KGI Life Insurance Co., Ltd.

Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors
KGI Life Insurance Co., Ltd.

Introduction

We have reviewed the accompanying balance sheets of KGI Life Insurance Co., Ltd. (the "Company") as of March 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the financial statements, including the summary of significant accounting policies (together "the financial statements"). Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and become effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and their financial performance and cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wang-Seng Lin and Yi-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2025

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and financial statements shall prevail.

KGI LIFE INSURANCE CO., LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 6 and 42)	$ 46,830,054	2	$ 40,215,185	2	$ 35,434,908	1
RECEIVABLES (Notes 7 and 42)	18,562,812	1	19,642,374	1	21,436,173	1
CURRENT TAX ASSETS (Note 42)	6,410,009	-	5,759,556	-	3,291,946	-
INVESTMENT						
Financial assets at fair value through profit or loss (Notes 8 and 42)	422,851,727	17	438,340,762	17	418,576,854	17
Financial assets at fair value through other comprehensive income (Notes 9 and 42)	67,911,795	3	66,784,211	3	69,558,232	3
Financial assets at amortized cost (Note 10)	1,668,955,010	66	1,654,369,839	66	1,636,604,280	67
Investments accounted for using equity method (Notes 11 and 42)	2,296,633	-	2,301,619	-	2,323,168	-
Investment property (Note 12)	66,360,148	3	66,457,927	3	69,560,801	3
Loans (Notes 13 and 42)	35,863,398	1	36,064,504	1	34,025,798	1
Total investment	2,264,238,711	90	2,264,318,862	90	2,230,649,133	91
REINSURANCE ASSETS (Note 14)	806,827	-	844,147	-	1,093,395	-
PROPERTY AND EQUIPMENT (Notes 15 and 42)	10,558,897	-	10,621,774	-	10,523,214	-
RIGHT-OF-USE ASSETS (Note 16)	4,745,346	-	4,783,174	-	4,876,806	-
INTANGIBLE ASSETS	618,322	-	605,748	-	500,531	-
DEFERRED TAX ASSETS (Note 34)	22,117,601	1	20,589,197	1	20,098,511	1
OTHER ASSETS (Notes 17and 42)	16,238,995	1	22,031,727	1	15,449,198	1
SEPARATE ACCOUNT PRODUCT ASSETS (Note 18)	120,044,838	5	121,432,726	5	119,961,900	5
TOTAL	$ 2,511,172,412	100	$ 2,510,844,470	100	$ 2,463,315,715	100
LIABILITIES AND EQUITY						
PAYABLES (Notes 19 and 42)	$ 13,493,439	1	$ 15,146,731	1	$ 13,637,156	-
CURRENT TAX LIABILITIES (Note 42)	6,895	-	6,895	-	6,895	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 20 and 42)	11,964,090	-	21,376,362	1	17,227,297	1
BONDS PAYABLE (Notes 21 and 42)	30,000,000	1	30,000,000	1	20,000,000	1
LEASE LIABILITIES (Note 16)	1,949,303	-	1,966,072	-	1,990,722	-
INSURANCE LIABILITIES (Note 22)	2,095,364,943	83	2,080,969,848	83	2,087,729,396	85
FOREIGN EXCHANGE VALUATION RESERVE (Note 23)	39,030,341	2	30,705,210	1	13,896,058	-
PROVISIONS (Note 24)	45,406	-	49,016	-	138,867	-
DEFERRED TAX LIABILITIES (Note 34)	24,459,254	1	22,036,509	1	16,733,148	1
OTHER LIABILITIES (Note 42)	1,706,611	-	1,769,493	-	1,195,021	-
SEPARATE ACCOUNT PRODUCT LIABILITIES (Note 18)	120,044,838	5	121,432,726	5	119,961,900	5
Total liabilities	2,338,065,120	93	2,325,458,862	93	2,292,516,460	93
EQUITY						
Common stock (Note 26)	50,684,896	2	50,684,896	2	49,206,531	2
Capital surplus (Note 27)	7,472,302	-	7,461,996	-	7,432,105	-
Retained earnings (Note 28)						
Legal capital reserve	30,469,176	1	30,469,176	1	28,254,445	1
Special capital reserve	86,709,942	4	86,709,942	4	79,155,498	3
Unappropriated retained earnings	28,360,891	1	22,175,967	1	16,368,654	1
	145,540,009	6	139,355,085	6	123,778,597	5
Other equity	(30,589,915)	(1)	(12,116,369)	(1)	(9,617,978)	-
Total equity	173,107,292	7	185,385,608	7	170,799,255	7
TOTAL	$ 2,511,172,412	100	$ 2,510,844,470	100	$ 2,463,315,715	100

The accompanying notes are an integral part of the financial statements.

KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE				
Direct premium income	$ 44,041,664	65	$ 33,140,511	55
Deduct: Reinsurance expenses	(535,779)	(1)	(561,111)	(1)
Net changes in unearned premium reserve	430,805	1	503,355	1
Retained earned premium (Notes 29 and 42)	43,936,690	65	33,082,755	55
Reinsurance commission received	114,189	-	97,584	-
Fee income (Note 42)	415,165	1	385,760	-
Net investment incomes (Notes 8, 30, 31 and 42)				
Interest income	16,751,264	25	16,235,166	27
Losses on financial assets and liabilities at fair value through profit or loss	(20,508,421)	(30)	(10,422,213)	(17)
Net gains from derecognition of financial assets at amortized cost	134,856	-	147,881	-
Realized gains on financial assets at fair value through other comprehensive income	62,595	-	165,041	-
Share of (loss) profit of associates and joint ventures accounted for using equity method	(16,900)	-	72,529	-
Foreign exchange gains	14,232,160	21	37,376,251	62
Net changes in foreign exchange valuation reserve	(8,325,131)	(12)	(4,127,270)	(7)
(Losses) gains on investment property	(48,498)	-	181,847	-
Expected credit impairment (losses) reversal on investments	(19,348)	-	875	-
Other impairment loss and reversal on investments	(7,288)	-	(3,622)	-
Gains (losses) on reclassification using overlay approach	19,698,661	29	(18,564,445)	(30)
Separate account product revenue (Note 18)	937,513	1	5,856,271	10
Total operating revenue	67,357,507	100	60,484,410	100
OPERATING COSTS				
Insurance claim payments (Note 42)	(46,582,715)	(69)	(46,916,025)	(78)
Deduct: Claims recovered from reinsures	275,987	-	291,055	1
Retained claim payments (Note 32)	(46,306,728)	(69)	(46,624,970)	(77)
Net changes in insurance liabilities (Note 22)	(7,535,962)	(11)	3,213,437	5
Underwriting expenses	(296)	-	(1,979)	-
Commission expenses (Note 42)	(3,191,961)	(5)	(3,116,020)	(5)
Finance costs (Note 42)	(266,984)	(1)	(218,005)	-
Other operating costs	(44,042)	-	(33,141)	-
Separate account product expenses (Note 18)	(937,513)	(1)	(5,856,271)	(10)
Total operating costs	(58,283,486)	(87)	(52,636,949)	(87)

(Continued)

KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING EXPENSES (Notes 33 and 42)				
General expenses	$ (760,541)	(1)	$ (775,416)	(1)
Administrative expenses	(1,448,814)	(2)	(1,089,544)	(2)
Employee training expenses	(5,501)	-	(3,545)	-
Non-investments expected credit impairment losses and reversal	(439)	-	438	-
Total operating expenses	(2,215,295)	(3)	(1,868,067)	(3)
OPERATING INCOME	6,858,726	10	5,979,394	10
NON-OPERATING INCOME AND EXPENSES (Note 42)	15,042	-	6,977	-
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	6,873,768	10	5,986,371	10
INCOME TAX EXPENSES (Note 34)	(697,489)	(1)	(837,300)	(2)
NET INCOME	6,176,279	9	5,149,071	8
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX (Note 35)				
Items that will not be reclassified subsequently to profit or loss				
Valuation gains on equity instruments at fair value through other comprehensive (loss) income	327,447	1	1,394,129	2
Income taxes relating to items that are not be reclassified	3,008	-	(266,513)	-
Items that are or may be reclassified subsequently to profit or loss				
Gains (losses) on debt instruments at fair value through other comprehensive income	592,207	1	(1,638,541)	(3)
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will be reclassified to profit or loss	(594)	-	136	-

(Continued)

KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Other comprehensive (losses) profits reclassified using overlay approach	$ (19,698,661)	(29)	$ 18,564,445	31
Income taxes relating to items that are or may be reclassified subsequently to profit or loss	311,692	-	(757,883)	(1)
Other comprehensive (loss) income, net of tax	(18,464,901)	(27)	17,295,773	29
TOTAL COMPREHENSIVE INCOME (LOSS)	$ (12,288,622)	(18)	$ 22,444,844	37
EARNINGS PER SHARE (Note 36)				
Basic earnings per share	$ 1.22		$ 1.02	

The accompanying notes are an integral part of the financial statements. (Concluded)

KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Retained Earnings	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive (Loss) Income	Income for Hedging	Property Revaluation Surplus	Other Comprehensive Income Reclassified Using Overlay Approach	Total
BALANCE ON JANUARY 1, 2024	$ 49,206,531	$ 7,414,749	$ 28,254,445	$ 79,155,498	$ 11,219,583	$ (2,626,542)	$ 2,067	$ 2,290,273	$ (26,579,549)	$ 148,337,055
Net income for the three months ended March 31, 2024	-	-	-	-	5,149,071	-	-	-	-	5,149,071
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	(191,460)	136	-	17,487,097	17,295,773
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	5,149,071	(191,460)	136	-	17,487,097	22,444,844
Share-based payment transaction	-	17,356	-	-	-	-	-	-	-	17,356
BALANCE ON MARCH 31, 2024	$ 49,206,531	$ 7,432,105	$ 28,254,445	$ 79,155,498	$ 16,368,654	$ (2,818,002)	$ 2,203	$ 2,290,273	$ (9,092,452)	$ 170,799,255
BALANCE ON JANUARY 1, 2025	$ 50,684,896	$ 7,461,996	$ 30,469,176	$ 86,709,942	$ 22,175,967	$ (5,284,884)	$ 1,722	$ 2,292,072	$ (9,125,279)	$ 185,385,608
Net income for the three months ended March 31, 2025	-	-	-	-	6,176,279	-	-	-	-	6,176,279
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	803,581	(594)	-	(19,267,888)	(18,464,901)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	6,176,279	803,581	(594)	-	(19,267,888)	(12,288,622)
Changes in investments in associates and joint ventures accounted for using equity method	-	8	-	-	-	-	-	-	-	8
Share-based payment transaction	-	10,298	-	-	-	-	-	-	-	10,298
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	8,645	(8,645)	-	-	-	-
BALANCE ON MARCH 31, 2025	$ 50,684,896	$ 7,472,302	$ 30,469,176	$ 86,709,942	$ 28,360,891	$ (4,489,948)	$ 1,128	$ 2,292,072	$ (28,393,167)	$ 173,107,292

The accompanying notes are an integral part of the financial statements.

KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 6,873,768	$ 5,986,371
Adjustments to reconcile profit (loss)		
Depreciation expense	155,853	158,903
Amortization expense	92,075	71,441
Net losses on financial assets and liabilities at fair value through profit or loss	23,546,198	12,435,932
Net gains on financial assets at fair value through other comprehensive income	(31,641)	(150,404)
Net gains on financial assets at amortized cost	(132,394)	(144,775)
Interest expenses	276,387	227,436
Interest income	(16,751,264)	(16,235,166)
Dividend income	(3,038,355)	(2,019,388)
Net changes in insurance liabilities	14,396,672	16,315,096
Net changes in foreign exchange valuation reserve	8,325,131	4,127,270
Net changes in provisions	(33)	(638)
Expected credit impairment losses (reversal gains) on investments	19,348	(875)
Expected credit impairment losses (reversal gains) on non-investments	439	(438)
Share-based payments	10,298	17,356
Share of profit (loss) of associates and joint ventures accounted for using equity method	16,900	(72,529)
(Gains) losses on reclassification using overlay approach	(19,698,661)	18,564,445
Losses on disposal or scrapping of property and equipment	14	6
Gains on disposal of investment property	(13,654)	(9,908)
Property and equipment transfers into expense	35	-
Losses on valuation of investment property	371,509	137,853
Changes in operating assets and liabilities		
Increase in financial assets at fair value through profit or loss	(17,858,432)	(16,248,357)
(Increase) decrease in financial assets at fair value through other comprehensive income	(164,845)	2,018,687
Increase in financial assets at amortized cost	(2,580,075)	(42,784,524)
Decrease in notes receivable	2,606	52,962
Decrease in other receivables	314,487	1,001,025
Decrease in prepaid expenses and other prepayments	6,364	91,883
Decrease (increase) in refundable deposits	31,492	(50,557)
Decrease (increase) in reinsurance assets	32,722	(105,001)
Decrease (increase) in other assets	636	(2,364)
(Decrease) increase in life insurance proceeds payable	(38,297)	13,425
Decrease in other payables	(1,690,662)	(683,297)
(Decrease) increase in due to reinsurers and ceding companies	(24,002)	9,242
Decrease in commissions payable	(150,647)	(165,976)
Increase (decrease) in accounts collected in advance	44,629	(228,657)

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KGI LIFE INSURANCE CO., LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
Decrease in guarantee deposits received	$ (33,162)	$ (7,428,129)
Decrease in other liabilities	(74,349)	(145,952)
Decrease in provision for employee benefits	(3,577)	(6,911)
Cash flows used in operations	(7,766,487)	(25,254,513)
Interest received	11,719,812	9,977,657
Dividends received	3,069,895	1,874,943
Interest paid	(23,585)	(67,067)
Income taxes paid	(136,681)	(37,897)
Net cash flows generated from (used in) operating activities	6,862,954	(13,506,877)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(12,500)	(132,000)
Acquisition of property and equipment	(94,883)	(76,918)
Acquisition of intangible assets	(62,068)	(67,709)
Decrease (increase) in loans	201,106	(60,880)
Acquisition of investment property	(380,191)	(13,030)
Disposal of investment property	120,115	111,445
Net cash flows used in investing activities	(228,421)	(239,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principle repayment of lease liabilities	(19,664)	(22,597)
Net cash flows used in financing activities	(19,664)	(22,597)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,614,869	(13,768,566)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	40,215,185	49,203,474
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 46,830,054	$ 35,434,908

The accompanying notes are an integral part of the financial statements. (Concluded)

KGI LIFE INSURANCE CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

KGI Life Insurance Co., Ltd. (the "Company") was incorporated in Taiwan on April 25, 1963, previously known as Overseas Life Corp. The Company was renamed China Life Insurance Co., Ltd. and authorized by Ministry of Finance, R.O.C. and Ministry of Economic Affairs, R.O.C. in January 1981, and was listed on the Taiwan Stock Exchange on February 8, 1995. The renaming of the Company to KGI Life Insurance Co. received approval letters, No. Financial-Supervisory-Securities- Corporate-1120432605 on August 14, 2023 issued by the Financial Supervisory Commission ("FSC") and No. 11230158800 on November 9, 2023 issued by the Ministry of Economic Affairs. The registered office address of the Company is 3F, 4F, 5F, 6F, 7F, No. 135, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.). The Company mainly engages in the business of life insurance, handles life insurance for overseas foreign currency receipt and payment, and other insurance-related businesses approved by competent authorities. The Company is headquartered in Taipei City, and has branches in Taoyuan City, Taichung City, Chiayi City, Tainan City, Kaohsiung City, Pingtung County, Hualien County and Penghu County.

To enhance operation synergy, the Company accomplished the acquisition of major assets and liabilities from Prudential Corporation Asia Life Taiwan on June 19, 2009. The deal was approved by Financial Supervisory Commission ("FSC") under Order No. Financial-Supervisory-Securities-Corporate-09802552211 on June 16, 2009.

The Company established an offshore insurance unit (OIU) on September 14, 2015, following resolution of the board of directors and receiving approval from FSC.

On October 19, 2017, the Board has resolved to pay $1 to acquire the traditional policies and riders spun off from Allianz Taiwan Life Insurance Co., Ltd. The transaction is approved by FSC on February 27, 2018 and settled on May 18, 2018.

The Company was informed by KGI Financial Holding Co., Ltd. (KGI Financial), about the tender offer of the Company's ordinary shares and the Public Tender Offer Report on August 16, 2017. KGI Financial started the tender offer from August 17, 2017 to September 6, 2017. KGI Financial completed the tender to acquire 25.33% of the Company's common shares, totaling 880,000,000 shares, on September 13, 2017. The Company became a subsidiary of KGI Financial as defined in the "Financial Holding Company Act". In addition, the Company was informed by KGI Financial about the second tender offer of the Company's ordinary shares and the Public Tender Offer Report on January 7, 2021. KGI Financial started the tender offer from January 8, 2021 to February 2, 2021. KGI Financial completed the tender to acquire 21.13% of the Company's common shares, totaling 1,000,000,000 shares, on February 5, 2021. After the offer, KGI Financial and its subsidiary, KGI Securities (excluding KGI Securities' borrowing positions for securities undertaking), jointly held 55.95% of the Company's issued shares. On October 1, 2021, the Company's shareholder's meeting approved to enter into a share swap contract with KGI Financial, and carry out the share swap transaction. One common share of the company will be exchanged into 0.80 common share and 0.73 preferred share of KGI Financial and NT$11.5 in cash. The record date of share swap was December 30, 2021, the Company was also delisted from the Taiwan Stock Exchange (TWSE) and became a wholly owned subsidiary of KGI Financial at the same day.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were authorized to issue in accordance with a resolution of the Company's board of directors on May 8, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

b) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments 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

Note: Unless stated otherwise, the above new, amended and revised IFRS Accounting Standards or Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

a) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

b) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

c) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.

d) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

3) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;

- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

4) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Company enters into contracts to buy nature-dependent electricity, which exposes the Company to the risk that it would be required to buy electricity during a delivery interval in which the Company cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Company's expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Company entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Company has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Company is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Company shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Company shall apply prospectively.

5) IFRS 17 "Insurance Contracts"

IFRS 17 sets out the accounting standards for insurance contracts that will supersede IFRS 4. The main standards and relevant amendments of IFRS 17 are as follows:

<u>Level of aggregation</u>

IFRS 17 requires the Company to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

a) A group of contracts that are onerous at initial recognition;

b) A group of contracts that at initial recognition that has no significant possibility of becoming onerous; and

c) A group of the remaining contracts in the portfolio.

The Company is not permitted to include contracts issued more than one year apart in the same group, and shall apply IFRS 17 recognition and measurement principles to the contract groups decided to be issued.

<u>Recognition</u>

The Company shall recognize a group of insurance contracts arising from the earliest of the following:

a) The beginning of the coverage period of the group of contracts;
b) The date when the first payment from a policyholder in the group becomes due; and
c) For a group of onerous contracts, when the group becomes onerous.

Measurement on initial recognition

On initial recognition, the Company shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise the estimates of future cash flows, an adjustment to reflect the time value of money, the financial risk related to the future cash flows, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of a group of insurance contracts that the Company will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) The initial recognition of an amount for the fulfilment cash flows;

b) Any cash flows arising from the contracts in the group at that date.

c) The derecognition at the initial recognition date of the following:

   i. Any assets recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date, and liabilities for incurred claims include fulfilment cash flows related to past services. On subsequent measurement, if a group of insurance contracts becomes onerous or more onerous, that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the fulfilment cash flows allocated, any previously recognized acquisition cash flows and any cash flows arising from the contract at that date are a net outflow. The Company shall recognize a loss for the net outflow in profit and loss, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Company may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on one of the conditions that, at the inception of the group:

a) The Company reasonably expects that this will be a reasonable approximation of the general model, or

b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Company expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not met the criterion a) in above paragraph.

When using the PAA, the liability for remaining coverage shall be initially recognized as:

a) The premiums received at initial recognition;

b) Minus any insurance acquisition cash flows at that date; and

c) Plus or minus the derecognition at the initial recognition date of the following:

    i. Any assets recognized for acquisition of cash flows from insurance; and

    ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequently, the liability for remaining coverage should be adjusted as plus the premiums received and the amortization of insurance acquisition cash flows and minus the amount recognized as insurance revenue for services provided and any investment component paid or transferred to the liability for incurred claims in the period.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. An investment contract with discretionary participation features the Company issues should apply the requirements of IFRS 17 if the Company also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Company shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Company shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Transition

The Company shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Company shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only needs to use available information without undue cost or effort. The Company shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Company determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and their carrying amount at the date of initial application of these financial assets is recognized in the retained earnings (or other equity, if appropriately) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17, for financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IAS 34 "Interim Financial Reporting" as endorsed and issued into effective by the FSC.

b. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments and investment property that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

c. Foreign currency transactions

The Company's financial statements are presented in its functional currency, NT$. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies are translated using the closing rate of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is measured. Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of initial transactions.

Apart from the items mentioned below, the exchange differences due to settlement or translation are recognized in profit or loss for the period.

1) The foreign currency items which are applicable to IFRS 9 Financial Instrument should be dealt with the accounting policy of financial instruments.

2) Exchange differences of monetary items arising from the translation of the net investment in foreign operations are recognized in other comprehensive income. When the investment is disposed of or sold, exchange differences are reclassified from other comprehensive income into profit or loss.

If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income. If a gain or loss on a non-monetary item is recognized in profit or loss, any foreign exchange component of that gain or loss is also recognized in profit or loss.

d. Product categories

Insurance contract means the insurer accepts the transfer of significant insurance risk from insurance policyholder and agrees to compensate the policyholder for any damages when a particular uncertain event (insured event) occurs in the future. The definition of a significant insurance risk means any insured event occurs and causes the Company to pay additional significant fees.

Insurance contract with features of financial instruments is the contract that transfers the significant financial risk. The definition of the financial risk refers to one or more specific interest rates, product prices, exchange rates, price index, rate index, credit ratings and indicators, and other variables related to risks of possible changes in the future. If the above variables are non-financial variables, then the variables exist in both sides under the contract.

When the original judgment meets the criteria of the policy under the insurance contract, before the right of ownership and obligations expires or extinguishes, the policy will still be considered as an insurance contract; even if the exposure to insurance risk during the policy period has been significantly reduced. However, if insurance risk following the renewal of an insurance contract with features of financial instruments is transferred to the Company, the Company will reclassify the contract as an insurance contract.

Insurance contracts and insurance contracts with feature of financial instruments can be further broken down into separate categories depending on whether the contracts have discretionary participation feature or not. To have discretionary participation feature means a guaranteed payment from the contract plus contractual rights to receive additional payments.

These contractual rights have the following characteristics:

1) Additional payments as a percentage of total contractual payments may be more significant and take up a bigger portion.

2) In accordance with the contract, the amount and date of additional payments are at the Company’s discretion.

3) In accordance with the contract, additional payments are handed out based on one of the following matters:

    a) Performance of a specific combination of contracts or specific type of contract.

    b) The investment return of a specific asset portfolio the Company holds.

    c) Profit and loss from the Company, funds, or other entities.

When embedded derivative products’ economic characteristics and risks are no longer closely related to the economic characteristics and risks of the primary contracts, it should be listed separately from the primary contracts and use fair value method to determine its fair value. Also, the profit or loss determined by the fair value method should be recognized in the current period. However, if the embedded derivative product meets the definition of an insurance contract or the whole contract is measured by the fair value method and the profit or loss is recognized in the current period, the Company will not need to separately list the embedded derivative product and the insurance contract.

e. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies time deposits as cash equivalents when they have maturities of less than 12 months and can be readily convertible to known amounts of cash and be subject to an insignificant risk of changes in value.

f. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of financial instrument.

