KGI Life Insurance Co., Ltd.

Financial Statements for the
Three Months Ended March 31, 2026 and 2025 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, 2026 and the restated December 31, 2025, March 31, 2025 and January 1, 2025 and the related statements of comprehensive income, the statements of changes in equity and cash flows for the three months ended March 31, 2026 and the restated three months ended March 31, 2025, and the related 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, Insurance Bureau Letter Bao-Ju-Cai No. 1140495239, and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and become effective by the 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, 2026 and the restated December 31, 2025, March 31, 2025, and January 1, 2025, and its financial performance and cash flows for the three months ended March 31, 2026 and the restated three months ended March 31, 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Insurance Bureau Letter Bao-Ju-Cai No. 1140495239, and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As described in Note 3 to the financial statements, KGI Life Insurance Co., Ltd. Corporation and its subsidiaries (collectively, the “Company”) has applied IFRS 17 Insurance Contracts effective January 1, 2026, and has applied the standard retrospectively and restated the comparative financial statements.

As disclosed in Note 4 to the financial statements, pursuant to the proviso concerning “foreign exchange gains and losses” under Article 12 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, together with the requirements set forth in Insurance Bureau Letter Bao-Ju-Cai No. 1140495239, KGI Life Insurance Co., Ltd. has, effective January 1, 2026, adopted an accounting treatment whereby exchange differences arising from debt instruments measured at amortized cost, whose foreign currency risk components have not been designated as hedging instruments, are amortized and recognized individually on a security-by-security basis within foreign exchange gains and losses over the instruments’ expected remaining duration using the straight-line method.

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 14, 2026

<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, 2026		December 31, 2025 (Restated)		March 31, 2025 (Restated)		January 1, 2025 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	$ 47,260,714	2	$ 45,526,446	2	$ 46,830,054	2	$ 40,215,185	2
RECEIVABLES (Notes 7 and 44)	20,263,953	1	19,981,011	1	16,899,707	1	18,004,137	1
CURRENT TAX ASSETS (Notes 4 and 44)	4,405,857	-	4,405,857	-	6,410,009	-	5,759,556	-
INVESTMENT								
Financial assets at fair value through profit or loss (Notes 3, 4, 8 and 44)	118,262,078	4	479,687,679	19	422,851,727	17	438,340,762	18
Financial assets at fair value through other comprehensive income (Notes 3, 4, 9 and 44)	803,363,919	32	90,704,883	3	67,911,795	3	66,784,211	3
Financial assets at amortized cost (Notes 3, 4 and 10)	1,228,356,401	49	1,583,861,316	63	1,668,955,010	67	1,654,369,839	67
Investments accounted for using equity method (Notes 4, 11 and 44)	2,312,330	-	2,432,966	-	2,296,633	-	2,301,619	-
Investment property (Notes 4 and 12)	68,940,138	3	66,416,880	3	66,360,148	3	66,457,927	2
Loans (Notes 4 and 13)	1,528,275	-	731,212	-	321,486	-	298,852	-
Total investment	2,222,763,141	88	2,223,834,936	88	2,228,696,799	90	2,228,553,210	90
INSURANCE CONTRACT ASSETS (Notes 3, 4, 5 and 21)	196,776	-	136,259	-	234,151	-	206,257	-
REINSURANCE CONTRACT ASSETS (Notes 3, 4, 5 and 22)	105,423	-	175,395	-	110,694	-	174,641	-
PROPERTY AND EQUIPMENT (Notes 4, 14 and 44)	10,407,027	1	10,455,389	1	10,558,897	-	10,621,774	-
RIGHT-OF-USE ASSETS (Notes 4 and 15)	4,665,587	-	4,678,556	-	4,745,346	-	4,783,174	-
INTANGIBLE ASSETS (Note 4)	633,864	-	577,571	-	618,322	-	605,748	-
DEFERRED TAX ASSETS (Notes 4 and 36)	32,181,711	1	31,792,053	1	21,729,230	1	20,589,197	1
OTHER ASSETS (Notes 16 and 44)	28,464,220	1	34,679,731	1	16,240,157	1	22,034,259	1
SEPARATE ACCOUNT PRODUCTS ASSETS (Notes 4 and 17)	147,504,353	6	139,165,020	6	120,034,632	5	121,425,377	5
TOTAL	$ 2,518,852,626	100	$ 2,515,408,224	100	$ 2,473,107,998	100	$ 2,472,972,515	100
LIABILITIES AND EQUITY								
PAYABLES (Notes 18 and 44)	$ 10,314,864	-	$ 10,070,889	-	$ 5,515,027	-	$ 7,014,114	-
CURRENT TAX LIABILITIES (Notes 4 and 44)	5,787,218	-	3,288,863	-	6,895	-	6,895	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 19 and 44)	83,313,096	3	91,689,481	4	71,848,438	3	81,698,948	3
BONDS PAYABLE (Notes 20 and 44)	40,000,000	2	30,000,000	1	30,000,000	1	30,000,000	1
LEASE LIABILITIES (Notes 4 and 15)	1,972,415	-	1,933,467	-	1,949,303	-	1,966,072	-
INSURANCE CONTRACT LIABILITIES (Notes 3, 4, 5 and 21)	1,985,402,831	79	2,003,450,479	80	1,944,518,168	79	1,940,242,953	78
REINSURANCE CONTRACT LIABILITIES (Notes 3, 4, 5 and 22)	12,943,826	1	13,512,613	-	12,586,734	1	12,674,941	1
PROVISIONS (Notes 4 and 23)	34,180	-	33,737	-	45,406	-	49,016	-
DEFERRED TAX LIABILITIES (Notes 4 and 36)	36,332,804	1	38,990,473	2	51,746,555	2	47,970,614	2
OTHER LIABILITIES (Notes 4, 24 and 44)	95,596,798	4	77,526,155	3	71,081,493	3	62,226,932	3
Total liabilities	2,271,698,032	90	2,270,496,157	90	2,189,298,019	89	2,183,850,485	88
EQUITY								
Common stock (Note 26)	52,184,896	2	52,184,896	2	50,684,896	2	50,684,896	2
Capital surplus (Note 27)	7,485,590	-	7,481,373	1	7,472,302	-	7,461,996	-
Retained earnings (Note 28)								
Legal capital reserve	34,909,961	2	34,909,961	1	30,469,176	1	30,469,176	1
Special capital reserve	151,067,948	6	100,887,582	4	86,709,942	4	86,709,942	4
Unappropriated retained earnings	75,113,872	3	95,810,838	4	107,610,557	4	116,234,271	5
Total retained earnings	261,091,781	11	231,608,381	9	224,789,675	9	233,413,389	10
Other equity	(73,607,673)	(3)	(46,362,583)	(2)	863,106	-	(2,438,251)	-
Total equity	247,154,594	10	244,912,067	10	283,809,979	11	289,122,030	12
TOTAL	$ 2,518,852,626	100	$ 2,515,408,224	100	$ 2,473,107,998	100	$ 2,472,972,515	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			
	2026		2025 (Restated)	
	Amount	%	Amount	%
INSURANCE SERVICE RESULT				
Insurance revenue (Notes 4, 21 and 29)	$ 11,027,306	100	$ 10,471,907	100
Insurance service expenses (Notes 4, 21 and 30)	(6,432,858)	(58)	(6,564,439)	(63)
Income or expenses from reinsurance contracts held (Notes 4, 22 and 31)	(39,314)	(1)	(158,581)	(1)
Total insurance service result	4,555,134	41	3,748,887	36
FINANCIAL RESULT				
Net investment incomes (Notes 4, 32, 33, 34 and 44)				
Interest income	17,790,968	161	16,319,154	156
Losses on financial assets and liabilities at fair value through profit or loss	(10,186,904)	(92)	(20,379,390)	(195)
Net gains from derecognition of financial assets at amortized cost	917,032	8	62,595	1
Realized gains on financial assets at fair value through other comprehensive income	2,672	-	134,856	1
Share of loss of associates and joint ventures accounted for using equity method	(143,042)	(1)	(16,900)	-
Foreign exchange gains	9,039,304	82	16,086,091	154
Net changes in foreign exchange valuation reserve	(1,461,764)	(13)	(8,325,131)	(80)
Gains (losses) on investment property	318,378	3	(48,498)	(1)
Expected credit impairment reversal (losses) on investments	955	-	(19,348)	-
Net losses from separate account products assets	(119,855)	(1)	(2,199,006)	(21)
Other net investment losses	(1,114)	-	(7,288)	-
Insurance finance income or expenses (Notes 4 and 32)	(14,287,505)	(130)	(10,590,549)	(101)
Finance income or expenses from reinsurance contracts held (Notes 4 and 32)	(59,045)	-	(52,340)	(1)
Total financial result	1,810,080	17	(9,035,754)	(87)
OTHER OPERATING RESULT				
Asset management services income (Note 24)	(1,215,346)	(11)	255,876	2
Other operating income	10,318	-	8,670	-
Finance costs (Note 44)	(331,499)	(3)	(266,390)	(3)
Other operating costs (Note 16)	1,404,259	13	(665,754)	(6)
Other operating expenses (Note 4)	(1,385,990)	(13)	(1,311,407)	(12)
Total other operating result	(1,518,258)	(14)	(1,979,005)	(19)

(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			
	2026		2025 (Restated)	
	Amount	%	Amount	%
OPERATING INCOME (LOSS)	4,846,956	106	(7,265,872)	(194)
NON-OPERATING INCOME AND EXPENSES (Note 44)	9,605	-	15,042	1
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX (LOSS)	4,856,561	106	(7,250,830)	(193)
INCOME TAX EXPENSES (Notes 4 and 36)	(60,089)	(1)	(1,381,529)	(37)
NET INCOME (LOSS)	4,796,472	105	(8,632,359)	(230)
OTHER COMPREHENSIVE INCOME, NET OF TAX (Note 37)				
Items that will not be reclassified subsequently to profit or loss				
Valuation gains on equity instruments at fair value through other comprehensive income	11,440,670	251	327,447	9
Income taxes relating to items that are not be reclassified	(940,468)	(20)	3,008	-
Items that are or may be reclassified subsequently to profit or loss				
(Losses) gains on debt instruments at fair value through other comprehensive income	(11,645,161)	(256)	592,207	16
Insurance finance income or expenses	33,739,197	741	3,036,252	81
Financial income or expenses from reinsurance contracts held	395,566	9	97,516	2
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	146	-	(594)	-
Income taxes relating to items that are or may be reclassified subsequently to profit or loss	(4,997,033)	(110)	(745,834)	(20)
Other comprehensive income, net of tax	27,992,917	615	3,310,002	88
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 32,789,389	720	$ (5,322,357)	(142)
EARNINGS PER SHARE (Note 38)				
Basic earnings per share	$ 0.92		$ (1.65)	

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 Income	Income for Hedging	Property Revaluation Surplus	Insurance Finance Income or Expenses Recognized in Other Comprehensive Income	Net Financial Income or Expenses from Reinsurance Contracts Held Recognized in Other Comprehensive Income	Other Comprehensive Income Reclassified Using Overlay Approach	Total
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
Effect of retrospective application and restatement	-	-	-	-	94,058,304	-	-	-	569,480	(16,641)	9,125,279	103,736,422
BALANCE ON JANUARY 1, 2025 (AS RESTATED)	50,684,896	7,461,996	30,469,176	86,709,942	116,234,271	(5,284,884)	1,722	2,292,072	569,480	(16,641)	-	289,122,030
Net loss for the three months ended March 31, 2025	-	-	-	-	(8,632,359)	-	-	-	-	-	-	(8,632,359)
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	803,581	(594)	-	2,429,002	78,013	-	3,310,002
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	(8,632,359)	803,581	(594)	-	2,429,002	78,013	-	(5,322,357)
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	$ 107,610,557	$ (4,489,948)	$ 1,128	$ 2,292,072	$ 2,998,482	$ 61,372	$ -	$ 283,809,979
BALANCE ON DECEMBER 31, 2025	$ 52,184,896	$ 7,481,373	$ 34,909,961	$ 100,887,582	$ 95,810,838	$ (1,144,209)	$ 417	$ 2,300,748	$ (46,883,118)	$ (636,421)	$ -	$ 244,912,067
Effect of redesignation of financial assets	-	-	-	-	10,458,747	(41,009,826)	-	-	-	-	-	(30,551,079)
BALANCE ON JANUARY 1 2026, AFTER FINANCIAL ASSET REDESIGNATION	52,184,896	7,481,373	34,909,961	100,887,582	106,269,585	(42,154,035)	417	2,300,748	(46,883,118)	(636,421)	-	214,360,988
Appropriation of special capital reserves for policy value reserve differences	-	-	-	50,178,977	(50,178,977)	-	-	-	-	-	-	-
Appropriation of special capital reserves for policyholder dividend reserves of participating policies	-	-	-	1,389	(1,389)	-	-	-	-	-	-	-
Net income for the three months ended March 31, 2026	-	-	-	-	4,796,472	-	-	-	-	-	-	4,796,472
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	684,960	146	-	26,991,358	316,453	-	27,992,917
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	4,796,472	684,960	146	-	26,991,358	316,453	-	32,789,389
Share-based payment transaction	-	4,217	-	-	-	-	-	-	-	-	-	4,217
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	14,228,181	(14,228,181)	-	-	-	-	-	-
BALANCE ON MARCH 31, 2026	$ 52,184,896	$ 7,485,590	$ 34,909,961	$ 151,067,948	$ 75,113,872	$ (55,697,256)	$ 563	$ 2,300,748	$ (19,891,760)	$ (319,968)	$ -	$ 247,154,594

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	
	2026	**2025 (Restated)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 4,856,561	$ (7,250,830)
Adjustments to reconcile profit (loss)		
Depreciation expense	152,218	155,853
Amortization expense	95,879	92,075
Net losses on financial assets and liabilities at fair value through profit or loss	11,714,887	23,546,198
Net gains on financial assets at fair value through other comprehensive income	(321,216)	(31,641)
Net gains on financial assets at amortized cost	-	(132,394)
Interest expenses	341,159	275,793
Interest income	(17,790,968)	(16,319,154)
Dividend income	(922,351)	(3,038,355)
Net changes in reserve for foreign exchange valuation	1,461,764	8,325,131
Net changes in other reserves	571,489	562,614
Net changes in other provisions	552	(33)
Expected credit impairment (reversal gains) losses on investments	(955)	19,348
Expected credit impairment losses on non-investments	3	439
Net losses from separate account products assets	119,855	2,199,006
Share-based payments	4,217	10,298
Share of profit (loss) of associates and joint ventures accounted for using equity method	143,042	16,900
Losses on disposal or scraping of property and equipment	18	14
Gains on disposal of investment property	(2,518)	(13,654)
Property and equipment transfers into expense	442	35
Losses on valuation of investment property	17,179	371,509
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	2,929,875	(18,296,671)
Increase in financial assets at fair value through other comprehensive income	(16,538,426)	(164,845)
Increase in financial assets at amortized cost	(23,164,212)	(2,580,075)
(Increase) decrease in notes receivable	(37,029)	2,606
(Increase) decrease in other receivables	(506,299)	316,517
Increase in insurance assets	(72,462)	(28,579)
Decrease in reinsurance assets	69,120	63,766
(Increase) decrease in prepaid expenses and other prepayments	(643,086)	7,734
Increase in costs arising from contract acquisition	(2,318,556)	-
(Increase) decrease in refundable deposits	(167)	31,492
Increase in service contracts assets	(17,028)	-
(Increase) decrease in other assets	(33,955)	636
Increase in separate account products assets	(8,459,188)	(808,261)
Increase (decrease) in other payables	71,016	(1,601,776)

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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	
	2026	**2025 (Restated)**
Decrease in commissions payable	(148,937)	(150,647)
Increase in insurance liabilities	15,703,494	7,312,152
(Decrease) increase in reinsurance liabilities	(172,369)	9,490
Increase in accounts collected in advance	75,895	44,629
Increase in service contracts liabilities	1,291,196	-
Increase (decrease) in guarantee deposits received	4,849	(33,162)
Increase (decrease) in other liabilities	14,665,450	(44,651)
Decrease in provision for employee benefits	(109)	(3,577)
Cash flows used in operations	(16,859,671)	(7,134,070)
Interest received	11,389,000	11,310,541
Dividends received	867,463	3,069,895
Interest paid	(19,956)	(22,991)
Income taxes paid	(80,755)	(136,681)
Net cash flows (used in) generated from operating activities	(4,703,919)	7,086,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(22,260)	(12,500)
Acquisition of property and equipment	(116,500)	(94,883)
Acquisition of intangible assets	(104,852)	(62,068)
Increase in loans	(797,063)	(22,634)
Acquisition of investment property	(2,537,784)	(380,191)
Disposal of investment property	34,788	120,115
Net cash flows used in investing activities	(3,543,671)	(452,161)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	10,000,000	-
Principle repayment of lease liabilities	(18,142)	(19,664)
Net cash flows generated from (used in) financing activities	9,981,858	(19,664)
INCREASE IN CASH AND CASH EQUIVALENTS	1,734,268	6,614,869
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	45,526,446	40,215,185
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 47,260,714	$ 46,830,054

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, 2026 AND 2025
(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 and Hualien 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 14, 2026.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and 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

Unless stated below, the application of the amendments to Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

1) IFRS 17 "Insurance Contract" (with 2020 and 2021 amendments)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 "Insurance Contracts". The relevant accounting policies are set out in Note 4(16) Insurance Contracts.

Under IFRS 4, for insurance contracts and financial instruments with discretionary participation features, initial and renewal premiums were recognised as revenue upon receipt and completion of underwriting procedures, and upon the due date for subsequent premiums, respectively. The related policy acquisition costs, such as commission expenses and underwriting costs, were recognised as expenses when the insurance contracts became effective.

The Company has applied the transition provisions of IFRS 17 in its accounting. In principle, the Company applies IFRS 17 retrospectively using the full retrospective approach. However, where such application is impracticable, the Company elects to apply the fair value approach.

Under the full retrospective approach, the Company identifies, recognizes and measures each group of insurance contracts and all insurance acquisition cash flow assets as if IFRS 17 had always been applied since inception as of January 1, 2024. However, no recoverability assessment was performed for insurance acquisition cash flow assets before January 1, 2024. Under the fair value approach, the Company uses reasonable and supportable information and determines the contractual service margin or loss component of the liability for remaining coverage as of January 1, 2025 based on the difference between the fair value of a group of insurance contracts on that date and the fulfillment cash flows measured on that date. Please refer to Note 4(16), Insurance Contracts.

In addition, prior to the adoption of IFRS 17, the Company applied the overlay approach to designated financial assets to mitigate accounting mismatches arising from the earlier application of IFRS 9. The Company ceased applying the overlay approach upon the adoption of IFRS 17.

The Company has applied IFRS 17 retrospectively, discontinued the application of the overlay approach and restated the comparative information. The resulting adjustments to assets, liabilities and equity as of March 31, 2026, December 31, 2025 and March 31, 2025 are set out below:

	Amounts Before Restatement	Adjustments on Initial Application	Amounts After Restatement
December 31, 2025			
Cash and cash equivalents	$ 45,526,446	$ -	$ 45,526,446
Receivables	21,644,247	(1,663,236)	19,981,011
Current tax assets	4,405,857	-	4,405,857
Financial assets at fair value through profit or loss	479,687,679	-	479,687,679
Financial assets at fair value through other comprehensive income	90,704,883	-	90,704,883
Financial assets at amortized cost	1,583,861,316	-	1,583,861,316
Investments accounted for using equity method	2,432,966	-	2,432,966
Investment property	66,416,880	-	66,416,880
Loans	36,984,767	(36,253,555)	731,212
Insurance assets	-	136,259	136,259
Reinsurance assets	1,208,702	(1,033,307)	175,395
Property and equipment	10,455,389	-	10,455,389
Right-of-use assets	4,678,556	-	4,678,556
Intangible assets	577,571	-	577,571
Deferred tax assets	19,912,169	11,879,884	31,792,053
Other assets	34,679,698	33	34,679,731
Separate account product assets	139,206,808	(41,788)	139,165,020
Total assets	$ 2,542,383,934	$ (26,975,710)	$ 2,515,408,224
Payables	$ 19,155,331	$ (9,084,442)	$ 10,070,889
Current tax liabilities	3,288,863	-	3,288,863
Financial liabilities at fair value through profit or loss	30,770,563	60,918,918	91,689,481
Bonds payable	30,000,000	-	30,000,000
Lease liabilities	1,933,467	-	1,933,467
Insurance liabilities	2,055,943,093	(52,492,614)	2,003,450,479
Reinsurance liabilities	-	13,512,613	13,512,613
Foreign exchange valuation reserve	43,372,327	(43,372,327)	-
Provisions	33,737	-	33,737
Deferred tax liabilities	16,091,429	22,899,044	38,990,473
Other liabilities	1,752,888	75,773,267	77,526,155
Separate account product liabilities	139,206,808	(139,206,808)	-
Total liabilities	$ 2,341,548,506	$ (71,052,349)	$ 2,270,496,157

(Continued)

	Amounts Before Restatement	Adjustments on Initial Application	Amounts After Restatement
Common stock	$ 52,184,896	$ -	$ 52,184,896
Capital surplus	7,481,373	-	7,481,373
Legal capital reserve	34,909,961	-	34,909,961
Special capital reserve	100,887,582	-	100,887,582
Unappropriated retained earnings	15,203,550	80,607,288	95,810,838
Other equity	(9,831,934)	(36,530,649)	(46,362,583)
Total equity	$ 200,835,428	$ 44,076,639	$ 244,912,067
March 31, 2025			
Cash and cash equivalents	$ 46,830,054	$ -	$ 46,830,054
Receivables	18,562,812	(1,663,105)	16,899,707
Current tax assets	6,410,009	-	6,410,009
Financial assets at fair value through profit or loss	422,851,727	-	422,851,727
Financial assets at fair value through other comprehensive income	67,911,795	-	67,911,795
Financial assets at amortized cost	1,668,955,010	-	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	35,863,398	(35,541,912)	321,486
Insurance assets	-	234,151	234,151
Reinsurance assets	806,827	(696,133)	110,694
Property and equipment	10,558,897	-	10,558,897
Right-of-use assets	4,745,346	-	4,745,346
Intangible assets	618,322	-	618,322
Deferred tax assets	22,117,601	(388,371)	21,729,230
Other assets	16,238,995	1,162	16,240,157
Separate account product assets	120,044,838	(10,206)	120,034,632
Total assets	$ 2,511,172,412	$ (38,064,414)	$ 2,473,107,998
Payables	$ 13,493,439	$ (7,978,412)	$ 5,515,027
Current tax liabilities	6,895	-	6,895
Financial liabilities at fair value through profit or loss	11,964,090	59,884,348	71,848,438
Bonds payable	30,000,000	-	30,000,000
Lease liabilities	1,949,303	-	1,949,303
Insurance liabilities	2,095,364,943	(150,846,775)	1,944,518,168
Reinsurance liabilities	-	12,586,734	12,586,734
Foreign exchange valuation reserve	39,030,341	(39,030,341)	-
Provisions	45,406	-	45,406
Deferred tax liabilities	24,459,254	27,287,301	51,746,555
Other liabilities	1,706,611	69,374,882	71,081,493
Separate account product liabilities	120,044,838	(120,044,838)	-
Total liabilities	$ 2,338,065,120	$ (148,767,101)	$ 2,189,298,019

(Continued)

	Amounts Before Restatement	Adjustments on Initial Application	Amounts After Restatement
Common stock	$ 50,684,896	$ -	$ 50,684,896
Capital surplus	7,472,302	-	7,472,302
Legal capital reserve	30,469,176	-	30,469,176
Special capital reserve	86,709,942	-	86,709,942
Unappropriated retained earnings	28,360,891	79,249,666	107,610,557
Other equity	(30,589,915)	31,453,021	863,106
Total equity	$ 173,107,292	$ 110,702,687	$ 283,809,979
January 1, 2025			
Cash and cash equivalents	$ 40,215,185	$ -	$ 40,215,185
Receivables	19,642,374	(1,638,237)	18,004,137
Current tax assets	5,759,556	-	5,759,556
Financial assets at fair value through profit or loss	438,340,762	-	438,340,762
Financial assets at fair value through other comprehensive income	66,784,211	-	66,784,211
Financial assets at amortized cost	1,654,369,839	-	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	36,064,504	(35,765,652)	298,852
Insurance assets	-	206,257	206,257
Reinsurance assets	844,147	(669,506)	174,641
Property and equipment	10,621,774	-	10,621,774
Right-of-use assets	4,783,174	-	4,783,174
Intangible assets	605,748	-	605,748
Deferred tax assets	20,589,197	-	20,589,197
Other assets	22,031,727	2,532	22,034,259
Separate account product assets	121,432,726	(7,349)	121,425,377
Total assets	$ 2,510,844,470	$ (37,871,955)	$ 2,472,972,515
Payables	$ 15,146,731	$ (8,132,617)	$ 7,014,114
Current tax liabilities	6,895	-	6,895
Financial liabilities at fair value through profit or loss	21,376,362	60,322,586	81,698,948
Bonds payable	30,000,000	-	30,000,000
Lease liabilities	1,966,072	-	1,966,072
Insurance liabilities	2,080,969,848	(140,726,895)	1,940,242,953
Reinsurance liabilities	-	12,674,941	12,674,941
Foreign exchange valuation reserve	30,705,210	(30,705,210)	-
Provisions	49,016	-	49,016
Deferred tax liabilities	22,036,509	25,934,105	47,970,614
Other liabilities	1,769,493	60,457,439	62,226,932
Separate account product liabilities	121,432,726	(121,432,726)	-
Total liabilities	$ 2,325,458,862	$ (141,608,377)	$ 2,183,850,485

(Continued)

	Amounts Before Restatement	Adjustments on Initial Application	Amounts After Restatement
Common stock	$ 50,684,896	$ -	$ 50,684,896
Capital surplus	7,461,996	-	7,461,996
Legal capital reserve	30,469,176	-	30,469,176
Special capital reserve	86,709,942	-	86,709,942
Unappropriated retained earnings	22,175,967	94,058,304	116,234,271
Other equity	(12,116,369)	9,678,118	(2,438,251)
Total equity	$ 185,385,608	$ 103,736,422	$ 289,122,030

(Concluded)

Redesignation of financial assets

In accordance with the transition provisions of IFRS 17, the Company reassessed the classification of financial assets held as at January 1, 2026 based on the facts and circumstances existing at that date, and changed the classification of certain financial assets:

a) The Company reassessed its business model for managing financial assets and reclassified certain financial assets previously measured at amortised cost to financial assets at fair value through other comprehensive income (FVOCI).

b) The Company reassessed its business model for managing financial assets and reclassified certain financial assets from fair value through other comprehensive income (FVOCI) to amortised cost.

c) The Company reclassified certain financial assets from fair value through profit or loss (FVTPL) to fair value through other comprehensive income (FVOCI).

