	6(32)	25,415,714	1	22,561,044	1	22,561,044	1
32003	Special reserve	6(32)	6,549,233	-	13,517,403	-	13,517,403	-
32011	Undistributed earnings	6(33)	86,168,284	2	80,901,931	2	68,873,387	2
32500	Other equity							
32500	Other equity interest	6(34)	10,609,015	1	4,947,633	1	3,127,235	-
39500	Non-controlling interests		<u>20,952,088</u>	<u>1</u>	<u>21,369,208</u>	<u>-</u>	<u>20,460,065</u>	<u>1</u>
	TOTAL EQUITY		<u>317,315,593</u>	<u>9</u>	<u>308,376,146</u>	<u>9</u>	<u>287,266,377</u>	<u>9</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 3,591,287,004</u>	<u>100</u>	<u>\$ 3,298,659,820</u>	<u>100</u>	<u>\$ 3,221,729,589</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
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
41000	Interest income	6(35) and 7	\$ 17,619,300	63	\$ 15,221,020	58	\$ 34,169,078	58	\$ 29,403,193	59
51000	Less: Interest expense	6(35) and 7	(9,429,947)	(34)	(7,648,976)	(29)	(18,370,579)	(31)	(14,513,769)	(29)
49600	Net interest income	6(35)	<u>8,189,353</u>	<u>29</u>	<u>7,572,044</u>	<u>29</u>	<u>15,798,499</u>	<u>27</u>	<u>14,889,424</u>	<u>30</u>
	Net non-interest income									
49800	Net service fee and commission income	6(36) and 7	9,242,086	33	6,375,906	24	16,889,118	29	11,848,071	24
49810	Net income from insurance operations	6(37) and 7	659,771	2	2,440,017	9	3,914,251	7	5,985,848	12
49820	Gain or loss on financial assets and financial liabilities at fair value through profit or loss	6(38) and 7	3,824,975	14	2,975,382	11	9,181,677	16	10,740,330	21
49825	Gain on investment property	7	125,569	-	40,489	-	164,963	-	82,189	-
49835	Realised gain on financial assets at fair value through other comprehensive income		524,122	2	2,705,991	10	636,182	1	2,729,860	6
49850	Net gain or loss arising from derecognition of financial assets measured at amortised cost	6(5)	(82,599)	-	(119,404)	-	(143,495)	-	(127,693)	-
49870	Foreign exchange gain or loss		3,333,153	12	4,846,490	18	10,018,894	17	3,117,159	6
49880	(Loss) reversal gain on assets impairment	6(39)	8,573	-	20,153	-	(14,955)	-	18,140	-
49890	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	(5,627)	-	(12,377)	-	119,410	-	(14,505)	-
49898	Gain or loss on reclassification under the overlay approach		(811,290)	(3)	(1,657,426)	(6)	(2,081,463)	(4)	(3,336,054)	(7)
49921	Net gain on sale of non-performing loans		118,467	-	77,422	-	212,609	-	163,556	-
49945	Consultation service income		1,819,940	7	1,301,981	5	3,577,863	6	2,418,466	5
49999	Net other miscellaneous income or loss	6(40) and 7	<u>1,037,161</u>	<u>4</u>	<u>(24,931)</u>	<u>-</u>	<u>725,904</u>	<u>1</u>	<u>1,617,813</u>	<u>3</u>
49700	Total net non-interest income		<u>19,794,301</u>	<u>71</u>	<u>18,969,693</u>	<u>71</u>	<u>43,200,958</u>	<u>73</u>	<u>35,243,180</u>	<u>70</u>
	Net profit		27,983,654	100	26,541,737	100	58,999,457	100	50,132,604	100
58100	Provision for bad debt expenses, commitment and guarantee policy reserve	6(41)	(439,763)	(2)	(419,001)	(1)	(754,500)	(1)	(162,726)	-
58300	Net change in provisions for insurance liabilities	6(26)	(2,299,917)	(8)	(3,926,933)	(15)	(6,436,064)	(11)	(8,022,660)	(16)
	Operating expenses									
58501	Employee benefit expense	6(42) and 7	(8,595,295)	(31)	(7,145,021)	(27)	(17,637,945)	(30)	(14,503,360)	(29)
58503	Depreciation and amortization	6(43)	(924,303)	(3)	(793,553)	(3)	(1,827,570)	(3)	(1,601,949)	(3)
58599	Other business and administrative expenses	6(44) and 7	(4,878,072)	(18)	(3,843,005)	(15)	(9,505,038)	(16)	(7,397,583)	(15)
58500	Total Operating Expenses		<u>(14,397,670)</u>	<u>(52)</u>	<u>(11,781,579)</u>	<u>(45)</u>	<u>(28,970,553)</u>	<u>(49)</u>	<u>(23,502,892)</u>	<u>(47)</u>
61000	Consolidated income from continuing operations before income tax		10,846,304	38	10,414,224	39	22,838,340	39	18,444,326	37
61003	Income tax expense	6(45)	(1,971,179)	(7)	(979,673)	(4)	(4,004,731)	(7)	(2,604,795)	(5)
69000	Consolidated net income		<u>\$ 8,875,125</u>	<u>31</u>	<u>\$ 9,434,551</u>	<u>35</u>	<u>\$ 18,833,609</u>	<u>32</u>	<u>\$ 15,839,531</u>	<u>32</u>

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	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	(\$ 25,574)	-	\$ 98,598	-	(\$ 277,121)	(1)	(\$ 93,982)	-
69563	Share of other comprehensive income or loss of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	8	-	102	-	(6,150)	-	1,486	-
69565	Change in fair value of financial liability attributable to change in credit risk of liability	1,045	-	146	-	1,193	-	184	-
69567	Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	2,683,406	10	(2,468,938)	(9)	5,138,496	9	(32,477)	-
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	43,396	-	(119,802)	-	66,857	-	(59,433)	-
Components of other comprehensive income that will be reclassified to profit or loss									
69571	Exchange differences on translation of foreign financial statements	(269,399)	(1)	460,408	2	(125,847)	-	(1,391,808)	(3)
69585	Revaluation gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(829,614)	(3)	(368,068)	(1)	(1,389,873)	(2)	3,186,305	6
69587	Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	(4,563)	-	(2,744)	-	(1,962)	-	(1,548)	-
69590	Other comprehensive gain or loss on reclassification under the overlay approach	811,290	3	1,657,426	6	2,081,463	3	3,336,054	7
69579	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	38,126	-	142,522	-	54,473	-	58,686	-
69500	Other comprehensive income (net of tax)	<u>\$ 2,448,121</u>	<u>9</u>	<u>(\$ 600,350)</u>	<u>(2)</u>	<u>\$ 5,541,529</u>	<u>9</u>	<u>\$ 5,003,467</u>	<u>10</u>
69700	Total comprehensive income	<u>\$ 11,323,246</u>	<u>40</u>	<u>\$ 8,834,201</u>	<u>33</u>	<u>\$ 24,375,138</u>	<u>41</u>	<u>\$ 20,842,998</u>	<u>42</u>
Consolidated net income attributable to:									
69901	Parent company	\$ 8,425,973	29	\$ 9,197,240	34	\$ 17,660,983	30	\$ 14,969,541	30
69903	Non-controlling interests	449,152	2	237,311	1	1,172,626	2	869,990	2
		<u>\$ 8,875,125</u>	<u>31</u>	<u>\$ 9,434,551</u>	<u>35</u>	<u>\$ 18,833,609</u>	<u>32</u>	<u>\$ 15,839,531</u>	<u>32</u>
Consolidated comprehensive income attributable to:									
69951	Parent company	\$ 11,000,007	39	\$ 8,272,320	31	\$ 23,310,042	39	\$ 20,359,087	41
69953	Non-controlling interests	323,239	1	561,881	2	1,065,096	2	483,911	1
		<u>\$ 11,323,246</u>	<u>40</u>	<u>\$ 8,834,201</u>	<u>33</u>	<u>\$ 24,375,138</u>	<u>41</u>	<u>\$ 20,842,998</u>	<u>42</u>
Earnings per share (in New Taiwan Dollars)									
70001	Basic earnings per share from continuing operations		0.63		0.71		1.36		1.16

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
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Share Capital		Retained Earnings				Other equity interest					
	Common stock	Stock dividend to be distributed	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets at fair value through other comprehensive income	Other comprehensive income (loss) on reclassification under the overlay approach	Change in fair value of financial liability attributable to change in credit risk	Non-controlling interests	Total equity
For the six months ended June 30, 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 period	-	-	-	-	-	14,969,541	-	-	-	-	869,990	15,839,531
Other comprehensive (loss) income for the period	-	-	-	-	-	(44,585)	(887,953)	2,955,869	3,366,041	174	(386,079)	5,003,467
Total comprehensive income (loss) for the period	-	-	-	-	-	14,924,956	(887,953)	2,955,869	3,366,041	174	483,911	20,842,998
Appropriation of 2022 earnings												
Legal reserve	-	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-	-
Special reserve	-	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	(10,001,247)	-	-	-	-	(654,656)	(10,655,903)
Stock dividend	-	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	80,325	-	-	-	-	-	-	-	-	80,325
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(383,951)	(383,951)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,593,196	-	(1,593,196)	-	-	-	-
Balance, June 30, 2023	<u>\$ 125,015,590</u>	<u>\$ 1,875,234</u>	<u>\$ 38,090,889</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 68,873,387</u>	<u>(\$ 7,007,857)</u>	<u>\$ 5,808,212</u>	<u>(\$ 1,876,546)</u>	<u>(\$ 51,044)</u>	<u>\$ 20,460,065</u>	<u>\$ 287,266,377</u>
For the six months ended June 30, 2024												
Balance, January 1, 2024	\$ 126,890,824	\$ -	\$ 38,188,103	\$ 22,561,044	\$ 13,517,403	\$ 80,901,931	(\$ 6,961,608)	\$ 14,117,852	(\$ 2,159,647)	(\$ 48,964)	\$ 21,369,208	\$ 308,376,146
Consolidated net income for the period	-	-	-	-	-	17,660,983	-	-	-	-	1,172,626	18,833,609
Other comprehensive (loss) income for the period	-	-	-	-	-	(123,128)	(35,889)	3,752,431	2,054,452	1,193	(107,530)	5,541,529
Total comprehensive income (loss) for the period	-	-	-	-	-	17,537,855	(35,889)	3,752,431	2,054,452	1,193	1,065,096	24,375,138
Appropriation of 2023 earnings												
Legal reserve	-	-	-	2,854,670	-	(2,854,670)	-	-	-	-	-	-
Special reserve	-	-	-	-	(6,968,170)	6,968,170	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	(13,957,991)	-	-	-	-	(1,063,818)	(15,021,809)
Stock dividend	-	2,537,816	-	-	-	(2,537,816)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	4,516	-	-	-	-	-	-	-	-	4,516
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(418,398)	(418,398)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	110,805	-	(110,805)	-	-	-	-
Balance, June 30, 2024	<u>\$ 126,890,824</u>	<u>\$ 2,537,816</u>	<u>\$ 38,192,619</u>	<u>\$ 25,415,714</u>	<u>\$ 6,549,233</u>	<u>\$ 86,168,284</u>	<u>(\$ 6,997,497)</u>	<u>\$ 17,759,478</u>	<u>(\$ 105,195)</u>	<u>(\$ 47,771)</u>	<u>\$ 20,952,088</u>	<u>\$ 317,315,593</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
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Six months ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 22,838,340	\$ 18,444,326
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	1,511,056	1,301,766
Amortization	316,514	300,183
Provision for bad debt expense, commitment and guarantee policy reserve	1,093,184	836,204
Interest expense	18,370,579	14,513,769
Interest income	(34,169,078)	(29,403,193)
Dividend income	(2,046,062)	(6,508,888)
Loss (reversal gain) on assets impairment	14,955	(18,140)
Loss on reclassification under the overlay approach	2,081,463	3,336,054
Share of the profit or loss of associates and joint ventures accounted for under the equity method	(119,410)	14,505
Gain on disposal of assets held for sale	(6,044)	-
Gain on disposal of investment property	(85,004)	-
Gain on disposal or retirement of property and equipment	(1,814)	(2,872)
Loss on disposal of intangible assets	1	-
Loss on lease modification	52	432
Net change in insurance liabilities	8,376,661	8,108,879
Changes in operating assets and liabilities		
Changes in operating assets		
Due from Central Bank and call loans to other banks	(5,868,111)	(2,356,227)
Financial assets at fair value through profit or loss	(32,180,674)	(110,555,333)
Financial assets at fair value through other comprehensive income	(43,753,856)	(20,414,752)
Investments in debt instruments measured at amortised cost	(13,971,861)	(10,681,942)
Receivables	(92,671,226)	(50,648,611)
Bills discounted and loans	(86,507,627)	(24,953,735)
Reinsurance contract assets	(7,911)	(4,073)
Restricted assets	(740,395)	197,725
Other financial assets	(8,451,423)	345,760
Other assets	(10,118,273)	(3,642,039)
Changes in operating liabilities		
Deposits from Central Bank and other banks	(5,375,257)	(29,525,019)
Financial liabilities at fair value through profit or loss	8,016,135	(5,767,836)
Payables	27,712,493	23,239,856
Deposits and remittances	111,509,071	122,805,716
Liabilities reserve	(229,053)	307,330
Other financial liabilities	15,230,083	(5,121,391)
Other liabilities	32,213,304	(4,378,591)
Cash outflow generated from operations	(87,019,188)	(110,230,137)
Interest received	33,291,054	28,350,934
Dividend received	1,945,900	5,463,385
Interest paid	(17,720,982)	(13,748,667)
Income tax paid	(3,114,297)	(495,415)
Net cash flows used in operating activities	(72,617,513)	(90,659,900)

(Continued)

YUANTA FINANCIAL HOLDINGS CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Six months ended June 30	
	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of equity investments accounted for under the equity method	(\$ 600,620)	(\$ 63,989)
Proceeds from liquidation of equity investments accounted for under the equity method	1,293,072	57,117
Acquisition of investment property	(729,774)	(436,477)
Proceeds from disposal of investment property	356,192	-
Acquisition of property and equipment	(2,957,346)	(1,005,091)
Proceeds from disposal of property and equipment	2,866	5,349
Acquisition of intangible assets	(112,974)	(152,374)
Proceeds from disposal of intangible assets	-	8
Acquisition of right-of-use assets	(98)	-
Net cash flows used in investing activities	(2,748,682)	(1,595,457)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in bills and bonds payable under repurchase agreements	(14,507,101)	22,279,957
Increase in commercial paper payable	58,797,002	49,563,194
Proceeds from issuance of bonds	8,768,137	-
Repayments of bonds	(3,542,850)	(8,000,000)
Proceeds from issuance of bank debentures	1,000,000	-
Increase in other borrowings	18,355,988	8,379,629
Principal payment for lease liabilities	(855,545)	(705,529)
Decrease in non-controlling interests	(1,482,216)	(1,038,607)
Net cash flows generated from financing activities	66,533,415	70,478,644
Net effect of foreign exchange rate changes	3,997,285	(403,499)
Net decrease in cash and cash equivalents	(4,835,495)	(22,180,212)
Cash and cash equivalents at beginning of period	218,948,309	206,929,363
Cash and cash equivalents at end of period	\$ 214,112,814	\$ 184,749,151
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 87,649,693	\$ 75,644,781
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	39,777,280	36,069,692
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	86,685,841	73,034,678
Cash and cash equivalents at end of reporting period	\$ 214,112,814	\$ 184,749,151

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

YUANTA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(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 shareholders’ 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 shareholders’ 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 August 23, 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 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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 effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial Instruments’	January 1, 2026
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
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
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. Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	
The IASB issued the amendments to:	
(a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.	
The conditions for the exception are that the entity making the payment does not have:	
i. the practical ability to withdraw, stop or cancel the payment instruction;	
ii. the practical ability to access the cash used for settlement; and	
iii. significant settlement risk.	
(b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.	
(c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.	
(d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any	

transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. 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.

C. 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.

D. 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.

E. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

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

A. The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the "Yuanta Group") have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports

by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and IAS 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Financial assets at fair value through other comprehensive income.

(C) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

(D) Various insurance liabilities, reinsurance reserve assets, and foreign exchange reserves are set aside and recognised in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and relevant regulations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Yuanta Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Yuanta Securities	Securities brokerage, dealing, underwriting, financing and refinancing, futures business and raising and issuing derivative instruments	100.00	100.00	100.00	
	Yuanta Bank	Banking	100.00	100.00	100.00	
	Yuanta Life Insurance Co., Ltd. (“Yuanta Life”)	Life insurance business	100.00	100.00	100.00	
	Yuanta Futures Co., Ltd. (“Yuanta Futures”)	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	66.27	66.27	
	Yuanta Securities Investment Trust Co., Ltd. (“Yuanta Securities Investment Trust”)	Securities investment trust	74.71	74.71	74.71	
	Yuanta Venture Capital Co., Ltd. (“Yuanta Venture Capital”)	Venture capital investments	100.00	100.00	100.00	
	Yuanta Asset Management Co., Ltd. (“Yuanta Asset Management”)	Management of monetary debts of financial institutions	100.00	100.00	100.00	
	Yuanta Securities Investment Consulting Co., Ltd. (“Yuanta Securities Investment Consulting”)	Securities investment consultant	100.00	100.00	100.00	
Yuanta Securities	Yuanta Securities Asia Financial Services Private Limited (“Yuanta Securities Asia Financial Services”)	Investment holding	100.00	100.00	100.00	
	Yuanta International Insurance Brokers Co., Ltd. (“Yuanta International Insurance Brokers”)	Insurance brokerage services	100.00	100.00	100.00	
	Yuanta Securities Finance Co., Ltd. (“Yuanta Securities Finance”)	Securities financing and refinancing to securities firms and related business	100.00	100.00	100.00	
	Yuanta Wealth Management (Singapore) Pte. Ltd. (“Yuanta Wealth Management (Singapore)”)	Note 1	100.00	100.00	100.00	Note 1
Yuanta Securities Asia Financial Services	Yuanta Securities (Hong Kong) Limited (“Yuanta Securities (Hong Kong)”)	Securities trading, futures contract trading, providing opinions on securities, futures contract and institutions’ financing, asset management services	100.00	100.00	100.00	
	Yuanta Asia Investment (Hong Kong) Ltd. (“Yuanta Asia Investment (Hong Kong)”)	Securities trading, asset management services	100.00	100.00	100.00	
	Yuanta Investment Consulting (Beijing) Co., Ltd. (“Yuanta Investment Consulting Beijing”)	Investment and management consultancy, financial consultancy, enterprise management consultancy, business information consultancy, economic and trade consultancy, marketing strategy and plan, technique promotion and technique service	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
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	58.56	58.54	58.19	
	Yuanta Hong Kong Holdings (Cayman) Ltd. (“Yuanta HK Holdings (Cayman)”)	Investment holding	100.00	100.00	100.00	
	Yuanta Securities Thailand Co., Ltd. (“Yuanta Securities (Thailand)”)	Securities brokerage, dealing in securities, underwriting and investment consultation, management of mutual fund, management of private fund, management venture capital fund, securities lending, brokerage and dealer of derivative instrument	99.99	99.99	99.99	
	Yuanta Securities Vietnam Limited Company (“Yuanta Securities (Vietnam)”)	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	94.10	94.10	94.10	
Yuanta Securities (Korea)	Yuanta Investment Co.,Ltd.	Investment business	58.56	58.54	58.19	
	Yuanta Financial (Hong Kong) Ltd. (“Yuanta Financial (Hong Kong)”)	Investment holding	58.56	58.54	58.19	
Yuanta Financial (Hong Kong)	Yuanta Securities (Cambodia) Plc.	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	58.56	58.54	58.19	
Yuanta Securities (Hong Kong)	Yuanta International Investment (Hong Kong) Ltd. (“Yuanta International Investment (Hong Kong)”)	Issuance of financial instruments and dealing investments	100.00	100.00	100.00	
	Yuanta Finance (Hong Kong) Ltd.	Credit loan business	100.00	100.00	100.00	
	PT Yuanta Sekuritas Indonesia (“Yuanta Securities (Indonesia)”)	Securities trading and underwriting services	99.00	99.00	99.00	
	Yuanta Securities (Vietnam)	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	5.90	5.90	5.90	
	YUANTA Quantivantage Fund SP	Investment business	36.00	-	-	Note 2
Yuanta Investment Co.,Ltd.	Yuanta Quantum Jump No.3 Fund	Investment business	25.10	25.09	24.94	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Yuanta Bank	Yuanta International Leasing Co., Ltd. ("Yuanta International Leasing")	Leasing business	-	100.00	100.00	Note 3
	Yuanta Savings Bank (Philippines) Inc. (Yuanta Savings Bank (Philippines))	Deposits and loans of savings bank	100.00	100.00	100.00	
	Yuanta Savings Bank (Korea) Inc. (Yuanta Savings Bank (Korea))	Deposits and loans of savings bank	100.00	100.00	100.00	
Yuanta Futures	Yuanta Futures (Hong Kong) Limited ("Yuanta Futures (Hong Kong)")	Financial services	66.27	66.27	66.27	
	SYF Information Limited ("SYF Information")	Information service	66.27	66.27	66.27	Note 4
	Yuanta Global (Singapore) Pte. Ltd. ("Yuanta Global (Singapore)")	Note 5	66.27	66.27	66.27	Note 5
Yuanta Venture Capital	Yuanta I Venture Capital Co., Ltd. ("Yuanta I Venture Capital")	Venture capital investments	100.00	100.00	100.00	

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

Note 2: Subscribed in the first quarter of 2024.

Note 3: On April 22, 2024, the Board of Directors of Yuanta International Leasing acting on behalf of the shareholders' meeting approved the dissolution of April 30, 2024 as the record date for the dissolution.

Note 4: On June 26, 2024, the Board of Directors of Yuanta Futures resolved to set the record date for dissolution of SYF Information as July 31, 2024.

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

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C. The structured entities controlled by Yuanta Securities (Korea) are as follows:
June 30, 2024

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 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
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
Perfect-dream the 5th. Co., Ltd.	Asset-backing
YFI yangsan Co., Ltd.	Asset-backing
YK Land the 1st. Co., Ltd.	Asset-backing
Mountain Rich the 1st. Co., Ltd.	Asset-backing
Y.K Petro the 1st. Co., Ltd.	Asset-backing
YK DS Co., Ltd.	Asset-backing
YK IB the 2nd. Co., Ltd.	Asset-backing

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

June 30, 2023

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

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

- D. Subsidiaries not included in the consolidated financial statements:
None.

E. Adjustments for subsidiaries with different balance sheet dates:

None.

F. Significant restrictions:

None.

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

As of June 30, 2024, December 31, 2023 and June 30, 2023, the non-controlling interests amounted to \$20,952,088, \$21,369,208 and \$20,460,065, respectively. The information of non-controlling interests and respective subsidiaries is as follows:

Subsidiary	Principal place of business	Non-controlling interests					
		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Yuanta Securities (Korea)	Korea	\$ 14,901,696	41.44%	\$ 15,136,461	41.46%	\$ 14,804,877	41.81%

The comprehensive income (loss) attributable to these non-controlling interests were (\$117,681), \$198,821, \$163,482 and (\$194,675) for the three months and six months ended June 30, 2024 and 2023, respectively.

Summarized financial information for the aforementioned subsidiaries:

Consolidated balance sheets

	Yuanta Securities (Korea) and its subsidiaries		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 346,072,744	\$ 374,120,897	\$ 333,846,584
Non-current assets	15,666,527	16,175,705	14,774,000
Current liabilities	(315,194,117)	(343,795,784)	(304,840,904)
Non-current liabilities	(9,025,755)	(8,521,378)	(6,904,693)
Total net assets	<u>\$ 37,519,399</u>	<u>\$ 37,979,440</u>	<u>\$ 36,874,987</u>

Consolidated statements of comprehensive income

	Yuanta Securities (Korea) and its subsidiaries	
	For the three months ended June 30,	
	2024	2023
Revenue	\$ 4,416,990	\$ 4,000,572
Profit (loss) before income tax	216,107	(340,360)
Income tax (expense) benefit	(54,106)	72,203
Net income (loss)	162,001	(268,157)
Other comprehensive (loss) income (net of tax)	(442,212)	741,894
Total comprehensive (loss) income for the period	<u>(\$ 280,211)</u>	<u>\$ 473,737</u>

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue	\$ 10,414,414	\$ 9,064,277
Profit before income tax	1,272,942	815,814
Income tax expense	(303,511)	(217,393)
Net income	969,431	598,421
Other comprehensive income (loss) (net of tax)	(536,836)	(1,012,675)
Total comprehensive income (loss) for the period	<u>\$ 432,595</u>	<u>(\$ 414,254)</u>

Consolidated statements of cash flows

	<u>Yuanta Securities (Korea) and its subsidiaries</u>	
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Net cash provided by (used in) operating activities	\$ 8,426,149	(\$ 4,114,816)
Net cash provided by (used in) investing activities	757,272	(3,852,652)
Net cash (used in) provided by financing activities	(7,477,350)	7,927,706
Effects of exchange rate changes	(18,228)	(268,678)
Increase (decrease) in cash and cash equivalents	<u>1,687,843</u>	<u>(308,440)</u>
Cash and cash equivalents, beginning of period	<u>13,701,288</u>	<u>14,687,558</u>
Cash and cash equivalents, end of period	<u>\$ 15,389,131</u>	<u>\$ 14,379,118</u>

(4) Other material accounting policies

These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. Except for the accounting policies listed below, please refer to the notes to the consolidated financial statements for the year ended December 31, 2023 for information on significant accounting policies.

A. Financial assets and liabilities

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

(A) Financial assets

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

a. Regular way purchase or sale

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

b. Bills discounted and loans

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

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

financial asset and related gains or losses are recognised.

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

c. Receivables

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

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

e. Financial assets at fair value through other comprehensive income

- (a) Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Yuanta Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - ii. The assets' contractual cash flows represent solely payments of principal and interest.
- (b) At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. The Yuanta Group subsequently measures the financial assets at fair value:

- i. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Yuanta Group and the amount of the dividend can be measured reliably.
 - ii. Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.
- f. Investments in debt instruments at amortised cost
 - (a) Investments in debt instruments at amortised cost are those that meet all of the following criteria:
 - i. The objective of the Yuanta Group's business model is achieved by collecting contractual cash flows.
 - ii. The assets' contractual cash flows represent solely payments of principal and interest.
 - (b) At initial recognition, the Yuanta Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- g. Other financial assets

Purchase of claim receivable — non-performing loans of financial institutions are measured by fair value of financial asset on initial recognition when being obtained by the Yuanta Group and will be subsequently measured by fair value with changes in fair value recognised as profit and loss in the period.
- (B) Financial liabilities

Financial liabilities held by the Yuanta Group include financial liabilities at fair value through profit and loss (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 of the financial asset have been transferred and the Yuanta Group has transferred substantially all risks and rewards of ownership of the financial asset.
- c. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Yuanta Group has not retained control of the financial asset.

(D) Derecognition of financial liabilities

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

B. Impairment of financial assets

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

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

C. Impairment of non-financial assets

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit

from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

D. Intangible assets

- (A) 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.

E. Provision basis for various insurance liabilities

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

(A) Unearned premium reserve

For effective contracts with a coverage period under one year, unearned premium reserve is provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period; for casualty insurance with coverage period over one year, unearned premium reserve is provided in accordance with Jin-Guan-Bao-Cai-Zi 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.

F. Employee benefits

(A) Short-term employee benefits

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

(B) Pensions

a. Defined contribution plans

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

b. Defined benefit plans

(a) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Yuanta Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The 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 immediately in other comprehensive income in the period in which they arise and are recorded as retained earnings.
 - (c) Past service costs are recognised immediately in profit or loss.
 - (d) Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.
- c. Deposits
- The Yuanta Group provides preferential interest rate for its employees, including flat preferential savings for current employees. The difference gap compared to market interest rate is deemed as employee benefits.
- d. Termination benefits
- Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Yuanta Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Yuanta Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.
- e. Employees' compensation and directors' and supervisors' remuneration
- Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the shareholders at their shareholders' meeting subsequently, the differences should be accounted for as changes in estimates.

G. Income tax

(A) Current income tax

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

(B) Deferred income tax

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

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

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

The accounting policies, accounting assumptions and estimates have an impact on the Yuanta Group's consolidated financial statements. Thus, when applying significant accounting policies as described in Note 4, management needs to make appropriate judgements for the information that cannot be easily obtained through other sources and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Yuanta Group's assumptions and estimates are the best assumptions based on IFRSs, and are continually evaluated and adjusted based on historical experience and other factors. Certain accounting policies and management's judgements have significant impact on the recognised amounts in the consolidated financial statements are outlined below:

(1) Expected credit losses of bills discounted and loans

At each reporting date, the Yuanta Group assesses expected credit losses of bills discounted and loans after taking into consideration all reasonable and verifiable information (including forecasts.) Measurement of expected credit losses involves determining whether there is significant increase in credit risk on the assets since initial recognition, or whether the asset is credit-impaired, calculating probability of default, loss given default, and exposure at default of the credit loss model, and adjusting parameters of the model after forecastable assessments of the probability of default. Please refer to Note 6(9) for the details of the total amount of discount and loans (including discount and premium adjustment) and allowance for accounts receivable as of June 30, 2024.

(2) Fair value valuation of unlisted stocks

Financial instruments with no active market or quoted price use valuation techniques to determine the fair value. Under such condition, fair value is assessed through the observable information or models of similar financial instruments. If there is no observable input available in the market, the fair value of financial instrument is assessed through appropriate assumptions. When valuation models are adopted to determine the fair value, all the models should be calibrated to ensure that the output can actually reflect actual information and market price. Models should try to use only observable information as much as possible. Please refer to Note 12(2) for details of the carrying amount of unlisted financial assets at fair value through other comprehensive income as of June

30, 2024.

(3) Impairment assessment of goodwill

The Yuanta Group assesses regularly the impairment of goodwill at the end of year. The recoverable amounts of related cash-generating units are determined based on value-in-use calculations. The calculations use estimate of expected future cash flows and discount rate.

(4) Insurance contract liabilities

The Company evaluates long-term insurance contract liabilities in compliance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. The assumptions of mortality rate, lapse rate, and discount rate are as follows: The mortality rate is based on Taiwan Standard Ordinary Experience Mortality Table. The lapse rate 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 June 30, 2024.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand	\$ 6,503,246	\$ 7,031,300	\$ 6,138,749
Deposits in banks	77,006,641	71,111,899	66,231,975
Futures excess margin and cash equivalents	2,549,399	2,088,601	2,746,339
Checks for clearance	1,590,407	1,638,160	527,718
Total	<u>\$ 87,649,693</u>	<u>\$ 81,869,960</u>	<u>\$ 75,644,781</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Reserve for deposits - account A	\$ 22,451,159	\$ 15,405,956	\$ 15,864,536
Reserve for deposits - account B	51,131,192	45,217,980	45,005,938
Deposits by foreign subsidiary to designated accounts of respective local central banks	2,891,428	2,232,294	2,698,807
Reserve for deposits	11,764,757	13,246,331	11,715,716
Call loans to banks	3,082,750	7,007,579	6,313,108
Total	<u>\$ 91,321,286</u>	<u>\$ 83,110,140</u>	<u>\$ 81,598,105</u>

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

use is restricted to monthly adjustment in the reserve for deposits only according to relevant regulations.

B. Please refer to Note 8 for details of the above due from Central Bank and call loans to other banks pledged as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023.

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

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss			
Commercial paper	\$ 103,271,643	\$ 87,992,496	\$ 81,937,179
Beneficiary certificates / securities	67,773,867	75,774,944	49,344,913
Short-term notes and bills	17,279,572	16,003,217	12,117,514
Listed stocks	70,149,918	31,213,329	61,637,291
Emerging stocks	1,780,627	1,893,718	1,594,047
Government bonds	27,945,933	40,585,060	33,802,809
Bank debentures	107,375,878	116,349,322	96,901,446
Corporate bonds	31,396,140	34,934,285	39,126,645
Convertible corporate bonds	60,447,072	63,236,850	60,061,236
Derivative financial instruments	15,944,915	17,922,423	17,361,402
Structured products	20,716,681	15,241,899	14,604,050
Reserve for claims of customers' deposits with KSFC (Note 1)	54,798,247	54,827,303	52,577,475
Other marketable securities	6,442,100	6,456,181	12,570,172
Valuation adjustment	10,559,277	1,270,169	(3,023,464)
Total	<u>\$ 595,881,870</u>	<u>\$ 563,701,196</u>	<u>\$ 530,612,715</u>
Financial liabilities held for trading			
Derivative financial instruments	\$ 37,165,010	\$ 31,418,104	\$ 34,539,721
Non-derivative financial instruments	34,062,560	41,966,169	21,382,882
Valuation adjustment of financial liabilities held for trading – non-derivative financial instruments	2,558,256	2,518,776	1,161,441
Liabilities for issuance of ETNs	892,842	892,156	1,390,660
Financial liabilities designated as at fair value through profit or loss			
Structured products (Note 2)	66,908,008	57,804,859	47,512,767
Convertible bond asset swap not qualifying for derecognition (Note 2)	25,098,981	24,070,650	23,067,202
Total	<u>\$ 166,685,657</u>	<u>\$ 158,670,714</u>	<u>\$ 129,054,673</u>

Note 1: KSFC stands for Korea Securities Finance Corporation.

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

A. Please refer to Note 8 for details of the above financial assets at fair value through profit or loss pledged to others as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Equity instruments			
Domestic stocks	\$ 13,673,407	\$ 1,122,201	\$ 12,440,408
Overseas stocks	180,399	-	-
	<u>13,853,806</u>	<u>1,122,201</u>	<u>12,440,408</u>
Domestic beneficiary certificates	23,068,168	22,465,016	17,280,736
Overseas beneficiary certificates	1,055,461	684,115	680,197
	<u>\$ 37,977,435</u>	<u>\$ 24,271,332</u>	<u>\$ 30,401,341</u>

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

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Profit recognised in accordance with IFRS 9	\$ 1,828,805	\$ 2,794,739
Less: Profit that would have been recognised under IAS 39	(1,017,515)	(1,137,313)
Profit from adopting the overlay approach	<u>\$ 811,290</u>	<u>\$ 1,657,426</u>
Effects on income tax	<u>(\$ 21,332)</u>	<u>(\$ 1,837)</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Profit recognised in accordance with IFRS 9	\$ 3,682,525	\$ 4,850,841
Less: Profit that would have been recognised under IAS 39	(1,601,062)	(1,514,787)
Profit from adopting the overlay approach	<u>\$ 2,081,463</u>	<u>\$ 3,336,054</u>
Effects on income tax	<u>(\$ 27,011)</u>	<u>\$ 29,987</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

<u>Items</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Debt instruments			
Government bonds	\$ 60,415,448	\$ 51,723,187	\$ 71,965,533
Bank debentures	65,195,511	63,494,452	70,140,919
Corporate bonds	152,630,671	144,189,952	179,248,367
Commercial paper	766	772	768
Others	2,765,945	1,891,952	1,894,016
Valuation adjustment	(12,315,653)	(11,461,127)	(16,977,932)
Subtotal	<u>268,692,688</u>	<u>249,839,188</u>	<u>306,271,671</u>

Items	June 30, 2024	December 31, 2023	June 30, 2023
Equity instruments			
Listed stocks	\$ 29,174,217	\$ 5,542,753	\$ 23,157,610
Unlisted stocks/Emerging stocks	4,570,944	4,582,490	4,576,236
Others	2,648,250	2,648,611	2,657,646
Valuation adjustment	34,679,125	29,649,776	26,616,920
Subtotal	<u>71,072,536</u>	<u>42,423,630</u>	<u>57,008,412</u>
Total	<u>\$ 339,765,224</u>	<u>\$ 292,262,818</u>	<u>\$ 363,280,083</u>

- A. The Yuanta Group has elected to classify strategic equity investments not held for trading as financial assets at fair value through other comprehensive income. As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair value of such investments were \$71,072,536, \$42,423,630 and \$57,008,412, respectively.
- B. The Yuanta Group disposed equity instruments at fair value through other comprehensive income for purposes of investment portfolio adjustment and asset allocation. For the six months ended June 30, 2024 and 2023, the fair value of such equity investments sold amounted to \$1,723,905 and \$10,249,528, and accumulated gains on disposal were \$112,143 and \$1,623,101, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three months ended June 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 2,683,406	(\$ 2,468,938)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 5,574	\$ 1,631,408
Dividend income recognised in profit or loss		
Held at end of period	\$ 493,893	\$ 2,831,765
Derecognised in the current period	34,156	523,603
	<u>\$ 528,049</u>	<u>\$ 3,355,368</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 833,593)	(\$ 1,017,530)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 4,511)	(\$ 2,659)
Reclassified due to derecognition	3,927	649,377
	<u>(\$ 584)</u>	<u>\$ 646,718</u>
Interest income recognised in profit or loss	<u>\$ 1,595,288</u>	<u>\$ 1,267,479</u>

	For the six months ended June 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 5,138,496	(\$ 32,477)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 110,805	\$ 1,593,196
Dividend income recognised in profit or loss		
Held at end of period	\$ 676,665	\$ 3,032,495
Derecognised in the current period	34,156	530,662
	<u>\$ 710,821</u>	<u>\$ 3,563,157</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 1,464,586)	\$ 2,352,958
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment recognition	(\$ 1,888)	(\$ 1,498)
Reclassified due to derecognition	74,639	833,297
	<u>\$ 72,751</u>	<u>\$ 831,799</u>
Interest income recognised in profit or loss	<u>\$ 3,037,347</u>	<u>\$ 2,429,210</u>

D. Details of the above financial assets at fair value through other comprehensive income pledged to others as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023, 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	June 30, 2024	December 31, 2023	June 30, 2023
Government bonds	\$ 110,622,477	\$ 109,776,649	\$ 117,580,179
Time deposits	130,408,540	142,692,828	156,663,880
Bank debentures	127,167,754	119,849,038	118,036,314
Corporate bonds	188,627,633	170,532,824	162,656,483
Subtotal	556,826,404	542,851,339	554,936,856
Less: Accumulated impairment	(162,224)	(159,669)	(160,210)
Statutory deposits	(3,560,400)	(3,560,400)	(3,560,400)
Total	<u>\$ 553,103,780</u>	<u>\$ 539,131,270</u>	<u>\$ 551,216,246</u>

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

	For the three months ended June 30,	
	2024	2023
Interest income	\$ 3,649,495	\$ 3,353,803
Reversal gain on impairment	1,117	4,153
Losses on disposal	(82,599)	(119,404)
	<u>\$ 3,568,013</u>	<u>\$ 3,238,552</u>
	For the six months ended June 30,	
	2024	2023
Interest income	\$ 7,272,582	\$ 6,550,614
(Impairment loss) reversal gain	(2,546)	3,176
Losses on disposal	(143,495)	(127,693)
	<u>\$ 7,126,541</u>	<u>\$ 6,426,097</u>

B. The Yuanta Group sold certain financial assets at amortised cost for the three months and six months ended June 30, 2024 and 2023, 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 on disposal of investments in debt instruments at amortised cost were (\$82,599), (\$119,404), (\$143,495) and (\$127,693), respectively.