1) Initial recognition and subsequent measurement

The Company accounts for regular way purchase or sales of financial assets measured at fair value on the trade date, and of financial assets measured at amortized cost at the settlement date.

The Company categorized financial assets as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on both of the followings:

a) The Company's business model for managing the financial assets.

b) The contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

If both of the following conditions are met, a financial asset is measured at amortized cost and presented as note receivables, receivables, financial assets measured at amortized cost, loans and other receivables etc., on balance sheet as at the reporting date:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets which are not part of a hedging relationship, are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance). A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or recognition of the impairment gains or losses.

Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:

a) For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.

b) For those financial assets that are not purchased or originated credit-impaired but subsequently became credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as financial asset at fair value through other comprehensive income on balance sheet as at the reporting date:

a) The financial assets are held within a business model whose objective is achieved by collecting contractual cash flows and for sale.

b) The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described as below:

a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

c) Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:

   i. For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.

   ii. For those financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

In addition, upon initial recognition, for those equity instruments within the scope of IFRS 9 but neither categorized as held-for-trading nor applying to contingent consideration recognized by acquirers in IFRS 3 "Business Combination", the Company elects irrevocably to report the subsequent measurement at fair value in other comprehensive income. Amounts reported in other comprehensive income cannot be subsequently transferred to profit or loss (when disposing of such equity instruments, the Company transfers the accumulated amounts in other equity directly into retained earnings) and are presented as financial assets at fair value through other comprehensive income on the balance sheets. Dividends on investments are recognized in profit or loss, except when the dividends clearly represent certain recovery of investment cost.

Financial assets at fair value through profit or loss

Except for those financial assets qualified for aforementioned conditions and classified as financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the other financial assets are measured at fair value through profit or loss and presented as financial assets at fair value through profit or loss on the balance sheets as at the reporting date.

Such assets are subsequently measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss.

2) Impairment of financial assets

The Company measures expected credit losses and recognizes expected credit losses for loss allowance on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b) The time value of money;

c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

a) At an amount equal to 12-month expected credit losses: Including the financial asset whose credit risk has not increased significantly since initial recognition or the financial asset determined to have low credit risk at the reporting date; and, additionally, the financial assets which the Company measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b) At an amount equal to the lifetime expected credit losses: Including the financial asset whose credit risk has increased significantly since initial recognition or the financial asset that is purchased or originated credit-impaired.

In addition to evaluation mentioned previously, in accordance with the regulation of “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”, the Company is required to record the minimum amounts based upon each of the following category for allowance of uncollectible accounts:

a) Total amount of 0.5% of the ending balance for the first category of loan assets excluding life insurance loans, automatic premium loans and holding government debts, 2% of the ending balance for the second category of loan assets that should be paid attention, 10% of the ending balance for the third category of loan assets that are expected to recover, 50% of the ending balance for the fourth category of loan assets that are difficult to recover and 100% of the ending balance for the fifth category of loan assets that are not expected to recover are aggregated.

b) 1% of the ending balance for all the five categories of loan assets excluding life insurance loans, automatic premium loans and holding government debts.

c) Total unsecured portion of loans overdue and receivable on demand.

d) If total amount of minimum allowance of uncollectible accounts measured from the categories above are less than the amount in accordance with GAAP, it should refer to the amount in accordance with GAAP as minimum allowance of uncollectible accounts.

To strengthen the ability to bear the loss of specific loan assets, the authority may, if necessary, require the Company to raise loan loss provision for specific loan assets in specified criteria and deadlines.

As at each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 39 for further details on credit risk.

3) Financial liabilities

Financial liabilities within the scope of IFRS 9 “Financial Instruments” are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

a) It eliminates or significantly reduces a measurement or recognition inconsistency; or

b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

<u>Financial liabilities at amortized cost</u>

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

4) Derecognition of financial assets and liabilities

Financial assets

The Company derecognizes all or part of the financial assets when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset or when it loses its controls to the assets.

When the Company transfers all or part of the financial assets and abandons its controls to the assets, it is regarded as sale within the scope of charging in exchange.

Financial liabilities

The Company derecognizes all or part of the financial liabilities when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instrument investments with substantially different terms or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the liability extinguished and the liability recognized is recognized in profit or loss.

5) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6) Derivative instruments and hedging transactions

The Company engages in derivatives financial instrument transactions, such as forward foreign exchange contracts, interest rate swaps, cross currency swaps, options and futures, to hedge its risks associated with foreign currency and interest rate fluctuations. These derivative instruments are initially recognized at fair value on the day a derivatives contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

7) Interest rate benchmark reform

For financial assets measured at amortized cost or financial liability measured at amortized cost, when the basis for determining cash flow changes due to interest rate benchmark reform indicators, the Company updates the effective interest rate of financial assets or financial liabilities to reflect the gradual changes.

8) Adoption of overlay approach on financial assets

The Company chose to express profit or loss of the designated financial assets in overlay approach in accordance with IFRS 4 “Insurance Contract” since the application of IFRS 9. To those designated financial assets, the Company classifies the amount from profit or loss to other comprehensive income, thus making the profit or loss of the designated financial assets as at the reporting date equal to as if they would have been accounted for under IAS 39. Accordingly, the reclassification amount is the difference of the following items:

a) The amount of profit or loss of the designated financial assets in accordance with IFRS 9; and

b) The amount of profit or loss of the designated financial assets as if applied to IAS 39.

A financial asset is eligible for designation under overlay approach if qualifying for the following conditions:

a) In accordance with IFRS 9, the financial asset is measured at fair value through profit or loss. However, if the Company applies to IAS 39, the financial asset is not measured at fair value through profit or loss collectively; and

b) The financial asset is not held in respect of activities that is unconnected with contracts within the scope of IFRS 4 “Insurance Contract”.

A Financial asset is eligible for the overlay approach if either of the following conditions is met:

a) The asset is accounted for on initial recognition; or

b) The asset now meets the criteria of which is held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract” but previously did not.

The Company shall continuously adopt overlay approach to those designated financial assets until derecognition. However, the Company shall remove the designated status when the financial assets held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract”. In addition, at the beginning date of any annual reporting year, the Company is permitted to stop applying overlay approach to all designated financial assets; If it does, the change in the accounting policy is accounted for under IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

9) Reclassification of financial assets

The Company reclassifies all affected financial assets only when it changes the operating model for managing financial assets. Such changes are determined by the Company’s senior management based on the results of external or internal changes and must be material to the operations of the Company and presentable to external parties. The reclassification of financial assets is deferred from the date of reclassification.

g. Fair value measurement

Fair value is 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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1) In the principal market for the asset or liability, or
2) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible for the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account the market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

h. Investments accounted for using the equity method

The Company used the equity method for accounting treatment for its associates with material influence and are they recognized at cost on acquisition. The carrying amount of investment in associates includes the goodwill identified in initial investment (less any accumulated impairment loss). From the date of the Company loses the significant influence, the equity method shall cease to be adopted, and use the book value at the time of the change as the cost.

After the acquisition date, the Company will recognize profit/loss according to the Company's share in the associate' profit or loss. Receipt of surplus distribution from the associate will reduce the carrying amount of the investment. When changes in other comprehensive profits and losses of the associate cause changes in the Company's rights and interests, the Company also relatively adjusts the investment book amount.

When the Company's share of losses of the associate equals or exceeds its interest in the associate, the entity discontinues recognizing its share of further losses. The Company only recognizes additional losses and relevant liabilities to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the investee.

i. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

The Company's investment properties are measured at fair value, and gains or losses are recognized in profit or loss in accordance with the requirements of IAS 40 "Investment Property", other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" and paragraph 53 of IAS 40 "Investment Property". If investment properties are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements 34 of IFRS 16.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

When the property meets or do not meet the definition of investment property and there is evidence showing change of use, the Company recognizes the property as investment property or transfers the property out of investment property.

j. Loans

Loans include automatic premium loans, policy loans and secured loans. Among them, automatic premium loans are premiums paid on behalf of the insured in accordance with the insurance contract, policy loans are secured by policies issued by the Company, and secured loans are secured by stocks, chattel, real estate and other loans and overdue receivables approved by the authority.

Loan principal or interest arrears more than three months after the settlement period, or less than three months but has executed recourse to the primary and secondary debtor or disposed the collateral, listing under overdue loans.

Collateral received from the overdue loans by actively dunning is recorded at the fair value listed in the related account depending on the nature of the collateral, and measured in the applicable method of that account.

k. Reinsurance

The Company limits exposure to some events that may cause a certain amount of loss by arranging reinsurance in accordance with business needs and the insurance laws and regulations. For reinsurance ceded, the Company may not refuse to fulfill its obligations to the insured even if the reinsurer fails to fulfill their responsibility.

Reinsurance expenses and reinsurance commission income generated from ceded reinsurance business and due to reinsurers and ceding companies are recognized in the same period with income or expense of the related insurance contract. As the net right of holding reinsurance contract includes reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, they are recognized according to the method of signed reinsurance contract and related insurance contract liabilities. The assets, liabilities, income and expense of reinsurance contract cannot offset with the income and expense of related insurance liabilities and insurance contract.

The Company holds the right over re-insurer for reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, and regularly assess if impairment has occurred to such rights or the rights can no longer be recovered. When objective evidences demonstrate that such rights after initial recognition may lead to the Company not recovering all contractual terms of the amount due, and the potential impact of the above cases that the Company will receive from reinsurers can be measured reliably, then the Company can retrieve an amount that is less than the carrying value of the aforementioned rights, and recognize impairment losses.

For the classification of reinsurance contracts, the Company assesses whether the transfer of significant insurance risk to the re-insurer has occurred. If the transfer of significant insurance risk is not apparent, then the contract is recognized and evaluated with deposit accounting.

For reinsurance contracts that have their significant insurance risk transferred, if the Company can separate and measure the individual deposit component, then the reinsurance contracts need to be recognized separately as the insurance component and the deposit component. That is, the Company receives (or pays) the contract’s value minus the insurance component, recognizing it as financial liabilities (or assets), and not as incomes (or expenses). The financial liabilities (or assets) are recognized with the fair value approach and uses the present value of future cash flow as the basis for the fair value approach.

l. Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item, restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets separately with specific useful lives and depreciation. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, Plant and Equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and construction	1-60 years
Computer equipment	3-12 years
Communication and transportation equipment	5 years
Other equipment	5 years
Leased assets	Depend on the age or the durable life of lease, whichever is shorter

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively as a change in accounting estimate, if appropriate.

m. Leases

At the day of establishment, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

1) The right to obtain substantially all of the economic benefits from use of the identified asset; and

2) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) Amounts expected to be payable by the lessee under residual value guarantees;

4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

1) The amount of the initial measurement of the lease liability;

2) Any lease payments made at or before the commencement date, less any lease incentives received;

3) Any initial direct costs incurred by the lessee; and

4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted for it as a variable lease payment. The Company have applied the practical expedient to all rent concessions that meet the conditions for it.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

n. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through merger, is its fair value as at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Other intangible assets are computer software and are amortized on a straight-line basis over the estimated useful life (1 to 10 years).

o. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

The cash generating unit or group which belongs to goodwill should periodically make an impairment test whether it has a sign of impairment. If the impairment test result suggests recognizing an impairment loss, then first deducting goodwill and the remaining deficiencies should be amortized to other assets depending on the relative proportions of the carrying amount of the asset. Impairment losses relating to goodwill cannot be reversed in the future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

p. Investment-linked insurance products

The Company sells investment-linked insurance products, of which the applicant pays the premium according to the agreed amount less the expenses incurred by the insurer. In addition, the investment distribution is approved by the applicant and then transferred to specific accounts as requested by the applicant. The value of these specific accounts is determined based on their fair value on the applicable date and the net worth is computed in accordance with the relevant regulations and the IFRS Accounting Standards.

In accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, assets and liabilities representing the rights and obligations of the applicants, whether arising from an insurance contract or insurance policy with features of financial instruments, are recognized separately as "separate account product assets" and "separate account product liabilities". The revenues and expenses of separate account insurance products in accordance with IFRS 4 "Insurance Contracts", separately recognized as "separate account product revenues" and "separate account product expenses."

q. Insurance liabilities and reserve for insurance contracts with feature of financial instruments

The Company's reserved funds for insurance contracts and financial instruments whether with or without discretionary participation feature are made in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises." Furthermore, they have been validated by the certified actuarial professionals approved by Financial Supervisory Commission. The required amount to be reserved for short-term group insurance is based upon the greater of premium received or calculated premium following the Financial-Supervisory-Securities-Corporate - 11004925801 issued by the FSC. Reserved amount for the rest of other provisions is addressed below:

Moreover, an insurance contract with discretionary participation feature is classified as liability.

1) Unearned premium reserve

   For the insurance policy whose term is within one year and has not met the due date or for the injury insurance policy whose term is over one year, the amount of reserve required is based upon the unexpired risk calculation.

2) Reserve for claims

It is a reserve mainly for the reported but not paid claims and unreported claims. The reported but not paid claims reserve is assessed based on relevant information of each case and the amount deposited is further classified by the type of insurance. Unreported claims reserve is calculated and deposited based on the past experiences and expenses occurred and in accordance with the actuarial principles.

3) Reserve for life insurance liabilities

Based on the life table and projected interest rates in the manual provided by the authority for each type of insurance, the dollar amount of life insurance reserve is calculated and deposited according to the calculation method listing on Article 12 of "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and the manual published by each authority of insurance products.

Starting from policy year of 2003, for valid insurance contract whose dividend calculation is stipulated in accordance with Order No. Financial-Supervisory-Insurance-Corporate-11004931041, the downward adjustments of dividend due to the offset between mortality saving (loss) and loss (gain) from difference of interest rates should be recognized and recorded as the increase of reserve for long-term valid contract.

When an insurer that opts to measure investment property at fair value, the value of its insurance liabilities at the same time must also be measured at fair value. If the results of the measurements indicate that the fair value of the insurance liabilities exceeds book value, the life insurer must set aside the difference to reserve for life insurance liabilities. The Company changes its accounting policy for subsequent measurement of investment property from cost to fair value starting from year of 2014. The value of insurance liabilities at the same time is measured at fair value in accordance with Financial-Supervisory-Securities-Corporate - 10302501161 issued by the FSC on March 21, 2014. The results of the measurements indicate that the fair value of the insurance liabilities doesn't exceed book value, therefore insurance liabilities does not have to be increased.

4) Special reserve

a) For the retained businesses with policy period within 1 year, the special reserve is classified into 2 categories, "Special Catastrophe Reserve" and "Special Reserve for Fluctuation of Risks." The dollar amount of reserve required is addressed as follows:

i. Special catastrophe reserve

All types of insurance should follow the special catastrophe reserve rates set by authorities. Upon occurrence of the catastrophic events, actual claims on retained business in excess of $30,000 thousand can be withdrawn from the reserve. If the reserve has been set aside for over 15 years, the Company could have its plan of the recovering process of the reserve assessed by certified actuaries and submit the plan to the authority for reference.

ii. Special reserve for fluctuation of risks

When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is less than the anticipated dollar amount need to be paid, the 15% of this difference should be reserved in special reserve for fluctuation of risks. When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is greater than the anticipated dollar amount need to be paid, the exceeded amount can be used to write down the special reserve for fluctuation of risks. If the special reserve for fluctuation of risks for specified type of insurance is not enough to be written down, special reserve for fluctuation of risks for other types of insurance can be used. Also, the type of insurance and total dollar amount written-down should be reported to the authority for inspection purpose. When accumulative dollar amount of special reserve for fluctuation of risks exceeds 30% of self-retention earned premium within one year, the exceeded amount will be recovered.

For special reserves addressed previously, the balance of the annual reserve net of tax needs to be recorded in the special capital reserve under equity.

b) The Company sells participating life insurance policy. According to the “Rule Governing application of revenue and expenses related to participating/non-participating policy”, the Company is required to set aside special reserve for dividend participation based on income before tax and dividend. On the date of declaration, dividend should be withdrawn from this account. Additionally, the effects of the gain or loss from disposal of participating life insurance policy approved as equity instrument investments at fair value through other comprehensive income shall transfer directly into special reserve based on income before tax and dividend. If the special reserve is a negative amount, the Company shall set aside the same amount of special reserve.

c) The net impact from first adoption of fair value in subsequent measurement has been appropriated into dividend reserve for participating policy which relates to investment property. That reserve shall be used only to cover the insufficiency of life insurance liabilities resulting from valid contract’s fair value approved by the authority and to set aside additional liabilities for the soundness of financial structure when complying with IFRS 17 “Insurance Contract” in the future implementation. By the time the related assets dispose, the reserve which comes from the changes of fair value due to the cumulative net value-added benefits can be processed according to the related distribution provision of participating policy.

5) Premium deficiency reserve

For the contracts over one year of life, health, or annuities insurance commencing on January 1, 2001, the following rules apply: When the gross premium is less than the valuation net premium, a deficiency reserve is required to be set aside with the value of an annuity, the amount of which shall equal the difference between such premiums and the term of which in years shall equal the number of future annual payments due on such insurance at the date of the valuation.

In addition, for the insurance policy which period is within one year and has not met the due date or accidental insurance policy over one year, the following rules apply: If the probable indemnities and expenses are greater than the aggregate of unearned premium reserves and collectable premiums in the future, the premium deficiency reserve is set aside based on the difference thereof.

6) Other reserve

Pursuant to IFRS 3 “Business Combination”, the Company shall set aside other reserve for identifiable assets required and liabilities assumed recorded at fair value in order to reflect the fair value of the insurance contract assumed.

7) Liability adequacy reserve

This is the reserve that is set aside based on the adequacy test of liability required by IFRS 4 “Insurance Contracts”.

Liability adequacy test is based on integrated insurance contract and related regulations. This test compares net of reserve for insurance contract, deferred acquisition cost and related intangible assets with anticipated present value of insurance contract cash flow at each reporting date. If net book value is insufficient, recognize all insufficient amounts as liability adequacy reserve.

8) Reserves for insurance contracts with feature of financial instruments

Financial products without discretionary participation features follows "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and Depository Accounting.

r. Foreign exchange valuation reserve

Foreign exchange valuation reserve was appropriated or written-down from the foreign investment assets (do not include foreign currency non-investment-linked life insurance product assets) in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and "Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises". The beginning balance of foreign exchange valuation reserve was $1,745,679 thousand which has to recognize special capital reserve within three years since 2012 according to the provision. The recognized amount should not be less than one third of the beginning balance net of tax for the first year. The cumulative recognized amount of the first two years should not be less than two thirds of the beginning balance net of tax. In addition, the saving of hedging costs is transferred to special capital reserve each year. If the annual earning is not enough for transfer, then replenish in the later year. The related special reserve is only used for capital increase or offset deficit. According to Article 9 of the "Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises" and the Order No. Financial-Supervisory-Securities-Corporate - 1090490453 issued by the FSC on February 17, 2020, starting from the earning distribution of 2019, when insurance company set aside special capital reserve according to Article 9 of the "Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises", it shall set aside 10% of "net profit after tax plus Items other than net profit after tax that are included in the undistributed earnings of the year" as special reserve.

s. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, which probably leads to an outflow of resources embodying economic benefits that is required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

t. Post-employment benefits

The Company set up a pension plan and an independently administered pension fund committee according to Labor Standards Act. The Company deposits retirement reserve according to a certain percentage of wages to the specific account of Bank of Taiwan every month. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year. As the retirement reserves are deposited under the committee's name in the specific bank account, the reserves are not associated with the Company. Therefore, retirement reserve is not included in the Company's financial statements.

After the Labor Pension Act became effective, employees can choose to be subject to the pension mechanism under Labor Standards Act or Labor Pension Act. The seniority prior to the enforcement of Labor Pension Act shall be maintained and the Company deposits 6% of the monthly allocated wage based on the monthly wage allocation classification schedule to employees' personal pension accounts in Bureau of Labor Insurance if employees choose to be subject to the pension mechanism under Labor Pension Act.

Employees who joined before April 1, 2024, in case that an employee's monthly wage exceeds the upper limit of monthly wage allocation classification schedule, the Company may set aside monthly 6% of the excess portion as retirement reserve. Upon meeting the requirements of the pension plan, the employees are entitled to receive this kind of the retirement reserve.

For the defined contribution plan, the Company recognizes expenses in the period in which the contribution becomes due. The defined benefit plan is recognized based on the actuarial report at the end of the annual reporting period. Remeasurements of the net defined benefit liability (asset) comprise actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), is recognized as other comprehensive income with a corresponding debit or credit to retained earnings when it occurs. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment, and recognized as an expense at the earlier of the following dates:

1) The date of the plan amendment or curtailment occurs; and

2) The date that the Company recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the end of the prior financial year.

u. Share-based payment transactions

For the equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The Company has determined the date of the subscription price and the number of shares as the grant-date and recognized the fair value of the equity instruments granted as expenses, with a corresponding increase in equity.

v. Insurance premium income and expenses

For the Company's insurance contract and financial instruments with discretionary participation features, the initial and renewal premium are only recognized as revenue after collection and underwriting procedures, and subsequent session of collection are completed, respectively. In terms of the acquisition cost such as commission expenses and brokerage expenses, the related expenses will be recognized in that period after commencement of the insurance contract.

For non-separate account insurance product that is also classified as financial products without discretionary participation features, the insurance revenue collected is recognized on the balance sheet as "reserves for insurance contracts with feature of financial instruments." The related acquisition costs will be written-down in that period after commencement of the insurance contract under "reserves for insurance contracts with feature of financial instruments."

w. Income taxes

Income tax expense (benefit) is the aggregate amount in respect of current tax and deferred tax which included in profit or loss for the period.

Current income tax

Current income tax liability (asset) for the current and prior period is measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax and the tax relating to items recognized in other comprehensive income or directly in equity shall be recognized in other comprehensive income or directly in equity rather than the profit and loss.

The income tax for unappropriated earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved at the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the balance sheets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflect the tax consequences generated from expected recovery of assets or settlement of liabilities at the end of reporting date. Deferred tax is not recognized in the profit and loss if the related item is not recognized in the profit and loss. Rather, it is recognized in other comprehensive income or directly in equity according to their transaction. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The income tax expense for the mid-term period is accrued and disclosed at the tax rate applicable to the expected total income for the current year, means that using estimated annual tax rate with the pre-tax benefit for the mid-term period. The estimate of the annual tax rate only includes current income tax expense, the deferred income tax is measured in accordance with IAS 12 "Income Tax" and in consistent with the annual financial report. When tax rate changes, the impact on deferred income tax is recognized in profit or loss, other comprehensive income, or directly in equity.

x. Unconsolidated structured entities

Securitization vehicles such as real estate investment trust and beneficiary certificates of financial asset securitization, asset-backed financings and some investment funds such as private funds are unconsolidated structured entities, and the related information should be disclosed in accordance with IFRS 12 "Disclosure of Interests in Other Entities".

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

a. Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

1) Categories of financial assets

The management has to use its judgment to categorize financial assets. Different categories applied will affect measurements of the financial assets, which could have a significant impact on the Company's financial position and performance.

2) Categories of insurance contracts

The Company identifies the composition of the issued insurance product contracts, decides whether it can be measured individually and determines whether the contract should be separately recognized. In addition, the Company examines whether the insurance contract has a significant insurance risk through review of the effective period of additional payment ratio, to decide the category of insurance products. If the additional payment ratio reaches the pre-set significant standard at any policy period, such contract should be considered having a significant insurance risk. If a single contract provides payment of multiple different insurance events, additional payment will be calculated by the greatest difference between the payment of each insurance event if occurs and the payment of each insurance event if not occurs.