The Company has elected not to restate comparative information for the redesignation and reclassification of financial assets, nor to apply the classification overlay approach to adjust financial assets for comparative periods. The redesignation and reclassification of financial assets resulted in an increase of $10,458,747 thousand in retained earnings and a decrease of $41,009,826 thousand in other equity - unrealised gains or losses on financial assets at fair value through other comprehensive income (FVOCI), respectively, as at January 1, 2026. A summary of the measurement categories, carrying amounts and movements of financial assets subject to redesignation and reclassification is presented below:

Financial assets at fair value through profit or loss

	Carrying Amount as of December 31, 2025	Reclassification	Remeasurement	Carrying Amount as of January 1, 2026	Impact on Retained Earnings	Impact on Other Components of Equity
Financial assets at fair value though profit or loss	$ 479,687,679	$ -	$ -	$ 479,687,679	$ -	$ -
Additions						
Reclassification from financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Reclassification from financial assets measured at amortized cost	-	-	-	-	-	-
Deductions						
To financial assets at fair value through other comprehensive income	-	(336,590,467)	-	(336,590,467)	10,486,201	-
To financial assets measured at amortized cost	-	-	-	-	-	-
Financial assets at fair value through profit or loss	$ 479,687,679	$ (336,590,467)	$ -	$ 143,097,212	$ 10,486,201	$ -

Financial assets at fair value through other comprehensive income

	Carrying Amount as of December 31, 2025	Reclassification	Remeasurement	Carrying Amount as of January 1, 2026	Impact on Retained Earnings	Impact on Other Components of Equity
Financial assets at fair value through other comprehensive income	$ 90,704,883	$ -	$ -	$ 90,704,883	$ -	$ -
Additions						
Reclassification from financial assets at fair value through profit or loss	-	336,590,467	-	336,590,467	(27,454)	(10,458,747)
Reclassification from financial assets measured at amortized cost	-	405,512,310	(37,077,848)	368,434,462	-	(30,598,823)
Deductions						
To financial assets at fair value through profit or loss	-	-	-	-	-	-
To financial assets measured at amortized cost	-	(3,740,703)	-	(3,740,703)	-	-
Financial assets at fair value through other comprehensive income	$ 90,704,883	$ 738,362,074	$ (37,077,848)	$ 791,989,109	$ (27,454)	$ (41,057,570)

Financial assets at amortized cost

	Carrying Amount as of December 31, 2025	Reclassification	Remeasurement	Carrying Amount as of January 1, 2026	Impact on Retained Earnings	Impact on Other Components of Equity
Financial assets measured at amortized cost	$ 1,618,419,655	$ -	$ -	$ 1,618,419,655	$ -	$ -
Additions						
Reclassification from financial assets at fair value through profit or loss	-	-	-	-	-	-
Reclassification from financial assets at fair value through other comprehensive income	-	3,740,703	8,113	3,748,816	-	6,490
Deductions						
To financial assets at fair value through profit or loss	-	-	-	-	-	-
To financial assets at fair value through other comprehensive income	-	(405,512,310)	47,271	(405,465,039)	-	41,254
Financial assets measured at amortized cost	$ 1,618,419,655	$ (401,771,607)	$ 55,384	$ 1,216,703,432	$ -	$ 47,744

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

a) The amendments to the application guidance of classification of financial assets

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

i. 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.

ii. 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.

iii. 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.

b) The amendments to the application guidance of derecognition of financial liabilities

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

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

- The Group 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.

3) 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 Group enters into contracts to buy nature-dependent electricity, which exposes the Group to the risk that it would be required to buy electricity during a delivery interval in which the Group 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 Group’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Group entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Group 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 Group 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.

b. 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 1)
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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: 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.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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" and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- 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.

- 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.

- 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the 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, Insurance Bureau Letter Bao-Ju-Cai No. 1140495239, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect 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 measured at fair value, and insurance contract assets/liabilities and reinsurance contract assets/liabilities measured based on fulfilment cash flows and contractual service margins. Unless otherwise stated, the financial statements are expressed in thousands of New Taiwan dollars (“NT$”).

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. However, from January 1, 2026, for debt instruments measured at amortised cost for which no hedge relationship has been designated for the foreign currency risk component, exchange differences are amortised on a straight-line basis over the expected remaining life of each individual security and recognised in foreign exchange gains or losses. The unamortised cumulative unrealised exchange differences are presented within other assets or other liabilities. Upon derecognition, any remaining unamortised amount is fully recognised in current-period foreign exchange gains or losses.

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. 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.

e. 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.

Financial assets measured at amortized cost

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.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss, except as otherwise provided in the proviso to Article 12 of the Regulations Governing the Preparation of Financial Reports, exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

a) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

b) A financial asset that has subsequently become credit impaired, for which interest income is calculated by applying 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. New Taiwan dollar-denominated overseas bond ETFs are accounted for in accordance with FSC Letter No. 1140131712 and the “Illustrative Guidance on the Classification of New Taiwan Dollar-denominated Overseas Bond ETFs as Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)” issued by the Life Insurance Association of the Republic of China.

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. However, upon initial recognition of a financial asset, an entity may irrevocably designate the financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses thereon, on different bases.

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 the aforementioned assessment, the Company appropriates an allowance for doubtful accounts in accordance with the "Regulations Governing the Procedures for Insurance Enterprises Evaluating Assets and Dealing with Non-performing/Non-accrual Loans and Bad Debts." The amount of such allowance shall not be less than the minimum requirements prescribed under the respective provisions of the Regulations. Where the aggregate minimum allowance for doubtful accounts determined under the aforementioned provisions is lower than the amount assessed in accordance with generally accepted accounting principles, the amount determined under generally accepted accounting principles shall prevail as the minimum required allowance for doubtful accounts. In addition, where the competent authority requires insurance enterprises to enhance their loss-bearing capacity for specific loan assets by increasing the allowance for doubtful accounts in accordance with prescribed standards and timelines, the Company shall comply accordingly.

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 41 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.

Financial liabilities at fair value through profit or loss relating to investment contracts refer to insurance contracts issued by insurance enterprises that are determined to be investment contracts without discretionary participation features and, in accordance with the Regulations Governing Various Reserves for Insurance Enterprises and IFRS 9, are required to be recognised as financial liabilities at fair value through profit or loss.

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.

Financial liabilities at amortized cost

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) 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.

f. 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.

g. 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.

h. 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.

i. Loans

Loans include policy loans relating to insurance contracts classified as investment contracts, premium loans relating to insurance contracts classified as investment contracts, and secured loans. Premium loans relating to insurance contracts classified as investment contracts refer to insurance premiums advanced on behalf of policyholders in accordance with the terms of the insurance contracts that meet the definition of investment contracts under IFRS 9. Policy loans relating to insurance contracts classified as investment contracts refer to loans collateralised by insurance policies that meet the definition of investment contracts under IFRS 9. Secured loans refer to loans secured by shares, movable and immovable property, as well as loans and collection receivables specifically approved by the competent 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.

j. 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	5-6 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.

k. 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.

<u>Company as a lessor</u>

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.

l. 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).

m. 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.

n. Contracts with customers

Revenue from contracts with customers primarily arises from premium charges, account administration fees, investment management fees and surrender charges collected from policyholders for the provision of asset management services. Such fees may be fixed amounts or variable amounts based on changes in policy account values and are recognised as revenue at a point in time or over time as the related asset management services are provided. If fees collected relate to services to be provided in future periods, such amounts are recognised as service contract liabilities. In addition, where a portion of the fees collected from policyholders is expected to be refunded in the future, such portion is not recognised as revenue but is instead recognised as a refund liability.

Commissions and certain sales-related costs incurred by the Company in selling investment contracts are incurred only upon obtaining customer contracts and are recognised as incremental costs of obtaining a contract to the extent that such costs are recoverable. These costs are amortised on a straight-line basis over the contract period.

o. Separate account product assets

The Company distributes separate account insurance products, under which premiums paid by policyholders are allocated, in accordance with the terms of the contract, after deducting various charges imposed by the insurer, and are placed in segregated accounts based on the investment allocation method agreed with or designated by the policyholders. The assets in the segregated accounts are measured at fair value as of the valuation date, and the net asset value is determined in accordance with applicable regulations and generally accepted accounting principles.

In accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, assets attributable to segregated accounts are presented under "Separate Account Product Assets."

p. Insurance contracts

Definitions and ranges

1) Insurance contracts issued (including reinsurance contracts):

An insurance contract is a contract under which the issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company considers insurance risk to be significant only if an insured event could cause the issuer to pay significant additional amounts in any single scenario, excluding scenarios that lack commercial substance (i.e. those that have no discernible effect on the economics of the transaction).

Certain insurance contracts issued by the Company contain direct participation features. These contracts primarily provide investment-related services, under which policyholders share in the returns on underlying items. Such contracts are measured under the variable fee approach. At initial recognition, these insurance contracts have the following characteristics:

a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

b) The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

c) The Company expects that a substantial proportion of any changes in the amounts to be paid to the policyholder will vary with changes in the fair value of the underlying items.

2) Investment contracts with discretionary participation features:

Certain investment contracts issued by the Company contain discretionary participation features. These contracts provide policyholders with the contractual right to receive additional amounts as a supplement to amounts that are not subject to the issuer's discretion. Such additional benefits are based on the returns on a specified pool of assets and are expected to represent a substantial portion of the total contractual benefits.

The Company accounts for these contracts in accordance with IFRS 17.

3) Reinsurance contracts held:

The Company uses reinsurance to mitigate its exposure to insurance risk. Reinsurance contracts held transfer substantially all of the insurance risk relating to the reinsured portion of the underlying insurance contracts to the reinsurer.

A reinsurance contract held is considered to transfer significant insurance risk even if it does not expose the issuer to the possibility of significant loss.

Separation of components of insurance contracts

The Company assesses whether insurance contracts contain components that are required to be separated. IFRS 17 requires the following components to be separated if they were separate contracts:

1) Cash flows relating to embedded derivatives that are required to be separated in accordance with IFRS 9;

2) Cash flows relating to distinct investment components; and

3) Promises to transfer to the policyholder distinct goods or non-insurance services.

The Company has determined that none of its insurance contracts contain components that require further separation.

Level of aggregation

1) Insurance contracts

   The Company groups insurance contracts issued into portfolios based on the nature of the underlying risks, with contracts within each portfolio having similar risks and being managed together. Each portfolio is further divided into groups of contracts that are issued within a period not exceeding one year

   At initial recognition, the Company divides each portfolio into:

   a) Groups of contracts that are onerous;

   b) Groups of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently; and

   c) Groups comprising the remaining contracts in the portfolio.

   The level of aggregation is determined at initial recognition and is not subsequently reassessed.

   For insurance contracts measured under the Premium Allocation Approach (PAA), the Company assumes that there are no onerous contracts within a portfolio at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, the Company performs an additional assessment to distinguish onerous contracts from non-onerous contracts.

2) Reinsurance contracts held

   The level of aggregation for reinsurance contracts held is assessed separately from that for insurance contracts issued. For the purpose of applying the level of aggregation requirements, the Company groups reinsurance contracts that are issued within a period not exceeding one year at initial recognition into:

   a) Groups of contracts that are net gain;

   b) Groups of contracts that, at initial recognition, have no significant possibility of becoming net gain subsequently; and

c) Groups comprising the remaining contracts in the portfolio.

Initial recognition

1) Insurance contracts

The Company recognises groups of insurance contracts issued from the earliest of:

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 groups of onerous contracts, when the group becomes onerous.

Investment contracts with discretionary participation features are recognised when the Company becomes a party to the contract.

Insurance contracts transferred that do not form part of a business and insurance contracts acquired in a business combination within the scope of IFRS 3 are treated as if they were entered into at the acquisition date.

2) Reinsurance contracts held

The Company recognises groups of reinsurance contracts held from the earliest of:

a) The beginning of the coverage period of the group of reinsurance contracts held; and

b) The date on which the Company recognises an onerous group of underlying insurance contracts, if the Company has entered into the related reinsurance contracts held in the group at or before that date.

The Company defers the recognition of a group of reinsurance contracts held that provides proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

3) Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the group of contracts. Contracts that meet the recognition criteria after the reporting period are included in the group in the reporting period in which they meet the criteria, subject to the annual cohort requirement.

Contract modifications and derecognition

When the Company and the counterparty agree to modify a contract, or when a contract is modified as a result of changes in laws or regulations, the Company treats changes in cash flows arising from the modification as changes in estimates of fulfilment cash flows, unless the contract modification results in the derecognition of the original contract.

The Company derecognises an insurance contract when one of the following conditions is met:

1) The insurance contract is extinguished, that is, when the obligation specified in the insurance contract expires, is discharged or is cancelled;

2) When a modification of an insurance contract meets any of the following conditions, the Company derecognises the original contract and recognises the modified contract as a new contract:

   a) If the modified terms had been included at contract inception and the Company would have concluded that:

      i. The modified contract would not be within the scope of IFRS 17;

      ii. The modification would result in separating different components from the host insurance contract, leading to different insurance contracts within the scope of IFRS 17;

      iii. The modified contract would have substantially different contract boundaries; or

      iv. The modified contract would be included in a different group of contracts;

   b) The original contract meets the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition (or vice versa); or

   c) The original contract is measured under the Premium Allocation Approach, but the modification results in the contract no longer meeting the eligibility criteria for that approach.

<u>Measurement of insurance contracts and reinsurance contracts held</u>

1) Insurance contract assets/liabilities:

   Insurance contract assets and liabilities represent insurance contracts and investment contracts with discretionary participation features recognised in accordance with IFRS 17 and the relevant regulations governing the provisioning of insurance reserves. These amounts are presented as either assets or liabilities based on the net debit (asset) or net credit (liability) balance at the level of groups of insurance contracts. They comprise the liability for remaining coverage, the liability for incurred claims and insurance acquisition cash flow assets.

2) Reinsurance contract assets/liabilities:

   Reinsurance contract assets and liabilities represent reinsurance contracts recognised in accordance with IFRS 17 and the relevant regulations governing the provisioning of insurance reserves. These amounts are presented as either assets or liabilities based on the net debit (asset) or net credit (liability) balance at the level of groups of reinsurance contracts held. They comprise the asset for remaining coverage, the asset for incurred claims, and include the effect of any non-performance risk of the reinsurer.

3) Initial recognition: Groups of contracts not measured under the premium allocation approach

   At initial recognition, the Company measures a group of insurance contracts as the sum of the fulfilment cash flows and the contractual service margin.

   a) Fulfilment cash flows

      i. The fulfilment cash flows comprise current estimates of future cash flows within the contract boundary of a group of contracts, including expected premiums to be received and claims, benefits and expenses to be paid, adjusted to reflect the time value of money and the uncertainty of future cash flows. They include:

         i) Estimates of future cash flows;

ii) An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that such financial risks are not included in the estimates of future cash flows; and

iii) A risk adjustment for non-financial risk.

The discount rates applied to the estimates of future cash flows reflect the timing, currency and liquidity characteristics of the cash flows of the insurance contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for groups of reinsurance contracts held and the underlying groups of insurance contracts.

ii. Contract boundary

The Company applies the concept of contract boundaries to determine which cash flows are included within groups of insurance contracts. Cash flows that are outside the contract boundary and relate to future insurance contracts are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundary of an insurance contract if they arise from rights and obligations that exist during the reporting period, such as the Company's ability to require policyholders to pay premiums or its substantive obligation to provide insurance contract services to policyholders.

A substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or when both of the following conditions are met:

i) The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that includes the contract and, as a result, can set a price or level of benefits that fully reflects those risks; and

ii) The premiums up to the date when the risks are reassessed do not reflect risks that relate to periods after that reassessment date.

For investment contracts with discretionary participation features issued by the Company, cash flows are within the contract boundary if they arise from a substantive obligation of the Company to transfer cash at a current or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from rights and obligations that exist during the reporting period. For example, the Company has an obligation to pay premiums to the reinsurer or has a substantive right to receive insurance contract services from the reinsurer.

iii. Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and initiating a group of insurance contracts (issued or expected to be issued) that are directly attributable to a portfolio of insurance contracts to which the group belongs.

The Company allocates insurance acquisition cash flows using a systematic and rational basis to:

i) Insurance acquisition cash flows directly attributable to a group of insurance contracts, which are allocated to:

- The group; and

- Groups that include insurance contracts expected to arise from renewals of the insurance contracts in that group; and

ii) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts, which are allocated to groups of insurance contracts in that portfolio that exist or are expected to exist.

Insurance acquisition cash flows paid before the recognition of the related group of insurance contracts (or recognised as a liability under another IFRS) are recognised as an insurance acquisition cash flow asset. The asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

At the end of each reporting period, the Company assesses the recoverability of insurance acquisition cash flow assets. If facts and circumstances indicate that an insurance acquisition cash flow asset may be impaired, the Company adjusts the carrying amount of the asset and recognises an impairment loss in insurance service expenses.

To the extent that the impairment conditions no longer exist or have improved, the Company recognises a reversal of some or all of the previously recognised impairment loss in profit or loss and increases the carrying amount of the asset.

iv. Risk adjustment for non-financial risks

The Company adjusts the estimates of the present value of future cash flows to reflect the compensation that it requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk transferred by the Company to the issuer of those contracts.

b) Contract service margins

i. Contract of insurance

The Company recognises the unearned profit relating to future insurance contract services as the contractual service margin, which forms part of the carrying amount of a group of insurance contracts (as an asset or a liability). The contractual service margin is recognised in profit or loss as the Company provides insurance contract services over the coverage period.

At initial recognition of a group of insurance contracts, the contractual service margin is measured at an amount that results in no income or expenses arising from:

i) The initial recognition of the fulfilment cash flows;

ii) Cash flows arising from contracts in the group at that date;

iii) The derecognition of any insurance acquisition cash flow assets; and

iv) The derecognition of any other assets or liabilities previously recognised for cash flows related to the group of contracts, with the corresponding recognition of insurance revenue and insurance service expenses, unless the group of contracts is onerous or income or expenses arise from the derecognition of pre-recognition cash flows.

If the sum of the amounts described above results in a net outflow, the group of insurance contracts is onerous at initial recognition. The Company recognises the net outflow as a loss immediately in profit or loss so that the carrying amount of the liability for the group equals the fulfilment cash flows and the contractual service margin of the group is zero. At the same time, a loss component of the liability for remaining coverage is established for the amount of the loss recognised.

ii. Reinsurance contract held

At initial recognition, any net cost or net gain on a group of reinsurance contracts held is recognised as a contractual service margin, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the acquisition of the group of reinsurance contracts held, in which case such cost is recognised immediately as an expense in profit or loss.

For reinsurance contracts held, the contractual service margin represents the deferred net cost or net gain that will be recognised as the Company receives insurance contract services from the reinsurer. It is included in the allocation of reinsurance premiums paid and comprises the following components:

i) The fulfilment cash flows;

ii) The amount of any assets or liabilities previously recognised for cash flows related to the group of reinsurance contracts held that are derecognised at that date;

iii) Any cash flows arising at that date; and

iv) When the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, the contractual service margin of the group of reinsurance contracts held is adjusted, and any resulting gain is recognised in profit or loss. At the same time, the amount of the gain recognised establishes or adjusts a loss-recovery component of the asset for remaining coverage.

When a group of onerous underlying insurance contracts includes both contracts that are covered by a group of reinsurance contracts held and contracts that are not covered, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

c) For insurance contracts acquired in a transfer of insurance contracts or in a business combination within the scope of IFRS 3, at initial recognition of a group of insurance contracts, the contractual service margin is measured at an amount that results in no income or expenses arising from:

i. The initial recognition of the fulfilment cash flows; and

ii. Cash flows arising from contracts in the group at that date, including using the fair value of the group of contracts at the acquisition date as a substitute for the premiums received.

4) Subsequent measurement: Groups of contracts not measured under the Premium Allocation Approach

   a) Groups of insurance contracts: At the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of:

      i. The liability for remaining coverage, comprising:

         i) The fulfilment cash flows related to future service allocated to the group at that date; and

         ii) The contractual service margin of the group at that date; and

      ii. The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

   b) Reinsurance Contract Group held: At the end of each reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

      i. The asset for remaining coverage, comprising:

         i) The fulfilment cash flows related to future service allocated to the group at that date; and

         ii) the contractual service margin of the group at that date; and

      ii. The asset for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

   c) Changes in fulfilment cash flows

      i. At the end of each reporting period, the Company updates the fulfilment cash flows using current assumptions and current discount rates. Changes in fulfilment cash flows are recognised as follows:

         i) Changes that relate to current or past service are recognised in profit or loss; and

         ii) Changes that relate to future service are recognised by adjusting the contractual service margin or the loss component.

      ii. For insurance contracts measured under the general model, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of the group of insurance contracts, including:

         i) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows; and

         ii) Changes in estimates of the present value of future cash flows within the liability for remaining coverage.

iii) Differences between any investment components expected to become payable in the period and the actual investment components that become payable in the period. Such differences are determined by comparing: (i) the actual investment components that become payable in the period; and (ii) the expected payments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected payments before they become payable;

iv) Differences between any policyholder loans expected to be repaid in the period and the actual policyholder loans repaid in the period. Such differences are determined by comparing: (i) the actual policyholder loans repaid in the period; and (ii) the expected repayments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected repayments before they become repayable.

v) Changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments described in (a.), (b.) and (e.) above are measured using the discount rates determined at initial recognition.

iii. For insurance contracts measured under the general model, the following changes in fulfilment cash flows do not adjust the contractual service margin, as they do not relate to future service:

i) The effects of the time value of money, changes in the time value of money, and the effects of financial risk and changes in financial risk on the fulfilment cash flows;

ii) Changes in estimates of fulfilment cash flows relating to the liability for incurred claims;

iii) Experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows (such as insurance acquisition cash flows); and

iv) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

iv. For investment contracts with discretionary participation features measured under the general model, the Company has discretion over the amount and timing of payments to policyholders. Changes in discretionary cash flows are regarded as relating to future service and, accordingly, adjust the contractual service margin.

At initial recognition, the Company determines the basis of its commitments to policyholders based on underwriting approval and the receipt of premiums.

Subsequent changes in discretionary cash flows affecting those commitments adjust the contractual service margin. However, changes in assumptions relating to financial risk that affect those commitments do not adjust the contractual service margin and are recognised in insurance finance expenses.

If, at contract inception, it is not possible to distinguish between what the Company considers to be its commitments and what it considers to be discretionary elements, all changes in assumptions relating to financial risk that affect those commitments are recognised in insurance finance expenses.

v. For insurance contracts measured under the variable fee approach, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of the group of insurance contracts, including:

   i) Changes in the Company's share of the fair value of the underlying items;

   ii) Changes in fulfilment cash flows that do not vary based on the returns on underlying items, including:

      - Changes in the time value of money and financial risk, including the effect of financial guarantees;

      - Experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows;

      - Changes in estimates of the present value of future cash flows within the liability for remaining coverage;

      - Differences between any investment components expected to become payable in the period and the actual investment components that become payable in the period. Such differences are determined by comparing: (i) the actual investment components that become payable in the period; and (ii) the expected payments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected payments before they become payable;

      - Differences between any policyholder loans expected to be repaid in the period and the actual policyholder loans repaid in the period. Such differences are determined by comparing: (i) the actual policyholder loans repaid in the period; and (ii) the expected repayments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected repayments before they become repayable;

      - Changes in the risk adjustment for non-financial risk that relate to future service.