C. Pursuant to Article 141 of Insurance Act, an insurance enterprise shall deposit 15% of its registered paid-in capital with the national treasury as operating guarantee deposits. As of June 30, 2024, December 31, 2023 and June 30, 2023, 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 June 30, 2024, December 31, 2023 and June 30, 2023, are provided in Note 8.

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Bills and bonds purchased under resale agreement	<u>\$ 86,685,841</u>	<u>\$ 99,644,104</u>	<u>\$ 73,034,678</u>
Interest rate range	0.81% ~ 6.45%	0.92% ~ 6.65%	0.88% ~ 6.40%
Contract resale amount	<u>\$ 86,955,832</u>	<u>\$ 100,042,588</u>	<u>\$ 73,231,306</u>
Bills and bonds sold under repurchase agreement	<u>\$ 237,331,602</u>	<u>\$ 251,838,703</u>	<u>\$ 246,417,448</u>
Interest rate range	0.60% ~ 5.70%	0.50% ~ 5.80%	0.55% ~ 5.40%
Contract repurchase amount	<u>\$ 228,772,876</u>	<u>\$ 257,448,903</u>	<u>\$ 251,892,805</u>

(7) Receivables – net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Interest receivable	\$ 12,586,276	\$ 11,708,251	\$ 10,744,680
Receivable of securities business			
money lending	108,613,331	71,687,248	57,589,083
Factoring receivable	7,609,384	5,025,112	6,299,080
Margin loans receivable	119,159,522	98,783,527	89,197,340
Spot exchange receivable	2,512,037	828,096	4,418,445
Credit card receivable	10,018,755	9,189,343	9,469,646
Net exchange clearing receivable	8,386,065	8,718,790	6,912,360
Settlement receivable	74,898,634	53,217,175	51,971,297
Securities sold receivable	14,519,102	9,638,023	6,807,404
Other receivables	9,912,066	6,227,378	13,260,220
Subtotal	<u>368,215,172</u>	<u>275,022,943</u>	<u>256,669,555</u>
Less: Allowance for credit losses	(2,080,042)	(1,930,024)	(2,050,771)
Total	<u>\$ 366,135,130</u>	<u>\$ 273,092,919</u>	<u>\$ 254,618,784</u>

A. The Yuanta Group recognised appropriate allowance for credit losses for receivables. For the six months ended June 30, 2024 and 2023, details are provided in Note 12(3).

B. Margin loans receivable uses the securities purchased through financing by client as collateral. As of June 30, 2024, December 31, 2023 and June 30, 2023, the annual interest rates of Yuanta Securities and Yuanta Securities Finance were all 6.25%; the annual interest rates range of Yuanta Securities (Korea) were all 6.90%~10.20%; the annual interest rates range of Yuanta Securities (Hong Kong) were 2.68%~13.75%, 2.68%~13.75% and 2.55%~13.63%, respectively; the annual interest rates range of Yuanta Securities (Indonesia) were 16.00%~20.00%, 16.00%~18.00% and 16.00%~18.00%, respectively; the annual interest rates range of Yuanta Securities (Thailand) were 5.90%~7.90%, 5.56%~5.90% and 5.12%~5.65%, respectively; the annual interest rates range of Yuanta Securities (Vietnam) were 6.60%~13.50%, 8.00%~13.50% and 6.00%~13.50%, 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 and of equity investments accounted for under the equity method, and expected to complete the sale within a year by those authorized; 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 \$1,329,241, \$79,099 and \$108,377 as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. Among them, those measured according to fair value less cost to sell are based on the valuation results by independent valuation experts, which was categorised as level 2 of the fair value hierarchy. For the six months ended June 30, 2024 and 2023, there were no sales transactions. For the three months and six months ended June 30, 2023 and 2024, the Yuanta Group recognised related impairment loss were \$2,498, \$471, \$2,498 and \$471.

(9) Bills discounted and loans - net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bills discounted	\$ 165,658	\$ 34,373	\$ 86,853
Overdrafts	3,915	3,820	3,729
Short-term loans	174,645,197	148,164,186	127,799,108
Short-term loans secured	118,172,450	110,824,956	105,019,462
Medium-term loans	168,673,622	162,900,732	146,237,191
Medium-term loans secured	240,311,050	228,608,660	227,220,204
Long-term loans	4,193,601	5,350,960	4,729,899
Long-term loans secured	470,142,494	435,462,856	413,006,168
Export-import bills negotiated	146,630	8,454	240,335
Accounts receivable financing	525,272	318,491	529,810
Automatic policy loans	1,682,878	1,670,455	1,629,252
Life insurance policy loans	6,571,103	6,451,096	6,068,109
Overdue loans	<u>2,943,794</u>	<u>2,017,089</u>	<u>1,868,360</u>
Subtotal	1,188,177,664	1,101,816,128	1,034,438,480
Less: Allowance for credit losses	(16,115,012)	(15,266,124)	(15,025,668)
Less: Adjustment for discount or premium	(<u>31,560</u>)	(<u>23,244</u>)	(<u>1,875</u>)
Total	<u>\$ 1,172,031,092</u>	<u>\$ 1,086,526,760</u>	<u>\$ 1,019,410,937</u>

A. The Yuanta Group recognised the appropriate allowance for credit losses for the bills discounted and loans. For the details of changes in allowance for credit losses in relation to bills discounted and loans for the six months ended June 30, 2024 and 2023, please refer to Note 12(3).

B. Classified by subsidiaries as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bills discounted and loans including adjustment for discount and premium			
Yuanta Bank	\$ 1,168,599,176	\$ 1,083,227,619	\$ 1,014,838,322
Yuanta Securities	11,292,948	10,443,714	11,900,922
Yuanta Life	<u>8,253,980</u>	<u>8,121,551</u>	<u>7,697,361</u>
Subtotal	<u>\$ 1,188,146,104</u>	<u>\$ 1,101,792,884</u>	<u>\$ 1,034,436,605</u>
Allowance for credit losses			
Yuanta Bank	(\$ 14,842,488)	(\$ 14,247,014)	(\$ 14,000,934)
Yuanta Securities	(<u>1,272,524</u>)	(<u>1,019,110</u>)	(<u>1,024,734</u>)
Subtotal	(<u>16,115,012</u>)	(<u>15,266,124</u>)	(<u>15,025,668</u>)
Total	<u>\$ 1,172,031,092</u>	<u>\$ 1,086,526,760</u>	<u>\$ 1,019,410,937</u>

(10) Reinsurance contract assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Claims recoverable from reinsurers	\$ 413,449	\$ 472,208	\$ 504,909
Due from reinsurers and ceding companies	137,756	119,616	157,988
Reinsurance reserve assets			
Ceded unearned premium reserve	419,774	456,271	402,833
Ceded claims reserve	143,880	88,959	81,718
Overdue receivables	160,568	112,039	149,063
Total	<u>\$ 1,275,427</u>	<u>\$ 1,249,093</u>	<u>\$ 1,296,511</u>

(11) Investments accounted for under the equity method

	<u>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates:						
CR Yuanta Fund Management Company Limited	\$ 355,235	24.50%	\$ 341,109	24.50%	\$ 340,131	24.50%
GC Investment Consultant (Shanghai) Co., Ltd.	23,557	100.00%	22,299	100.00%	22,528	100.00%
Woori Asset Management Corp.	-	-	810,967	27.00%	795,366	27.00%
KVIC-Yuanta 2015 Overseas Advance Fund	49,581	44.00%	77,480	44.00%	87,508	44.00%
IBKC-TONGYANG Growth 2013 Private Equity Fund	31,065	10.71%	47,978	10.71%	51,834	10.71%
2016 KIF-Yuanta ICT Venture Fund	40,927	16.67%	44,596	16.67%	50,797	16.67%
Yuanta Secondary No.2 Fund	106,894	12.28%	150,990	12.28%	202,894	12.28%
Yuanta Secondary No.3 Private Equity Fund	655,440	15.26%	663,043	15.26%	782,059	15.26%
SJ-ULTRA V 1st FUND	28,236	34.48%	28,500	34.48%	28,374	34.48%
Yuanta-HPNT Private Equity Fund	4,663	0.09%	4,703	0.09%	4,680	0.09%
Kiwoom-Yuanta 2019 Scale-up Fund	331,285	15.20%	404,998	15.20%	400,915	15.20%
Yuanta Innovative Job Creation Fund	177,603	22.73%	186,835	22.73%	188,865	22.73%
Yuanta Quantum Jump No.1 Fund	75,473	12.50%	80,731	12.50%	99,404	12.50%

	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Yuanta Great Unicorn No.1 Fund	\$ 66,297	17.65%	\$ 67,570	17.65%	\$ 112,232	17.65%
Yuanta Innovative Growth MPE Fund	203,039	14.02%	154,168	14.02%	80,566	14.02%
Yuanta SPAC VIII	-	-	-	-	465	0.15%
Yuanta SPAC IX	478	0.19%	479	0.19%	467	0.19%
Yuanta SPAC X	480	0.17%	479	0.17%	468	0.17%
Yuanta SPAC XI	468	0.19%	469	0.19%	521	4.17%
Yuanta SPAC XII	468	0.21%	469	0.21%	407	3.70%
Yuanta SPAC XIII	452	0.10%	453	0.10%	304	0.81%
Yuanta SPAC XIV	463	0.22%	464	0.22%	444	1.85%
Yuanta SPAC XV	363	0.14%	237	1.96%	-	-
Yuanta SPAC XVI	630	0.27%	356	4.17%	-	-
Yuanta K-Bio Vaccine Blockbuster Private Equity Fund	24,602	19.93%	-	-	-	-
	<u>\$2,177,699</u>		<u>\$3,089,373</u>		<u>\$3,251,229</u>	

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

	For the three months ended June 30,	
	2024	2023
Net profit (loss) for the period from continuing operations	(\$ 5,627)	(\$ 12,377)
Other comprehensive income (loss) (net of tax)	(7)	(133)
	For the six months ended June 30,	
	2024	2023
Net profit (loss) for the period from continuing operations	\$ 119,410	(\$ 14,505)
Other comprehensive income (loss) (net of tax)	4,729	(1,164)

(12) Other financial assets - net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Overdue receivable	\$ 914,883	\$ 895,372	\$ 926,200
Less: Allowance for credit losses	(914,358)	(894,533)	(925,047)
	<u>525</u>	<u>839</u>	<u>1,153</u>
Purchase of claim receivable	1,755,442	1,790,773	1,806,795
Valuation adjustment on purchase of claim receivable	(33,740)	(25,072)	(24,531)
	<u>1,721,702</u>	<u>1,765,701</u>	<u>1,782,264</u>
Customer margin accounts	86,887,888	78,039,576	81,608,637
Investment-linked insurance product assets	28,142,518	31,504,281	31,533,342
Receivables from security lending	35,667	234,920	272,489
Others	<u>228,171</u>	<u>271,214</u>	<u>109,197</u>
Total	<u>\$ 117,016,471</u>	<u>\$ 111,816,531</u>	<u>\$ 115,307,082</u>

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

B. Yuanta Life of the Yuanta Group's investment-linked insurance products mainly comprise investments in products in relation to beneficiary certificate, variable universal life insurance and variable deferred annuities. As of June 30, 2024, December 31, 2023 and June 30, 2023, as well as for the three months and six months ended June 30, 2024 and 2023, details about the investment insurance products - separate accounts were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Investment – linked insurance product assets			
Financial assets at fair value through profit or loss	\$ 28,076,413	\$ 31,437,073	\$ 31,503,847
Other receivables	<u>66,105</u>	<u>67,208</u>	<u>29,495</u>
	<u>\$ 28,142,518</u>	<u>\$ 31,504,281</u>	<u>\$ 31,533,342</u>
Investment – linked insurance product liabilities			
Reserve for investment linked insurance product			
– insurance contract	\$ 7,338,448	\$ 7,322,624	\$ 7,163,136
– investment contract	20,743,206	24,127,964	24,342,879
Other payables	<u>60,864</u>	<u>53,693</u>	<u>27,327</u>
	<u>\$ 28,142,518</u>	<u>\$ 31,504,281</u>	<u>\$ 31,533,342</u>

	For the three months ended June 30,	
	2024	2023
Revenue on investment – linked insurance products		
Premium income	\$ 69,561	\$ 61,804
Gain on financial assets at fair value through profit or loss	293,132	519,687
Exchange loss	(367)	(678)
Interest income	1,170	1,244
Other losses	(6,950)	(623)
	<u>\$ 356,546</u>	<u>\$ 581,434</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 539,794	\$ 143,560
Net change in reserve for investment-linked insurance product-insurance contract	(270,031)	362,967
Administrative expenses and other expenses	86,783	74,907
	<u>\$ 356,546</u>	<u>\$ 581,434</u>
	For the six months ended June 30,	
	2024	2023
Revenue on investment – linked insurance products		
Premium income	\$ 122,868	\$ 131,087
Gain on financial assets at fair value through profit or loss	927,214	717,260
Exchange loss	(1,451)	(374)
Interest income	2,281	2,514
Other income	9,658	-
	<u>\$ 1,060,570</u>	<u>\$ 850,487</u>
Expenses on investment – linked insurance products		
Claims and policy benefit payments	\$ 880,274	\$ 239,240
Net change in reserve for investment-linked insurance product-insurance contract	14,373	468,418
Administrative expenses and other expenses	165,923	142,829
	<u>\$ 1,060,570</u>	<u>\$ 850,487</u>

(13) Investment property – net

		June 30, 2024			
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value	
Land and land improvements	\$ 1,527,746	\$ -	(\$ 196,738)	\$ 1,331,008	
Buildings	1,570,020	(761,092)	(34,602)	774,326	
Right-of-use assets	8,322,601	(561,875)	-	7,760,726	
Investment property under construction	3,396,100	-	-	3,396,100	
Total	<u>\$ 14,816,467</u>	<u>(\$ 1,322,967)</u>	<u>(\$ 231,340)</u>	<u>\$ 13,262,160</u>	
		December 31, 2023			
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value	
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	2,607,063	-	-	2,607,063	
Total	<u>\$ 12,705,119</u>	<u>(\$ 1,163,358)</u>	<u>(\$ 234,244)</u>	<u>\$ 11,307,517</u>	
		June 30, 2023			
Assets	Cost	Accumulated depreciation	Accumulated impairment	Book value	
Land and land improvements	\$ 2,015,709	\$ -	(\$ 198,746)	\$ 1,816,963	
Buildings	1,876,416	(808,918)	(36,200)	1,031,298	
Right-of-use assets	6,471,809	(330,369)	-	6,141,440	
Investment property under construction	1,801,783	-	-	1,801,783	
Total	<u>\$ 12,165,717</u>	<u>(\$ 1,139,287)</u>	<u>(\$ 234,946)</u>	<u>\$ 10,791,484</u>	
Change in investment property of the Yuanta Group:					
		2024		2023	
Cost					
At January 1		\$ 12,705,119		\$ 11,818,982	
Additions		797,840		496,159	
Disposals		(320,055)		-	
Transferred out to property and equipment		(1,418,732)	(78,555)		
Transferred in from property and equipment		1,457,587		10,227	
Transferred in from right-of-use assets		1,869,445		-	
Others		(264,389)	(29,125)		
Foreign exchange adjustment and others		(10,348)	(51,971)		
At June 30		<u>\$ 14,816,467</u>		<u>\$ 12,165,717</u>	

	<u>2024</u>	<u>2023</u>
Accumulated depreciation		
At January 1	(\$ 1,163,358)	(\$ 1,092,399)
Depreciation	(31,357)	(30,018)
Disposals	48,867	-
Transferred out to property and equipment	4,725	13,613
Transferred in from property and equipment	(7,058)	(2,289)
Transferred in from right-of-use assets	(148,830)	-
Others	16,254	1,747
Foreign exchange adjustment and others	(42,210)	(29,941)
At June 30	<u>(\$ 1,322,967)</u>	<u>(\$ 1,139,287)</u>
	<u>2024</u>	<u>2023</u>
Accumulated impairment		
At January 1	(\$ 234,244)	(\$ 239,132)
Reversal of impairment loss	2,904	13,812
Transferred in from property and equipment	-	(9,626)
At June 30	<u>(\$ 231,340)</u>	<u>(\$ 234,946)</u>

- A. The fair value of the investment property held by the Yuanta Group as of June 30, 2024, December 31, 2023 and June 30, 2023, were \$15,324,262, \$13,161,957 and \$12,855,110, respectively, according to the result of valuation by an independent valuation expert using the income approach, comparison approach, cost approach and land development analysis approach. As of June 30, 2024, the fair value included the amounts of \$2,337,993 and \$12,986,269; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively. 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 June 30, 2023, the fair value included the amounts of \$3,053,272 and \$9,801,838; that was categorised within Level 2 and Level 3 in the fair value hierarchy, respectively.
- B. For the three months and six months ended June 30, 2024 and 2023, rental income from the lease of the investment property were \$40,524, \$39,833, \$79,835, and \$80,903, respectively.
- C. Please refer to Note 8 for details of the above investment property pledged to others as collateral.

(14) Property and equipment - net

Change in property and equipment of the Yuanta Group:

2024

Cost							Construction in	Total
	Land and land improvements (Note)	Buildings	Machinery and computer equipment	Transportation equipment	Miscellaneous equipment	progress and prepayments for business facilities		
At January 1	\$ 15,070,429	\$ 7,074,907	\$ 4,985,702	\$ 199,203	\$ 1,814,817	\$ 5,438,316	\$ 34,583,374	
Additions	-	2,088,297	311,052	4,118	44,635	509,244	2,957,346	
Disposals	-	-	(272,738)	(11,532)	(62,593)	-	(346,863)	
Transferred out to assets held for sale	(608,617)	(259,399)	-	-	-	-	(868,016)	
Transferred out to investment property	(42,739)	(1,414,848)	-	-	-	-	(1,457,587)	
Transferred in from investment property	17,182	1,401,550	-	-	-	-	1,418,732	
Others	-	4,776,617	73,010	4,583	33,314	(4,955,329)	(67,805)	
Translation difference	(2,131)	(7,558)	(12,552)	(66)	3,818	288	(18,201)	
At June 30	\$ 14,434,124	\$ 13,659,566	\$ 5,084,474	\$ 196,306	\$ 1,833,991	\$ 992,519	\$ 36,200,980	
<u>Accumulated depreciation</u>								
At January 1	\$ -	(\$ 2,550,615)	(\$ 3,182,173)	(\$ 147,183)	(\$ 1,180,689)	\$ -	(\$ 7,060,660)	
Depreciation	-	(133,995)	(392,232)	(10,026)	(147,765)	-	(684,018)	
Disposals	-	-	272,712	10,816	62,283	-	345,811	
Transferred out to assets held for sale	-	112,037	-	-	-	-	112,037	
Transferred out to investment property	-	7,058	-	-	-	-	7,058	
Transferred in from investment property	-	(4,725)	-	-	-	-	(4,725)	
Others	-	-	-	-	-	-	-	
Translation difference	-	3,464	9,462	63	(3,819)	-	9,170	
At June 30	\$ -	(\$ 2,566,776)	(\$ 3,292,231)	(\$ 146,330)	(\$ 1,269,990)	\$ -	(\$ 7,275,327)	
<u>Accumulated impairment</u>								
At January 1	(\$ 119,057)	(\$ 51,203)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 170,558)	
Reversal of impairment loss	1,656	856	-	-	-	-	2,512	
At June 30	(\$ 117,401)	(\$ 50,347)	\$ -	\$ -	(\$ 298)	\$ -	(\$ 168,046)	
Net carrying amount	\$ 14,316,723	\$ 11,042,443	\$ 1,792,243	\$ 49,976	\$ 563,703	\$ 992,519	\$ 28,757,607	

2023

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

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

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

(15) Leasing arrangements – lessee

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 6,743,322	\$ 8,511,019	\$ 8,575,176
Buildings	4,249,193	4,367,284	2,704,291
Machinery and equipment	26,433	47,479	73,435
Transportation equipment	32,167	28,006	30,631
Others	80,925	57,787	47,000
	<u>\$ 11,132,040</u>	<u>\$ 13,011,575</u>	<u>\$ 11,430,533</u>
		<u>For the three months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land		\$ 27,847	\$ 4,997
Buildings		339,682	314,501
Machinery and equipment		10,348	11,400
Transportation equipment		3,659	3,058
Others		4,774	2,052
		<u>\$ 386,310</u>	<u>\$ 336,008</u>
		<u>For the six months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land		\$ 33,084	\$ 10,002
Buildings		725,024	646,331
Machinery and equipment		21,041	23,270
Transportation equipment		7,653	7,095
Others		8,879	3,736
		<u>\$ 795,681</u>	<u>\$ 690,434</u>

- C. For the three months and six months ended June 30, 2024 and 2023, the additions to right-of-use assets amounted to \$313,350, \$288,492, \$768,957 and \$713,918, respectively.

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

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 45,606	\$ 15,446
Expense on short-term lease contracts	23,488	21,149
Expense on leases of low-value assets	1,393	1,366
Gain on sublease of right-of-use assets	731	2,913
Loss on lease modification	(125)	(174)
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 83,051	\$ 39,182
Expense on short-term lease contracts	45,802	41,551
Expense on leases of low-value assets	2,600	2,792
Gain on sublease of right-of-use assets	4,413	6,583
Loss on lease modification	(52)	(432)

E. For the six months ended June 30, 2024 and 2023, the Yuanta Group's total cash outflow for leases amounted to \$986,998 and \$789,054, 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:

	<u>For the three months ended June 30, 2023</u>
Finance income from the net investment in the finance lease	<u>\$ 66</u>
	<u>For the six months ended June 30, 2023</u>
Finance income from the net investment in the finance lease	<u>\$ 156</u>

The Yuanta Group has no finance income from the net investment in the finance lease for the three months and six months ended June 30, 2024.

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

	<u>June 30, 2023</u>
2023	<u>\$ 4,231</u>

As of June 30, 2024 and 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:

	<u>June 30, 2023</u>
Undiscounted lease payments	\$ 4,231
Unearned finance income	(58)
Net investment in the lease	<u>\$ 4,173</u>

As of June 30, 2024 and December 31, 2023, the Yuanta Group had no undiscounted lease payments in the finance lease.

- E. For the three months and six months ended June 30, 2024 and 2023, the Yuanta Group recognised rental income in the amounts of \$40,545, \$39,853, \$79,879 and \$80,943, respectively, based on the operating lease agreement, which does not include variable lease payments.
- F. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</u>			
2024	\$	54,892	2024	\$	100,707	2023	\$	73,083
2025		98,673	2025		67,060	2024		72,715
2026		59,811	2026		18,070	2025		46,307
2027		50,444	2027		8,887	2026		8,158
2028		38,682	2028		3,611	2027		5,387
After 2029		<u>23,771</u>	After 2029		<u>2,442</u>	After 2028		<u>3,835</u>
Total	<u>\$</u>	<u>326,273</u>	Total	<u>\$</u>	<u>200,777</u>	Total	<u>\$</u>	<u>209,485</u>

(17) Intangible assets - net

Cost	2024					
	Goodwill (Note)	Operating rights	Computer software	Customer relationship	Others	Total
At January 1	\$ 31,493,965	\$ 385,456	\$ 5,250,023	\$ 3,045,314	\$ 4,372,621	\$ 44,547,379
Additions	-	-	112,417	-	557	112,974
Disposals	-	-	(32,621)	(15,000)	(3)	(47,624)
Reclassifications	-	-	96,244	-	-	96,244
Translation difference	(543)	838	(26,156)	-	(5,457)	(31,318)
At June 30	<u>\$ 31,493,422</u>	<u>\$ 386,294</u>	<u>\$ 5,399,907</u>	<u>\$ 3,030,314</u>	<u>\$ 4,367,718</u>	<u>\$ 44,677,655</u>
<u>Accumulated amortisation</u>						
At January 1	\$ -	(\$ 374,970)	(\$ 4,270,959)	(\$ 3,045,314)	(\$ 2,803,555)	(\$ 10,494,798)
Amortisation	-	-	(188,432)	-	(116,169)	(304,601)
Disposals	-	-	32,621	15,000	2	47,623
Translation difference	-	(246)	23,547	-	435	23,736
At June 30	<u>\$ -</u>	<u>(\$ 375,216)</u>	<u>(\$ 4,403,223)</u>	<u>(\$ 3,030,314)</u>	<u>(\$ 2,919,287)</u>	<u>(\$ 10,728,040)</u>
<u>Accumulated impairment</u>						
At January 1	(\$ 3,003,072)	(\$ 4,533)	\$ -	\$ -	(\$ 316,298)	(\$ 3,323,903)
Impairments (Note)	(17,215)	-	-	-	-	(17,215)
Translation difference	647	(256)	-	-	127	518
At June 30	<u>(\$ 3,019,640)</u>	<u>(\$ 4,789)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 316,171)</u>	<u>(\$ 3,340,600)</u>
Net carrying amount	<u>\$ 28,473,782</u>	<u>\$ 6,289</u>	<u>\$ 996,684</u>	<u>\$ -</u>	<u>\$ 1,132,260</u>	<u>\$ 30,609,015</u>

Note: The Yuanta Group periodically performs impairment assessments on goodwill at the end of each year. The Yuanta Group assesses impairment indication of goodwill in the interim period based on the regulation. In this interim period, the Yuanta Group takes into consideration the related information in relation to impairment indication of goodwill, and there was no indication that goodwill was impaired. Goodwill impairment loss of Yuanta Securities' investment segment-Yuanta Securities (Vietnam) amounting to \$17,215 and \$48,966 was recognised for the six months ended June 30, 2024 and for the year ended December 31, 2023, respectively, due to its recoverable amount being less than its carrying amount after Year 2023 assessment.

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

(18) Other assets - net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Refundable deposits - net	\$ 9,747,628	\$ 5,149,361	\$ 5,887,630
Deposits on securities borrowed	41,202,818	35,199,050	27,436,395
Operating guarantee deposits and settlement and clearing fund	5,515,948	4,911,907	5,468,690
Prepayments	1,486,957	1,114,769	1,298,122
Bank deposits - amounts held for settlement	21,511,046	22,849,175	22,141,027
Others	472,749	540,799	474,462
Total	<u>\$ 79,937,146</u>	<u>\$ 69,765,061</u>	<u>\$ 62,706,326</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Investment property	\$ 231,340	\$ 234,244	\$ 234,946
Property and equipment	168,046	170,558	179,722
Intangible assets - goodwill	3,019,640	3,003,072	2,956,566
Intangible assets - operating rights	4,789	4,533	-
Intangible assets - other	316,171	316,298	316,207

(20) Deposits from Central Bank and other banks

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Overdrafts with other banks	\$ 4,416,400	\$ 5,935,763	\$ 5,082,076
Call loans from other banks	2,596,025	6,451,630	4,000,000
Total	<u>\$ 7,012,425</u>	<u>\$ 12,387,393</u>	<u>\$ 9,082,076</u>

(21) Commercial paper payable - net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Commercial paper payable	\$ 142,243,923	\$ 83,446,921	\$ 97,526,405
Less: Discount on commercial paper payable	(469,600)	(291,756)	(248,779)
Total	<u>\$ 141,774,323</u>	<u>\$ 83,155,165</u>	<u>\$ 97,277,626</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the annual interest rate of commercial paper payable was 1.538%~5.350%, 1.528%~5.590% and 1.378%~5.510%, respectively.

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

(22) Payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable	\$ 79,352,537	\$ 76,177,280	\$ 77,078,260
Interest payable	4,846,021	3,940,714	3,663,168
Dividends payable	14,450,235	-	10,001,358
Accrued expenses	12,831,811	12,261,577	8,830,440
Deposit payable for short sales	5,208,401	7,081,301	5,122,507
Net exchange clearing payable	3,021,628	3,777,723	2,726,193
Securities purchased payable	7,732,212	2,659,924	7,879,702
Settlement payable	79,716,329	58,070,615	51,322,606
Guarantee deposit received from short sales	4,656,588	6,351,449	4,761,909
Other payables	10,886,433	9,889,480	16,763,443
Total	<u>\$ 222,702,195</u>	<u>\$ 180,210,063</u>	<u>\$ 188,149,586</u>

(23) Deposits and remittances

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Checking deposits	\$ 5,538,266	\$ 5,820,328	\$ 5,515,832
Demand deposits	214,359,448	181,485,255	190,146,369
Time deposits	441,076,569	404,594,380	412,585,575
Negotiable certificates of deposit	3,070,900	12,180,900	191,900
Savings deposits	996,090,586	944,529,272	921,508,822
Remittances	243,451	160,683	298,718
Total	<u>\$ 1,660,379,220</u>	<u>\$ 1,548,770,818</u>	<u>\$ 1,530,247,216</u>

(24) Bonds payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bank debentures	\$ 29,700,000	\$ 28,700,000	\$ 28,700,000
Unsecured corporate bonds	81,377,603	76,204,691	65,559,656
Total	<u>\$ 111,077,603</u>	<u>\$ 104,904,691</u>	<u>\$ 94,259,656</u>

A. The details of bank debentures as of June 30, 2024 were as follows:

	<u>First issue of subordinate bank debentures in 2014(B)</u>
Par value	\$4,700,000
Stated interest rate	Fixed interest rate at 2.00%
Period	Ten years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

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

	<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
	<u>First issue of general bank debentures in 2024</u>
Par value	\$1,000,000
Stated interest rate	Fixed interest rate at 1.75%
Period	Three years
Interest payment date	Payable annually
Term of principal payment	Repaid on maturity
Issue price	Priced at face value on issue date

B. The details of unsecured corporate bonds as of June 30, 2024 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
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
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 first issue of unsecured
ordinary corporate bond in 2024(A)

Par value	\$2,500,000
Stated interest rate	Fixed interest rate at 1.76%
Issuance date	May 23, 2024
Maturity date	May 23, 2029
Issuance area	Taiwan

Yuanta Securities first issue of unsecured
ordinary corporate bond in 2023(B)

Par value	\$2,500,000
Stated interest rate	Fixed interest rate at 1.86%
Issuance date	May 23, 2024
Maturity date	May 23, 2034
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) 88th issue of unsecured ordinary corporate bond	
Par value	KRW 150,000,000 thousands
Stated interest rate	Fixed interest rate at 4.215%
Issuance date	April 12, 2022
Maturity date	April 11, 2025
Issuance area	Korea
Yuanta Securities (Korea) 89-1th issue of unsecured ordinary corporate bond	
Par value	KRW 100,000,000 thousands
Stated interest rate	Fixed interest rate at 4.334%
Issuance date	February 15, 2024
Maturity date	February 13, 2026
Issuance area	Korea
Yuanta Securities (Korea) 89-2nd issue of unsecured ordinary corporate bond	
Par value	KRW 60,000,000 thousands
Stated interest rate	Fixed interest rate at 4.413%
Issuance date	February 15, 2024
Maturity date	February 15, 2027
Issuance area	Korea
Yuanta Futures first issue of unsecured subordinate ordinary corporate bond in 2021	
Par value	\$1,500,000
Stated interest rate	Fixed interest rate at 0.85%
Issuance date	November 12, 2021
Maturity date	November 12, 2028
Issuance area	Taiwan

(25) Other borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Short-term borrowings			
Unsecured bank borrowings	\$ 30,567,121	\$ 7,257,098	\$ 12,035,750
Secured bank borrowings	4,446,608	2,282,866	4,683,008
KSFC secured borrowings	18,512,377	24,522,128	26,337,891
Asset-backed short-term bonds	13,269,049	14,377,075	13,783,180
	<u>\$ 66,795,155</u>	<u>\$ 48,439,167</u>	<u>\$ 56,839,829</u>
Interest rate range	<u>0.712% ~ 8.730%</u>	<u>0.712% ~ 8.450%</u>	<u>1.470% ~ 11.000%</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Insurance liabilities	\$ 375,580,459	\$ 364,806,930	\$ 359,386,252
Reserve for foreign exchange fluctuation	3,145,601	1,273,406	4,018,654
Employee benefit provisions	5,275,045	5,302,863	4,521,445
Guaranteed policy reserve	183,437	190,232	177,234
Loan commitment reserve and letters of credit	48,999	45,551	39,417
Reserve for insurance with nature of financial instrument	216,857	186,286	185,964
Other reserves (Note)	4,946,294	4,835,555	4,805,013
Total	<u>\$ 389,396,692</u>	<u>\$ 376,640,823</u>	<u>\$ 373,133,979</u>

Note: In relation to the complaints filed by investors with the competent authority of Korea for disputes arising from the sale of financial products issued by affiliates of the Tong Yang Group by former TongYang Securities Inc. (currently Yuanta Securities (Korea)), the competent authority of Korea has since July 31, 2014 announced the results of the first mediation through the tenth mediation, concluding that the amount of improper sale was KRW697,000 million (approximately \$16.4 billion); of which former TongYang Securities Inc. was liable for compensations totaling KRW67,678 million (approximately \$1.6 billion). From the end of September 2014, TongYang Securities Inc. has commenced paying compensations to clients other than a few clients who disagreed with the above-mentioned mediated results and filed the complaints. In addition, as of June 30, 2024, there were 2 litigations filed against former TongYang Securities Inc. and its subsidiaries related to the above-mentioned financial product selling disputes, with the claim amount of KRW492,565 million (approximately \$11.6 billion) (which claim amount was reduced to KRW113,007 million (approximately \$2.6 billion) by the plaintiffs) and KRW50,000 million (approximately \$1.2 billion), respectively, demanding compensations totaling KRW163,007 million (approximately \$3.8 billion); both litigations were class actions. For the class action with claim amount of KRW492,565 million, after undergoing substantive trial proceedings, the Seoul Central District Court and the Seoul High Court dismissed the plaintiffs' claim, respectively. After filing an appeal to the third instance, Yuanta Securities (Korea) learned that the Seoul High Court issued a ruling dismissing the plaintiffs' appeal on April 16, 2024 on the grounds that the plaintiffs failed to pay the court costs. The ruling was subsequently finalized on May 1, 2024, and the case was closed. 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 was closed.

Former TongYang Securities Inc. has recognised liability reserve for the aforementioned sales dispute with adjustments made for actual compensation payments. As of June 30, 2024, the balance of the liability reserve related to the aforementioned financial product selling disputes 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 \$3.9 billion) as well as relevant expenses and the accrued interests at the estimated amount of KRW63,146 million as of June 30, 2024 (approximately \$1.5 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 interest 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 KRW23,998 million (approximately \$0.6 billion) 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 KRW185,084 million (approximately \$4.4 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 of about KRW12,540 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 June 30, 2024, after reflecting the current status of actual compensatory payments, the remaining amount of provisions is about KRW4,726 million (approximately \$0.1 billion).

