Stock Code：5865

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

ADDRESS: 14F NO. 108, Sec. 1, Tun Hua S. Road, Taipei, Taiwan
TELEPHONE : 886-2-8771-6699

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

TABLE of CONTENTS

Representation Letter

The entities that are required to be included in the combined financial statements of Fubon Life Insurance Co., Ltd as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements.Consequently, Fubon Life Insurance Co., Ltd and its Subsidiaries do not prepare a separate set of combined financial statements.

Company Name: Fubon Life Insurance Co., Ltd.
Chairman of the Board: Lin, Fu-Sing
Date: March 8, 2024

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of
Fubon Life Insurance Co., Ltd.

Opinion

We have audited the consolidated financial statements of Fubon Life Insurance Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, its consolidated financial performancethe and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards ("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee (" IFRIC") or the former Standing Interpretations Committee (" SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. The valuation of financial instruments

Regarding the valuation of financial instruments, please refer to Note 4(G) "Financial instruments" of the consolidated financial statements for related accounting policy, Note 5 for accounting assumptions and estimation uncertainty of the valuation of financial instruments, Note 6(AD) for details on the information about fair value and fair value hierarchy.

Risk and description of the key audit matter:

Financial instruments that are held by the Group, some of them are valued through models. The valuation methods and important parameters require significant professional judgment. Therefore, the valuation of financial instruments has been identified as a key audit matter in our audit.

Procedures performed:

- Tested the effectiveness internal control procedures applied by management for fair value measurement of financial instruments;

- For financial assets without quoted prices in an active market and measured the fair value by valuation techniques, engaged our internal valuation specialists, selected samples to test valuation models and check the reasonableness of the valuation methodology and the underlying parameters in order to assess whether the valuation techniques were properly adopted in accordance with IFRS13 "Fair Value Measurement";

- Assessed the presentation and disclosures of financial instruments were in accordance with IFRSs.

2. The valuation of investment property

Regarding the valuation of investment property, please refer to Note 4(J) "Investment property" of the consolidated financial statements for related accounting policy, Note 5 for accounting assumptions and estimation uncertainty of the valuation of investment property, Note 6(G) for details on the information about the valuation of investment property.

Risk and description of the key audit matter:

According to Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the fair value of the investment properties that are held by the Group was measured by the external independent appraisers using valuation methods and market evidences in accordance with Regulations on Real Estate Appraisal. The selection of valuation methods requires significant professional judgment. Therefore, the valuation of investment property has been identified as a key audit matter in our audit.

Procedures performed:

- Obtained an understanding of professional appraisal firms' procedures for measuring fair value of investment properties in order to assess whether the professional appraisal firms selected appropriate valuation methods and check whether the firms adopted reasonable key assumptions;

- Confirmed the fair value measurement and disclosures of investment property were in accordance with IFRSs and Regulations Governing Preparation of Financial Reports by Insurance Enterprises;

- Assessed the appropriateness of the fair value of investment property measured by the management based on our understanding of public market information and review report issued by our engaged external appraisal firms.

3. The assessment of insurance liability

Regarding the valuation of insurance liability, please refer to Note 4(Q) “Insurance liability” of the consolidated financial statements for related accounting policy, Note 5 for accounting assumptions and estimation uncertainty of insurance liability, Note 6(W) for details on the information about the assessment of insurance liability.

Risk and description of the key audit matter:

The Group measured insurance liabilities in accordance with “ Regulations Governing the Provision of Various Reserves”and relevant administrative rules. Key assumptions and parameters of different types of reserves which involved the professional judgments in the reserve assessment processes, for instance, the life table and the interest rates used for calculating the provision of life insurance liability reserve, the claim development factors and the expected claim rates used in estimating the claim reserve, and mortality rate, lapse rate, morbidity rate, discount rate and other factors used in assessing adequacy of liability reserve, affect the amount of insurance liabilities and net change in insurance liabilities recognized in the financial statements. Therefore, the assessment of insurance liability has been identified as a key audit matter in our audit.