      Except for changes in the time value of money and financial risk, the adjustments described above are measured using current discount rates.

vi. For insurance contracts measured under the variable fee approach, the following changes in fulfilment cash flows do not adjust the contractual service margin:

   i) Changes in the obligation to pay to policyholders an amount equal to the fair value of the underlying items;

   ii) Changes in fulfilment cash flows that do not vary based on the returns on underlying items, including:

      - Changes in estimates of fulfilment cash flows relating to the liability for incurred claims;

      - Experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows (such as insurance acquisition cash flows); and

      - Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

d) Changes in the contractual service margin

i. For insurance contracts issued, the carrying amount of the contractual service margin at the end of each reporting period is equal to the carrying amount at the beginning of the reporting period, adjusted for:

i) The effect of any new contracts added to the group;

ii) Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;

iii) Changes in fulfilment cash flows that relate to future service, which adjust the contractual service margin, subject to the condition that such adjustments do not exceed the carrying amount of the contractual service margin. If an increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the contractual service margin is reduced to zero and the excess is recognised as insurance service expenses, with a corresponding loss component recognised in the liability for remaining coverage. When the contractual service margin is zero, subsequent changes in fulfilment cash flows are recognised in insurance service expenses and adjust the loss component. If subsequent decreases in fulfilment cash flows exceed the loss component, the loss component is reduced to zero and a contractual service margin is re-established;

iv) The effect of any foreign exchange differences on the contractual service margin; and

v) The amount recognised as insurance revenue because of the transfer of services in the period.

ii. For groups of reinsurance contracts held, the carrying amount of the contractual service margin at the end of each reporting period is equal to the carrying amount at the beginning of the reporting period, adjusted for:

i) The effect of any new contracts added to the group;

ii) Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;

iii) The amount of any gain recognised in profit or loss when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, and the corresponding establishment or adjustment of a loss-recovery component of the asset for remaining coverage;

iv) Reversals of the loss-recovery component, to the extent that such reversals are not changes in fulfilment cash flows of the group of reinsurance contracts held;

v) Changes in fulfilment cash flows that relate to future service, except to the extent that those changes arise from changes in fulfilment cash flows allocated to the underlying insurance contracts that do not adjust the contractual service margin of those underlying insurance contracts;

vi) The effect of any foreign exchange differences on the contractual service margin; and

vii) The amount recognised in profit or loss for services received in the period.

For the purpose of applying items (c.) to (e.) above, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

iii. Discount rates used for interest accretion on the contractual service margin

For insurance contracts without direct participation features, interest accreted on the contractual service margin is determined using the discount rates established at the date of initial recognition of the group of contracts.

When additional contracts are added to an existing group, the Company uses the weighted-average discount rates determined at initial recognition of the contracts issued within the period, which does not exceed one year.

vi. Release of the contractual service margin to profit or loss

The amount of the contractual service margin recognised as insurance revenue in profit or loss for services provided in the period is determined by allocating the contractual service margin at the end of the reporting period over the current period and the remaining coverage period on the basis of coverage units.

The coverage period is the period during which the Company provides insurance contract services. Insurance contract services include coverage for insured events, investment-return services for policy holders and investment-related services of managing underlying items on behalf of policyholders. The period for investment-return services or investment-related services ends on or before the date when all amounts due to current policyholders relating to those services have been paid.

For insurance contracts without direct participation features, the Company provides investment-return services only when there is an investment component or when policyholders have the right to withdraw an amount and the Company expects that such amounts include an investment return and expects to perform investment activities to generate that return.

The quantity of coverage units in a group of contracts is determined based on the quantity of benefits provided under each contract and its expected coverage period.

For the purpose of allocating the contractual service margin, the Company adjusts coverage units to reflect the time value of money using the discount rates determined at initial recognition that apply to nominal cash flows that do not vary based on the returns on underlying items.

For reinsurance contracts held, coverage units are determined based on the insurance coverage provided by the reinsurer. In addition to the sum assured of the ceded contracts, the Company also considers expected new business within the contract boundary of the reinsurance contracts.

v. Onerous contracts - loss component

When an increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the group of contracts becomes onerous. The excess is recognised as insurance service expenses in profit or loss and a loss component is established within the liability for remaining coverage.

After a loss on an onerous group of insurance contracts is recognised, the Company allocates the following amounts between the loss component and the liability for remaining coverage excluding the loss component using a systematic basis based on the proportion of the loss component relative to the present value of expected future cash outflows:

i) Changes in estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage as insurance service expenses are incurred;

ii) Changes in the risk adjustment for non-financial risk; and

iii) Insurance finance income or expenses.

The allocation of items (a.) and (b.) above reduces the components of insurance revenue and insurance service expenses.

In subsequent periods, decreases in fulfilment cash flows reduce the remaining loss component. Once the loss component is reduced to zero, a contractual service margin is re-established. Conversely, increases in fulfilment cash flows increase the loss component.

For groups of reinsurance contracts held, the Company establishes or adjusts a loss-recovery component to reflect changes in the loss component of onerous underlying insurance contracts. The carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amount presented in profit or loss as reversals of recoveries of losses from reinsurance contracts held and is therefore excluded from the allocation of reinsurance premiums paid.

e) Initial recognition and subsequent measurement: Groups of contracts measured under the Premium Allocation Approach

i. Insurance contracts

The Company applies the Premium Allocation Approach to measure insurance contracts with a coverage period of one year or less. This approach is applied to contracts such as travel insurance and group insurance.

For insurance contracts issued, insurance acquisition cash flows allocated to groups of contracts measured under the Premium Allocation Approach are deferred and recognised over the coverage period of the group of contracts.

At initial recognition, the liability for remaining coverage is measured as the premiums received at that date, less any insurance acquisition cash flows at that date, adjusted for any amount arising from the derecognition of insurance acquisition cash flow assets and any other assets or liabilities previously recognised for cash flows related to the group of contracts.

At the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of:

i) The liability for remaining coverage; and

ii) The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

For insurance contracts issued, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is:

i) Increased by premiums received in the period; and

ii) Decreased by insurance acquisition cash flows；and

iii) Decreased by the amount recognised as insurance revenue for services provided in the period.

iv) Increased by any amounts related to the insurance acquisition cash flows that are recognized as expenses during the reporting period.

ii. Reinsurance contracts held

The Company applies the Premium Allocation Approach to reinsurance contracts held, including catastrophe, accident and travel insurance reinsurance contracts, as their coverage periods are one year or less.

At initial recognition, the asset for remaining coverage is measured as the reinsurance premiums paid, adjusted for any amounts arising from the derecognition of any pre-recognition cash flows.

At the end of each reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

i) The asset for remaining coverage; and

ii) The asset for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

At the end of each subsequent reporting period, the carrying amount of the asset for remaining coverage is:

i) Increased by reinsurance premiums paid in the period; and

ii) Decreased by the amount recognised as reinsurance expenses for services received in the period.

The Company adjusts the asset for remaining coverage of groups of reinsurance contracts held to reflect the effect of any non-performance risk of the reinsurer.

iii. Other considerations under the Premium Allocation Approach

The Company’s insurance contracts issued and reinsurance contracts held measured under the Premium Allocation Approach do not contain investment components. As the premiums are due within the coverage period and within one year, the Company does not adjust the liability for remaining coverage of insurance contracts issued to reflect the time value of money.

iv. If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the amount by which the fulfilment cash flows determined under the general model exceed the carrying amount of the liability for remaining coverage. The liability for remaining coverage is increased accordingly and a loss component is established.

Subsequently, at each reporting date, the loss component is remeasured as the difference between the fulfilment cash flows relating to future service determined under the general model and the carrying amount of the liability for remaining coverage. Changes in the loss component are allocated between insurance service expenses and insurance finance income or expenses to reflect the effects of the time value of money, financial risk and changes therein.

When the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, it adjusts the asset for remaining coverage of the related group of reinsurance contracts held measured under the Premium Allocation Approach, recognises a gain in profit or loss, and establishes or adjusts a loss-recovery component of the asset for remaining coverage.

The amount of the gain recognised is determined by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims expected to be recovered from the group of reinsurance contracts held. The reinsurance contracts held must be entered into at or before the same time as the recognition of the onerous underlying insurance contracts.

When a group of onerous insurance contracts includes both contracts that are covered by a group of reinsurance contracts held and contracts that are not covered, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

Changes in the loss-recovery component of reinsurance contracts held are allocated between reinsurance income or expenses and reinsurance finance income or expenses to reflect the effects of the time value of money, financial risk and changes therein, consistent with the treatment of the underlying insurance contracts.

<u>Insurance service result: Contracts issued</u>

1) Insurance revenue

The Company recognises insurance revenue as it provides insurance contract services during the reporting period. Insurance revenue recognised in the period reflects the transfer of promised services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services, by reducing the liability for remaining coverage.

For insurance contracts not measured under the Premium Allocation Approach, insurance revenue comprises:

a) Amounts relating to changes in the liability for remaining coverage, including:

i. Insurance service expenses incurred in the period, measured at the amounts expected at the beginning of the period, excluding:

i) Amounts allocated to the loss component of the liability for remaining coverage;

ii) Repayments of investment components;

iii) Amounts relating to transaction-based taxes collected on behalf of third parties;

iv) Insurance acquisition cash flows; and

v) Amounts relating to the risk adjustment for non-financial risk;

ii. Changes in the risk adjustment for non-financial risk, excluding:

i) Changes included in insurance finance income or expenses;

ii) Changes that relate to future service; and

iii) Amounts allocated to the loss component of the liability for remaining coverage;

iii. The amount of the contractual service margin recognised in profit or loss for the period; and

iv. Other amounts, such as experience adjustments for premiums received that do not relate to future service.

b) Allocation of premiums relating to the recovery of insurance acquisition cash flows, determined by allocating the portion of premiums related to the recovery of insurance acquisition cash flows to each reporting period on a systematic basis over time.

For insurance contracts measured under the Premium Allocation Approach, the Company recognises insurance revenue based on the passage of time over the coverage period of the group of contracts.

2) Insurance service expenses

Insurance service expenses comprise:

a) Incurred claims (excluding repayments of investment components) and other insurance service expenses incurred;

b) Amortisation of insurance acquisition cash flows;

c) Changes that relate to past service, being changes in fulfilment cash flows relating to the liability for incurred claims;

d) Changes that relate to future service, being losses on onerous groups of contracts and reversals of those losses; and

e) Impairment losses on insurance acquisition cash flow assets.

For insurance contracts not measured under the Premium Allocation Approach, the amortisation of insurance acquisition cash flows is included in insurance service expenses and corresponds to the allocation of premiums relating to the recovery of insurance acquisition cash flows recognised in insurance revenue.

For insurance contracts measured under the Premium Allocation Approach, insurance acquisition cash flows are amortised on a systematic basis over the coverage period.

Cash flows relating to costs that are not directly attributable to a portfolio of insurance contracts are recognised as other operating expenses in the statement of comprehensive income when incurred.

Insurance service result: Reinsurance contracts held

The Company presents the net income or expenses from a group of reinsurance contracts held as a single amount, comprising the following:

1) For reinsurance contracts held not measured under the Premium Allocation Approach, the allocation of reinsurance premiums paid includes amounts arising from changes in the asset for remaining coverage, including:

    a) Reinsurance service expenses for the period, measured at the amounts expected at the beginning of the period, including incurred recoveries of claims and other directly attributable expenses, excluding:

        i. Amounts allocated to the loss-recovery component of the asset for remaining coverage;

        ii. Repayments of investment components; and

        iii. Amounts relating to the risk adjustment for non-financial risk;

    b) Changes in the risk adjustment for non-financial risk, excluding:

        i. Changes included in reinsurance finance income or expenses;

        ii. Changes that relate to future service; and

        iii. Amounts allocated to the loss-recovery component;

    c) The amount of the contractual service margin recognised in profit or loss for the period as services are received; and

    d) Other amounts, such as experience adjustments arising from reinsurance premiums paid that do not relate to future service.

2) For reinsurance contracts held measured under the Premium Allocation Approach, the Company recognises reinsurance expenses based on the passage of time over the coverage period of the group of contracts.

3) Amounts recovered from reinsurers, comprising:

    a) Recoveries of incurred reinsurance claims and benefits (excluding repayments of investment components and net of amounts allocated to the loss-recovery component);

    b) Other incurred reinsurance-related expenses;

    c) Changes that relate to past service, being changes in fulfilment cash flows relating to the asset for incurred claims; and

    d) Amounts relating to recoveries of losses on onerous underlying insurance contracts and reversals of such recoveries.

4) Changes in non-performance risk of the reinsurer

Insurance finance income or expenses

1) Insurance finance income or expenses comprise changes in the carrying amount of groups of insurance contracts arising from:

    a) The effect of the time value of money and changes in the time value of money; and

    b) The effect of financial risk and changes in financial risk.

2) For contracts measured under the general model, insurance finance income or expenses primarily comprise:

    a) Interest accreted on the fulfilment cash flows and the contractual service margin;

    b) The effects of changes in interest rates and other financial assumptions; and

    c) The effects of foreign exchange differences.

3) For contracts measured under the variable fee approach, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

4) For contracts measured under the Premium Allocation Approach, insurance finance income or expenses primarily comprise:

    a) Interest accreted on the liability for incurred claims; and

    b) The effects of changes in interest rates and other financial assumptions.

5) For contracts measured under the general model, the Company chooses to disaggregate insurance finance income or expenses for the period, recognising an amount in profit or loss and the remaining amount in other comprehensive income. The amount recognised in profit or loss is determined by allocating the expected total insurance finance income or expenses over the duration of the group of contracts on a systematic basis.

6) For contracts measured under the variable fee approach and the general measurement model, the Company recognises insurance finance income or expenses entirely in profit or loss.

7) For groups of insurance contracts that generate cash flows in a foreign currency, the Company treats such groups (including the contractual service margin) as monetary items.

Interim financial reporting

The Company prepares its interim financial statements in accordance with IAS 34 Interim Financial Reporting. For the application of IFRS 17, the Company elects not to change the accounting estimates made in previous interim financial statements when applying IFRS 17 in subsequent interim financial statements or in the annual reporting period.

Transition

The Company applies IFRS 17 retrospectively. When full retrospective application is impracticable, the Company applies the fair value approach. All contracts issued on or after January 1, 2024 are measured using the full retrospective approach, while the remaining contracts are measured under the fair value approach.

1) Contracts measured under the full retrospective approach

   The Company has determined that, for all insurance contracts issued on or after January 1, 2024, reasonable and supportable information is available to apply the full retrospective approach.

   Under the full retrospective approach, the Company identifies, recognises and measures each group of insurance contracts and any insurance acquisition cash flow assets as if IFRS 17 had always been applied. The Company derecognises any existing balances that would not exist if IFRS 17 had always been applied and recognises any resulting net difference in equity.

   In accordance with the transition requirements of IFRS 17, the Company did not assess impairment of insurance acquisition cash flow assets before the transition date.

2) Contracts measured under the fair value approach

   The Company has concluded that, for all insurance contracts issued before January 1, 2024, reasonable and supportable information is not available to apply the modified retrospective approach. Accordingly, the fair value approach is applied.

   The Company uses reasonable and supportable information available at the transition date to:

   a) Identify groups of insurance contracts;

   b) Determine whether insurance contracts meet the definition of insurance contracts with direct participation features;

   c) Identify discretionary cash flows for insurance contracts without direct participation features; and

   d) Determine whether investment contracts meet the definition of investment contracts with discretionary participation features within the scope of IFRS 17.

   Level of aggregation

   Due to the absence of reasonable and supportable information to group contracts appropriately, the Company includes contracts in groups issued more than one year apart.

   Measurement at the transition date

   Under the fair value approach, at the transition date, the Company measures the contractual service margin or the loss component of the liability for remaining coverage as the difference between the fair value of a group of insurance contracts and the fulfilment cash flows at that date.

   In determining fair value, the Company applies IFRS 13 Fair Value Measurement, except for the requirement relating to demand features (i.e. fair value shall not be less than the amount payable on demand), as this would conflict with the IFRS 17 requirement to include probability-weighted cash flows.

Discount rates

The Company uses discount rates at the transition date rather than those at initial recognition.

Insurance acquisition cash flows

At the transition date, the insurance acquisition cash flow asset determined by the Company represents the amount that would be incurred at that date to obtain the right to:

a) Recover insurance acquisition cash flows from premiums of insurance contracts issued before the transition date but not yet recognised at that date;

b) Obtain future insurance contracts after the transition date without having to pay the related costs already incurred; and

c) Obtain renewals of insurance contracts recognised at the transition date.

When measuring groups of insurance contracts recognised at the transition date, the Company excludes insurance acquisition cash flows from the measurement of those groups.

Insurance finance income or expenses

The Company elects to disaggregate insurance finance income or expenses and determines the cumulative amount recognised in other comprehensive income at the transition date as follows:

a) For contracts with direct participation features for which the Company holds underlying items, the cumulative amount recognised in other comprehensive income at the beginning of the period equals the cumulative amount recognised in other comprehensive income for the underlying items; and

b) For all other contracts, the cumulative amount recognised in other comprehensive income is nil.

Reinsurance contracts held

For groups of reinsurance contracts held, the Company determines the loss-recovery component of the asset for remaining coverage at the transition date by multiplying:

a) The loss component of the liability for remaining coverage of the underlying insurance contracts at the transition date; by

b) The percentage of claims expected to be recovered from the group of reinsurance contracts held for the underlying onerous insurance contracts.

Insurance contracts acquired

The Company elects to classify liabilities for the settlement of claims incurred before the acquisition date, relating to groups of insurance contracts acquired in a transfer of contracts or in a business combination within the scope of IFRS 3, as liabilities for incurred claims.

q. Foreign exchange valuation reserve

In accordance with the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and “Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises” the Company has recognized, under other liabilities, a reserve in respect of foreign investment assets held by the Company.

r. 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.

s. 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.

t. 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.

u. 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.

v. 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) Insurance contracts

a) Level of aggregation

The Company applies judgment in distinguishing insurance contracts that have no significant possibility of becoming onerous from other profitable insurance contracts.

b) Assessment of directly attributable cash flows

The Company applies judgment in assessing whether cash flows are directly attributable to specific portfolios of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only when they are directly attributable to individual contracts within the group of insurance contracts, to the group of insurance contracts itself, or to the portfolio of insurance contracts to which the group belongs.

In estimating fulfilment cash flows, the Company also includes allocations of fixed and variable overhead expenses that are directly attributable to the fulfilment of insurance contracts.

c) Determination of coverage units

IFRS 17 prescribes only the principles for determining coverage units and does not provide further guidance or specific methodologies. Accordingly, an entity is required to apply significant judgment, taking into consideration relevant facts and circumstances, in selecting an appropriate method for determining the quantity of coverage units, which does not constitute an accounting policy choice. The Company determines the quantity of coverage units based on the quantity of contractual benefits provided under groups of insurance contracts upon the occurrence of insured events and the expected coverage period thereof.

For contracts that provide both insurance coverage and investment-related services, or insurance coverage and investment-return services, the Company determines, at initial recognition, a weighting factor to reflect the relative contribution of insurance coverage and investment-related services or investment-return services to the total benefits provided.

d) Discretionary cash flows for contracts without direct participation features

Certain insurance contracts without direct participation features (for example, participating life insurance contracts) provide the Company with discretion over the amounts of cash flows paid to policyholders. Changes in discretionary cash flows are treated as relating to future service and adjust the contractual service margin.

In determining whether changes in cash flows are discretionary, the Company specifies, at contract inception, the basis of its commitments under the contracts. This basis is used to distinguish between the effects of changes in assumptions relating to financial risk (which do not adjust the contractual service margin) and the effects of discretionary changes (which adjust the contractual service margin).

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 40.

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 contracts

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

In accordance with the transition provisions of IFRS 17, in measuring insurance contracts issued (including investment contracts with direct participation features) and reinsurance contracts held, the Company applies key estimates in respect of:

a) Future cash flows;

b) Discount rate;

c) Systematic allocation of insurance finance income or expenses; and

d) Risk adjustment for non-financial risks.

The Company uses estimation techniques and assumptions, together with other sources of estimation uncertainty, in measuring insurance contracts issued (including investment contracts with direct participation features) and reinsurance contracts held. The carrying amounts of the related assets and liabilities affected are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Insurance contract assets	$ 196,776	$ 136,259	$ 234,151
Insurance contract liabilities	$ 1,985,402,831	$ 2,003,450,479	$ 1,944,518,168
Reinsurance contract assets	$ 105,423	$ 175,395	$ 110,694
Reinsurance contract liabilities	$ 12,943,826	$ 13,512,613	$ 12,586,734

Estimates of future cash flows

In estimating future cash flows within the contract boundary, the Company applies an unbiased approach that considers the full range of possible outcomes. Each scenario explicitly reflects the amount, timing and probability of cash flows, based on conditions existing at the measurement date, and the expected value is derived using probability-weighted averages.

The Company considers all reasonable and supportable information available without undue cost or effort, including information about past events, current conditions and forecasts of future conditions, in determining the relevant scenarios.

Estimates of future cash flows include both observable or directly derivable market variables and non-market variables, such as mortality, morbidity, lapse rates and expense assumptions. The Company maximises the use of observable market inputs and applies internally developed, portfolio-specific data where appropriate.

Determination of discount rates

For cash flows that do not vary based on the returns on underlying items for contracts without participation features, the Company applies a bottom-up approach to determine discount rates. Under this approach, yield curves are constructed by adding a liquidity premium to risk-free rates for each currency.

- Within the observable market ranges, risk-free rates are derived from market data;

- The liquidity premium reflects the characteristics of the insurance liabilities and corresponding assets; and

- Beyond the observable market ranges, yield curves are extrapolated from the last observable point to the ultimate forward rate using the Smith-Wilson method.

The resulting yield curves are used to discount future cash flows that do not vary based on the returns on underlying items.:

March 31, 2026

Currency	**1 Year**	**5 Years**	**10 Years**	**15 Years**	**20 Years**	**30 Years**
NTD	1.39%	1.90%	2.06%	3.50%	4.13%	4.54%
USD	3.79%	4.63%	5.42%	6.54%	6.12%	4.77%
AUD	4.63%	5.13%	5.74%	6.08%	6.38%	5.54%
RMB	1.34%	2.57%	2.37%	4.69%	5.64%	6.21%

December 31, 2025

Currency	**1 Year**	**5 Years**	**10 Years**	**15 Years**	**20 Years**	**30 Years**
NTD	1.29%	1.67%	1.77%	3.39%	4.09%	4.53%
USD	3.58%	4.49%	5.42%	6.35%	6.16%	4.87%
AUD	4.04%	4.92%	5.81%	6.02%	6.29%	5.51%
RMB	1.46%	2.73%	2.29%	4.66%	5.63%	6.21%

March 31, 2025

Currency	**1 Year**	**5 Years**	**10 Years**	**15 Years**	**20 Years**	**30 Years**
NTD	1.52%	1.99%	2.06%	3.49%	4.13%	4.54%
USD	4.15%	4.69%	5.23%	5.87%	5.89%	4.48%
AUD	3.86%	4.66%	5.55%	5.90%	6.21%	5.62%
RMB	1.60%	2.02%	2.10%	4.59%	5.60%	6.21%

Note: The foregoing disclosures do not include the liquidity premium of 50 basis points ("bps") applied on a full parallel basis to policies sold by life insurance enterprises prior to January 1, 2004, for which the reserving interest rates at policy issuance were 6% or higher.

Systematic allocation of insurance finance income or expenses

The Company applies judgment in selecting a method for the allocation of insurance finance income or expenses systematically by using the fixed rate or declared rate.

Risk adjustment for non-financial risks

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of cash flows arising from insurance risk and other non-financial risks, such as lapse risk and expense risk. The Company measures the variability of expected future cash flows, the price for bearing such risks, and reflects the Company's degree of risk aversion. The Company determines the risk adjustment for non-financial risk at the entity level and allocates it to all groups of insurance contracts.

The Company adopts the Taiwan Insurance Capital Standard ("TIS") framework to calculate life insurance risk. Risk capital for each category of risk is determined based on the prescribed stress factors, and the respective risk capital amounts are aggregated at the entity level using the correlation matrix for life insurance risks to derive the risk adjustment. Under the assumption that the risk adjustment follows a normal distribution, such amount is calibrated to a 75% confidence level using the corresponding Z-score of the normal distribution and is recognized as the risk adjustment.

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, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 369	$ 557	$ 397
Revolving funds	5	5	5
Cash in banks	16,312,853	17,549,619	17,307,932
Time deposits	21,354,861	16,787,032	17,054,846
Cash equivalents - bond with resale agreement	9,592,626	11,189,233	12,466,874
Total	$ 47,260,714	$ 45,526,446	$ 46,830,054

7. RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 101,741	$ 64,711	$ 79,626
Other receivables			
Interest receivable	17,134,851	16,940,469	16,293,941
Securities settlement receivable	3,973,791	3,438,246	468,191
Financial institutions collection receivable	362,863	509,395	418,505
Dividends receivable	295,687	634,491	767,904
Others	1,589,495	1,345,525	1,388,371
Overdue receivable	1,785	1,860	9,261
Less: Allowance for bad debts - other receivables	(3,196,260)	(2,953,686)	(2,526,092)
Subtotal	20,162,212	19,916,300	16,820,081
Total	$ 20,263,953	$ 19,981,011	$ 16,899,707

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 41 for more details on credit risk management.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments	$ 255,043	$ 1,202,813	$ 955,266
Domestic financial debentures	18,789,151	19,674,793	18,572,405
Domestic listed stocks	-	194,358,584	121,143,239
Domestic preferred stocks	-	1,143,605	1,118,243
Domestic unlisted stock	2,447,359	3,062,861	2,882,804
Domestic beneficiary certificates	24,294,216	148,984,110	149,817,111
Domestic real estate investment trust	1,323,690	1,300,955	1,449,510
Overseas corporate bonds	1,753,465	4,280,923	4,455,659
Overseas listed stocks	-	26,837,732	30,582,696
Overseas financial debentures	20,297,217	20,120,329	23,247,686
Overseas beneficiary certificates	49,101,937	58,720,974	68,627,108
Total	$ 118,262,078	$ 479,687,679	$ 422,851,727

The Company’s has not pledged any financial assets measured at fair value through profit or loss as collateral.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Debt instrument investments at fair value through other comprehensive income:			
Domestic government bonds	$ 47,479,221	$ 978,751	$ 1,432,413
Domestic corporate bonds	37,567,410	-	-
Domestic financial debentures	17,364,965	-	-
Domestic structured products	6,176,503	-	-
Domestic beneficiary certificates	124,523,219	-	-
Overseas government bonds	29,010,303	12,657,734	12,073,275
Overseas corporate bonds	141,599,464	21,157,101	18,208,656
Overseas financial debentures	138,058,833	24,445,697	10,327,321
Overseas real estate mortgage bonds	-	3,262,478	-
Less: Security deposits	(6,651,492)	-	-
Subtotal	535,128,426	62,501,761	42,041,665
Equity instrument investments at fair value through other comprehensive income:			
Domestic listed stocks	214,545,763	2,432,191	2,952,218
Domestic unlisted stocks	2,045,031	1,264,066	1,283,614
Domestic preferred stocks	10,322,550	9,697,662	11,317,531
Overseas listed stocks	29,485,852	-	-
Overseas unlisted stocks	11,836,297	14,809,203	10,316,767
Subtotal	268,235,493	28,203,122	25,870,130
Total	$ 803,363,919	$ 90,704,883	$ 67,911,795

Please refer to Note 45 for details regarding the Company’s provision of collateral in respect of financial assets measured at fair value through other comprehensive income.