3) Operating lease commitment - the Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on evaluation of the terms for the arrangements, that it retains all the significant risks and rewards of ownership for these properties and takes the contracts as operating leases.

b. Estimates and assumptions

The assumptions about the future and primary sources of uncertainty estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

1) Fair value of financial instruments

Where the fair value of the financial instruments recognized in the balance sheet cannot be derived from an active market or a quoted price, it is determined using a valuation technique. In applying valuation techniques, the Company adopts pricing models in accordance with its procedure for valuation, and uses observable market data as possible. The changes in assumptions of these models will affect the fair value of reported financial instruments. Please refer to Note 38.

2) Fair value of investment property

The fair value of investment property is derived from valuation techniques, including the income approach, comparison method, cost method, etc., and assumptions used in applying valuation techniques will have influence on the fair value of investment property.

3) Impairment assessment of financial assets

The Company adopts expected credit loss model to assess impairment on debt instrument investments not measured at fair value through profit or loss. The measurement consider the credit risk of issuers or counterparties, estimate the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD). The Company also considers the effect of the time value of money to calculate 12-month expected credit losses or the lifetime expected credit losses respectively. The Company has taken historical experiences, market conditions and forward-looking adjustment into account to decide on the assumption and inputs of expected credit loss calculation.

4) Insurance contract liabilities (including investment contract liabilities with discretionary participation feature of financial instruments)

The liability for insurance contracts and investment contracts with discretionary participation feature of financial instruments is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows. The main assumptions used relate to mortality, morbidity, investment returns, and expenses and surrender rates. The Company bases its assumptions on the standards published by the Actuarial Institute of the Republic of China, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics and experiences from target markets.

The best estimates of future investment income from the assets are based on current market returns, as well as expectation about future economic development. Assumptions on future expense are based on current expense level, adjusted for expected expense inflation, if appropriate. Surrender rates are based on the Company's historical experience.

5) Income taxes

Uncertainty of income taxes exists on interpretation of complex tax regulations and the amount and timing of future taxable income. The differences between the actual results and the assumptions, or future changes to such assumptions could necessitate future adjustments to tax income and expense already recorded. The Company establishes provision, based on reasonable estimates, for possible consequence of audits by the tax authorities in each country where it operates. The amount of provision is based on various factors, such as experience of previous tax audits and different interpretation of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for all carry-forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 397	$ 401	$ 372
Revolving funds	5	5	510
Cash in banks	17,307,932	21,353,685	10,147,167
Time deposits	17,054,846	7,925,840	13,080,521
Cash equivalents - bond with resale agreement	12,466,874	10,935,254	12,206,338
Total	$ 46,830,054	$ 40,215,185	$ 35,434,908

7. RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 79,626	$ 82,233	$ 39,236
Other receivables			
Interest receivable	17,913,636	18,404,137	17,249,256
Securities settlement receivable	468,191	643,283	3,409,163
Financial institutions collection receivable	418,505	669,491	9,159
Separate account receivable	660,010	319,994	1,174,764
Dividends receivable	767,904	797,559	609,640
Others	771,771	1,014,973	603,213
Overdue receivable	9,261	9,180	8,509
Less: Allowance for bad debts - other receivables	(2,526,092)	(2,298,476)	(1,666,767)
Subtotal	18,483,186	19,560,141	21,396,937
Total	$ 18,562,812	$ 19,642,374	$ 21,436,173

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 31 for more details on impairment of receivables. Please refer to Note 39 for more details on credit risk management.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments	$ 955,266	$ 2,083,541	$ 1,491,239
Domestic financial debentures	18,572,405	18,642,565	19,856,369
Domestic listed stocks	121,143,239	148,237,750	153,567,091
Domestic preferred stocks	1,118,243	1,155,416	1,248,449
Domestic unlisted stock	2,882,804	2,300,159	1,810,998
Domestic beneficiary certificates	149,817,111	142,449,605	120,912,296
Domestic real estate investment trust	1,449,510	1,477,355	1,754,316

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Overseas corporate bonds	$ 4,455,659	$ 4,421,457	$ 5,425,427
Overseas listed stocks	30,582,696	33,157,012	30,405,557
Overseas financial debentures	23,247,686	22,587,186	22,184,848
Overseas beneficiary certificates	68,627,108	61,562,120	57,270,711
Overseas real estate investment trust	-	266,596	2,649,553
Total	$ 422,851,727	$ 438,340,762	$ 418,576,854

(Concluded)

Financial assets at fair value through profit or loss were not pledged.

The Company elected to express profit or loss of the designated financial assets in overlay approach under IFRS 4 "Insurance Contracts" since its application of IFRS 9. Financial assets designated to apply overlay approach by the Company for investing activities relating to insurance contracts are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss:			
Domestic financial debentures	$ 18,572,405	$ 18,642,565	$ 19,856,369
Domestic listed stocks	121,143,239	148,237,750	153,567,091
Domestic preferred stocks	1,118,243	1,155,416	1,248,449
Domestic unlisted stocks	2,882,804	2,300,159	1,810,998
Domestic beneficiary certificates	149,817,111	142,449,605	120,912,296
Domestic real estate investment trust	1,449,510	1,477,355	1,754,316
Overseas corporate bonds	4,455,659	4,421,457	5,425,427
Overseas listed stocks	30,582,696	33,157,012	30,405,557
Overseas financial debentures	23,247,686	22,587,186	22,184,848
Overseas beneficiary certificates	68,627,108	61,562,120	57,270,711
Overseas real estate investment trust	-	266,596	2,649,553
Total	$ 421,896,461	$ 436,257,221	$ 417,085,615

Reclassification of the financial assets designated to apply overlay approach from profit or loss to other comprehensive income for the three-month ended March 31, 2025 and 2024 are as follows:

	For the Three Months Ended March 31	
	2025	2024
(Losses) gains due to applying IFRS 9 to profit or loss	$ (9,005,250)	$ 26,665,271
Less: Gains if applying IAS 39 to profit	(10,693,411)	(8,100,826)
(Losses) gains from adoption of overlay approach	$ (19,698,661)	$ 18,564,445

Due to the adoption of overlay approach, loss from financial assets at fair value through profits or loss are decrease from $20,508,421 thousand to $809,760 thousand and increase from $10,422,213 thousand to $28,986,658 thousand for the three months ended March 31, 2025 and 2024, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
Debt instrument investments at fair value through other comprehensive income:			
Domestic government bonds	$ 1,432,413	$ 1,134,902	$ 1,998,283
Overseas government bonds	12,073,275	11,553,107	12,225,637
Overseas corporate bonds	18,208,656	17,797,941	17,512,889
Overseas financial debentures	10,327,321	10,187,399	10,897,772
Subtotal	42,041,665	40,673,349	42,634,581
Equity instrument investments at fair value through other comprehensive income:			
Domestic listed stocks	2,952,218	2,892,548	3,109,207
Domestic unlisted stocks	1,283,614	1,329,495	1,538,896
Domestic preferred stocks	11,317,531	11,557,011	11,596,275
Overseas unlisted stocks	10,316,767	10,331,808	10,679,273
Subtotal	25,870,130	26,110,862	26,923,651
Total	$ 67,911,795	$ 66,784,211	$ 69,558,232

Please refer to Note 31 for more details on gross carrying amount and accumulated impairment of debt instrument investments measured at fair value through other comprehensive income. Please refer to Note 39 for more details on credit risk management.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the three months ended March 31, 2025 and 2024 are as follows:

	For the Three Months Ended March 31	
	2025	2024
Related to investments held at the end of the reporting period	$ 30,929	$ 14,596
Dividends recognized during the period	30,929	14,596

Given the investment strategy, the Company disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the three months ended March 31, 2025 and 2024 are as follow:

	For the Three Months Ended March 31	
	2025	2024
The fair value of the investments at the date of derecognition	$ 480,245	$ -
The cumulative unrealized valuation gain on disposal reclassified from other equity to retained earnings	8,645	-

10. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic government bonds	$ 50,225,888	$ 53,289,099	$ 62,241,170
Domestic corporate bonds	39,499,082	39,648,934	42,348,922
Domestic financial debentures	16,350,000	17,350,000	22,150,000
Domestic structured products	6,500,000	6,500,000	6,500,000
Overseas real estate mortgage bonds	6,901,519	6,865,957	6,836,596
Overseas government bonds	204,826,857	202,467,730	197,915,120
Overseas corporate bonds	544,854,537	538,791,252	529,765,035
Overseas financial debentures	817,143,763	812,707,102	785,279,274
Less: Refundable deposits	(16,008,786)	(21,763,025)	(15,099,913)
Less: Loss allowance	(1,337,850)	(1,487,210)	(1,331,924)
Total	$ 1,668,955,010	$ 1,654,369,839	$ 1,636,604,280

For the three months ended March 31, 2025 and 2024, the carrying amounts and gain (loss) on disposal of the financial assets measured at amortized cost when sold close to the expiration date or sales insignificant in value (either individually or in aggregate):

	For the Three Months Ended March 31			
	2025		2024	
	Carrying Amount of Derecognition	Current (Loss) Gain Recognized	Carrying Amount of Derecognition	Current Gain Recognized
Domestic government bonds	$ 3,000,131	$ (7,209)	$ 2,728,698	$ 144,775
Overseas financial debentures	10,684,675	139,603	-	-
	$ 13,684,806	$ 132,394	$ 2,728,698	$ 144,775

Please refer to Note 43 for more details on financial assets measured at amortized cost under pledge.

Please refer to Note 31 for more details on gross carrying amount and accumulated impairment on financial assets measured at amortized cost. Please refer to Note 39 for more details on credit risk management.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following table lists the investments accounted for using the equity method of the Company:

Name of Investee Company	March 31, 2025	December 31, 2024	March 31, 2024
Investments accounted for using the equity method	$ 2,296,633	$ 2,301,619	$ 2,323,168

Please refer to Note 48 (2) for more details on associates' investment information.

The investments of individual associates of the Company are not material to the Company, and the aggregate financial information of the Company's investments in associates according to the shares enjoyed was as follows:

	For the Three Months Ended March 31	
	2025	**2024**
(Loss) profit from continuing operations	$ (16,900)	$ 72,529
Other comprehensive (loss) income (net of tax)	(594)	136
Total comprehensive (loss) income	$ (17,494)	$ 72,665

The investments in associates were not pledged.

12. INVESTMENT PROPERTY

The reconciliations from the beginning book value balances to the ending book value balances for investment property measured at fair value model in subsequent period are as follows:

	For the Three Month Ended March 31, 2025				
	Land	**Buildings**	**Right-of-use Asset - Land**	**Right-of-use Asset - Superficies of Royalties**	**Total**
Beginning balance	$ 32,342,046	$ 23,281,293	$ 1,561,646	$ 9,272,942	$ 66,457,927
Additions from subsequent expenditure	-	380,191	-	-	380,191
Losses generated from adjustment fair value	-	(371,509)	-	-	(371,509)
Disposals	(73,654)	(32,807)	-	-	(106,461)
Ending balance	$ 32,268,392	$ 23,257,168	$ 1,561,646	$ 9,272,942	$ 66,360,148

	For the Three Month Ended March 31, 2024				
	Land	**Buildings**	**Right-of-use Asset - Land**	**Right-of-use Asset - Superficies of Royalties**	**Total**
Beginning balance	$ 32,942,958	$ 23,606,942	$ 1,584,171	$ 9,183,816	$ 67,317,887
Additions from subsequent expenditure	-	13,030	-	-	13,030
Additions from lease contract	-	-	34,387	-	34,387
Losses generated from adjustment fair value	-	(103,466)	(34,387)	-	(137,853)
Disposals	(65,655)	(35,882)	-	-	(101,537)
Ending balance	$ 32,877,303	$ 23,480,624	$ 1,584,171	$ 9,183,816	$ 67,125,914

Development of the vacant land and prepayment for buildings without construction license is measured at cost because its fair value cannot be reliably determined. The reconciliations from the beginning book value balances to the ending book value balances are as follows:

	For the Three Month Ended March 31, 2024			
	Land	Buildings	Prepayment for Buildings	Total
Costs				
Beginning balance	$ 3,654,175	$ -	$ -	$ 3,654,175
Ending balance	$ 3,654,175	$ -	$ -	$ 3,654,175
Accumulated impairment				
Beginning balance	$ 1,219,288	$ -	$ -	$ 1,219,288
Ending balance	$ 1,219,288	$ -	$ -	$ 1,219,288

Net carrying amount:

	Land	Buildings	Right-of-use Asset - Land	Right-of-use Asset - Superficies of Royalties	Total
2025.3.31	$ 32,268,392	$ 23,257,168	$ 1,561,646	$ 9,272,942	$ 66,360,148
2024.12.31	$ 32,342,046	$ 23,281,293	$ 1,561,646	$ 9,272,942	$ 66,457,927
2024.3.31	$ 35,312,190	$ 23,480,624	$ 1,584,171	$ 9,183,816	$ 69,560,801

A major part of the Company’s buildings includes main plants, air conditioning, electrical, fire-fighting and elevator equipment.

Valuation has been performed by appraisers from professional valuation agencies, the fair value evaluated according to Real Estate Appraisal Technical Rules as the basis for valuation reports are issued every six months whose fair value effectiveness are evaluated on the balance sheet date quarterly to determine whether valuation reports shall be reissued. The valuation reports are taken during the reporting period of financial statements are dated on December 31, 2024 and 2023, and review reports on March 31, 2025 and 2024 are also acquired.

March 31, 2025, December 31, 2024 and March 31, 2024:

a. Hong Bang Real Estate Appraisers Firm: Li Ching Tang
b. CCIS Real Estate Joint Appraisers Firm: Wu Chih Hao, Li Wei Ju

The fair value of investment property is treated in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The fair value evaluation should adopt the discounted cash flow method of income approach or cost approach, excluding the investment property already stated on the account prior to May 11, 2020 which was subsequently measured by the fair value model, and the normal price should be used as the basis of fair value assessment.

For investment property acquired before May 11, 2020, the fair value was determined through the support of market evidence. Since the investment property of the Company comprises mainly commercial buildings and residential buildings that are with market liquidity and easy access to similar comparative cases and rental cases in the neighborhood, comparison approach and income approach, of which latter one uses the direct capitalization method, are mainly used for evaluations.

For investment property acquired after May 11, 2020, if a lease contract for more than one year has been entered into, it shall be evaluated by the discounted cash flow method of income approach. The cash flow, analysis period, and discount rate of the evaluation method shall meet the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises; if the investment property did not enter into a lease contract for more than a year or the contract has been terminated, cancelled, or invalidated for more than one year, cost approach should be adopted for evaluation.

The inputs mainly used are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Income capitalization rate	Mainly 0.145%-3.60%	Mainly 0.145%-3.6%	Mainly 0.16%-3.7%
Discount rate (Note)	2.97%-3.77%	2.97%-3.77%	2.925%-3.645%
Overall capital interest rate (Note)	0.44%-13.04%	0.44%-13.04%	1.58%-5.02%

Note: The valuation method of investment property acquired by the Company after May 11, 2020 adopted the discounted cash flow method of income approach and cost approach, and the main parameters used were the discount rate and the overall capital interest rate.

The part of the investment property of the Company that is measured at fair value subsequent to initial recognition, the fair value is categorized at Level 3 of the fair value hierarchy. The fair value of investment property will decrease as the main inputs, income capitalization rate of direct capitalization approach, the discount rate of the discounted cash flow method and the overall capital interest rate, increases. On the contrary, the fair value of investment property will increase if the main input decrease.

The investment properties are held mainly for lease business. All the lease agreements are operating leases. The primary terms of lease agreements are the same as general lease agreements. Rents from property investment are received annually, semi-annually, quarterly, monthly or in lump sum.

Rents from investment properties were $379,729 thousand and $375,311 thousand for the three months ended March 31, 2025 and 2024. Related direct operating expenses were $62,873 thousand and $61,701 thousand. The direct operating expenses of investment properties generating no rents were $7,510 thousand and $9,360 thousand.

As of March 31, 2025, December 31, 2024 and March 31, 2024, no investment properties were pledged as collateral.

13. LOANS

	March 31, 2025	December 31, 2024	March 31, 2024
Policy loans	$ 30,145,161	$ 30,393,849	$ 28,413,847
Automatic premium loans	5,617,277	5,558,750	5,456,940
Secured loans	102,759	113,704	157,740
Subtotal	35,865,197	36,066,303	34,028,527
Less: Allowance for bad debts - secured loans	(1,799)	(1,799)	(2,729)
Total	$ 35,863,398	$ 36,064,504	$ 34,025,798

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 31 for more details on loss allowance.

14. REINSURANCE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Claims recoverable from reinsurers	$ 668,338	$ 706,045	$ 848,825
Due from reinsurers and ceding companies	4,986	-	123,695
Reinsurance reserve assets			
Ceded unearned premium reserve	88,013	97,747	79,197
Ceded reserve for claims	45,490	40,355	41,678
	133,503	138,102	120,875
Total	$ 806,827	$ 844,147	$ 1,093,395

The above reinsurance assets are not impaired.

15. PROPERTY AND EQUIPMENT

	For the Three Months Ended March 31, 2025							
	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Cost								
Beginning balance	$ 6,335,949	$ 5,393,725	$ 877,453	$ 35,933	$ 740,793	$ 69,446	$ 205,929	$ 13,659,228
Additions	-	3,229	12,278	404	1,074	820	77,078	94,883
Derecognition	-	-	(11,294)	(116)	(582)	-	-	(11,992)
Transfers	-	428	11,970	-	-	-	(55,014)	(42,616)
Ending balance	$ 6,335,949	$ 5,397,382	$ 890,407	$ 36,221	$ 741,285	$ 70,266	$ 227,993	$ 13,699,503
Accumulated depreciation								
Beginning balance	$ -	$ 1,197,198	$ 429,328	$ 15,486	$ 610,922	$ 35,474	$ -	$ 2,288,408
Depreciation	-	66,113	34,519	1,711	11,230	1,557	-	115,130
Derecognition	-	-	(11,282)	(116)	(580)	-	-	(11,978)
Ending balance	$ -	$ 1,263,311	$ 452,565	$ 17,081	$ 621,572	$ 37,031	$ -	$ 2,391,560
Accumulated impairment								
Beginning balance	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046
Ending balance	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046

	For the Three Months Ended March 31, 2024							
	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Cost								
Beginning balance	$ 5,980,242	$ 5,370,386	$ 851,843	$ 35,172	$ 726,219	$ 64,930	$ 213,362	$ 13,242,154
Additions	-	1,233	16,396	322	2,289	302	56,376	76,918
Derecognition	-	-	(13,756)	(6)	(336)	-	-	(14,098)
Transfers	-	505	10,382	-	2,144	(544)	(56,218)	(43,731)
Ending balance	$ 5,980,242	$ 5,372,124	$ 864,865	$ 35,488	$ 730,316	$ 64,688	$ 213,520	$ 13,261,243
Accumulated depreciation								
Beginning balance	$ -	$ 935,209	$ 343,106	$ 8,957	$ 569,669	$ 29,302	$ -	$ 1,886,243
Depreciation	-	65,708	36,007	1,671	11,955	1,491	-	116,832
Derecognition	-	-	(13,752)	(6)	(334)	-	-	(14,092)
Ending balance	$ -	$ 1,000,917	$ 365,361	$ 10,622	$ 581,290	$ 30,793	$ -	$ 1,988,983
Accumulated impairment								
Beginning balance	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046
Ending balance	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046

	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Net carrying amount:								
2025.3.31	$ 5,595,437	$ 4,125,537	$ 437,842	$ 19,140	$ 119,713	$ 33,235	$ 227,993	$ 10,558,897
2024.12.31	$ 5,595,437	$ 4,187,993	$ 448,125	$ 20,447	$ 129,871	$ 33,972	$ 205,929	$ 10,621,774
2024.3.31	$ 5,239,730	$ 4,362,673	$ 499,504	$ 24,866	$ 149,026	$ 33,895	$ 213,520	$ 10,523,214

Property and equipment held by the Company are not pledged.

16. LEASES

a. Company as a lessee

The commercial lease contracts for offices signed by the Company are within 2 to 15 years, vehicles are within 5 to 7 years and equipment are within 1 to 5 years without renewal option. There is no restriction on the Company in these contracts. Furthermore, the Company leases the land for 70 years by creating surface right and the agreement is a non-cancellable operating lease.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

1) Amounts of right-of-use assets recognized in the balance sheet and the statements of comprehensive income

	For the Three Months Ended March 31, 2025						
	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Cost							
Beginning balance	$ 545,343	$ 4,336,575	$ 379,347	$ 151,698	$ 7,455	$ 24,157	$ 5,444,575
Additions	-	-	2,895	-	-	-	2,895
Derecognition	-	-	(12,526)	-	-	-	(12,526)
Ending balance	$ 545,343	$ 4,336,575	$ 369,716	$ 151,698	$ 7,455	$ 24,157	$ 5,434,944
Accumulated depreciation							
Beginning balance	$ 50,488	$ 394,361	$ 74,772	$ 123,743	$ 4,300	$ 13,737	$ 661,401
Depreciation	2,110	16,689	12,058	8,147	298	1,421	40,723
Derecognition	-	-	(12,526)	-	-	-	(12,526)
Ending balance	$ 52,598	$ 411,050	$ 74,304	$ 131,890	$ 4,598	$ 15,158	$ 689,598

	For the Three Months Ended March 31, 2024						
	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Cost							
Beginning balance	$ 530,510	$ 4,354,410	$ 397,848	$ 148,434	$ 10,898	$ 24,157	$ 5,466,257
Additions	17,066	-	-	2,173	-	-	19,239
Ending balance	$ 547,576	$ 4,354,410	$ 397,848	$ 150,607	$ 10,898	$ 24,157	$ 5,485,496
Accumulated depreciation							
Beginning balance	$ 42,222	$ 328,974	$ 90,846	$ 91,571	$ 4,954	$ 8,052	$ 566,619
Depreciation	2,119	16,758	13,330	8,023	420	1,421	42,071
Ending balance	$ 44,341	$ 345,732	$ 104,176	$ 99,594	$ 5,374	$ 9,473	$ 608,690

	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Net carrying amount							
2025.3.31	$ 492,745	$ 3,925,525	$ 295,412	$ 19,808	$ 2,857	$ 8,999	$ 4,745,346
2024.12.31	$ 494,855	$ 3,942,214	$ 304,575	$ 27,955	$ 3,155	$ 10,420	$ 4,783,174
2024.3.31	$ 503,235	$ 4,008,678	$ 293,672	$ 51,013	$ 5,524	$ 14,684	$ 4,876,806

The depreciation expense on the right-of-use assets recognized during the three months ended March 31, 2025 and 2024 is $40,723 thousand and $42,071 thousand.

Depreciation on the right-of-use assets is calculated through a straight-line basis over 2 to 70 years.

2) Amounts of lease liabilities recognized in the balance sheet and the statements of comprehensive income

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Land	$ 1,603,423	$ 1,605,506	$ 1,611,579
Buildings	312,502	320,998	309,046
Computer equipment	20,927	25,394	49,263
Transportation equipment	2,899	3,198	5,597
Other office equipment	9,552	10,976	15,237
Total	$ 1,949,303	$ 1,966,072	$ 1,990,722

The interest expense on the lease liabilities recognized during the three months ended March 31, 2025 and 2024 is $15,479 thousand and $15,529 thousand. Please refer to Note 39 (2) Liquidity Risk Management for the maturity analysis for lease liabilities As of March 31, 2025, December 31, 2024 and March 31, 2024.