Procedures performed:

- Tested the effectiveness of internal control procedures related to insurance liability;
- Engaged our internal actuarial specialists to perform relevant audit procedures over insurance liability, including:
  - Inspected whether the methods and parameters of insurance liabilities were in accordance with insurance related regulations and administrative rules and relevant practical principles set by the Actuarial Institute of the Republic of China;
  - Selected samples to check the completeness of data used in the calculation of reserves and independently established models to recalculate the amount of reserves;
  - Analyzed the movement in insurance liability, including assessing the reasonableness of the amount of reserves appropriated by the management based on their understanding of the industry and market;
  - Conducted liability adequacy test in order to assess the reasonableness of the testing scope and assumptions adopted by the management, including assessing the appropriateness of actuarial assumptions based on the internal data or industry experiences and the characteristics of insurance products.

Other Matter

Fubon Life Insurance Co., Ltd. has prepared its parent-company-only financial statement as of and for the years ended December 31,2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the reviews resulting in this independent auditors' review report are Lee, Feng-Hui and Wu, Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2024

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
11000	Cash and cash equivalents (Notes 6(A))	$ 229,178,820	4	249,234,118	5
12000	Receivables (Note 6(B))	45,520,223	1	57,863,541	1
12600	Current tax assets	15,426,885	-	8,513,885	-
14110	Financial assets measured at fair value through profit or loss (Note 6(B))	1,479,533,828	26	1,228,330,623	22
14190	Financial assets measured at fair value through other comprehensive income (Note 6(B))	274,877,549	5	616,941,928	11
14130	Financial assets for hedging (Note 6(B))	1,700,227	-	2,602,646	-
14145	Financial assets measured at amortized cost (Note 6(B))	2,631,531,197	45	2,258,170,804	40
14150	Investments accounted for using equity method, net (Note 6(D))	25,934,805	-	26,928,118	1
14180	Other financial assets, net (Note 6(B))	3,155,809	-	3,349,551	-
14200	Investment property (Note 6(G))	302,776,860	5	304,777,201	5
14300	Loans (Note 6(B))	230,307,001	4	249,683,929	5
15000	Reinsurance assets (Note 6(I))	3,911,761	-	3,709,333	-
16000	Property and equipment (Note 6(J))	22,347,035	-	19,404,602	-
16700	Right-of-use assets (Note 6(K))	5,101,656	-	1,406,689	-
17000	Intangible assets (Note 6(L))	5,424,926	-	5,788,413	-
17800	Deferred tax assets(Note 6(U))	37,136,841	1	61,650,966	1
18000	Other assets (Note 6(M))	27,149,442	1	34,668,956	1
18900	Assets on insurance product, separated account (Note 6(N))	471,079,045	8	469,805,004	8
	Total assets	**$ 5,812,093,910**	**100**	**5,602,830,307**	**100**

	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
21000	Accounts payable (Note 6(O))	$ 53,050,204	1	62,071,931	1
21700	Current tax liabilities	773,493	-	810,779	-
23100	Short-term liabilities (Note 6(P))	-	-	12,217,500	-
23200	Financial liabilities measured at fair value through profit or loss (Note 6(B))	1,583,171	-	29,234,427	1
23300	Financial liabilities for hedging (Note 6(B))	678,293	-	3,954,452	-
23500	Bonds payable (Note 6(Q))	98,210,506	2	70,636,657	1
23800	Lease liabilities (Note 6(R))	15,597,960	-	15,995,344	-
24000	Insurance liabilities (Note 6(W))	4,583,194,692	79	4,548,381,769	81
24800	Reserve for insurance with nature of financial instrument (Note 6(X))	3,430,964	-	3,366,163	-
24900	Reserve for foreign exchange valuation (Note 6(Y))	9,176,335	-	37,131,393	1
27000	Liabilities reserve (Note 6(S))	11,568,991	-	11,822,552	-
28000	Deferred tax liabilities(Note 6(U))	28,081,327	1	20,399,946	1
25000	Other liabilities	19,437,524	-	14,307,094	-
26000	Liabilities on insurance product, separated account (Note 6(N))	489,097,634	8	497,489,045	9
	Total liabilities	5,313,881,094	91	5,327,819,052	95
	Equity attributable to owners of parent				
31100	Ordinary shares (Note 6(T))	110,831,140	2	110,831,140	2
32000	Capital surplus (Note 6(T))	31,398,668	1	31,149,454	1
	Retained earnings (Note 6(T)):				
33100	Legal reserve	92,537,470	1	79,319,723	1
33200	Special reserve	245,848,132	4	192,822,801	4
33300	Unappropriated retained earnings	34,939,914	1	65,919,778	1
	Total retained earnings	373,325,516	6	338,062,302	6
34000	**Other equity interest (Note 6(T))**	(23,517,187)	-	(209,125,102)	(4)
	Total Equity attributable to owners of parent	492,038,137	9	270,917,794	5
36000	**Non-controlling interests (Note 6(E)&(T))**	6,174,679	-	4,093,461	-
	Total equity	498,212,816	9	275,011,255	5
	Total liabilities and equity	**$ 5,812,093,910**	**100**	**5,602,830,307**	**100**