Information on gross carrying amount, allowance loss of investments in debt instrument measured at fair value through other comprehensive income and information related to credit risk is detailed in Note 41.

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, 2026 and 2025 are as follows:

	For the Three Months Ended March 31	
	2026	2025
Related to investments held at the end of the reporting period	$ 424,354	$ 30,929
Dividends recognized during the period	594,947	30,929

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, 2026 and 2025 are as follow:

	For the Three Months Ended March 31	
	2026	2025
The fair value of the investments at the date of derecognition	$ 89,677,096	$ 480,245
The cumulative unrealized valuation gain on disposal reclassified from other equity to retained earnings	14,228,181	8,645

10. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic government bonds	$ -	$ 49,986,834	$ 50,225,888
Domestic corporate bonds	-	39,349,342	39,499,082
Domestic financial debentures	-	17,350,000	16,350,000
Domestic structured products	-	6,500,000	6,500,000
Overseas real estate mortgage bonds	12,112,556	6,371,385	6,901,519
Overseas government bonds	176,160,809	193,721,841	204,826,857
Overseas corporate bonds	379,683,287	514,729,531	544,854,537
Overseas financial debentures	680,415,741	791,949,078	817,143,763
Less: Refundable deposits	(18,678,544)	(34,558,339)	(16,008,786)
Less: Loss allowance	(1,337,448)	(1,538,356)	(1,337,850)
Total	$ 1,228,356,401	$ 1,583,861,316	$ 1,668,955,010

For the three months ended March 31, 2026 and 2025, no derecognition of financial assets measured at amortized cost occurred, 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			
	2026		2025	
	Carrying Amount of Derecognition	Current (Loss) Gain Recognized	Carrying Amount of Derecognition	Current Gain Recognized
Domestic government bonds	$ -	$ -	$ 3,000,131	$ (7,209)
Overseas financial debentures	-	-	10,684,675	139,603
	$ -	$ -	$ 13,684,806	$ 132,394

Please refer to Note 45 for more details on financial assets measured at amortized cost under pledge.

Please refer to Note 41 for the gross carrying amount, allowance loss of financial assets measured at amortized cos and information related to credit risk.

The Company accounts for exchange gains and losses in accordance with the proviso under Subitem 6, Item 1, Subparagraph 2, Paragraph 4, Article 12 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and makes the relevant disclosures with reference to Paragraph 20 of IAS 1.

The financial information affected by the application of the foreign exchange gain and loss amortization method - such as unrealized exchange gains and losses on financial assets measured at amortized cost - is disclosed in the table below:

	For the Three Months Ended March 31, 2026				
	Not Subject to Foreign Exchange Application Profit or Loss Amortization Method	Not Subject to Foreign Exchange Application Profit or Loss Amortization Method	Effect of the Differential		
			Assets	Liabilities	(Loss) Gain
Other assets - Unamortized effects of unrealized foreign exchange valuation on financial assets measured at amortized cost	$ -	$ -	$ -	$ -	$ -
Other liabilities -Unamortized effects of unrealized foreign exchange valuation on financial assets measured at amortized cost t	-	14,382,136	-	14,382,136	-
Unrealized foreign exchange gains (losses) recognized in profit or loss on debt instruments measured at amortized cost					
Measured at closing exchange rates (designated as hedging instruments)	6,930,882	6,930,882	-	-	-
Recognized on an amortized cost basis	14,544,147	162,011	-	-	14,382,136
Total			$ -	$ 14,382,136	$ 14,382,136

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, 2026	December 31, 2025	March 31, 2025
Investments accounted for using the equity method	$ 2,312,330	$ 2,432,966	$ 2,296,633

Please refer to Note 50 (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	
	2026	2025
(Loss) profit from continuing operations	$ (143,042)	$ (16,900)
Other comprehensive (loss) income (net of tax)	146	(594)
Total comprehensive (loss) income	$ (142,896)	$ (17,494)

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, 2026				
	Land	Buildings	Right-of-use Asset - Land	Right-of-use Asset - Superficies of Royalties	Total
Beginning balance	$ 32,679,416	$ 23,232,852	$ 1,571,618	$ 8,932,994	$ 66,416,880
Additions from subsequent expenditure	-	11,739	-	-	11,739
Additions from lease contracts	-	-	34,923	-	34,923
Losses generated from adjustment fair value	-	38,873	(31,446)	(24,606)	(17,179)
Disposals	(21,609)	(10,661)	-	-	(32,270)
Ending balance	$ 32,657,807	$ 23,272,803	$ 1,575,095	$ 8,908,388	$ 66,414,093

	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
Additions from lease contracts	-	-	-	-	-
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

Prepayments for land and buildings and construction in progress not yet available for use, whose fair values cannot be reliably determined, the carrying amounts are measured using the cost model. The reconciliation of the carrying amounts at the beginning and end of the period is as follows:

	For the Three Month Ended March 31, 2026		
	Prepayments for Land and Buildings	Construction-in-progress	Total
Costs			
Beginning balance	$ -	$ -	$ -
Additions	2,520,000	6,045	2,526,045
Ending balance	$ 2,520,000	$ 6,045	$ 2,526,045
Accumulated impairment			
Beginning balance	$ -	$ -	$ -
Additions	-	-	-
Ending balance	$ -	$ -	$ -

Net carrying amount:

	Land	Buildings	Right-of-use Asset - Land	Right-of-use Asset - Superficies of Royalties	Prepayments for Land and Buildings	Construction-in-progress	Total
2026.3.31	$ 32,657,807	$ 23,272,803	$ 1,575,095	$ 8,908,388	$ 2,520,000	$ 6,045	$ 68,940,138
2025.12.31	$ 32,679,416	$ 23,232,852	$ 1,571,618	$ 8,932,994	$ -	$ -	$ 66,416,880
2025.3.31	$ 32,268,392	$ 23,257,168	$ 1,561,646	$ 9,272,942	$ -	$ -	$ 66,360,148

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, 2025 and 2024, and review reports on March 31, 2026 and 2025 are also acquired.

March 31, 2026 and December 31, 2025:

a. Hong Bang Real Estate Appraisers Firm: Li Ching Tang

b. CCIS Real Estate Joint Appraisers Firm: Wu Chih Hao

March 31, 2025:

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, 2026	December 31, 2025	March 31, 2025
Income capitalization rate	Mainly 0.0266%-3.45%	Mainly 0.0266%-3.45%	Mainly 0.145%-3.60%
Discount rate (Note)	3.05%-4.77%	3.05%-4.77%	2.97%-3.77%
Overall capital interest rate (Note)	3.079%-14.28%	3.079%-14.28%	0.44%-13.04%

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 $405,511 thousand and $379,729 thousand for the three months ended March 31, 2026 and 2025. Related direct operating expenses were $68,760 thousand and $62,873 thousand. The direct operating expenses of investment properties generating no rents were $4,327 thousand and $7,510 thousand.

As of March 31, 2026, December 31, 2025 and March 31, 2025, no investment properties were pledged as collateral.

13. LOANS

	March 31, 2026	December 31, 2025	March 31, 2025
Policy loans under investment contracts	$ 1,466,206	$ 660,007	$ 220,526
Secured loans	63,191	72,327	102,759
Subtotal	1,529,397	732,334	323,285
Less: Allowance for bad debts - secured loans	(1,122)	(1,122)	(1,799)
Total	$ 1,528,275	$ 731,212	$ 321,486

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 41 for more details on loss allowance and credit risk.

14. PROPERTY AND EQUIPMENT

	For the Three Months Ended March 31, 2026							
	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Cost								
Beginning balance	$ 6,313,674	$ 5,404,388	$ 880,641	$ 37,586	$ 742,559	$ 77,362	$ 429,471	$ 13,885,681
Additions	-	2,375	51,387	1,264	739	992	59,743	116,500
Derecognition	-	(13,970)	(28,309)	(241)	(202)	-	-	(42,722)
Transfers	-	2,925	84,112	-	649	2,946	(138,394)	(47,762)
Ending balance	$ 6,313,674	$ 5,395,718	$ 987,831	$ 38,609	$ 743,745	$ 81,300	$ 350,820	$ 13,911,697
Accumulated depreciation								
Beginning balance	$ -	$ 1,454,963	$ 511,414	$ 20,161	$ 652,546	$ 42,162	$ -	$ 2,681,246
Depreciation	-	64,915	37,563	1,771	10,950	1,883	-	117,082
Derecognition	-	(7,969)	(28,292)	(241)	(202)	-	-	(36,704)
Ending balance	$ -	$ 1,511,909	$ 520,685	$ 21,691	$ 663,294	$ 44,045	$ -	$ 2,761,624
Accumulated impairment								
Beginning balance	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046
Derecognition	-	(6,000)	-	-	-	-	-	(6,000)
Ending balance	$ 740,512	$ 2,534	$ -	$ -	$ -	$ -	$ -	$ 743,046

	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
Net carrying amount:								
2026.3.31	$ 5,573,162	$ 3,881,275	$ 467,146	$ 16,918	$ 80,451	$ 37,255	$ 350,820	$ 10,407,027
2025.12.31	$ 5,573,162	$ 3,940,891	$ 369,227	$ 17,425	$ 90,013	$ 35,200	$ 429,471	$ 10,455,389
2025.3.31	$ 5,595,437	$ 4,125,537	$ 437,842	$ 19,140	$ 119,713	$ 33,235	$ 227,993	$ 10,558,897

Property and equipment held by the Company are not pledged.

15. 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, 2026					
	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Office Equipment	Total
Cost						
Beginning balance	$ 545,343	$ 4,336,575	$ 408,095	$ 7,455	$ 12,974	$ 5,310,442
Additions	17,424	-	-	-	4,743	22,167
Derecognition	(198)	-	-	-	(4,784)	(4,982)
Ending balance	$ 562,569	$ 4,336,575	$ 408,095	$ 7,455	$ 12,933	$ 5,327,627
Accumulated depreciation						
Beginning balance	$ 58,928	$ 461,119	$ 98,514	$ 5,492	$ 7,833	$ 631,886
Depreciation	2,184	16,690	13,602	298	2,362	35,136
Derecognition	(198)	-	-	-	(4,784)	(4,982)
Ending balance	$ 60,914	$ 477,809	$ 112,116	$ 5,790	$ 5,411	$ 662,040

	For the Three Months Ended March 31, 2025					
	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Office Equipment	Total
Cost						
Beginning balance	$ 545,343	$ 4,336,575	$ 379,347	$ 7,455	$ 175,855	$ 5,444,575
Additions	-	-	2,895	-	-	2,895
Derecognition	-	-	(12,526)	-	-	(12,526)
Ending balance	$ 545,343	$ 4,336,575	$ 369,716	$ 7,455	$ 175,855	$ 5,434,944
Accumulated depreciation						
Beginning balance	$ 50,488	$ 394,361	$ 74,772	$ 4,300	$ 137,480	$ 661,401
Depreciation	2,110	16,689	12,058	298	9,568	40,723
Derecognition	-	-	(12,526)	-	-	(12,526)
Ending balance	$ 52,598	$ 411,050	$ 74,304	$ 4,598	$ 147,048	$ 689,598

	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Office Equipment	Total
Net carrying amount						
2026.3.31	$ 501,655	$ 3,858,766	$ 295,979	$ 1,665	$ 7,522	$ 4,665,587
2025.12.31	$ 486,415	$ 3,875,456	$ 309,581	$ 1,963	$ 5,141	$ 4,678,556
2025.3.31	$ 492,745	$ 3,925,525	$ 295,412	$ 2,857	$ 28,807	$ 4,745,346

The depreciation expense on the right-of-use assets recognized during the three months ended March 31, 2026 and 2025 is $35,136 thousand and $40,723 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, 2026	December 31, 2025	March 31, 2025
Land	$ 1,647,257	$ 1,597,134	$ 1,603,423
Buildings	316,020	329,005	312,502
Transportation equipment	1,695	1,997	2,899
Other office equipment	7,443	5,331	30,479
Total	$ 1,972,415	$ 1,933,467	$ 1,949,303

The interest expense on the lease liabilities recognized during the three months ended March 31, 2026 and 2025 is $15,898 thousand and $15,479 thousand. Please refer to Note 41 (2) Liquidity Risk Management for the maturity analysis for lease liabilities As of March 31, 2026, December 31, 2025 and March 31, 2025.

3) Income and costs relating to leasing activities

	For the Three Months Ended March 31	
	2026	**2025**
The expenses relating to short-term leases	$ 130	$ 202
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	-	59

4) Cash outflow relating to leasing activities

For the three months ended March 31, 2026 and 2025, the Company's total cash outflows for leases amounting to $34,170 thousand and $35,404 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	
	2026	2025
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 401,902	$ 376,553
Income relating to variable lease payments that do not depend on an index or a rate	3,609	3,176
Total	$ 405,511	$ 379,729

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, 2026, December 31, 2025 and March 31, 2025 are as follow:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than one year	$ 1,579,302	$ 1,574,661	$ 1,412,471
More than one year but less than two years	1,403,537	1,407,978	1,321,208
More than two years but less than three years	1,260,597	1,261,439	1,109,071
More than three years but less than four years	1,119,159	1,136,340	950,362
More than four years but less than five years	894,141	942,935	844,855
More than five years	4,966,550	5,167,208	5,403,841
Total	$ 11,223,286	$ 11,490,561	$ 11,041,808

16. OTHER ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments	$ 723,677	$ 80,590	$ 179,868
Incremental costs of obtaining a contract	2,318,556	-	-
Contract assets	17,028	-	-
Refundable deposits	25,349,393	34,577,528	16,036,685
Other assets - others	55,566	21,613	23,604
Total	$ 28,464,220	$ 34,679,731	$ 16,240,157

a. Incremental costs of obtaining a contract:

Upon the transition from the current regulatory framework to IFRS 15, the Company recognised incremental costs of obtaining contracts amounting to $2,087,600 thousand, which will be recognised in profit or loss.

Taking into account historical experience and the surrender provisions of investment contracts, the Company believes that the commissions paid to obtain contracts are fully recoverable. Amortization expense recognised for the period from January 1 to March 31, 2026 amounted to $75,312 thousand.

b. Guarantee deposits paid comprised:

	March 31, 2026	December 31, 2025	March 31, 2025
Insurance operation guarantee deposit	$ 6,651,492	$ 7,787,359	$ 7,561,040
Office rental deposit	14,896	14,729	14,812
Deposit for derivatives trading	18,678,544	26,770,980	8,456,373
Other guarantee deposits	4,461	4,460	4,460
	$ 25,349,393	$ 34,577,528	$ 16,036,685

c. 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, 2026, December 31, 2025 and March 31, 2025, the Company posted government bond as business guarantee deposit to the special treasury account.

d. As of March 31, 2026, December 31, 2025, and March 31, 2025, margins for derivative transactions were pledged with government bonds of $18,678,544 thousand, government bonds of $26,770,980 thousand and bank deposits and government bonds of $8,456,373 thousand, respectively.

17. SEPARATE ACCOUNT INSURANCE PRODUCTS - ASSETS

a. Separate account products - assets

	Assets		
Items	March 31, 2026	December 31, 2025	March 31, 2025
Cash in bank	$ 7,623,155	$ 10,383,810	$ 6,022,452
Financial assets at fair value through profit or loss - beneficiary certificate	139,800,163	128,734,357	$ 113,961,554
Accounts receivable	81,035	46,853	50,626
Total	$ 147,504,353	$ 139,165,020	$ 120,034,632

b. Reconciliation of assets of separate account insurance products - financial assets at fair value through profit or loss:

Items	March 31, 2026	December 31, 2025	March 31, 2025
Beginning balance	$ 128,734,357	$ 115,173,532	$ 115,173,532
Additions	25,025,477	30,107,338	5,729,500
Disposals	(11,763,056)	(21,143,508)	(2,596,819)
Expenses incurred	(650,587)	(2,340,013)	(567,362)
Investment profit and loss performance	(1,546,028)	6,937,008	(3,777,297)
Ending balance	$ 139,800,163	$ 128,734,357	$ 113,961,554

c. Separate account product revenue:

Items	Revenues For the Three Months Ended March 31 2026	 2025
Separate account product revenue		
(Losses) gains from financial assets at fair value through profit or loss	$ (961,151)	$ (2,331,907)
Interest income	593,756	349,954
Foreign exchange gains	224,512	(222,139)
Other revenues	23,028	5,086
Total	$ (119,855)	$ (2,199,006)

18. PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Commissions payable	$ 1,690,468	$ 1,839,405	$ 1,630,655
Other payables			
Salary payable	1,612,805	2,272,660	1,393,595
Tax payable	100,922	100,229	100,618
Collection payable	62,214	64,475	59,630
Payable on investments	4,415,491	3,746,327	-
Accrued expenses payable	1,721,771	1,586,611	1,541,791
Others	711,193	461,182	788,738
Subtotal	8,624,396	8,231,484	3,884,372
Total	$ 10,314,864	$ 10,070,889	$ 5,515,027

19. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL	$ 63,214,000	$ 60,918,918	$ 59,884,348
Held for trading:			
Derivatives not designated as hedging instruments			
Swaps and forward foreign exchange contracts	20,099,096	30,770,563	$ 11,964,090
	$ 83,313,096	$ 91,689,481	$ 71,848,438

Changes in financial liabilities measured at fair value through profit or loss of investment contracts are as follows:

Items	For the Three Months Ended March 31 2026	2025
Beginning balance	$ 60,918,918	$ 60,322,586
Premiums received	4,745,108	1,924,269
Benefits paid	(1,478,809)	(1,438,980)
Investment return on underlying assets	(910,732)	(886,615)
Asset management fees received	(60,485)	(36,912)
Ending balance	$ 63,214,000	$ 59,884,348

20. BONDS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
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	10,000,000
1st unsecured cumulative subordinated corporate bonds issued in 2026	10,000,000	-	-
Total	$ 40,000,000	$ 30,000,000	$ 30,000,000

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, 2026 and 2025 were $66,575 thousand and $66,575 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, 2026 and 2025 were $92,466 thousand and $92,466 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, 2026 and 2025 were $93,761 thousand and $93,761 thousand, respectively.

d. The issue was approved by Financial Supervisory Commission ("FSC") under Order No. Jin-Guan-Bao-Shou-Zi-1140435754 and Taipei Exchange ("TPEx") under Order No. Cheng-Gui-Chai-Zi-11400109591. The Company issued corporate bond on January 26, 2026. 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$3,000,000 thousand and B note is NT$7,000,000 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 January 26 to March 31, 2026 was $68,401 thousand.

21. INSURANCE CONTRACT ASSETS AND l LIABILITIES

Insurance Contracts Issued

a. Balance sheet of insurance contract

The following table sets out the adjustment of the insurance contracts issued to the balance of the remaining protection liabilities and claims liabilities from the beginning to the end of the period.

For the three months ended March 31, 2026

	Liability for Remaining Coverage			Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach			
	Exclude Any Loss Element	**Any Loss Components**	**Subtotal**		**Estimated of the Present Value of Future Cash Flows**	**Risk Adjustment for Non-Financial Risks**	**Subtotal**	**Total**
Balance of initial insurance contract assets	$ (191,351)	$ -	$ (191,351)	$ 55,092	$ -	$ -	$ -	$ (136,259)
Balance of initial insurance contract liabilities	1,997,006,803	18	1,997,006,821	4,727,874	1,715,784	-	1,715,784	2,003,450,479
Net balance as of January 1, 2026	1,996,815,452	18	1,996,815,470	4,782,966	1,715,784	-	1,715,784	2,003,314,220
Insurance revenue								
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-
Contracts under the fair value approach	(7,984,518)	-	(7,984,518)	-	-	-	-	(7,984,518)
All other contracts	(3,042,788)	-	(3,042,788)	-	-	-	-	(3,042,788)
Subtotal of insurance revenue	(11,027,306)	-	(11,027,306)	-	-	-	-	(11,027,306)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(2)	(2)	5,274,569	1,151,802	-	1,151,802	6,426,369
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	215,944	(678,867)	-	(678,867)	(462,923)
Changes related to future service - losses on onerous groups of contracts and reversals of such losses	-	1	1	-	-	-	-	1
Amortization of insurance acquisition cash flows	469,411	-	469,411	-	-	-	-	469,411
Subtotal for insurance services expense	469,411	(1)	469,410	5,490,513	472,935	-	472,935	6,432,858
Insurance services results	(10,557,895)	(1)	(10,557,896)	5,490,513	472,935	-	472,935	(4,594,448)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss - interest-related	14,287,505	-	14,287,505	-	-	-	-	14,287,505
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(33,739,197)	-	(33,739,197)	-	-	-	-	(33,739,197)
Subtotal of insurance finance income or expenses	(19,451,692)	-	(19,451,692)	-	-	-	-	(19,451,692)
Foreign exchange gain or loss	8,302,652	-	8,302,652	4,802	-	-	-	8,307,454
Exchange differences on the translation of financial statements of foreign operations	-	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	(21,706,935)	(1)	(21,706,936)	5,495,315	472,935	-	472,935	(15,738,686)
Investment components	(43,887,400)	-	(43,887,400)	43,887,400	-	-	-	-
Policy loans	66,544	-	66,544	(66,544)	-	-	-	-
Other changes	281,903	-	281,903	-	-	-	-	281,903
Cash flows during the period								
Premiums received for insurance contracts issued	50,563,520	-	50,563,520	-	-	-	-	50,563,520
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	(49,145,411)	(789,470)	-	(789,470)	(49,934,881)
Insurance acquisition cash flows	(3,280,021)	-	(3,280,021)	-	-	-	-	(3,280,021)
Subtotal of cash flows during the period	47,283,499	-	47,283,499	(49,145,411)	(789,470)	-	(789,470)	(2,651,382)
Balance of insurance contract assets at the end of the period	(248,908)	-	(248,908)	52,132	-	-	-	(196,776)
Balance of insurance contract liabilities at the end of the period	1,979,101,971	17	1,979,101,988	4,901,594	1,399,249	-	1,399,249	1,985,402,831
Net balance as of March 31, 2026	$ 1,978,853,063	$ 17	$ 1,978,853,080	$ 4,953,726	$ 1,399,249	$ -	$ 1,399,249	$ 1,985,206,055

For the three months ended March 31, 2025

	Liability for Remaining Coverage: Exclude Any Loss Element	Liability for Remaining Coverage: Any Loss Components	Liability for Remaining Coverage: Subtotal	Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach: Estimated of the Present Value of Future Cash Flows	Liability for Incurred Claims Under the Premium Allocation Approach: Risk Adjustment for Non-Financial Risks	Liability for Incurred Claims Under the Premium Allocation Approach: Subtotal	Total
Balance of initial insurance contract assets	$ (357,858)	$ -	$ (357,858)	$ 151,601	$ -	$ -	$ -	$ (206,257)
Balance of initial insurance contract liabilities	1,935,872,650	28	1,935,872,678	3,233,977	1,136,298	-	1,136,298	1,940,242,953
Net balance as of January 1, 2025	1,935,514,792	28	1,935,514,820	3,385,578	1,136,298	-	1,136,298	1,940,036,696
Insurance revenue								
Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-
Contracts under the fair value approach	(7,947,667)	-	(7,947,667)	-	-	-	-	(7,947,667)
All other contracts	(2,524,240)	-	(2,524,240)	-	-	-	-	(2,524,240)
Subtotal of insurance revenue	(10,471,907)	-	(10,471,907)	-	-	-	-	(10,471,907)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(21)	(21)	4,631,089	1,029,566	-	1,029,566	5,660,634
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	663,860	(110,445)	-	(110,445)	553,415
Changes related to future service - losses on onerous groups of contracts and reversals of such losses	-	25	25	-	-	-	-	25
Amortization of insurance acquisition cash flows	350,365	-	350,365	-	-	-	-	350,365
Subtotal for insurance services expense	350,365	4	350,369	5,294,949	919,121	-	919,121	6,564,439
Insurance services results	(10,121,542)	4	(10,121,538)	5,294,949	919,121	-	919,121	(3,907,468)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss - interest-related	10,590,549	-	10,590,549	-	-	-	-	10,590,549
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(3,036,252)	-	(3,036,252)	-	-	-	-	(3,036,252)
Subtotal of insurance finance income or expenses	7,554,297	-	7,554,297	-	-	-	-	7,554,297
Foreign exchange gain or loss	5,368,791	-	5,368,791	3,184	-	-	-	5,371,975
Exchange differences on the translation of financial statements of foreign operations	-	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	2,801,546	4	2,801,550	5,298,133	919,121	-	919,121	9,018,804
Investment components	(42,819,591)	-	(42,819,591)	42,819,591	-	-	-	-
Policy loans	711,345	-	711,345	(711,345)	-	-	-	-
Other changes	329,626	-	329,626	-	-	-	-	329,626
Cash flows during the period								
Premiums received for insurance contracts issued	46,086,906	-	46,086,906	-	-	-	-	46,086,906
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	(47,363,155)	(870,999)	-	(870,999)	(48,234,154)
Insurance acquisition cash flows	(2,953,861)	-	(2,953,861)	-	-	-	-	(2,953,861)
Subtotal of cash flows during the period	43,133,045	-	43,133,045	(47,363,155)	(870,999)	-	(870,999)	(5,101,109)
Balance of insurance contract assets at the end of the period	(391,389)	-	(391,389)	157,238	-	-	-	(234,151)
Balance of insurance contract liabilities at the end of the period	1,940,062,152	32	1,940,062,184	3,271,564	1,184,420	-	1,184,420	1,944,518,168
Net balance as of March 31, 2025	$ 1,939,670,763	$ 32	$ 1,939,670,795	$ 3,428,802	$ 1,184,420	$ -	$ 1,184,420	$ 1,944,284,017

b. Reconciliation of insurance contract assets and liabilities

The following table presents a reconciliation of the components of insurance contracts issued not measured under the Premium Allocation Approach (PAA) from the opening balance to the closing balance.