A. The components of insurance liabilities are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unearned premium reserve	\$ 1,135,773	\$ 1,091,461	\$ 1,090,697
Claims reserve	1,660,787	1,604,402	1,448,795
Reserve for policy benefit	368,724,263	357,976,814	352,854,485
Special reserve	453,787	453,004	149,790
Premium deficiency reserve	501,643	507,295	591,330
Other reserves	3,104,206	3,173,954	3,251,155
Total	<u>\$ 375,580,459</u>	<u>\$ 364,806,930</u>	<u>\$ 359,386,252</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>June 30, 2024</u>		
	<u>Insurance contract</u>	<u>Financial instruments with discretionary participation features</u>	<u>Total</u>
Unearned premium reserve			
Personal life insurance	\$ 1,373	\$ -	\$ 1,373
Personal accident insurance	354,741	-	354,741
Personal health insurance	565,384	-	565,384
Group insurance	211,854	-	211,854
Investment-linked insurance	2,421	-	2,421
	<u>\$ 1,135,773</u>	<u>\$ -</u>	<u>\$ 1,135,773</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 283,919	\$ -	\$ 283,919
Personal accident insurance	311	-	311
Personal health insurance	134,761	-	134,761
Group insurance	387	-	387
Investment-linked insurance	395	-	395
	<u>\$ 419,773</u>	<u>\$ -</u>	<u>\$ 419,773</u>

	December 31, 2023		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
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	2,728	-	2,728
	<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	523	-	523
	<u>\$ 456,271</u>	<u>\$ -</u>	<u>\$ 456,271</u>
	June 30, 2023		
	Financial instruments with discretionary		
	Insurance contract	participation features	Total
Unearned premium reserve			
Personal life insurance	\$ 1,505	\$ -	\$ 1,505
Personal accident insurance	324,420	-	324,420
Personal health insurance	562,384	-	562,384
Group insurance	199,450	-	199,450
Investment-linked insurance	2,938	-	2,938
	<u>\$ 1,090,697</u>	<u>\$ -</u>	<u>\$ 1,090,697</u>
Ceded unearned premium reserve			
Personal life insurance	\$ 270,343	\$ -	\$ 270,343
Personal accident insurance	317	-	317
Personal health insurance	131,047	-	131,047
Group insurance	507	-	507
Investment-linked insurance	620	-	620
	<u>\$ 402,834</u>	<u>\$ -</u>	<u>\$ 402,834</u>

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

	<u>2024</u>	<u>2023</u>
Unearned premium reserve		
At January 1	\$ 1,091,461	\$ 1,053,928
Current net change	<u>44,312</u>	<u>36,769</u>
At June 30	<u>\$ 1,135,773</u>	<u>\$ 1,090,697</u>
	<u>2024</u>	<u>2023</u>
Ceded unearned premium reserve		
At January 1	\$ 456,271	\$ 436,945
Current net change	(38,042)	(34,389)
Gain on foreign exchange	<u>1,544</u>	<u>278</u>
At June 30	<u>\$ 419,773</u>	<u>\$ 402,834</u>

(B) Claims reserve and ceded claims reserve

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

	<u>June 30, 2024</u>		
	<u>Claims reported but not paid</u>	<u>Claims incurred but not reported</u>	<u>Total</u>
Claims reserve			
Personal life insurance	\$ 779,787	\$ 1,655	\$ 781,442
Personal accident insurance	9,374	27,350	36,724
Personal health insurance	499,103	287,499	786,602
Group insurance	9,180	40,712	49,892
Investment-linked insurance	<u>6,127</u>	<u>-</u>	<u>6,127</u>
	<u>\$ 1,303,571</u>	<u>\$ 357,216</u>	<u>\$ 1,660,787</u>
Ceded claims reserve			
Personal life insurance	\$ 79,860	\$ -	\$ 79,860
Personal health insurance	<u>64,020</u>	<u>-</u>	<u>64,020</u>
	<u>\$ 143,880</u>	<u>\$ -</u>	<u>\$ 143,880</u>

	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>
	June 30, 2023		
	Claims reported but not paid	Claims incurred but not reported	Total
Claims reserve			
Personal life insurance	\$ 663,659	\$ 997	\$ 664,656
Personal accident insurance	4,042	23,084	27,126
Personal health insurance	456,825	246,407	703,232
Group insurance	904	29,443	30,347
Investment-linked insurance	23,434	-	23,434
	<u>\$ 1,148,864</u>	<u>\$ 299,931</u>	<u>\$ 1,448,795</u>
Ceded claims reserve			
Personal life insurance	\$ 39,710	\$ -	\$ 39,710
Personal accident insurance	-	-	-
Personal health insurance	42,008	-	42,008
	<u>\$ 81,718</u>	<u>\$ -</u>	<u>\$ 81,718</u>

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

	<u>2024</u>	<u>2023</u>
Claims reserve		
At January 1	\$ 1,604,402	\$ 1,489,530
Current net change	55,305	(40,848)
Loss on foreign exchange	1,080	113
At June 30	<u>\$ 1,660,787</u>	<u>\$ 1,448,795</u>
	<u>2024</u>	<u>2023</u>
Ceded claims reserve		
At January 1	\$ 88,959	\$ 123,363
Current net change	54,868	(41,652)
Gain on foreign exchange	53	7
At June 30	<u>\$ 143,880</u>	<u>\$ 81,718</u>

(C) Reserve for policy benefit

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

	<u>June 30, 2024</u>		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Life insurance	\$ 333,156,476	\$ -	\$ 333,156,476
Health insurance	35,121,165	-	35,121,165
Annuity insurance	2,955	252,558	255,513
Investment-linked insurance	88,815	-	88,815
	<u>\$ 368,369,411</u>	<u>\$ 252,558</u>	<u>368,621,969</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			52,011
Total			<u>\$ 368,724,263</u>
	<u>December 31, 2023</u>		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
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>

June 30, 2023			
	Financial instruments with discretionary		Total
	Insurance contract	participation features	
Life insurance	\$ 319,908,411	\$ -	\$ 319,908,411
Health insurance	32,468,239	-	32,468,239
Annuity insurance	4,104	294,548	298,652
Investment-linked insurance	76,958	-	76,958
	<u>\$ 352,457,712</u>	<u>\$ 294,548</u>	<u>352,752,260</u>
Recovery of catastrophe reserve			4,221
Transferred in unwritten-off balance of 3% decrease in business tax			46,062
Payables to the insured			51,942
Total			<u>\$ 352,854,485</u>

b. Changes in reserve for policy benefit:

	2024(Note 1)	2023(Note 2)
At January 1	\$ 357,962,770	\$ 343,618,651
Current net change	6,481,107	8,216,287
Loss on foreign exchange	4,265,008	1,005,769
At June 30	<u>\$ 368,708,885</u>	<u>\$ 352,840,707</u>

Note 1: As of June 30, 2024, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$15,378. As of June 30, 2024, adding the abovementioned payables, the reserve for policy benefit amounted to \$368,724,263.

Note 2: As of June 30, 2023, the total amount reclassified from reinsurance indemnity payable to "Reserve for policy benefit-payables to the insured" is \$13,778. As of June 30, 2023, adding the abovementioned payables, the reserve for policy benefit amounted to \$352,854,485.

The abovementioned interest expense, reflecting on the contract liabilities over a period of time were as follows:

For the three months ended June 30,	
2024	2023
\$ 2,261,666	\$ 2,198,630
For the six months ended June 30,	
2024	2023
\$ 4,533,567	\$ 4,390,100

(D)Special Reserve

a. Details of special reserve are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Dividend payment reserve	\$ 453,787	\$ 453,004	\$ 149,790

b. Change in special reserve:

	<u>2024</u>	<u>2023</u>
At January 1	\$ 453,004	\$ 235,057
Current net change	<u>783</u>	<u>(85,267)</u>
At June 30	<u>\$ 453,787</u>	<u>\$ 149,790</u>

(E) Premium deficiency reserve

a. Details of premium deficiency reserve are as follows:

	<u>June 30, 2024</u>		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 403,740	\$ -	\$ 403,740
Personal health insurance	<u>97,903</u>	<u>-</u>	<u>97,903</u>
Total	<u>\$ 501,643</u>	<u>\$ -</u>	<u>\$ 501,643</u>
	<u>December 31, 2023</u>		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 486,447	\$ -	\$ 486,447
Personal health insurance	<u>20,848</u>	<u>-</u>	<u>20,848</u>
Total	<u>\$ 507,295</u>	<u>\$ -</u>	<u>\$ 507,295</u>
	<u>June 30, 2023</u>		
	Financial instruments with discretionary		
	<u>Insurance contract</u>	<u>participation features</u>	<u>Total</u>
Personal life insurance	\$ 570,780	\$ -	\$ 570,780
Personal health insurance	<u>20,550</u>	<u>-</u>	<u>20,550</u>
Total	<u>\$ 591,330</u>	<u>\$ -</u>	<u>\$ 591,330</u>

b. Change in premium deficiency reserve:

	<u>2024</u>	<u>2023</u>
At January 1	\$ 507,295	\$ 691,773
Current net change	<u>(21,035)</u>	<u>(105,035)</u>
Loss on foreign exchange	<u>15,383</u>	<u>4,592</u>
At June 30	<u>\$ 501,643</u>	<u>\$ 591,330</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:

	<u>2024</u>	<u>2023</u>
At January 1	\$ 3,173,954	\$ 3,325,203
Recovery	(69,748)	(74,048)
At June 30	<u>\$ 3,104,206</u>	<u>\$ 3,251,155</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:

	<u>2024</u>	<u>2023</u>
At January 1	\$ 1,273,406	\$ 3,988,784
Provision		
Compulsory provision	244,868	228,058
Additional provision	<u>2,453,096</u>	<u>1,110,772</u>
Subtotal	3,971,370	5,327,614
Recovery	(825,769)	(1,308,960)
At June 30	<u>\$ 3,145,601</u>	<u>\$ 4,018,654</u>

(B) Effect of accounts eligible or ineligible for the foreign exchange reserve on the consolidated financial statements of the Yuanta Group for the six months ended June 30, 2024 and 2023 are as follows:

	<u>For the six months ended June 30, 2024</u>		
	<u>Ineligible amount</u>	<u>Eligible amount</u>	<u>Impact</u>
Net income	\$ 3,416,941	\$ 1,919,186	(\$ 1,497,755)
Earnings per share (in dollars)	1.41	0.79	(0.62)
Reserve for foreign exchange fluctuation	-	3,145,600	3,145,600
Total equity	35,310,464	32,778,676	(2,531,788)
	<u>For the six months ended June 30, 2023</u>		
	<u>Ineligible amount</u>	<u>Eligible amount</u>	<u>Impact</u>
Net income	\$ 1,643,639	\$ 1,619,743	(\$ 23,896)
Earnings per share (in dollars)	0.69	0.68	(0.01)
Reserve for foreign exchange fluctuation	-	4,018,654	4,018,654
Total equity	31,475,030	28,244,800	(3,230,230)

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

The Yuanta Group issued non-discretionary participation feature financial instruments. Reserve for insurance contract with the nature of financial products recognised on June 30, 2024, December 31, 2023 and June 30, 2023. and the movements are listed below:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Investment-linked insurance	\$ 216,857	\$ 186,286	\$ 185,964
		<u>2024</u>	<u>2023</u>
At January 1		\$ 186,286	\$ 130,855
Net provision of statutory reserve		<u>30,571</u>	<u>55,109</u>
At June 30		<u>\$ 216,857</u>	<u>\$ 185,964</u>

(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) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$10,274, \$10,234, \$21,232 and \$21,409 for the three months and six months ended June 30, 2024 and 2023, respectively.

(C) Expected contributions to the defined benefit pension plans of the Company and its domestic subsidiaries for the year ending December 31, 2025 amounted to \$52,625. Expected contributions to the defined benefit pension plans of Yuanta Securities (Korea) and its subsidiaries for the year ending December 31, 2025 amounted to \$10,343.

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 recognised pension expense of \$154,686 (recorded as "employees' benefit expenses" of \$153,910 and "net income other than interest" of \$776), \$136,245 (recorded as "employees' benefit expenses" of \$135,463 and "net income other than interest" of \$782), \$299,864 (recorded as "employees' benefit expenses" of \$298,185 and "net income other than interest" of \$1,679) and \$271,420 (recorded as "employees' benefit expenses" of \$270,043 and "net income other than interest" of \$1,377) for the three months and six months ended June 30, 2024 and 2023, 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) does not have compulsory pension plans according to local regulations. The pension plans for other foreign subsidiaries are in compliance with local regulations.

Other foreign subsidiaries recognised pension expense of \$164,714, \$125,202, \$332,712 and \$256,820 for the three months and six months ended June 30, 2024 and 2023, respectively.

(28) Other financial liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Futures traders' equity	\$ 117,365,370	\$ 101,851,341	\$ 102,405,240
Structured deposit	2,000,759	2,232,061	2,438,755
Investment-linked products liabilities	28,142,518	31,504,281	31,533,342
Others	83,068	135,713	1,000
Total	<u>\$ 147,591,715</u>	<u>\$ 135,723,396</u>	<u>\$ 136,378,337</u>

(29) Other liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Guarantee deposit received on security lent	\$ 76,329,895	\$ 56,969,769	\$ 44,077,637
Underwriting share proceeds collected on behalf of customers	258,075	231,930	7,465
Collections in advance	2,887,392	2,425,845	2,457,839
Retention compensation payable	2,122,410	1,896,150	1,784,735
Refundable deposits	302,351	711,513	437,854
Refundable deposits-derivative transactions	2,222,435	2,830,074	3,612,935
Equity for each customer in the account	19,766,725	6,632,447	5,651,985
Others	969,053	945,993	833,069
Total	<u>\$ 104,858,336</u>	<u>\$ 72,643,721</u>	<u>\$ 58,863,519</u>

(30) Share capital

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company's total authorised capital were all \$180,000,000 and total paid-in capital were \$126,890,824, \$126,890,824 and \$125,015,590, respectively. The aforementioned total paid-in capital were 12,689,082, 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Post 1998	<u>\$ 4,036,443</u>	<u>\$ 4,036,443</u>	<u>\$ 4,036,443</u>

Source and details of the capital surplus of the Company are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Additional paid-in capital	\$ 33,573,790	\$ 33,573,790	\$ 33,573,790
Treasury share transactions	3,479,710	3,479,710	3,479,710
Others	1,139,119	1,134,603	1,037,389
	<u>\$ 38,192,619</u>	<u>\$ 38,188,103</u>	<u>\$ 38,090,889</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 shareholders' equity. For the cumulative decrease in shareholders' 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 shareholders' 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 shareholders 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 abovementioned 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 2023 resolved by the shareholders' meeting on June 7, 2024 and the earnings distribution for 2022 resolved by the shareholders' meeting on June 9, 2023 are as follows:

	2023		2022	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Cash dividends	\$ 13,957,991	\$ 1.10	\$ 10,001,247	\$ 0.80
Stock dividends	2,537,816	0.20	1,875,234	0.15

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

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

(34) Other equity items

	2024				
	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 6,961,608)	\$ 14,117,852	(\$ 48,964)	(\$ 2,159,647)	\$ 4,947,633
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	-	3,599,622	-	-	3,599,622
- Revaluation transferred to profit or loss	-	72,751	-	-	72,751
- Revaluation transferred to retained earnings	- (	110,805)	-	- (	110,805)
Other comprehensive income on reclassification under the overlay approach	-	-	-	2,081,463	2,081,463
Changes in translation difference of foreign operating entities	(35,889)	-	-	- (	35,889)
Effects on income tax	-	80,058	- (	27,011)	53,047
Evaluation of credit risk	-	-	1,193	-	1,193
Balance, June 30	<u>(\$ 6,997,497)</u>	<u>\$ 17,759,478</u>	<u>(\$ 47,771)</u>	<u>(\$ 105,195)</u>	<u>\$ 10,609,015</u>
	2023				
	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	Total
Balance, January 1	(\$ 6,119,904)	\$ 4,445,539	(\$ 51,218)	(\$ 5,242,587)	(\$ 6,968,170)
Financial assets at fair value through other comprehensive income					
- Revaluation adjustment in the period	-	2,148,198	-	-	2,148,198
- Revaluation transferred to profit or loss	-	831,799	-	-	831,799
- Revaluation transferred to retained earnings	- (	1,593,196)	-	- (	1,593,196)
Other comprehensive income on reclassification under the overlay approach	-	-	-	3,336,054	3,336,054
Changes in translation difference of foreign operating entities	(887,953)	-	-	- (	887,953)
Effects on income tax	- (	24,128)	(10)	29,987	5,849
Evaluation of credit risk	-	-	184	-	184
Balance, June 30	<u>(\$ 7,007,857)</u>	<u>\$ 5,808,212</u>	<u>(\$ 51,044)</u>	<u>(\$ 1,876,546)</u>	<u>(\$ 3,127,235)</u>

(35) Net interest income

	For the three months ended June 30,	
	2024	2023
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 7,307,057	\$ 6,323,133
Financing interest income	1,807,440	1,413,186
Interest income on securities investment	5,264,828	4,632,652
Interest income from placement and call loan to other banks	1,367,545	1,165,909
Interest income on bills and bonds purchased under resale agreements	725,419	727,538
Credit cards revolving interest	39,748	42,096
Interest income on securities business money lending	579,728	358,897
Interest income on deposits on securities borrowed	228,543	130,811
Other interest income	298,992	426,798
Subtotal	<u>17,619,300</u>	<u>15,221,020</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 4,891,618)	(\$ 3,897,811)
Interest expense of Central Bank and other banks' deposit	(38,626)	(91,963)
Interest expense on due to the Central Bank and other banks	(653,433)	(547,015)
Interest expense on bills and bonds sold under repurchase agreements	(1,895,276)	(1,849,169)
Interest expense of structured products	(35,323)	(38,537)
Coupon rate of bank debenture	(162,810)	(163,041)
Coupon rate of corporate bonds	(287,202)	(211,574)
Coupon rate of commercial papers	(567,509)	(253,159)
Interest expense from short sales	(4,620)	(5,085)
Lease liabilities interest expense	(45,606)	(15,446)
Financial costs on guarantee deposits received from security lendings	(681,890)	(443,930)
Other interest expense	(166,034)	(132,246)
Subtotal	<u>(9,429,947)</u>	<u>(7,648,976)</u>
Total	<u>\$ 8,189,353</u>	<u>\$ 7,572,044</u>

	For the six months ended June 30,	
	2024	2023
<u>Interest income</u>		
Interest income on bills discounted and loans	\$ 14,146,465	\$ 12,264,020
Financing interest income	3,465,955	2,706,573
Interest income on securities investment	10,346,772	9,015,194
Interest income from placement and call loan to other banks	2,637,612	2,218,283
Interest income on bills and bonds purchased under resale agreements	1,434,830	1,384,968
Credit cards revolving interest	83,871	84,872
Interest income on securities business money lending	1,051,032	677,406
Interest income on deposits on securities borrowed	289,331	237,363
Other interest income	713,210	814,514
Subtotal	<u>34,169,078</u>	<u>29,403,193</u>
<u>Interest expense</u>		
Interest expense of deposit	(\$ 9,543,265)	(\$ 7,347,734)
Interest expense of Central Bank and other banks' deposit	(90,568)	(197,751)
Interest expense on due to the Central Bank and other banks	(1,259,188)	(1,107,063)
Interest expense on bills and bonds sold under repurchase agreements	(3,876,440)	(3,509,734)
Interest expense of structured products	(73,895)	(77,671)
Coupon rate of bank debenture	(325,431)	(324,300)
Coupon rate of corporate bonds	(556,795)	(429,946)
Coupon rate of commercial papers	(946,387)	(376,209)
Interest expense from short sales	(10,966)	(14,180)
Lease liabilities interest expense	(83,051)	(39,182)
Financial costs on guarantee deposits received from security lendings	(1,238,745)	(839,771)
Other interest expense	(365,848)	(250,228)
Subtotal	<u>(18,370,579)</u>	<u>(14,513,769)</u>
Total	<u>\$ 15,798,499</u>	<u>\$ 14,889,424</u>

(36) Net service fee and commission income

	For the three months ended June 30,	
	2024	2023
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 8,987,506	\$ 6,179,390
Service fee income on insurance brokerage and transfer-agent	379,708	173,581
Service fee on credit cards	277,179	303,282
Service fee income on trust business	888,900	672,227
Service income on credit extension	150,325	126,029
Underwriting service income	180,594	186,470
Service income from short sales	30,960	27,071
Commission – reinsurance allowance	24,815	10,685
Service income on foreign exchange	21,900	19,719
Service fee income on consigned settlement	11,460	9,219
Deposits and remittance and other service income	310,989	257,398
Subtotal	<u>11,264,336</u>	<u>7,965,071</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 341,001)	(\$ 355,245)
Service expense on trust business	(310)	(305)
Service expense on brokerage	(895,049)	(600,358)
Service expense on proprietary trading	(64,334)	(31,428)
Service fee expense on credit cards	(237,561)	(228,999)
Service expense on clearing and settlement	(187,635)	(117,561)
Futures commission expense	(117,730)	(102,375)
Underwriting service expense	(1,166)	(1,867)
Service expense on foreign exchange	(16,734)	(13,983)
Service expense on credit extension	(9,895)	(8,818)
Deposits and remittance and other service expense	(150,835)	(128,226)
Subtotal	<u>(2,022,250)</u>	<u>(1,589,165)</u>
Total	<u>\$ 9,242,086</u>	<u>\$ 6,375,906</u>

	For the six months ended June 30,	
	2024	2023
<u>Service fee and commission income</u>		
Brokerage service fee income	\$ 16,464,321	\$ 11,520,344
Service fee income on insurance brokerage and transfer-agent	654,327	426,727
Service fee on credit cards	546,150	581,180
Service fee income on trust business	1,855,036	1,284,550
Service income on credit extension	295,853	228,808
Underwriting service income	369,815	405,412
Service income from short sales	55,280	50,398
Commission – reinsurance allowance	44,480	17,825
Service income on foreign exchange	42,109	40,540
Service fee income on consigned settlement	21,074	17,833
Deposits and remittance and other service income	587,168	536,896
Subtotal	<u>20,935,613</u>	<u>15,110,513</u>
<u>Service fee expenses and commission expense</u>		
Insurance commission expense	(\$ 860,982)	(\$ 783,189)
Service expense on trust business	(630)	(541)
Service expense on brokerage	(1,660,728)	(1,186,603)
Service expense on proprietary trading	(124,956)	(59,792)
Service fee expense on credit cards	(491,255)	(486,914)
Service expense on clearing and settlement	(332,364)	(233,772)
Futures commission expense	(233,275)	(211,872)
Underwriting service expense	(2,980)	(2,689)
Service expense on foreign exchange	(32,085)	(26,714)
Service expense on credit extension	(18,588)	(16,844)
Deposits and remittance and other service expense	(288,652)	(253,512)
Subtotal	<u>(4,046,495)</u>	<u>(3,262,442)</u>
Total	<u>\$ 16,889,118</u>	<u>\$ 11,848,071</u>

(37) Net income from insurance operations

	For the three months ended June 30,	
	2024	2023
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 8,239,338	\$ 8,409,901
Less: Reinsurance premium ceded	(184,006)	(154,556)
Net changes of unearned premium reserve	(26,234)	(25,847)
Retention earned premium income	8,029,098	8,229,498
Investment-linked product income (Note)	356,546	581,434
Subtotal	<u>8,385,644</u>	<u>8,810,932</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 7,469,043)	(\$ 5,928,505)
Less: Claims recovered from reinsurers	<u>115,934</u>	<u>155,603</u>
Retention claims and policy benefits payments	(7,353,109)	(5,772,902)
Underwriting expenses	(544)	(600)
Expense from guaranty fund	(15,674)	(15,979)
Investment-linked product expenses (Note)	(356,546)	(581,434)
Subtotal	<u>(7,725,873)</u>	<u>(6,370,915)</u>
Total	<u>\$ 659,771</u>	<u>\$ 2,440,017</u>
	For the six months ended June 30,	
	2024	2023
<u>Income from insurance operations</u>		
Gross collected premiums	\$ 18,160,277	\$ 17,841,184
Less: Reinsurance premium ceded	(379,840)	(313,478)
Net changes of unearned premium reserve	(82,353)	(71,158)
Retention earned premium income	17,698,084	17,456,548
Investment-linked product income (Note)	1,060,570	850,487
Subtotal	<u>18,758,654</u>	<u>18,307,035</u>
<u>Expense from insurance operations</u>		
Claims and policy benefits	(\$ 13,972,138)	(\$ 11,715,827)
Less: Claims recovered from reinsurers	<u>223,950</u>	<u>280,081</u>
Retention claims and policy benefits payments	(13,748,188)	(11,435,746)
Underwriting expenses	(1,101)	(1,005)
Expense from guaranty fund	(34,544)	(33,949)
Investment-linked product expenses (Note)	(1,060,570)	(850,487)
Subtotal	<u>(14,844,403)</u>	<u>(12,321,187)</u>
Total	<u>\$ 3,914,251</u>	<u>\$ 5,985,848</u>

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

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

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 434,928	\$ 315,284
Bonds	3,036,715	1,084,901
Stocks	6,232,539	5,191,852
Beneficiary certificates	2,578,993	1,171,405
Interest-linked instrument	(135,744)	379,036
Exchange rate-linked instrument	(3,238,204)	(2,255,521)
Other financial derivative instruments	(3,083,321)	(1,701,576)
Gains or losses on covering of borrowed securities and bonds with resale agreements	(817,126)	(1,680,497)
Gains or losses from issuing call (put) warrants	263,023	(598,199)
Issuing call (put) warrants expense	(213,112)	(162,983)
Others	(296,135)	(692,354)
Subtotal	<u>4,762,556</u>	<u>1,051,348</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 22,387	(\$ 5,617)
Bonds	1,539,622	4,037,051
Stocks	3,030,824	(2,096,294)
Beneficiary certificates	(493,416)	681,982
Interest-linked instrument	(2,685,638)	(1,219,038)
Exchange rate-linked instrument	12,017	(1,388,617)
Other financial derivative instruments	(1,488,119)	(417,353)
Valuation gains or losses on borrowed securities and bonds with resale agreements	(802,656)	1,057,875
Gains or losses on changes in fair value of liabilities for issuance of call (put) warrants	(751,736)	527,146
Others	679,134	746,899
Subtotal	<u>(937,581)</u>	<u>1,924,034</u>
Total	<u>\$ 3,824,975</u>	<u>\$ 2,975,382</u>

	For the six months ended June 30,	
	2024	2023
<u>Realised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 867,911	\$ 563,811
Bonds	5,886,714	2,345,778
Stocks	11,027,618	7,256,014
Beneficiary certificates	4,835,511	1,996,681
Interest-linked instrument	(345,873)	325,390
Exchange rate-linked instrument	(3,614,841)	(3,312,513)
Other financial derivative instruments	(4,849,924)	446,364
Gains or losses on covering of borrowed securities and bonds with resale agreements	(2,420,231)	(2,416,102)
Gains or losses from issuing call (put) warrants	(472,075)	(2,021,799)
Issuing call (put) warrants expense	(387,490)	(301,392)
Others	(643,180)	(921,675)
Subtotal	<u>9,884,140</u>	<u>3,960,557</u>
<u>Unrealised gains or losses on financial assets and liabilities at fair value through profit or loss</u>		
Commercial papers	\$ 450	(\$ 24,447)
Bonds	3,458,337	4,454,648
Stocks	7,065,667	4,772,857
Beneficiary certificates	601,106	693,504
Interest-linked instrument	(5,099,198)	(3,939,425)
Exchange rate-linked instrument	(3,833,506)	(92,043)
Other financial derivative instruments	(2,890,127)	(683,658)
Valuation gains or losses on borrowed securities and bonds with resale agreements	(978,926)	(2,233,251)
Gains or losses on changes in fair value of liabilities for issuance of call (put) warrants	(470,404)	2,463,691
Others	<u>1,444,138</u>	<u>1,367,897</u>
Subtotal	<u>(702,463)</u>	<u>6,779,773</u>
Total	<u>\$ 9,181,677</u>	<u>\$ 10,740,330</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 three months and six months ended June 30, 2024 and 2023, including the gains or losses on disposal, were \$1,832,108, (\$3,026,023), \$4,320,608 and (\$1,492,037), respectively, and the issuing call (put) warrants expense, were \$213,112, \$162,983, \$387,490 and \$301,392, respectively, and the dividend income were \$741,030, \$2,723,761, \$1,335,242 and \$2,945,730, respectively, and the interest income were \$2,402,530, \$1,516,593, \$4,615,780 and \$2,808,256, respectively.
- B. The Yuanta Group recognised net loss amounted to \$1,478,454, \$996,131, \$2,542,903 and \$4,147,973, respectively, on financial liabilities designated as at fair value through profit or loss for the three months and six months ended June 30, 2024 and 2023.
- 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) (Loss) reversal gain on assets impairment

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 4,511	\$ 2,659
Reversal gain on investments in debt instruments at amortised cost	1,117	4,153
Reversal gain on property and equipment	2,512	-
Reversal gain on intangible assets	27	-
Reversal gain on investment property	2,904	13,812
Impairment loss on assets held for sale	(2,498)	(471)
Total	<u>\$ 8,573</u>	<u>\$ 20,153</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Reversal gain on investments in debt instruments measured at fair value through other comprehensive income	\$ 1,888	\$ 1,498
(Impairment loss) reversal gain on investments in debt instruments at amortised cost	(2,546)	3,176
Reversal gain on property and equipment	2,512	-
Impairment loss on intangible assets	(17,215)	-
Reversal gain on investment property	2,904	13,812
Impairment loss on assets held for sale	(2,498)	(471)
Reversal gain on other assets	-	125
Total	<u>(\$ 14,955)</u>	<u>\$ 18,140</u>

(40) Net other miscellaneous income (loss)

	For the three months ended June 30,	
	2024	2023
Borrowed stock revenue	\$ 973,768	\$ 726,393
Net change of reserve for foreign exchange fluctuation	(347,210)	(460,269)
Loss on litigation reserve	(79,495)	(580,524)
Income from distribution service	40,909	25,400
Rebate income from banks	44,501	43,573
Sub-brokerage income	421,013	215,472
Other net (loss) income	(16,325)	5,024
Total	<u>\$ 1,037,161</u>	<u>(\$ 24,931)</u>

	For the six months ended June 30,	
	2024	2023
Borrowed stock revenue	\$ 1,785,891	\$ 1,402,606
Net change of reserve for foreign exchange fluctuation	(1,872,194)	(29,870)
Loss on litigation reserve	(165,967)	(509,632)
Income from distribution service	73,189	45,339
Rebate income from banks	88,553	85,688
Sub-brokerage income	872,642	464,523
Other net (loss) income	(56,210)	159,159
Total	<u>\$ 725,904</u>	<u>\$ 1,617,813</u>

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

	For the three months ended June 30,	
	2024	2023
Bad debt expense for accounts receivable	\$ 76,872	\$ 110,880
Bad debt expense of bills discounted and loans	536,159	440,994
Provision for guarantee reserve	18,000	7,000
Provision for commitments and other reserve	1,258	2,440
Recovery of bad debt expense	(192,526)	(142,313)
Total	<u>\$ 439,763</u>	<u>\$ 419,001</u>

	For the six months ended June 30,	
	2024	2023
Bad debt expense for accounts receivable	\$ 144,999	\$ 106,442
Bad debt expense of bills discounted and loans	951,389	727,155
Reversal of guarantee reserve	(7,000)	(500)
Provision for commitments and other reserve	3,796	3,107
Recovery of bad debt expense	(338,684)	(673,478)
Total	<u>\$ 754,500</u>	<u>\$ 162,726</u>

(42) Employee benefit expense

	For the three months ended June 30,	
	2024	2023
Wages and salaries	\$ 7,511,302	\$ 6,211,869
Labor and health insurance fees	332,504	291,446
Pension costs	328,898	270,899
Termination benefits	10,872	12,083
Other employee benefit expenses	411,719	358,724
Total	<u>\$ 8,595,295</u>	<u>\$ 7,145,021</u>
	For the six months ended June 30,	
	2024	2023
Wages and salaries	\$ 15,446,770	\$ 12,665,848
Labor and health insurance fees	652,781	493,201
Pension costs	652,129	548,272
Termination benefits	17,692	29,509
Other employee benefit expenses	868,573	766,530
Total	<u>\$ 17,637,945</u>	<u>\$ 14,503,360</u>

The numbers of employees of the Yuanta Group were 15,113 and 14,800 for the six months ended June 30, 2024 and 2023, 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 three months and six months ended June 30, 2024 and 2023, employees' compensation were accrued at \$7,583, \$8,278, \$15,895 and \$13,473, respectively; directors' and supervisors' remuneration were accrued at \$68,250, \$74,497, \$143,054 and \$121,253, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' and supervisors' remuneration of 2023 as resolved by the shareholders' meeting were in agreement with those amounts recognised in the 2023 financial statements. Information is available at the website of the Market Observation Post System provided by the Taiwan Stock Exchange Corporation (TWSE).

(43) Depreciation and amortisation

	For the three months ended June 30,	
	2024	2023
Investment property depreciation	\$ 17,526	\$ 14,890
Property and equipment depreciation	360,454	292,153
Right-of-use asset depreciation	386,310	336,008
Intangible asset amortisation	153,956	144,071
Deferred asset amortisation	6,057	6,431
Total	<u>\$ 924,303</u>	<u>\$ 793,553</u>

	For the six months ended June 30,	
	2024	2023
Investment property depreciation	\$ 31,357	\$ 30,018
Property and equipment depreciation	684,018	581,314
Right-of-use asset depreciation	795,681	690,434
Intangible asset amortisation	304,601	285,852
Deferred asset amortisation	11,913	14,331
Total	<u>\$ 1,827,570</u>	<u>\$ 1,601,949</u>

(44) Other business and administrative expenses

	For the three months ended June 30,	
	2024	2023
Tax	\$ 1,805,184	\$ 1,144,105
Security borrowing expenses	510,970	388,003
Computer science expense	453,063	391,184
Postage and telephone costs	243,966	204,438
Miscellaneous expenses	154,964	201,610
Custody service fee	214,469	131,133
Professional fee	216,121	167,687
Commission expense	169,292	186,661
Others	1,110,043	1,028,184
Total	<u>\$ 4,878,072</u>	<u>\$ 3,843,005</u>

	For the six months ended June 30,	
	2024	2023
Tax	\$ 3,525,900	\$ 2,290,632
Security borrowing expenses	946,097	743,224
Computer science expense	897,910	789,268
Postage and telephone costs	465,340	394,394
Miscellaneous expenses	421,593	372,651
Custody service fee	383,317	232,716
Professional fee	381,172	295,935
Commission expense	377,245	382,396
Others	2,106,464	1,896,367
Total	<u>\$ 9,505,038</u>	<u>\$ 7,397,583</u>

(45) Income tax

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

A. Income tax expense

(A) Components of income tax expense:

	For the three months ended June 30,	
	2024	2023
Current tax:		
Income tax from current income period	\$ 1,434,763	\$ 797,434
Income tax on unappropriated earnings	831,182	2,694
Adjustments in respect of prior years	(523,091)	(75,396)
Total current tax	<u>1,742,854</u>	<u>724,732</u>
Deferred tax:		
Origination and reversal of temporary differences	228,325	255,006
Impact of change in tax rate	-	(65)
Total deferred tax	<u>228,325</u>	<u>254,941</u>
Income tax expense	<u>\$ 1,971,179</u>	<u>\$ 979,673</u>

	For the six months ended June 30,	
	2024	2023
Current tax:		
Income tax from current income period	\$ 3,496,882	\$ 2,266,151
Income tax on unappropriated earnings	831,182	2,694
Adjustments in respect of prior years	(580,837)	(126,005)
Total current tax	<u>3,747,227</u>	<u>2,142,840</u>
Deferred tax:		
Origination and reversal of temporary differences	257,504	455,883
Impact of change in tax rate	-	6,072
Total deferred tax	<u>257,504</u>	<u>461,955</u>
Income tax expense	<u>\$ 4,004,731</u>	<u>\$ 2,604,795</u>

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

	For the three months ended June 30,	
	2024	2023
Unrealised gains or losses from investments in debt instruments measured at fair value through other comprehensive income	(\$ 59,458)	(\$ 144,359)
Unrealised gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(36,762)	96,995
Other comprehensive income or loss on reclassification under the overlay approach	21,332	1,837
Share of profit or loss of associates and joint ventures accounted for under the equity method	1 (	31)
Gains or losses on remeasurements of defined benefit plans	(6,635)	22,838
Total	(\$ 81,522)	(\$ 22,720)
	For the six months ended June 30,	
	2024	2023
Unrealised gains or losses from investments in debt instruments measured at fair value through other comprehensive income	(\$ 81,484)	(\$ 28,699)
Unrealised gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(1,782)	80,069
Other comprehensive income or loss on reclassification under the overlay approach	27,011	(29,987)
Share of profit or loss of associates and joint ventures accounted for under the equity method	(1,421)	322
Gains or losses on remeasurements of defined benefit plans	(63,654)	(20,975)
Change in fair value of financial liability attributable to change in own credit risk	-	17
Total	(\$ 121,330)	\$ 747

B. As of June 30, 2024, 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 2018
Yuanta Securities	Assessed through 2018
Yuanta Bank	Assessed through 2018
Yuanta Securities Finance	Assessed through 2022
Yuanta Venture Capital	Assessed through 2018
Yuanta Asset Management	Assessed through 2018
Yuanta Securities Investment Consulting	Assessed through 2018
Yuanta Futures	Assessed through 2020
Yuanta Securities Investment Trust	Assessed through 2021
Yuanta Life	Assessed through 2018
Yuanta International Insurance Brokers	Assessed through 2022
Yuanta I Venture Capital	Assessed through 2022

C. 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 came into effect from January 1, 2024. The Yuanta Group is currently engaged with tax specialists to assist it with applying the legislation.

D. 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 three months ended June 30, 2024</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	\$ 8,425,973	12,942,864	\$ 0.63
	<u>For the three months ended June 30, 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	\$ 9,197,240	12,942,864	\$ 0.71

For the six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 17,660,983	12,942,864	\$ 1.36

For the six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 14,969,541	12,942,864	\$ 1.16

The above weighted-average outstanding stocks have been adjusted retrospectively according to the ratio of capital increase from retained earnings on August 18, 2024 (the effective date of stock grants). Basic earnings per share before the adjustment was 0.72 and 1.18 for the three months and six months ended June 30, 2023, which were calculated according to the ratio of capital increase from retained earnings (the effective date of stock grants) on August 19, 2023.