3) Income and costs relating to leasing activities

	For the Three Months Ended March 31	
	2025	**2024**
The expenses relating to short-term leases	$ 202	$ 265
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	59	33

4) Cash outflow relating to leasing activities

For the three months ended March 31, 2025 and 2024, the Company's total cash outflows for leases amounting to $35,404 thousand and $38,404 thousand.

5) Other information relating to leasing activities

a) Variable lease payments

Some of the Company's machine equipment lease agreements contain variable lease payment terms that exceed the standard quota. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

b) Extension and termination options

Some of the Company's rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

b. Company as a lessor

Please refer to Note 12 for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the Three Months Ended March 31	
	2025	**2024**
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 376,553	$ 372,810
Income relating to variable lease payments that do not depend on an index or a rate	3,176	2,501
Total	$ 379,729	$ 375,311

The remaining period of commercial property lease contracts the Company signed are within one year to twenty years, and most of these lease contracts contain terms about adjusting rents according to market environment annually. The undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follow:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Less than one year	$ 1,412,471	$ 1,352,846	$ 1,344,662
More than one year but less than two years	1,321,208	1,282,203	1,184,142
More than two years but less than three years	1,109,071	1,103,598	967,284
More than three years but less than four years	950,362	947,241	857,231
More than four years but less than five years	844,855	640,080	809,495
More than five years	5,403,841	5,529,237	6,011,007
Total	$ 11,041,808	$ 10,855,205	$ 11,173,821

17. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments	$ 178,706	$ 185,070	$ 262,984
Refundable deposits	16,036,685	21,822,417	15,166,160
Other assets - others	23,604	24,240	20,054
Total	$ 16,238,995	$ 22,031,727	$ 15,449,198

a. Guarantee deposits paid comprised:

	March 31, 2025	December 31, 2024	March 31, 2024
Insurance operation guarantee deposit	$ 7,561,040	$ 7,560,592	$ 7,338,978
Office rental deposit	14,812	14,847	16,049
Deposit for derivatives trading	8,456,373	14,244,065	7,769,892
Other guarantee deposits	4,460	2,913	41,241
	$ 16,036,685	$ 21,822,417	$ 15,166,160

b. According to the Article 141 of the Insurance Act, an insurance enterprise shall post bond at the national treasury in an amount equal to 15% of the total amount of its paid-in capital. According to the Article 142 of the Act, the deposited bond is not to be returned except if the insurer ceases business operations and completes the required liquidation. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company posted government bond as business guarantee deposit to the special treasury account.

c. As of March 31, 2025, December 31, 2024 and March 31, 2024, transaction deposit for derivatives for bank deposits and government bonds was $8,456,373 thousand, $14,244,065 thousand and $7,769,892 thousand.

18. SEPARATE ACCOUNT INSURANCE PRODUCTS

a. Separate account products-assets and liabilities:

	Assets		
Items	March 31, 2025	December 31, 2024	March 31, 2024
Cash in bank	$ 987,057	$ 1,099,041	$ 277,800
Financial assets at fair value through profit or loss	118,996,949	120,292,665	119,650,757
Other receivables	60,832	41,020	33,343
Total	$ 120,044,838	$ 121,432,726	$ 119,961,900

Items	Liabilities		
	March 31, 2025	December 31, 2024	March 31, 2024
Reserve for separate account	$ 120,034,632	$ 121,425,377	$ 119,950,966
Other payables	10,206	7,349	10,934
Total	$ 120,044,838	$ 121,432,726	$ 119,961,900

b. Separate account products - revenues and expenses:

Items	Revenues	
	For the Three Months Ended March 31	
	2025	2024
Premium income	$ 2,932,986	$ 1,627,797
(Losses) gains from financial assets and liabilities at fair value through profit or loss	(2,383,384)	3,387,155
Interest income	1,256	311
Other revenues	44,606	42,646
Foreign exchange gains	342,049	798,362
Total	$ 937,513	$ 5,856,271

Items	Expenses	
	For the Three Months Ended March 31	
	2025	2024
Insurance claim payments	$ 1,083,835	$ 1,506,456
Net change in separate account reserve	(759,989)	3,842,388
Custodian fee	613,667	507,427
Total	$ 937,513	$ 5,856,271

c. The rebate earned for engaging in investment-linked insurance business from counterparties for the three months ended March 31, 2025 and 2024 were $82,984 thousand and $80,717 thousand, respectively, recognized as fee income.

19. PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Life insurance proceeds payable	$ 81,989	$ 123,307	$ 76,403
Commissions payable	1,630,655	1,781,302	1,413,227
Due to reinsurers and ceding companies	731,611	755,613	905,776
Other payables			
Salary payable	1,393,595	2,180,860	740,870
Tax payable	100,618	100,126	99,753

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Collection payable	$ 59,630	$ 57,564	$ 66,053
Payable on investments	-	1,071,636	2,113,396
Accrued expense and payable on insurance policies	8,644,296	8,661,934	7,808,022
Others	851,045	414,389	413,656
Subtotal	11,049,184	12,486,509	11,241,750
Total	$ 13,493,439	$ 15,146,731	$ 13,637,156

(Concluded)

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Held for trading:			
Derivatives not designated as hedging instruments			
Swaps and forward foreign exchange contracts	$ 11,964,090	$ 21,376,362	$ 17,227,297

21. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
1st perpetual cumulative subordinated corporate bonds issued in 2020	$ 10,000,000	$ 10,000,000	$ 10,000,000
1st unsecured cumulative subordinated corporate bonds issued in 2023	10,000,000	10,000,000	10,000,000
1st unsecured cumulative subordinated corporate bonds issued in 2024	10,000,000	10,000,000	-
Total	$ 30,000,000	$ 30,000,000	$ 20,000,000

a. The issue was approved by Financial Supervisory Commission (“FSC”) under Order No. Jin-Guan-Bao-Shou-Zi-1090434160 and Taipei Exchange (“TPEx”) under Order No. Cheng-Gui-Chai-Zi-10900142481. The Company issued corporate bond on December 28, 2020. The issuance conditions are as follows:

   1) Total issuance and face value: The total issuance is NT $10,000,000 thousand, and the per par value is NT $1,000 thousand.

   2) Issue period and method: Perpetual bonds. Fully issued according to the face value.

   3) Coupon rate: The annual coupon rate is fixed at 2.7%.

4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than $0.5 and rounded off if less than $0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.

5) Redemption right: Ten years after the issuance date, the bonds may be redeemed in whole by KGI Life with regulator’s approval if the Company’s capital adequacy ratio (after the bond redemption) is one time higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.

6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company’s issuance of corporate bonds recognized in interest expenses, accounted as financial costs, from three months ended March 31, 2025 and 2024 were $66,575 thousand and $67,131 thousand, respectively.

b. The issue was approved by Financial Supervisory Commission (“FSC”) under Order No. Jin-Guan-Bao-Shou-Zi-1120424290 and Taipei Exchange (“TPEx”) under Order No. Cheng-Gui-Chai-Zi-11200065611. The Company issued corporate bond on July 25, 2023. The issuance conditions are as follows:

1) Total issuance and face value: The total issuance is NT $10,000,000 thousand, and the per par value is NT $1,000 thousand.

2) Issue period and method: 10-year. Fully issued according to the face value.

3) Coupon rate: The annual coupon rate is fixed at 3.75%.

4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than $0.5 and rounded off if less than $0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.

5) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company’s issuance of corporate bonds recognized in interest expenses, accounted as financial costs, from the three months ended March 31, 2025 and 2024 were $92,466 thousand and $93,238 thousand, respectively.

c. The issue was approved by Financial Supervisory Commission (“FSC”) under Order No. Jin-Guan-Bao-Shou-Zi-1130423239 and Taipei Exchange (“TPEx”) under Order No. Cheng-Gui-Chai-Zi-11300085681. The Company issued corporate bond on September 13, 2024. The issuance conditions are as follows:

1) Total issuance and face value: The total issuance is NT$10,000,000 thousand. According to the issuance conditions, there are A and B note. The issuance amount of A note is NT$5,960,000 thousand and B note is NT$4,040,000 thousand. The per par value is NT$1,000 thousand.

2) Issue period and method: A note is 10 years and B note is 15 years. Both notes will be fully issued according to their face value.

3) Coupon rate: The annual coupon rate of A note is fixed at 3.75% and B note is fixed at 3.88%.

4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than $0.5 and rounded off if less than $0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.

5) Redemption right: Ten years after the issuance date of B note, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any unpaid interest payable up to the date of redemption.

6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds recognized in interest expenses, accounted as financial costs, from the three months ended March 31, 2025 was $93,761 thousand.

22. INSURANCE LIABILITIES

As of March 31, 2025, December 31, 2024 and March 31, 2024, movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows.

	March 31, 2025	December 31, 2024	March 31, 2024
Reserve for life insurance liabilities	$ 2,075,285,797	$ 2,061,261,267	$ 2,051,171,435
Unearned premium reserve	6,021,512	6,462,112	5,263,236
Reserve for claims	4,523,936	4,392,003	3,838,223
Special reserve	8,301,858	7,531,771	8,037,184
Premium deficiency reserve	996,907	1,009,450	1,400,082
Other reserve	234,933	313,245	18,019,236
Ending balance	$ 2,095,364,943	$ 2,080,969,848	$ 2,087,729,396

a. Reserve for life insurance liabilities:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Life insurance	$ 1,737,383,466	$ 43,484,970	$ 1,780,868,436	$ 1,721,494,760	$ 44,360,343	$ 1,765,855,103	$ 1,706,121,563	$ 47,598,176	$ 1,753,719,739
Health insurance	192,729,550	-	192,729,550	190,313,693	-	190,313,693	180,642,562	-	180,642,562
Annuity insurance	851,201	97,967,500	98,818,701	798,516	101,520,269	102,318,785	749,859	113,490,199	114,240,058
Investment-linked insurance	2,691,994	-	2,691,994	2,599,590	-	2,599,590	2,371,690	-	2,371,690
Total (Note)	$ 1,933,656,211	$ 141,452,470	$ 2,075,108,681	$ 1,915,206,559	$ 145,880,612	$ 2,061,087,171	$ 1,889,885,674	$ 161,088,375	$ 2,050,974,049

Note: Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,075,285,797 thousand as of March 31, 2025.

Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,061,261,267 thousand as of December 31, 2024.

Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,051,171,435 thousand as of March 31, 2024.

There is no ceded liability reserve for the above insurance contracts.

Movement in reserve for life insurance liabilities is summarized below:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Beginning balance	$ 1,915,206,559	$ 145,880,612	$ 2,061,087,171	$ 1,870,137,937	$ 165,188,769	$ 2,035,326,706
Reserve	46,682,083	1,040,802	47,722,885	36,910,478	688,821	37,599,299
Recover	(35,333,358)	(5,653,504)	(40,986,862)	(36,476,200)	(5,487,504)	(41,963,704)
Losses on foreign exchange	7,100,927	184,560	7,285,487	19,313,459	698,289	20,011,748
Ending balance (Note)	$ 1,933,656,211	$ 141,452,470	$ 2,075,108,681	$ 1,889,885,674	$ 161,088,375	$ 2,050,974,049

Note: Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,075,285,797 thousand as of March 31, 2025.

Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,061,261,267 thousand as of December 31, 2024.

Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,051,171,435 thousand as of March 31, 2024.

b. Unearned premium reserve:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 700	$ -	$ 700	$ 723	$ 1	$ 724	$ 653	$ -	$ 653
Individual injury insurance	2,368,808	-	2,368,808	2,518,123	-	2,518,123	2,019,978	-	2,019,978
Individual health insurance	3,116,741	-	3,116,741	3,308,746	-	3,308,746	2,694,580	-	2,694,580
Group insurance	456,803	-	456,803	556,902	-	556,902	473,463	-	473,463
Investment-linked insurance	78,458	-	78,458	77,616	-	77,616	74,561	-	74,561
Annuity insurance	-	2	2	-	1	1	-	1	1
Total	6,021,510	2	6,021,512	6,462,110	2	6,462,112	5,263,235	1	5,263,236
Less ceded unearned premium reserve:									
Individual life insurance	25,217	-	25,217	17,426	-	17,426	22,052	-	22,052
Individual injury insurance	1,065	-	1,065	5,214	-	5,214	1,007	-	1,007
Individual health insurance	51,486	-	51,486	50,066	-	50,066	46,074	-	46,074
Group insurance	4,944	-	4,944	19,556	-	19,556	4,650	-	4,650
Investment-linked insurance	5,302	-	5,302	5,485	-	5,485	5,414	-	5,414
Total	88,014	-	88,014	97,747	-	97,747	79,197	-	79,197
Net amount	$ 5,933,496	$ 2	$ 5,933,498	$ 6,364,363	$ 2	$ 6,364,365	$ 5,184,038	$ 1	$ 5,184,039

Movement in unearned premium reserve is summarized below:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 6,462,110	$ 2	$ 6,462,112	$ 5,776,294	$ 2	$ 5,776,296
Reserve	1,174,924	2	1,174,926	931,006	1	931,007
Recover	(1,615,527)	(2)	(1,615,529)	(1,444,073)	(2)	(1,444,075)
Losses on foreign exchange	3	-	3	8	-	8
Ending balance	6,021,510	2	6,021,512	5,263,235	1	5,263,236
Less ceded unearned premium reserve:						
Beginning balance	97,747	-	97,747	88,798	-	88,798
Increase	33,216	-	33,216	12,487	-	12,487
Decrease	(43,014)	-	(43,014)	(22,199)	-	(22,199)
Losses on foreign exchange	65	-	65	111	-	111
Ending balance	88,014	-	88,014	79,197	-	79,197
Net amount	$ 5,933,496	$ 2	$ 5,933,498	$ 5,184,038	$ 1	$ 5,184,039

c. Reserve for claims:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance									
Reported but not paid claim	$ 228,955	$ 7,263	$ 236,218	$ 322,003	$ 7,483	$ 329,486	$ 224,521	$ 16,268	$ 240,789
Unreported claim	198	-	198	211	-	211	207	-	207
Individual injury insurance									
Reported but not paid claim	60,829	-	60,829	50,072	-	50,072	47,233	-	47,233
Unreported claim	977,796	-	977,796	920,208	-	920,208	794,915	-	794,915
Individual health insurance									
Reported but not paid claim	218,989	-	218,989	252,525	-	252,525	167,688	-	167,688
Unreported claim	1,791,637	-	1,791,637	1,655,030	-	1,655,030	1,526,111	-	1,526,111
Group insurance									
Reported but not paid claim	250,148	-	250,148	110,409	-	110,409	107,320	-	107,320
Unreported claim	896,008	-	896,008	990,655	-	990,655	854,305	-	854,305
Investment-linked insurance									
Reported but not paid claim	53,789	-	53,789	32,511	-	32,511	66,835	-	66,835
Unreported claim	-	-	-	-	-	-	-	-	-
Annuity insurance									
Reported but not paid claim	450	37,868	38,318	24	50,866	50,890	-	32,807	32,807
Unreported claim	-	6	6	-	6	6	-	13	13
Total	4,478,799	45,137	4,523,936	4,333,648	58,355	4,392,003	3,789,135	49,088	3,838,223
Less ceded reserve for claims:									
Individual life insurance	16,222	-	16,222	8,392	-	8,392	15,169	-	15,169
Individual injury insurance	1,088	-	1,088	1,088	-	1,088	1,674	-	1,674
Individual health insurance	23,680	-	23,680	26,635	-	26,635	16,975	-	16,975
Group insurance	3,500	-	3,500	3,800	-	3,800	7,000	-	7,000
Investment-linked insurance	1,000	-	1,000	440	-	440	860	-	860
Total	45,490	-	45,490	40,355	-	40,355	41,678	-	41,678
Net amount	$ 4,433,309	$ 45,137	$ 4,478,446	$ 4,293,293	$ 58,355	$ 4,351,648	$ 3,747,457	$ 49,088	$ 3,796,545

Movement in reserve for claims is summarized below:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 4,333,648	$ 58,355	$ 4,392,003	$ 3,223,014	$ 38,971	$ 3,261,985
Reserve	4,476,050	45,136	4,521,186	3,786,365	49,075	3,835,440
Recover	(4,333,648)	(58,355)	(4,392,003)	(3,223,014)	(38,971)	(3,261,985)
Losses on foreign exchange	2,749	1	2,750	2,770	13	2,783
Ending balance	4,478,799	45,137	4,523,936	3,789,135	49,088	3,838,223
Less ceded unearned premium reserve:						
Beginning balance	40,355	-	40,355	54,779	-	54,779
Increase	45,421	-	45,421	41,650	-	41,650
Decrease	(40,355)	-	(40,355)	(54,779)	-	(54,779)
Losses on foreign exchange	69	-	69	28	-	28
Ending balance	45,490	-	45,490	41,678	-	41,678
Net amount	$ 4,433,309	$ 45,137	$ 4,478,446	$ 3,747,457	$ 49,088	$ 3,796,545

Reported but not paid claims are reserved according to insurance type and claims department’s estimates based on each individual case’s related information without exceeding promised insurance amount for covered accidents. Those reported but not paid reserve is reasonably assessed, sufficient to reflect actual claims paid. In addition, some types of claims are not expected to close shortly because these claims usually depend on court judgments before the closure. The legal department tracks the development of these claims and reasonably estimates claims reserve. The actuarial department assesses final unreported claims based on past claims experience with consideration of claims development trends for past closed cases, and then develop the final claims based on homogeneous features of each insurance through the loss development triangle method and Bornhuetter-Ferguson Method. Reserve for unreported and unclosed claims changes according to external environment. For example, actual loss rate will lead to fluctuations of claims. The actuarial department will evaluate periodically to make reasonable estimate of claims reserve.

d. Special reserve:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 8,301,858	$ -	$ 8,301,858	$ 7,531,771	$ -	$ 7,531,771	$ 8,037,184	$ -	$ 8,037,184
Total	$ 8,301,858	$ -	$ 8,301,858	$ 7,531,771	$ -	$ 7,531,771	$ 8,037,184	$ -	$ 8,037,184

Movement in special reserve is summarized below:

	For the Three Months Ended March 31	
	2025	2024
	Insurance Contract	Insurance Contract
Beginning balance	$ 7,531,771	$ 7,284,162
Reserve for participating policies dividend reserve	770,087	753,022
Ending balance	$ 8,301,858	$ 8,037,184

e. Special reserve for catastrophe and fluctuation of risks:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 2,432	$ -	$ 2,432	$ 2,432	$ -	$ 2,432	$ 2,451	$ -	$ 2,451
Individual injury insurance	1,093,371	-	1,093,371	1,093,371	-	1,093,371	1,010,136	-	1,010,136
Individual health insurance	1,844,924	-	1,844,924	1,844,924	-	1,844,924	2,165,239	-	2,165,239
Group insurance	4,111,214	-	4,111,214	4,111,214	-	4,111,214	3,852,199	-	3,852,199
Annuity insurance	-	313	313	-	313	313	-	312	312
Total	$ 7,051,941	$ 313	$ 7,052,254	$ 7,051,941	$ 313	$ 7,052,254	$ 7,030,025	$ 312	$ 7,030,337

f. Premium deficiency reserve:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 915,248	$ -	$ 915,248	$ 925,524	$ -	$ 925,524	$ 1,309,326	$ -	$ 1,309,326
Individual health insurance	81,659	-	81,659	83,926	-	83,926	90,756	-	90,756
Total	$ 996,907	$ -	$ 996,907	$ 1,009,450	$ -	$ 1,009,450	$ 1,400,082	$ -	$ 1,400,082

Premium deficiency reserve was not ceded in the above insurance contracts.

Movement in premium deficiency reserve is summarized below:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,009,450	$ -	$ 1,009,450	$ 1,493,153	$ -	$ 1,493,153
Reserve	81,762	-	81,762	38,461	-	38,461
Recover	(97,716)	-	(97,716)	(149,022)	-	(149,022)
Losses on foreign exchange	3,411	-	3,411	17,490	-	17,490
Ending balance	$ 996,907	$ -	$ 996,907	$ 1,400,082	$ -	$ 1,400,082

g. Other reserve:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Other	$ 234,933	$ -	$ 234,933	$ 313,245	$ -	$ 313,245	$ 18,019,236	$ -	$ 18,019,236

Movement in other reserve is summarized below:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 313,245	$ -	$ 313,245	$ 18,097,314	$ -	$ 18,097,314
Recover	(78,312)	-	(78,312)	(78,078)	-	(78,078)
Ending balance	$ 234,933	$ -	$ 234,933	$ 18,019,236	$ -	$ 18,019,236

The amount of other reserve is generated from the acquisition of the traditional insurance policies from Allianz Taiwan Life on May 18, 2018.

h. Liability adequacy reserve:

	Insurance Contract and Financial Instruments with Discretionary Participation Feature		
	March 31, 2025	December 31, 2024	March 31, 2024
Reserve for life insurance liabilities	$ 2,075,108,681	$ 2,061,087,171	$ 2,050,974,049
Unearned premium reserve	6,021,511	6,462,112	5,263,236
Premium deficiency reserve	996,907	1,009,450	1,400,082
Special reserve	8,301,858	7,531,771	8,037,184
Other reserve	234,933	313,245	18,019,236
Book value of insurance liabilities	$ 2,090,663,890	$ 2,076,403,749	$ 2,083,693,787
Estimated present value of cash flows	$ 1,643,894,150	$ 1,633,020,747	$ 1,655,560,609
Balance of liability adequacy reserve	$ -	$ -	$ -

Liability adequacy testing methodology is as follows:

	March 31, 2025	December 31, 2024 and March 31, 2024
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing
Assumptions	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2024)	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2023)

23. FOREIGN EXCHANGE VALUATION RESERVE

a. The hedge strategy and risk exposure

The Company consistently adjusts the hedge ratios to establish an adequate risk exposure planning based on the new foreign exchange valuation exposure principle by integrating the exchange rate and interest rate trends of domestic and foreign financial markets. However, changes in the hedge and risk exposure ratios should follow the internal risk control to alert and adjust hedge strategy in advance to meet the optimal hedge considerations.

b. Adjustment in foreign exchange valuation reserve:

	For the Three Months Ended March 31	
	2025	2024
Beginning balance	$ 30,705,210	$ 9,768,788
Reserve		
Compulsory reserve	1,061,466	576,225
Extra reserve	7,263,665	4,628,501
	8,325,131	5,204,726
Recover	-	(1,077,456)
Ending balance	$ 39,030,341	$ 13,896,058

In accordance with Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprise, the Company transferred amounts from the liability reserve and other reserves to the foreign exchange valuation reserve were in December 2024. The amounts transferred were $34,080 thousand from the liability reserve and $17,471,757 thousand from other reserves.

c. Effects due to foreign exchange valuation reserve:

	For the Three Months Ended March 31, 2025		
Item	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 12,836,384	$ 6,176,279	$ (6,660,105)
Earnings per share (dollar)	2.53	1.22	(1.31)
Foreign exchange valuation reserve	-	39,030,341	39,030,341
Equity	188,983,833	173,107,292	(15,876,541)

	For the Three Months Ended March 31, 2024		
Item	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 8,450,887	$ 5,149,071	$ (3,301,816)
Earnings per share (dollar)	1.67	1.02	(0.65)
Foreign exchange valuation reserve	-	13,896,058	13,896,058
Equity	180,573,039	170,799,255	(9,773,784)

Note: The weighted average number of outstanding shares has been adjusted retrospectively according to the proposal of issuing new shares via capitalization of retained earnings which approved by 2024 annual general shareholders' meeting. For more details, please refer to Notes 26 and 36.

24. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
Provisions for employee benefits	$ 39,418	$ 42,995	$ 131,873
Litigation liabilities	5,988	6,021	6,994
Total	$ 45,406	$ 49,016	$ 138,867

The Company has an official policy to control and manage litigations. When a professional advice has been made and the loss can be reasonably estimated, the Company will make adjustments to recognize losses and any negative effects arising out of any financial claims. As of March 31, 2025, the Company has 63 unresolved legal suits.

25. POST-EMPLOYMENT BENEFITS PLANS

Defined Contribution Plans

Expenses under the defined contribution plans for the three months ended March 31, 2025 and 2024 were $68,984 thousand and $71,440 thousand, respectively.

Defined Benefit Plans

Expenses under the defined benefit plans for the three months ended March 31, 2025 and 2024 were $382 thousand and $575 thousand, respectively.

26. COMMON STOCK

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	5,500,000	5,500,000	5,500,000
Shares authorized	$ 55,000,000	$ 55,000,000	$ 55,000,000
Shares issued and fully paid (in thousands of shares)	5,068,490	5,068,490	4,920,653
Shares issued (par value of $10)	$ 50,684,896	$ 50,684,896	$ 49,206,531

On June 26, 2024, the Company's Board, acting in lieu of the general shareholders' meeting, resolved to appropriate NT$1,478,365 thousand from 2023 distributable earnings to issue 147,837 thousand ordinary shares at a par value of NT$10. The proposal of capital increase has been reported and approved by the competent authority on September 24, 2024 and has taken effect. According to the resolution, October 9, 2024 is the base date for subscription.

27. CAPITAL SURPLUS

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	$ 7,179,692	$ 7,179,692	$ 7,179,692
Share-based payment	257,734	247,436	217,545
Treasury stock transactions	34,867	34,867	34,867
Changes investments in associates and joint ventures accounted for using equity method	9	1	1
Total	$ 7,472,302	$ 7,461,996	$ 7,432,105

Pursuant to the Company Act, the capital surplus shall not be used except for covering the deficit of the company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them. When distributing cash dividends, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the regulation of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8, 2013.

The capital surplus - share-based payment were given by the parent company to the employees of the Company.

28. RETAINED EARNINGS AND APPROPRIATION OF EARNINGS

a. Legal capital reserve

Pursuant to the Insurance Act and the Articles of Incorporation of the Company, during earning distribution, the Company should set aside 20% of the Company's after-tax net income in advance as legal capital reserve until the total amount of the legal capital reserve equals the issued share capital. According to the regulations of the Company Act, if the Company incurs no loss, the Company's board of directors may distribute the portion of its legal capital reserve which exceeds 25% of the issued share capital by issuing new shares or by cash to its original shareholders. In addition, according to the regulations of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8 2013, if an insurance company has no losses and intends to set aside legal reserve under Article 145-1 of the Insurance Act as cash dividends in proportion to the shareholders' original shareholding, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the Company Act.

b. Special capital reserve

	March 31, 2025	December 31, 2024	March 31, 2024
Special reserve from recovered fluctuation risk reserve	$ 6,534,230	$ 6,534,230	$ 6,185,084
Catastrophe risk reserve and fluctuation risk reserve	7,052,254	7,052,254	7,030,337
Net decrease in other equity	11,218,230	11,218,230	11,218,230
Special reserve for the foreign exchange valuation reserve	26,371,285	26,371,285	20,560,786
Special reserve for investment properties at fair value model	9,547,166	9,547,166	8,881,585
Special reserve for gains or losses on derecognition of unexpired debt instrument	17,243,392	17,243,392	16,794,972
Other	8,743,385	8,743,385	8,484,504
Total	$ 86,709,942	$ 86,709,942	$ 79,155,498

1) Special reserve from recovered contingency risk reserve

Pursuant to “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” established by the Ministry of Finance, R.O.C., the recovered fluctuation risk reserve, which provisions of Paragraph 3 of Article 20, Paragraph 1, are appropriated as special capital reserve in accordance with Order No. Financial-Supervisory-Insurance-Corporate-0910074195, after obtaining approval at the stockholders’ meeting in the following year.

2) Catastrophe risk reserve and fluctuation risk reserve

The Company set aside special reserves for catastrophe and fluctuation of risks for the retained businesses with policy period within 1 year in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. Please refer to Note 4 (17) for the set-aside and release calculation. The after-tax amount of reserve and release for the special reserve is converted to special capital reserve at the end of current year.

3) Net decrease in other equity

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11004920441 issued by the FSC on June 11, 2021, when distributing distributable surplus, the Company makes a special surplus reserve of the same amount as the undistributed surplus of the previous period in respect of the net reduction of other equity incurred in the current year. The reversal surplus can be distributed when the balance of other equity is reversed. According to the official letter No. 11104942741 issued by the FSC on November 4, 2022, when distributing distributable surplus, financial assets classified as fair value through other comprehensive income are reclassified to financial assets measured at amortized cost. The changes of fair values should be recognized as a reduction in other equity, and the amount incurred during the year should be allocated to special surplus reserves. The reversal surplus can be distributed when the balance of the fair value changes of reclassified financial assets (including disposals) combined to other equity is reversed.

4) Special reserve for the foreign exchange valuation reserve

The Company adopts foreign exchange reserve mechanism and hence be required by law to provide special capital reserve. Please refer to Note 4 (18).

5) Special reserve for investment properties at fair value model

The Company changed its accounting policy for subsequent measurement of investment property from cost to fair value starting from 2014. In order to ensure the soundness and stability of the financial structure, the Order No. Financial-Supervisory-Securities-Corporate-10402501001 issued by the FSC on January 23, 2015 requires insurance companies to set aside special capital reserve equal to the amount of the increase in retained earnings net of the increase in reserve for life insurance liabilities resulting from valid contracts’ fair value approved by the authority. Hence, the amount set aside by the Company as special capital reserve was $8,394,443 thousand. In accordance with the Order No. Financial-Supervisory-Securities-Corporate-10904917647, since 2020, insurance company should set aside special surpluses for “net after-tax impact of the first use of the fair value model in subsequent measurement” and “changes in after-tax accumulative net gain of fair value in subsequent periods” on investment property, the special reserve should not be distributed. The special capital reserve shall be used only to cover the insufficiency of life insurance liabilities resulting from valid contracts’ fair value approved by the authority and to set aside additional liabilities for the soundness of financial structure when complying with IFRS 17 “Insurance Contracts” in the future implementation.

6) Special reserve for gains or losses on derecognition of unexpired debt

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11204939731 issued by the FSC on November 13, 2023, the Company set aside or withdraw special capital reserve based on gains or losses arising from derecognition of the unexpired bond investments since January 1, 2019. Except the one that the remaining maturity period cannot be determined, can be amortized in 10 years, the remaining should be amortized through maturity period and released as a distributable surplus on an annual basis.

7) Other

The Company set aside a special capital reserve, in accordance with the “Personal Insurance Industry’s Matters Needing Attention in Handling Interest Rate Change Insurance Products”.

In accordance with the Financial-Supervisory-Securities-Corporate-10302153881 dated February 10, 2015, the increase in retained earnings arising from the recognition of bargain purchase gains by insurance enterprises as a result of mergers and acquisitions shall be set aside as special surplus reserves of the same amount, and shall not be reversed within one year. After the expiration of one year, the special surplus reserve may be used to cover accumulated deficits. If the value of underlying asset of the merger and acquisition is similar to the value at the time of the merger and acquisition, and no unexpected significant impairment has occurred, the special surplus reserve may be capitalized.

In accordance with the Financial-Supervisory-Securities-Corporate-11304908291 dated April 26, 2024, from 2021 fiscal year, the Company shall, at end of each business year, set aside equal amount of special capital reserve for net income after tax that is part of the accidental death and disability payment of personal travel insurance, according to the “Standard Rates of Accidental Death and Disability Payment of Personal Travel Insurance”.

In accordance with the Financial-Supervisory-Securities-Corporate-11004908861 dated March 26, 2021, the Company set aside special capital reserve for after-tax net profit of the current year that is part of the disability assistance insurance from the 2020 fiscal year. If the net profit after tax in the current year is not enough to be set aside, it shall be supplemented in subsequent years. If there is a loss in the disability assistance insurance in subsequent years, it may be reversed from the special capital reserve.

The Company set aside a special capital reserve in accordance with the Financial-Supervisory-Securities-Corporate-10302077080, Financial-Supervisory-Securities-Corporate-1090414517 and Financial-Supervisory-Securities-Corporate-1110416064, respectively.

c. According to the Articles of Incorporation of the Company, the information about earnings distribution is as follows:

The Company adopts residual dividend policy in order to keep expanding the business scale and increase profitability, meet the demands for capital and long-term financial plan of the Company, and pursue sustainable and stable development.

Where the Company has surplus earnings after the settlement of account at the end of fiscal year, it shall first cover the losses in the previous fiscal years and pay the taxes by laws. After setting aside legal reserve and special reserve as provided in laws or reversing special reserve and may distribute preferred stock dividends thereafter, the balance, if applicable, shall be added to beginning retained earnings as the unappropriated retained earnings, thirty to one hundred percent of which shall be distributed as dividends for common shares. The proposal of surplus earnings distribution shall be submitted by the Board of Directors to the shareholders’ meeting for approval. In case the unappropriated retained earnings is less than NT $0.5 each share, it may be reserved and not distributed on the basis of canon of economy.

According to the Company's business plans, the surplus earnings distribution shall be based on the capital required and retained for distributing stock dividends, but it may reserve a proportion for distribution in the form of cash dividends. Where cash dividends are distributed in that year, the total amount of cash dividends shall not be less than ten percent of the total amount of dividends. The proportion of the preceding stock dividends and cash dividends may be adjusted appropriately, depending on that year's actual profits and capital condition. The Board of Directors shall draw up the proposal and submit to the shareholders' meeting for deciding the most appropriate dividend policy.

d. Pursuant to the Order No. Financial-Supervisory-Securities-Corporate-10202501992 issued by the FSC on February 8, 2013, if the life insurance industry appropriates earnings by distributing cash dividends (not including preferred stocks in liability type), it should report to the FSC and the FSC will review the plan based on the soundness of individual company's finance and business.

For related information about earnings appropriation resolved by the Board of Directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions), please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange Corporation.

e. Earnings appropriation for the year of 2024 had not been resolved by the Board of directors' meeting as of the date the financial statements was approved by the Board of directors' meeting. Earnings appropriation for the year of 2023 was resolved by the Board of directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions) on June 26, 2024, as follows:

	2023
Set aside legal capital reserve	$ 2,214,731
Set aside special capital reserve	7,380,558
Stock dividend	1,478,365
Stock dividends per share (NT$)	0.30

Please refer to Note 33 for more details on employees' compensation and remuneration to directors.

29. RETAINED EARNED PREMIUM

	For the Three Months Ended March 31, 2025		
	Insurance Contract	**Investment Contracts with Discretionary Participation Feature**	**Total**
Direct premium income	$ 43,036,041	$ 1,005,623	$ 44,041,664
Reinsurance premium income	-	-	-
Premium income	43,036,041	1,005,623	44,041,664
Less:			
Reinsurance expenses	535,779	-	535,779
Net changes in unearned premium reserve	(430,805)	-	(430,805)
Subtotal	104,974	-	104,974
Retained earned premium	$ 42,931,067	$ 1,005,623	$ 43,936,690

	For the Three Months Ended March 31, 2024		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct premium income	$ 32,867,897	$ 272,614	$ 33,140,511
Reinsurance premium income	-	-	-
Premium income	32,867,897	272,614	33,140,511
Less:			
Reinsurance expenses	561,111	-	561,111
Net changes in unearned premium reserve	(503,355)	-	(503,355)
Subtotal	57,756	-	57,756
Retained earned premium	$ 32,810,141	$ 272,614	$ 33,082,755

30. INTEREST INCOME

	For the Three Months Ended March 31	
	2025	2024
Interest income		
Financial assets at fair value through other comprehensive income	$ 506,014	$ 524,227
Financial assets at amortized cost	15,586,417	15,076,948
Loans	434,868	423,625
Other	223,965	210,366
Total	$ 16,751,264	$ 16,235,166

31. EXPECTED CREDIT IMPAIRMENT LOSSES AND REVERSAL ON INVESTMENTS AND NON-INVESTMENTS

	For the Three Months Ended March 31	
	2025	2024
Operating revenue - expected credit impairment losses and reversal on investment		
Financial assets at fair value through other comprehensive income	$ 275	$ (404)
Financial assets at amortized cost	19,144	(1,087)
Other receivables	(71)	616
Subtotal	19,348	(875)
Operating expenses - expected credit impairment losses and reversal on non-investment		
Other receivables	439	(438)
Total	$ 19,787	$ (1,313)

Please refer to Note 39 for more detail on credit risk management.

32. RETAINED CLAIM PAYMENTS

	For the Three Months Ended March 31, 2025		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	$ 40,973,676	$ 5,609,039	$ 46,582,715
Reinsurance claim payments	-	-	-
Insurance claim payments	40,973,676	5,609,039	46,582,715
Less: Claims recovered from reinsures	275,987	-	275,987
Retained claim payments	$ 40,697,689	$ 5,609,039	$ 46,306,728

	For the Three Months Ended March 31, 2024		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	$ 41,508,949	$ 5,407,068	$ 46,916,017
Reinsurance claim payments	8	-	8
Insurance claim payments	41,508,957	5,407,068	46,916,025
Less: Claims recovered from reinsures	291,055	-	291,055
Retained claim payments	$ 41,217,902	$ 5,407,068	$ 46,624,970

33. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION

a. Summary statement of employee benefits, depreciation and amortization expenses is as below:

	For the Three Months Ended March 31, 2025		
	Operating Costs	Operating Expenses	Total Amount
Employee benefits expense			
Payroll expense	$ 1,090,677	$ 1,110,946	$ 2,201,623
Labor and health insurance	-	171,733	171,733
Pension	-	69,366	69,366
Remuneration to directors	-	160,460	160,460
Other employee benefits expense	-	60,916	60,916
Total	$ 1,090,677	$ 1,573,421	$ 2,664,098
Depreciation	$ -	$ 155,853	$ 155,853
Amortization	$ -	$ 92,075	$ 92,075

	For the Three Months Ended March 31, 2024		
	Operating Costs	**Operating Expenses**	**Total Amount**
Employee benefits expense			
Payroll expense	$ 1,204,118	$ 937,174	$ 2,141,292
Labor and health insurance	-	153,195	153,195
Pension	-	72,015	72,015
Remuneration to directors	-	53,611	53,611
Other employee benefits expense	-	56,347	56,347
Total	$ 1,204,118	$ 1,272,342	$ 2,476,460
Depreciation	$ -	$ 158,903	$ 158,903
Amortization	$ -	$ 71,441	$ 71,441

Note 1: Other employee benefits expenses consist of meals, group insurance, training and employee benefits, etc.

Note 2: The average number of employees for the three months ended March 31, 2025 and 2024 were 6,214 and 6,169, respectively, of which the average number of directors who do not serve concurrently as employees were both 8.

b. The information regarding employees’ compensation and remuneration to directors within the Articles of Incorporation of the Company is as follows:

Where the Company makes profits, it shall allocate no less than 0.5 percent of the profits to be the remuneration of employees, and no more than 3 percent to be the remuneration of directors. But the Company shall reserve the amount of money to be used to cover its losses if it still has accumulated losses, and later it shall allocate the remuneration in proportion for employees and directors. The preceding remuneration of employees may be given in the form of share certificates or cash. The remuneration of directors shall only be given to non-independent directors.

For related information on employees’ compensation and remuneration to directors approved by the Board of Directors meeting, please refer to the “Market Observation Post System” website of the Taiwan Stock Exchange Corporation.

Based on profit for the three month ended March 31, 2025 and 2024, the Company estimated the amounts of the employees’ compensation to be $143,133 thousand and $60,955 thousand, respectively, remuneration to directors to be $139,732 thousand and $48,174 thousand, respectively, recognized as operating expenses. The differences between the estimated amounts and the actual distributed amounts resolved by Board of Directors meeting will be recognized as profit or loss of the next year.

On February 25, 2025, the Board of Directors meeting resolved to distribute $200,000 thousand of employees’ compensation and $180,000 thousand of remuneration to directors for the year ended December 31, 2024. No differences exist between the estimated amount on the 2024 financial statement and the actual amount were recognized as expense of 2024.

34. INCOME TAXES

a. The major components of income tax expense (benefit) are as follows:

Income tax expense recognized in profit or loss

	For the Three Months Ended March 31	
	2025	2024
Current income tax expense (benefit):		
Current income tax payable	$ 86,784	$ (18,601)
Deferred income tax expense (benefit):		
Deferred tax expense relating to origination and reversal of temporary differences	4,536,821	1,608,649
Deferred tax benefit relating to origination and reversal of tax loss and tax credit	(3,947,479)	(731,390)
Others	21,363	(21,358)
Total income tax expense	$ 697,489	$ 837,300

Income tax expense recognized in other comprehensive (loss) income

	For the Three Months Ended March 31	
	2025	2024
Deferred tax expense (benefit):		
Valuation (losses) gains of equity instrument investments at fair value through other comprehensive (loss) income	$ (3,008)	$ 266,513
Valuation gains (losses) of debt instrument investments at fair value through other comprehensive (loss) income	119,081	(319,465)
Other comprehensive (losses) profits reclassified using overlay approach	(430,773)	1,077,348
Income tax (benefit) expense relating to components of other comprehensive (loss) income	$ (314,700)	$ 1,024,396

b. The assessment of income tax returns

As of March 31, 2025, the income tax returns of the Company have been assessed and approved up to the year of 2021, but the year of 2020 has not yet been assessed and approved.

35. COMPONENTS OF OTHER COMPREHENSIVE (LOSS) INCOME

	For the Three Month Ended March 31, 2025			
	Arising During the Period	**Reclassification Adjustments During the Period**	**Income Tax Benefit (Expense)**	**Other Comprehensive Income (Loss), Net of Tax**
Not to be reclassified to profit or loss in subsequent periods:				
Valuation gains on equity instrument investments at fair value through other comprehensive loss	$ 327,447	$ -	$ 3,008	$ 330,455
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive loss	623,847	(31,640)	(119,081)	473,126
Other comprehensive profits (losses) reclassified using overlay approach	(12,425,324)	(7,273,337)	430,773	(19,267,888)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive loss that will be reclassified to profit or loss	(594)	-	-	(594)
Total	$(11,474,624)	$ (7,304,977)	$ 314,700	$(18,464,901)

	For the Three Month Ended March 31, 2024			
	Arising During the Period	**Reclassification Adjustments During the Period**	**Income Tax Benefit (Expense)**	**Other Comprehensive Income (Loss), Net of Tax**
Not to be reclassified to profit or loss in subsequent periods:				
Valuation gains (losses) on equity instrument investments at fair value through other comprehensive income	$ 1,394,129	$ -	$ (266,513)	$ 1,127,616
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive income	(1,488,137)	(150,404)	319,465	(1,319,076)
Other comprehensive profits (losses) reclassified using overlay approach	24,253,280	(5,688,835)	(1,077,348)	17,487,097
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	136	-	-	136
Total	$ 24,159,408	$ (5,839,239)	$ (1,024,396)	$ 17,295,773

36. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2025	**2024**
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	$ 6,176,279	$ 5,149,071
The weighted average number of (adjusted retrospectively) ordinary shares for basic earnings per share (in thousands)	5,068,490	5,068,490
Basic earnings per share (in dollars)	$1.22	$1.02

When calculating earnings per share, the impact of stock dividends was included and EPS was adjusted retrospectively. The base date of issuances of stock dividends was set on October 9, 2024. The adjusted EPS is as follows:

	Before Adjusted Retrospectively	After Adjusted Retrospectively
	For the Three Month Ended March 31, 2024	**For the Three Month Ended March 31, 2024**
Basic earnings per share	$ 1.05	$ 1.02

37. INFORMATION OF INSURANCE CONTRACTS

a. Objectives, policies, procedures and methods of insurance contracts risk management

1) Framework of risk management, organization structure and responsibilities:

The board of directors should ensure the effectiveness of risk management and bear the ultimate responsibility for risk management, responsible for formulating the company's overall risk appetite and risk tolerance, review and approve the Company's risk management objectives and strategies. "Risk Management Committee" is set under the board of directors. Various risk management report and related issues are first reported to risk management committee and finally approved by the board of directors. Besides the risk management committee, the Company set up an assets and liability management unit to strengthen the risk management organization and structure.

In addition, the Company establishes the risk management department independent to the business units, which is responsible for the implementation of various risk management measures and the fulfillment of each risk management mechanism, including monitoring the daily risks, measuring and evaluating related issues, assisting the board to develop Company's risk appetite, executing the risk management policies approved by the board of directors. Moreover, the business units should be responsible for the risks identification, report the risk exposure, measure the impact of risks, review the various risks and limits regularly, and make sure that the internal control procedures of each unit are implemented effectively in accordance with related regulations and the Company's risk management policy.

2) Risk management policies, procedures and methods:

According to risk management policies, the Company sets an effective mechanism to proceed identification, measurement, monitoring, reporting and response to risk, establishes clear objectives for risk management, controls approaches and attribution of responsibility to make sure that each operational risk is controlled under the tolerable range, making the largest surplus and profits for shareholders. The Company follows the principle of centralized management and specialization, and assigns responsible department to manage various risks. In addition, the Company develops management guidelines or management mechanism for various types of risk, and regularly issues risk reports to monitor the various risks.

3) Risk management policies, procedures and methods related to reserves:

Reserve-related risks refer to risks that various reserves are unable to deal with future obligations due to understatement of liability for premium business. The Company sets and implements the appropriate risk management system for the insurance business reserves and related risks.

4) Risk management policies, procedures and methods related to matching assets and liabilities:

Risks related to matching assets and liabilities indicate risks arising from inconsistent movement of assets and liabilities. The Company sets appropriate asset-liability management system based on the attributes and complexity of insurance liability risks. The system allows the Company to form, implement, monitor and correct related strategies within the tolerable range. The contents include the following items:

a) Risk identification related to matching of assets and liabilities
b) Risk measurement related to matching of assets and liabilities
c) Risk responses related to matching of assets and liabilities

b. Information of insurance risks

1) Sensitivity of insurance risks - Insurance contracts and financial instruments with discretionary participation features:

Insurance companies set aside various reserves according to the legal requirements and regularly conduct adequacy test of liability to assess the adequacy of insurance liabilities of the company as a whole.

For the insurance contracts and financial instruments with discretionary participation features underwritten by the Company, the main risks include mortality, morbidity, surrender, expense and investment returns rate. When doing the liability adequacy test, various actuarial assumptions are made based on available information at assessment point for all insurance contracts and financial instruments with discretionary participation feature, to assess whether the insurance liability of the Company is adequate. If the test result indicates the insurance liability is not adequate, then set aside the insufficient amount as liability adequacy reserve according to the provision. The reserve will affect current profit and loss.

As of March 31, 2025, assuming a 5% change in mortality, morbidity, surrender and expenses, and a decrease in investment return of 0.1%, all insurance contracts and financial instruments with discretionary participation feature will not cause the Company’s insurance liability inadequate.

2) Interpretation for concentration of insurance risks

   a) The Company's insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. The Company had set tolerable cumulative risk limits for each risk unit and incident. Insurance risks that exceed the limits will be transferred through reinsurance. Please refer to Note 22 for concentration of risk before and after the reinsurance for the Company.

   b) Furthermore, according to "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", the annual increased special capital reserve, after deduction of taxes, for catastrophe and fluctuation of risks for abnormal changes in loss ratio and claims of each type of insurance needs to be recognized in special capital reserve under equity in accordance with IAS 12.