For the three months ended March 31, 2026

			Contractual Service Margin				
	Estimated Present Value of Future Cash Flows	**Risk Adjustment for Non-financial Risks**	**Contracts Under the Modified Retrospective Approach**	**Contracts Under the Fair Value Approach**	**All Other Contracts**	**Subtotal**	**Total**
Balance of initial insurance contract assets	$ (1,614,028)	$ 46,502	$ -	$ 1,424,117	$ 7,150	$ 1,431,267	$ (136,259)
Balance of initial insurance contract liabilities	1,748,799,123	19,217,790	-	166,238,373	67,318,551	233,556,924	2,001,573,837
Net balance as of January 1, 2026	1,747,185,095	19,264,292	-	167,662,490	67,325,701	234,988,191	2,001,437,578
Changes related to future services							
Changes in estimates that adjust the contractual service margin	2,219,809	(520,013)	-	(1,640,697)	(59,099)	(1,699,796)	-
Losses on onerous groups of contracts and reversals of such losses	(17)	-	-	-	-	-	(17)
Effects of contracts initially recognized during the period	(8,432,769)	253,493	-	-	8,179,294	8,179,294	18
Subtotal of changes related to future services	(6,212,977)	(266,520)	-	(1,640,697)	8,120,195	6,479,498	1
Changes related to current service							
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(2,669,220)	(1,052,430)	(3,721,650)	(3,721,650)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(220,092)	-	-	-	-	(220,092)
Experience adjustments	(298,316)	-	-	-	-	-	(298,316)
Subtotal of changes related to current service	(298,316)	(220,092)	-	(2,669,220)	(1,052,430)	(3,721,650)	(4,240,058)
Changes related to past services							
Changes in fulfilment cash flows relating to incurred claims	215,944	-	-	-	-	-	215,944
Insurance finance income or expenses							
Insurance finance income or expenses recognized in profit or loss - interest-related	12,714,952	-	-	1,065,761	506,792	1,572,553	14,287,505
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(33,739,197)	-	-	-	-	-	(33,739,197)
Subtotal of insurance finance income or expenses	(21,024,245)	-	-	1,065,761	506,792	1,572,553	(19,451,692)
Foreign exchange gain or loss	6,674,841	89,203	-	917,424	625,986	1,543,410	8,307,454
Exchange differences on the translation of financial statements of foreign operations	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	(20,644,753)	(397,409)	-	(2,326,732)	8,200,543	5,873,811	(15,168,351)
Other changes	290,216	-	-	-	-	-	290,216
Cash flows during the period							
Premiums received for insurance contracts issued	49,639,448	-	-	-	-	-	49,639,448
Incurred claims and other insurance service expenses paid for insurance contracts issued	(49,145,411)	-	-	-	-	-	(49,145,411)
Insurance acquisition cash flows	(3,143,161)	-	-	-	-	-	(3,143,161)
Subtotal of cash flows during the period	(2,649,124)	-	-	-	-	-	(2,649,124)
Balance of insurance contract assets at the end of the period	(2,174,569)	53,780	-	1,421,677	502,336	1,924,013	(196,776)
Balance of insurance contract liabilities at the end of the period	1,726,356,003	18,813,103	-	163,914,081	75,023,908	238,937,989	1,984,107,095
Net balance as of March 31, 2026	$ 1,724,181,434	$ 18,866,883	$ -	$ 165,335,758	$ 75,526,244	$ 240,862,002	$ 1,983,910,319

For the three months ended March 31, 2025

	Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Contractual Service Margin: Contracts Under the Modified Retrospective Approach	Contractual Service Margin: Contracts Under the Fair Value Approach	Contractual Service Margin: All Other Contracts	Contractual Service Margin: Subtotal	Total
Balance of initial insurance contract assets	$ (1,607,748)	$ 55,691	$ -	$ 1,327,103	$ 18,697	$ 1,345,800	$ (206,257)
Balance of initial insurance contract liabilities	1,711,087,079	21,108,972	-	171,808,666	34,911,727	206,720,393	1,938,916,444
Net balance as of January 1, 2025	1,709,479,331	21,164,663	-	173,135,769	34,930,424	208,066,193	1,938,710,187
Changes related to future services							
Changes in estimates that adjust the contractual service margin	88,356	(623,723)	-	251,397	283,970	535,367	-
Losses on onerous groups of contracts and reversals of such losses	23	2	-	-	-	-	25
Effects of contracts initially recognized during the period	(9,954,672)	280,521	-	-	9,674,151	9,674,151	-
Subtotal of changes related to future services	(9,866,293)	(343,200)	-	251,397	9,958,121	10,209,518	25
Changes related to current service							
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(2,632,452)	(593,430)	(3,225,882)	(3,225,882)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(288,256)	-	-	-	-	(288,256)
Experience adjustments	(701,774)	-	-	-	-	-	(701,774)
Subtotal of changes related to current service	(701,774)	(288,256)	-	(2,632,452)	(593,430)	(3,225,882)	(4,215,912)
Changes related to past services							
Changes in fulfilment cash flows relating to incurred claims	663,860	-	-	-	-	-	663,860
Insurance finance income or expenses							
Insurance finance income or expenses recognized in profit or loss - interest-related	9,330,887	1	-	955,162	304,499	1,259,661	10,590,549
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(3,036,252)	-	-	-	-	-	(3,036,252)
Subtotal of insurance finance income or expenses	6,294,635	1	-	955,162	304,499	1,259,661	7,554,297
Foreign exchange gain or loss	4,493,961	65,666	-	567,648	244,700	812,348	5,371,975
Exchange differences on the translation of financial statements of foreign operations	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	884,389	(565,789)	-	(858,245)	9,913,890	9,055,645	9,374,245
Other changes	337,174	-	-	-	-	-	337,174
Cash flows during the period							
Premiums received for insurance contracts issued	45,184,177	-	-	-	-	-	45,184,177
Incurred claims and other insurance service expenses paid for insurance contracts issued	(47,363,155)	-	-	-	-	-	(47,363,155)
Insurance acquisition cash flows	(2,824,228)	-	-	-	-	-	(2,824,228)
Subtotal of cash flows during the period	(5,003,206)	-	-	-	-	-	(5,003,206)
Balance of insurance contract assets at the end of the period	(1,608,323)	54,898	-	1,307,137	12,137	1,319,274	(234,151)
Balance of insurance contract liabilities at the end of the period	1,707,306,011	20,543,976	-	170,970,387	44,832,177	215,802,564	1,943,652,551
Net balance as of March 31, 2025	$ 1,705,697,688	$ 20,598,874	$ -	$ 172,277,524	$ 44,844,314	$ 217,121,838	$ 1,943,418,400

c. Effect of insurance contracts originally recognized that do not apply the premium method of assessment

The following table shows the effect of the insurance contracts issued in the current period on this balance sheet:

For the three months ended March 31, 2026

	Insurance Contracts Issued		Acquired Through the Transfer on Insurance Contract or in a Business Combination		
	Non-onerous Contracts	Onerous Contracts	Non-onerous Contracts	Onerous Contracts	Total
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	$ 3,149,137	$ -	$ -	$ -	$ 3,149,137
Claims and other directly attributable expenses	29,417,185	18	-	-	29,417,203
Subtotal	32,566,322	18	-	-	32,566,340
Estimated present value of future cash inflow	(40,999,109)	-	-	-	(40,999,109)
Risk adjustment for non-financial risks	253,493	-	-	-	253,493
Contractual service margin	8,179,294	-	-	-	8,179,294
Effects of contracts initially recognized during the period	$ -	$ 18	$ -	$ -	$ 18

For the three months ended March 31, 2025

	Insurance Contracts Issued		Acquired Through the Transfer on Insurance Contract or in a Business Combination		
	Non-onerous Contracts	Onerous Contracts	Non-onerous Contracts	Onerous Contracts	Total
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	$ 2,999,434	$ -	$ -	$ -	$ 2,999,434
Claims and other directly attributable expenses	29,069,704	-	-	-	29,069,704
Subtotal	32,069,138	-	-	-	32,069,138
Estimated present value of future cash inflow	(42,023,810)	-	-	-	(42,023,810)
Risk adjustment for non-financial risks	280,521	-	-	-	280,521
Contractual service margin	9,674,151	-	-	-	9,674,151
Effects of contracts initially recognized during the period	$ -	$ -	$ -	$ -	$ -

d. Underlying Items and Fair Value of Insurance Contracts with Direct Participation Features

The following table presents the composition of the underlying items associated with insurance contracts with direct participation features and the fair values of such underlying items:

	March 31, 2026	December 31, 2025	March 31, 2025
Separate account product liabilities			
Beneficiary certificate	$ 78,637,405	$ 71,303,266	$ 55,514,908
Deposits in banks	5,676,293	6,840,277	4,635,375
	$ 84,313,698	$ 78,143,543	$ 60,150,283

e. Reconciliation of financial assets related to insurance contracts recognized in other comprehensive income

If an entity elects to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income, a reconciliation from the beginning to the end of the period of the cumulative amounts recognized in other comprehensive income for the financial assets measured at fair value through other comprehensive income related to groups of insurance contracts to which the modified retrospective approach or the fair value approach was applied at the transition date shall be disclosed as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Balance on January 1, 2025	$ (1,084,367)	$ (5,188,170)
The effect of the reclassification of financial assets	(38,865,011)	-
Balance on January 1 adjusted	(39,949,378)	(5,188,170)
Unrealized valuation gains (losses) on financial assets at FVTOCI	110,619	933,885
Disposal of investments in debt instruments designated at fair value through other comprehensive income	(304,416)	(31,061)
Reclassification of cumulative gains and losses arising from the disposal of debt instruments measured at fair value through other comprehensive income into profit or loss	(15,322,781)	(8,487)
Income tax related to this item	2,681,667	(113,948)
Other adjustment items	701,785	43,552
Balance on December 31, 2025	$ (52,082,504)	$ (4,364,229)

22. REINSURANCE ASSETS AND LIABILITIES

Reinsurance Contracts Held

a. Balance sheet of reinsurance contracts held

The following table presents the reconciliation of the balances of reinsurance contracts held, including assets for remaining coverage and assets for incurred claims, from the beginning to the end of the period.

For the three months ended March 31, 2026

	Liability for Remaining Coverage			Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach			
	Exclude Any Loss Element	Any Loss Components	Subtotal		Estimated of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risks	Subtotal	Total
Balance of initial reinsurance contract assets	$ 23,478	$ -	$ 23,478	$ 34,558	$ 117,359	$ -	$ 117,359	$ 175,395
Balance of initial reinsurance contract liabilities	(15,151,440)	-	(15,151,440)	1,638,827	-	-	-	(13,512,613)
Net balance as of January 1, 2026	(15,127,962)	-	(15,127,962)	1,673,385	117,359	-	117,359	(13,337,218)
Allocation of reinsurance premiums paid	(207,997)	-	(207,997)	-	-	-	-	(207,997)
Amounts recovered from reinsurers								
Recoveries of incurred claims and benefits	-	-	-	284,439	33,496	-	33,496	317,935
Other costs associated with reinsurance contracts held	-	-	-	-	-	-	-	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	-	-	-	-	-	-	-	-
Changes related to past service - adjustments to the asset for incurred claims	-	-	-	(148,032)	(1,220)	-	(1,220)	(149,252)
Subtotal of amounts recoverable from reinsurers	-	-	-	136,407	32,276	-	32,276	168,683
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	-	-	-	-	-	-	-	-
Net income or expense from reinsurance	(207,997)	-	(207,997)	136,407	32,276	-	32,276	(39,314)
Reinsurance finance income or expenses								
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(59,045)	-	(59,045)	-	-	-	-	(59,045)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	395,566	-	395,566	-	-	-	-	395,566
Subtotal of reinsurance finance income or expenses	336,521	-	336,521	-	-	-	-	336,521
Foreign exchange gain or loss	(3,656)	-	(3,656)	1,917	-	-	-	(1,739)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	124,868	-	124,868	138,324	32,276	-	32,276	295,468
Investment components	(209,271)	-	(209,271)	209,271	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Cash flows during the period								
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	-	-	-	(443,775)	(80,010)	-	(80,010)	(523,785)
Amounts paid (premiums paid for reinsurance contracts held)	727,132	-	727,132	-	-	-	-	727,132
Subtotal of cash flows during the period	727,132	-	727,132	(443,775)	(80,010)	-	(80,010)	203,347
Balance of reinsurance contract assets at the end of the period	2,821	-	2,821	33,129	69,473	-	69,473	105,423
Balance of reinsurance contract liabilities at the end of the period	(14,488,054)	-	(14,488,054)	1,544,076	152	-	152	(12,943,826)
Net balance as of March 31, 2026	$ (14,485,233)	$ -	$ (14,485,233)	$ 1,577,205	$ 69,625	$ -	$ 69,625	$ (12,838,403)

For the three months ended March 31, 2025

	Liability for Remaining Coverage			Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach			
	Exclude Any Loss Element	Any Loss Components	Subtotal		Estimated of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risks	Subtotal	Total
Balance of initial reinsurance contract assets	$ 25,830	$ -	$ 25,830	$ 42,097	$ 106,714	$ -	$ 106,714	$ 174,641
Balance of initial reinsurance contract liabilities	(13,713,864)	-	(13,713,864)	1,038,923	-	-	-	(12,674,941)
Net balance as of January 1, 2025	(13,688,034)	-	(13,688,034)	1,081,020	106,714	-	106,714	(12,500,300)
Allocation of reinsurance premiums paid	(293,434)	-	(293,434)	-	-	-	-	(293,434)
Amounts recovered from reinsurers								
Recoveries of incurred claims and benefits	-	-	-	130,685	34,205	-	34,205	164,890
Other costs associated with reinsurance contracts held	-	-	-	-	-	-	-	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	-	-	-	-	-	-	-	-
Changes related to past service - adjustments to the asset for incurred claims	-	-	-	(26,702)	(3,335)	-	(3,335)	(30,037)
Subtotal of amounts recoverable from reinsurers	-	-	-	103,983	30,870	-	30,870	134,853
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	-	-	-	-	-	-	-	-
Net income or expense from reinsurance	(293,434)	-	(293,434)	103,983	30,870	-	30,870	(158,581)
Reinsurance finance income or expenses								
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(52,340)	-	(52,340)	-	-	-	-	(52,340)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	97,516	-	97,516	-	-	-	-	97,516
Subtotal of reinsurance finance income or expenses	45,176	-	45,176	-	-	-	-	45,176
Foreign exchange gain or loss	(2,120)	-	(2,120)	766	-	-	-	(1,354)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
Total amount recognized in the statement of comprehensive income	(250,378)	-	(250,378)	104,749	30,870	-	30,870	(114,759)
Investment components	(259,710)	-	(259,710)	259,710	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Cash flows during the period								
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	-	-	-	(317,001)	(54,963)	-	(54,963)	(371,964)
Amounts paid (premiums paid for reinsurance contracts held)	510,983	-	510,983	-	-	-	-	510,983
Subtotal of cash flows during the period	510,983	-	510,983	(317,001)	(54,963)	-	(54,963)	139,019
Balance of reinsurance contract assets at the end of the period	2,555	-	2,555	25,872	82,267	-	82,267	110,694
Balance of reinsurance contract liabilities at the end of the period	(13,689,694)	-	(13,689,694)	1,102,606	354	-	354	(12,586,734)
Net balance as of March 31, 2025	$ (13,687,139)	$ -	$ (13,687,139)	$ 1,128,478	$ 82,621	$ -	$ 82,621	$ (12,476,040)

b. Reconciliation of reinsurance contracts held assets and liabilities

The following table presents the reconciliation of the components of reinsurance contracts held to which the premium allocation approach is not applied, from the beginning to the end of the period.

For the three months ended March 31, 2026

			Contractual Service Margin				
	Estimated Present Value of Future Cash Flows	**Risk Adjustment for Non-financial Risks**	**Contracts Under the Modified Retrospective Approach**	**Contracts Under the Fair Value Approach**	**All Other Contracts**	**Subtotal**	**Total**
Balance of initial reinsurance contract assets	$ (6,346)	$ 7,656	$ -	$ 71,519	$ (139)	$ 71,380	$ 72,690
Balance of initial reinsurance contract liabilities	(19,202,239)	1,302,896	-	1,838,994	2,547,736	4,386,730	(13,512,613)
Net balance as of January 1, 2026	(19,208,585)	1,310,552	-	1,910,513	2,547,597	4,458,110	(13,439,923)
Changes related to future services							
Changes in estimates that adjust the contractual service margin	(46,931)	(110,827)	-	232,074	(74,316)	157,758	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	-	-	-	-	-	-	-
Effects of contracts initially recognized during the period	(157,844)	10,069	-	-	147,775	147,775	-
Subtotal of changes related to future services	(204,775)	(100,758)	-	232,074	73,459	305,533	-
Changes related to current service							
Contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(29,457)	(23,253)	(52,710)	(52,710)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(71)	-	-	-	-	(71)
Experience adjustments	170,302	-	-	-	-	-	170,302
Subtotal of changes related to current service	170,302	(71)	-	(29,457)	(23,253)	(52,710)	117,521
Changes related to past services							
Adjustments to the asset for incurred claims	(148,032)	-	-	-	-	-	(148,032)
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(182,505)	(100,829)	-	202,617	50,206	252,823	(30,511)
Reinsurance finance income or expenses							
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(77,120)	-	-	6,962	11,113	18,075	(59,045)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	395,566	-	-	-	-	-	395,566
Subtotal of reinsurance finance income or expenses	318,446	-	-	6,962	11,113	18,075	336,521
Foreign exchange gain or loss	(5,784)	1,006	-	1,222	1,817	3,039	(1,739)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Cash flows during the period							
Amounts received (recoveries of claims or expenses from reinsurance contracts held)	(443,775)	-	-	-	-	-	(443,775)
Amounts paid (premiums paid on reinsurance contracts held)	705,101	-	-	-	-	-	705,101
Subtotal of cash flows during the period	261,326	-	-	-	-	-	261,326
Balance of reinsurance contract assets at the end of the period	(17,429)	7,618	-	79,047	120	79,167	69,356
Balance of reinsurance contract liabilities at the end of the period	(18,799,673)	1,203,111	-	2,042,267	2,610,613	4,652,880	(12,943,682)
Net balance as of March 31, 2026	$ (18,817,102)	$ 1,210,729	$ -	$ 2,121,314	$ 2,610,733	$ 4,732,047	$ (12,874,326)

For the three months ended March 31, 2025

	Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Contractual Service Margin: Contracts Under the Modified Retrospective Approach	Contractual Service Margin: Contracts Under the Fair Value Approach	Contractual Service Margin: All Other Contracts	Contractual Service Margin: Subtotal	Total
Balance of initial reinsurance contract assets	$ 42,600	$ 7,116	$ -	$ 20,021	$ 190	$ 20,211	$ 69,927
Balance of initial reinsurance contract liabilities	(19,095,828)	1,373,221	-	3,522,168	1,525,498	5,047,666	(12,674,941)
Net balance as of January 1, 2025	(19,053,228)	1,380,337	-	3,542,189	1,525,688	5,067,877	(12,605,014)
Changes related to future services							
Changes in estimates that adjust the contractual service margin	202,177	15,775	-	(61,420)	(156,532)	(217,952)	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	-	-	-	-	-	-	-
Effects of contracts initially recognized during the period	(150,659)	13,808	-	-	136,851	136,851	-
Subtotal of changes related to future services	51,518	29,583	-	(61,420)	(19,681)	(81,101)	-
Changes related to current service							
Contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(44,721)	(5,071)	(49,792)	(49,792)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(618)	-	-	-	-	(618)
Experience adjustments	(70,579)	-	-	-	-	-	(70,579)
Subtotal of changes related to current service	(70,579)	(618)	-	(44,721)	(5,071)	(49,792)	(120,989)
Changes related to past services							
Adjustments to the asset for incurred claims	(26,702)	-	-	-	-	-	(26,702)
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	-	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(45,763)	28,965	-	(106,141)	(24,752)	(130,893)	(147,691)
Reinsurance finance income or expenses							
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(72,397)	-	-	13,811	6,246	20,057	(52,340)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	97,516	-	-	-	-	-	97,516
Subtotal of reinsurance finance income or expenses	25,119	-	-	13,811	6,246	20,057	45,176
Foreign exchange gain or loss	(3,154)	527	-	713	560	1,273	(1,354)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Cash flows during the period							
Amounts received (recoveries of claims or expenses from reinsurance contracts held)	(317,001)	-	-	-	-	-	(317,001)
Amounts paid (premiums paid on reinsurance contracts held)	508,705	-	-	-	-	-	508,705
Subtotal of cash flows during the period	191,704	-	-	-	-	-	191,704
Balance of reinsurance contract assets at the end of the period	28,952	7,059	-	33,338	102	33,440	69,451
Balance of reinsurance contract liabilities at the end of the period	(18,914,274)	1,402,770	-	3,417,234	1,507,640	4,924,874	(12,586,630)
Net balance as of March 31, 2025	$ (18,885,322)	$ 1,409,829	$ -	$ 3,450,572	$ 1,507,742	$ 4,958,314	$ (12,517,179)

c. Effect of initial recognition of reinsurance contracts held not eligible for the premium allocation approach during the period

The following table presents the effects of the initial recognition of reinsurance contracts held during the current period:

For the three months ended March 31, 2026

	The Reinsurance Contracts Held	Acquired Through the Transfer of a Reinsurance Contract or in a Business Combination	Total
Estimates of the present value of future cash outflows	$ (808,454)	$ -	$ (808,454)
Estimated present value of future cash inflow	650,610	-	650,610
Risk adjustment for non-financial risks	10,069	-	10,069
Contractual service margin	147,775	-	147,775
Effects of contracts initially recognized during the period	$ -	$ -	$ -

For the three months ended March 31, 2025

	The Reinsurance Contracts Held	Acquired Through the Transfer of a Reinsurance Contract or in a Business Combination	Total
Estimates of the present value of future cash outflows	$ (783,500)	$ -	$ (783,500)
Estimated present value of future cash inflow	632,841	-	632,841
Risk adjustment for non-financial risks	13,808	-	13,808
Contractual service margin	136,851	-	136,851
Effects of contracts initially recognized during the period	$ -	$ -	$ -

23. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Provisions for employee benefits	$ 32,461	$ 32,570	$ 39,418
Litigation liabilities	1,719	1,167	5,988
Total	$ 34,180	$ 33,737	$ 45,406

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, 2026, the Company has 59 unresolved legal suits.

24. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts collected in advance	$ 536,849	$ 460,954	$ 518,007
Contract liabilities	1,291,196	-	-
Guarantee deposits received	383,076	378,227	405,606
Foreign exchange valuation reserve	44,834,091	43,372,327	39,030,341
Other reserves for the current period	32,539,793	31,968,304	29,964,218
Unamortized cumulative unrealized foreign exchange gain or loss	14,382,136	-	-
Other liabilities - others	1,629,657	1,346,343	1,163,321
	$ 95,596,798	$ 77,526,155	$ 71,081,493

a. Contract liabilities

Asset management service fees collected by the Company from policyholders in connection with the sale of investment contracts, to the extent that such fees relate to services to be provided in future periods, are recognised as contract liabilities. The movements in such liabilities are reconciled as follows:

For the three months ended March 31, 2026

	Amount
Beginning balance	$ -
Regulatory compliance transition	1,264,827
Increase (decrease) during the period	102,644
Revenue recognised	(76,275)
Ending balance	$ 1,291,196

Upon the transition from the current regulatory framework to IFRS 15, the Company recognised contract liabilities amounting to $1,264,827 thousand, and the aforementioned amount will be recognised in profit or loss.

b. Foreign exchange valuation reserve

1) Hedging strategy and risk exposure

In response to the implementation of the new foreign exchange volatility reserve mechanism, the Company integrates domestic and international financial market trends, including exchange rate and interest rate movements, and dynamically adjusts its hedging ratios to formulate appropriate exposure management strategies. Nevertheless, any adjustments to hedging and exposure ratios are conducted in accordance with the Company’s internal risk management policies and control procedures, with the objective of providing early warning signals and timely revisions to hedging strategies so as to achieve optimal hedging effectiveness.