(47) Changes in liabilities from financing activities

2024					
	Bills and bonds payable under repurchase agreements	Commercial paper payable	Bonds payable	Other borrowings	Lease liability
At January 1	\$251,838,703	\$ 83,155,165	\$104,904,691	\$ 48,439,167	\$ 6,191,253
Changes in cash flow from financing activities	(14,507,101)	58,797,002	6,225,287	18,355,988	(855,545)
Impact of changes in foreign exchange rate	-	-	(57,560)	-	(9,559)
Amortisation of a premium or a discount on interest expense	-	(177,844)	5,185	-	-
Changes in other non-cash items	-	-	-	-	792,882
At June 30	<u>\$237,331,602</u>	<u>\$141,774,323</u>	<u>\$111,077,603</u>	<u>\$ 66,795,155</u>	<u>\$ 6,119,031</u>

2023

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

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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 International Leasing Co., Ltd (Yuanta International Leasing)	Associate of Yuanta Bank (Note 2)
Yuanta-Polaris Research Institute (Yuanta-Polaris Research)	Related party in substance (Note 3)
Yuanta Construction Development Co., Ltd. (Yuanta Construction Development)	"
Greatness Trading Co., Ltd.	"
Yuanta Cultural & Education Foundation (Yuanta Foundation)	"
Shun Fung Holdings (Private) Limited	"
Yuanta Diamond Funds SPC	" (Note 4)
Securities Investment Trust & Advisory Association of Taipei, R.O.C. (SITCA)	The group management is its main management level
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.	"
TONGYANG AGRI-FOOD INVESTMENT Fund II	Investments accounted for under the equity method of Yuanta Securities (Korea) (No longer a related party since May 24, 2023.)
IBKC-TONGYANG Growth 2013 Private Equity Fund	"
Yuanta Secondary No.3 Private Equity Fund	"
Kiwoom-Yuanta 2019 Scale-up Fund	"
Yuanta Innovative Growth MPE Fund	"
Yuanta Innovative Job Creation Fund	"
Yuanta SPAC VIII	"
	(No longer a related party since August 23, 2023.)
Yuanta SPAC IX	"
Yuanta SPAC X	"
Yuanta SPAC XI	"
Yuanta SPAC XII	"
Yuanta SPAC XIII	"
Yuanta SPAC XIV	"
Yuanta SPAC XV	"
	(Has become a related party since November 20, 2023.)

Names of related parties	Relationship with the Group
Yuanta SPAC XVI	Investments accounted for under the equity method of Yuanta Securities (Korea) (Has become a related party since December 6, 2023.)
Yuanta Quantum Jump No.1 Fund	"
Alpha-Harvest Summit Private Equity Fund	" (Note 5) (Has become a related party since January 23, 2024.)
Yuanta K-Bio Vaccine Blockbuster Private Equity Fund	" (Has become a related party since December 28, 2023.)
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). The record date for the liquidation was June 30, 2022, and the liquidation was completed on January 30, 2024.

Note 2: On April 22, 2024, the Board of Directors of Yuanta International Leasing acting on behalf of the shareholders' meeting approved the dissolution of April 30, 2024, as the record date for the dissolution.

Note 3: On September 14, 2023, Ministry of Economic Affairs approved the dissolution and liquidation of Yuanta-Polaris Research. The record date for the liquidation was September 14, 2023. The relevant procedures are currently in progress.

Note 4: 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.

Note 5: On June 1, 2024, the Group reclassified this investment amounting to \$243,445 from equity investments accounted for under the equity method to assets held for sale.

(2) Significant transactions and balances with related parties

A. Deposits

June 30, 2024			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 15,141,723	0.91	0.00~6.68
December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 10,712,470	0.69	0.00~6.56
June 30, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	\$ 11,086,362	0.72	0.00~6.56

Apart from an interest rate limit on staff demand savings deposits of 6.56%~6.68% and

6.44%~6.56%, respectively, for the six months ended June 30, 2024 and 2023, 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 three months and six months ended June 30, 2024 and 2023, interest expense on the above deposits were \$92,696, \$28,564, \$200,337 and \$53,631, respectively.

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B. Loans

June 30, 2024

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	247	\$ 108,794	\$ 77,736	\$ 77,736	\$ -	Movables, deposits and credit loans	None
Residential mortgage loans	490	4,811,297	4,400,731	4,400,731	-	Real estate	None
Other loans	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	89	485,884	302,526	302,526	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 4,800,993	\$ 4,800,993	\$ -		

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	\$ -		

June 30, 2023

Unit: In thousands of NT dollars

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

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 2.15%~2.27% and 2.02%~2.15% for the six months ended June 30, 2024 and 2023, respectively, the interest rates on the remaining loans are both ranging from 0.00%~12.00% for the six months ended June 30, 2024 and 2023, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2024 and 2023, interest income resulting from the above loans amounted to \$24,332, \$21,222, \$47,809 and \$40,876, respectively.

C. Property transactions

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 21,741,157	\$ 19,670,991	\$ 16,863,263
Global Growth Investment, L.P.	19,073	17,486	17,989
Yuanta Asia Growth Investment, L.P.	<u>342,598</u>	<u>309,586</u>	<u>316,360</u>
	<u>\$ 22,102,828</u>	<u>\$ 19,998,063</u>	<u>\$ 17,197,612</u>
<u>Proceeds on disposal</u>			
<u>For the three months ended June 30,</u>			
	<u>2024</u>	<u>2023</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 139,236,830	\$ 83,286,170
Yuanta Asia Growth Investment, L.P.		<u>-</u>	<u>5,507</u>
		<u>\$ 139,236,830</u>	<u>\$ 83,291,677</u>
<u>Proceeds on disposal</u>			
<u>For the six months ended June 30,</u>			
	<u>2024</u>	<u>2023</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 261,343,491	\$ 156,714,062
Yuanta Asia Growth Investment, L.P.		<u>-</u>	<u>5,507</u>
		<u>\$ 261,343,491</u>	<u>\$ 156,719,569</u>
<u>Realised gain or loss</u>			
<u>For the three months ended June 30,</u>			
	<u>2024</u>	<u>2023</u>	
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		\$ 810,073	\$ 493,240
Yuanta Asia Growth Investment, L.P.		<u>-</u>	<u>3,618</u>
		<u>\$ 810,073</u>	<u>\$ 496,858</u>

	Realised gain or loss	
	For the six months ended June 30,	
	2024	2023
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	\$ 1,379,012	\$ 532,277
Yuanta Asia Growth Investment, L.P.	-	3,618
	<u>\$ 1,379,012</u>	<u>\$ 535,895</u>

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

	June 30, 2024			
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,013	\$ -	0.55	
Others	44,168	34,721	4.70~4.95 (Note : USD)	USD 1,020
Other related parties:				
Funds managed by Yuanta Securities Investment				
Trust	99,965	-	1.47~1.48	
Others	645,979	146,463	0.55~0.60	
		<u>\$ 181,184</u>		
	December 31, 2023			
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
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>		

	June 30, 2023			
	Highest balance	Ending balance	Interest rate (%)	Foreign currency ending balance
Key management personnel:				
Others	\$ 50,000	\$ 50,000	0.55	
Others	34,249	34,249	3.60~4.70 (Note : USD)	USD 1,100
Other related parties:				
Others	1,095,059	956,102	0.35~0.55	
		<u>\$ 1,040,351</u>		

Note: For foreign currency repo trade.

(C)The Yuanta Group has bills and bonds transactions in the open market with related parties:

For the six months ended June 30, 2024

	Transactions type	Buyout price	Outright sale price
Other related parties:			
Others	Bonds	\$ -	\$ 8,922

No transactions for the six months ended June 30, 2023.

D. Futures traders' equity

	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 43,243,886	\$ 39,128,798	\$ 34,509,547
Others	101,374	68,659	58,068
	<u>\$ 43,345,260</u>	<u>\$ 39,197,457</u>	<u>\$ 34,567,615</u>

E. Accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties:			
Funds managed by Yuanta Securities Investment Trust (Note)	\$ 16,955	\$ 10,263	\$ 11,605
Yuanta Construction Development	959	1,645	1,856
Yuanta Foundation	-	-	1
	<u>\$ 17,914</u>	<u>\$ 11,908</u>	<u>\$ 13,462</u>

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

F. Settlement payable

	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 2,466	\$ -	\$ 1,444

G. Accounts payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Others	\$ 44	\$ 22	\$ -

H. Other payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel:			
Others	\$ -	\$ 100	\$ -
Other related parties:			
SITCA	55	50	50
Others	757	-	8
	<u>\$ 812</u>	<u>\$ 150</u>	<u>\$ 58</u>

I. Receivables from deposits on securities borrowed and security borrowing expenses

	<u>Receivables from deposits on securities borrowed</u>		
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust	\$ 436,978	\$ 41,242	\$ 425,133
Others	-	-	10
	<u>\$ 436,978</u>	<u>\$ 41,242</u>	<u>\$ 425,143</u>
		<u>Security borrowing expenses</u>	
		<u>For the three months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 13,687	\$ 12,235
		<u>For the six months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment Trust		\$ 23,570	\$ 26,421

J. Receivable of securities business money lending

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel:			
Others	\$ 2,900	\$ 50	\$ 90
Other related parties:			
Others	75,372	40,220	28,067
	<u>\$ 78,272</u>	<u>\$ 40,270</u>	<u>\$ 28,157</u>

K. Receivables from loans to employees

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel:			
Others	\$ 1,121	\$ 948	\$ 1,094
Other related parties:			
Others	<u>172,188</u>	<u>163,134</u>	<u>156,627</u>
	<u>\$ 173,309</u>	<u>\$ 164,082</u>	<u>\$ 157,721</u>

L. Income from distribution fee

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Key management personnel:		
Others	\$ 1,541	\$ 151
Other related parties:		
Others	<u>836</u>	<u>32</u>
	<u>\$ 2,377</u>	<u>\$ 183</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Key management personnel:		
Others	\$ 2,306	\$ 212
Other related parties:		
Others	<u>1,086</u>	<u>70</u>
	<u>\$ 3,392</u>	<u>\$ 282</u>

M. Income from transfer-agent services

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Others	<u>\$ 31</u>	<u>\$ 30</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Others	<u>\$ 61</u>	<u>\$ 60</u>

N. Investment refund receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
IBKC-TONGYANG Growth 2013 Private Equity Fund Kiwoom-Yuanta 2019 Scale-up Fund	\$ 48,517	\$ 48,856	\$ 48,524
SYF Information (Shanghai)	27,827	12,161	11,648
Yuanta International Leasing	-	85,526	118,159
	<u>104,508</u>	<u>-</u>	<u>-</u>
	<u>\$ 180,852</u>	<u>\$ 146,543</u>	<u>\$ 178,331</u>

O. Lease transactions—Lessee

(A) Acquisition of right-of-use assets

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Shun Fung Holdings (Private) Limited	\$ 41,050	\$ -

(B) Lease liabilities

A. Ending balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Shun Fung Holdings (Private) Limited	\$ 38,847	\$ -	\$ -

B. Financial cost

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Shun Fung Holdings (Private) Limited	\$ 327	\$ -

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Shun Fung Holdings (Private) Limited	\$ 327	\$ -

P. Other financial liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel:			
Others	\$ 5,628	\$ 25,983	\$ 4,997
Other related parties:			
Others	11	10	11
	<u>\$ 5,639</u>	<u>\$ 25,993</u>	<u>\$ 5,008</u>

Q. Holding the securities issued by related parties (recorded as “Financial assets at fair value through profit or loss”)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta SPAC VIII	\$ -	\$ -	\$ 23,343
Yuanta SPAC IX	23,291	23,478	23,343
Yuanta SPAC X	23,291	23,478	23,343
Yuanta SPAC XI	23,291	23,478	23,343
Yuanta SPAC XII	18,586	18,735	18,628
Yuanta SPAC XIII	23,291	23,478	23,343
Yuanta SPAC XIV	23,291	23,478	23,343
Yuanta SPAC XV	23,291	23,478	-
Others	16,113	16,244	-
	<u>\$ 174,445</u>	<u>\$ 175,847</u>	<u>\$ 158,686</u>

R. Credit transaction between the Yuanta Group and related parties

	<u>June 30, 2024</u>	
	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:		
Others	\$ 14,807	\$ 120,607
Other related parties:		
Others	10,475	54,140
	<u>\$ 25,282</u>	<u>\$ 174,747</u>
	<u>December 31, 2023</u>	
	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:		
Others	\$ 971	\$ 117,381
Other related parties:		
Others	1,127	35,630
	<u>\$ 2,098</u>	<u>\$ 153,011</u>
	<u>June 30, 2023</u>	
	<u>Deposit for short sales</u>	<u>Margin loans</u>
Key management personnel:		
Others	\$ 3,259	\$ 79,144
Other related parties:		
Others	1,480	20,142
	<u>\$ 4,739</u>	<u>\$ 99,286</u>

S. Fund management fee income and fund management fee receivables

	<u>Fund management fee income</u>		
	<u>For the three months ended June 30,</u>		
	<u>2024</u>		<u>2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 1,704,245		\$ 1,175,278
Yuanta Asia Growth Investment, L.P.	10,209		8,754
Yuanta Diamond Funds SPC's funds	3,745		3,680
Others	1		140
	<u>\$ 1,718,200</u>		<u>\$ 1,187,852</u>
	<u>For the six months ended June 30,</u>		
	<u>2024</u>		<u>2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 3,210,269		\$ 2,248,461
Yuanta Asia Growth Investment, L.P.	20,155		17,430
Yuanta Diamond Funds SPC's funds	6,420		8,303
Others	94		109
	<u>\$ 3,236,938</u>		<u>\$ 2,274,303</u>
	<u>Fund management fee receivables</u>		
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 588,766	\$ 497,983	\$ 404,196
Yuanta Asia Growth Investment, L.P.	10,263	9,929	8,885
Global Growth Investment, L.P.	700	572	288
	<u>\$ 599,729</u>	<u>\$ 508,484</u>	<u>\$ 413,369</u>

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

	Receivables from performance fee and management fee income		
	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties:			
Yuanta Secondary No.3 Private Equity Fund	\$ 51,206	\$ 36,944	\$ 21,943
Yuanta Quantum Jump No.1 Fund	1,280	161,593	-
Yuanta K-Bio Vaccine Blockbuster Private Equity Fund	18,394	486	-
Others	29,088	35,380	8,825
	<u>\$ 99,968</u>	<u>\$ 234,403</u>	<u>\$ 30,768</u>
		Performance fee and management fee income	
		For the three months ended June 30,	
		2024	2023
Other related parties:			
TONGYANG AGRI-FOOD INVESTMENT Fund II		\$ -	\$ 26,501
Yuanta Innovative Growth MPE Fund		6,015	9,378
Yuanta Secondary No.3 Private Equity Fund		7,297	7,248
Yuanta Innovative Job Creation Fund		4,329	5,493
Kiwoom-Yuanta 2019 Scale-up Fund		3,574	4,150
Yuanta K-Bio Vaccine Blockbuster Private Equity Fund		7,451	-
Others		4,078	7,316
		<u>\$ 32,744</u>	<u>\$ 60,086</u>

	Performance fee and management fee income	
	For the six months ended June 30,	
	2024	2023
Other related parties:		
TONGYANG AGRI-FOOD INVESTMENT		
Fund II	\$ -	\$ 26,501
Yuanta Innovative Growth MPE Fund	5,068	18,960
Yuanta Secondary No.3 Private Equity Fund	14,613	14,569
Yuanta Innovative Job Creation Fund	9,091	11,105
Kiwoom-Yuanta 2019 Scale-up Fund	6,990	8,923
Yuanta K-Bio Vaccine Blockbuster		
Private Equity Fund	17,983	-
Others	7,555	18,078
	<u>\$ 61,300</u>	<u>\$ 98,136</u>
U. <u>Premium income</u>		
	For the three months ended June 30,	
	2024	2023
Other related parties:		
Others	<u>\$ 62,445</u>	<u>\$ 152,128</u>
	For the six months ended June 30,	
	2024	2023
Other related parties:		
Others	<u>\$ 114,979</u>	<u>\$ 216,715</u>
V. <u>The details of the brokerage service fee income from the Yuanta Group and its related parties</u>		
	For the three months ended June 30,	
	2024	2023
Key management personnel:		
Others	\$ 8,503	\$ 5,892
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	282,309	66,382
Others	8,357	5,870
	<u>\$ 299,169</u>	<u>\$ 78,144</u>
	For the six months ended June 30,	
	2024	2023
Key management personnel:		
Others	\$ 16,334	\$ 10,867
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	455,750	142,803
Others	16,792	12,739
	<u>\$ 488,876</u>	<u>\$ 166,409</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta-Polaris Research	\$ -	\$ -	\$ 17
Yuanta Foundation	10	11	10
Yuanta Construction Development	<u>1,527</u>	<u>1,527</u>	<u>1,510</u>
	<u>\$ 1,537</u>	<u>\$ 1,538</u>	<u>\$ 1,537</u>

X. Service fee income

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ -	\$ 25
Others	-	6
	<u>\$ -</u>	<u>\$ 31</u>

Y. Profit or loss from investment property

(A) Service fee income

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ -	\$ 25
Others	-	6
	<u>\$ -</u>	<u>\$ 31</u>

(B) Rental income

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta-Polaris Research	\$ -	\$ 25
Yuanta Construction Development	2,008	1,983
Yuanta Foundation	<u>16</u>	<u>16</u>
	<u>\$ 2,024</u>	<u>\$ 2,024</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta-Polaris Research	\$ -	\$ 50
Yuanta Construction Development	4,016	3,966
Yuanta Foundation	<u>32</u>	<u>32</u>
	<u>\$ 4,048</u>	<u>\$ 4,048</u>

(C) Imputed interest on rental deposits	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ <u>6</u>	\$ <u>5</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ <u>12</u>	\$ <u>11</u>
(D) Other income	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ <u>42</u>	\$ <u>547</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta Construction Development	\$ <u>113</u>	\$ <u>1,054</u>
Z. <u>Revenue from funds and beneficiary certificates managed by related parties of the Yuanta Group</u>	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>221,840</u>	\$ <u>94,176</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>431,785</u>	\$ <u>199,950</u>
AA. <u>Other operating income</u>	<u>For the three months ended June 30,</u>	
(A) Underwriting service income	<u>2024</u>	<u>2023</u>
Other related parties:		
Yuanta SPAC XVI	\$ <u>3,649</u>	\$ <u>-</u>

		<u>For the six months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
Other related parties:			
Yuanta SPAC XII		\$ -	\$ 3,188
Yuanta SPAC XIII		-	6,021
Yuanta SPAC XV		3,189	-
Yuanta SPAC XVI		3,649	-
Alpha-Harvest Summit Private Equity Fund		19,450	-
		<u>\$ 26,288</u>	<u>\$ 9,209</u>
 (B) Borrowed stock revenue			
		<u>For the three months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		<u>\$ 16,968</u>	<u>\$ 14,207</u>
		<u>For the six months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		<u>\$ 26,426</u>	<u>\$ 28,055</u>
 <u>AB. Operating expenses</u>			
		<u>For the three months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
<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>\$ -</u>	<u>\$ 103,000</u>
		<u>For the six months ended June 30,</u>	
		<u>2024</u>	<u>2023</u>
<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
Total		<u>\$ -</u>	<u>\$ 103,000</u>

AC. Futures commissions expense

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Others	\$ <u>114</u>	\$ <u>-</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Others	\$ <u>189</u>	\$ <u>-</u>

AD. Other operating expenses

(A) ETF redemption fees

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>21,169</u>	\$ <u>14,009</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>39,923</u>	\$ <u>25,200</u>

(B) Financial costs

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>138,198</u>	\$ <u>91,868</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	\$ <u>138,287</u>	\$ <u>91,868</u>

(C) Miscellaneous expenses

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
SITCA	\$ <u>936</u>	\$ <u>290</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
SITCA	\$ <u>1,535</u>	\$ <u>877</u>

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

	For the three months ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 1,786,225	\$ 1,638,941
Termination benefits	3,778	613
Other long-term benefits	3,126	2,646
Post-employment benefit	40,680	38,868
Total	<u>\$ 1,833,809</u>	<u>\$ 1,681,068</u>
	For the six months ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 3,699,350	\$ 3,426,935
Termination benefits	3,778	9,798
Other long-term benefits	6,196	5,535
Post-employment benefit	86,512	78,885
Total	<u>\$ 3,795,836</u>	<u>\$ 3,521,153</u>

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

A. Yuanta Bank and its subsidiaries

(A) Deposits

June 30, 2024			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 113,823,084</u>	<u>6.48</u>	0.00~6.68
December 31, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 83,919,145</u>	<u>5.19</u>	0.00~6.56
June 30, 2023			
Name	Ending balance	Percentage of deposits (%)	Interest rate (%)
All related parties	<u>\$ 87,689,179</u>	<u>5.49</u>	0.00~6.56

Apart from an interest rate limit on staff demand savings deposits of 6.56%~6.68% and 6.44%~6.56%, respectively, for the six months ended June 30, 2024 and 2023, 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 three months and six months ended June 30, 2024 and 2023, interest expense on the above deposits were \$417,223, \$294,221, \$815,378 and \$618,801, respectively.

(B) Loans

June 30, 2024

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	247	\$ 108,794	\$ 77,736	\$ 77,736	\$ -	Movables, deposits and credit loans	None
Residential mortgage loans	490	4,811,297	4,400,731	4,400,731	-	Real estate	None
Other loans	Yuanta Securities	1,500,000	1,500,000	1,500,000	-	Real estate	None
	Greatness Trading Co., Ltd.	20,000	20,000	20,000	-	Real estate	None
	89	485,884	302,526	302,526	-	Deposits, stock, real estate, policy and credit loans	None
Total			\$ 6,300,993	\$ 6,300,993	\$ -		

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	\$ -		

June 30, 2023

Unit: In thousands of NT dollars

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

Loans to related parties are under the same terms as those to other customers, except for interest rates on loans to affiliated companies were 1.80%~2.27% and 2.02%~2.15% for the six months ended June 30, 2024 and 2023, respectively, the interest rates on the remaining loans are both ranging from 0.00%~12.00% for the six months ended June 30, 2024 and 2023, which are the same with the terms of general loans.

For the three months and six months ended June 30, 2024 and 2023, interest income resulting from the above loans amounted to \$27,747, \$21,222, \$53,691 and \$40,876, respectively.

(C) Service fee income

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Life	\$ 319,231	\$ 281,700
Yuanta Securities Investment Trust	37,187	21,796
Yuanta Securities (Hong Kong)	21,826	18,148
Yuanta Securities	10,580	4,002
	<u>\$ 388,824</u>	<u>\$ 325,646</u>
	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Life	\$ 848,922	\$ 710,232
Yuanta Securities Investment Trust	72,271	45,184
Yuanta Securities (Hong Kong)	47,744	22,962
Yuanta Securities	15,241	8,810
	<u>\$ 984,178</u>	<u>\$ 787,188</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Life	\$ 109,041	\$ 107,519	\$ 105,780
Yuanta Securities Investment Trust	11,617	11,832	6,796
Yuanta Securities (Hong Kong)	6,843	12,986	9,808
Yuanta Securities	3,376	24	67
	<u>\$ 130,877</u>	<u>\$ 132,361</u>	<u>\$ 122,451</u>

(D) Rental expense

Name of related parties	Usage	For the three months ended June 30,	
		2024	2023
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	\$ 59,431	\$ 52,571
		For the six months ended June 30,	
		2024	2023
Fellow subsidiary:			
Yuanta Securities	Office rental/ place rental	\$ 115,683	\$ 101,902

(E) Current income tax assets/liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivable	<u>\$ 54,209</u>	<u>\$ 54,209</u>	<u>\$ 99,119</u>
Consolidated income tax return payable	<u>\$ 931,109</u>	<u>\$ 872,906</u>	<u>\$ 272,729</u>

(F) Property transactions

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

<u>Name of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Futures			
Futures Margin	<u>\$ 490,631</u>	<u>\$ 513,893</u>	<u>\$ 628,408</u>

(G) Investment refund receivable

<u>Name of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta International Leasing	<u>\$ 104,508</u>	<u>\$ -</u>	<u>\$ -</u>

B. Yuanta Securities and its subsidiaries

(A) Futures transactions

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

	<u>June 30, 2024</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,735,884	\$ 1,383,004
Others	<u>10,331</u>	<u>61,165</u>
	<u>\$ 1,746,215</u>	<u>\$ 1,444,169</u>
	<u>December 31, 2023</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,093,798	\$ 1,449,854
Others	<u>18,713</u>	<u>70,743</u>
	<u>\$ 1,112,511</u>	<u>\$ 1,520,597</u>
	<u>June 30, 2023</u>	
	<u>Futures margins</u>	
	<u>Own funds</u>	<u>Excess margins</u>
Fellow subsidiary:		
Yuanta Futures	\$ 1,031,333	\$ 2,022,169
Others	<u>7,996</u>	<u>71,523</u>
	<u>\$ 1,039,329</u>	<u>\$ 2,093,692</u>

- b. Commission income -futures arising from futures introducing broker transactions on behalf of related parties:

	<u>Commission income - futures</u>	
	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Futures	<u>\$ 74,770</u>	<u>\$ 53,941</u>
	<u>Commission income - futures</u>	
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Futures	<u>\$ 132,180</u>	<u>\$ 112,742</u>

(B) Bank deposits, loans and interest income

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

	<u>June 30, 2024</u>	
	<u>Bank deposits</u>	<u>Other receivables – interest receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 42,938,370</u>	<u>\$ 69,457</u>
	<u>December 31, 2023</u>	
	<u>Bank deposits</u>	<u>Other receivables – interest receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 29,619,224</u>	<u>\$ 92,870</u>
	<u>June 30, 2023</u>	
	<u>Bank deposits</u>	<u>Other receivables – interest receivable (Note)</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 21,290,729</u>	<u>\$ 42,378</u>
	<u>Other gains and losses – interest income (Note)</u>	
	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Bank	<u>\$ 251,731</u>	<u>\$ 162,811</u>

	Other gains and losses – interest income (Note)		
	For the six months ended June 30,		
	2024	2023	
Fellow subsidiary:			
Yuanta Bank	\$ 454,080	\$ 299,362	
Note: Including the interest of demand deposits, time deposits and operating guarantee deposits.			
b. As of June 30, 2024, December 31, 2023 and June 30, 2023, 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 \$483,938, \$393,383 and \$2,010,881, respectively.			
c. As of June 30, 2024, December 31, 2023 and June 30, 2023, the short-term loans that Yuanta Securities and its subsidiaries borrowed from Yuanta Bank amounted to \$1,500,000, \$0 and \$0, respectively.			
(C) Consolidated income tax return - receivables/ payables (recorded as “current income tax assets/liabilities”)			
	June 30, 2024	December 31, 2023	June 30, 2023
Parent company:			
Yuanta Financial Holdings			
Consolidated income tax return receivables	\$ 66,009	\$ 66,009	\$ 66,009
Consolidated income tax return payables	\$ 1,169,617	\$ 1,617,979	\$ 726,355
(D) Settlement payable			
	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Bank	\$ 5,796	\$ 1,478	\$ 26,283
Yuanta Securities Investment Trust	3,922	-	-
Yuanta Life	-	-	78,702
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	2,466	-	1,444
	\$ 12,184	\$ 1,478	\$ 106,429

(E) Operating guarantee deposits

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 1,290,000</u>	<u>\$ 1,290,000</u>	<u>\$ 1,290,000</u>

(F) 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 304,000</u>	<u>\$ 304,000</u>	<u>\$ 304,000</u>

(G) Deposits on receivables from deposits on securities borrowed

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 436,978</u>	<u>\$ 41,242</u>	<u>\$ 425,133</u>

(H) Receivables from loans to employees

Please refer to Note 7(2)K.

(I) Commission income

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Life	<u>\$ 129,421</u>	<u>\$ 104,962</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Life	<u>\$ 285,952</u>	<u>\$ 224,321</u>

(J) Trust income

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	<u>\$ 58,792</u>	<u>\$ 38,690</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Trust	<u>\$ 121,886</u>	<u>\$ 79,244</u>

(K) Amounts held for settlement

As of June 30, 2024, December 31, 2023 and June 30, 2023, Yuanta Securities and its subsidiaries had amounts held for settlement of \$178,477, \$261,247 and \$631,876, respectively, which were deposited at its fellow subsidiary, Yuanta Bank.

(L) Property transactions

- a. Bills and bonds transactions under repurchase agreements (recorded as liabilities for bills and bonds with repurchase agreements)
Please refer to Note 7(2)C(B).
- b. Bonds sold and purchased (recorded as financial assets at fair value through profit or loss)

	<u>For the three months ended June 30, 2023</u>	
	<u>Purchased</u>	<u>Sold</u>
Fellow subsidiary:		
Yuanta Futures	<u>\$ -</u>	<u>\$ 2,395,669</u>
	<u>For the six months ended June 30, 2023</u>	
	<u>Purchased</u>	<u>Sold</u>
Fellow subsidiary:		
Yuanta Futures	<u>\$ -</u>	<u>\$ 2,992,322</u>

There were no bonds sold and purchased for the three months and six months ended June 30, 2024.

(M) Lease transactions—Lessee

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

b. Acquisition of right-of-use assets			
	For the six months ended June 30,		
	2024		2023
Fellow subsidiary:			
Yuanta Bank	\$ 78,384	\$	5,439
Other related parties:			
Shun Fung Holdings (Private) Limited	24,088		-
	<u>\$ 102,472</u>	<u>\$</u>	<u>5,439</u>
c. Lease liabilities			
	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Life	\$ 141,191	\$ 193,358	\$ 248,745
Yuanta Bank	97,853	23,703	17,865
Other related parties:			
Shun Fung Holdings (Private) Limited	22,871	-	-
	<u>\$ 261,915</u>	<u>\$ 217,061</u>	<u>\$ 266,610</u>
(N) Customer margin accounts			
	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Futures	\$ 329,366	\$ 274,639	\$ 235,334
Others	1,256	1,174	1,185
	<u>\$ 330,622</u>	<u>\$ 275,813</u>	<u>\$ 236,519</u>
(O) Brokerage service fee income			
	For the three months ended June 30,		
	2024		2023
Fellow subsidiary:			
Others		\$ 11,251	\$ 12,213
Key management personnel:			
Others		8,503	5,892
Other related parties:			
Funds managed by Yuanta Securities Investment Trust		159,170	54,613
Others		7,040	4,590
		<u>\$ 185,964</u>	<u>\$ 77,308</u>

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Others	\$ 21,979	\$ 21,456
Key management personnel:		
Others	16,334	10,867
Other related parties:		
Funds managed by Yuanta Securities Investment		
Trust	283,657	93,074
Others	14,052	10,172
	<u>\$ 336,022</u>	<u>\$ 135,569</u>

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

(P) Other operating income—dividend income

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Funds managed by Yuanta Securities Investment		
Trust	<u>\$ 61,924</u>	<u>\$ 11,760</u>

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Funds managed by Yuanta Securities Investment		
Trust	<u>\$ 145,974</u>	<u>\$ 41,138</u>

(Q) Other operating expense—Professional fee

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 51,555</u>	<u>\$ 47,124</u>

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities Investment Consulting	<u>\$ 103,110</u>	<u>\$ 94,248</u>

(R) Rebate income

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

	<u>For the three months ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	
Fellow subsidiary:			
Yuanta Bank	<u>\$ 59,432</u>	<u>\$ 52,604</u>	
	<u>For the six months ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	
Fellow subsidiary:			
Yuanta Bank	<u>\$ 126,665</u>	<u>\$ 111,209</u>	
(S) Funds and beneficiary certificates managed by fellow subsidiary (recorded as financial assets at fair value through profit or loss)			
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 8,455,371</u>	<u>\$ 9,598,907</u>	<u>\$ 9,871,682</u>
	<u>For the three months ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	
	<u>Proceeds on</u>	<u>Proceeds on</u>	
	<u>disposal</u>	<u>disposal</u>	<u>Realised gain</u>
	<u>Realised gain</u>		<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 137,931,007</u>	<u>\$ 711,431</u>	<u>\$ 82,715,141</u>
		<u>\$ 509,555</u>	
	<u>For the six months ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	
	<u>Proceeds on</u>	<u>Proceeds on</u>	
	<u>disposal</u>	<u>disposal</u>	<u>Realised gain</u>
	<u>Realised gain</u>		<u>Realised gain</u>
Other related parties:			
Fund managed by			
Yuanta Securities			
Investment Trust	<u>\$ 259,890,868</u>	<u>\$ 1,278,049</u>	<u>\$ 155,265,521</u>
		<u>\$ 588,362</u>	

(T) Securities issued by related parties (recorded as financial assets at fair value through profit or loss)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta SPAC VIII	\$ -	\$ -	\$ 23,343
Yuanta SPAC IX	23,291	23,478	23,343
Yuanta SPAC X	23,291	23,478	23,343
Yuanta SPAC XI	23,291	23,478	23,343
Yuanta SPAC XII	18,586	18,735	18,628
Yuanta SPAC XIII	23,291	23,478	23,343
Yuanta SPAC XIV	23,291	23,478	23,343
Yuanta SPAC XV	23,291	23,478	-
Others	16,113	16,244	-
	<u>\$ 174,445</u>	<u>\$ 175,847</u>	<u>\$ 158,686</u>

Proceeds on disposal

For the three months ended June 30,

2024

2023

Parent company:

 Yuanta Financial Holdings

\$ 499,435

\$ 195,656

For the six months ended June 30,

2024

2023

Parent company:

 Yuanta Financial Holdings

\$ 1,147,099

\$ 331,512

(U) Credit transaction—margin loans

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel:			
Others	\$ 120,607	\$ 117,381	\$ 79,144
Other related parties:			
Others	54,140	35,630	20,142
	<u>\$ 174,747</u>	<u>\$ 153,011</u>	<u>\$ 99,286</u>

(V) Others

- a. As of June 30, 2024, December 31, 2023 and June 30, 2023, the credit facilities granted by fellow subsidiary - Yuanta Bank to Yuanta Securities and its subsidiaries with land and buildings as collateral were \$11,100,000, \$11,500,000 and \$11,500,000, respectively. The carrying amounts of land and building amounting to \$3,127,919, \$3,393,960 and \$3,408,293, respectively, were designated as collateral.
- b. The fund balances held by Yuanta Securities and its subsidiaries (recorded as financial assets at fair value through profit or loss).

	The balance of fund		
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta Asia Growth			
Investment, L.P.	\$ 171,300	\$ 154,793	\$ 158,181
Global Growth			
Investment, L.P.	19,073	17,486	17,989
	<u>\$ 190,373</u>	<u>\$ 172,279</u>	<u>\$ 176,170</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Yuanta Secondary			
No. 3 Private			
Equity Fund	\$ 51,206	\$ 36,944	\$ 21,943
Yuanta Quantum Jump			
No. 1 Fund	1,280	161,593	-
Yuanta K-Bio Vaccine			
Blockbuster Private			
Equity Fund	18,394	486	-
Others	29,088	35,380	8,825
	<u>\$ 99,968</u>	<u>\$ 234,403</u>	<u>\$ 30,768</u>

C. Yuanta Futures and its subsidiaries

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

	June 30, 2024		
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 2,890,274	\$ 140,000	\$ 29,671,982
Yuanta Securities (Korea)	-	-	24,261
Yuanta Securities (Vietnam)	-	-	179,912
Yuanta Securities (Thailand)	-	-	1,619
	<u>\$ 2,890,274</u>	<u>\$ 140,000</u>	<u>\$ 29,877,774</u>
		December 31, 2023	
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>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>
		June 30, 2023	
	<u>Bank deposits</u> <u>ending balance</u>	<u>Operating</u> <u>guarantee deposits</u>	<u>Customer margin</u> <u>deposits</u>
Fellow subsidiary:			
Yuanta Bank	\$ 5,249,880	\$ 140,000	\$ 21,330,694
Yuanta Securities (Korea)	-	-	6,013
Yuanta Securities (Vietnam)	-	-	210,687
	<u>\$ 5,249,880</u>	<u>\$ 140,000</u>	<u>\$ 21,547,394</u>

Yuanta Futures and its subsidiaries purchased book-entry central government bond (CGS) through Yuanta Securities for \$0 and \$2,985,744 under customer margin accounts for the six months ended June 30, 2024 and 2023, respectively.

(B) Customer margin accounts for leverage contracts

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 345,758</u>	<u>\$ 266,264</u>	<u>\$ 111,243</u>

(C) Investment refund receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
SYF Information (Shanghai)	\$ <u>-</u>	\$ <u>85,526</u>	\$ <u>118,159</u>
Yuanta Futures and its subsidiaries fully recovered the above-mentioned investment refund receivable in January 2024.			