(See accompany notes to the consolidated financial statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars, except earning per share)

		For the years ended December 31, 2023		2022		
		Amount	%	Amount	%	Change%
	Operating Revenues:					
41110	Written premium	$ 332,641,606	59	344,721,571	60	(4)
51100	Less: Reinsurance expense	2,614,315	-	2,674,902	1	(2)
51310	Net change in unearned premiums reserve	812,024	-	822,481	-	(1)
	Retained earned premium (Note 6(AA))	329,215,267	59	341,224,188	59	
41300	Reinsurance commission received	440,708	-	590,816	-	(25)
41400	Total fee income	2,963,703	1	3,359,364	1	(12)
	Net income (loss) from investments					
41510	Interest income	120,606,191	21	115,801,796	20	4
41521	Gains (losses) on financial assets or liabilities meausred at fair value through profit or loss (Note 6(B))	152,909,840	27	(309,384,202)	(54)	149
41526	Net gains (losses) from derecognition of financial assets meausred at amortized cost (Note 6(B))	(689,669)	-	3,633,864	1	(119)
41527	Realized gains (losses) from financial assets measured at fair value through other comprehensive income	(568,562)	-	140,242	-	(505)
41540	Share of gain (loss) of associates and joint ventures accounted for using equity method	283,533	-	(814,902)	-	135
41550	Foreign exchange gains (losses), investments	269,591	-	172,518,478	30	(100)
41560	Net change in reserve for foreign exchange valuation (Note 6(Y))	27,955,058	5	(26,741,926)	(5)	205
41570	Gains (losses) on investment property	3,391,621	1	1,306,212	-	160
41585	(Reversal of) expected credit impairment loss on investments (Note 6(B))	(2,153,875)	-	(2,235,040)	-	4
41590	Other net income (loss) from investments	(2,824,761)	(1)	(4,480,543)	(1)	37
41600	Profits (losses) reclassified to other comprehensive income using overlay approach (Note 6(B))	(111,983,087)	(20)	264,056,269	46	(142)
41800	Other operating income	1,630,280	-	1,872,474	-	(13)
41900	Income on insurance product, separated account (Note 6(N))	42,029,533	7	15,452,279	3	172
	Total operating revenue	563,475,371	100	576,299,369	100	
	Operating Costs:					
51200	Insurance claim payment	393,504,221	70	363,407,672	63	8
41200	Less: Claims recovered from reinsurers	2,116,735	-	1,866,638	-	13
	Retained claim payment (Note 6(AA))	391,387,486	70	361,541,034	63	
51300	Net change in insurance liability	38,834,589	7	88,098,900	15	(56)
51380	Net change in reserve for insurance with nature of financial instrument	186,816	-	159,333	-	17
51400	Acquisition expense	112,499	-	37,066	-	204
51500	Commission expense	24,143,214	4	18,004,683	3	34
51700	Finance costs	3,611,024	1	2,912,481	1	24
51800	Other operating costs	7,201,681	1	1,843,945	-	291
51900	Disbursements on insurance product, separated account (Note 6(N))	42,029,533	7	15,452,279	3	172
	Total operating costs	507,506,842	90	488,049,721	85	
	Operating expenses:					
58100	General expenses	12,608,329	2	11,006,432	2	15
58200	Administrative expenses	8,446,294	2	7,628,646	1	11
58300	Staff training expenses	82,312	-	69,986	-	18
58400	(Reversal of) expected credit impairment loss on non-investments	(147)	-	13,831	-	(101)
	Total Operating Expenses	21,136,788	4	18,718,895	3	
	Net Operating Income	34,831,741	6	69,530,753	12	(50)