2) Reconciliation of reserve for foreign exchange valuation

For the three months ended March 31, 2026

	Amount
Beginning balance	$ 43,372,327
Provisions	
Provision for statutory reserve	1,750,222
Provision for catastrophe reserve	731,459
	2,481,681
Offset	
Offset for statutory reserve	-
Offset for catastrophe reserve	(1,019,917)
	(1,019,917)
Reversal	-
Ending balance	$ 44,834,091

For the three months ended March 31, 2025

	Amount
Beginning balance	$ 30,705,210
Provisions	
Compulsory provision	1,061,466
Additional provisions	7,263,665
	8,325,131
Reversal	-
Ending balance	$ 39,030,341

3) Effect due to reserve for foreign exchange valuation

	For the Three Months Ended March 31, 2026		
Items	**Inapplicable Amount**	**Applicable Amount**	**Effect**
Net income after tax	$ 5,965,883	$ 4,796,472	$ (1,169,411)
Earnings per share (NT$)	1.14	0.92	(0.22)
Reserve for foreign exchange variation	-	44,834,091	44,834,091
Equity	267,674,135	247,154,594	(20,519,541)

	For the Three Months Ended March 31, 2025		
Items	**Inapplicable Amount**	**Applicable Amount**	**Effect**
Net income after tax	$ (1,972,254)	$ (8,632,359)	$ (6,660,105)
Earnings per share (NT$)	(0.37)	(1.65)	(1.28)
Reserve for foreign exchange variation	-	39,030,341	39,030,341
Equity	299,686,520	283,809,979	(15,876,541)

Note: The weighted-average number of outstanding shares has been retrospectively adjusted to reflect the issuance of new shares through capitalization of retained earnings as approved by the shareholders at the 2025 annual shareholders' meeting. Please refer to Notes 26 and 38 for further details.

c. Please refer to Note 10 for more detail on unamortised cumulative unrealised exchange management.

25. POST-EMPLOYMENT BENEFITS PLANS

Defined Contribution Plans

Expenses under the defined contribution plans for the three months ended March 31, 2026 and 2025 were $75,683 thousand and $68,984 thousand, respectively.

Defined Benefit Plans

Expenses under the defined benefit plans for the three months ended March 31, 2026 and 2025 were $216 thousand and $382 thousand, respectively.

26. COMMON STOCK

	March 31, 2026	December 31, 2025	March 31, 2025
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)	5,218,490	5,218,490	5,068,490
Shares issued (par value of $10)	$ 52,184,896	$ 52,184,896	$ 50,684,896

On June 12, 2025, the Company's Board, acting in lieu of the general shareholders' meeting, resolved to appropriate NT$1,500,000 thousand from 2024 distributable earnings to issue 150,000 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, 2025 and has taken effect. According to the resolution, October 21, 2025 is the base date for subscription.

27. CAPITAL SURPLUS

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$ 7,179,692	$ 7,179,692	$ 7,179,692
Share-based payment	271,022	266,805	257,734
Treasury stock transactions	34,867	34,867	34,867
Changes investments in associates and joint ventures accounted for using equity method	9	9	9
Total	$ 7,485,590	$ 7,481,373	$ 7,472,302

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, 2026	December 31, 2025	March 31, 2025
Special reserve from recovered fluctuation risk reserve	$ 6,871,597	$ 6,871,597	$ 6,534,230
Catastrophe risk reserve and fluctuation risk reserve	7,488,428	7,488,428	7,052,254
Net decrease in other equity	11,218,230	11,218,230	11,218,230
Special reserve for the foreign exchange valuation reserve	34,943,910	34,943,910	26,371,285
Special provision for participating policy dividends	1,389	-	-
Reserve for policy value differential	50,178,977	-	-
Special reserve for investment properties at fair value model	9,050,504	9,050,504	9,547,166
Special reserve for gains or losses on derecognition of unexpired debt instrument	16,174,858	16,174,858	17,243,392
Other	15,140,055	15,140,055	8,743,385
Total	$ 151,067,948	$ 100,887,582	$ 86,709,942

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 39 (2) 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. Regarding the net amount of accumulated deductions from other equity items in prior periods, a special reserve in an amount equal thereto shall be appropriated from the undistributed earnings of prior periods. 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

In accordance with the “Regulations Governing Various Reserves for Insurance Enterprises” and the “Directions for Life Insurance Enterprises Reserve for Foreign Exchange Valuation” prior to the amendments effective February 13, 2026, the Company calculates the amount to be appropriated to or reversed from the reserve based on its overseas investment assets held (excluding assets relating to non-investment-type life insurance products denominated and settled in foreign currencies). The Company’s initial reserve for foreign exchange valuation amounted to $1,745,679 thousand. In accordance with the applicable regulations, the initial amount of the reserve for foreign exchange valuation was appropriated to special reserve over a three-year period commencing in 2012, with the appropriation for the first year not less than one-third of the after-tax initial amount and the cumulative appropriations for the first two years not less than two-thirds of the after-tax initial amount. In addition, the amount of hedging costs saved each year shall be transferred to special reserve. If the current year’s earnings are insufficient for such transfer, the deficiency shall be appropriated in subsequent profitable years. The aforementioned special reserve may only be reversed for capitalization through issuance of stock dividends or for offsetting accumulated deficits. Pursuant to Article 9 of the “Directions for Life Insurance Enterprises Reserve for Foreign Exchange Valuation” and FSC Letter Jin-Guan-Bao-Cai No. 1090490453 dated February 17, 2020, commencing from the appropriation of earnings for fiscal year 2019, when a life insurance enterprise appropriates special reserve in accordance with Article 9 of the aforesaid Directions, an amount equal to 10% of “net income after tax for the current period plus items other than net income after tax for the current period that are included in undistributed earnings for the year” shall be appropriated to special reserve.

Furthermore, pursuant to Article 4 of the amended “Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises,” effective February 13, 2026, all special reserves accumulated by life insurance enterprises in accordance with the Directions prior to the aforesaid amendments are classified as special reserve - fixed reserve for foreign exchange risk.

5) Special provision for participating policy dividends

In accordance with Article 32 of the “Regulations Governing Various Reserves for Insurance Enterprises,” the special reserve for dividends on participating policies set aside by the Company, after deducting income tax in accordance with IAS 12, “Income Taxes,” shall be appropriated as a special reserve.

6) Reserve for policy value differential

In accordance with Article 33 of the “Regulations Governing Various Reserves for Insurance Enterprises” and FSC Letter Jin-Guan-Bao-Cai No. 11304930755, the Company calculates the amount required to be set aside as the reserve for policy value differences and appropriates a special reserve, based on the after-tax amount calculated using the nominal tax rate of 20%, within the amount of distributable earnings upon the initial adoption of IFRS 17 “Insurance Contracts” and at the end of each fiscal year thereafter. Where the amount required to be set aside as calculated at the end of a fiscal year is less than the balance already appropriated to such special reserve, the excess portion may, upon approval by the competent authority, be reversed from such special reserve within the amount originally appropriated. Any shortfall shall be made up in subsequent years.

7) 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-11304903961, 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.

8) 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.

9) 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, Financial-Supervisory-Securities-Corporate-1110416064 and Financial-Supervisory-Securities-Corporate-1140418829, 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 FSC Letter Jin-Guan-Bao-Cai No. 11504900911 issued by the Financial Supervisory Commission on February 4, 2026, in order to maintain the soundness and stability of the financial structure of insurance enterprises, insurance enterprises shall apply the following requirements commencing from the distribution of earnings for fiscal year 2026:

1) Upon the first-time adoption of the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins endorsed by the Financial Supervisory Commission (collectively, the "IFRSs"), the special reserve appropriated in respect of the portion of unrealized revaluation increments and cumulative translation adjustments (gains) recognized under shareholders' equity that was transferred to retained earnings due to the election of exemptions under IFRS 1, "First-time Adoption of International Financial Reporting Standards," may be reversed and distributed as earnings in proportion to the original appropriation of such special reserve upon the use, disposal, or reclassification of the related assets.

2) Upon the first-time adoption of IFRS 17, "Insurance Contracts," where the adjustment to the opening retained earnings of insurance enterprises for fiscal year 2026 results in a net increase after deducting the reserve for policy value differences appropriated in accordance with FSC Order Jin-Guan-Bao-Cai No. 11304930755 dated April 25, 2025, the full amount of such net increase shall be appropriated as a special reserve. The special reserve so appropriated shall not be reversed without the approval of the FSC, except when utilized for capitalization through issuance of stock dividends or for offsetting accumulated deficits.

3) When distributing distributable earnings, insurance enterprises shall appropriate a non-distributable special reserve in accordance with the following requirements:

a) With respect to the net amount of reductions in other equity items recognized during the current period (including cumulative balances such as exchange differences arising from the translation of financial statements of foreign operations, gains or losses on financial assets measured at fair value through other comprehensive income, gains or losses on hedging instruments, revaluation increments, insurance finance income or expenses recognized in other comprehensive income, and finance income or expenses from reinsurance contracts held recognized in other comprehensive income), an equivalent amount shall be appropriated as a special reserve from the current period's net income after tax plus the amount of items, other than current period's net income after tax, included in the current period's undistributed earnings. If such amount is insufficient, the shortfall shall be appropriated from undistributed earnings of prior periods.

b) With respect to the net amount of accumulated reductions in other equity items from prior periods, one of the following methods shall be adopted to appropriate a non-distributable special reserve:

i. An equivalent amount shall be appropriated as a special reserve from undistributed earnings of prior periods.

ii. An equivalent amount shall first be appropriated as a special reserve from undistributed earnings of prior periods. If such amount is insufficient, the shortfall shall be appropriated from the current period's net income after tax plus the amount of items, other than current period's net income after tax, included in the current period's undistributed earnings, and such policy shall be expressly stipulated in the dividend policy prescribed in the Company's Articles of Incorporation.

c) Where an insurance enterprise has already appropriated a special reserve in accordance with the preceding two subparagraphs, it shall make additional appropriations to the special reserve for the difference between the amount already appropriated and the amount required to be appropriated pursuant to the preceding two items. Thereafter, when the net amount of reductions in other equity items is reversed, the corresponding portion of the special reserve may be reversed for earnings distribution.

For the adjustment to opening retained earnings for fiscal year 2026 and the reserve for policy value differences appropriated in accordance with FSC Order Jin-Guan-Bao-Cai No. 11304930755, please refer to Notes 3 and 28(b)6.

This Order shall take effect on January 1, 2027, and FSC Order Jin-Guan-Bao-Cai No. 11004920441 dated June 11, 2021 shall be repealed on the same date.

e. 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.

f. Earnings appropriation for the year of 2025 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 2024 was resolved by the Board of directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions) on June 12, 2025, as follows:

	2024
Set aside legal capital reserve	$ 4,440,785
Set aside special capital reserve	13,763,139
Cash dividend	2,500,000
Cash dividends per share (NT$)	0.49
Stock dividend	1,500,000
Stock dividends per share (NT$)	0.30

Please refer to Note 35 for more details on employees' compensation and remuneration to directors.

29. INSURANCE REVENUE

a. Insurance revenue recognized for the current period

The following table presents an analysis of insurance revenue recognized for the current period.

	For the Three Months Ended March 31, 2026									
	Amounts Measured Under the General Measurement Model			Amounts to which the Variable Fee Approach is Applied	Amounts to which the Premium Allocation Approach is Applied			Total Insurance Revenue		
	Direct Underwriting	Reinsurance Assumed	Total	(Direct Underwriting)	Direct Underwriting	Reinsurance Assumed	Total	Direct Underwriting	Reinsurance Assumed	Total
Insurance revenue arising from contracts measured under the general measurement model and the variable fee approach										
Amounts related to changes in the liability for remaining coverage										
Expected incurred claims and other insurance service expenses	$ 5,359,873	$ -	$ 5,359,873	$ 213,010	$ -	$ -	$ -	$ 5,572,883	$ -	$ 5,572,883
Contractual service margin recognized in profit or loss	3,540,153	-	3,540,153	181,497	-	-	-	3,721,650	-	3,721,650
Changes in the risk adjustment for non-financial risk arising from risk release	204,828	-	204,828	15,264	-	-	-	220,092	-	220,092
Allocation of the recovery of insurance acquisition cash flows	303,430	-	303,430	36,646	-	-	-	340,076	-	340,076
Subtotal of insurance revenue under the general measurement model and the variable fee approach	9,408,284	-	9,408,284	446,417	-	-	-	9,854,701	-	9,854,701
Insurance revenue under the premium allocation approach	-	-	-	-	1,172,605	-	1,172,605	1,172,605	-	1,172,605
Total	$ 9,408,284	$ -	$ 9,408,284	$ 446,417	$ 1,172,605	$ -	$ 1,172,605	$ 11,027,306	$ -	$ 11,027,306

	For The Three Months Ended March 31, 2025									
	Amounts Measured Under the General Measurement Model			Amounts to which the Variable Fee Approach is Applied	Amounts to which the Premium Allocation Approach is Applied			Total Insurance Revenue		
	Direct Underwriting	Reinsurance Assumed	Total	(Direct Underwriting)	Direct Underwriting	Reinsurance Assumed	Total	Direct Underwriting	Reinsurance Assumed	Total
Insurance revenue arising from contracts measured under the general measurement model and the variable fee approach										
Amounts related to changes in the liability for remaining coverage										
Expected incurred claims and other insurance service expenses	$ 5,073,570	$ -	$ 5,073,570	$ 259,273	$ -	$ -	$ -	$ 5,332,843	$ -	$ 5,332,843
Contractual service margin recognized in profit or loss	3,110,931	-	3,110,931	114,951	-	-	-	3,225,882	-	3,225,882
Changes in the risk adjustment for non-financial risk arising from risk release	279,860	-	279,860	8,396	-	-	-	288,256	-	288,256
Allocation of the recovery of insurance acquisition cash flows	172,895	-	172,895	9,549	-	-	-	182,444	-	182,444
Subtotal of insurance revenue under the general measurement model and the variable fee approach	8,637,256	-	8,637,256	392,169	-	-	-	9,029,425	-	9,029,425
Insurance revenue under the premium allocation approach	-	-	-	-	1,442,482	-	1,442,482	1,442,482	-	1,442,482
Total	$ 8,637,256	$ -	$ 8,637,256	$ 392,169	$ 1,442,482	$ -	$ 1,442,482	$ 10,471,907	$ -	$ 10,471,907

b. Contract service margins are expected to be recognized in profit or loss

The following table presents the expected timing of recognition in profit or loss of the contractual service margin for insurance contracts issued not measured under the Premium Allocation Approach (PAA).

March 31, 2026

	Less than 1 Years	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Insurance contracts issued	$ 14,618,734	$ 27,386,562	$ 25,618,371	$ 173,238,335	$ 240,862,002

March 31, 2025

	Less than 1 Years	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Insurance contracts issued	$ 12,564,206	$ 23,312,333	$ 21,713,056	$ 159,532,243	$ 217,121,838

30. INSURANCE SERVICE EXPENSES

Insurance service expenses recognized for the current year are presented as follows:

	For the Three Months Ended March 31, 2026									
	Amounts Measured Under the General Measurement Model			Amounts to which the Variable Fee Approach is Applied	Amounts to which the Premium Allocation Approach is Applied			Total Insurance Service Expenses		
	Direct Underwriting	Reinsurance Assumed	Total	(Direct Underwriting)	Direct Underwriting	Reinsurance Assumed	Total	Direct Underwriting	Reinsurance Assumed	Total
Incurred claims	$ 4,141,413	$ -	$ 4,141,413	$ 220,389	$ 1,161,091	$ -	$ 1,161,091	$ 5,522,893	$ -	$ 5,522,893
Other incurred insurance service expenses	1,013,762	-	1,013,762	(100,997)	(9,289)	-	(9,289)	903,476	-	903,476
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	102,927	-	102,927	113,017	(678,867)	-	(678,867)	(462,923)	-	(462,923)
Changes related to future service - losses on onerous contracts and reversals of such losses	2	-	2	(1)	-	-	-	1	-	1
Insurance acquisition cash flows										
Amortization	303,430	-	303,430	36,646	129,335	-	129,335	469,411	-	469,411
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 5,561,534	$ -	$ 5,561,534	$ 269,054	$ 602,270	$ -	$ 602,270	$ 6,432,858	$ -	$ 6,432,858

	For the Three Months Ended March 31, 2025									
	Amounts Measured Under the General Measurement Model			Amounts to which the Variable Fee Approach is Applied	Amounts to which the Premium Allocation Approach is Applied			Total Insurance Service Expenses		
	Direct Underwriting	Reinsurance Assumed	Total	(Direct Underwriting)	Direct Underwriting	Reinsurance Assumed	Total	Direct Underwriting	Reinsurance Assumed	Total
Incurred claims	$ 3,458,863	$ -	$ 3,458,863	$ 225,234	$ 1,039,335	$ -	$ 1,039,335	$ 4,723,432	$ -	$ 4,723,432
Other incurred insurance service expenses	998,889	-	998,889	(51,918)	(9,769)	-	(9,769)	937,202	-	937,202
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	565,740	-	565,740	98,120	(110,445)	-	(110,445)	553,415	-	553,415
Changes related to future service - losses on onerous contracts and reversals of such losses	25	-	25	-	-	-	-	25	-	25
Insurance acquisition cash flows										
Amortization	172,895	-	172,895	9,549	167,921	-	167,921	350,365	-	350,365
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 5,196,412	$ -	$ 5,196,412	$ 280,985	$ 1,087,042	$ -	$ 1,087,042	$ 6,564,439	$ -	$ 6,564,439

31. NET OR EXPENSES FROM REINSURANCE CONTRACTS HELD

a. Reinsurance contract income or expenses from reinsurance contracts held recognized for the current period

The following table presents an analysis of the allocation of premiums paid and amounts recovered from reinsurers recognized for the current period:

For the three months ended March 31, 2026

	The Amount Applicable Under the General Measurement Model	The Amount Subject to the Premium Allocation Approach	Total
Allocation of premiums paid			
Contracts not measured under the premium allocation approach			
Related to changes in the remaining coverage			
Expected recoveries of reinsurance claims and other reinsurance - related expenses	$ (114,137)	$ -	$ (114,137)
Variations in the risk adjustment for non-financial risk	(71)	-	(71)
The contractual service margin recognized in profit or loss arising from services received	(52,710)	-	(52,710)
Experience adjustments relating to reinsurance premiums paid	-	-	-
Contracts measured under the premium allocation approach	-	(41,079)	(41,079)
Subtotal	(166,918)	(41,079)	(207,997)
Amounts recoverable from reinsurers			
Incurred reinsurance recoveries of claims and benefits	284,439	33,496	317,935
Other incurred reinsurance-related expenses	-	-	-
Adjustments to incurred claims assets arising from changes related to past service	(148,032)	(1,220)	(149,252)
Recovery of losses and related reversals on onerous underlying contracts	-	-	-
Subtotal	136,407	32,276	168,683
Effects of changes in the issuer's non-performance risk under reinsurance contracts	-	-	-
Net income (expense) from held reinsurance contracts	$ (30,511)	$ (8,803)	$ (39,314)

For the three months ended March 31, 2025

	The Amount Applicable Under the General Measurement Model	The Amount Subject to the Premium Allocation Approach	Total
Allocation of premiums paid			
Contracts not measured under the premium allocation approach			
Related to changes in the remaining coverage			
Expected recoveries of reinsurance claims and other reinsurance-related expenses	$ (201,264)	$ -	$ (201,264)
Variations in the risk adjustment for non-financial risk	(618)	-	(618)
The contractual service margin recognized in profit or loss arising from services received	(49,792)	-	(49,792)
Experience adjustments relating to reinsurance premiums paid	-	-	-
Contracts measured under the premium allocation approach	-	(41,760)	(41,760)
Subtotal	(251,674)	(41,760)	(293,434)
Amounts recoverable from reinsurers			
Incurred reinsurance recoveries of claims and benefits	130,685	34,205	164,890
Other incurred reinsurance - related expenses	-	-	-
Adjustments to incurred claims assets arising from changes related to past service	(26,702)	(3,335)	(30,037)
Recovery of losses and related reversals on onerous underlying contracts	-	-	-
Subtotal	103,983	30,870	134,853
Effects of changes in the issuer's non-performance risk under reinsurance contracts	-	-	-
Net income (expense) from held reinsurance contracts	$ (147,691)	$ (10,890)	$ (158,581)

b. Contract service margins are expected to be recognized in profit or loss

The following table presents the expected timing of recognition in profit or loss of the contractual service margin for reinsurance contracts issued not measured under the Premium Allocation Approach (PAA).

March 31, 2026

	Less than 1 Years	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Reinsurance contracts issued	$ 175,233	$ 340,388	$ 313,988	$ 3,902,438	$ 4,732,047

March 31, 2025

	Less than 1 Years	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Reinsurance contracts issued	$ 179,090	$ 346,118	$ 317,239	$ 4,115,867	$ 4,958,314

32. FINANCIAL GAIN OR EXPENSE FROM INSURANCE

	For the Three Months Ended March 31	
	2026	2025
Net investment income from underlying assets		
Interest income	$ 17,790,968	$ 16,319,154
Net (gain) loss on financial instruments at fair value through profit or loss	(10,186,904)	(20,379,390)
Realized gains and losses on financial assets measured at fair value through other comprehensive profit or loss	917,032	62,595
Loss on derecognition of financial assets measured at amortised cost	2,672	134,856
Share of profit of associates and joint ventures accounted for using the equity method	(143,042)	(16,900)
Foreign exchange gain or loss	9,039,304	16,086,091
Net movement in the foreign exchange valuation reserve	(1,461,764)	(8,325,131)
Gain (loss) on investment properties	318,378	(48,498)
Investments expected credit impairment losses and reversal	955	(19,348)
Net gains and losses on separate account product assets	(119,855)	(2,199,006)
Other net income or loss from investments	(1,114)	(7,288)
Gain or loss from investments in equity instruments measured at fair value through other comprehensive income	11,440,670	327,447
Gain or loss from investments in debt instruments measured at fair value through other comprehensive income	(11,645,161)	592,207
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	146	(594)
	$ 15,952,285	$ 2,526,195
Net investment income recognized in profit or loss	$ 16,156,630	$ 1,607,135
Net investment income recognized within other comprehensive income	(204,345)	919,060
Total net investment income	$ 15,952,285	$ 2,526,195

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Insurance finance income or expenses		
Fair value of underlying items measured under the variable fee approach	$ (1,144,703)	$ 2,147,715
Interest accrual	(13,142,802)	(12,530,811)
Impact of changes in interest rates and other financial assumptions	33,739,197	2,828,799
Foreign exchange gain or loss	-	-
Subtotal of insurance finance income or expenses	$ 19,451,692	$ (7,554,297)
Insurance finance income or expenses recognized in profit or loss	$ (14,287,505)	$ (10,590,549)
Insurance finance income or expenses recognized in other comprehensive income	33,739,197	3,036,252
Total insurance finance income or expenses	$ 19,451,692	$ (7,554,297)
Reinsurance finance income (expenses) from reinsurance contracts held recognized in profit or loss		
Interest accrual	$ (59,045)	$ (52,340)
Impact of changes in interest rates and other financial assumptions	395,566	97,516
Foreign exchange gain or loss	-	-
Subtotal of reinsurance finance income or expenses from reinsurance contracts held recognized in profit or loss	$ 336,521	$ 45,176
Reinsurance finance income or expenses recognized in profit or loss	$ (59,045)	$ (52,340)
Reinsurance finance income or expenses recognized in other comprehensive income	395,566	97,516
Total recognized in other comprehensive income	$ 336,521	$ 45,176
Net insurance finance income or expenses	$ 19,788,213	$ (7,509,121)

(Concluded)

33. INTEREST INCOME

	For the Three Months Ended March 31	
	2026	2025
Interest income		
Financial assets at fair value through other comprehensive income	$ 5,908,674	$ 506,014
Financial assets at amortized cost	11,639,003	15,586,417
Loans	10,178	2,758
Other	233,113	223,965
Total	$ 17,790,968	$ 16,319,154

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

	For the Three Months Ended March 31	
	2026	2025
Financial results - expected credit impairment (losses) reversal on investments		
Financial assets at fair value through other comprehensive income	$ (1,745)	$ 275
Financial assets at amortized cost	1,114	19,144
Other receivables	(324)	(71)
Subtotal	(955)	19,348
Operating expenses - expected credit impairment (losses) reversal on non-investment		
Other receivables	3	439
Total	$ (952)	$ 19,787

Please refer to Note 41 for more detail on credit risk management.