(D) Lease liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	\$ 9,926	\$ 2,260	\$ 3,463
Yuanta Life	53,685	73,705	93,663
Yuanta Securities (Hong Kong)	2,885	6,269	9,790
Other related parties:			
Others	15,976	-	-
	<u>\$ 82,472</u>	<u>\$ 82,234</u>	<u>\$ 106,916</u>

(E) Equity of futures traders

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Securities	\$ 3,138,939	\$ 2,567,422	\$ 3,075,095
Yuanta Bank	490,631	513,843	628,430
Yuanta Securities (Hong Kong)	41,738	55,577	49,217
Yuanta Securities (Korea)	339,047	286,651	246,787
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	43,243,886	39,128,798	34,509,547
Others	101,374	68,659	58,068
	<u>\$ 47,355,615</u>	<u>\$ 42,620,950</u>	<u>\$ 38,567,144</u>

(F) Dividends payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Parent company:			
Yuanta Financial Holdings	\$ <u>960,835</u>	\$ <u>-</u>	\$ <u>-</u>

(G) Brokerage fee revenue

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 22,061	\$ 20,870
Yuanta Bank	1,277	522
Yuanta Securities (Hong Kong)	2,262	3,300
Yuanta Securities (Korea)	515	498
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	123,139	103,636
Others	1,317	1,280
	<u>\$ 150,571</u>	<u>\$ 130,106</u>
	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 46,830	\$ 46,063
Yuanta Bank	1,945	918
Yuanta Securities (Hong Kong)	3,833	7,957
Yuanta Securities (Korea)	1,015	915
Other related parties:		
Funds managed by Yuanta Securities		
Investment Trust	172,093	141,596
Others	2,740	2,567
	<u>\$ 228,456</u>	<u>\$ 200,016</u>

(H) Futures commissions expense

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	<u>\$ 74,770</u>	<u>\$ 53,941</u>
	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	<u>\$ 132,180</u>	<u>\$ 112,742</u>

(I) Interest income

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Bank	\$ 180,640	\$ 105,975
	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Bank	\$ 340,429	\$ 205,331

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

(J) Financial cost

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 2,349	\$ 2,611
Yuanta Securities (Korea)	799	575
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	138,198	91,868
	\$ 141,346	\$ 95,054
	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 4,749	\$ 5,111
Yuanta Securities (Korea)	1,494	1,075
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	138,287	91,868
	\$ 144,530	\$ 98,054

(K) Property transactions

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of financial assets			
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 453,255	\$ 292,896	\$ -

D. Yuanta Securities Investment Consulting

(A) Bank deposits

As of June 30, 2024, December 31, 2023 and June 30, 2023, Yuanta Securities Investment Consulting deposited \$197,065, \$242,005 and \$199,996, respectively, to Yuanta

Bank, amongst which, the operating guarantee deposits were all \$5,000, and annual interest rates were 1.66%, 1.53% and 1.53%, respectively.

(B) Lease transactions—Lessee

A. Yuanta Securities Investment Consulting leases buildings from Yuanta Securities and Yuanta Bank. Rental contracts are both made for periods of 5 years and rental payments are made at the beginning of each month.

B. Acquisition of right-of-use assets

	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Bank	\$ 110,025	\$ -

C. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Securities	\$ 9,911	\$ 14,173	\$ 18,304
Yuanta Bank	110,479	-	-
	<u>\$ 120,390</u>	<u>\$ 14,173</u>	<u>\$ 18,304</u>

(C) Operating income

	For the three months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 49,845	\$ 45,414
Yuanta Bank	8,175	7,500
Yuanta Securities Investment Trust	5,437	4,500
Yuanta Futures	1,148	900
Other related parties:		
Yuanta Securities Finance	1,710	1,710
	<u>\$ 66,315</u>	<u>\$ 60,024</u>

	For the six months ended June 30,	
	2024	2023
Fellow subsidiary:		
Yuanta Securities	\$ 99,690	\$ 90,828
Yuanta Bank	16,350	15,000
Yuanta Securities Investment Trust	10,875	9,000
Yuanta Futures	2,295	1,800
Other related parties:		
Yuanta Securities Finance	3,420	3,420
	<u>\$ 132,630</u>	<u>\$ 120,048</u>

E. Yuanta Securities Investment Trust

(A) Bank deposits

	June 30, 2024	December 31, 2023	June 30, 2023
Fellow subsidiary:			
Yuanta Bank	<u>\$ 3,641,111</u>	<u>\$ 4,671,246</u>	<u>\$ 3,659,930</u>

(B) Accounts receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta			
Securities Investment			
Trust	\$ <u>605,721</u>	\$ <u>508,246</u>	\$ <u>415,801</u>

Note: As of June 30, 2024, December 31, 2023 and June 30, 2023, accounts receivable included management fee receivables amounting to \$588,766, \$497,983 and \$404,196, respectively.

(C) Management fee income

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>1,704,245</u>	\$ <u>1,175,278</u>
	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties:		
Funds managed by Yuanta		
Securities Investment Trust	\$ <u>3,210,269</u>	\$ <u>2,248,461</u>

(D) Fund transactions

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Yuanta Securities			
Investment Trust	\$ 429,153	\$ 295,662	\$ 216,953
Fellow subsidiary:			
Yuanta Life	4,074,528	2,344,521	1,113,732
Others	563,356	373,258	-
	<u>\$ 5,067,037</u>	<u>\$ 3,013,441</u>	<u>\$ 1,330,685</u>

(E) Sales fee

	<u>For the three months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Securities	\$ 72,551	\$ 49,489
Yuanta Bank	35,190	20,839
	<u>\$ 107,741</u>	<u>\$ 70,328</u>

	For the six months ended June 30,		
	2024	2023	
Fellow subsidiary:			
Yuanta Securities	\$ 148,945	\$	100,055
Yuanta Bank	69,200		43,273
	<u>\$ 218,145</u>	<u>\$</u>	<u>143,328</u>
F. Yuanta Life			
(A) Bank deposits and time deposits			
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank (Note)	<u>\$ 1,933,940</u>	<u>\$ 1,700,100</u>	<u>\$ 1,444,333</u>
Note: Including other financial assets.			
(B) Current income tax assets/liabilities			
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Parent company:			
Yuanta Financial Holdings Consolidated income tax return receivable	<u>\$ 5,698,005</u>	<u>\$ 5,215,483</u>	<u>\$ 5,365,605</u>
(C) Holding the funds and beneficiary certificates being managed by related parties (recorded as financial asset at fair value through profit or loss)			
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	\$ 12,318,147	\$ 9,453,315	\$ 6,774,628
Yuanta Asia Growth Investment, L.P.	171,298	154,793	158,179
	<u>\$ 12,489,445</u>	<u>\$ 9,608,108</u>	<u>\$ 6,932,807</u>
	<u>For the six months ended June 30, 2024</u>		
	<u>Purchase price</u>	<u>Proceeds on disposal</u>	<u>Realised gain or loss</u>
Other related parties:			
Funds managed by Yuanta Securities Investment Trust	<u>\$ 3,486,350</u>	<u>\$ 1,217,026</u>	<u>\$ 96,948</u>

				For the six months ended June 30, 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						
	\$	4,781,085		\$	779,905	(\$ 59,345)
Yuanta Asia Growth						
Investment, L.P.						
		<u>23,263</u>			<u>5,507</u>	<u>3,618</u>
	\$	<u>4,804,348</u>		\$	<u>785,412</u>	(\$ <u>55,727</u>)
Dividends income from investments in funds and beneficiary certificates were as follows (recorded as profit or loss on financial assets at fair value through profit or loss):						
For the three months ended June 30,						
2024						
2023						
Other related parties:						
Funds managed by Yuanta Securities						
Investment Trust						
				\$	<u>159,842</u>	\$ <u>82,386</u>
For the six months ended June 30,						
2024						
2023						
Other related parties:						
Funds managed by Yuanta Securities						
Investment Trust						
				\$	<u>285,557</u>	\$ <u>158,637</u>
(D) Payables						
				<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:						
Yuanta Bank						
	\$	86,087		\$	89,751	\$ 78,059
Yuanta International						
Insurance Brokers						
		<u>54,627</u>			<u>43,730</u>	<u>47,755</u>
	\$	<u>140,714</u>		\$	<u>133,481</u>	\$ <u>125,814</u>
(E) Premium income						
Please refer to Note 7(2)U.						
(F) Commission expense						
For the three months ended June 30,						
2024						
2023						
Fellow subsidiary:						
Yuanta Bank						
				\$	328,290	\$ 288,390
Yuanta International Insurance Brokers						
					<u>129,421</u>	<u>104,962</u>
				\$	<u>457,711</u>	\$ <u>393,352</u>

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Fellow subsidiary:		
Yuanta Bank	\$ 844,299	\$ 682,312
Yuanta International Insurance Brokers	<u>285,952</u>	<u>224,321</u>
	<u>\$ 1,130,251</u>	<u>\$ 906,633</u>

(G) Information on investments entrusted to related parties

Yuanta Life entered into a discretionary investment agreement with Yuanta Securities Investment Trust to entrust Yuanta Securities Investment Trust to serve as the trustee of discretionary investment-linked insurance. The entrusted investment items are mainly funds, beneficiary certificates and ETFs. The amount of investments as of June 30, 2024 and 2023 were \$25,956,421 and \$29,526,182, respectively; the trustee's compensation for the commissioned services during the six months ended June 30, 2024 and 2023 amounted to \$8,171 and \$7,494, respectively. In addition, Yuanta Life entrusted Yuanta Bank to serve as the custody institution of discretionary investment-linked insurance. The custody institution's compensation for the commissioned services during the six months ended June 30, 2024 and 2023 amounted to \$13,828 and \$14,122, respectively.

G. Yuanta Ventures and its subsidiary

(A) Bank deposits

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	\$ 1,127,551	\$ 1,142,708	\$ 1,152,284
Yuanta Securities (Hong Kong)	<u>5,939</u>	<u>5,622</u>	<u>5,679</u>
	<u>\$ 1,133,490</u>	<u>\$ 1,148,330</u>	<u>\$ 1,157,963</u>

H. Yuanta Asset Management

(A) Bank deposits

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fellow subsidiary:			
Yuanta Bank	<u>\$ 652,401</u>	<u>\$ 367,521</u>	<u>\$ 545,893</u>

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

	<u>For the six months ended June 30, 2024</u>	
	<u>Proceeds on disposal</u>	<u>Realised gain and loss</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ -</u>	<u>\$ -</u>
	<u>For the six months ended June 30, 2023</u>	
	<u>Proceeds on disposal</u>	<u>Realised gain and loss</u>
Other related parties:		
Funds managed by Yuanta Securities Investment Trust	<u>\$ 180,928</u>	<u>\$ 928</u>

8. Pledged assets

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

Items	June 30, 2024	December 31, 2023	June 30, 2023	Purpose of pledge
Due from Central Bank and call loans to other banks	\$ 211,734	\$ 260,865	\$ 188,632	Operating guarantee deposits
Financial assets at fair value through profit or loss	161,550,981	188,992,362	157,623,803	Bonds and bills under repurchase agreements, collateral for securities lending, OTC trading and collective fund for compensation loss
	772,800	-	-	Futures trading margin
	54,798,247	54,827,303	52,577,475	Brokerage business
	717,225	749,523	890,410	Guarantee deposits for notes, collective fund for compensation loss
Financial assets at fair value through other comprehensive income	18,722,293	4,411,695	4,448,450	Operating guarantee deposits, claim reserve from trust business, collateral for securities lending business, default customer account, short-term loans and guarantees on asset disposal
	69,469,223	59,341,062	88,180,068	Bonds and bills under repurchase agreements, operating guarantee deposits, OTC performance bonds and guarantees on asset disposal
	337,810	-	-	Money market limit guarantee
Investments in debt instruments at amortised cost	3,622,240	3,622,439	3,622,641	Operating guarantee deposits
	206,869	207,858	208,863	Deposits for guarantees in the Central Bank
	244,095	223,758	224,532	Claim reserve from trust business
	10,000,000	10,000,000	10,000,000	Overdraft guarantee for foreign currency settlement
	107,008	107,369	107,736	Settlement reserves for Electronic Bond Trading System (EBTS) issued by OTC
	53,504	53,684	53,868	Deposit guarantees of bills merchants
	275,866	279,159	271,064	Collateral for provisional seizure
	6,099	6,120	5,818	VISA international card payment reserves
	53,504	207,128	53,868	Settlement reserves for Taiwan Futures Exchange
	55,370	-	-	Money market limit guarantee
Restricted assets—net	2,101,590	2,551,751	2,073,241	Collateral for settlement limit, short-term loans, payable short-term bills, securities lending and OTC derivative transactions
	140,637	473,000	429,715	Operating guarantee deposits-exchange, structured products, interest rate swap account, repo trade and money lending refundable, liquidation and settlement default reserve
	1,523,032	937	931	Overdraft guarantee
	26,283	25,459	24,680	Dividends to be paid for transfer-agent services business
Other assets—net	856,658	295,392	847,544	Operating guarantee deposits
	6,678,796	2,487,522	3,745,795	Performance bond and rental deposits
	1,060	76,550	544	Underwriting share proceeds collected on behalf of customers
	20,000	10,000	10,000	Claim reserve from trust business

Items	June 30, 2024	December 31, 2023	June 30, 2023	Purpose of pledge
Property and equipment and investment property	\$ 2,449,298	\$ 2,468,502	\$ 2,475,726	Collateral for settlement limit and short-term loans; collateral for mortgage loans and leases
Treasury share of Yuanta Securities (Korea)	469,944	417,265	436,023	Collateral for securities lending business

9. Significant contingent liabilities and unrecognised contract commitments

(1) As of June 30, 2024, December 31, 2023 and June 30, 2023, capital expenditure contracted for at the balance sheet date but not yet incurred were \$5,048,525, \$8,041,524 and \$7,672,016, respectively.

(2) As of June 30, 2024, the upper limit of remaining capital commitment for the investment agreement signed by Yuanta Life of the Yuanta Group was USD 808 thousand dollars.

(3) Stocks entrusted to custody

As of June 30, 2024, December 31, 2023 and June 30, 2023, the stocks entrusted to the custody of Yuanta Securities Finance of the Yuanta Group by clients were all 7,483 thousand shares. The market value of these entrusted stocks was approximately \$79,124, \$78,808 and \$78,896, 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 June 30, 2024, there were 9 litigations against Yuanta Securities (Korea) and its subsidiaries, with compensation claims totaling KRW 5,957 million (approximately \$100 million). As of June 30, 2024, Yuanta Securities (Korea) and its subsidiaries provided provisions amounting to KRW 193 million (approximately \$5 million) for the abovementioned 9 litigations. 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 7 lawsuits as the plaintiff with a total claimed amount of KRW83,427 million (approximately \$2 billion).

C. Due to the alleged fraudulent act committed by a former employee of KK Trade Securities Co., Ltd., the affected clients filed a civil lawsuit against Yuanta Securities (Thailand) and the former employee for a joint liability to pay the compensation of THB301 million (approximately \$300 million). In August 2017, Yuanta Securities (Thailand) received a civil complaint of the lawsuit. As part of the claimed amount was not remitted to the account of KK Trade Securities Co., Ltd., but rather directly remitted to the former employee's private account from the plaintiffs, the liability is denied by Yuanta Securities (Thailand). The claims made by the plaintiffs were all dismissed by the court of the first instance on October 8, 2020. The court of the second instance also dismissed all the plaintiffs' claims on April 7, 2022. The plaintiffs appealed the case to the

court of the third instance for review and reduced the claim amount from THB301 million to THB149 million (approximately \$100 million).

- D. As of June 30, 2024, 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 \$180 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 \$600 million) including the interest calculated as of the date of filing the lawsuit. The account executive claimed that she has no liability for losses in relation to the accounts of these margin clients. On February 22, 2021, the court of the first instance issued a summary judgment, ruling that the account executive should bear full guarantee liabilities. However, the account executive filed an appeal against such decision on March 22, 2021. As at the date of the approval of the financial statements, Yuanta Securities (Hong Kong) has considered the external legal advice, and deemed that no provision in relation to the above set-off is necessary.

(6) Other lawsuits- Banks

Yuanta Savings Bank (Korea) exercised its pledge right for several times from 2006 to 2008 to acquire a 33.3% equity interest in Pentagon City under a credit loan extended by Yuanta Savings Bank (Korea) to Pentagon City. In September 2008, Pentagon City implemented a capital reduction on shares held by Yuanta Savings Bank (Korea) and another shareholder under which Pentagon City returned cash of 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. The Supreme Court issued a judgement on June 17, 2024 in favor of Yuanta Savings Bank (Korea) in the third instance case. The judgement is final and conclusive.

(7) Other lawsuits- Yuanta Life Insurance

As of June 30, 2024, 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Commitment of the securities under a repurchase agreement	\$ 228,772,876	\$ 257,448,903	\$ 251,892,805
Commitment of the securities under a resale agreement	86,955,832	100,042,588	73,231,306
Unused loan commitments	34,613,720	28,671,871	27,603,183
Credit commitment on credit card	124,067,386	123,735,821	123,312,586
Unused L/C balance	4,304,697	2,189,074	3,459,420
Other guarantees	14,781,747	12,335,000	11,112,165
Consignment collection for others	14,994,826	13,626,512	15,302,831
Trust assets	358,996,237	346,068,957	314,904,030
Book-Entry Central Government			
Securities	94,169,200	96,757,000	64,242,087
Items under custody	76,137,115	76,077,941	128,615,700

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

<u>June 30, 2024</u>			
<u>Trust Balance Sheet</u>			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 7,434,254	Payables-Customers' securities	\$ 48,738,182
Stocks	8,319,637	Pecuniary trust	217,519,094
Funds (Note)	138,776,314	Securities trust	1,588,706
Bonds	60,343,215	Real estate trust	19,163,106
Structured products	9,114,154	Net income (loss)	17,838
Real estate-Land	12,325,510	Retained earnings	1,879,919
-Construction in progress	3,855,579		
Customers' securities under custody	48,738,182		
Total trust assets	<u>\$ 288,906,845</u>	Total trust liabilities	<u>\$ 288,906,845</u>

June 30, 2023

Trust Balance Sheet

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

Note: Includes mutual funds in money market.

Trust Income Statement

For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Trust revenue		Trust revenue	
Interest income	\$ 28,640	Interest income	\$ 20,299
Dividend income	1,193	Dividend income	175
Gain on disposal of property	-	Gain on disposal of property	35
Investment income (Fund)	83	Investment income (Fund)	-
	<u>29,916</u>		<u>20,509</u>
Trust expenses		Trust expenses	
Management fees	7,516	Management fees	7,416
Insurance expense	30	Insurance expense	30
Investment loss (Fund)	39	Investment loss (Fund)	29
Tax expense	2,995	Tax expense	-
	<u>10,580</u>		<u>7,475</u>
Income before income tax	19,336	Income before income tax	13,034
Income tax expense	(1,498)	Income tax expense	(1,029)
Net income	<u>\$ 17,838</u>	Net income	<u>\$ 12,005</u>

Trust Property List

June 30, 2024		June 30, 2023	
Invested items	Book value	Invested items	Book value
Bank deposits	\$ 7,434,254	Bank deposits	\$ 7,376,835
Bonds	60,343,215	Bonds	43,540,018
Stocks	8,319,637	Stocks	7,707,019
Structured products	9,114,154	Structured products	6,877,008
Funds (Note)	138,776,314	Funds (Note)	123,959,785
Real estate-Land	12,325,510	Real estate-Land	12,100,556
-Construction in progress	3,855,579	-Construction in progress	5,261,607
Customers' securities under custody	48,738,182	Customers' securities under custody	43,616,261
	\$ 288,906,845		\$ 250,439,089

Note: Includes mutual funds in money market.

The trust balance sheet and trust property list as at June 30, 2024 and 2023 include foreign currency non-discretionary money trusts and foreign currency money trusts operated by the offshore banking unit of Yuanta Bank.

(10) In accordance with Article 17 of the Enforcement Rules of the Trust Enterprise Act, Yuanta Securities discloses its trust balance sheet, trust income statement and trust property list are as follows:

June 30, 2024			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 2,932,150	Payables	\$ 497,989
Bonds	29,058	Tax payable	271
Stocks	4,515,263	Trust capital-pecuniary trust	58,116,880
Funds	59,355,097	Trust capital-securities trust	2,905,321
Structured products	2,665,447	Net income	4,309,038
Accounts receivable	592,377	Retained earnings	7,125,062
		Deferred carryforwards	(2,865,169)
Total trust assets	\$ 70,089,392	Total trust liabilities	\$ 70,089,392
June 30, 2023			
Trust Balance Sheet			
<u>Trust assets</u>		<u>Trust liabilities</u>	
Bank deposits	\$ 4,354,570	Payables	\$ 41,287
Bonds	26,533	Tax payable	295
Stocks	3,969,311	Collections in advance	316
Funds	54,909,516	Other liabilities	1,060
Structured products	787,364	Trust capital-pecuniary trust	54,344,876
Accounts receivable	417,647	Trust capital-securities trust	3,121,040
		Net income	1,489,911
		Retained earnings	6,398,043
		Deferred carryforwards	(931,887)
Total trust assets	\$ 64,464,941	Total trust liabilities	\$ 64,464,941

Trust Income Statement

For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Trust revenue		Trust revenue	
Interest income	\$ 668,956	Interest income	\$ 402,803
Realised investment income	2,596,659	Realised investment income	408,021
Unrealised investment income	602,628	Unrealised investment income	588,353
Foreign exchange gain	581,182	Foreign exchange gain	71,766
Rental income	12,917	Rental income	16,960
Dividend income	34,544	Dividend income	58,700
	4,496,886		1,546,603
Trust expenses		Trust expenses	
Management fees	(41,009)	Management fees	(21,803)
Fees (Service charges)	(141,741)	Fees (Service charges)	(30,415)
Insurance expense	(341)	Insurance expense	(212)
Others	(1)	Others	(1)
Income before income tax	4,313,794	Income before income tax	1,494,172
Income tax expense	(4,756)	Income tax expense	(4,261)
Net income	\$ 4,309,038	Net income	\$ 1,489,911

Trust Property List

June 30, 2024		June 30, 2023	
Invested items	Book value	Invested items	Book value
Bank deposits	\$ 2,932,150	Bank deposits	\$ 4,354,570
Bonds	29,058	Bonds	26,533
Stocks	4,515,263	Stocks	3,969,311
Funds	59,355,097	Funds	54,909,516
Structured products	2,665,447	Structured products	787,364
Others	592,377	Others	417,647
	\$ 70,089,392		\$ 64,464,941

(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 June 30, 2024, December 31, 2023 and June 30, 2023 were USD2,603 thousand dollars, USD5,558 thousand dollars and USD6,198 thousand dollars, respectively.

10. Significant losses from disasters

(1) The Company:

None.

(2) Subsidiaries:

None.

11. Significant subsequent events

(1) The Company:

1. On June 28, 2023, the Board of Directors of the Company resolved to issue unsecured ordinary corporate bonds in the amount of \$15 billion, which was approved by Jin-Guan-Yin-Kun-Zi No. 1120230236 dated October 3, 2023. The Company completed the initial offering and issuance of \$6.6 billion on November 6, 2023. In addition, taking into consideration the repayments of commercial paper which were issued for operational needs, the Company completed the first issuance of \$6.3 billion 2024 unsecured ordinary corporate bonds on August 21, 2024.
2. To furnish the working capital, strengthen the financial structure, and increase capital adequacy ratio and the net worth ratio, Yuanta Life, subsidiary of the Company, proposed to issue 300,000 thousand ordinary shares of cash capital increase, with a par value of \$10 dollars per share, amounting to \$3 billion in total. The case was approved by the Board of Directors on July 26, 2024, and approved by the FSC on August 22, 2024. Relevant procedures are in progress.

(2) Subsidiaries:

1. SYF Information was approved to be dissolved and liquidated by the Board of Directors of Yuanta Futures with the record date for dissolution as July 31, 2024. Subsequently, Yuanta Futures no longer had significant influence over the company; therefore, the equity method was no longer applicable. Subsequent dissolution and liquidation procedures are in progress.
2. The Board of Directors of Yuanta Life approved to a cash capital increase of \$3 billion, with a par value of \$10 dollars per share, issuing 300,000 thousand ordinary shares in total. The newly issued shares will be subscribed by a single shareholder, Yuanta Financial Holdings. The case is subject to regulatory approval.

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 Yuanta Group. 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 Yuanta Group 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 Yuanta Group 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 Yuanta Financial Holdings”.
 - (C) The objective of capital management of the Yuanta Group 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 Yuanta Group'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 Yuanta Group.

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

(2) Fair value information of financial instruments

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

(A) Outline

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

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

a. Level 1

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

b. Level 2

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

c. Level 3

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

B. Financial instruments measured at fair value

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

	June 30, 2024			
Recurring fair value measurements	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 84,117,753	\$ 81,714,654	\$ 10,658	\$ 2,392,441
Debt instruments	337,101,813	104,345,968	232,518,024	237,821
Others	158,717,389	59,531,492	95,180,448	4,005,449
Financial assets at fair value through other comprehensive income				
Equity instruments	71,072,536	35,663,480	-	35,409,056
Debt instruments	268,692,688	140,725,630	127,967,058	-
Other financial assets				
Purchase of claim receivable	1,721,702	-	-	1,721,702
Liabilities				
Financial liabilities at fair value through profit or loss				
	\$ 36,620,816	\$ 36,513,531	\$ 107,285	\$ -
<u>Derivative instruments and structured products</u>				
Assets				
Financial assets at fair value through profit or loss				
	\$ 15,944,915	\$ 8,347,999	\$ 5,848,506	\$ 1,748,410
Liabilities				
Financial liabilities at fair value through profit or loss				
	\$130,064,841	\$ 4,845,764	\$ 66,212,385	\$ 59,006,692

	December 31, 2023			
	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	\$ 37,665,667	\$ 35,633,825	\$ 9,146	\$ 2,022,696
Debt 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
Debt 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 instruments and structured products</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

	June 30, 2023			
	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	\$ 68,475,845	\$ 66,166,074	\$ -	\$ 2,309,771
Debt instruments	318,488,127	87,041,786	230,836,596	609,745
Others	126,287,341	40,941,063	81,129,252	4,217,026
Financial assets at fair value through other comprehensive income				
Equity instruments	57,008,412	25,327,654	-	31,680,758
Debt instruments	306,271,671	133,414,502	172,857,169	-
Other financial assets				
Purchase of claim receivable	1,782,264	-	-	1,782,264
Liabilities				
Financial liabilities at fair value through profit or loss				
	\$ 93,124,292	\$ 22,553,081	\$ 26,124,583	\$ 44,446,628
<u>Derivative instruments and structured products</u>				
Assets				
Financial assets at fair value through profit or loss				
	\$ 17,361,402	\$ 8,041,868	\$ 6,963,632	\$ 2,355,902
Liabilities				
Financial liabilities at fair value through profit or loss				
	\$ 35,930,381	\$ 3,556,910	\$ 25,632,567	\$ 6,740,904

(B) When quotes of financial instruments are obtained from the Stock Exchange, Reuters, Bloomberg, dealers or competent authorities and the prices represent arm's length transactions with sufficient frequency, the financial instruments are regarded as active market quotes. If the aforementioned requirements are not met, then the financial instruments are regarded as quotes without an active market. Large bid-ask spreads or low trade volumes are features of quotes without an active market. Whenever the financial instruments held by the Yuanta Group have active market quotes, the active market quotes are regarded as fair value. Publicly listed and over-the-counter traded equity instruments of primary stock exchanges along with central government bonds that are popular securities all regard active market quotes as the basis of fair value. Excluding the above-mentioned financial instruments with active market quotes, the fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the balance sheet date, and utilises the fair values derived from the calculations of financial valuation models (for example referencing the yield curve from the Taipei Exchange, Reuters' average commercial paper interest, etc.).

(C) Fair value adjustment

a. Limits and adjustments of financial valuation models

Financial valuation techniques do not necessarily completely reflect all relevant elements

of financial instruments held by the Yuanta Group. Thus, the outputs of financial valuation models may need necessary adjustments in line with important relevant elements. For example, adjustments on model risk or adjustments on liquidity risk etc. In accordance with the Yuanta Group's financial valuation model management policy, management believes in order to fairly present the fair value of financial instruments within the consolidated balance sheet, valuation adjustments are pertinent and appropriate.

b. Credit risk valuation adjustment

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

(D) Transfer between Level 1 and Level 2

As of June 30, 2024, December 31, 2023 and June 30, 2023, certain foreign debt held by the Yuanta Group, totaling USD 0 thousand, USD 0 thousand and USD 20,196 thousand, respectively, have been transferred from level 1 to level 2, because the debt instrument either had no steady quoted market price from stockbrokers and Bloomberg Valuation Services (BVAL) was used due to wider region of price quotes from stock brokers. As of June 30, 2024, December 31, 2023 and June 30, 2023, certain foreign debt held by the Yuanta Group, totaling USD 0 thousand, USD 0 thousand and USD 9,535 thousand, have been transferred from level 2 to level 1 since these assets now have steady sources for price information.

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

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

For the six months ended June 30, 2024

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	\$ 9,659,822	(\$ 456,063)	\$ 38,146	\$ 8,747,295	\$ 505	(\$ 9,487,644)	(\$ 117,940)	\$ 8,384,121
Financial assets at fair value through other comprehensive income	34,665,636	(43,762)	790,037	-	-	(2,855)	-	35,409,056
Other financial assets-purchase of claim receivable	1,765,701	(8,844)	-	-	-	(35,155)	-	1,721,702
Total	<u>\$ 46,091,159</u>	<u>(\$ 508,669)</u>	<u>\$ 828,183</u>	<u>\$ 8,747,295</u>	<u>\$ 505</u>	<u>(\$ 9,525,654)</u>	<u>(\$ 117,940)</u>	<u>\$ 45,514,879</u>

For the six months ended June 30, 2023

Items	Beginning balance	Gain and loss on valuation		Addition		Reduction		Ending balance
		Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3 (Note)	Sold, disposed or settled	Transferred from Level 3 (Note)	
Financial assets at fair value through profit or loss	\$ 10,246,102	(\$ 38,858)	\$ 67,441	\$ 25,742,273	\$ -	(\$ 26,065,147)	(\$ 459,367)	\$ 9,492,444
Financial assets at fair value through other comprehensive income	35,488,714	(182,163)	(3,582,311)	-	-	(43,482)	-	31,680,758
Other financial assets-purchase of claim receivable	1,792,753	(2,449)	-	-	-	(8,040)	-	1,782,264
Total	<u>\$ 47,527,569</u>	<u>(\$ 223,470)</u>	<u>(\$ 3,514,870)</u>	<u>\$ 25,742,273</u>	<u>\$ -</u>	<u>(\$ 26,116,669)</u>	<u>(\$ 459,367)</u>	<u>\$ 42,955,466</u>

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net gains (losses) belonging to assets as of June 30, 2024 and 2023 were (\$425,873) and (\$306,462), respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains (losses) belonging to assets as of June 30, 2024 and 2023 were \$828,386 and (\$3,514,046), respectively.

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

For the six months ended June 30, 2024								
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	\$ 51,297,275	\$ 1,208,881	(\$ 1,419)	\$ 39,545,731	\$ -	(\$ 32,899,541)	(\$ 144,235)	\$ 59,006,692

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

In relation to the above, valuation gains and losses are recognised in gain and loss in the period. The net (losses) gains belonging to liabilities as of June 30, 2024 and 2023 were (\$1,350,265) and \$289,897, respectively.

In relation to the above, valuation gains and losses are recognised in other comprehensive income. The net gains belonging to liabilities as of June 30, 2024 and 2023 were \$2,347 and \$664, respectively.

Note: For the six months ended June 30, 2024 and 2023, the fair value transferred from Level 1 to Level 3 initially was for emerging stocks whose trading volumes were active but were reclassified due to inactive trading volumes subsequently. Also, the fair value of certain investments were transferred into Level 3 because there was no observable information obtained from the public market; the fair value transferred from Level 3 to Level 1 initially was emerging stocks whose trading volumes were inactive but were reclassified due to active trading volumes or becoming listing stocks subsequently.

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

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

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
June 30, 2024				
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 86,963	(\$ 140,236)	\$ -	\$ -
Derivative instruments	10,973	(10,973)	-	-
Financial assets at fair value through other comprehensive income	-	-	389,796	(319,600)
Other financial assets- purchase of claim receivable	71,005	(71,005)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	(\$ 32,133)	\$ 32,133	\$ -	\$ -
Derivative instruments and structured products	(84,603)	84,603	-	-
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 and structured products	(80,437)	80,437	-	-

Items	Change in fair value recognised in current profit and loss		Change in fair value recognised in other comprehensive income	
	Favorable movements	Unfavorable movements	Favorable movements	Unfavorable movements
June 30, 2023				
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 134,386	(\$ 131,074)	\$ -	\$ -
Derivative instruments	3,371	(3,371)	-	-
Financial assets at fair value through other comprehensive income	-	-	539,983	(407,851)
Other financial assets- purchase of claim receivable	86,610	(86,610)	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	(\$ 63,684)	\$ 63,684	\$ -	\$ -
Derivative instruments and structured products	(63,171)	63,171	-	-

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

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

June 30, 2024	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value	
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,392,441	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% 12.50%~13.57% 13.17%~64.96%	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	5.47%~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	

June 30, 2024		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Debt instruments	\$ 237,821	1.Hybrid Model 2.Discounted cash flow	Stock price volatility	66.09%~68.09%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			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	1.94%~6.79%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	1,748,410	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.56%~25.06%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			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	4,005,449	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	17.56%~25.06%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			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	1,721,702	Recoverable amount	Contact rate	6.47%~38.15%	The higher the contact rate, the higher the fair value
			Payment rate	5.03%~34.76%	The higher the payment rate, the higher the fair value
			Discount rate	6.23%~40.64%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	35,409,056	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	13.57%~13.57%	The higher the discount rate, the lower the fair value

June 30, 2024		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments and structured products (including futures and options trade in futures market)	\$ 59,006,692	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation	Stock price volatility	0.41%~86.85%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
			Correlation coefficient	0.15~0.97	
			Probability of Default (PD)	0.03%~100%	
			Recovery rate	0.55~0.55	
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.Discouted Cash Flow	Discount for marketability	<=40%	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. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value
			Discount rate	13.31%~14.52%	
			Stock price volatility	22.20%~64.25%	
			Credit Spread	5.87%~75.73%	
Debt instruments	291,564	1.Hybrid Model 2.Discouted cash flow	Recovery rate	20.00%~20.00%	
			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. The higher the credit spread, the lower the fair value The higher the recovery rate, the higher the fair value The higher the discount rate, the lower the fair value
			Credit Spread	77.67%~77.69%	
			Recovery rate	20.00%~20.00%	
Discount rate	2.41%~7.85%				
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. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
			Correlation coefficient	0.15~0.97	
			Probability of Default (PD)	0.03%~100%	
			Recovery rate	0.55~0.55	

December 31, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Others	\$ 4,103,214	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability Stock price volatility	<=10% 17.58%~25.11%	The higher the discount for marketability, the lower the fair value The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.15~0.97	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 Expected growth rate Discount rate	<=40% 0%~1% 12.74%~12.74%	The higher the discount for marketability, the lower the fair value The higher the growth rate, the higher the fair value The higher the discount rate, the lower the fair value
Financial liabilities at fair value through profit or loss					
Derivative instruments and structured products (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
June 30, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Equity instruments	\$ 2,309,771	1.Market method 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% 13.30%~14.52% 19.56%~74.67%	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	5.38%~26.62%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value

June 30, 2023		Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss					
Debt instruments	\$ 609,745	1.Hybrid Model 2.Equity Model by L. Anderson and D. Buffum 3.Discounted cash flow	Stock price volatility	35.61%~56.69%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Credit Spread	77.67%~77.69%	The higher the credit spread, the lower the fair value
			Recovery rate	20.00%~20.00%	The higher the recovery rate, the higher the fair value
			Discount rate	2.90%-5.81%	The higher the discount rate, the lower the fair value
Derivative instruments (including futures and options trade in futures market)	2,355,902	1.Option Model 2.FDM 3.Monte Carlo Simulation	Stock price volatility	17.69%~25.09%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.16~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Others	4,217,026	1.Net asset value 2.Option Model 3.FDM 4.Monte Carlo Simulation	Discount for marketability	<=10%	The higher the discount for marketability, the lower the fair value
			Stock price volatility	17.69%~25.09%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both.
			Correlation coefficient	0.16~0.97	The higher the correlation coefficient, the higher the fair value
			Probability of Default (PD)	0.03%~100%	The higher the default rate, the lower the fair value
			Recovery rate	0.55~0.55	The higher the recovery rate, the higher the fair value
Other financial assets					
Purchase of claim receivable	1,782,264	Recoverable amount	Contact rate	6.98%~38.79%	The higher the contact rate, the higher the fair value
			Payment rate	3.70%~34.92%	The higher the payment rate, the higher the fair value
			Discount rate	5.26%~39.83%	The higher the discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income					
Equity instruments	31,680,758	1.Market method 2.Residual income valuation model 3.Discounted cash flow	Discount for marketability	<=40%	The higher the discount for marketability, the lower the fair value
			Expected growth rate	0%~1%	The higher the growth rate, the higher the fair value
			Discount rate	11.35%~11.35%	The higher the discount rate, the lower the fair value

June 30, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Financial liabilities at fair value through profit or loss				
Derivative instruments and structured products (including futures and options trade in futures market)	1.FDM 2.Option Model 3.Monte Carlo Simulation 4.Equity Model by L.Andersen and D.Buffum	Stock price volatility	17.69%~37.61%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
		Correlation coefficient	0.16~0.97	
		Probability of Default (PD)	0.03%~100%	
		Recovery rate	0.55~0.55	
Others	1.FDM 2.Option Model 3.IR Model 4.Hybrid Model 5.Monte Carlo Simulation 6.Equity Model by L.Andersen and D.Buffum	Stock price volatility	0.31%~67.26%	The relationship of volatility degree and fair value will be different with the changes of term structure and characteristic and the degree of in or out-of-money in the duration or knock out event, thus, there was no consistency between both. The higher the correlation coefficient, the higher the fair value The higher the default rate, the lower the fair value The higher the recovery rate, the higher the fair value
		Correlation coefficient	0.16~0.97	
		Probability of Default (PD)	0.03%~100%	
		Recovery rate	0.55~0.55	

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

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

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

C. Financial instruments not measured at fair value

(A) Fair value information:

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

	June 30, 2024				
	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)	\$ 426,255,640	\$ 359,069,325	\$ 24,220,595	\$ 334,840,120	\$ 8,610
<u>Financial liabilities</u>					
Bonds payable	111,077,603	108,433,078	-	108,433,078	-

	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	-

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

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

Note 1: Including the statutory deposits of \$3,560,400 of Yuanta Life of the Yuanta Group as of June 30, 2024, December 31, 2023 and June 30, 2023.