3) Claim development trend

a) Direct business loss development trend

Accident Year	Development Year																		Reserve Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
2008	$ 2,170,100	$ 2,736,556	$ 2,776,542	$ 2,781,989	$ 2,786,399	$ 2,792,187	$ 2,798,032	$ 2,798,807	$ 2,799,546	$ 2,800,435	$ 2,802,449	$ 2,803,020	$ 2,803,856	$ 2,804,061	$ 2,805,453	$ 2,805,535	$ 2,806,094	$ 2,806,110	
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,942,857	2,942,909	2,944,087	2,944,097	-	
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,191	3,146,199	3,146,520	3,146,520	-	-	
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,357,014	3,357,047	3,357,188	3,357,197	-	-	-	
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,059,236	3,059,611	3,059,734	3,059,791	-	-	-	-	
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,058,524	3,059,470	3,060,252	3,060,294	-	-	-	-	-	
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,325,954	4,328,274	4,330,418	4,330,589	-	-	-	-	-	-	
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,956	4,523,231	4,524,716	4,525,004	-	-	-	-	-	-	-	
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,769,820	4,772,620	4,774,602	4,774,631	-	-	-	-	-	-	-	-	
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,563,170	5,565,627	5,568,554	5,569,398	-	-	-	-	-	-	-	-	-	
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,086,102	6,095,198	6,099,182	6,099,588	-	-	-	-	-	-	-	-	-	-	
2019	5,257,484	6,776,954	6,904,733	6,935,395	6,946,476	6,954,266	6,956,230	-	-	-	-	-	-	-	-	-	-	-	
2020	5,208,589	6,557,028	6,720,337	6,751,342	6,765,621	6,766,762	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,729,794	7,330,220	7,532,048	7,564,144	7,567,118	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	8,258,280	10,368,910	10,611,981	10,625,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	7,970,387	10,226,388	10,311,403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2024	8,870,315	10,509,519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2025	1,196,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 3,995,026

Note: This table does not include long term life insurance

Add:	Long term insurance claims	418,837
	Claim reserve for discount on no claim	110,073
	Reserve for claims balance	$ 4,523,936

b) Retained business loss development trend

Accident Year	Development Year																		Reserve Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
2008	$ 2,128,556	$ 2,682,784	$ 2,721,905	$ 2,719,002	$ 2,723,312	$ 2,728,970	$ 2,734,682	$ 2,735,440	$ 2,736,162	$ 2,737,031	$ 2,739,000	$ 2,739,557	$ 2,740,394	$ 2,740,598	$ 2,741,991	$ 2,742,073	$ 2,742,632	$ 2,742,648	
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,876,252	2,876,304	2,877,481	2,877,491	-	
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,973	3,074,981	3,075,302	3,075,302	-	-	
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,281,058	3,281,091	3,281,232	3,281,241	-	-	-	
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,990,038	2,990,414	2,990,536	2,990,593	-	-	-	-	
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,989,360	2,990,306	2,991,088	2,991,129	-	-	-	-	-	
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,228,211	4,230,531	4,232,676	4,232,847	-	-	-	-	-	-	
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,419,697	4,420,972	4,422,457	4,422,745	-	-	-	-	-	-	-	
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,662,163	4,664,810	4,666,791	4,666,821	-	-	-	-	-	-	-	-	
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,450,344	5,452,800	5,455,727	5,456,571	-	-	-	-	-	-	-	-	-	
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,972,030	5,981,126	5,985,110	5,985,517	-	-	-	-	-	-	-	-	-	-	
2019	5,165,606	6,658,675	6,786,454	6,817,116	6,828,197	6,835,987	6,837,951	-	-	-	-	-	-	-	-	-	-	-	
2020	5,136,641	6,454,169	6,616,159	6,647,164	6,661,443	6,662,584	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,640,880	7,192,041	7,393,867	7,425,964	7,428,937	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	8,190,602	10,249,283	10,487,130	10,500,216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	7,845,303	10,052,478	10,137,493	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2024	8,774,022	10,386,827	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2025	1,193,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 3,984,819

Note: This table does not include long term life insurance

Add:	Long term insurance claims	383,554
	Claim reserve for discount on no claim	110,073
	Reserve for claims balance	$ 4,478,446

The Company recognizes claim reserve for reported claims (reported but not paid) and unreported claims (incurred but not reported). Due to uncertainty, estimation, and judgment involved in recognition, there is a high degree of complexity in claim reserves. Any changes of the estimation or judgment are treated as the changes of the accounting estimates and can be recognized as profit and loss in current year. The Company was not notified of some claims in time. Also, the expected payment for unreported claims involves major subjective judgment and estimation on the past experience. Thus, it is uncertain that the estimated claim reserve on the balance sheet date will be equal to the final settled amount of claim payments. The claim reserve recorded on the book is estimated based on the current available information. However, the final amount probably will differ from the original estimates because of the follow-up development of the claim events.

The charts above show the development trend of claim payments (not including cases whose payment and time will be confirmed within a year). The accident year is the actual year for the occurrence of the insurance claim events; the x-axis is the year of the development for the settlement cases. Each slash represents the cumulative amount of compensation for each accident event at the end of the year. The occurred claims include decided and undecided claims which represent the accumulated estimated dollar amounts need to be paid for each accident year as time passes. It is possible that the circumstances and trends affecting dollar amount of recognition for claim reserve in the current year will be different from those in the future. Thus, the expected future payment amount for the settlement cases cannot be determined by the charts above.

4) Credit risk

For insurance contracts undertaken by the Company, the credit risk comes from reinsurers who fail to fulfill their obligation of reinsurance contracts, causing the Company to be exposed to the risk of financial loss. If the Company disputes with the reinsurers, then it may lead to impairment of reinsurance assets. In addition, the account receivables of insurance brokers and agents also have credit risk.

The Company's highest risk exposure for the reinsurance contracts are the carrying amount of reinsurance assets. In order to manage that risk and avoid credit losses, the Company decides to deal with reinsurance companies that have good credits. The Company sets related selection standard, makes regular assessment and monitors the reinsurers' financial business condition, credit status and rating. Also, it will adjust the business scope and scale based on the circumstances to prevent from over concentration of credit risk.

5) Liquidity risk

As of March 31, 2025, December 31, 2024 and March 31, 2024, the maturity analysis of liquidity risk for insurance contract liabilities are as follows:

March 31, 2025	**Within 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**5 to 15 Years**	**Over 15 Years**
Insurance liabilities of investment contracts with discretionary participation features	$ 82,790,823	$ 68,983,687	$ 117,264,258	$ 632,468,598	$ 4,561,236,381
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

December 31, 2024	**Within 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**5 to 15 Years**	**Over 15 Years**
Insurance liabilities of investment contracts with discretionary participation features	$ 18,056,627	$ 60,351,298	$ 117,726,952	$ 644,484,882	$ 4,581,775,022
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

March 31, 2024	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
Insurance liabilities of investment contracts with discretionary participation features	$ 23,847,328	$ 72,535,123	$ 109,679,700	$ 638,530,774	$ 4,576,113,617
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

Note:

1. This table estimates net cash flow of all related insurance liabilities at it starting point.
2. The actual maturity date will change according to the exercise of termination right by the policyholders.
3. The table cannot match with the liabilities of balance sheet because the above contracts use the undiscounted contractual cash flow analysis. In addition, it includes the cash inflows of future renewal premiums.
4. In addition to the analysis of the above table, the Company uses both the estimated of the expected less and more than 12 months to analyze assets and liabilities. Please refer to Note 40.

6) Market risk

Pursuant to the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", when the Company measures insurance liabilities, it sets aside the reserve by using the discount rate required by the authorities. Since the discount rate assumption does not move in the same direction with the interest rate, changes in market risks have no significant influence on the Company's profit or loss and equity for insurance contracts. However, changes in market risks may have influence on liability adequacy test evaluated based on available information. But, it has little influence on the adequacy of current recognized insurance liabilities.

38. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

Financial assets

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit and loss	$ 422,851,727	$ 438,340,762	$ 418,576,854
Financial assets at fair value through other comprehensive income	67,911,795	66,784,211	69,558,232
Financial assets at amortized cost:			
Cash and cash equivalents (exclude cash on hand and revolving funds)	46,829,652	40,214,779	35,434,026
Financial assets at amortized cost	1,668,955,010	1,654,369,839	1,636,604,280

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Receivables	$ 18,562,812	$ 19,642,374	$ 21,436,173
Loans	35,863,398	36,064,504	34,025,798
Refundable deposits	16,036,685	21,822,417	15,166,160
Subtotal	1,786,247,557	1,772,113,913	1,742,666,437
Total	$ 2,277,011,079	$ 2,277,238,886	$ 2,230,801,523

(Concluded)

Financial liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at fair value through profit or loss:			
Held for trading	$ 11,964,090	$ 21,376,362	$ 17,227,297
Financial liabilities measured at amortized cost:			
Payables	13,493,439	15,146,731	13,637,156
Bonds payables	30,000,000	30,000,000	20,000,000
Lease liabilities	1,949,303	1,966,072	1,990,722
Guarantee deposits received	405,605	438,768	344,507
Subtotal	45,848,347	47,551,571	35,972,385
Total	$ 57,812,437	$ 68,927,933	$ 53,199,682

b. Fair value of financial instruments

1) Fair value is 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. The methods and assumptions used by the Company to measure and disclose fair value of the financial assets and liabilities are as follows:

a) Fair value of cash and cash equivalents, receivables and payables are approximately equal to the carrying amount due to their short maturity.

b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value are determined based on market quotation price. (Including listed stocks and beneficiary certificates, etc.)

c) Fair value of financial instruments with no active market is estimated based on the valuation methods. The estimates and assumptions used are consistent with those made by market participants during the pricing of financial instruments.

d) The fair value of foreign exchange forward and swap are measured based on the exchange rate provided by an internationally credible price information provider and the forward exchange rate on the maturity date of the individual contract.

e) Fair value of other financial assets and liabilities are determined based on discounted cash flow analysis. The interest rates and discount rates assumptions mainly refer to related information of similar instruments and yield curve for the duration, etc.

f) The adjustments of credit risk valuation for the derivative instrument contracts traded over-the-counter are classified as Credit value adjustments (CVA) and Debit value adjustments (DVA), to reflect the probability of default of the counterparty (CVA) and the Company (DVA).

Under the assumption that the Company will not default, the Company determines its credit value adjustment (CVA) by multiplying three factors, probability of default (PD), loss given default (LGD), and exposure at default (EAD) of the counterparty. On the other hand, under the assumption that the counterparty will not default, the Company calculates its debit value adjustment by multiplying three factors, probability of default, loss given default, and exposure at default of the Company. The Company estimates probability of default through internal rating, estimates loss given default by considering suggestions by scholars and foreign financial institutions, and estimates exposure at default through market approach for derivative instruments, to reflect credit risk of the counterparty and the credit quality of the Company.

2) Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, receivables, loans, payables, bond payables, lease liabilities and guarantee deposits received whose carrying amount approximates their fair value, the fair value of financial assets and financial liabilities measured at amortized cost is as follows:

	Carrying Amount		
	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Financial assets			
Financial assets measured at amortized cost	$ 1,668,955,010	$ 1,654,369,839	$ 1,636,604,280
Refundable deposits - bonds	16,008,786	21,763,025	15,099,913

	Fair Value		
	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Financial assets			
Financial assets measured at amortized cost	$ 1,266,807,472	$ 1,250,488,416	$ 1,279,600,176
Refundable deposits - bonds	11,422,956	15,041,835	11,335,230

c. Fair value measurement hierarchy

1) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Levels 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 - Unobservable inputs for assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

2) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

	March 31, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Stocks	$ 155,726,982	$ 152,844,178	$ -	$ 2,882,804
Bonds	46,275,750	10,456,431	35,819,319	-
Swaps and forward foreign exchange contracts	955,266	-	955,266	-
Others	219,893,729	175,980,358	-	43,913,371
Financial assets at fair value through other comprehensive income				
Stocks	25,870,130	14,269,749	-	11,600,381
Bonds	42,041,665	41,109,223	932,442	-
Investment property	66,360,148	-	-	66,360,148
Liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	11,964,090	-	11,964,090	-

	December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Stocks	$ 184,850,337	$ 182,550,178	$ -	$ 2,300,159
Bonds	45,651,208	10,284,791	35,366,417	-
Swaps and forward foreign exchange contracts	2,083,541	-	2,083,541	-
Others	205,755,676	163,743,415	-	42,012,261
Financial assets at fair value through other comprehensive income				
Stocks	26,110,862	14,449,559	-	11,661,303
Bonds	40,673,349	39,538,447	1,134,902	-
Investment property	66,457,927	-	-	66,457,927

(Continued)

	December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	$ 21,376,362	$ -	$ 21,376,362	$ -

(Concluded)

	March 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Stocks	$ 187,032,095	$ 185,221,097	$ 28,115	$ 1,782,883
Bonds	47,466,644	10,925,097	36,541,547	-
Swaps and forward foreign exchange contracts	1,491,239	-	1,491,239	-
Others	182,586,876	148,042,454	-	34,544,422
Financial assets at fair value through other comprehensive income				
Stocks	26,923,651	14,705,482	-	12,218,169
Bonds	42,634,581	40,636,298	1,998,283	-
Investment property	67,125,914	-	-	67,125,914
Liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	17,227,297	-	17,227,297	-

a) Transfers between Level 1 and Level 2 during the period: None.

b) Reconciliation for Level 3 of the fair value hierarchy

Reconciliation of opening to closing balances for recurring assets and liabilities measured at fair value within Level 3 of the fair value hierarchy for movements during the period is as follows:

For the three month ended March 31, 2025

	Beginning Balance	Total Gains and Losses Recognized: Recognized in Profit or Loss (Note 1)	Total Gains and Losses Recognized: Recognized in OCI (Note 2)	Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
Assets							
Financial assets at fair value through profit or loss							
Stock	$ 2,300,159	$ -	$ 34,447	$ 561,944	$ (13,746)	$ -	$ 2,882,804
Others	42,012,261	42,533	1,187,417	1,363,360	(692,200)	-	43,913,371
Financial assets at fair value through other comprehensive income							
Stock	11,661,303	-	27,012	-	(87,934)	-	11,600,381
Investment property	66,457,927	(357,855)	-	380,191	(120,115)	-	66,360,148

For the three month ended March 31, 2024

	Beginning Balance	Total Gains and Losses Recognized: Recognized in Profit or Loss (Note 1)	Total Gains and Losses Recognized: Recognized in OCI (Note 2)	Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
Assets							
Financial assets at fair value through profit or loss							
Stock	$ 1,657,660	$ -	$ (73,155)	$ 252,479	$ (54,101)	$ -	$ 1,782,883
Others	32,317,271	(2,542)	1,144,289	1,235,907	(150,503)	-	34,544,422
Financial assets at fair value through other comprehensive income							
Stock	10,862,701	-	1,355,468	-	-	-	12,218,169
Investment property	67,317,887	(127,945)	-	47,417	(111,445)	-	67,125,914

Note 1: Presented in "gains (losses) on financial assets and liabilities at fair value through profit or loss/gains (losses) on reclassification using overlay approach/gains (losses) on investment property" in the comprehensive income statement.

Note 2: Presented in "gains (losses) on reclassification using overlay approach/valuation gains (losses) on equity instruments at fair value through other comprehensive income/property revaluation surplus" in the comprehensive income statement.

Note 3: The amount of investment property is related to transfer between property and equipment, no transfer in (out) for fair value level.

Total gains (losses) recognized in profit or loss above contains gains (losses) related to assets on hand for the three months ended March 31, 2025 and 2024 is as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Total gains and losses		
Recognized in profit or loss	$ (371,509)	$ (137,853)
Recognized in other comprehensive income	1,248,876	2,426,602

c) Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

March 31, 2025

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
	Income approach	Cost of capital	3.19%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	30%	The higher the discount for liquidity, the lower the estimated fair value
	Cash flow Method	Discount rate	6.39%	The higher the discount rate, the lower the fair value
	Black-Scholes Model	Risk-free rate of return	1.34%	The higher the risk-free rate, the lower the fair value of the put option
		Volatility	42.79%	The higher the volatility, the higher the fair value of the put option
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	3.00%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	20%-30%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 12			

December 31, 2024

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
	Cash flow Method	Discount rate	6.38%	The higher the discount rate, the lower the fair value
	Black-Scholes Model	Risk-free rate of return	1.46%	The higher the risk-free rate, the lower the fair value of the put option
		Volatility	44.27%	The higher the volatility, the higher the fair value of the put option
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	6.52%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 12			

March 31, 2024

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	6.48%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 12			

d) Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions and the sources are independent, reliable, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the Company's accounting policies at each reporting date. Also, assessment of fair value for investment property are outsourced to appraisers from professional agencies every half year and they evaluates the effectiveness of fair value on the balance sheet date quarterly and decides whether to re-issue reports or issue review report. The Company will review the legality, the rationality and correctness of valuation parameters important to the results from external reports case-by-case.

3) Fair value hierarchy of assets and liabilities not measured at fair value but for which the fair value is disclosed.

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at measured amortized cost				
Bonds	$ 644,163,134	$ 622,644,338	$ -	$ 1,266,807,472
Investment property	-	-	-	-
Refundable deposits				
Bonds	5,108,519	6,314,437	-	11,422,956

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at measured amortized cost				
Bonds	$ 603,672,817	$ 646,815,599	$ -	$ 1,250,488,416
Investment property	-	-	-	-
Refundable deposits				
Bonds	8,749,862	6,291,973	-	15,041,835

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at measured amortized cost				
Bonds	$ 589,362,677	$ 690,237,499	$ -	$ 1,279,600,176
Investment property	-	-	2,472,846	2,472,846
Refundable deposits				
Bonds	5,124,254	6,210,976	-	11,335,230

d. Offsetting financial assets and financial liabilities

The Company holds financial instruments in accordance with paragraph 42 of IAS 32 recognized by the FSC and the related assets and liabilities are expressed on a net basis on the balance sheet.

The Company may perform transactions not meeting the requirements of offsetting, but has enforceable master netting arrangement or other similar agreements with the counterparties. When both parties agree to settle in net amount, financial assets and financial liabilities could be offset and settled in net amount, and if not, in total amount. However, if any party in the transaction defaults, the other party can choose net settlement.

Related information about above offsetting financial assets and financial liabilities are as follows:

	March 31, 2025					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Received	
Derivative financial instrument	$ 955,266	$ -	$ 955,266	$ 847,183	$ 54,418	$ 53,665

	March 31, 2025					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Pledged	
Derivative financial instrument	$ 11,964,090	$ -	$ 11,964,090	$ 847,183	$ 8,456,373	$ 2,660,534

	December 31, 2024					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Received	
Derivative financial instrument	$ 2,083,541	$ -	$ 2,083,541	$ 1,747,912	$ 89,820	$ 245,809

	December 31, 2024					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Pledged	
Derivative financial instrument	$ 21,376,362	$ -	$ 21,376,362	$ 1,747,912	$ 14,244,065	$ 5,384,385

	March 31, 2024					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Received	
Derivative financial instrument	$ 1,491,239	$ -	$ 1,491,239	$ 1,205,548	$ -	$ 285,691

	March 31, 2024					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Pledged	
Derivative financial instrument	$ 17,227,297	$ -	$ 17,227,297	$ 1,205,548	$ 7,769,892	$ 8,251,857

39. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives are primarily managing risks arising from holding financial assets. According to the Company's risk management policies, the main financial risks is market risk, credit risk and liquidity risk. The Company has established guidelines related to the management of the financial risk. The following is the definition, source, management procedures of the risk and methods used to measure the risk:

a. Credit risk analysis

1) Credit risk is the risk that an issuer or a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities and financing activities (primarily loans, financial instrument investments and receivables).

   Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all issuers or counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. To lower certain issuers' or counter parties' credit risk, credit enhancing instruments will be taken at the appropriate time.

   For financial instrument investments, low credit risk is the premise of initial purchase, and at each reporting date, the Company shall assess if the financial instrument investments still qualify for conditions of low credit risk in order to determine the measurement method for allowance for losses. The Company disposes investments at the appropriate time (e.g., when credit risk significantly increases) to lower credit loss. In addition, the Company has built a credit risk model to assess the maximum possible loss on credit positions resulting from changes of credit rating or default. Moreover, based on issuer's region, industry and credit ratings within portfolios, the Company evaluates credit risk and concentration risk, respectively.

   The Company determines risk-influencing factors based on 5P Principles for loans, and according to the extent of influence, each P is given different weight to calculate each borrower's credit rating. Credit rating evaluates the reasonableness of loan purpose, the region of collateral, loan-to-value, the customer's credit report, the interest-paying history records, financial conditions and debt-paying ability, etc. and the Company approves the credit rating through multiple layers to control loan risk. Once delay of payment occurs, the Company will actively collect as stated in procedure manual to avoid financial loss.

   The Company evaluates expected credit loss in accordance with IFRS 9. Except for those receivables whose allowance for loss is measured at lifetime expected credit loss, the Company shall assess whether the credit risk has increased significantly since initial recognition at each reporting date for other debt instrument investments not measured at fair value through profit or loss whose premise of initial purchase is low credit risk and grouped under different classes of credit risk in order to determine the measurement method of allowance for loss. The primary consideration to determine whether the credit risk increases significantly includes objective evidence such as external credit rating, changes in class interval or other market information, etc. The consideration of credit impairment includes the occurrence of default, overdue payment of interest or principal of debt instrument for more than 90 days, major financial difficulties or bankruptcy or financial reorganization of issuer or the combination of matters that may turn financial assets into credit impairment, etc. If it is determined that the credit risk of a financial asset at reporting date is low, it can be assumed that the credit risk has not increased significantly. The Company measures the allowance based on the 12-month expected credit loss amount; for financial assets with a significant increase in credit risk or impairment already happened, the allowance for loss is measured by the amount of expected credit losses during the duration.

Besides, the measurement of expected credit losses is to the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD), Exposure at default (EAD) of the issuer or the counterparty and the effect of the value of money, and to calculate 12-month expected credit losses or the lifetime expected credit losses respectively.

Default rate is the rate that a default occurs on issuers or counter parties. Loss given default is the loss rate resulted from the default of issuers or counter parties. The Company used the default rate and loss given default published by external credit assessment institutions, and calculated based on adjustments of forward-looking macroeconomics or of market conditions factors.

Exposure at default is measured at the amortized cost of financial assets with accrued interests and receivables. For loans, exposure at default is the total of debtor's outstanding balance at the time of calculation, interest and accrued expense.

Allowance for losses for certain receivables is recognized at lifetime expected credit losses. Past default records and prevailing information are taken into consideration for lifetime expected credit losses. The expected credit loss rate is calculated based on the overdue days of receivables.