35. 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, 2026				
	Insurance Acquisition Cash Flows	Other Directly Attributable Expenses	Incremental Costs of Obtaining Contracts	Other Operating Costs and Other Operating Expenses	Total Amount
Employee benefits expense					
Payroll expense	$ 808,667	$ 475,226	$ 43,050	$ 912,970	$ 2,239,913
Labor and health insurance	63,534	67,726	-	49,842	181,102
Pension	31,240	32,419	-	12,239	75,898
Remuneration to directors	-	-	-	128,688	128,688
Other employee benefits expense	24,541	17,268	-	20,065	61,874
Total	$ 927,982	$ 592,639	$ 43,050	$ 1,123,804	$ 2,687,475
Depreciation	$ 47,028	$ 18,902	$ -	$ 86,288	$ 152,218
Amortization	$ 12,546	$ 15,160	$ -	$ 68,173	$ 95,879

	For the Three Months Ended March 31, 2025				
	Insurance Acquisition Cash Flows	**Other Directly Attributable Expenses**	**Incremental Costs of Obtaining Contracts**	**Other Operating Costs and Other Operating Expenses**	**Total Amount**
Employee benefits expense					
Payroll expense	$ 918,254	$ 471,434	$ -	$ 811,935	$ 2,201,623
Labor and health insurance	64,198	59,010	-	48,525	171,733
Pension	30,607	27,444	-	11,315	69,366
Remuneration to directors	-	-	-	160,460	160,460
Other employee benefits expense	23,684	16,274	-	20,958	60,916
Total	$ 1,036,743	$ 574,162	$ -	$ 1,053,193	$ 2,664,098
Depreciation	$ 47,438	$ 19,379	$ -	$ 89,036	$ 155,853
Amortization	$ 11,968	$ 12,105	$ -	$ 68,002	$ 92,075

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, 2026 and 2025 were 6,283 and 6,214, 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, 2026 and 2025, the Company estimated the amounts of the employees' compensation to be $101,178 thousand and $143,133 thousand, respectively, remuneration to directors to be $101,178 thousand and $139,732 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 March 5, 2026, the Board of Directors meeting resolved to distribute $276,000 thousand of employees' compensation and $219,000 thousand of remuneration to directors for the year ended December 31, 2025. No differences exist between the estimated amount on the 2025 financial statement and the actual amount were recognized as expense of 2025.

36. 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	
	2026	2025
Current income tax:		
Current income tax payable	$ 633,324	$ 86,784
Deferred income tax:		
Deferred tax expense relating to origination and reversal of temporary differences	(437,130)	4,435,344
Deferred tax benefit relating to origination and reversal of tax loss and tax credit	(163,129)	(3,161,962)
Others	27,024	21,363
Total income tax expense	$ 60,089	$ 1,381,529

Income tax expense recognized in other comprehensive (loss) income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax:		
Valuation (losses) gains of equity instrument investments at fair value through other comprehensive (loss) income	$ 940,468	$ (3,008)
Valuation gains (losses) of debt instrument investments at fair value through other comprehensive (loss) income	(1,829,919)	119,081
Insurance finance income or expenses	6,747,839	607,250
Reinsurance finance income or expenses from reinsurance contracts held	79,113	19,503
Income tax (benefit) expense relating to components of other comprehensive (loss) income	$ 5,937,501	$ 742,826

Total income tax (benefit) recognized directly in equity

	For the Three Months Ended March 31	
	2026	2025
Current income tax expense (benefit):		
Disposal of equity instruments at fair value through other comprehensive income	$ 1,940,207	$ -
Deferred tax expense (benefit):		
Valuation (losses) gains of equity instrument investments at fair value through other comprehensive (loss) income	(1,940,207)	-
Total income tax (benefit) recognized directly in equity	$ -	$ -

b. The assessment of income tax returns

As of March 31, 2026, the income tax returns of the Company have been assessed and approved up to the year of 2021.

37. COMPONENTS OF OTHER COMPREHENSIVE (LOSS) INCOME

	For the Three Month Ended March 31, 2026			
	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	$ 11,440,670	$ -	$ (940,468)	$ 10,500,202
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive loss	(11,536,008)	(109,153)	1,829,919	(9,815,242)
Insurance finance income or expenses	33,739,197	-	(6,747,839)	26,991,358
Reinsurance finance income or expenses from reinsurance contracts held	395,566	-	(79,113)	316,453
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	146	-	-	146
Total	$ 34,039,571	$ (109,153)	$ (5,937,501)	$ 27,992,917

	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
Insurance finance income or expenses	3,036,252	-	(607,250)	2,429,002
Reinsurance finance income or expenses from reinsurance contracts held	97,516	-	(19,503)	78,013
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	$ 4,084,468	$ (31,640)	$ (742,826)	$ 3,310,002

38. EARNINGS (LOSS) PER SHARE

	For the Three Months Ended March 31	
	2026	**2025**
Basic earnings (loss) per share		
Profit attributable to ordinary equity holders of the Company	$ 4,796,472	$ (8,632,359)
The weighted average number of (adjusted retrospectively) ordinary shares for basic earnings per share (in thousands)	5,218,490	5,218,490
Basic earnings (loss) per share (in dollars)	$ 0.92	$ (1.65)

When calculating earnings (loss) 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 21, 2025. 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 (loss) per share	$ (1.70)	$ (1.65)

39. 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:

For the insurance contracts and financial instruments with discretionary participation features underwritten by the Company, the main risks include mortality, morbidity, surrender and expense rate. When doing the sensitivity test, various actuarial assumptions are made based on available information at assessment point for all insurance contracts and financial instruments with discretionary participation feature, for the purpose of assessing the impact on the Company's overall profit or loss and equity.

As of March 31, 2026, for all insurance contracts and financial instruments with discretionary participation features, no significant changes in mortality, morbidity, surrender and expense assumptions were noted, and no material impact on the Company's overall profit or loss and equity would result therefrom.

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.

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					Liability for Incurred Claims
	1	2	3	4	5	
2022	$ 11,370,370	$ 14,401,326	$ 14,763,938	$ 14,830,960	$ 14,844,036	
2023	11,325,329	14,583,342	14,959,358	14,998,106	-	
2024	12,467,195	16,114,207	16,294,311	-	-	
2025	13,383,263	15,745,488	-	-	-	
March 31, 2026	1,796,586	-	-	-	-	$ 5,258,163
Other liabilities for incurred claims						1,094,812
Gross liabilities for incurred claims from direct business						$ 6,352,975

Accident Year	Development Year					Liability for Incurred Claims
	1	2	3	4	5	
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	-	-	-	
March 31, 2025	1,196,695	-	-	-	-	$ 3,555,572
Other liabilities for incurred claims						1,057,650
Gross liabilities for incurred claims from direct business						$ 4,613,222

b) Retained business loss development trend

Accident Year	Development Year					Liability for Incurred Claims
	1	2	3	4	5	
2022	$ 10,938,294	$ 13,859,858	$ 14,204,195	$ 14,266,492	$ 14,278,627	
2023	10,817,407	13,950,862	14,304,005	14,341,286	-	
2024	11,875,036	15,342,016	15,514,128	-	-	
2025	12,709,165	14,953,986	-	-	-	
March 31, 2026	1,707,001	-	-	-	-	$ 5,035,381
Other liabilities for incurred claims						(329,236)
Gross liabilities for incurred claims from direct business						$ 4,706,145

Accident Year	Development Year					Liability for Incurred Claims
	1	2	3	4	5	
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	-	-	-	
March 31, 2025	1,193,695	-	-	-	-	$ 3,545,365
Other liabilities for incurred claims						(143,242)
Gross liabilities for incurred claims from direct business						$ 3,402,123

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.

The Company's maximum exposure to risk arising from reinsurance contracts is represented by the carrying amount of reinsurance assets. To manage the aforementioned risk and avoid credit losses, the Company conducts business with reinsurers of sound credit standing and has established relevant selection criteria and guidelines. The Company also periodically evaluates the financial and operating conditions of reinsurers and monitors their credit status or ratings. Where necessary, the scope and scale of business dealings are adjusted accordingly in order to prevent an excessive concentration of credit risk.

4) Insurance contracts credit risk and liquidity risk

a) Credit risk

In accordance with paragraph 131 of International Financial Reporting Standard 17, the credit risk arising from contracts within the scope of IFRS 17 is as follows:

i. As of March 31, 2026, December 31, 2025 and March 31, 2025, the maximum exposure to credit risk arising from insurance contracts issued amounted to $196,776 thousand, $136,259 thousand and $234,151 thousand, respectively.

ii. As of March 31, 2026, December 31, 2025 and March 31, 2025, the maximum exposure to credit risk arising from reinsurance contracts held amounted to $105,423 thousand, $175,395 thousand and $110,694 thousand, respectively.

iii. Information about the credit quality of reinsurance contracts held that are assets is as follows:

	March 31, 2026			
	AAA	**AA**	**A**	**Total**
Portfolios of reinsurance contracts held that are assets	$ 3,306	$ 7,136	$ 94,981	$ 105,423

	December 31, 2025			
	AAA	**AA**	**A**	**Total**
Portfolios of reinsurance contracts held that are assets	$ 2,648	$ 6,884	$ 165,863	$ 175,395

	March 31, 2025			
	AAA	**AA**	**A**	**Total**
Portfolios of reinsurance contracts held that are assets	$ 2,326	$ 6,760	$ 101,608	$ 110,694

The Company's credit risk primarily arises from the potential failure of reinsurers to fulfill their obligations under reinsurance contracts, which may result in financial losses to the Company. The remaining credit risk arises from insurance contracts for which services have been provided but premiums have not yet been collected.

Credit risk grades

In order to minimize credit risk arising from reinsurance contracts, the Company has established and maintained a credit risk grading framework to classify exposures based on the degree of default risk. The Company's credit risk grading structure comprises ten categories. Credit rating information is based on a range of data that is predictive of default risk and incorporates experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors indicative of default risk.

The design and calibration of the credit risk grades reflect the risk of default as credit risk deteriorates. As credit risk increases, the difference in default risk between grades also changes accordingly. Upon initial recognition, each exposure is assigned to a credit risk grade based on available information regarding the counterparty. All exposures are subject to ongoing monitoring, and the credit risk grades are updated to reflect current information. The monitoring procedures applied are consistent across both broad and specific exposure types.

b) Liquidity risk

The Company's liquidity risk arising from insurance and reinsurance contracts refers to the risk of being unable to pay cash or other financial assets at the times specified in the contractual terms. The table below presents exposure to liquidity risk based on the earliest expected timing of cash flows arising from insurance and reinsurance contracts.

The following table presents the maturity analysis of insurance contracts that are liabilities and groups of reinsurance contracts held, prepared based on estimated future cash flows. It excludes amounts related to the remaining coverage liabilities of insurance contracts and related reinsurance contracts held measured under the premium allocation approach.

March 31, 2026

	Years Subsequent to the Reporting Date						
	1 Year	**2 Years**	**3 Years**	**4 Years**	**5 Years**	**Over 6 Years**	**Total**
Portfolios of reinsurance contracts held that are liabilities	$ 601,487	$ 570,722	$ 557,828	$ 557,237	$ 562,895	$ 48,802,968	$ 51,653,137
Portfolios of insurance contracts issued that are liabilities	53,100,673	36,670,301	43,419,884	58,986,902	62,672,748	4,680,558,081	4,935,408,589

The table below presents the relationship between amounts payable on demand and the carrying amounts of groups of insurance contracts.

	March 31, 2026	
	Amounts Payable on Demand	**Carrying Amount**
Portfolios of reinsurance contracts held that are liabilities	$ -	$ 12,943,826
Portfolios of insurance contracts issued that are liabilities	1,777,894,434	1,985,402,831

December 31, 2025

	Years Subsequent to the Reporting Date						
	1 Year	**2 Years**	**3 Years**	**4 Years**	**5 Years**	**Over 6 Years**	**Total**
Portfolios of reinsurance contracts held that are liabilities	$ 574,393	$ 562,198	$ 549,494	$ 549,248	$ 556,807	$ 48,065,007	$ 50,857,147
Portfolios of insurance contracts issued that are liabilities	59,124,377	44,890,441	39,747,104	55,875,695	61,561,180	4,621,171,429	4,882,370,226

The table below presents the relationship between amounts payable on demand and the carrying amounts of groups of insurance contracts.

	December 31, 2025	
	Amounts Payable on Demand	**Carrying Amount**
Portfolios of reinsurance contracts held that are liabilities	$ -	$ 13,512,613
Portfolios of insurance contracts issued that are liabilities	1,760,122,204	2,003,450,479

March 31, 2025

	Years Subsequent to the Reporting Date						
	1 Year	**2 Years**	**3 Years**	**4 Years**	**5 Years**	**Over 6 Years**	**Total**
Portfolios of reinsurance contracts held that are liabilities	$ 595,861	$ 578,302	$ 560,611	$ 558,519	$ 566,035	$ 48,525,371	$ 51,384,699
Portfolios of insurance contracts issued that are liabilities	88,110,874	43,480,013	34,232,066	52,646,255	66,234,802	4,642,066,037	4,926,770,047

The table below presents the relationship between amounts payable on demand and the carrying amounts of groups of insurance contracts.

	March 31, 2025	
	Amounts Payable on Demand	**Carrying Amount**
Portfolios of reinsurance contracts held that are liabilities	$ -	$ 12,586,734
Portfolios of insurance contracts issued that are liabilities	1,759,291,985	1,944,518,168

Amounts payable on demand represent the surrender value of insurance contracts that are liabilities and investment contracts with discretionary participation features.

40. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

Financial assets

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit and loss	$ 118,262,078	$ 479,687,679	$ 422,851,727
Financial assets at fair value through other comprehensive income	803,363,919	90,704,883	67,911,795
Financial assets at amortized cost:			
Cash and cash equivalents (exclude cash on hand and revolving funds)	47,260,340	45,525,884	46,829,652
Financial assets at amortized cost	1,228,356,401	1,583,861,316	1,668,955,010
Receivables	20,263,953	19,981,011	16,899,707
Loans	1,528,275	731,212	321,486
Refundable deposits	25,349,393	34,577,528	16,036,685
Subtotal	1,322,758,362	1,684,676,951	1,749,042,540
Total	$ 2,244,384,359	$ 2,255,069,513	$ 2,239,806,062

Financial liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities at fair value through profit or loss:			
Held for trading	$ 20,099,096	$ 30,770,563	$ 11,964,090
Investment contracts measured at fair value through profit or loss	63,214,000	60,918,918	59,884,348
Subtotal	83,313,096	91,689,481	71,848,438
Financial liabilities measured at amortized cost:			
Payables	10,314,864	10,070,889	5,515,027
Bonds payables	40,000,000	30,000,000	30,000,000
Lease liabilities	1,972,415	1,933,467	1,949,303
Guarantee deposits received	383,076	378,227	405,606
Subtotal	52,670,355	42,382,583	37,869,936
Total	$ 135,983,451	$ 134,072,064	$ 109,718,374

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, 2026	**December 31, 2025**	**March 31, 2025**
Financial assets			
Financial assets measured at amortized cost	$ 1,228,356,401	$ 1,583,861,316	$ 1,668,955,010
Refundable deposits - bonds	18,678,544	34,558,339	16,008,786

	Fair Value		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets measured at amortized cost	$ 886,457,635	$ 1,233,413,860	$ 1,266,807,472
Refundable deposits - bonds	10,672,930	23,513,186	11,422,956

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, 2026			
	Total	Level 1	Level 2	Level 3
<u>Assets measured at fair value</u>				
Financial assets at fair value through profit or loss				
Stocks	$ 2,447,359	$ -	$ -	$ 2,447,359
Bonds	40,839,833	5,044,688	35,795,145	-
Swaps and forward foreign exchange contracts	255,043	-	255,043	-
Others	74,719,843	25,068,618	-	49,651,225
Financial assets at fair value through other comprehensive income				
Stocks	268,235,493	254,354,165	-	13,881,328
Bonds	535,128,426	414,011,524	121,116,902	-
Refundable deposits				
Bonds	6,651,492	-	6,651,492	-
Investment property	66,414,093	-	-	66,414,093

(Continued)

	March 31, 2026			
	Total	**Level 1**	**Level 2**	**Level 3**
<u>Liabilities measured at fair value</u>				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	$ 20,099,096	$ -	$ 20,099,096	$ -
Investment contracts measured at fair value through profit or loss	63,214,000	63,214,000	-	-

(Concluded)

	December 31, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
<u>Assets measured at fair value</u>				
Financial assets at fair value through profit or loss				
Stocks	$ 225,402,782	$ 222,339,921	$ -	$ 3,062,861
Bonds	44,076,045	7,542,705	36,533,340	-
Swaps and forward foreign exchange contracts	1,202,813	-	1,202,813	-
Others	209,006,039	162,141,793	-	46,864,246
Financial assets at fair value through other comprehensive income				
Stocks	28,203,122	12,129,853	-	16,073,269
Bonds	62,501,761	57,752,022	4,749,739	-
Refundable deposits				
Bonds	-	-	-	-
Investment property	66,416,880	-	-	66,416,880
<u>Liabilities measured at fair value</u>				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	30,770,563	-	30,770,563	-
Investment contracts measured at fair value through profit or loss	60,918,918	60,918,918	-	-

	March 31, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
<u>Assets measured at fair value</u>				
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	-
Refundable deposits				
Bonds	-	-	-	-
Investment property	66,360,148	-	-	66,360,148
<u>Liabilities measured at fair value</u>				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	11,964,090	-	11,964,090	-
Investment contracts measured at fair value through profit or loss	59,884,348	59,884,348	-	-

a) Transfers between Level 1 and Level 2 during the period:

During the period from January 1 to March 31, 2026, debt investments measured at fair value through other comprehensive income (FVOCI) within the Company’s assets-corporate bonds amounting to $1,800,891 thousand were transferred from Level 2 to Level 1 due to the availability of quoted prices in active markets. In addition, debt investments measured at FVOCI-financial bonds amounting to $2,096,576 thousand were transferred from Level 1 to Level 2 due to the unavailability of quoted market prices.

During the period from January 1 to March 31, 2025, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

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, 2026

	Beginning Balance	Total Gains and Losses Recognized		Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
		Recognized in Profit or Loss (Note 1)	Recognized in OCI (Note 2)				
Assets							
Financial assets at fair value through profit or loss							
Stock	$ 2,206,850	$ 229,178	$ -	$ 37,434	$ (26,103)	$ -	$ 2,447,359
Others	46,864,246	1,132,202	-	2,229,104	(574,327)	-	49,651,225
Financial assets at fair value through other comprehensive income							
Stock	16,929,280	-	(3,132,047)	84,095	-	-	13,881,328
Investment property	66,416,880	(14,661)	-	46,662	(34,788)	-	66,414,093

For the three month ended March 31, 2025

	Beginning Balance	Total Gains and Losses Recognized		Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
		Recognized in Profit or Loss (Note 1)	Recognized in OCI (Note 2)				
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	1,229,950	-	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

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

Note 2: Presented in “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, 2026 and 2025 is as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Total gains and losses		
Recognized in profit or loss	$ 1,344,201	$ 892,888
Recognized in other comprehensive income	(3,132,047)	27,012

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, 2026

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 degree of control premium, the higher the estimated fair value.
	Income approach	Cost of capital	5.05-5.59%	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
	Cash flow Method	Discount rate	7.02%	The higher the discount rate, the lower the fair value
	Black-Scholes Model	Risk-free rate of return	1.06%	The higher the risk-free rate, the lower the fair value of the put option
		Volatility	43.24%	The higher the volatility, the higher the fair value of the put option
	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, 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	4.58%	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	6.94%	The higher the discount rate, the lower the fair value
	Black-Scholes Model	Risk-free rate of return	1.13%	The higher the risk-free rate, the lower the fair value of the put option
		Volatility	43.48%	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	4.85%	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			

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
March 31, 2025				
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			

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.

e) Sensitivity analysis of Level 3 financial assets

The Company considers the fair value measurements of financial instruments to be reasonable. For those classified within Level 3 but not valued by the Company, it is not practicable to reasonably quantify the relationship between significant unobservable inputs and fair value; accordingly, sensitivity analyses of alternative assumptions are not disclosed. For the remaining Level 3 financial instruments valued by the Company, the effects on fair value from a 10% increase or decrease in valuation parameters are as follows:

March 31, 2026

	The Parameters Were to Go Up 10%	The Parameters Were to Go Down 10%
Fair value through profit or loss (FVTPL)	$ (17,943)	$ 17,943
Fair value through other comprehensive income (FVOCI)	(109,105)	111,857

December 31, 2025

	The Parameters Were to Go Up 10%	The Parameters Were to Go Down 10%
Fair value through profit or loss (FVTPL)	$ (59,362)	$ 63,107
Fair value through other comprehensive income (FVOCI)	(75,745)	73,778

March 31, 2025

	The Parameters Were to Go Up 10%	The Parameters Were to Go Down 10%
Fair value through profit or loss (FVTPL)	$ (56,904)	$ 59,862
Fair value through other comprehensive income (FVOCI)	(64,621)	63,155

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

	March 31, 2026			
	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	$ 369,993,104	$ 516,464,531	$ -	$ 886,457,635
Refundable deposits				
Bonds	10,672,930	-	-	10,672,930

	December 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	$ 606,818,352	$ 626,595,508	$ -	$ 1,233,413,860
Refundable deposits				
Bonds	16,733,178	6,780,008	-	23,513,186

	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
Refundable deposits				
Bonds	5,108,519	6,314,437	-	11,422,956

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, 2026					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
				Relevant Amount That Has Not Been Offset on Balance Sheet (d)		
	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)	Financial Instruments	Financial Collateral Received	Net Amount (e)=(c)-(d)
Derivative financial instrument	$ 255,043	$ -	$ 255,043	$ 255,043	$ -	$ -

	March 31, 2026					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
				Relevant Amount That Has Not Been Offset on Balance Sheet (d)		
	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)	Financial Instruments	Financial Collateral Pledged	Net Amount (e)=(c)-(d)
Derivative financial instrument	$ 20,099,096	$ -	$ 20,099,096	$ 255,043	$ 18,678,544	$ 1,165,509

	December 31, 2025					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
				Relevant Amount That Has Not Been Offset on Balance Sheet (d)		
	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)	Financial Instruments	Financial Collateral Received	Net Amount (e)=(c)-(d)
Derivative financial instrument	$ 1,202,813	$ -	$ 1,202,813	$ 1,144,677	$ -	$ 58,136

	December 31, 2025					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
				Relevant Amount That Has Not Been Offset on Balance Sheet (d)		
	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)	Financial Instruments	Financial Collateral Pledged	Net Amount (e)=(c)-(d)
Derivative financial instrument	$ 30,770,563	$ -	$ 30,770,563	$ 1,144,677	$ 26,770,980	$ 2,854,906

	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

41. 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, 2026

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 45,693,205	$ 1,059,654	$ 507,481	$ -	$ -	$ 47,260,340
Financial assets at fair value through profit or loss	25,776,551	3,152,616	9,256,016	2,654,650	-	40,839,833
Financial assets at fair value through other comprehensive income	226,459,827	69,384,775	104,732,353	134,551,471	-	535,128,426
Financial assets measured at amortized cost	16,254,788	376,317,236	268,752,199	562,111,839	4,920,339	1,228,356,401
Refundable deposits - bonds	6,651,492	-	-	18,678,544	-	25,330,036
Total	$ 320,835,863	$ 449,914,281	$ 383,248,049	$ 717,996,504	$ 4,920,339	$ 1,876,915,036
Proportion	17.09%	23.97%	20.42%	38.26%	0.26%	100.00%

December 31, 2025

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 41,029,910	$ 4,080,303	$ 415,671	$ -	$ -	$ 45,525,884
Financial assets at fair value through profit or loss	26,688,051	5,652,692	9,115,453	2,619,849	-	44,076,045
Financial assets at fair value through other comprehensive income	978,750	4,615,558	11,488,325	45,419,128	-	62,501,761
Financial assets measured at amortized cost	119,469,004	444,495,832	370,453,457	644,652,486	4,790,537	1,583,861,316
Refundable deposits - bonds	7,787,359	-	-	26,770,980	-	34,558,339
Total	$ 195,953,074	$ 458,844,385	$ 391,472,906	$ 719,462,443	$ 4,790,537	$ 1,770,523,345
Proportion	11.07%	25.92%	22.11%	40.63%	0.27%	100.00%

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%

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

March 31, 2026

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 37,165	$ 12,610	$ 12,294	$ 62,069
Overdue receivables	-	-	-	-
Total	$ 37,165	$ 12,610	$ 12,294	$ 62,069
Proportion	59.88%	20.32%	19.80%	100.00%

December 31, 2025

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 42,736	$ 13,864	$ 14,605	$ 71,205
Overdue receivables	-	-	-	-
Total	$ 42,736	$ 13,864	$ 14,605	$ 71,205
Proportion	60.02%	19.47%	20.51%	100.00%

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%

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, 2026	$ 4,428	$ -	$ -	$ 4,428
Effect of redesignation	74,660	-	-	74,660
Adjusted balance as of January 1, 2026	79,088	-	-	79,088
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-

(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
Transfer to credit-impaired financial assets	$ -	$ -	$ -	$ -
Derecognition of financial assets at current period	(991)	-	-	(991)
Originated or purchased new financial assets	406	-	-	406
Changes in models/risk parameters	(1,785)	-	-	(1,785)
Effects of exchange rate changes and others	625	-	-	625
Balance as of March 31, 2026	$ 77,343	$ -	$ -	$ 77,343
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

(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, 2026	$ 238,495	$ -	$ 1,299,861	$ 1,538,356
Effect of redesignation	(47,205)	-	-	(47,205)
Adjusted balance as of January 1, 2026	191,290	-	1,299,861	1,491,151
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	(325)	-	(1,573)	(1,898)
Originated or purchased new financial assets	398	-	8	406
Changes in models/risk parameters	(2,349)	-	(172,658)	(175,007)
Effects of exchange rate changes and others	3,390	-	19,406	22,796
Balance as of March 31, 2026	$ 192,404	$ -	$ 1,145,044	$ 1,337,448
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

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, 2026	$ 2,455	$ -	$ 2,950,363	$ 2,952,818
Effect of redesignation	-	-	-	-
Adjusted balance as of January 1, 2026	2,455	-	2,950,363	2,952,818
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	(1,257)	-	-	(1,257)
Originated or purchased new financial assets	928	-	192,030	192,958
Changes in models/risk parameters	(15)	-	-	(15)
Effects of exchange rate changes and others	20	-	50,865	50,885
Balance as of March 31, 2026	$ 2,131	$ -	$ 3,193,258	$ 3,195,389
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

For the three months ended March 31, 2026 and 2025, 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, 2026

	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%-0.24%	-	-
Financial assets measured at amortized cost	0.00%-0.13%	-	4.96%-8.74%
Other receivables	0.00%-0.24%	-	100.00%

December 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%-0.24%	-	6.21%-9.79%
Other receivables	0.00%-0.24%	-	100%

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%

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, 2026	$ 2	$ 36	$ 34	$ 72	$ 1,050	$ 1,122
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"	-	-	-	-	(135)	(135)
Effects of exchange rate changes and others	-	137	(2)	135	-	135
Balance as of March 31, 2026	$ 2	$ 173	$ 32	$ 207	$ 915	$ 1,122
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

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	
	2026	2025
Beginning balance	$ 868	$ 7,432
Increase in the amount for the current period	3	439
Ending balance	$ 871	$ 7,871

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, 2026

	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	$ 541,583,887	$ -	$ -	$ 541,583,887
Financial assets measured at amortized cost	1,224,924,379	-	-	1,224,924,379
Other receivables	12,731,600	-	-	12,731,600
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	196,031	-	-	196,031
Financial assets measured at amortized cost	6,940,083	-	16,507,931	23,448,014
Other receivables	54,475	-	3,193,258	3,247,733

December 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	$ 62,501,761	$ -	$ -	$ 62,501,761
Financial assets measured at amortized cost	1,596,686,745	-	-	1,596,686,745
Other receivables	13,381,579	-	-	13,381,579
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,023,581	-	16,247,685	23,271,266
Other receivables	141,360	-	2,950,363	3,091,723

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	$ 42,041,665	$ -	$ -	$ 42,041,665
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

Note 1: Financial assets measured at amortized cost and Financial asset measured at fair value through other comprehensive income 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, 2026

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 62,694	$ 80
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	497	-
Total		$ 63,191	$ 80

December 31, 2025

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 71,794	$ 93
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	533	-
Total		$ 72,327	$ 93

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

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.