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:

- 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.
- 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.
- 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

June 30, 2024	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	\$ 896,513,355	\$ 1,541,190	\$ -	\$ -	\$ 898,054,545
Internal ratings— acceptable	215,081,621	1,863,675	-	-	216,945,296
Internal ratings— weak	58,326,329	1,928,003	-	-	60,254,332
Internal ratings— not rated	2,705,945	4,726,428	-	-	7,432,373
Internal ratings— credit impairment	-	907,554	6,390,941	-	7,298,495
The total carrying amount	1,172,627,250	10,966,850	6,390,941	-	1,189,985,041
Allowance for credit losses	(2,209,841)	(775,338)	(2,678,025)	-	(5,663,204)
Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	(10,476,530)	(10,476,530)
Total (Note)	<u>\$1,170,417,409</u>	<u>\$10,191,512</u>	<u>\$3,712,916</u>	<u>(\$ 10,476,530)</u>	<u>\$1,173,845,307</u>

Note: Including interest receivable and temporary payments for others amounting to \$1,807,377. In addition, allowance for doubtful receivables was \$24,722.

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 \$283,662,180 and \$837,834,745, 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, 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)	<u>\$ 1,084,288,344</u>	<u>\$ 10,417,934</u>	<u>\$ 3,336,427</u>	<u>(\$ 9,916,163)</u>	<u>\$ 1,088,126,542</u>

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

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

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

Additionally, the total cost amounts of accounts receivable and debt instruments (recorded as “financial assets at fair value through other comprehensive income” and “financial assets measured at amortised cost”) are \$198,187,810 and \$878,186,459, respectively, and 12-month expected credit losses (Stage 1) are recognised for the majority of these items. The internal ratings of these items are all excellent and acceptable.

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

June 30, 2024	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 19,540	\$ -	\$ 19,540
Bills discounted and loans	847,367,392	-	847,367,392
Financial assets at fair value through profit or loss	232,026	1,616,716	1,848,742
<u>For off-balance sheet accounts</u>			
Unused loan commitments	4,125,465	-	4,125,465
Unused credit commitment	147,494	-	147,494
Guarantees (including for non-performing loans)	3,283,804	-	3,283,804

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

June 30, 2023	Collateral (Note)	Net-settled general agreement	Total
<u>For on-balance sheet accounts</u>			
Receivables-other	\$ 15,633	\$ -	\$ 15,633
Bills discounted and loans	753,488,892	-	753,488,892
Financial assets at fair value through profit or loss	1,261,663	1,476,674	2,738,337
<u>For off-balance sheet accounts</u>			
Unused loan commitments	4,588,234	-	4,588,234
Unused credit commitment	107,624	-	107,624
Guarantees (including for non-performing loans)	2,851,987	-	2,851,987

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

g. Credit risk concentration

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

The credit risks of the Yuanta Group concentrate on accounts on and off balance sheet that occurs through obligation fulfilling or implementation of transactions (either product or service), or through trans-type exposure portfolio, including cash and cash equivalents,

loans, placements and call loan from the banks, securities investment, receivables and derivatives. The Yuanta Group does not significantly carry out transactions with single client or single counterparty, and the credit risk concentration by industry and location are shown as follows:

(a) Industry:

Industry	June 30, 2024		December 31, 2023	
	Amount	%	Amount	%
Privately owned businesses	\$ 1,132,810,499	34.51	\$ 844,738,049	27.48
Natural person	494,392,681	15.06	818,702,648	26.64
Financial institutions	1,143,043,376	34.82	873,718,233	28.43
Governmental institutions	470,127,305	14.32	489,928,818	15.94
Government-owned businesses	41,926,969	1.28	44,099,834	1.43
Others	312,653	0.01	2,373,785	0.08
Total	<u>\$ 3,282,613,483</u>	<u>100.00</u>	<u>\$ 3,073,561,367</u>	<u>100.00</u>

Industry	June 30, 2023	
	Amount	%
Privately owned businesses	\$ 846,144,914	28.71
Natural person	736,978,878	25.01
Financial institutions	789,571,310	26.79
Governmental institutions	513,524,247	17.43
Government-owned businesses	52,667,377	1.79
Others	7,948,785	0.27
Total	<u>\$ 2,946,835,511</u>	<u>100.00</u>

(b) Geographic location:

Geography location	June 30, 2024	December 31, 2023	June 30, 2023
Taiwan	\$ 2,358,627,331	\$ 2,195,066,668	\$ 2,095,225,637
Asia	525,418,857	526,917,085	488,323,680
America	264,298,131	232,780,801	227,517,834
Europe	83,911,675	73,121,354	85,914,009
Oceania	50,230,416	45,541,559	49,730,489
Africa	127,073	133,900	123,862
Total	<u>\$ 3,282,613,483</u>	<u>\$ 3,073,561,367</u>	<u>\$ 2,946,835,511</u>

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

(a) Credit business

For the six months ended June 30, 2024 and 2023, the reconciliation of the balance of allowance for bad debt are as follows:

Bills discounted and loans

<u>For the six months ended June 30, 2024</u>	<u>12-month expected credit losses (Stage 1)</u>	<u>Lifetime expected credit losses (Stage 2)</u>	<u>Lifetime expected credit losses (Stage 3)</u>	<u>Impairment recognised in accordance with IFRS 9</u>	<u>Differences in impairment provided in accordance with the Regulation Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non- performing /Non-accrual Loans</u>	<u>Total</u>
Beginning balances	\$ 2,075,841	\$ 753,959	\$ 2,521,691	\$ 5,351,491	\$ 9,914,633	\$ 15,266,124
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(22,061)	36,132	(14,071)	-	-	-
-Transferred to credit-impaired financial asset	(5,965)	(17,624)	23,589	-	-	-
-Transferred to 12-month expected credit losses	72,958	(7,578)	(65,380)	-	-	-
-Financial assets derecognised in the current period	(559,469)	(182,994)	(102,675)	(845,138)	-	(845,138)
Impairment allowance for purchased or originated financial assets	793,284	2,361	21,709	817,354	-	817,354
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	-	-	-	-	559,685	559,685
Write-off as bad debt	(17,423)	(6,689)	(118,732)	(142,844)	-	(142,844)
Change in exchange and others	(130,986)	197,558	393,259	459,831	-	459,831
Ending balances	<u>\$ 2,206,179</u>	<u>\$ 775,125</u>	<u>\$ 2,659,390</u>	<u>\$ 5,640,694</u>	<u>\$ 10,474,318</u>	<u>\$ 16,115,012</u>

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

For the six months ended June 30, 2024, 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	\$ 1,084,811,880	\$ 11,155,269	\$ 5,848,979	\$ 1,101,816,128
Changes from financial instruments recognised at the beginning:				
-Transferred to lifetime expected credit losses	(2,997,968)	3,042,605 (	44,637)	-
-Transferred to credit-impaired financial asset	(394,077)	(699,246)	1,093,323	-
-Transferred to 12-month expected credit losses	467,178 (	311,366)	(155,812)	-
-Financial assets derecognised in the current period	(341,306,449)	(2,316,314)	(247,232)	(343,869,995)
Impairment allowance for purchased or originated financial assets	458,850,917	149,887	54,546	459,055,350
Write-off as bad debt	(17,423)	(6,689)	(118,732)	(142,844)
Change in exchange and others	(28,546,896)	(66,854)	(67,225)	(28,680,975)
Ending balances	<u>\$ 1,170,867,162</u>	<u>\$ 10,947,292</u>	<u>\$ 6,363,210</u>	<u>\$ 1,188,177,664</u>

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

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

(b) Receivables and other financial assets

I. The Yuanta Group applies the simplified approach to estimate expected credit loss for certain accounts receivable (including trading securities receivable and settlement price). Expected credit loss rate is determined by assessing historical information and examining whether a significant changes in past events, current conditions and future economic conditions are incurred. As of June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of accounts receivable amounted to \$84,552,992, \$61,666,792 and \$58,481,745, respectively. For the six months ended June 30, 2024 and 2023, movements in relation to the Yuanta group applying the simplified approach to provide loss allowance for accounts receivable, are as follows:

	<u>2024</u>	<u>2023</u>
January 1	(\$ 102)	(\$ 193)
(Provision for) reversal of impairment loss	(42)	28
June 30	<u>(\$ 144)</u>	<u>(\$ 165)</u>

(BLANK)

II. For the six months ended June 30, 2024 and 2023, 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 six months ended June 30, 2024	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	\$ 106,145	\$ 66,524	\$ 2,595,421	\$ 2,768,090	\$ 66,411	\$ 2,834,501
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(7,481)	21,096	(13,615)	-	-	-
-Transferred to credit-impaired financial asset	(14,491)	(2,201)	16,692	-	-	-
-Transferred to 12-month expected credit losses	27,975	(23,282)	(4,693)	-	-	-
-Financial assets derecognised in the current period	(32,644)	(272)	(1,917)	(34,833)	-	(34,833)
Impairment allowance for purchased or originated financial assets	19,249	2,455	11,537	33,241	-	33,241
Differences in impairment provided in accordance with the Regulations Governing the Procedures for Banking/Insurance Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	6,132	6,132
Write-off as bad debt	(14,399)	(10,324)	(21,382)	(46,105)	-	(46,105)
Change in exchange and others	59,950	17,374	136,447	213,771	-	213,771
The ending balances	\$ 144,304	\$ 71,370	\$ 2,718,490	\$ 2,934,164	\$ 72,543	\$ 3,006,707

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

For the six months ended June 30, 2024 and 2023, there were no significant changes to allowance for credit losses for accounts receivable and other financial assets.

(c) Guarantee reserve, loan commitment reserve and others

For the six months ended June 30, 2024	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	\$ 39,276	\$ 12,775	\$ 79,005	\$ 131,056	\$ 104,727	\$ 235,783
Changes from financial instruments recognised at the beginning:						
-Transferred to lifetime expected credit losses	(37)	97	(60)	-	-	-
-Transferred to credit-impaired financial asset	(1)	(68)	69	-	-	-
-Transferred to 12-month expected credit losses	8,631	(8,352)	(279)	-	-	-
-Financial assets derecognised in the current period	(4,918)	(1,542)	(17,374)	(23,834)	-	(23,834)
Impairment allowance for purchased or originated financial assets	11,792	223	15,981	27,996	-	27,996
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	-	-	-	-	(8,398)	(8,398)
Change in exchange and others	(8,898)	8,659	1,128	889	-	889
The ending balances	<u>\$ 45,845</u>	<u>\$ 11,792</u>	<u>\$ 78,470</u>	<u>\$ 136,107</u>	<u>\$ 96,329</u>	<u>\$ 232,436</u>

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

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

(d) Bills and bonds investments

For the six months ended June 30, 2024 and 2023, the beginning balances of the accumulative impairment of financial assets measured at fair value through other comprehensive income were \$45,063 and \$62,053 ; the ending balances were \$44,136 and \$60,713, respectively. For the six months ended June 30, 2024 and 2023, the beginning balances of the accumulative impairment of financial assets measured at amortised cost were \$159,669 and \$163,379; the ending balances were \$162,224 and \$160,210, respectively. The changes are attributed to changes in 12-month expected credit losses and were immaterial. In addition, there were no material changes to the related total carrying amounts.

(B) Market risk

a. Source and definition of risk

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

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

b. Risk management principle

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

c. Market risk assessment

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

VaR for a trading purpose:

Instrument type	For the six months ended June 30, 2024			
	June 30, 2024	VaR Average	VaR Minimum	VaR Maximum
Interest rate	263,901	177,702	125,096	264,088
Equity securities	283,767	202,239	155,686	286,631
Foreign exchange	134,544	164,606	125,738	194,355
Commodity	22,885	14,077	5,570	76,781
Less: diversification effects	(374,903)	(320,473)	-	-
Total VaR	330,194	238,151	166,253	330,194

Instrument type	For the six months ended June 30, 2023			
	June 30, 2023	VaR Average	VaR Minimum	VaR Maximum
Interest rate	227,495	173,830	128,453	241,071
Equity securities	224,361	219,664	167,725	256,313
Foreign exchange	812,901	765,800	637,510	843,878
Commodity	35,720	28,929	6,803	123,241
Less: diversification effects	(642,367)	(483,504)	-	-
Total VaR	658,110	704,719	583,169	918,871

- (b) Non-trading purpose

Sensitivity analysis on interest rate:

	Interest rate shift	June 30, 2024	December 31, 2023	June 30, 2023
		Effect on other comprehensive income	Effect on other comprehensive income	Effect on other comprehensive income
Financial assets at fair value through other comprehensive income-Bonds				
Yuanta Bank	Increase of 1 basis point	(\$ 23,926)	(\$ 27,676)	(\$ 34,721)
Yuanta Life	Increase of 1 basis point	(42,212)	(43,093)	(40,082)

d. As of June 30, 2024, December 31, 2023 and June 30, 2023, the following table summarizes USD-denominated financial instruments of the Yuanta Group and the concentration of foreign exchange risk presented by carrying amount.

	June 30, 2024		December 31, 2023		June 30, 2023	
	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)	USD position	Carrying amount (NTD)
Foreign currency denominated financial assets						
Cash and cash equivalents	\$ 1,105,112	\$ 35,860,890	\$ 1,012,449	\$ 31,117,618	\$ 1,109,979	\$ 34,559,189
Financial assets at fair value through profit or loss	864,320	28,047,174	684,734	21,045,291	720,926	22,446,032
Financial assets at fair value through other comprehensive income	4,074,695	132,223,847	3,641,593	111,924,349	4,013,638	124,964,615
Financial assets at amortised cost	8,921,840	289,513,713	8,620,743	264,958,538	8,365,922	260,472,968
Bills discounted and loans	1,736,322	56,343,661	1,334,350	41,011,247	1,460,503	45,472,748
Foreign currency denominated financial liabilities						
Bills and bonds sold under repurchase agreements	1,678,302	54,460,904	1,625,019	49,944,954	1,870,103	58,225,671
Deposits and remittances	6,167,909	200,148,647	6,208,073	190,805,132	5,430,097	169,066,077
Other liabilities	1,772,409	57,514,663	1,693,085	52,036,979	1,628,825	50,713,472

Note: As of June 30, 2024, December 31, 2023 and June 30, 2023, USD to TWD exchange rates were 32.450, 30.735 and 31.135, respectively.

- e. As of June 30, 2024, December 31, 2023 and June 30, 2023, the following table summarizes KRW-denominated assets and liabilities of Yuanta Securities and the concentration of foreign exchange risk presented by carrying amount.

	June 30, 2024		December 31, 2023		June 30, 2023	
	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)	KRW position (in thousands)	Carrying amount (NTD)
<u>Effect on profit or loss</u>						
Financial assets						
Cash and cash equivalents	\$ 602,123,114	\$ 14,165,548	\$ 524,623,207	\$ 12,441,439	\$ 563,129,350	\$ 13,278,027
Financial assets at fair value through profit or loss	8,747,447,936	205,792,460	10,101,996,478	239,568,846	8,280,824,659	195,253,565
Financial assets at fair value through other comprehensive income	565,364,226	13,300,759	505,059,500	11,977,486	398,346,675	9,392,616
Accounts receivable	635,066,994	14,940,586	310,454,714	7,362,434	505,076,920	11,909,209
Other financial assets	399,355,574	9,395,239	390,184,706	9,253,230	453,867,811	10,701,749
Other current assets	222,927,642	5,244,596	205,502,549	4,873,493	83,907,260	1,978,449
Financial liabilities						
Short-term borrowings	1,370,906,511	32,251,947	1,660,278,431	39,373,503	1,721,559,465	40,592,651
Financial liabilities at fair value through profit or loss	2,681,029,048	63,073,889	2,622,462,299	62,191,693	2,047,099,385	48,268,556
Bonds sold under repurchase agreements	4,836,029,977	113,772,441	5,806,189,906	137,693,794	4,334,950,688	102,213,802
Guarantee deposit received on security lent	29,609,845	696,601	68,476,873	1,623,929	65,652,650	1,548,024
Other financial liabilities	2,348,201,467	55,243,788	2,226,431,785	52,799,830	2,209,473,658	52,097,179
Other current liabilities	227,566,459	5,353,729	-	-	-	-
Non-current liabilities	152,726,283	3,593,039	-	-	-	-
<u>Effect on profit or loss and equity</u>						
Financial assets						
Equity investments accounted for under the equity method	76,464,619	1,798,907	114,946,891	2,725,966	122,506,043	2,888,570

Note: As of June 30, 2024, December 31, 2023 and June 30, 2023, the KRW to TWD exchange rates were all 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.

June 30, 2024					
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total	
Non-derivative financial instruments					
Cash and cash equivalents	\$ 77,275,979	\$ 10,323,714	\$ 50,000	\$	87,649,693
Due from Central Bank and call loans to other banks	48,803,950	15,737,270	26,780,066		91,321,286
Financial assets at fair value through profit or loss	471,079,498	41,900,604	89,303,711		602,283,813
Financial assets at fair value through other comprehensive income	61,759,818	25,350,004	247,467,155		334,576,977
Investments in bills and bonds under resale agreements	86,650,486	-	35,355		86,685,841
Receivables	280,809,235	64,036,768	21,520,731		366,366,734
Bills discounted and loans	331,569,782	211,694,210	643,641,148		1,186,905,140
Reinsurance contract assets	359,452	841,011	74,964		1,275,427
Financial assets at amortised cost	119,885,397	30,925,331	402,293,757		553,104,485
Restricted assets	-	-	3,791,542		3,791,542
Other financial assets	87,158,868	33,431	30,189,960		117,382,259
Other assets	32,046,734	673,101	23,746,581		56,466,416
Derivative financial instruments					
Financial assets at fair value through profit or loss					
Gross settlement					
Cash inflow	122,960,788	54,584,997	473,445		178,019,230
Cash outflow	(120,841,684)	(52,002,703)	(383,963)		(173,228,350)
Net settlement	473,233	421,343	14,510		909,086
Total	<u>\$ 1,599,991,536</u>	<u>\$ 404,519,081</u>	<u>\$ 1,488,998,962</u>	<u>\$</u>	<u>3,493,509,579</u>
Financial liabilities					
Non-derivative financial instruments					
Deposits from Central Bank and other banks	\$ 7,012,425	\$ -	\$ -	\$	7,012,425
Financial liabilities at fair value through profit or loss	28,722,320	-	8,791,338		37,513,658
Bills and bonds payable under repurchase agreements	169,688,373	32,941,688	34,701,541		237,331,602
Commercial paper payable	120,651,912	21,122,411	-		141,774,323
Payables	168,966,513	17,462,765	36,416,114		222,845,392
Deposits and remittances	349,593,691	526,464,092	784,321,437		1,660,379,220
Bonds payable	4,362,294	5,038,383	99,988,360		109,389,037
Other borrowings	53,754,663	2,625,532	10,414,960		66,795,155
Other financial liabilities	113,180,649	2,227,996	32,183,070		147,591,715
Other liabilities	99,294,599	690	831,606		100,126,895
Lease liabilities	304,353	989,356	6,249,544		7,543,253
Derivative financial instruments					
Financial liabilities at fair value through profit or loss					
Gross settlement					
Cash inflow	(104,973,991)	(45,416,811)	(61,567)		(150,452,369)
Cash outflow	107,684,529	48,192,465	272,379		156,149,373
Net settlement	1,360,393	3,829,531	1,244,572		6,434,496
Total	<u>\$ 1,119,602,723</u>	<u>\$ 615,478,098</u>	<u>\$ 1,015,353,354</u>	<u>\$</u>	<u>2,750,434,175</u>

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>\$</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>(</u>	<u>1,738,712)</u>
Total	<u>\$ 1,024,976,687</u>	<u>\$ 608,228,064</u>	<u>\$ 855,047,781</u>	<u>\$</u>	<u>2,488,252,532</u>

June 30, 2023					
Financial assets	0~90 days	91 days~1 year	Over 1 year	Total	
Non-derivative financial instruments					
Cash and cash equivalents	\$ 64,173,942	\$ 11,420,839	\$ 50,000	\$	75,644,781
Due from Central Bank and call loans to other banks	46,154,695	14,533,308	20,910,102		81,598,105
Financial assets at fair value through profit or loss	400,352,969	39,000,909	78,699,665		518,053,543
Financial assets at fair value through other comprehensive income	46,791,839	26,659,662	289,042,606		362,494,107
Investments in bills and bonds under resale agreements	73,034,678	-	-		73,034,678
Receivables	189,650,751	50,066,832	15,183,396		254,900,979
Bills discounted and loans	274,464,898	185,546,267	573,402,581		1,033,413,746
Reinsurance contract assets	431,710	864,801	-		1,296,511
Financial assets at amortised cost	118,399,838	42,448,714	390,369,737		551,218,289
Restricted assets	-	-	2,528,567		2,528,567
Other financial assets	81,930,983	26,441	33,627,730		115,585,154
Other assets	16,559,165	371,874	21,924,398		38,855,437
Derivative financial instruments					
Financial assets at fair value through profit or loss					
Gross settlement					
Cash inflow	74,010,126	24,295,918	4,670,250		102,976,294
Cash outflow	(72,334,544)	(21,968,027)	(4,045,420)		(98,347,991)
Net settlement	<u>324,004</u>	<u>562,675</u>	<u>665,334</u>		<u>1,552,013</u>
Total	<u>\$ 1,313,945,054</u>	<u>\$ 373,830,213</u>	<u>\$ 1,427,028,946</u>	<u>\$</u>	<u>3,114,804,213</u>
Financial liabilities					
Non-derivative financial instruments					
Deposits from Central Bank and other banks	\$ 9,082,076	\$ -	\$ -	\$	9,082,076
Financial liabilities at fair value through profit or loss	22,307,387	-	1,627,595		23,934,982
Bills and bonds payable under repurchase agreements	179,659,899	35,760,928	30,996,621		246,417,448
Commercial paper payable	88,107,757	9,169,869	-		97,277,626
Payables	138,667,886	15,854,050	33,125,620		187,647,556
Deposits and remittances	394,234,164	500,146,587	635,866,465		1,530,247,216
Bonds payable	2,533,700	7,318,842	82,413,789		92,266,331
Other borrowings	46,165,049	560,804	10,113,976		56,839,829
Other financial liabilities	92,154,084	2,722,287	41,501,966		136,378,337
Other liabilities	52,949,719	1,885	1,699,465		54,651,069
Lease liabilities	272,499	1,058,071	4,743,750		6,074,320
Derivative financial instruments					
Financial liabilities at fair value through profit or loss					
Gross settlement					
Cash inflow	(69,852,315)	(25,116,422)	(4,908,953)		(99,877,690)
Cash outflow	71,399,650	26,924,599	5,617,092		103,941,341
Net settlement	<u>1,334,330</u>	<u>1,816,940</u>	<u>1,421,774</u>		<u>4,573,044</u>
Total	<u>\$ 1,029,015,885</u>	<u>\$ 576,218,440</u>	<u>\$ 844,219,160</u>	<u>\$</u>	<u>2,449,453,485</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 June 30, 2024, December 31, 2023 and June 30, 2023, expenses on period of 0-90 days will increase by \$815,937,147, \$742,401,069 and \$744,989,529, respectively.

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

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

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

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

	June 30, 2024			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 34,475,091	\$ 138,629	\$ -	\$ 34,613,720
Unused credit commitment	4,304,697	-	-	4,304,697
Guarantees	14,781,747	-	-	14,781,747
Capital expenditure commitment	2,140,657	2,907,868	-	5,048,525
	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
	June 30, 2023			
	Less than 1 year	1 ~5 years	More than 5 years	Total
Off balance sheet				
Unused loan commitment	\$ 27,603,183	\$ -	\$ -	\$ 27,603,183
Unused credit commitment	3,459,420	-	-	3,459,420
Guarantees	11,112,165	-	-	11,112,165
Capital expenditure commitment	2,649,187	5,022,829	-	7,672,016

(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 catastrophic risks to highly secure reinsurance companies appropriately to further mitigate the risks of large claims and catastrophe claims.

c. Liability adequacy test

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience as time goes by. Pursuant to IFRS 4, 'Insurance contracts', the Yuanta Group should perform liability adequacy test accordingly to determine whether or not the recognised insurance liability is adequate. In respect of overall insurance contracts of the Yuanta Group as of June 30, 2024, December 31, 2023 and June 30, 2023, the liabilities will still be adequate on the assumption that the mortality, lapse, and expense rates all change by 10% and inflation rate changes by 1%.

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

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

(a) Credit risk

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

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

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

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

(b) Liquidity risk

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

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

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Less than 1 year	(\$ 3,507,489)	(\$ 3,254,664)	(\$ 2,871,714)
1 ~5 years	16,231,167	19,518,829	21,116,826
6 ~15 years	131,535,309	119,923,760	113,009,762
More than 15 years	<u>601,855,825</u>	<u>581,877,003</u>	<u>579,544,516</u>
Total	<u>\$ 746,114,812</u>	<u>\$ 718,064,928</u>	<u>\$ 710,799,390</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 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.
 - c. Yuanta Financial Holdings and its five major subsidiaries set climate risk indicators and limits, which were measured, monitored and reported 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:

June 30, 2024		
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	\$ 32,031,635	\$ 25,098,981
Bonds sold under repurchase agreements	215,970,513	213,051,700
Bills sold under repurchase agreements	17,167,393	17,209,573
Securities lending agreement	79,315	-
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	-

June 30, 2023		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Convertible corporate bonds transferred to the trading counterparties through asset swap	\$ 26,675,229	\$ 23,067,202
Bonds sold under repurchase agreements	234,146,818	232,394,166
Bills sold under repurchase agreements	11,701,313	11,738,192
Securities lending agreement	854,948	-

E. Offsetting financial assets and financial liabilities

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

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

(A) Financial assets

June 30, 2024							
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	\$ 7,606,423	\$ -	\$ 7,606,423	\$ 4,724,132	\$ 208,433		\$ 2,673,858
Bonds purchased under resale agreements	76,679,393	-	76,679,393	74,269,393	2,356,097		53,903
Bills purchased under resale agreements	10,006,448	-	10,006,448	6,477,882	-		3,528,566

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 purchased under resale agreements	17,566,939	-	17,566,939	17,422,164	-		144,775

June 30, 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	\$ 9,628,807	\$ -	\$ 9,628,807	\$ 6,290,990	\$ 945,940		\$ 2,391,877
Bonds purchased under resale agreements	68,512,686	-	68,512,686	66,817,686	1,672,509		22,491
Bills purchased under resale agreements	4,521,992	-	4,521,992	4,272,231	-		249,761

(B) Financial liabilities

June 30, 2024

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet(d)(Note 1)			Net amount (e)=(c)-(d)
				Financial instruments (Note 3)	Cash collateral pledged		
Derivative instruments	\$ 18,561,720	\$ -	\$ 18,561,720	\$ 8,250,720	\$ 6,604,707		\$ 3,706,293
Bonds sold under repurchase agreements	220,122,028	-	220,122,028	219,552,398	569,630		-
Bills sold under repurchase agreements	17,209,574	-	17,209,574	17,167,393	-		42,181

December 31, 2023

Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements							
Description				Related amounts not set off in the balance sheet(d)(Note 1)			
	Gross amounts of recognised financial liabilities(a)	Gross amounts of recognised financial assets set off in the balance sheet(b)	Net amounts of financial liabilities presented in the balance sheet (c)=(a)-(b)	Financial instruments (Note 3)	Cash collateral pledged	Net amount (e)=(c)-(d)	
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	
June 30, 2023							

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

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.

(4) Capital adequacy ratio:

Expressed In Thousands of NTD

June 30, 2024			
	Financial Holding Company Shareholding Ratio	Eligible capital	Minimum capital
Financial holding company	-	\$ 296,297,376	\$ 336,300,454
Bank subsidiaries	100.00%	156,112,275	115,592,459
Securities subsidiaries	100.00%	87,493,239	37,316,906
Futures subsidiaries	66.27%	9,520,503	5,955,696
Insurances subsidiaries	100.00%	36,432,345	19,797,588
Venture capital subsidiaries	100.00%	3,437,666	1,783,032
Securities investment trust subsidiaries	74.71%	4,214,638	2,627,772
Other subsidiaries	100.00%	4,228,830	2,294,039
Deduction item		(349,812,879)	(332,638,898)
Subtotal		<u>\$ 247,923,993</u>	<u>\$ 189,029,048</u>
Capital adequacy ratio of the Consolidated Company			131.16%

Expressed In Thousands of NTD

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

As of June 30, 2024, the financial holding's net eligible capital was as follows:

Item	Amount
Common stocks	\$ 129,428,640
Additional paid-in capital	38,192,619
Legal reserve	25,415,714
Special reserve	6,549,233
Accumulated earnings	86,168,284
Other equity	10,609,015
Less: goodwill and other intangible assets	(11,704)
Less: deferred assets	(54,425)
Total net eligible capital	<u>\$ 296,297,376</u>

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

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

(BLANK)

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

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
Securities Korea_Korea_Finance and Insurance Industry	\$ 131,647	44.42
Central Bank, R.O.C	127,305	42.96
Central Government, R.O.C	91,597	30.91
Taiwan Semiconductor Manufacturing Co., Ltd.	39,252	13.24
U.S. Government	32,867	11.09
Agricultural Bank of Taiwan	29,130	9.83
Securities Korea_Korea_Public Administration and National Defense	28,544	9.63
CPC Corporation, Taiwan	20,710	6.99
Cathay Financial Holding Co., Ltd.	16,731	5.65
Taiwan Depository & Clearing Corporation	14,851	5.01
China Steel Corporation	13,136	4.43
TCC Group Holdings CO., LTD.	12,858	4.34
Taiwan Cooperative Bank	11,968	4.04
Nan Ya Plastics Corporation	11,591	3.91
Quanta Computer Inc.	11,525	3.89
SinoPac Securities Corporation	10,852	3.66
Delta Electronics, Inc.	10,513	3.55
Chunghwa Telecom Co., Ltd.	10,160	3.43
National Australia Bank Ltd.	9,899	3.34
Taiwan High Speed Rail Corporation	9,503	3.21
Taiwan Mobile Co., Ltd.	9,486	3.20
Evergreen Marine Corp.	8,403	2.84
President Securities Corporation	8,291	2.80
Taiwan Power Company	8,252	2.78
IBF Securities Co., Ltd.	8,107	2.74
Formosa Plastics Corporation	7,728	2.61
Asia Cement Corporation	7,651	2.58
Taiwan Stock Exchange	7,574	2.56
Taiwan Futures Exchange	7,538	2.54
CTBC Financial Holding Co., Ltd.	7,323	2.47
Novatek Microelectronics Corporation	7,103	2.40
DING SHUAI Development Co., Ltd.	7,059	2.38
Hotai Finance Co., Ltd.	7,055	2.38
Far Eastern New Century Corporation	7,048	2.38

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
First Financial Holding Co. Ltd.	\$ 7,044	2.38
TSMC Global Ltd.	7,001	2.36
Federal National Mortgage Association	6,870	2.32
Taiwan Water Corporation	6,767	2.28
Federal Home Loan Mortgage CORPORATION	6,731	2.27
Capital Investment Trust Corp.	6,712	2.26
Formosa Chemicals & Fibre Corporation	6,701	2.26
JPMorgan Chase & Co.	6,330	2.14
Apple Inc.	6,283	2.12
CTBC Securities Co. Ltd.	6,252	2.11
BNP Paribas	6,234	2.10
Far Eastone Telecommunications Co., Ltd.	6,229	2.10
United Microelectronics Corporation	6,222	2.10
Uni-President Enterprises Corp.	6,208	2.09
Fubon Securities Investment Trust Co., Ltd	6,177	2.08
Taichung City Government	6,000	2.02
STATE OF ISRAEL	5,987	2.02
ASUSTEK COMPUTER INC.	5,976	2.02
Catcher Technology Co., Ltd.	5,809	1.96
Westpac Banking Corporation	5,469	1.85
HON HAI PRECISION INDUSTRY CO., LTD.	5,416	1.83
ABU DHABI GOVT INTL	5,338	1.80
Commonwealth Bank of Australia	5,337	1.80
GlobalWafers Co., Ltd.	5,300	1.79
Aerospace Industrial Development Corporation	5,023	1.69
Kaohsiung City Government	5,000	1.69
CTBC Investments Co., Ltd.	4,974	1.68
Formosa Group (Cayman) Limited	4,857	1.64
MEGA BILLS FINANCE CO., LTD.	4,838	1.63
The Bank of Tokyo-Mitsubishi UFJ	4,821	1.63
MasterLink Securities Corporation	4,814	1.62
New Taipei City Government	4,809	1.62
Credit Agricole S.A.	4,764	1.61
CAPITAL SECURITIES CORP.	4,760	1.61
FORMOSAN CHEMICAL IND. CORP.	4,698	1.59
UNITED OVERSEAS BANK LTD.	4,669	1.58
Shanghai Commercial and Savings Bank	4,617	1.56

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
China Bills Finance Corporation	\$ 4,592	1.55
FIRST ABU DHABI BANK PJSC	4,536	1.53
Wan Hai Lines Limited	4,468	1.51
Government of Australia	4,337	1.46
Phison Electronics Corporation	4,336	1.46
Mega Securities Co., Ltd	4,329	1.46
Bank Korea Branch_Korea_Real Estate Industry	4,220	1.42
Lien-Jade Construction Co.,Ltd.	4,201	1.42
Credit Agricole Corporate and Investment Bank	4,144	1.40
ADCB Finance Cayman Ltd	4,135	1.40
COMCAST CORP	4,117	1.39
Australia and New Zealand Banking Group	4,076	1.38
Cathay Securities Corporation	4,070	1.37
Cathay Securities Investment Trust	4,065	1.37
Mitsubishi Corporation	4,058	1.37
Synnex Technology International Corporation	4,039	1.36
ADVANCED SEMICONDUCTOR ENGINEERING, INC.	4,000	1.35
STATE OF QATAR	3,946	1.33
Government National Mortgage Association	3,853	1.30
Bank of America Corporation	3,817	1.29
BARCLAYS BANK PLC	3,810	1.29
THE GOLDMAN SACHS GROUP INC	3,696	1.25
VISA INC	3,612	1.22
FORMOSA HA TINH (CAYMAN) LIMITED	3,597	1.21
Hua Nan Commercial Bank, Ltd.	3,580	1.21
CITIGROUP INC	3,575	1.21
Korea Exchange Bank	3,564	1.20
International Business Machines Corporation	3,542	1.20
Grand River D. Limited	3,537	1.19
Wells Fargo & Company	3,512	1.19
Hotai Insurance Co., Ltd.	3,500	1.18
Bank Korea Branch_Korea_Finance and Insurance Industry	3,492	1.18
LEOFOO DEVELOPMENT CO., LTD.	3,485	1.18
China Airlines Ltd.	3,453	1.16
SUNPOWER CONSTRUCTION CO., LTD.	3,448	1.16
EXPORT-IMPORT BANK KOREA	3,342	1.13
Rabobank	3,328	1.12

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same individual:		
DRAGON STEEL CORPORATION	\$ 3,272	1.10
VEDAN Enterprise Corporation	3,234	1.09
Securities Korea_Ireland_Finance and Insurance Industry	3,227	1.09
Central Nippon Expressway Company Limited	3,226	1.09
Morgan Stanley Finance LLC	3,183	1.07
UBS Taiwan	3,171	1.07
Alphabet Inc.	3,164	1.07
Hua Nan Commercial Bank Co., Ltd	3,145	1.06
Land Bank of Taiwan	3,136	1.06
LOCKHEED MARTIN CORP	3,120	1.05
MALAYAN BANKING BHD	3,096	1.04
UBS Group AG	3,087	1.04
Compal Electronics, Inc	3,081	1.04
President Chain Store Corporation	3,065	1.03
Hua Nan Securities Co., Ltd.	3,063	1.03
Toyota Motor Credit Corporation	3,057	1.03
E.SUN COMMERCIAL BANK, LTD.	3,042	1.03
CHANG XIN ENTERPRISE CO., LTD.	3,011	1.02
National Science and Technology Council	3,000	1.01
Total	<u>1,167,086</u>	<u>393.82</u>
Same related party:		
Mr. Fang and its related parties	\$ 39,271	13.25
Mr. Jin and its related parties	17,491	5.90
Mr. Chen and its related parties	14,458	4.88
Mr. Lin and its related parties	13,882	4.69
Mr. Chen and its related parties	13,361	4.51
Mr. Wang and its related parties	10,861	3.66
Mr. Chen and its related parties	8,413	2.84
Mr. Kuo and its related parties	8,253	2.79
Mr. Chen and its related parties	8,249	2.78
Mr. Wu and its related parties	7,255	2.45
Mr. Li and its related parties	6,734	2.27
Mr. Huang and its related parties	6,630	2.24
Mr. Hsu and its related parties	6,044	2.04
Mr. Yu and its related parties	5,309	1.79
Mr. Hsu and its related parties	5,150	1.74
Mr. Su and its related parties	4,961	1.67
Mr. Huang and its related parties	4,854	1.64