2) Financial assets credit risk concentration analysis

a) The largest credit risk exposure of the financial debt instrument investments held by the Company or deposit in the bank is listed in accordance with the regional distribution as follows:

March 31, 2025

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 43,773,981	$ 1,483,057	$ 1,572,614	$ -	$ -	$ 46,829,652
Financial assets at fair value through profit or loss	25,852,275	8,485,580	9,247,100	2,690,795	-	46,275,750
Financial assets at fair value through other comprehensive income	1,432,414	2,874,635	6,557,080	31,177,536	-	42,041,665
Financial assets measured at amortized cost	119,674,606	463,364,362	383,710,573	697,292,767	4,912,702	1,668,955,010
Refundable deposits - bonds	7,561,040	-	-	8,447,746	-	16,008,786
Total	$ 198,294,316	$ 476,207,634	$ 401,087,367	$ 739,608,844	$ 4,912,702	$ 1,820,110,863
Proportion	10.89%	26.16%	22.04%	40.64%	0.27%	100.00%

December 31, 2024

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 36,966,806	$ 2,661,214	$ 586,759	$ -	$ -	$ 40,214,779
Financial assets at fair value through profit or loss	25,774,860	8,336,076	8,902,900	2,637,372	-	45,651,208
Financial assets measured at amortized cost	1,134,902	3,052,800	6,572,854	29,912,793	-	40,673,349
Refundable deposits - bonds	123,595,482	459,313,715	384,969,833	681,684,046	4,806,763	1,654,369,839
	7,560,592	-	-	14,202,433	-	21,763,025
Total	$ 195,032,642	$ 473,363,805	$ 401,032,346	$ 728,436,644	$ 4,806,763	$ 1,802,672,200
Proportion	10.82%	26.26%	22.25%	40.41%	0.26%	100.00%

March 31, 2024

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 32,255,407	$ 2,626,922	$ 551,697	$ -	$ -	$ 35,434,026
Financial assets at fair value through profit or loss	27,270,173	7,902,170	9,775,856	2,518,445	-	47,466,644
Financial assets at fair value through other comprehensive income	1,998,283	3,187,227	7,518,355	29,930,716	-	42,634,581
Financial assets measured at amortized cost	139,603,478	447,680,790	377,184,774	667,577,970	4,557,268	1,636,604,280
Refundable deposits - bonds	7,338,978	-	-	7,760,935	-	15,099,913
Total	$ 208,466,319	$ 461,397,109	$ 395,030,682	$ 707,788,066	$ 4,557,268	$ 1,777,239,444
Proportion	11.73%	25.96%	22.23%	39.82%	0.26%	100.00%

b) Regional distribution of the largest credit risk exposure for secured loans (excluding policy loan and automatic premium loan) is as follows:

March 31, 2025

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 56,178	$ 20,888	$ 23,894	$ 100,960
Overdue receivables	-	-	-	-
Total	$ 56,178	$ 20,888	$ 23,894	$ 100,960
Proportion	55.64%	20.69%	23.67%	100.00%

December 31, 2024

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 60,381	$ 23,215	$ 28,309	$ 111,905
Overdue receivables	-	-	-	-
Total	$ 60,381	$ 23,215	$ 28,309	$ 111,905
Proportion	53.96%	20.74%	25.30%	100.00%

March 31, 2024

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 79,507	$ 33,194	$ 42,310	$ 155,011
Overdue receivables	-	-	-	-
Total	$ 79,507	$ 33,194	$ 42,310	$ 155,011
Proportion	51.29%	21.41%	27.30%	100.00%

3) Changes in the loss allowance

The reconciliations in loss allowance of financial assets measured at fair value through other comprehensive income are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2025	$ 1,717	$ -	$ -	$ 1,717
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(64)	-	-	(64)
Originated or purchased new financial assets	101	-	-	101
Changes in models/risk parameters	215	-	-	215
Effects of exchange rate changes and others	23	-	-	23
Balance as of March 31, 2025	$ 1,992	$ -	$ -	$ 1,992

(Continued)

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2024	$ 4,278	$ -	$ -	$ 4,278
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(662)	-	-	(662)
Originated or purchased new financial assets	280	-	-	280
Changes in models/risk parameters	(160)	-	-	(160)
Effects of exchange rate changes and others	138	-	-	138
Balance as of March 31, 2024	$ 3,874	$ -	$ -	$ 3,874

(Concluded)

The reconciliations in loss allowance of financial assets measured at amortized cost are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2025	$ 183,566	$ -	$ 1,303,644	$ 1,487,210
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(4,975)	-	(1,517)	(6,492)
Originated or purchased new financial assets	4,935	-	8	4,943
Changes in models/risk parameters	16,913	-	(180,713)	(163,800)
Effects of exchange rate changes and others	2,271	-	13,718	15,989
Balance as of March 31, 2025	$ 202,710	$ -	$ 1,135,140	$ 1,337,850
Balance as of January 1, 2024	$ 223,423	$ 64,130	$ 1,175,793	$ 1,463,346
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(751)	(1)	(1,316)	(2,068)
Originated or purchased new financial assets	510	-	7	517
Changes in models/risk parameters	(8,176)	(2,631)	(170,039)	(180,846)
Effects of exchange rate changes and others	7,450	2,511	41,014	50,975
Balance as of March 31, 2024	$ 222,456	$ 64,009	$ 1,045,459	$ 1,331,924

The reconciliations in loss allowance of other receivables related to financial assets measured at fair value through other comprehensive income and measured at amortized costs are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2025	$ 2,003	$ -	$ 2,289,041	$ 2,291,044
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(1,033)	-	-	(1,033)
Originated or purchased new financial assets	875	-	199,247	200,122
Changes in models/risk parameters	75	-	-	75
Effects of exchange rate changes and others	12	-	28,001	28,013
Balance as of March 31, 2025	$ 1,932	$ -	$ 2,516,289	$ 2,518,221
Balance as of January 1, 2024	$ 2,227	$ 539	$ 1,407,955	$ 1,410,721
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(1,063)	-	-	(1,063)
Originated or purchased new financial assets	849	833	192,090	193,772
Changes in models/risk parameters	(37)	(22)	-	(59)
Effects of exchange rate changes and others	35	21	57,491	57,547
Balance as of March 31, 2024	$ 2,011	$ 1,371	$ 1,657,536	$ 1,660,918

For the three months ended March 31, 2025 and 2024, the change in loss allowance for the debt instrument investments measured at fair value through other comprehensive income and measured at amortized cost mostly came from the impact of recent financial environment, forward-looking factors used for estimation, the derecognition and acquisition of investments.

The expected loss rate for the investment in the debt instruments of the above-mentioned financial assets and the loss allowance for other receivables is as follows:

March 31, 2025

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)
Financial asset measured at fair value through other comprehensive income	0.00%-0.02%	-	-
Financial assets measured at amortized cost	0.00%-0.19%	-	4.62%-8.34%
Other receivables	0.00%-0.19%	-	100%

December 31, 2024

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)
Financial asset measured at fair value through other comprehensive income	0.00%-0.02%	-	-
Financial assets measured at amortized cost	0.00%-0.28%	-	5.88%-9.39%
Other receivables	0.00%-0.28%	-	100%

March 31, 2024

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)
Financial asset measured at fair value through other comprehensive income	0.00%-0.03%	-	-
Financial assets measured at amortized cost	0.00%-0.21%	2.17%-2.31%	4.31%-7.97%
Other receivables	0.00%-0.21%	2.17%-2.31%	100%

The Company has taken into account the relevant impact of war between Russia and Ukraine and had recognized appropriate provision for impairment. In the future, the Company will closely monitor the situation in Russia and Ukraine, and review the possible impacts on the Company's investment positions.

The reconciliations in loss allowance of loans are as follows:

	12-month ECLs	Lifetime ECLs (Collectively Assessed	Lifetime ECLs (Individually Assessed)	The Loss Allowances Measured in Accordance with IFRS 9	Impairment Difference Recognized in Accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming /Nonaccrual Loans"	Total
Balance as of January 1, 2025	$ 2	$ 93	$ 43	$ 138	$ 1,661	$ 1,799
Changes due to financial instruments recognized as at beginning:						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Derecognition of financial assets at current period	-	-	-	-	-	-
Impairment difference recognized in accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	(162)	(162)
Effects of exchange rate changes and others	-	164	(2)	162	-	162
Balance as of March 31, 2025	$ 2	$ 257	$ 41	$ 300	$ 1,499	$ 1,799
Balance as of January 1, 2024	$ 2	$ 101	$ 53	$ 156	$ 2,573	$ 2,729
Changes due to financial instruments recognized as at beginning:						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Derecognition of financial assets at current period	-	-	-	-	-	-

(Continued)

	12-month ECLs	Lifetime ECLs (Collectively Assessed	Lifetime ECLs (Individually Assessed)	The Loss Allowances Measured in Accordance with IFRS 9	Impairment Difference Recognized in Accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming /Nonaccrual Loans"	Total
Impairment difference recognized in accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	$ -	$ -	$ -	$ -	$ (260)	$ (260)
Effects of exchange rate changes and others	-	262	(2)	260	-	260
Balance as of March 31, 2024	$ 2	$ 363	$ 51	$ 416	$ 2,313	$ 2,729

(Concluded)

For account receivables arising from other transactions, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. The movement of loss allowance of receivables is as follows:

	For the Three Months Ended March 31	
	2025	2024
Beginning balance	$ 7,432	$ 6,287
Increase (reverse) in the amount for the current period	439	(438)
Ending balance	$ 7,871	$ 5,849

4) The total book value of each financial instrument and categories for credit quality

a) Financial asset measured at fair value through other comprehensive income, financial assets measured at amortized cost and other receivables

March 31, 2025

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	Total
Investment grade				
Financial asset measured at fair value through other comprehensive income	$ 45,500,897	$ -	$ -	$ 45,500,897
Financial assets measured at amortized cost	1,661,686,338	-	-	1,661,686,338
Other receivables	12,985,894	-	-	12,985,894
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,405,624	-	17,209,684	24,615,308
Other receivables	56,426	-	2,516,290	2,572,716

December 31, 2024

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	Total
Investment grade				
Financial asset measured at fair value through other comprehensive income	$ 44,724,513	$ -	$ -	$ 44,724,513
Financial assets measured at amortized cost	1,653,279,044	-	-	1,653,279,044
Other receivables	13,862,633	-	-	13,862,633
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,319,680	-	17,021,350	24,341,030
Other receivables	147,367	-	2,289,041	2,436,408

March 31, 2024

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	Total
Investment grade				
Financial asset measured at fair value through other comprehensive income	$ 44,415,359	$ -	$ -	$ 44,415,359
Financial assets measured at amortized cost	1,626,362,182	2,855,719	-	1,629,217,901
Other receivables	13,128,170	61,325	-	13,189,495
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,151,175	-	16,667,041	23,818,216
Other receivables	54,505	-	1,657,537	1,712,042

Note 1: Financial assets measured at amortized cost included those serving as refundable deposits.

Note 2: The Company is graded by referencing the rating of credit rating agencies, and its credit rating is classified as an investment grade if above BBB-, a credit rating below BBB- or no-rated are listed as a non-investment grade.

b) Secured loans and other receivables

March 31, 2025

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 102,120	$ 128
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	639	-
Total		$ 102,759	$ 128

December 31, 2024

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 113,029	$ 142
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	675	-
Total		$ 113,704	$ 142

March 31, 2024

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 156,935	$ 190
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	805	-
Total		$ 157,740	$ 190

b. Liquidity risk analysis

1) Liquidity risks are classified into "funding liquidity risk" and "market liquidity risk." "Funding liquidity risk" represents that the Company is not able to obtain sufficient funds at a reasonable funding cost to meet the demands within reasonable time. "Market liquidity risk" represents the risk that the Company sells at loss to meet the demand for cash.

   The Company assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, the Company manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions with symmetric. To decentralize market risk when investment and to maintain investment each aspect (such as asset category, maturity, region, currency and tools) diversification, and also plan strategies for abnormal and emergency capital requirements to facilitate the Company's operations in the event of liquidity shortfalls still regularly operate to pay emergency and major funding requirements.

   The Company regularly monitors market liquidity and formulates plans to use the funds depending on market conditions and funding demand arrangements for liquidity assets portfolio. To deal with possible liquidity risk early, the Company reports duration of assets and liabilities quarterly, creates cash flow model and reviews cash flow status regularly.

2) Financial assets held for managing liquidity risk and maturity analysis of non-derivative financial liabilities

   a) Financial assets held for managing liquidity risk

      The Company holds cash, highly liquid and superior assets to deal with payment obligation and the potential urgent funds needs to dispatch in the market environment, financial assets for managing liquidity risk are cash holdings, demand deposits, highly liquid time deposits with little risk of change in value, or marketable securities with better liquidity, etc.

   b) Maturity analysis of non-derivative financial liabilities

      The analysis of cash outflows to the Company is listed below and based on the residual term from the date of balance sheet to the maturity. The disclosed amount is in accordance with cash flows on contracts, so the partial disclosed items are not the same as related items in the balance sheet.

Non-derivative financial instruments

	In 1 Year	1 to 5 Years	Over 5 Years	Total
March 31, 2025				
Payables	$ 13,471,396	$ 22,043	$ -	$ 13,493,439
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	137,495	394,428	3,634,245	4,166,168
December 31, 2024				
Payables	15,123,350	23,381	-	15,146,731
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	142,787	393,818	3,655,461	4,192,066
March 31, 2024				
Payables	13,614,075	23,081	-	13,637,156
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	146,595	391,439	3,719,103	4,257,137

c) Maturity analysis of derivative financial liabilities

The Company operates derivatives including foreign exchange derivative instruments (such as swap contracts, foreign exchange forward).

The Company has enough operating capital, including cash and cash equivalents, and highly liquid securities, such as government bonds to pay the investment and liabilities at maturity. Therefore, the risk of liquidity is extremely low. The Company enters into forward contracts and swap contracts derivative financial instruments, whose currencies are highly liquid, so the possibility of selling out and the risk of market liquidity are low. The forward contracts and swap contracts will be operated continually, and the capital is enough to pay for settlement, so the risk of capital liquidity is low.

Maturity structure of derivative financial liabilities is as follows:

	March 31, 2025				
	In 90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 5,365,477	$ 5,757,559	$ 841,054	$ -	$ 11,964,090

	December 31, 2024				
	In 90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 17,311,422	$ 1,894,076	$ 2,170,864	$ -	$ 21,376,362

	March 31, 2024				
	In 90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 9,836,586	$ 3,665,293	$ 3,725,418	$ -	$ 17,227,297

c. Market risk analysis

1) Market risk refers to the risk of the losses of asset value arising from the movement of market prices during a certain period of time.

   The Company uses various risk analysis methods to identify the sources of market risks, to identify and define the market risk factors of financial products, and to establish appropriate regulations to ensure an effective market risk management. The Company regularly implements warning and limit monitoring operations in accordance with the approved market risk limits and early warning indicators. Over-the-limit risk management process is put in place to properly manage over-the-limit positions.

2) Exchange rate risk

   The Company's exchange rate risk is mainly from assets and liabilities denominated in foreign currency. Except for assets and liabilities in the same currency which can have natural hedging effect, other foreign currency positions can be effect by foreign exchange risk. The Company adopts foreign exchange swap and forward to avoid exchange rate risk, and is in accordance with relevant laws and internal control mechanism.

3) Interest rate risk

   Interest rate risk refers to the risk resulting from changes in market rates which causes fluctuations in the fair value of financial instruments. The Company manages interest rate risk by combinations of fixed and floating interest rate products. Because they do not meet the requirements for hedge accounting, hedge accounting is not adopted.

4) Equity price risk

   The Company holds equity securities of listed and unlisted companies. The price of such equity securities will be affected by uncertainties about the future value of the underlying investment. The Company diversified its investment and set investment limits for a single equity security to manage price risk of equity securities. Portfolio information of equity securities is required to be regularly reported to senior executives of the Company. The board of directors should authorize the senior executives to review and approve all equity investment decisions.

5) Value at risk

   Value at risk is the maximum loss on the portfolio with a given probability defined as the confidence level, over a given period of time. The Company uses 99% VaR to measure the market risk over the next ten days.

   VaR model must be able to reasonably and appropriately measure the maximum potential risk of financial instruments and investment portfolio. VaR model must be validated and backtested to show that the model can reasonably and effectively measure the maximum potential risks of the financial instruments or investment portfolio.

6) Stress testing

   The Company measures and evaluates potential risks of the occurrence of extreme and abnormal events regularly in addition to VaR model. Stress testing measures the potential impact on the value of the investment portfolio when extreme fluctuations of financial variables occur.

The Company performs stress testing regularly by using "Simple Sensitivity" and "Scenario Analysis" methods. The test is capable of representing the position loss resulted from the movement of a specific risk factor under different kinds of historical scenarios:

a) Simple Sensitivity

Simple Sensitivity measures the dollar amount change of the portfolio value from the movement of specific risk factors.

b) Scenario Analysis

Scenario Analysis measures the dollar amount changes of the total value of investment positions if stress scenarios occur. The types of scenario include:

i. Historical scenario:

Applying the volatilities of risk factors in a specific historical event, the Company can estimate the losses of the current investment portfolio in the same period of time.

ii. Hypothetical scenario:

The Company makes hypothesis with rational expectations from the extreme market movements to assess the dollar amount of losses of the investment position by taking into consideration the movement of relevant risk factors.

Risk management department performs the stress testing with historical and hypothetical scenarios regularly. The Company's risk analysis, early warning, and business management are in accordance with the stress testing report.

Summarization of Simple Sensitivity

March 31, 2025

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 2,089,669
	- 1%	-	(2,089,669)
Interest rate risk (yield curve)	+1BP	-	(259,420)
	- 1BP	-	259,512
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	(797,156)
	- 1% (NTD depreciates 1% against each foreign currency)	-	797,156

December 31, 2024

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 2,491,614
	- 1%	-	(2,491,614)
Interest rate risk (yield curve)	+1BP	-	(253,705)
	- 1BP	-	253,752
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	(818,631)
	- 1% (NTD depreciates 1% against each foreign currency)	-	818,631

March 31, 2024

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 1,925,532
	- 1%	-	(1,925,532)
Interest rate risk (yield curve)	+1BP	-	(263,364)
	- 1BP	-	263,524
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	(3,626,158)	(1,000,050)
	- 1% (NTD depreciates 1% against each foreign currency)	3,626,158	1,000,050

40. ASSETS AND LIABILITIES ARE CLASSIFIED BASED ON EXPECTED RECOVERY OR SETTLEMENT WITHIN 12 MONTHS AFTER THE REPORTING DATE AND MORE THAN 12 MONTHS AFTER THE REPORTING DATE

	March 31, 2025		
Item	Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
Assets			
Cash and cash equivalents	$ 46,830,054	$ -	$ 46,830,054
Receivables	18,562,812	-	18,562,812
Current tax assets	-	6,410,009	6,410,009
Financial assets at fair value through profit or loss	329,779,803	93,071,924	422,851,727
Financial assets at fair value through other comprehensive income	-	67,911,795	67,911,795
Financial assets measured at amortized cost	4,873,860	1,664,081,150	1,668,955,010
Investments accounted for using equity method	-	2,296,633	2,296,633
Investment property	-	66,360,148	66,360,148
Loans	5,341	35,858,057	35,863,398
Reinsurance assets	806,827	-	806,827
Property and equipment	-	10,558,897	10,558,897
Right of use assets	-	4,745,346	4,745,346
Intangible assets	178	618,144	618,322
Deferred tax assets	2,339,607	19,777,994	22,117,601
Other assets	68,075	16,170,920	16,238,995
Separate account product assets	120,044,838	-	120,044,838
Total assets	$ 523,311,395	$ 1,987,861,017	$ 2,511,172,412
Liabilities			
Payables	$ 13,471,396	$ 22,043	$ 13,493,439
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	11,964,090	-	11,964,090
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	77,867	1,871,436	1,949,303
Insurance liabilities	20,740,453	2,074,624,490	2,095,364,943
Foreign exchange valuation reserve	-	39,030,341	39,030,341
Provision	-	45,406	45,406
Deferred tax liabilities	22,679,217	1,780,037	24,459,254
Other liabilities	572,426	1,134,185	1,706,611
Separate account product liabilities	120,044,838	-	120,044,838
Total liabilities	$ 189,550,287	$ 2,148,514,833	$ 2,338,065,120

Item	December 31, 2024		
	Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
Assets			
Cash and cash equivalents	$ 40,215,185	$ -	$ 40,215,185
Receivables	19,642,374	-	19,642,374
Current tax assets	-	5,759,556	5,759,556
Financial assets at fair value through profit or loss	348,377,133	89,963,629	438,340,762
Financial assets at fair value through other comprehensive income	819,705	65,964,506	66,784,211
Financial assets measured at amortized cost	6,173,266	1,648,196,573	1,654,369,839
Investments accounted for using equity method	-	2,301,619	2,301,619
Investment property	-	66,457,927	66,457,927
Loans	5,534	36,058,970	36,064,504
Reinsurance assets	844,147	-	844,147
Property and equipment	-	10,621,774	10,621,774
Right of use assets	-	4,783,174	4,783,174
Intangible assets	178	605,570	605,748
Deferred tax assets	3,995,084	16,594,113	20,589,197
Other assets	87,113	21,944,614	22,031,727
Separate account product assets	121,432,726	-	121,432,726
Total assets	$ 541,592,445	$ 1,969,252,025	$ 2,510,844,470
Liabilities			
Payables	$ 15,123,350	$ 23,381	$ 15,146,731
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	21,376,362	-	21,376,362
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	83,217	1,882,855	1,966,072
Insurance liabilities	20,696,136	2,060,273,712	2,080,969,848
Foreign exchange valuation reserve	-	30,705,210	30,705,210
Provision	-	49,016	49,016
Deferred tax liabilities	20,316,804	1,719,705	22,036,509
Other liabilities	563,198	1,206,295	1,769,493
Separate account product liabilities	121,432,726	-	121,432,726
Total liabilities	$ 199,591,793	$ 2,125,867,069	$ 2,325,458,862

Item	March 31, 2024		
	Recovery or Settlement within 12 Months	**Recovery or Settlement More than 12 Months**	**Total**
Assets			
Cash and cash equivalents	$ 35,434,908	$ -	$ 35,434,908
Receivables	21,436,173	-	21,436,173
Current tax assets	2,683,885	608,061	3,291,946
Financial assets at fair value through profit or loss	334,754,791	83,822,063	418,576,854
Financial assets at fair value through other comprehensive income	796,751	68,761,481	69,558,232
Financial assets measured at amortized cost	9,255,874	1,627,348,406	1,636,604,280
Investments accounted for using equity method	-	2,323,168	2,323,168
Investment property	-	69,560,801	69,560,801
Loans	2,912	34,022,886	34,025,798
Reinsurance assets	1,093,395	-	1,093,395
Property and equipment	-	10,523,214	10,523,214
Right of use assets	-	4,876,806	4,876,806
Intangible assets	-	500,531	500,531
Deferred tax assets	3,506,971	16,591,540	20,098,511
Other assets	62,995	15,386,203	15,449,198
Separate account product assets	119,961,900	-	119,961,900
Total assets	$ 528,990,555	$ 1,934,325,160	$ 2,463,315,715
Liabilities			
Payables	$ 13,614,075	$ 23,081	$ 13,637,156
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	17,227,297	-	17,227,297
Bonds payable	-	20,000,000	20,000,000
Lease liabilities	87,114	1,903,608	1,990,722
Insurance liabilities	20,711,183	2,067,018,213	2,087,729,396
Foreign exchange valuation reserve	-	13,896,058	13,896,058
Provision	-	138,867	138,867
Deferred tax liabilities	14,904,016	1,829,132	16,733,148
Other liabilities	292,031	902,990	1,195,021
Separate account product liabilities	119,961,900	-	119,961,900
Total liabilities	$ 186,797,616	$ 2,105,718,844	$ 2,292,516,460

41. CAPITAL MANAGEMENT

The Company's main objective of capital management is to make sure the risk-based capital (RBC) ratio and the Company's equity divided by total assets excluding the separate accounts product assets calculated in accordance with "Regulations Governing Capital Adequacy of Insurance Companies" meets the ratio provided by the Insurance Act, to maintain a sound capital structure to protect rights and interests of customers and shareholders.

The Company implements capital management mainly by monitoring the results of RBC report to ensure its solvency.