   To ensure adequate liquidity, the Company diversifies its investments when undertaking investment activities and maintains a diversified investment portfolio across asset classes, geographic regions, and currencies. The Company has also established funding strategies for stressed and emergency situations in order to maintain normal operations and meet urgent and material funding requirements in the event of a liquidity crisis.

   In addition, analyses of the Company's asset and liability cash flows and the results of liquidity risk monitoring are reported to the Company's Risk Management Committee and Board of Directors at least quarterly to facilitate timely responses to potential liquidity risks.

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, 2026				
Payables	$ 10,306,512	$ 8,352	$ -	$ 10,314,864
Bonds payable	-	-	40,000,000	40,000,000
Lease liabilities	130,804	404,663	3,660,323	4,195,790

(Continued)

	In 1 Year	1 to 5 Years	Over 5 Years	Total
<u>December 31, 2025</u>				
Payables	$ 10,063,499	$ 7,390	$ -	$ 10,070,889
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	127,986	403,697	3,570,589	4,102,272
<u>March 31, 2025</u>				
Payables	5,508,319	6,708	-	5,515,027
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	137,495	394,428	3,634,245	4,166,168

(Concluded)

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, 2026				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 15,296,918	$ 4,705,763	$ 96,415	$ -	$ 20,099,096

	December 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	$ 17,661,552	$ 9,554,695	$ 3,554,316	$ -	$ 30,770,563

	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

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

   Foreign exchange risk refers to the risk that changes in exchange rates may result in changes in the book value of the Company's foreign currency-denominated assets and liabilities. For foreign currency-denominated assets classified as debt instruments measured at amortized cost, where the foreign currency risk component has not been designated as a hedged item, foreign exchange risk is measured using the straight-line amortization method.

   The remaining exposures are primarily hedged using derivative financial instruments, such as foreign exchange forward and swaps, and are managed in accordance with applicable laws and regulations and internal control requirements.

3) Interest rate risk

   Interest rate risk refers to the risk resulting from changes in market interest rates that may result in fluctuations in the value of investment assets and liabilities. 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 and liabilities portfolio when extreme fluctuations in a range of risk factors 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 analysis measures the change in the value of the Company’s investment assets and net insurance contract liabilities resulting from movements in specific risk factors.

b) Scenario Analysis

Scenario Analysis measures the change in the value of the Company’s investment assets and liabilities under hypothetical stress events. The methodologies include:

i. Historical scenario:

Historical stress scenarios are selected, and fluctuations in risk factors during the relevant periods are applied to the Company’s current asset and liability portfolio to measure the impact on portfolio values under such stress events.

ii. Hypothetical scenario:

Reasonably possible assumptions regarding potential extreme market movements in the future are developed, and the related changes in risk factors are applied to the Company’s current portfolio of assets and liabilities to measure the impact that such events may have on the value of the portfolio.

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, 2026

Risk Factors	Changes (+/-)	Changes in Income		Changes in Equity	
		Net Insurance Contract Liabilities	Investment Assets	Net Insurance Contract Liabilities	Investment Assets
Equity risk (stock index)	+1%	$ -	$ 34,004	$ -	$ 2,729,237
	-1%	-	(34,004)	-	(2,729,237)
Interest rate risk (yield curve)	+1BP	1,762	(48,976)	1,653,315	(578,312)
	-1BP	(1,764)	48,890	(1,655,501)	578,853
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	-	-	(1,642,033)
	-1% (NTD depreciates 1% against each foreign currency)	-	-	-	1,642,033

December 31, 2025

Risk Factors	Changes (+/-)	Changes in Income		Changes in Equity	
		Net Insurance Contract Liabilities	Investment Assets	Net Insurance Contract Liabilities	Investment Assets
Equity risk (stock index)	+1%	$ -	$ -	$ -	$ 2,570,437
	-1%	-	-	-	(2,570,437)
Interest rate risk (yield curve)	+1BP	6,009	-	1,687,203	(294,755)
	-1BP	(6,015)	-	(1,689,822)	294,720
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	-	-	(993,742)
	-1% (NTD depreciates 1% against each foreign currency)	-	-	-	993,742

March 31, 2025

Risk Factors	Changes (+/-)	Changes in Income		Changes in Equity	
		Net Insurance Contract Liabilities	Investment Assets	Net Insurance Contract Liabilities	Investment Assets
Equity risk (stock index)	+1%	$ -	$ -	$ -	$ 2,089,669
	-1%	-	-	-	(2,089,669)
Interest rate risk (yield curve)	+1BP	1,385	-	1,652,895	(259,420)
	-1BP	(1,386)	-	(1,655,489)	259,512
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	-	-	(1,084,422)
	-1% (NTD depreciates 1% against each foreign currency)	-	-	-	1,084,422

Note 1: The Company adopted the new foreign exchange valuation reserve framework effective December 2024. Under the framework, the provision and reversal ratio for the foreign exchange valuation reserve is set at 100%. In addition, beginning in 2026, the Company adopted the new foreign exchange accounting regime. For foreign currency-denominated assets classified as debt instruments measured at amortized cost, where the foreign currency risk component has not been designated as a hedged item, foreign exchange risk is measured using the straight-line amortization method. The remaining exposures are primarily hedged using derivative financial instruments, such as foreign exchange forward and swaps , to hedge foreign exchange risk.

Note 2: Change in equity was not included in the impact on the change in profit or loss.

42. 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, 2026		
Item	**Recovery or Settlement within 12 Months**	**Recovery or Settlement More than 12 Months**	**Total**
Assets			
Cash and cash equivalents	$ 47,260,714	$ -	$ 47,260,714
Receivables	20,263,953	-	20,263,953
Current tax assets	-	4,405,857	4,405,857
Financial assets at fair value through profit or loss	25,323,661	92,938,417	118,262,078
Financial assets at fair value through other comprehensive income	155,512,055	647,851,864	803,363,919
Financial assets measured at amortized cost	1,545,784	1,226,810,617	1,228,356,401
Investments accounted for using equity method	-	2,312,330	2,312,330
Investment property	-	68,940,138	68,940,138
Loans	2,292	1,525,983	1,528,275
Insurance assets	-	196,776	196,776
Reinsurance assets	-	105,423	105,423
Property and equipment	-	10,407,027	10,407,027
Right of use assets	-	4,665,587	4,665,587
Intangible assets	87	633,777	633,864
Deferred tax assets	4,252,859	27,928,852	32,181,711
Other assets	723,677	27,740,543	28,464,220
Separate account product assets	147,504,353	-	147,504,353
Total assets	$ 402,389,435	$ 2,116,463,191	$ 2,518,852,626
Liabilities			
Payables	$ 10,306,512	$ 8,352	$ 10,314,864
Current tax liabilities	3,288,863	2,498,355	5,787,218
Financial liabilities at fair value through profit or loss	83,313,096	-	83,313,096
Bonds payable	-	40,000,000	40,000,000
Lease liabilities	68,367	1,904,048	1,972,415
Insurance liabilities	19,127,085	1,966,275,746	1,985,402,831
Reinsurance liabilities	-	12,943,826	12,943,826
Provision	-	34,180	34,180
Deferred tax liabilities	19,682,500	16,650,304	36,332,804
Other liabilities	718,165	94,878,633	95,596,798
Total liabilities	$ 136,504,588	$ 2,135,193,444	$ 2,271,698,032

Item	December 31, 2025 Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
Assets			
Cash and cash equivalents	$ 45,526,446	$ -	$ 45,526,446
Receivables	19,981,011	-	19,981,011
Current tax assets	-	4,405,857	4,405,857
Financial assets at fair value through profit or loss	385,684,527	94,003,152	479,687,679
Financial assets at fair value through other comprehensive income	-	90,704,883	90,704,883
Financial assets measured at amortized cost	3,973,652	1,579,887,664	1,583,861,316
Investments accounted for using equity method	-	2,432,966	2,432,966
Investment property	-	66,416,880	66,416,880
Loans	3,050	728,162	731,212
Insurance assets	-	136,259	136,259
Reinsurance assets	-	175,395	175,395
Property and equipment	-	10,455,389	10,455,389
Right of use assets	-	4,678,556	4,678,556
Intangible assets	87	577,484	577,571
Deferred tax assets	6,349,697	25,442,356	31,792,053
Other assets	46,109	34,633,622	34,679,731
Separate account product assets	139,165,020	-	139,165,020
Total assets	$ 600,729,599	$ 1,914,678,625	$ 2,515,408,224
Liabilities			
Payables	$ 10,063,499	$ 7,390	$ 10,070,889
Current tax liabilities	3,281,968	6,895	3,288,863
Financial liabilities at fair value through profit or loss	91,689,481	-	91,689,481
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	67,068	1,866,399	1,933,467
Insurance liabilities	19,560,606	1,983,889,873	2,003,450,479
Reinsurance liabilities	-	13,512,613	13,512,613
Provision	-	33,737	33,737
Deferred tax liabilities	20,392,623	18,597,850	38,990,473
Other liabilities	641,833	76,884,322	77,526,155
Total liabilities	$ 145,697,078	$ 2,124,799,079	$ 2,270,496,157

Item	March 31, 2025 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	16,899,707	-	16,899,707
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	316,145	321,486
Insurance assets	-	234,151	234,151
Reinsurance assets		110,694	110,694
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	19,389,623	21,729,230
Other assets	69,237	16,170,920	16,240,157
Separate account product assets	120,034,632	-	120,034,632
Total assets	$ 520,832,419	$ 1,952,275,579	$ 2,473,107,998
Liabilities			
Payables	$ 5,508,319	$ 6,708	$ 5,515,027
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	71,848,438	-	71,848,438
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	77,867	1,871,436	1,949,303
Insurance liabilities	20,492,239	1,924,025,929	1,944,518,168
Reinsurance liabilities	-	12,586,734	12,586,734
Provision	-	45,406	45,406
Deferred tax liabilities	22,620,142	29,126,413	51,746,555
Other liabilities	749,542	70,331,951	71,081,493
Total liabilities	$ 121,296,547	$ 2,068,001,472	$ 2,189,298,019

43. CAPITAL MANAGEMENT

a. Capital management objectives

The Company's primary objective in capital management is to maintain total eligible capital sufficient to meet regulatory capital requirements and to achieve the minimum statutory capital adequacy ratio. The calculation of total eligible capital is performed in accordance with the regulations prescribed by the competent authority.

To ensure that the Company maintains adequate capital to absorb various risks, the Company assesses the portfolio of risks to which it is exposed and the characteristics of such risks. The calculation of total risk capital is performed in accordance with the regulations prescribed by the competent authority.

b. Capital management procedures

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

c. Capital adequacy

The Company's capital adequacy ratio and net worth ratio, as calculated in accordance with the Regulations Governing Capital Adequacy Management of Insurance Enterprises, are in compliance with the capital adequacy classification ratios stipulated under Article 143-4 of the Insurance Act. The Company also maintains a sound capital structure in order to safeguard policyholders' interests while taking shareholders' interests into consideration.

44. 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

(Continued)

Name of the Related Parties	Nature of Relationship of the Related Parties
KGI Venture Capital 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
CDIB-Innolux II Limited Partnership	Other related party
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
CDIB Private Equity Partners, L.P.	Other related party
China Development Foundation	Substantial related party
KGI Culture and Arts Foundation	Substantial related party (Note 1)
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 2)

(Concluded)

Note 1: Since March 24, 2025, KGI Culture and Arts Foundation has become substantial related party of the Company.

Note 2: 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, 2026	December 31, 2025	March 31, 2025
KGI Bank	$ 8,006,620	$ 7,605,166	$ 6,694,409

2) Receivables

Name	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables:			
Parent company	$ 34,329	$ 40,815	$ 38,127
KGI Bank	455,876	604,164	521,565
Other related parties	44,857	490,571	49,785
Total	$ 535,062	$ 1,135,550	$ 609,477

3) Current tax assets

Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 4,375,046	$ 4,375,046	$ 6,390,838

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.

4) Derivative financial instruments

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (March 31, 2026)	
				Items	Balance
Other related parties	Swap contracts	2026/3/31-2026/6/1	US$ 100,000	Financial assets at fair value through profit or loss	$ 6,995
Other related parties	Swap contracts	2025/8/4-2026/8/11	US$ 600,000	Financial liability at fair value through profit or loss	848,205

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (December 31, 2025)	
				Items	Balance
Other related parties	Swap contracts	2025/2/6-2026/2/12	US$ 420,000	Financial assets at fair value through profit or loss	$ 208,391
Other related parties	Swap contracts	2025/8/4-2026/8/11	US$ 630,000	Financial liability at fair value through profit or loss	1,022,442

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

5) Financial assets at fair value through profit and loss

Name	March 31, 2026	December 31, 2025	March 31, 2025
Stocks:			
Other related parties	$ 1,131,703	$ 1,435,424	$ 1,390,001
Beneficiary certificates:			
Other related parties	954,013	733,578	822,259
Total	$ 2,085,716	$ 2,169,002	$ 2,212,260

6) Financial assets at fair value through other comprehensive income

Name	March 31, 2026	December 31, 2025	March 31, 2025
Stocks:			
Other related parties	$ 447,630	$ 21,843	$ 29,978

7) Policy loans

Name	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties	$ 4,896	$ 6,464	$ 12,931

8) Other assets

Name	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments:			
Other related parties	$ -	$ -	$ 6,085
Temporary prepayments:			
Other related parties	326	-	-
Total	$ 326	$ -	$ 6,085

9) Payables

Name	March 31, 2026	December 31, 2025	March 31, 2025
Commissions payable:			
Other related parties	$ 72,381	$ 83,810	$ 72,666
Other payables:			
Other related parties	39,402	248,830	35,467
Total	$ 111,783	$ 332,640	$ 108,133

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, 2026, December 31, 2025 and March 31, 2025, the transaction amount of the prepayments for equipment and prepayments expense was $12,682 thousand, $13,448 thousand and $13,388 thousand, respectively. For the three months ended March 31, 2026 and 2025, the transaction incurred an expense of $669 thousand and $711 thousand, respectively. As of March 31, 2026, December 31, 2025 and March 31, 2025, there was no payable arising from the aforementioned transaction.

11) Current tax liabilities

Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 5,042,930	$ 3,281,968	$ -

It is the tax that shall be paid to 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.

12) Bonds payable

Name	March 31, 2026	December 31, 2025	March 31, 2025
KGI Securities Co., Ltd.	$ 4,850,000	$ 4,850,000	$ 4,850,000

As of March 31, 2026, December 31, 2025 and March 31, 2025, 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 $33,724 thousand. The interest expenses in the above transactions attributable to KGI Securities Co., Ltd. amounted to $32,289 thousand and $32,289 thousand, for the three months ended March 31, 2026 and 2025, respectively.

13) Guarantee deposits received

Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 16,452	$ 16,452	$ 16,452
Other related parties	68,754	68,754	68,602
Total	$ 85,206	$ 85,206	$ 85,054

14) Other liabilities

Name	March 31, 2026	December 31, 2025	March 31, 2025
Unearned receipts:			
Other related parties	$ -	$ 339	$ -
Temporary receipts:			
Parent company	328	-	328
Other related parties	285	286	285
Total	$ 613	$ 625	$ 613

15) Premium income transactions

Name	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 372	$ 678
Other related parties	90,679	26,098
Total	$ 91,051	$ 26,776

16) Fee income

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 2,357	$ 3,150

17) Interest income

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 11,762	$ 13,268

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

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 15,916	$ 25,052

19) Gains on investment property

Name	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 15,840	$ 15,840
KGI Bank	43,100	43,062
Other related parties	21,865	21,674
Total	$ 80,805	$ 80,576

According to contracts, leasing periods are generally 3 to 16 years, and rentals are usually paid monthly.

20) Insurance claim payments transactions

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 23,160	$ 1,659

21) Insurance acquisition commissions

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 277,454	$ 230,170

22) Professional service fees

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 21,223	$ 10,084

23) Handling fees

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 86,657	$ 47,848

24) Donation expense

Name	For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 17,220	$ 14,000

25) Finance costs

Name	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 36	$ 36
Other related parties	32,476	32,474
Total	$ 32,512	$ 32,510

26) Non-operating income and expenses

Name	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 804	$ 841
KGI Bank	2,534	2,624
KGI Securities Co., Ltd.	967	460
Other related parties	649	1,543
Total	$ 4,954	$ 5,468

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	
	2026	2025
Short-term employee benefits	$ 220,667	$ 244,743
Post-employment benefits	1,359	1,344
Share-based payment	2,211	5,554
Total	$ 224,237	$ 251,641

45. PLEDGED ASSETS

Details of pledged and guaranteed assets are as follows:

Item	March 31, 2026	December 31, 2025	March 31, 2025
Government bonds (recognized as refundable deposits)	$ 25,330,036	$ 34,558,339	$ 16,008,786
Cash in bank (recognized as refundable deposits)	19,357	19,189	27,899
Total	$ 25,349,393	$ 34,577,528	$ 16,036,685

46. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Investment commitment not yet contributed

As of March 31, 2026, among the investment contracts signed, the upper limit of the amount not yet contributed were NT$3,027,260 thousand, US$580,487 thousand and EUR19,453 thousand.

47. SIGNIFICANT LOSSES FROM DISASTER

None.

48. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

49. OTHER ITEMS

a. Foreign currency financial assets and liabilities with significant influence as of March 31, 2026, December 31, 2025 and March 31, 2025 are as follows:

	March 31, 2026		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 46,179,267	31.9800	$ 1,476,812,952
AUD	5,823,277	21.9591	127,873,918
Non-monetary items			
USD	2,126,497	31.9800	68,005,390
Financial liabilities			
Monetary items			
USD	68,791	31.9800	2,199,949

	December 31, 2025		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 47,299,901	31.4380	$ 1,487,014,282
AUD	5,967,523	21.0257	125,471,340
Non-monetary items			
USD	2,322,326	31.4380	73,009,282
Financial liabilities			
Monetary items			
USD	8,950	31.4380	281,363

	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

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, 2026, December 31, 2025 and March 31, 2025, 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, 2026

	Private Equity Fund	Asset Securitization Product	Total
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 49,651,225	$ 1,323,690	$ 50,974,915
Financial assets at fair value through other comprehensive income	-	-	-
Financial assets measured at amortized cost	-	12,112,556	12,112,556
The maximum exposure amount	49,651,225	13,436,246	63,087,471
Financial or other support provided	None	None	None

December 31, 2025

	Private Equity Fund	Asset Securitization Product	Total
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 46,864,246	$ 1,300,955	$ 48,165,201
Financial assets at fair value through other comprehensive income	-	3,262,478	3,262,478
Financial assets measured at amortized cost	-	6,371,385	6,371,385
The maximum exposure amount	46,864,246	10,934,818	57,799,064
Financial or other support provided	None	None	

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	

c. Discretionary account management

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

2) As of March 31, 2026, December 31, 2025 and March 31, 2025, 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 44 related party transactions.

e. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company’s equity divided by total assets excluding the separate accounts product assets was 10.42%, 10.31% and 12.06%.

50. ADDITIONAL DISCLOSURE

a. Information on significant transactions:

1) Acquisition of real estate reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 1.

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 44.

4) Accounts receivable from related parties reaching NT$100 million or 20% of paid-in or more: Please refer to Table 2.

5) Trading in derivative instruments:

As of March 31, 2026, December 31, 2025 and March 31, 2025, 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, 2026	**December 31, 2025**	**March 31, 2025**
Swap and forward exchange contracts	$ 15,542,000	$ 26,288,025	$ 21,537,656

b. Information on investees:

1) Information on investee company that the Company exercises significant influence over: Please refer to Table 3.

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 4.

c) Securities held at the end of the period: Please refer to Table 5.

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 6.

51. 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.

TABLE 1

KGI LIFE INSURANCE CO., LTD.

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Transaction Amount	Collection	Counterparty	Relationship	Price Reference	Purpose of Acquisition	Other Terms
The Company	The entire property situated at No. 68, Dianyan Road, Yangmei District, Taoyuan City.	2026.03.05	$ 6,300,000	Payment has been duly remitted in accordance with the contractual terms.	Success Capital Company Limited	An unrelated third party.	Property appraisal report. (Note)	To undertake real estate investment activities	None

Note: The transaction amount represents the total consideration, inclusive of tax, stipulated under the sale and purchase agreement. The transaction amount for this acquisition has been substantiated by appraisal reports issued by CBRE Real Estate Appraisers Joint Office and Hong Bang Real Estate Appraisers Joint Office.

TABLE 2

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, 2026
(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	$ 455,876	Note 1	$ -	-	$ 363,822	$ -
	KGI Financial Holding Co., Ltd.	Parent company	Tax receivables	4,375,046	Note 2	-	-	-	-
			Other receivables	34,329	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.

KGI LIFE INSURANCE CO., LTD.

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Recognized Investment Gain (Loss) for the Period	Note
				March 31, 2026	December 31, 2025	Shares	%	Carrying Amount			
The Company	Fu Bao Yi Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	$ 500,000	$ 500,000	51,984,127	39.68	$ 528,127	$ 9,343	$ 3,707	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	438,254	3,670	1,101	Investments accounted for using equity method
	ThrivEnergy Co., Ltd.	Taiwan	Energy technology service industry	216,000	216,000	21,600,000	28.80	208,150	(5,262)	(1,940)	Investments accounted for using equity method
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture capital	80,139	80,139	28,400,000	20.00	245,388	(688,451)	(137,690)	Investments accounted for using equity method
	Guang Bei Company Limited	Taiwan	Energy technology service industry	264,269	264,269	26,852,452	42.50	271,684	(309)	(131)	Investments accounted for using equity method
	Chi He Low Carbon Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	74,260	52,000	7,426,000	40.00	73,587	162	435	Investments accounted for using equity method
	Kai-Hong Energy Co., Ltd.	Taiwan	Investment activities	552,408	552,408	55,240,800	29.00	496,664	(30,039)	(8,711)	Investments accounted for using equity method
	Fu Bao Le Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	50,000	50,000	5,000,000	41.67	50,476	450	187	Investments accounted for using equity method

KGI LIFE INSURANCE CO., LTD.

ENDORSEMENTS/GUARANTEES FOR OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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										
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar Co., Ltd.	Parent and Subsidiary	None	$ 6,223,770	$ 6,118,567	$ 6,118,567	$ -	458	None	Yes	No	No
Fu Bao Le Hao Energy Co., Ltd.	Xiang Guang Energy Co., Ltd.	Parent and Subsidiary	None	2,250,000	2,249,072	66,452	-	1859	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.

TABLE 5

KGI LIFE INSURANCE CO., LTD.

SECURITIES HELD AT THE END OF THE PERIOD
MARCH 31, 2026
(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, 2026				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	$ 4,798	4.99	$ 4,798	
	Paonan Biotech Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,155,625	51,437	16.07	51,437	
	APrevent Medical Inc.	None	Financial assets at fair value through profit or loss - non-current	1,907,917	56,010	5.98	56,010	
	Steminent Biotherapeutics Inc.	None	Financial assets at fair value through profit or loss - non-current	1,075,000	85,355	1.48	85,355	
	Trust Bio-sonics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,675,690	66,892	6.89	66,892	
	AmMax Bio, Inc.	None	Financial assets at fair value through profit or loss - non-current	602,154	20,605	0.95	20,605	
	Immune-Onc Therapeutics, Inc.	None	Financial assets at fair value through profit or loss - non-current	1,262,442	-	1.17	-	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through profit or loss - non-current	5,301,000	879,966	7.94	879,966	
	CellMax, Limited	None	Financial assets at fair value through profit or loss - non-current	995,322	5,398	0.41	5,398	

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, 2026
(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, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	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	$ 1,889,241 (Note 3)	19.90	$ -	$ 11,836,297 (Note 2)	$ 229,387 (Note 4)	

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026	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	$148,292,756

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.