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same related party:		
Mr. Wu and its related parties	\$ 4,251	1.43
Mr. Lin and its related parties	4,172	1.41
Mr. Yang and its related parties	4,159	1.40
Mr. Yang and its related parties	4,151	1.40
Mr. Chen and its related parties	4,076	1.38
Mr. Ding and its related parties	4,031	1.36
Mr. Li and its related parties	3,822	1.29
Mr. Chang and its related parties	3,364	1.13
Mr. Chang and its related parties	3,291	1.11
Mr. Yen and its related parties	3,146	1.06
Mr. Chen and its related parties	3,137	1.06
Total	<u>222,776</u>	<u>75.17</u>
Same affiliated company:		
Taiwan Semiconductor Group	\$ 50,606	17.08
Formosa Plastic Group	46,596	15.72
Far Eastern Group	32,512	10.97
LinYuan Group	27,420	9.25
Uni-President Enterprises Group	24,254	8.18
China Steel Corporation Group	23,572	7.95
CTBC Financial Holding Group	22,653	7.64
Taiwan Stock Exchange	22,441	7.57
Yong Feng Yu Group	21,060	7.11
Taiwan Cooperative Financial Holding Co., Ltd.	19,433	6.56
Fubon Group	17,003	5.74
Taiwan Cement Group	14,827	5.00
Hotai Motor Co., Ltd.	14,719	4.97
United Microelectronics Group	13,646	4.60
Mega Financial Holdings Group	13,504	4.56
National Australia Bank	12,001	4.05
China Development Group	11,951	4.03
Quanta Computer Group	11,752	3.97
Evergreen Group	11,255	3.80
First Financial Holdings Group	11,174	3.77
Shin Kong Group	10,645	3.59
Delta Electronics, Inc.	10,524	3.55
PARCO A. G. CORP.	10,324	3.48
Chunghwa Telecom Company, Ltd.	10,168	3.43
Hua Nan Financial Holdings Group	9,987	3.37
Union Group	9,682	3.27

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
IBF Financial Holdings Group	\$ 9,054	3.06
Crédit Agricole Group	8,914	3.01
ASE Group	8,718	2.94
Foxconn Technology Group	8,645	2.92
MiTAC-Synnex Group	7,250	2.45
Wistron Corporation	7,220	2.44
JPMorgan Chase & Co.	7,199	2.43
SINO-AMERICAN SILICON PRODUCTS INC.	6,936	2.34
Kinpo Group	6,608	2.23
Commonwealth Bank of Australia	6,516	2.20
UBS Group AG	6,258	2.11
ASUS Group	6,168	2.08
Abu Dhabi Commercial Bank	5,941	2.00
Berkshire Hathaway Group	5,925	2.00
Yulon Group	5,869	1.98
Westpac Banking Corporation	5,793	1.95
Macquarie Group Limited.	5,636	1.90
Taishin Financial Holdings Group	5,494	1.85
LIEN JADE Construction Group	5,307	1.79
Four Union Group	5,169	1.74
Formosan Rubber Group Inc.	5,126	1.73
Aerospace Industrial Development Corp	5,054	1.71
Mitsubishi UFJ Financial Group, Inc.	5,042	1.70
Capital Financial Group	4,762	1.61
Australia and New Zealand Banking Group Limited	4,674	1.58
O-Bank Group	4,665	1.57
Kingtown & Construction Co., Ltd	4,634	1.56
E.SUN Financial Holding Co., Ltd.	4,586	1.55
Wan Hai Lines Group	4,469	1.51
Bank of America Group	4,170	1.41
Sumitomo Mitsui Financial Group	4,046	1.37
Sanyang Group	4,004	1.35
Aurora Group	3,837	1.29
Shinhan Financial Group Co., Ltd.	3,812	1.29
Test Rite Group	3,631	1.23
Foxlink Group	3,613	1.22
Ocean Plastics Group	3,613	1.22

(Expressed In Millions of New Taiwan Dollars)

Name	June 30, 2024	
	Total of business credit, endorsements, or other transaction	Percentage of net value of the company (%)
Same affiliated company:		
Wells Fargo & Company	\$ 3,542	1.20
Tung Ho Steel Group	3,536	1.19
BenQ Qisda Group	3,504	1.18
China Airlines Group	3,482	1.18
GIGABYTE Technology Group	3,260	1.10
Saudi Arabian Oil Co.	3,235	1.09
Toyota Group	3,226	1.09
Morgan Stanley Group	3,222	1.09
FUYU PROPERTY COMPANY LIMITED	3,188	1.08
Ken Ting Construction Group	3,120	1.05
USI Group	3,059	1.03
YOJI Construction Group	3,006	1.01
	<u>731,447</u>	<u>246.82</u>
	<u>\$ 2,121,309</u>	<u>715.81</u>

(Expressed In Millions of New Taiwan Dollars)

June 30, 2023

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

(Expressed In Millions of New Taiwan Dollars)

June 30, 2023

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

(Expressed In Millions of New Taiwan Dollars)

June 30, 2023

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

(Expressed In Millions of New Taiwan Dollars)

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

(Expressed In Millions of New Taiwan Dollars)

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

(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 six months ended June 30, 2024 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)	\$ 8,280,969	\$ 790,925	\$ 796,866	\$ 6,137,061	(\$ 207,322)	\$ 15,798,499
Net non-interest income	4,928,051	28,527,872	1,091,290	4,202,618	4,451,127	43,200,958
Net profit	13,209,020	29,318,797	1,888,156	10,339,679	4,243,805	58,999,457
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(425,719)	(330,403)	1,992	(370)	-	(754,500)
Net change in provisions for insurance liabilities	-	-	-	(6,436,064)	-	(6,436,064)
Operating expenses	(6,716,759)	(18,470,425)	(883,089)	(815,261)	(2,085,019)	(28,970,553)
Net income from continuing operations before income tax	6,066,542	10,517,969	1,007,059	3,087,984	2,158,786	22,838,340
Income tax expense	(810,324)	(1,814,405)	(271,715)	(84,174)	(1,024,113)	(4,004,731)
Consolidated net income, net of tax	<u>\$ 5,256,218</u>	<u>\$ 8,703,564</u>	<u>\$ 735,344</u>	<u>\$ 3,003,810</u>	<u>\$ 1,134,673</u>	<u>\$ 18,833,609</u>

Information by business segments for the six months ended June 30, 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)	\$ 7,674,573	\$ 1,000,793	\$ 804,482	\$ 5,606,999	(\$ 197,423)	\$ 14,889,424
Net non-interest income	4,420,651	21,130,915	960,468	5,776,297	2,954,849	35,243,180
Net profit	12,095,224	22,131,708	1,764,950	11,383,296	2,757,426	50,132,604
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	15,554	(179,484)	1,848	(644)	-	(162,726)
Net change in provisions for insurance liabilities	-	-	-	(8,022,660)	-	(8,022,660)
Operating expenses	(5,937,688)	(14,292,482)	(775,475)	(780,703)	(1,716,544)	(23,502,892)
Net income from continuing operations before income tax	6,173,090	7,659,742	991,323	2,579,289	1,040,882	18,444,326
Income tax expense	(952,339)	(943,087)	(182,459)	(76,165)	(450,745)	(2,604,795)
Consolidated net income, net of tax	<u>\$ 5,220,751</u>	<u>\$ 6,716,655</u>	<u>\$ 808,864</u>	<u>\$ 2,503,124</u>	<u>\$ 590,137</u>	<u>\$ 15,839,531</u>

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

A. Financial statements of the Company

Yuanta Financial Holding Co., Ltd.

Yuanta Financial Holding Co., Ltd.

Individual Balance Sheets

June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>LIABILITIES AND EQUITY</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and cash equivalents	\$ 12,405,930	\$ 8,446,437	Payables	\$ 20,868,409	16,514,209
Financial assets at fair value through other comprehensive income	65,612	54,991	Current income tax liabilities	3,254,110	2,267,769
Investments in bills and bonds under resale agreements	3,194,325	-	Bonds payable	33,600,000	28,500,000
Receivables - net	3,108,828	1,281,666	Provisions	12,517	35,259
Current income tax assets	2,591,632	2,591,632	Lease liabilities	446,298	108,988
Equity investments accounted for under the equity method - net	332,638,898	301,653,257	Other liabilities	13,631	11,268
Property and equipment - net	38,053	40,887	Total liabilities	<u>58,194,965</u>	<u>47,437,493</u>
Right-of-use assets - net	424,079	105,527	Equity		
Intangible assets - net	11,704	14,489	Common stock	126,890,824	125,015,590
Deferred income tax assets	54,425	46,501	Stock dividend to be distributed	2,537,816	1,875,234
Other assets - net	24,984	8,418	Additional paid-in capital	38,192,619	38,090,889
			Retained earnings		
			Legal reserve	25,415,714	22,561,044
			Special reserve	6,549,233	13,517,403
			Undistributed earnings	86,168,284	68,873,387
			Other equity	10,609,015	(3,127,235)
			Total equity	<u>296,363,505</u>	<u>266,806,312</u>
Total assets	<u>\$ 354,558,470</u>	<u>\$ 314,243,805</u>	Total liabilities and equity	<u>\$ 354,558,470</u>	<u>\$ 314,243,805</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the six months ended June 30,	
	2024	2023
Revenues		
Share of the profit or loss or loss of subsidiaries, associates and joint ventures accounted for under the equity method	\$ 19,161,568	\$ 15,876,306
Other revenues	99,438	67,069
	19,261,006	15,943,375
Expenses and losses		
Operating expenses	(841,425)	(662,391)
Other expenses and losses	(201,550)	(183,417)
	(1,042,975)	(845,808)
Income from continuing operations before income tax	18,218,031	15,097,567
Income tax expense	(557,048)	(128,026)
Net income	17,660,983	14,969,541
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss (net of tax)		
Gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	1,737	(11,329)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss	4,942,662	(293,572)
Components of other comprehensive income that will be reclassified to profit or loss (net of tax)		
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss	704,660	5,694,447
Other comprehensive income	5,649,059	5,389,546
Total comprehensive income	\$ 23,310,042	\$ 20,359,087
Earnings per share (in dollars)		
Basic and diluted earnings per share	\$ 1.36	\$ 1.16

Yuanta Financial Holding Co., Ltd.
Individual Statements of Changes in Equity
For the six months ended June 30, 2024 and 2023
(Expressed In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other equity				Total equity
	Common stock	Stock dividend to be distributable	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets at fair value through other comprehensive income	Change in fair value of financial liability attributable to change in credit risk	Other comprehensive income (loss) on reclassification under the overlay approach	
For the six months ended June 30, 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	(\$ 51,218)	(\$ 5,242,587)	\$ 256,368,147
Appropriation of 2022 earnings											
Legal reserve	-	-	-	2,079,259	-	(2,079,259)	-	-	-	-	-
Special reserve	-	-	-	-	6,968,169	(6,968,169)	-	-	-	-	-
Cash dividend	-	-	-	-	-	(10,001,247)	-	-	-	-	(10,001,247)
Stock dividend	-	1,875,234	-	-	-	(1,875,234)	-	-	-	-	-
Net income for the period	-	-	-	-	-	14,969,541	-	-	-	-	14,969,541
Other comprehensive (loss) income for the period	-	-	-	-	-	(44,585)	(887,953)	2,955,869	174	3,366,041	5,389,546
Total comprehensive income (loss) for the period	-	-	-	-	-	14,924,956	(887,953)	2,955,869	174	3,366,041	20,359,087
Changes in equity of associates and joint ventures accounted for using equity method	-	-	80,325	-	-	-	-	-	-	-	80,325
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,593,196	-	(1,593,196)	-	-	-
Balance, June 30, 2023	<u>\$ 125,015,590</u>	<u>\$ 1,875,234</u>	<u>\$ 38,090,889</u>	<u>\$ 22,561,044</u>	<u>\$ 13,517,403</u>	<u>\$ 68,873,387</u>	<u>(\$ 7,007,857)</u>	<u>\$ 5,808,212</u>	<u>(\$ 51,044)</u>	<u>(\$ 1,876,546)</u>	<u>\$ 266,806,312</u>
For the six months ended June 30, 2024											
Balance, January 1, 2024	\$ 126,890,824	\$ -	\$ 38,188,103	\$ 22,561,044	\$ 13,517,403	\$ 80,901,931	(\$ 6,961,608)	\$ 14,117,852	(\$ 48,964)	(\$ 2,159,647)	\$ 287,006,938
Appropriation of 2023 earnings											
Legal reserve	-	-	-	2,854,670	-	(2,854,670)	-	-	-	-	-
Special reserve	-	-	-	-	(6,968,170)	6,968,170	-	-	-	-	-
Cash dividend	-	-	-	-	-	(13,957,991)	-	-	-	-	(13,957,991)
Stock dividend	-	2,537,816	-	-	-	(2,537,816)	-	-	-	-	-
Net income for the period	-	-	-	-	-	17,660,983	-	-	-	-	17,660,983
Other comprehensive (loss) income for the period	-	-	-	-	-	(123,128)	(35,889)	3,752,431	1,193	2,054,452	5,649,059
Total comprehensive income (loss) for the period	-	-	-	-	-	17,537,855	(35,889)	3,752,431	1,193	2,054,452	23,310,042
Changes in equity of associates and joint ventures accounted for using equity method	-	-	4,516	-	-	-	-	-	-	-	4,516
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	110,805	-	(110,805)	-	-	-
Balance, June 30, 2024	<u>\$ 126,890,824</u>	<u>\$ 2,537,816</u>	<u>\$ 38,192,619</u>	<u>\$ 25,415,714</u>	<u>\$ 6,549,233</u>	<u>\$ 86,168,284</u>	<u>(\$ 6,997,497)</u>	<u>\$ 17,759,478</u>	<u>(\$ 47,771)</u>	<u>(\$ 105,195)</u>	<u>\$ 296,363,505</u>

Yuanta Financial Holding Co., Ltd.
Individual Statements of Cash Flows
For the six months ended June 30, 2024 and 2023
(Expressed In Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2024	2023
<u>Cash Flows From Operating Activities</u>		
Profit before tax	\$ 18,218,031	\$ 15,097,567
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	48,952	31,133
Amortization	2,369	2,613
Interest expense	201,372	183,203
Interest income	(36,058)	(46,328)
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method	(19,161,568)	(15,876,306)
Gain on lease modification	(23)	-
Loss on disposal or retirement of property and equipment	3	-
Changes in operating assets and liabilities		
Receivables	7,567	13,406
Other assets	(4,964)	1,740
Payables	(226,579)	(120,661)
Provisions	114	190
Other liabilities	1,169	1,118
Interest received	36,593	48,946
Dividend received	13,115,434	10,455,926
Interest paid	(77,926)	(158,895)
Income tax refunded	683,220	330,894
Net cash flows generated from operating activities	<u>12,807,706</u>	<u>9,964,546</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property and equipment	(5,956)	(4,134)
Acquisition of intangible assets	(430)	-
Acquisition of right-of-use assets	(41)	-
Net cash flows used in investing activities	(6,427)	(4,134)
<u>Cash Flows From Financing Activities</u>		
Repayments of bonds	-	(8,000,000)
Principal payment for lease liabilities	(20,946)	(22,630)
Net cash flows used in financing activities	(20,946)	(8,022,630)
Net increase in cash and cash equivalents	12,780,333	1,937,782
Cash and cash equivalents at beginning of period	2,819,922	6,508,655
Cash and cash equivalents at end of period	<u>\$ 15,600,255</u>	<u>\$ 8,446,437</u>
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 12,405,930	\$ 8,446,437
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7	3,194,325	-
Cash and cash equivalents at end of reporting period	<u>\$ 15,600,255</u>	<u>\$ 8,446,437</u>

B. Condensed financial statements of subsidiaries and significant components

(A) Yuanta Bank

Yuanta Bank
Individual Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 24,840,194	\$ 19,894,854	Deposits from Central Bank and other banks	\$ 7,012,425	\$ 9,082,076
Due from Central Bank and call loans to other banks	88,429,858	78,899,298	Financial liabilities at fair value through profit or loss	5,102,995	3,850,612
Financial assets at fair value through profit or loss	159,043,825	136,896,818	Bills and bonds payable under repurchase agreements	33,651,823	29,199,692
Financial assets at fair value through other comprehensive income	196,583,135	206,514,377	Payables	14,970,487	10,033,033
Investments in debt instruments at amortised cost	249,007,824	258,285,679	Current income tax liabilities	1,405,703	1,069,490
Investments in bills and bonds under resale agreements	41,945,116	38,830,557	Deposits and remittances	1,745,190,135	1,583,764,277
Receivables- net	26,505,012	24,028,531	Bank debentures payable	29,700,000	28,700,000
Current income tax assets	54,371	99,119	Other financial liabilities	2,083,827	2,439,755
Assets held for sale- net	620,886	80,998	Provisions	918,175	705,027
Bills discounted and loans- net	1,144,442,294	988,200,146	Lease liabilities	2,523,195	2,346,917
Equity investments accounted for under the equity method- net	4,834,796	4,910,615	Deferred income tax liabilities	662,504	746,484
Other financial assets- net	86,820	2,954	Other liabilities	2,395,688	2,986,026
Property and equipment- net	16,685,426	15,368,238	Total liabilities	<u>1,845,616,957</u>	<u>1,674,923,389</u>
Right-of-use assets- net	8,304,044	9,932,770	Common stock	79,953,548	73,940,390
Investment property- net	4,116,502	944,616	Additional paid-in capital	25,960,441	25,960,441
Intangible assets- net	8,437,312	8,637,234	Retained earnings	32,767,136	31,544,232
Deferred income tax assets	1,009,402	919,947	Other equity	(5,925,200)	(11,504,280)
Other assets - net	3,426,065	2,417,421	Total equity	<u>132,755,925</u>	<u>119,940,783</u>
Total assets	<u>\$ 1,978,372,882</u>	<u>\$ 1,794,864,172</u>	Total liabilities and equity	<u>\$ 1,978,372,882</u>	<u>\$ 1,794,864,172</u>

Yuanta Bank

Individual Condensed Statements of Comprehensive Income

For the six months ended June 30, 2024 and 2023

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

	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Interest income	\$ 17,959,272	137	\$ 15,363,344	127
Less: Interest expense	(10,820,608)	(83)	(8,520,134)	(70)
Net interest income	7,138,664	54	6,843,210	57
Net non-interest income	5,977,075	46	5,244,320	43
Net profit	13,115,739	100	12,087,530	100
(Provision for) reversal of bad debt expenses, commitment and guarantee policy reserve	(371,042)	(3)	47,783	-
Operating expenses	(6,752,851)	(52)	(5,940,364)	(49)
Income from continuing operations before income tax	5,991,846	45	6,194,949	51
Income tax expense	(806,207)	(6)	(948,684)	(8)
Net income	5,185,639	39	5,246,265	43
Other comprehensive income (net of tax)	750,956	6	2,814,561	24
Total comprehensive income	<u>\$ 5,936,595</u>	<u>45</u>	<u>\$ 8,060,826</u>	<u>67</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.65</u>		<u>\$ 0.66</u>	

(B) Yuanta Securities

Yuanta Securities
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 537,082,886	\$ 419,331,659	Current liabilities	\$ 453,018,395	\$ 352,133,860
Financial assets at fair value through profit or loss - non-current	49,121	-	Bonds payable	34,000,000	23,500,000
Financial assets at fair value through other comprehensive income - non-current	14,469,574	12,444,542	Provisions - non-current	66,224	64,806
Equity investments accounted for under the equity method	61,493,681	57,487,963	Lease liabilities - non-current	416,490	432,290
Property and equipment	5,115,522	5,316,779	Deferred income tax liabilities	1,453,165	1,493,984
Right-of-use assets	704,959	692,238	Other non-current liabilities	1,166,923	1,086,128
Investment property	1,893,117	1,949,899	Total liabilities	490,121,197	378,711,068
Intangible assets	11,574,917	11,574,551	Common stock	65,924,526	65,924,526
Deferred income tax assets	385,594	572,951	Additional paid-in capital	1,287,111	1,185,380
Other non-current assets	2,800,114	2,534,653	Retained earnings	59,717,859	53,142,221
Total assets	<u>\$ 635,569,485</u>	<u>\$ 511,905,235</u>	Other equity	18,518,792	12,942,040
			Total equity	145,448,288	133,194,167
			Total liabilities and equity	<u>\$ 635,569,485</u>	<u>\$ 511,905,235</u>

Yuanta Securities
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023

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

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Revenues	\$ 24,759,338	100	\$ 16,568,099	100
Service fee expense	(1,074,653)	(5)	(591,617)	(4)
Employee benefit expense	(6,519,289)	(26)	(4,651,180)	(28)
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method	1,368,550	5	1,404,597	8
Operating expenses	(7,875,278)	(31)	(5,045,947)	(30)
Income from continuing operations before income tax	10,658,668	42	7,683,952	46
Income tax expense	(1,379,793)	(6)	(545,630)	(3)
Net income	9,278,875	36	7,138,322	43
Other comprehensive income (loss) (net of tax)	3,153,412	13	(1,270,996)	(8)
Total comprehensive income	<u>\$ 12,432,287</u>	<u>49</u>	<u>\$ 5,867,326</u>	<u>35</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 1.41</u>		<u>\$ 1.08</u>	

(C) Yuanta Securities (Korea)

Yuanta Securities (Korea)
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 41,508,062	\$ 46,282,839	Current liabilities	\$ 134,384,893	\$ 128,577,911
Financial assets at fair value through profit or loss - non-current	211,876,909	205,306,268	Bonds payable	151,239,107	146,928,718
Financial assets at fair value through other comprehensive income - non-current	13,300,938	9,420,202	Provisions - non-current	4,657,805	4,575,159
Equity investments accounted for under the equity method	2,091,114	2,384,015	Lease liabilities	1,710,453	476,241
Property and equipment	1,145,533	1,108,277	Other non-current liabilities	22,101,990	21,307,472
Right-of-use assets	1,794,006	505,059	Total liabilities	314,094,248	301,865,501
Investment property	796,566	1,064,554	Common stock	24,997,409	25,053,723
Intangible assets	1,001,464	977,035	Additional paid-in capital	(1,332,281)	(1,335,283)
Deferred income tax assets	1,833,477	860,244	Retained earnings	10,209,044	8,548,278
Other non-current assets	75,672,413	69,641,470	Other equity	3,052,062	3,417,744
Total assets	<u>\$ 351,020,482</u>	<u>\$ 337,549,963</u>	Total equity	36,926,234	35,684,462
			Total liabilities and equity	<u>\$ 351,020,482</u>	<u>\$ 337,549,963</u>

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

Yuanta Securities (Korea)
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023

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

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Revenues	\$ 32,005,717	100	\$ 33,793,958	100
Service fee expense	(201,183)	(1)	(192,333)	(1)
Employee benefit expense	(3,440,414)	(11)	(2,820,749)	(8)
Operating expenses	(26,504,644)	(83)	(30,086,023)	(89)
Income from continuing operations before income tax	1,859,476	5	694,853	2
Income tax expense	(441,896)	(1)	(162,355)	-
Net income	1,417,580	4	532,498	2
Other comprehensive (loss) income (net of tax)	(259,355)	(1)	180,335	-
Total comprehensive income	<u>\$ 1,158,225</u>	<u>3</u>	<u>\$ 712,833</u>	<u>2</u>
Earnings per share (in dollars)				
Basic earnings per share - ordinary share	<u>\$ 6.90</u>		<u>\$ 2.60</u>	
Diluted earnings per share - ordinary share	<u>\$ 6.90</u>		<u>\$ 2.60</u>	
Basic earnings per share - preferred share	<u>\$ 6.90</u>		<u>\$ 2.60</u>	
Diluted earnings per share - preferred share	<u>\$ 6.90</u>		<u>\$ 2.60</u>	

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

(D) Yuanta Futures

Yuanta Futures
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 122,692,750	\$ 99,750,532	Current liabilities	\$ 112,015,848	\$ 89,718,948
Financial assets at fair value through other comprehensive income			Non-current liabilities	1,617,295	1,668,354
- non-current	2,262,471	2,054,631	Total liabilities	113,633,143	91,387,302
Equity investments accounted for under the equity method	1,521,052	1,258,848			
Property and equipment	666,159	627,064	Common stock	2,899,763	2,899,763
Right-of-use assets	62,151	93,218	Additional paid-in capital	3,070,484	3,070,484
Intangible assets	91,656	65,072	Retained earnings	6,138,536	5,502,169
Deferred income tax assets	24,182	28,295	Other equity	2,257,450	1,762,800
Other non-current assets	678,955	744,858	Total equity	14,366,233	13,235,216
Total assets	<u>\$ 127,999,376</u>	<u>\$ 104,622,518</u>	Total liabilities and equity	<u>\$ 127,999,376</u>	<u>\$ 104,622,518</u>

Yuanta Futures
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 1,954,270	100	\$ 1,598,961	100
Service fee expense	(385,777)	(20)	(273,800)	(17)
Employee benefit expense	(440,213)	(23)	(414,977)	(26)
Operating expenses	(1,301,230)	(67)	(1,052,596)	(67)
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method	22,365	1	31,008	2
Non-operating revenue and expenses	1,402,316	72	1,223,746	77
Income from continuing operations before income tax	1,251,731	63	1,112,342	69
Income tax expense	(271,715)	(14)	(182,459)	(11)
Net income	980,016	50	929,883	58
Other comprehensive income (net of tax)	323,389	17	159,425	10
Total comprehensive income	<u>\$ 1,303,405</u>	<u>67</u>	<u>\$ 1,089,308</u>	<u>68</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 3.38</u>		<u>\$ 3.21</u>	

(E) Yuanta Life

Yuanta Life
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 8,447,538	\$ 6,847,325	Payables	\$ 1,384,980	\$ 1,156,508
Receivables	4,497,501	4,376,729	Current income tax liabilities	9,276	30,829
Current income tax assets	5,713,389	5,382,887	Financial liabilities at fair value		
Financial assets at fair value			through profit or loss	5,843,589	3,676,576
through profit or loss	42,839,649	35,122,923	Insurance liabilities	372,476,253	356,135,098
Financial assets at fair value through			Reserve for insurance contract with		
other comprehensive income	22,840,216	25,460,506	the nature of financial products	216,857	185,964
Financial assets at amortised cost	301,820,465	290,570,926	Foreign exchange reserve	3,145,600	4,018,654
Other financial assets	1,500,000	749,080	Provisions	42,980	50,905
Right-of-use assets	177,424	220,149	Lease liabilities	1,002,243	1,041,404
Investment property	14,849,546	13,415,509	Deferred income tax liabilities	3,601,715	1,961,315
Loans	8,253,981	7,697,361	Other liabilities	2,319,555	2,047,427
Reinsurance contract assets	1,275,427	1,296,511	Investment-linked insurance		
Property and equipment	95,616	76,411	products liabilities	28,142,518	31,533,342
Intangible assets	161,506	145,594	Total liabilities	418,185,566	401,838,022
Deferred income tax assets	1,622,531	1,167,747	Common stock	24,201,072	23,735,695
Other assets	8,726,935	6,019,822	Retained earnings	10,574,094	8,725,070
Investment-linked insurance			Other equity	(1,996,490)	(4,215,965)
products assets	28,142,518	31,533,342	Total equity	32,778,676	28,244,800
Total assets	<u>\$ 450,964,242</u>	<u>\$ 430,082,822</u>	Total liabilities and equity	<u>\$ 450,964,242</u>	<u>\$ 430,082,822</u>

Yuanta Life

Individual Condensed Statements of Comprehensive Income

For the six months ended June 30, 2024 and 2023

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

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 26,184,611	100	\$ 24,603,745	100
Operating costs	(23,339,263)	(89)	(22,095,145)	(90)
Operating expenses	(842,873)	(4)	(811,202)	(3)
Net operating income	2,002,475	7	1,697,398	7
Non-operating revenue and expenses	884	-	(1,490)	-
Income from continuing operations				
before income tax	2,003,359	7	1,695,908	7
Income tax expense	(84,174)	-	(76,165)	-
Net income	1,919,185	7	1,619,743	7
Other comprehensive income (net of tax)	1,514,076	6	3,771,553	15
Total comprehensive income	<u>\$ 3,433,261</u>	<u>13</u>	<u>\$ 5,391,296</u>	<u>22</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 0.79</u>		<u>\$ 0.67</u>	

(F) Yuanta Securities Investment Trust

Yuanta Securities Investment Trust
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 5,070,570	\$ 4,674,788	Current liabilities	\$ 1,197,836	\$ 786,271
Financial assets at fair value through other comprehensive income	392,540	359,186	Deferred income tax liabilities	158,253	158,888
Equity investments accounted for under the equity method	355,235	340,131	Lease liabilities - non-current	3,719	15,134
Property and equipment	290,702	293,312	Other non-current liabilities	33,423	32,802
Intangible assets	768,582	768,551	Total liabilities	1,393,231	993,095
Prepaid pension cost	29,027	30,404	Common stock	2,269,235	2,269,235
Deferred income tax assets	706	498	Additional paid-in capital	296,729	296,729
Right-of-use assets	17,185	27,765	Retained earnings	2,895,096	2,885,283
Other non-current assets	109,896	84,897	Other equity	180,152	135,190
Total assets	<u>\$ 7,034,443</u>	<u>\$ 6,579,532</u>	Total equity	5,641,212	5,586,437
			Total liabilities and equity	<u>\$ 7,034,443</u>	<u>\$ 6,579,532</u>

Yuanta Securities Investment Trust
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 3,327,558	100	\$ 2,343,625	100
Operating expenses	(1,243,147)	(37)	(932,998)	(40)
Operating income	2,084,411	63	1,410,627	60
Non-operating revenue and expenses	80,633	2	46,356	2
Income from continuing operations before income tax	2,165,044	65	1,456,983	62
Income tax expense	(425,176)	(12)	(288,329)	(12)
Net income	1,739,868	53	1,168,654	50
Other comprehensive income (loss) (net of tax)	8,201	-	(25,641)	(1)
Total comprehensive income	<u>\$ 1,748,069</u>	<u>53</u>	<u>\$ 1,143,013</u>	<u>49</u>
Earnings per share (in dollars)				
Basic and diluted earnings per share	<u>\$ 7.67</u>		<u>\$ 5.15</u>	

(G) Yuanta Asset Management

Yuanta Asset Management
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 3,574,596	\$ 2,918,998	Current liabilities	\$ 139,034	\$ 88,140
Financial assets at fair value through other comprehensive income	54,622	46,141	Non-current liabilities	14,065	18,548
Property and equipment	4,791	6,256	Total liabilities	153,099	106,688
Right-of-use assets	5,259	9,293	Common stock	3,346,138	3,346,138
Investment property	595,219	1,087,603	Additional paid-in capital	1,047	1,047
Deferred income tax assets	3,183	3,726	Retained earnings	701,603	590,864
Other non-current assets	810	831	Other equity	36,593	28,111
Total assets	<u>\$ 4,238,480</u>	<u>\$ 4,072,848</u>	Total equity	<u>4,085,381</u>	<u>3,966,160</u>
			Total liabilities and equity	<u>\$ 4,238,480</u>	<u>\$ 4,072,848</u>

Yuanta Asset Management
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 303,554	100	\$ 210,906	100
Operating expenses	(129,746)	(43)	(135,256)	(64)
Operating income	173,808	57	75,650	36
Non-operating revenue and expenses	13,898	5	6,929	3
Income from continuing operations before income tax	187,706	62	82,579	39
Income tax expense	(25,482)	(9)	(16,392)	(7)
Net income	162,224	53	66,187	32
Other comprehensive income (loss) (net of tax)	7,769	3	(1,725)	(1)
Total comprehensive income	<u>\$ 169,993</u>	<u>56</u>	<u>\$ 64,462</u>	<u>31</u>

(H) Yuanta Venture Capital

Yuanta Venture Capital
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 2,158,265	\$ 2,082,472	Current liabilities	\$ 126,778	\$ 152,165
Financial assets at fair value through other comprehensive income	39,401	57,742	Lease liabilities - non-current	1,391	5,203
Equity investments accounted for under the equity method	1,304,747	998,666	Other non-current liabilities	8,500	6,700
Property and equipment	492	750	Total liabilities	136,669	164,068
Right-of-use assets	5,257	8,968	Common stock	2,715,220	2,715,220
Deferred income tax assets	65,529	72,780	Additional paid-in capital	918	918
Other non-current assets	645	644	Retained earnings	674,033	274,764
Total assets	<u>\$ 3,574,336</u>	<u>\$ 3,222,022</u>	Other equity	47,496	67,052
			Total equity	3,437,667	3,057,954
			Total liabilities and equity	<u>\$ 3,574,336</u>	<u>\$ 3,222,022</u>

Yuanta Venture Capital
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenue	\$ 695,791	100	\$ 389,543	100
Operating expenses	(57,798)	(8)	(77,554)	(20)
Operating income	637,993	92	311,989	80
Non-operating revenue and expenses	8,587	1	3,793	(1)
Income from continuing operations before income tax	646,580	93	315,782	81
Income tax expense	(16,804)	(2)	(6,658)	(2)
Net income	629,776	91	309,124	79
Other comprehensive income (net of tax)	671	-	986	-
Total comprehensive income	<u>\$ 630,447</u>	<u>91</u>	<u>\$ 310,110</u>	<u>79</u>

(I) Yuanta Securities Investment Consulting

Yuanta Securities Investment Consulting
Individual Condensed Balance Sheets
June 30, 2024 and 2023

(Expressed In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024	June 30, 2023	LIABILITIES AND EQUITY	June 30, 2024	June 30, 2023
Current assets	\$ 201,115	\$ 201,759	Current liabilities	\$ 105,812	\$ 104,038
Property and equipment	7,695	13,575	Non-current liabilities	104,008	19,581
Right-of-use assets	114,035	17,633	Total liabilities	209,820	123,619
Intangible assets	6,872	9,856	Common stock	100,000	100,000
Deferred income tax assets	7,793	11,313	Additional paid-in capital	6,017	6,017
Other non-current assets	15,759	9,463	Retained earnings	37,432	33,963
			Total equity	143,449	139,980
Total assets	<u>\$ 353,269</u>	<u>\$ 263,599</u>	Total liabilities and equity	<u>\$ 353,269</u>	<u>\$ 263,599</u>

Yuanta Securities Investment Consulting
Individual Condensed Statements of Comprehensive Income
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Item	For the six months ended June 30,			
	2024		2023	
	Amount	%	Amount	%
Operating revenues	\$ 133,576	100	\$ 120,850	100
Operating costs	(526)	-	(506)	(1)
Operating expenses	(127,263)	(96)	(118,461)	(98)
Operating income	5,787	4	1,883	1
Non-operating revenues and expenses	694	1	943	1
Income from continuing operations before income tax	6,481	5	2,826	2
Income tax expense	(1,296)	(1)	(551)	-
Net income	5,185	4	2,275	2
Total comprehensive income	<u>\$ 5,185</u>	<u>4</u>	<u>\$ 2,275</u>	<u>2</u>

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

A. Profitability

(A) Yuanta Financial Holdings

Unit: %

		For the six months ended June 30,	
		2024	2023
Return on total assets	Before tax	5.32	4.91
	After tax	5.16	4.86
Return on equity	Before tax	6.25	5.77
	After tax	6.05	5.72
Net profit margin ratio		92.66	94.98

(B) Yuanta Financial Holdings and its subsidiaries

		For the six months ended June 30,	
		2024	2023
Return on total assets	Before tax	0.66	0.59
	After tax	0.55	0.51
Return on equity	Before tax	7.30	6.53
	After tax	6.02	5.61
Net profit margin ratio		31.92	31.60

(C) Yuanta Bank

		For the six months ended June 30,	
		2024	2023
Return on total assets	Before tax	0.31	0.35
	After tax	0.27	0.30
Return on equity	Before tax	4.62	5.34
	After tax	4.00	4.53
Net profit margin ratio		39.54	43.40

(D) Yuanta Securities

		For the six months ended June 30,	
		2024	2023
Return on total assets	Before tax	1.88	1.63
	After tax	1.64	1.52
Return on equity	Before tax	7.36	5.71
	After tax	6.41	5.31
Net profit margin ratio		37.04	41.07

(E) Yuanta Life

		For the six months ended June 30,	
		2024	2023
Return on total assets	Before tax	0.45	0.40
	After tax	0.43	0.38
Return on equity	Before tax	6.45	6.64
	After tax	6.18	6.34
Net profit margin ratio		67.43	64.61

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

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

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

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

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

B. Information of Yuanta Bank is as follows:

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

Unit: In thousands of NT Dollars

Month / Year		June 30, 2024					June 30, 2023				
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	674,585	273,465,757	0.25%	3,493,074	517.81%	144,937	256,839,469	0.06%	3,777,537	2,606.33%
	Unsecured loans	104,199	320,726,150	0.03%	3,900,298	3,743.12%	81,614	257,300,910	0.03%	3,744,241	4,587.74%
Consumer banking	Residential mortgage loans	103,263	314,767,604	0.03%	4,718,761	4,569.65%	46,307	273,568,512	0.02%	4,101,856	8,857.96%
	Cash card services	-	10,905	-	177	-	-	16,642	-	368	-
	Small amount of credit loans	16,976	24,013,544	0.07%	258,194	1,520.94%	11,422	18,358,721	0.06%	199,183	1,743.85%
	Others	Secured loans	112,649	232,151,885	0.05%	2,421,174	2,149.31%	82,336	204,723,948	0.04%	2,136,532	2,594.89%
Unsecured loans		1,550	4,994,890	0.03%	50,810	3,278.06%	1,166	4,031,995	0.03%	41,217	3,534.91%
Gross loan business		1,013,222	1,170,130,735	0.09%	14,842,488	1,464.88%	367,782	1,014,840,197	0.04%	14,000,934	3,806.86%

Month / Year		June 30, 2024					June 30, 2023				
		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		8,975	10,030,659	0.09%	134,686	1500.68%	7,330	9,494,415	0.08%	106,916	1,458.61%
Without recourse factoring		-	7,609,384	-	80,450	-	-	6,299,080	-	66,950	-

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

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

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

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

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

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

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

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

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

Unit: In thousands of NT Dollars

	June 30, 2024		June 30, 2023	
	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)	7,601	8,820	14,304	12,749
Perform in accordance with debt liquidation program and restructuring program (Note 2)	470,894	240,670	567,465	265,580
Total	478,495	249,490	581,769	278,329

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.