42. RELATED PARTY TRANSACTION

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

a. Name and nature of relationship of the related parties

Name of the Related Parties	Nature of Relationship of the Related Parties
KGI Financial Holding Co., Ltd. (KGI Financial)	Parent company/juristic-person director of the Company (parent company)
CDIB Capital Group	Brother company (other related party)
KGI Securities Co., Ltd.	Brother company (other related party)
KGI Bank	Brother company (other related party)
KGI Securities Investment Trust Co., Ltd.	Brother company (other related party)
KGI Asset Management Co., Ltd.	Other related party
CDIB Capital Management Inc.	Other related party
CDIB & Partners Investment Holding Corporation	Other related party
CDIB Innovation Advisors Corporation Limited	Other related party
CDIB Capital Growth Partners L.P.	Other related party
CDIB Capital Healthcare Ventures II Limited Partnership	Other related party
CDIB CME Fund Ltd.	Other related party
KGI Venture Capital Co., Ltd.	Other related party
Funds managed by KGI Securities Investment Trust Co., Ltd.	Other related party
KGI Insurance Brokers Co., Ltd.	Other related party
KGI Futures Co., Ltd.	Other related party
KGI Finance & Leasing Corporation	Other related party
KGI Securities Investment Advisory Co., Ltd.	Other related party
Soar Taiwan Co., Ltd.	Other related party (Note 1)
CDIB-Innolux II Limited Partnership	Other related party (Note 2)
GPPC Development Corp.	Other related party (Note 3)
GPPC Chemical Corporation	Other related party
CDIB Capital Asia Partners L.P.	Other related party
CDIB Capital International Corporation	Other related party
CDIB Capital Global Opportunities Fund L.P.	Other related party

(Continued)

Name of the Related Parties	Nature of Relationship of the Related Parties
China Development Foundation	Substantial related party
KGI Culture and Arts Foundation	Substantial related party (Note 4)
Others	Directors, the key management personnel with their spouse, the relationship within second degree by consanguinity and KGI Financial's affiliates or substantial related parties (other related party) (Note 5)

(Concluded)

Note 1: Since January 30, 2024, Soar Taiwan Co., Ltd. has become other related party of the Company.

Note 2: Since March 19, 2024, CDIB-Innolux II Limited Partnership has become other related party of the Company.

Note 3: Since August 23, 2024, GPPC Development Corp. was no longer the related party of the Company.

Note 4: Since March 24, 2025, KGI Culture and Arts Foundation has become substantial related party of the Company.

Note 5: Related parties such as parent company, brother company, and other related parties of the Company as the result of the tender offer by KGI Financial.

b. Significant transactions with the related parties are as follows:

1) Cash in banks

Name	March 31, 2025	December 31, 2024	March 31, 2024
KGI Bank	$ 6,694,409	$ 8,277,568	$ 5,690,943

2) Receivables

Name	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables:			
Parent company	$ 38,127	$ 39,076	$ 51,506
KGI Bank	521,565	773,966	115,416
Other related parties	142,508	188,049	485,756
Total	$ 702,200	$ 1,001,091	$ 652,678

3) Derivative financial instruments

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (March 31, 2025) Items	Balance
Other related parties	Swap contracts	2025/01/07-2026/02/12	US$ 1,310,000	financial liability at fair value through profit or loss	$ 567,534

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (December 31, 2024) Items	Balance
Other related parties	Swap contracts	2024/08/20-2025/03/24	US$ 1,240,000	financial liability at fair value through profit or loss	$ 1,114,628

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (March 31, 2024) Items	Balance
Other related parties	Swap contracts	2023/10/13-2024/11/20	US$ 1,080,000	financial liability at fair value through profit or loss	$ 605,234

4) Financial assets at fair value through profit and loss

Name	March 31, 2025	December 31, 2024	March 31, 2024
Stocks:			
Other related parties	$ 1,390,001	$ 1,443,053	$ 1,192,416
Beneficiary certificates:			
Other related parties	19,799,669	16,698,444	16,364,515
Total	$ 21,189,670	$ 18,141,497	$ 17,556,931

5) Financial assets at fair value through other comprehensive income

Name	March 31, 2025	December 31, 2024	March 31, 2024
Stocks:			
Other related parties	$ 29,978	$ 29,560	$ 30,596

6) Policy loans

Name	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties	$ 12,931	$ 12,729	$ 14,374

7) Current tax assets

Name	March 31, 2025	December 31, 2024	March 31, 2024
Parent company	$ 6,390,838	$ 5,740,385	$ 3,285,720

It is the tax that shall be collected from the parent company arising from the consolidated tax return of income tax between the Company and the parent company and its subsidiaries by the policy jointly declaration of tax.

8) Other assets

Name	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments:			
Other related parties	$ 6,085	$ 5,962	$ -

9) Payables

Name	March 31, 2025	December 31, 2024	March 31, 2024
Commissions payable:			
Other related parties	$ 72,666	$ 33,218	$ 58,447
Other payables:			
Other related parties	35,467	56,921	122,486
Total	$ 108,133	$ 90,139	$ 180,933

10) The Company entrusted the parent company to collect and transfer the prepayments for equipment and prepayments expense to non-related parties. As of March 31, 2025, December 31, 2024 and March 31, 2024, the transaction amount of the prepayments for equipment and prepayments expense was $13,388 thousand, $18,103 thousand and $15,858 thousand, respectively. For the three months ended March 31, 2025 and 2024, the transaction incurred an operating expense of $711 thousand and $0 thousand, respectively. As of March 31, 2025, December 31, 2024 and March 31, 2024, there was no payable arising from the aforementioned transaction.

11) Bonds payable

Name	March 31, 2025	December 31, 2024	March 31, 2024
KGI Securities Co., Ltd.	$ 4,850,000	$ 4,850,000	$ 4,850,000

As of March 31, 2025, December 31, 2024 and March 31, 2024, KGI Securities Co., Ltd. held a total face value of $4,850,000 thousand of corporate bonds issued by the Company, and the interest payable generated amounted to $33,724 thousand, $1,435 thousand and $33,990 thousand. The interest expenses in the above transactions attributable to KGI Securities Co., Ltd. amounted to $32,289 thousand and $32,559 thousand, for the three months ended March 31, 2025 and 2024, respectively.

12) Guarantee deposits received

Name	March 31, 2025	December 31, 2024	March 31, 2024
Parent company	$ 16,452	$ 16,452	$ 16,452
Other related parties	68,602	68,321	68,328
Total	$ 85,054	$ 84,773	$ 84,780

13) Other liabilities

Name	March 31, 2025	December 31, 2024	March 31, 2024
Unearned receipts:			
Parent company	$ -	$ -	$ 5,703
Other related parties	-	-	4,744
Temporary receipts:			
Parent company	328	328	-
Other related parties	285	33	-
Total	$ 613	$ 361	$ 10,447

14) Premium income

Name	For the Three Months Ended March 31	
	2025	2024
Parent company	$ 678	$ 222
Other related parties	26,098	31,557
Total	$ 26,776	$ 31,779

15) Fee income

Name	For the Three Months Ended March 31	
	2025	2024
Other related parties	$ 3,150	$ 4,146

16) Interest income

Name	For the Three Months Ended March 31	
	2025	2024
Other related parties	$ 13,268	$ 7,672

17) Financial assets measured at fair value through profit or loss

Name	For the Three Months Ended March 31	
	2025	2024
Other related parties	$ 237,993	$ 179,735

18) Gains on Investment property

Name	For the Three Months Ended March 31	
	2025	**2024**
Parent company	$ 15,840	$ 16,674
KGI Bank	43,062	45,272
Other related parties	21,674	69,858
Total	$ 80,576	$ 131,804

According to contracts, leasing periods are generally 3 to 20 years, and rentals are usually paid monthly.

19) Insurance claim payments

Name	For the Three Months Ended March 31	
	2025	**2024**
Other related parties	$ 1,659	$ 1,509

20) Commission expenses

Name	For the Three Months Ended March 31	
	2025	**2024**
Other related parties	$ 230,170	$ 190,051

21) Professional service fees (recognized in operating expenses)

Name	For the Three Months Ended March 31	
	2025	**2024**
Other related parties	$ 10,084	$ 4,314

22) Handling fees (recognized in net investment incomes (losses) or in adjustment for investment cost)

Name	For the Three Months Ended March 31	
	2025	**2024**
Other related parties	$ 40,214	$ 33,988

Other handling fees (recognized in operating expenses)

Name	For the Three Months Ended March 31	
	2025	**2024**
Other related parties	$ 7,634	$ 6,889

23) Donation expense (recognized in operating expenses)

Name	For the Three Months Ended March 31	
	2025	2024
Other related parties	$ 14,000	$ -

24) Finance costs

Name	For the Three Months Ended March 31	
	2025	2024
Parent company	$ 36	$ 31
KGI Securities Co., Ltd.	32,303	32,572
Other related parties	171	150
Total	$ 32,510	$ 32,753

25) Non-operating income and expenses

Name	For the Three Months Ended March 31	
	2025	2024
Parent company	$ 841	$ 898
KGI Bank	2,624	2,582
Other related parties	2,003	623
Total	$ 5,468	$ 4,103

The abovementioned transaction terms with related parities do not differ from that with non-related parties.

c. Key management personnel remuneration

Item	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 244,743	$ 96,387
Post-employment benefits	1,344	1,512
Share-based payment	5,554	14,852
Total	$ 251,641	$ 112,751

43. PLEDGED ASSETS

Details of pledged and guaranteed assets are as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Government bonds (recognized as refundable deposits)	$ 16,008,786	$ 21,763,025	$ 15,099,913
Cash in bank (recognized as refundable deposits)	27,899	59,392	66,247
Total	$ 16,036,685	$ 21,822,417	$ 15,166,160

44. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Investment commitment not yet contributed

As of March 31, 2025, among the investment contracts signed, the upper limit of the amount not yet contributed were NT$4,119,862 thousand, US$598,351 thousand and EUR11,986 thousand.

45. SIGNIFICANT LOSSES FROM DISASTER

None.

46. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

47. OTHER ITEMS

a. Foreign currency financial assets and liabilities with significant influence as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	March 31, 2025		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 46,434,301	33.1820	$ 1,540,782,990
AUD	5,906,070	20.8035	122,866,924
Non-monetary items			
USD	2,410,967	33.1820	80,000,693
Financial liabilities			
Monetary items			
USD	1,640	33.1820	54,418

	December 31, 2024		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 46,031,801	32.7810	$ 1,508,968,481
AUD	5,911,449	20.3947	120,562,221
Non-monetary items			
USD	2,283,879	32.7810	74,867,845
Financial liabilities			
Monetary items			
USD	7,915	32.7810	259,472

	March 31, 2024		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 45,862,344	31.9900	$ 1,467,136,370
AUD	5,786,421	20.8127	120,431,036
Non-monetary items			
USD	2,058,467	31.9900	65,850,357
Financial liabilities			
Monetary items			
USD	4,914	31.9900	157,208

The above information is disclosed based on the carrying amount of the foreign currencies, which has been translated to the functional currency.

b. Participation of unconsolidated structured entities

As of March 31, 2025, December 31, 2024 and March 31, 2024, interests in unconsolidated structured entities the Company holds are as follows. The Company does not provide any financial or other support for these structured entities. The estimated maximum exposure amount is the interests the Company holds.

March 31, 2025

	Private Equity Fund	Asset Securitization Product	Total
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 43,913,371	$ 1,449,510	$ 45,362,881
Financial assets measured at amortized cost	-	6,901,519	6,901,519
The maximum exposure amount	43,913,371	8,351,029	52,264,400
Financial or other support provided	None	None	

December 31, 2024

	Private Equity Fund	Asset Securitization Product	Total
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 42,012,262	$ 1,743,951	$ 43,756,213
Financial assets measured at amortized cost	-	6,865,957	6,865,957
The maximum exposure amount	42,012,262	8,609,908	50,622,170
Financial or other support provided	None	None	

March 31, 2024

	Private Equity Fund	Asset Securitization Product	Total
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 34,544,422	$ 4,403,868	$ 38,948,290
Financial assets measured at amortized cost	-	6,836,596	6,836,596
The maximum exposure amount	34,544,422	11,240,464	45,784,886
Financial or other support provided	None	None	

c. Discretionary account management

1) The Company contracts with securities investment trust business for discretionary investments management: None.

2) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company’s discretionary investments: None.

d. Revenue, cost, expense and profit (loss) sharing between the insurance enterprise and the financial holding company and other subsidiaries in terms of business or trading activities, joint business promotions, sharing of information, and sharing of facilities or premises shall be apportioned to the relative trading companies by direct attribution or the cross selling contract or other reasonable methods (for example: Headcount etc.) according to the nature of the business. Please refer to Note 42 related party transactions.

e. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company’s equity divided by total assets excluding the separate accounts product assets was 7.24%, 7.76% and 7.29%.

48. ADDITIONAL DISCLOSURE

a. Information on significant transactions:

1) Acquisition of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

2) Disposal of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

3) Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more: please refer to Note 42.

4) Accounts receivable from related parties reaching NT$100 million or 20% of paid-in or more: Please refer to Table 1.

5) Trading in derivative instruments:

   As of March 31, 2025, December 31, 2024 and March 31, 2024, the amount (notional amount) that the Company engaged in the contract of derivative instruments transactions is as follows: (Unit: US dollar in thousand)

   - Type of derivative instrument held:

	March 31, 2025	December 31, 2024	March 31, 2024
Swap and forward exchange contracts	$ 21,537,656	$ 29,634,886	$ 26,832,148

b. Information on investees:

1) Information on investee company that the Company exercises significant influence over: Please refer to Table 2.

2) If the Company directly or indirectly exercises significant influence over the investee, it shall disclose information on significant transaction with the investee:

   a) Loans made to others: None.

   b) Endorsements/guarantees for others: Please refer to Table 3.

   c) Securities held at the end of the period: Please refer to Table 4.

   d) Transactions where the aggregate purchases or sales of the same security reaching NT$100 million or 20% of paid-in capital or more: None.

   e) Acquisition of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

   f) Disposal of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

   g) Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more: None.

   h) Accounts receivable from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

   i) Trading in derivative instruments: None.

c. Information regarding investment in Mainland China

1) The Company set up China Life Insurance Co., Ltd. (Taiwan) Beijing Representative Office in Mainland China, which was approved by FSC on November 2004 and was approved by the China Insurance Regulatory Commission in July 2005. The Beijing representative office was officially established in August 2005.

   The original name China Life Insurance Co., Ltd. (Taiwan) Beijing Representative Office was approved by the Beijing Municipal Bureau of Market Supervision and Administration on February 9, 2024, to be renamed KGI Life Insurance Co., Ltd. Beijing Representative Office.

2) The Company participated in the equity investment of Pacific-Antna Life Insurance Company Ltd. in Mainland China authorized by FSC on December 30, 2010, and by the Investment Commission of the Ministry of Economic Affairs (MOEAIC) on January 28, 2011, and by the China Insurance Regulatory Commission on April 6, 2011. The Company remitted US$58,775 thousand on June 24, 2011, completed settlement on June 29, 2011 and obtained 19.9% ownership. The Company shared 100% equity of Pacific-Antna Life Insurance Company Ltd. with China Construction Bank and other financial investors and used the channel and customer resources of China Construction Bank to develop bank insurance business which is to ensure the Company successfully enters the mainland market and increases the Company's long-term value and shareholders' interests. Pacific-Antna Life Insurance Company Ltd. was renamed to CCB Life Insurance Company Ltd. authorized by the China Insurance Regulatory Commission on June 7, 2011. And CCB Life Insurance Company Ltd. made an announcement to change into a company limited by shares from a limited company on December 20, 2016.

   The Investment Commission of the Ministry of Economic Affairs (MOEAIC) authorized the Company to increase capital of US$216,000 thousand CCB Life Insurance Company Ltd. on August 29, 2011 and to remit US$11,844 thousand on August 30, 2011. The increased share capital case was approved by China Insurance Regulatory Commission on September 28, 2011 and by Shanghai Administration for Industry and Commerce on December 13, 2011. Moreover, the Company remitted US$179,070 thousand to increase share capital in June 2012, and this increased share capital case was approved by China Insurance Regulatory Commission on July 27, 2012 and by Shanghai Administration for Industry and Commerce on November 5, 2012. MOEAIC authorized the Company to revoke the approved case on August 29, 2011 of US$25,086 thousand not implemented on October 2, 2017.

   On December 29, 2016, the Board has resolved to participate CCB Life Insurance Co., Ltd.'s capital raising plan in exact proportion to its current shareholding. The MOEAIC approved the Company's plan to increase capital investment in CCB Life Insurance Company Ltd. on March 29, 2017 and the Company remitted CNY1,194,000 thousand in April 2019. The capital raising plan was approved by the China Insurance Regulatory Commission on July 21, 2020 and the Shanghai Administration for Industry and Commerce as of October 28, 2020.

3) Information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area: Please refer to Table 5.

d. Information of major shareholders:

   For all shareholders with ownership of 5% or greater, the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder should be disclosed: N/A.

49. SEGMENT INFORMATION

a. Information on products and services

   The Company engaged in life insurance business in accordance with Insurance Act. According to IFRS 8 "Operating Segments", the Company offers only insurance contract products. The operating executives assign resources on a basis of entire company, therefore the entire company is a single operating segment.

b. Information on the geographical areas

The Company does not have foreign operating segment, therefore no information shall be disclosed.

c. Information on major customer

The Company does not have any one customer whose revenue constitute 10% or more on the income statement, therefore no information shall be disclosed.

KGI LIFE INSURANCE CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
The Company	KGI Bank	Brother company	Other receivables	$ 521,565	Note 1	$ -	-	$ 419,464	$ -
	KGI Financial Holding Co., Ltd.	Parent company	Tax receivables	6,390,838	Note 2	-	-	-	-
			Other receivables	38,127	Note 3	-	-	-	-

Note 1: No turnover rate is available as the receivables were caused by Automated Clearing House (ACH) and the rent receivable of the leased house.

Note 2: No turnover rate is available as the receivables were caused by the policy jointly declaration of tax.

Note 3: No turnover rate is available as the receivables were caused by the rent receivable of the leased office.

TABLE 2

KGI LIFE INSURANCE CO., LTD.

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Recognized Investment Gain (Loss) for the Period	Note
				March 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	Shenhe Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	$ 199,000	$ 199,000	19,900,000	19.90	$ 208,052	$ (809)	$ (163)	Investments accounted for using equity method
	Fu Bao Yi Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	500,000	500,000	50,000,000	39.68	525,203	(2,270)	(7,616)	Investments accounted for using equity method
	Taipan Solar Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	421,200	421,200	42,120,000	30.00	432,987	(5,359)	(1,608)	Investments accounted for using equity method
	ThrivEnergy Co., Ltd.	Taiwan	Energy technology service industry	216,000	216,000	21,600,000	28.80	215,185	(6,428)	9,818	Investments accounted for using equity method
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture capital	97,885	97,885	30,174,514	20.00	197,590	(28,979)	(5,796)	Investments accounted for using equity method
	Guang Bei Company Limited	Taiwan	Energy technology service industry	264,269	264,269	26,426,925	42.50	269,021	(111)	84	Investments accounted for using equity method
	Perpetual New Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	160,000	160,000	16,000,000	40.00	153,549	(4,058)	(1,632)	Investments accounted for using equity method
	Chi He Low Carbon Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	52,000	52,000	5,200,000	40.00	51,151	(312)	(125)	Investments accounted for using equity method
	Kai-Hong Energy Co., Ltd.	Taiwan	Investment activities	250,629	250,629	25,062,900	29.00	237,068	(14,445)	(4,189)	Investments accounted for using equity method
	Fu Bao Le Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	12,500	-	1,250,000	41.67	6,827	(13,648)	(5,673)	Investments accounted for using equity method

TABLE 3

KGI LIFE INSURANCE CO., LTD.

ENDORSEMENTS/GUARANTEES FOR OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
	Name	Relationship										
Shenhe Energy Co., Ltd.	Dehe Energy Co., Ltd.	Parent and Subsidiary	None	$ 3,858,540	$ 3,858,540	$ 1,960,732	$ -	369	None	Yes	No	No
	Dehe 1 Energy Co., Ltd.	Parent and Subsidiary	None	17,260	17,260	15,644	-	2	None	Yes	No	No
	Dehe 2 Energy Co., Ltd.	Parent and Subsidiary	None	38,200	38,200	32,761	-	4	None	Yes	No	No
Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd	Parent and Subsidiary	None	400,000	400,000	400,000	400,000	104	None	Yes	No	No
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar Co., Ltd.	Parent and Subsidiary	None	6,644,582	6,539,379	6,539,379	-	492	None	Yes	No	No
Fu Bao Le Hao Energy Co., Ltd.	Xiang Guang Energy Co., Ltd.	Parent and Subsidiary	None	2,250,000	-	-	-	-	None	Yes	No	No

Note: Investee Company's net value of the most recent financial statement is the book balance of the investee company, unreviewed by the CPA.

KGI LIFE INSURANCE CO., LTD.

SECURITIES HELD AT THE END OF THE PERIOD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Shares/Capital	Carrying Amount (Note 2)	Percentage of Ownership (%)	Fair Value	
	Stocks							
CDIB Capital Healthcare Ventures Limited	Powder Pharmaceuticals, Inc.	None	Financial assets at fair value through profit or loss - non-current	7,192	$ 4,978	4.99	$ 4,978	
	Paonan Biotech Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	2,868,750	59,670	16.07	59,670	
	APrevent Medical Inc.	None	Financial assets at fair value through profit or loss - non-current	1,907,917	58,115	5.98	58,115	
	Steminent Biotherapeutics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,322,000	51,781	4.14	51,781	
	Trust Bio-sonics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,675,690	48,162	8.28	48,162	
	AmMax Bio, Inc.	None	Financial assets at fair value through profit or loss - non-current	602,154	21,379	0.95	21,379	
	Immune-Onc Therapeutics, Inc.	None	Financial assets at fair value through profit or loss - non-current	1,262,442	13,271	1.17	13,271	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through profit or loss - non-current	5,481,000	673,728	8.21	673,728	
	TWI Biotechnology Inc.	None	Financial assets at fair value through profit or loss - non-current	992,000	12,102	1.13	12,102	
	TOT Biopharm International Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,905,800	15,769	0.25	15,769	
	CellMax, Limited	None	Financial assets at fair value through profit or loss - non-current	995,322	5,601	0.41	5,601	

Note 1: Investment adopting the equity method does not need to disclose the fair value.

Note 2: Unreviewed by the CPA.

KGI LIFE INSURANCE CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Remittance for Investment for the Period		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025	Note
					Outward	Inward							
CCB Life Insurance Ltd. (Note 1)	Life insurance	$ 32,212,967 (CNY 7,120,461 thousand)	Direct investment in Mainland China	$ 12,880,969	$ -	$ -	$ 12,880,969	$ 1,875,846 (Note 3)	19.90	$ -	$ 10,316,767 (Note 2)	$ 229,387 (Note 4)	

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$12,880,969	$12,880,969	$103,864,375

Note 1: The investee company was originally named as Pacific-Antna Life Insurance Company Ltd. On June 7, 2011, the investee company was approved to change the name to CCB Life Insurance Ltd. by China Insurance Regulatory Commission. On December 20, 2016, the investee company announced to restructure as incorporation.

Note 2: The Company classified the investment in the financial assets at fair value through other comprehensive income. The ending carrying amount includes unrealized gains or losses.

Note 3: Investee Company’s profit or loss for the period is the book balance of the investee company, unreviewed by the CPA.

Note 4: Accumulated cash dividends distributed in previous years.