(BLANK)

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

Unit: In thousands of NT Dollars, %

June 30, 2024			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / Total equity
1	Group A–Smelting and Refining of Iron and Steel	\$ 13,198,105	9.94
2	Group B–Real Estate Development Activities	10,324,300	7.78
3	Group C–Packaging and Testing of Semi-conductors	7,497,000	5.65
4	Group D–Financial Holding Companies	7,304,165	5.50
5	Group E–Retail Sale of Computers, Computer Peripheral Equipment and Software in Specialized Stores	7,061,159	5.32
6	Group F–Financial Holding Companies	6,372,250	4.80
7	Group G–Manufacture of Metal Die	5,500,000	4.14
8	Group H–Real Estate Development Activities	5,307,475	4.00
9	Group I–Wholesale of Chemical Materials and Chemical Products	5,125,186	3.86
10	Group J–Ocean Transportation	4,000,000	3.01

Unit: In thousands of NT Dollars, %

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

Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If an outstanding loan belongs to an enterprise group, the outstanding loan of enterprise group should be categorised and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A – Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group should be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

Note 2: Definition of enterprise group is based on the Article 6 of “Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Reviews of Securities Listings”.

Note 3: Total amounts of credit extensions were various loans (including import negotiations, export negotiations, bills discounted, overdrafts, short-term loans, short-term loans secured, securities financing receivable, mid-term loans, mid-term loan secured, long-term loans, long-term loans secured, and overdue accounts), remittances purchased, advance accounts for factoring receivable, acceptances receivable, and guarantees receivable.

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(D) Structure analysis of time to maturity

a. Structure analysis of time to maturity (NTD)

June 30, 2024

(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	1,814,144,672	307,929,563	181,305,630	228,343,481	108,362,983	178,635,136	809,567,879
Primary funds outflow upon maturity	2,188,116,038	66,643,895	149,291,366	281,659,284	346,975,004	358,489,735	985,056,754
Gap	(373,971,366)	241,285,668	32,014,264	(53,315,803)	(238,612,021)	(179,854,599)	(175,488,875)

June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

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

b. Structure analysis of time to maturity (USD)

June 30, 2024

(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	7,246,693	2,035,652	385,618	265,048	501,160	4,059,215
Primary funds outflow upon maturity	9,106,668	2,553,029	1,835,926	1,587,265	2,103,981	1,026,467
Gap	(1,859,975)	(517,377)	(1,450,308)	(1,322,217)	(1,602,821)	3,032,748

June 30, 2023

(Expressed in Thousands of US Dollars)

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

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

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

June 30, 2024

(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	1,260,454,517	62,146,382	26,491,682	232,945,526	1,582,038,107
Interest-rate-sensitive liabilities	393,495,282	960,518,533	148,599,829	33,961,262	1,536,574,906
Interest-rate-sensitive gap	866,959,235	(898,372,151)	(122,108,147)	198,984,264	45,463,201
Total equity					139,858,127
Ratio of interest-rate-sensitive assets to liabilities					102.96
Ratio of interest-rate-sensitive gap to equity					32.51

June 30, 2023

(Expressed in Thousands of New Taiwan Dollars, %)

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

Note 1: The above amounts include only New Taiwan Dollars held by Yuanta Bank, excluding contingent assets and contingent liabilities.

Note 2: Interest-rate-sensitive assets and liabilities are those interest earned assets and interest bearing liabilities, revenues and costs which are sensitive to changes in interest rates.

Note 3: Interest-rate-sensitive gap = Interest-rate-sensitive assets - interest-rate-sensitive liabilities.

Note 4: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets / interest-rate-sensitive liabilities (refer to NTD denominated interest-rate-sensitive assets and interest-rate-sensitive liabilities).

b.Sensitivity analysis of interest rate for assets and liabilities (USD)

June 30, 2024

(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	2,980,587	337,179	401,652	3,011,764	6,731,182
Interest-rate-sensitive liabilities	3,706,996	1,177,433	1,090,637	1,084,442	7,059,508
Interest-rate-sensitive gap	(726,409)	(840,254)	(688,985)	1,927,322	(328,326)
Total equity					(214,297)
Ratio of interest-rate-sensitive assets to liabilities					95.35
Ratio of interest-rate-sensitive gap to equity					153.21

June 30, 2023

(Expressed in Thousands of US Dollars, %)

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

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:

Real estate purchased	Transaction date	Sale price	Details of payments	Counterparty	Relationship	Information on previous transfer if the counterparty is a related party				Reference basis for price determination	Acquisition purpose and use	Other agreed matters
						Owner	Relationship	Transfer date	Price			
Yuanta Financial Square	April 11, 2024	\$383,989	\$7,285 per month	Yuanta Bank	Subsidiary	-	-	-	-	CCIS Real Estate Joint Appraisers Firm, Appraiser Zhang Xinjie	Self-use office	The lease term includes a 5-month decoration period which is free of rent.

C. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.

D. Information regarding receivables from related parties exceeding \$300 million or 10% of the Company's paid-in capital:

Creditor	Counterparty	Relationship	Accounts receivable from related party as of June 30, 2024	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	\$ 1,173,586 (Note 1)	-	\$ -	-	\$ -	\$ -
Yuanta Financial Holdings	Yuanta Bank	Subsidiary of the Company	935,349 (Note 1)	-	-	-	-	-
Yuanta Financial Holdings	Yuanta Futures	Subsidiary of the Company	960,843 (Note 2)	-	-	-	960,835	-

Note 1: Income tax refundable arising from filing consolidated income tax returns which has been eliminated.

Note 2: Cash dividends receivable from subsidiaries, which has been eliminated. A portion of dividends was received on July 9, 2024.

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 Holding 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	\$ 145,869,240	\$ 9,275,729	6,592,453	-	6,592,453	100
"	Yuanta Commercial Bank Co., Ltd.	"	Banking	100	132,790,641	5,182,055	7,394,039	-	7,394,039	100
"	Yuanta Futures Co., Ltd.	"	Futures, futures managers, futures consultant, securities, securities trading assistance	66.27	10,076,189	648,788	192,167	-	192,167	66.27
"	Yuanta Life Insurance Co., Ltd.	"	Life insurance business	100	30,226,529	1,957,927	2,373,570	-	2,373,570	100
"	Yuanta Asset Management Co., Ltd.	"	Management of monetary debts of financial institutions	100	4,013,064	162,224	334,614	-	334,614	100
"	Yuanta Venture Capital Co., Ltd.	"	Venture capital investments	100	3,437,666	629,777	271,522	-	271,522	100
"	Yuanta Securities Investment Consulting Co., Ltd.	"	Securities investment consultant	100	143,449	5,185	10,000	-	10,000	100
"	Yuanta Securities Investment Trust Co., Ltd.	"	Securities investment trust	74.71	6,082,120	1,299,883	169,538	-	169,538	74.71
Yuanta Commercial Bank Co., Ltd.	Yuanta International Leasing Co., Ltd.	" (Note3)	Leasing business	-	-	-	-	-	-	-
"	Yuanta Savings Bank (Philippines) Inc.	Philippines	Deposits and loans of savings bank	100	1,091,095	-	2,400,000	-	2,400,000	100
"	Yuanta Savings Bank (Korea) Inc.	Korea	Deposits and loans of savings bank	100	3,743,701	-	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	\$ 45,606,048	\$ -	390,909	-	390,909	100	
"	Yuanta International Insurance Brokers Co., Ltd.	R.O.C	Insurance brokerage services	100	137,438	-	500	-	500	100	
"	Yuanta Securities Finance Co., Ltd.	"	Securities financing and refinancing to securities firms and related business	100	15,739,078	-	400,000	-	400,000	100	
"	Yuanta Wealth Management (Singapore) Pte. Ltd.	Singapore	-	100	11,117	-	500	-	500	100	
Yuanta Securities Asia Financial Services Private 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	9,566,295	-	2,268,133	-	2,268,133	100	
"	Yuanta Asia Investment (Hong Kong) Ltd.	"	Securities trading, asset management services	100	1,544,010	-	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	58.56	22,099,368	-	116,876	-	116,876	58.56	

(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 Asia Financial Services Private Limited	Yuanta Hong Kong Holdings (Cayman) Ltd.	Cayman Islands	Investment holding	100	\$ 46,775	\$ -	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	6,130,709	-	450,000	-	450,000	99.99
"	Yuanta Securities Vietnam Limited Company	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	94.10	3,883,483	-	-	-	-	100
Yuanta Securities Korea Co., Ltd.	Yuanta Investment Co., Ltd.	Korea	Investment business	100	1,322,822	-	6,401	-	6,401	100
"	Yuanta Financial (Hong Kong) Ltd.	Hong Kong	Investment holding	100	407,561	-	18,954	-	18,954	100
Yuanta Financial (Hong Kong) Limited	Yuanta Securities (Cambodia) Plc.	Cambodia	Underwriting guidelines, financial advisory services, securities brokerage, dealing in securities and investment advisory	100	408,064	-	12,500	-	12,500	100

(Expressed In Thousand of New Taiwan Dollars)										
Share ownerships of the Company and related parties										
Total										
Investor	Investee	Address	Main Service	Percentage of ownership at the period end (%)	Book value	Investment income (loss) (Note 1)	Shares (In thousands)	Pro-forma share of ownership	Shares (In thousands)	Percentage of ownership (%)
Yuanta Securities (Hong Kong) Limited	Yuanta International Investment (Hong Kong) Ltd.	Hong Kong	Issuance of financial instruments and dealing investments	100	\$ 260,763	\$ -	50,000	-	50,000	100
"	Yuanta Finance (Hong Kong) Ltd.	"	Credit loan business	100	264,253	-	50,000	-	50,000	100
"	Yuanta Securities Vietnam Limited Company	Vietnam	Securities brokerage, dealing, underwriting, investment consultation, financial derivatives	5.90	252,241	-	-	-	-	100
"	PT Yuanta Sekuritas Indonesia	Indonesia	Securities trading and underwriting services	99	553,933	-	474	-	474	99
Yuanta Venture Capital Co., Ltd.	Yuanta I Venture Capital Co., Ltd.	R.O.C	Venture capital investments	100	1,304,747	-	85,000	-	85,000	100
Yuanta Futures Co., Ltd.	Yuanta Futures (Hong Kong) Limited	Hong Kong	Financial services	100	1,080,726	-	34,000	-	34,000	100
"	SYF Information Limited	R.O.C	Information service	100	295,028	-	35,000	-	35,000	100
"	Yuanta Global (Singapore) Pte. Ltd. (Note4)	Singapore	Applying	100	145,298	-	5,000	-	5,000	100

Note 1: The amounts under the column of the investment income (loss) presented as zero is for the subsidiary and second-tier subsidiary described in the consolidated financial statements.

Note 2: The case concerning Yuanta Securities Co., Ltd. applying for reinvesting established Yuanta Capital had been approved by the FSC, Jin-Guan-Cheng-Quan-Zi Letter No.1100351895 on November 4, 2021. Currently, the case is temporarily suspended in response to the circumstance changes and strategic adjustments.

Note 3: On April 22, 2024, the Board of Directors of Yuanta International Leasing acting on behalf of the shareholders' meeting approved the dissolution of April 30, 2024, as the record date for the dissolution.

Note 4: 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. 1130339385 on April 17, 2024 which agrees to extend its starting period until October 19, 2024.

Note 5: On March 29, 2024, Yuanta Securities (Korea) sold its reinvested company, Woori Asset Management Corp..

(3) Significant transactions regarding investee companies

- A. Information regarding stocks of equity investment for which the purchase or sale amount for the period exceeded \$300 million or 10% of the Company's paid-in capital: Disclosure may be exempt for subsidiaries in the financial industry, insurance industry and securities Industry. Not applicable for all the other subsidiaries and indirect subsidiaries.
- B. Information on the acquisition of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital: None.

C. Information on the disposal of real estate for which the purchase amount exceeded \$300 million or 10% of the Company's paid-in capital:

Transaction Company	Real estate disposed	Transaction date	Acquisition date	Carrying value	Sale price	Status of collection of proceeds	Gain or loss from disposal	Counterparty	Related-party	Reason for disposal	Basis or reference used in setting the price	Note
Yuanta Bank	1F, 3F~7F, No. 210, SEC. 3, Chengde Road, Datong District, Taipei City, including the land which it is located	The Board of Directors resolved on March 21, 2024	May 27, 2009	\$544,285	\$983,700	Contract signed but proceeds not collected	Estimated to be approximately \$439,415	Natural persons	None	Activate and fully use of assets	Based on Appraisal Reports issued by Zhan-Mao and Bon-De Real Estate Appraisers Firm and Fairness Opinion issued by Hsiang-Lin Chan Accounting Firm. Real Estate Appraisers: Ming-Hang Tsai and Ping-Chi Mao; appraisal prices were \$797,012 and \$810,539, respectively.	-
Yuanta Securities	2F, 2F-1, 2F-2, B1~B2, No. 210, Sec. 3, Chengde Rd., Taipei City	The Board of Directors resolved on March 28, 2024	May 27, 2009	\$248,931	\$816,300	Contract signed but proceeds not collected	Estimated to be approximately \$567,369	Natural persons	None	Activate and fully use of assets	Based on Appraisal Reports issued by Zhan-Mao and Bon-De Real Estate Appraisers Firm and Fairness Opinion issued by Hsiang-Lin Chan Accounting Firm. Real Estate Appraisers: Ming-Hang Tsai and Ping-Chi Mao; appraisal prices were \$661,000 and \$672,484, respectively.	-

D. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded \$5 million: None.

E. Information regarding receivables from related parties for which the amount exceeding \$300 million or 10% of Company's paid-in capital:

Creditor	Counterparty	Relationship	Accounts receivable from related party as of June 30, 2024	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	\$ 5,698,637 (Note)	-	\$ -	-	\$ -	\$ -
Yuanta Securities	Yuanta/P-shares Taiwan Top 50 ETF	Funds under managed by fellow subsidiary	395,736	-	-	Not applicable	395,736	-

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

F. Information regarding selling non-performing loans:

Company	Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Bank	Note
Yuanta Savings Bank (Korea)	2024/5/29	KACMO	Loans and Advance	\$ 7	\$ 4	\$ (3)	None	None	Note 2
Yuanta Savings Bank (Korea)	2024/6/26	KACMO	Loans and Advance	\$ 9,886	\$ 12,699	\$ 2,813	None	None	Note 3

Note1: Book value is the balance after deducting the amount of the allowance for doubtful debts to the original creditor's right.

Note2: The carrying amount and the sale price of the loan was KRW305 thousand and KRW186 thousand, using the exchange rate of 1 KRW to 0.023619 NTD.

Note3: The carrying amount and the sale price of the loan was KRW418,587 thousand and KRW537,664 thousand, using the exchange rate of 1 KRW to 0.023619 NTD.

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

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

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

Number	Lending company	Borrower	Account	Related-party	Maximum balance at current period	Ending balance	Actual used amount	Interest rate	Characteristic of fund lent to others	Amount	Reason for short-term loans	Provision for credit loss	Collateral		Limit of individual lending	Total limit of funds lent to others
													Item	Value		
1	Yuanta Securities Asia Finance Service	PT Yuanta Sekuritas Indonesia	Accounts receivable-related party	Yes	\$ 973,500	\$ 649,000	\$ 69,768	6.10%	Short-term loans	\$ -	Fulfill operating cost and working capital	\$ -	-	\$ -	\$ 45,626,037 (Note)	\$ 45,626,037 (Note)
2	Yuanta Securities Asia Finance Service	Yuanta Securities (Thailand)	Accounts receivable-related party	Yes	2,596,000	1,622,500	-	-	Short-term loans	-	Fulfill operating cost and working capital	-	-	-	45,626,037 (Note)	45,626,037 (Note)
3	Yuanta Securities Asia Finance Service	Yuanta Securities (Vietnam)	Accounts receivable-related party	Yes	973,500	973,500	-	-	Short-term loans	-	Working capital	-	-	-	45,626,037 (Note)	45,626,037 (Note)
4	Yuanta Securities Asia Finance Service	Yuanta Securities (Korea)	Accounts receivable-related party	Yes	2,271,500	2,271,500	-	-	Short-term loans	-	Working capital	-	-	-	45,626,037 (Note)	45,626,037 (Note)

Note : 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.

J. Endorsements and guarantees provided for others:

Number	Endorsing and guarantee company	Endorsed and guaranteed company		Limit for endorsement and guarantee for single enterprise	Maximum outstanding endorsements and guarantee amount during for the six months ended June 30, 2024	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	\$ 29,089,658 (Note 1)	\$ 113,575	\$ 113,575	\$ 108,167	\$ -	0.08%	\$ 58,179,315 (Note 1)	Yes	No	No
2	Yuanta Securities	Yuanta International Investment (Hong Kong) (Note 2)	More than 50% common stock-directly-owned subsidiary	29,089,658 (Note 1)	1,622,500	1,622,500	71,979	-	1.12%	58,179,315 (Note 1)	Yes	No	No
3	Yuanta Securities Asia Financial Service	Yuanta Securities (Thailand)	More than 50% common stock-directly-owned subsidiary	45,626,037 (Note 3)	264,540	-	-	-	0.00%	45,626,037 (Note 3)	Yes	No	No
4	Yuanta Securities Asia Financial Service	PT Yuanta Sekuritas Indonesia	More than 50% common stock-directly-owned subsidiary	45,626,037 (Note 3)	306,470	306,470	148,548	-	0.67%	45,626,037 (Note 3)	Yes	No	No
5	Yuanta Securities Asia Financial Service	Yuanta Securities (Vietnam)	More than 50% common stock-directly-owned subsidiary	45,626,037 (Note 3)	408,320	408,320	344,520	-	0.89%	45,626,037 (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)

June 30, 2024

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 (%)	Book 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	35	\$ 6,571	-	\$ 6,571	
	Yuanta/P-shares Taiwan Mid-Cap 100 ETF	"	"	9	787	-	787	
	Yuanta/P-shares Taiwan Electronics Tech ETF	"	"	28	2,821	-	2,821	
	Yuanta/P-shares MSCI Taiwan Financials ETF	"	"	20	557	-	557	
	Yuanta/P-shares Taiwan Dividend Plus ETF	"	"	34	1,384	-	1,384	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	"	"	26	437	-	437	
	Yuanta S&P500	"	"	9	513	-	513	
	Yuanta Taiwan Value High Dividend ETF	"	"	16	165	-	165	
	Yuanta/P-shares Taiwan GreTai 50 ETF	"	"	23	548	-	548	
	Yuanta/P-shares MSCI Taiwan ETF	"	"	15	1,306	-	1,306	
	Yuanta/P-shares SSE50 ETF	"	"	18	506	-	506	
	Yuanta S&P GSCI Gold ER Futures ETF	"	"	8	219	-	219	
	Yuanta S&P GSCI Crude Oil ER Futures ETF	"	"	1	15	-	15	
	Yuanta EURO STOXX 50 ETF	"	"	7	246	-	246	
	Yuanta Nikkei 225 ETF	"	"	1	44	-	44	
	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	17	523	-	523	
	Yuanta S&P US Dollar ER Futures ETF	"	"	-	1	-	1	
	Yuanta U.S. Treasury 7-10 Year Bond ETF	"	"	9	338	-	338	
	Yuanta Taiwan High Dividend Low Volatility ETF	"	"	25	1,458	-	1,458	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	"	"	14	437	-	437	
	Yuanta US 20+ Year BBB Corporate Bond ETF	"	"	9	330	-	330	
	Yuanta China Treasury + Policy Bank 3-5 Year Bond ETF	"	"	-	13	-	13	
	Yuanta DJCI Silver ER Futures ETF	"	"	1	14	-	14	
	Yuanta MSCI China A ETF	"	"	8	167	-	167	

				June 30, 2024					
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 ownership				Note
					Book value	(%)	Book value		
Yuanta Securities Investment Trust	Beneficiary certificates:								
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	The managing company of the fund	Financial assets at fair value through profit or loss	10	\$ 341	-	\$ 341		
	Yuanta STOXX Global Artificial Intelligence ETF	"	"	17	1,122	-	1,122		
	Yuanta S&P U.S. High Yield Preferred Stock ETF	"	"	-	7	-	7		
	Yuanta US 10+ Investment Grade Bank Bond ETF	"	"	5	180	-	180		
	Yuanta US 10+ Investment Grade Healthcare Bond ETF	"	"	12	425	-	425		
	Yuanta US 10+ Investment Grade Utility Electric Power Bond ETF	"	"	5	171	-	171		
	Yuanta FTSE4Good TIP Taiwan ESG ETF	"	"	19	859	-	859		
	Yuanta Global NextGen Communications ETF	"	"	20	865	-	865		
	Yuanta 15+ Year Emerging Markets Sovereign Bond ETF	"	"	-	3	-	3		
	Yuanta Global 5G & NexGen Telecommunication Components ETF	"	"	21	857	-	857		
	Yuanta De- Bao Money Market Fund	"	"	8,184	101,706	-	101,706		
	Yuanta Japan Leaders Equity Fund-(I)	"	"	26,621	<u>303,217</u>	-	<u>303,217</u>		
					<u>\$ 429,153</u>		<u>\$ 429,153</u>		
	Stocks:								
	Taiwan Futures Exchange	-	Financial assets at fair value through other comprehensive income	4,803	\$ 375,834	0.88	\$ 375,834		
	FundRich Securities Co. Ltd.	-	"	819	<u>16,706</u>	1.36	<u>16,706</u>		
					<u>\$ 392,540</u>		<u>\$ 392,540</u>		
	CR Yuanta Fund Management Company Limited	-	Equity investments accounted for under the equity method	147,000	<u>\$ 355,235</u>	24.50	<u>\$ 355,235</u>		
Yuanta Asset Management	Beneficiary certificates:								
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss	15,421	\$ 216,477	-	\$ 216,477		
	Franklin Templeton Sinoam Money Market Fund	-	"	18,885	202,107	-	202,107		
	Yuanta Taiwan Value High Dividend ETF	-	"	5,000	50,850	-	50,850		
	JIH SUN MONEY MARKET FUND	-	"	6,570	100,890	-	100,890		
	Yuanta Japan Leaders Equity Fund-(A)	-	"	3,021	<u>34,381</u>	-	<u>34,381</u>		
					<u>\$ 604,705</u>		<u>\$ 604,705</u>		

		June 30, 2024							
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 ownership				Note
					Book value	(%)	Book value		
Yuanta Asset Management	Stocks:								
	Taiwan Finance Corporation	-	Financial assets at fair value through other comprehensive income	828	\$ 7,067	0.16	\$ 7,067		
	Sunsino Venture Co., Ltd.	-	"	443	5,151	0.93	5,151		
	DaYeh Development Co., Ltd.	-	"	333	237	2.22	237		
	Chung Yi Development Co., Ltd.	-	"	2,278	91	6.63	91		
	China Investment and Development Co.,Ltd	-	"	1,980	29,126	1.23	29,126		
	China Trade And Development Corporation	-	"	500	<u>12,950</u>	0.76	<u>12,950</u>		
					<u>\$ 54,622</u>		<u>\$ 54,622</u>		
Yuanta Venture Capital	Stocks:								
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	513	\$ 4,970	0.03	\$ 4,970		
	Eurocharm Holdings Co., Ltd.	-	"	624	128,232	0.94	128,232		
	Ever Fortune. AI Co., Ltd.	-	"	300	36,000	0.30	36,000		
	Pharmosa Biopharm Co., Ltd.	-	"	1,500	106,650	1.16	106,650		
	Center Laboratories, Inc.	-	"	1,470	79,964	0.21	79,964		
	Tot Biopharm International Company Limited	-	"	15,606	142,032	2.02	142,032		
	Apollomics Inc.	-	"	117	798	0.13	798		
	Gorilla Technology Group Inc.	-	"	10	896	0.11	896		
	GCT Semiconductor Holding, Inc.	-	"	186	31,436	0.41	31,436		
	Jing-Jan Retail Business Co., Ltd.	-	"	1,408	62,219	2.35	62,219		
	Taiwan Microloops Co., Ltd.	-	"	526	49,652	0.92	49,652		
	Shine-On BioMedical Co., Ltd.	-	"	300	19,977	0.60	19,977		
	Mega Union Technology Incorporated	-	"	501	164,914	0.81	164,914		
	OVTEC Co., Ltd.	-	"	627	64,463	3.77	64,463		
	CGK International Co., Ltd (Cayman)	-	"	877	9,085	2.00	9,085		
	Aprevent Medical Inc.	-	"	1,808	15,998	6.30	15,998	Preferred stock B	

				June 30, 2024				
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 (%)	Book value	Note
Yuanta Venture Capital	Stocks:							
	Li Ling Film Co., Ltd.	-	Financial assets at fair value through profit or loss	500	\$ -	1.09	\$ -	
	Bioflag Nutrition Corporation Ltd.	-	"	1,530	33,193	3.01	33,193	
	GRAID Technology Inc.	-	"	682	33,654	2.41	33,654	Preferred stock A
	YU-CHEN SYSTEM Technology Corp.	-	"	1,260	54,470	7.33	54,470	
	Certain Micro Application Technology Inc.	-	"	1,200	28,920	6.48	28,920	
	Song Chuan Precision Co., Ltd.	-	"	1,600	165,712	2.20	165,712	
	ETERNAL PRECISION MECHANICS CO., LTD.	-	"	400	23,604	0.65	23,604	
	Aprevent Medical, Inc.	-	"	394	-	1.37	-	
	Veden Dental Group	-	"	246	-	0.50	-	
	Long Diann Marine Bio Technology Co., Ltd.	-	"	1,290	-	6.47	-	
	Canal Biotech Corporation Inc.	-	"	533	-	13.46	-	
	Great Dream Pictures, Inc.	-	"	200	-	19.96	-	
	Asia Pacific Venture Invest II L.P.	-	"	-	<u>756</u>	10.00	<u>756</u>	
					<u>\$ 1,257,595</u>		<u>\$ 1,257,595</u>	
	Da Hwa Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income	800	\$ 15,280	0.50	\$ 15,280	
	Prudence Capital Management			596	10,086	9.00	10,086	
	Sheng Hwa Venture Capital Co., Ltd.	-	"	1,064	968	4.80	968	
	Lian Xun San Venture Capital Co., Ltd.	-	"	10	276	10.00	276	
	Hwa Lu Venture Capital Co., Ltd.	-	"	43	8,097	8.70	8,097	
	Qi Ding Venture Capital Co., Ltd.	-	"	168	333	4.35	333	
	Huiyang Venture Capital Co., Ltd.	-	"	67	<u>4,361</u>	2.46	<u>4,361</u>	
					<u>\$ 39,401</u>		<u>\$ 39,401</u>	
	Yuanta I Venture Capital Co., Ltd.	Investee company accounted for under the equity method	Equity investments accounted for under the equity method	85,000	<u>\$ 1,304,747</u>	100.00	<u>\$ 1,304,747</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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024 (Note 4)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024
					Remitted to Mainland China	Remitted back to Taiwan						
Tot Biopharm International Company Limited	Pharmaceutical company specializes in cancer treatment	\$ 9,008,120 (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	259,600 (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	20,780 (HKD 5,000)	(2) CAYMAN ISLANDS CGK INTERNATIONAL CO., LTD.	452	-	-	452	Note 5	2.00%	-	452	-
Veden Dental Labs Inc.	Manufacturing dental restoration	344,940 (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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024 (Note 4)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024
					Remitted to Mainland China	Remitted back to Taiwan						
Jie Qun Electronic Technology (Dong Guan) Ltd.	Transistors	\$ 2,859,384 (USD 88,117)	(2) VIRGIN ISLANDS GREAT TEAM BACKEND FOUNDRY, INC.	\$ 40,735	\$ -	\$ 4,150	\$ 36,585	Note 5	3.24%	\$ -	\$ 22,575	\$ 30,179

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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024
					Remitted to Mainland China	Remitted back to Taiwan						
GC Investment Consultant (Shanghai)	Investment consultation	\$ 18,394 (CNY 4,138)	(3)	\$ -	\$ -	\$ -	\$ -	\$ 144	100.00%	\$ - In liquidation	\$ 23,557	\$ -
Yuanta Securities Investment Consultant (Beijing)	Investment management consulting service, financial consulting service, business administration consulting service, business information consulting service, economic and trade consulting service, marketing and planning, technical promotion and services	81,925 (CNY 18,428)	(2) Yuanta Securities Asia Financial Service	-	-	-	-	3,126	100.00%	3,126 (2)B	22,558	-

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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024
					Remitted to Mainland China	Remitted back to Taiwan						
CR Yuanta Fund Management Company Limited	Fund raising and sale	\$ 2,667,360 (CNY 600,000)	(1)	\$ 705,666	\$ -	\$ -	\$ 705,666	\$ 15,444	24.50%	\$ 3,607	\$ 355,235	\$ -

B. Limitation on investment in Mainland China (Expressed in thousands of dollars)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	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	\$ 230,018	\$ 234,021	\$ 2,062,600
GC Investment Consultant (Shanghai)	-	Note 6	Note 6
Yuanta Investment Consulting Beijing	-	91,973	96,213,347
Yuanta Securities Investment Trust	705,666	705,666	3,384,727

Note: The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Venture Capital's net worth of \$3,437,667.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities's net worth of \$160,355,579.

The abovementioned limitations on investments in Mainland China were based on 60% of Yuanta Securities Investment Trust's net worth of \$5,641,212.

Note 1: Investment methods are classified into the following three categories; fill in the number of the category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the six months ended June 30, 2024' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - a. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - b. The financial statements that are audited and attested by R.O.C. parent company's CPA.
 - c. Others.

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

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

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

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

(5) Significant commitments or contingency of subsidiaries

Please refer to Note 9.

(6) Significant loss from disasters of subsidiaries

Please refer to Note 10.

(7) Significant subsequent events of subsidiaries

Please refer to Note 11.

(8) Major shareholders information

No shareholder held shares above 5% as of June 30, 2024.

(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	1,169,617	No significant difference from general customers	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Receivables – net	931,109	"	0.03%
0	Yuanta Financial Holdings	Yuanta Life	1	Payables	5,698,005	"	0.16%
0	Yuanta Financial Holdings	Yuanta Futures	1	Receivables – net	960,843	"	0.03%
0	Yuanta Financial Holdings	Yuanta Bank	1	Right-of-use assets – net	377,100	"	0.01%
1	Yuanta Securities	Yuanta Futures	3	Cash and cash equivalents	1,357,824	"	0.04%
1	Yuanta Securities	Yuanta Futures	3	Financial assets at fair value through profit or loss	1,708,908	"	0.05%
1	Yuanta Securities	Yuanta International Insurance Brokers	3	Receivables – net	175,767	"	0.00%
1	Yuanta Securities	Yuanta Life	3	Right-of-use assets – net	128,469	"	0.00%
1	Yuanta Securities	Yuanta Life	3	Lease liabilities	139,575	"	0.00%
1	Yuanta Securities	Yuanta Securities Investment Trust	3	Net service fee and commission income	148,945	"	0.25%
1	Yuanta Securities	Yuanta Futures	3	Net service fee and commission income	132,180	"	0.22%
1	Yuanta Securities	Yuanta Bank	3	Net other miscellaneous income or loss	115,640	"	0.20%
2	Yuanta Bank	Yuanta Futures	3	Cash and cash equivalents	132,915	"	0.00%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	1,310,403	"	0.04%
2	Yuanta Bank	Yuanta Futures	3	Financial assets at fair value through profit or loss	(952,687)	"	-0.03%
2	Yuanta Bank	Yuanta Securities	3	Bills discounted and loans – net	1,500,000	"	0.04%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	1,804,066	"	0.05%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	778,781	"	0.02%
2	Yuanta Bank	Yuanta International Insurance Brokers	3	Deposits and remittances	325,752	"	0.01%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	140,000	"	0.00%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	9,549,047	"	0.27%
2	Yuanta Bank	Yuanta Life	3	Deposits and remittances	116,273	"	0.00%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	13,231,163	"	0.37%

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			Percentage of total consolidated net revenues or assets (Note 3)
				Account	Amount	Conditions	
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	2,518,500	No significant difference from general customers	0.07%
2	Yuanta Bank	SYF Information	3	Deposits and remittances	293,900	"	0.01%
2	Yuanta Bank	Yuanta Securities Investment Trust	3	Deposits and remittances	3,630,000	"	0.10%
2	Yuanta Bank	Yuanta Securities Investment Consulting	3	Deposits and remittances	190,900	"	0.01%
2	Yuanta Bank	Yuanta Venture Capital	3	Deposits and remittances	738,800	"	0.02%
2	Yuanta Bank	Yuanta I Venture Capital	3	Deposits and remittances	238,600	"	0.01%
2	Yuanta Bank	Yuanta Asset Management	3	Deposits and remittances	628,700	"	0.02%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	24,173,194	"	0.67%
2	Yuanta Bank	Yuanta Securities Asia Financial Services	3	Deposits and remittances	318,010	"	0.01%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Deposits and remittances	4,429,520	"	0.12%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	9,455,930	"	0.26%
2	Yuanta Bank	Yuanta Financial Holdings	2	Deposits and remittances	2,240,000	"	0.06%
2	Yuanta Bank	Yuanta Securities	3	Deposits and remittances	649,000	"	0.02%
2	Yuanta Bank	Yuanta Futures	3	Deposits and remittances	20,456,593	"	0.57%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Other assets – net	178,477	"	0.00%
2	Yuanta Bank	Yuanta Life	3	Net service fee and commission income	824,825	"	1.40%
2	Yuanta Bank	Yuanta Futures	3	Interest expense	337,120	"	0.57%
2	Yuanta Bank	Yuanta Securities	3	Interest expense	207,124	"	0.35%
2	Yuanta Bank	Yuanta Securities (Hong Kong)	3	Interest expense	152,455	"	0.26%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial assets – net	205,799	"	0.01%
3	Yuanta Futures	Yuanta Futures (Hong Kong)	3	Other financial liabilities	514,841	"	0.01%
3	Yuanta Futures	Yuanta Securities (Korea)	3	Other financial liabilities	337,800	"	0.01%
4	Yuanta Life	Yuanta International Insurance Brokers	3	Net service fee and commission income	285,952	"	0.48%
5	Yuanta Securities Investment Consulting	Yuanta Bank	3	Right-of-use assets – net	104,524	"	0.00%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Receivables – net	163,609	"	0.00%
6	Yuanta Securities (Hong Kong)	Yuanta Securities	3	Payables	107,558	"	0.00%
6	Yuanta Futures (Hong Kong)	Yuanta Securities (Vietnam)	3	Other financial assets – net	179,912	"	0.01%

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

1. 0 for the parent company.
2. According to the sequential order, subsidiaries are numbered from 1.

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

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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

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

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14. Segment information

(1) General information

A. Recognition elements of reporting segment

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

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

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

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

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

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

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

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

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

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

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

Expressed in Thousands of New Taiwan Dollars

For the six months ended June 30, 2024

	Banking	Securities	Futures	Insurance	Others	Adjustment and elimination	Consolidated
Revenue from external customers	\$ 13,209,020	\$ 29,318,797	\$ 1,888,156	\$ 10,339,679	\$ 4,243,805	\$ -	\$ 58,999,457
Revenue (loss) from transactions with other operating segments of the same entity	<u>143,956</u>	<u>1,052,019</u>	<u>266,139</u>	<u>(1,001,584)</u>	<u>609,109</u>	<u>(1,069,639)</u>	<u>-</u>
Net revenues (Note)	<u>13,352,976</u>	<u>30,370,816</u>	<u>2,154,295</u>	<u>9,338,095</u>	<u>4,852,914</u>	<u>(1,069,639)</u>	<u>58,999,457</u>
Provision for bad debt expenses, commitment and guarantee policy reserve	(425,719)	(330,403)	1,992	(370)	-	-	(754,500)
Net change in provisions for insurance liabilities	-	-	-	(6,491,862)	-	55,798	(6,436,064)
Operating expenses	(6,931,294)	(18,565,203)	(904,556)	(842,504)	(2,399,597)	672,601	(28,970,553)
Income from continuing operations before income tax	<u>\$ 5,995,963</u>	<u>\$ 11,475,210</u>	<u>\$ 1,251,731</u>	<u>\$ 2,003,359</u>	<u>\$ 2,453,317</u>	<u>(\$ 341,240)</u>	<u>\$ 22,838,340</u>

For the six months ended June 30, 2023

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

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.