59000	**Total non-operating income and expenses (Note 6(AB))**	1,005,110	-	4,563,565	1	(78)
	Profit from continuing operations before income tax	35,836,851	6	74,094,318	13	
63000	**Income tax expense (Note 6(U))**	(872,517)	-	(8,411,906)	(1)	
	Net profit	$ 34,964,334	6	65,682,412	12	(47)
83000	**Other comprehensive (loss) income:**					
83100	**Items that may not be reclassified subsequently to profit or loss**					
83110	Remeasurement of defined benefit plans	$ (256,573)	-	888,529	-	(129)
83120	Revaluation of real estate property	15,906	-	-	-	-
83190	Valuation gains (losses) on equity instruments measured at fair value through other comprehensive income	(576,769)	-	(5,320,268)	(1)	89
83130	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(265,911)	-	492,930	-	(154)
83180	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	443,956	-	379,806	-	17
	Total items that may not be reclassified subsequently to profit or loss	(639,391)	-	(3,559,003)	(1)	82
83200	**Items may be reclassified subsequently to profit or loss**					
83210	Exchange differences on translation	1,810,412	-	3,998,736	1	(55)
83290	Valuation gains (losses) on debt instruments measured at fair value through other comprehensive income	103,280,017	18	(160,578,931)	(28)	164
83230	Gains (losses) on hedging instrument	38,455	-	(503,811)	-	108
83240	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(343,779)	-	(687,012)	-	50
83295	Other comprehensive profits (losses) reclassified using overlay approach	111,983,087	20	(264,056,269)	(46)	142
83280	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(27,837,184)	(5)	40,829,237	7	(168)
	Total items may be reclassified subsequently to profit or loss	188,931,008	33	(380,998,050)	(66)	150
83000	**Other comprehensive (loss) income**	188,291,617	33	(384,557,053)	(67)	149
85000	**Comprehensive (loss) income**	$ 223,255,951	39	(318,874,641)	(55)	170
	Net profit attributable to:					
86100	Owners of parent	$ 36,091,107	6	65,537,415	12	(45)
86200	Non-controlling interests	(1,126,773)	-	144,997	-	(877)
		$ 34,964,334	6	65,682,412	12	
	Comprehensive (loss) income attributable to:					
87100	Owners of parent	$ 222,369,514	39	(312,605,600)	(54)	171
87200	Non-controlling interests	886,437	-	(6,269,041)	(1)	114
		$ 223,255,951	39	(318,874,641)	(55)	
97500	**Basic earnings per share (NT dollars) (Note 6(V))**	$	3.26		5.91	

(See accompany notes to the consolidated financial statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent														
			Retained earnings				Other equity items								
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Unrealized revaluation surplus	Other comprehensive profit (loss) reclassified using overlay approach	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	$ 110,831,140	31,195,960	59,441,192	128,982,016	99,128,673	287,551,881	(14,218,363)	13,338,208	322,364	227,751	169,899,274	169,569,234	599,148,215	10,362,502	609,510,717
Net income	-	-	-	-	65,537,415	65,537,415	-	-	-	-	-	-	65,537,415	144,997	65,682,412
Other comprehensive (loss) income	-	-	-	-	699,174	699,174	2,851,838	(129,275,555)	(399,659)	-	(252,018,813)	(378,842,189)	(378,143,015)	(6,414,038)	(384,557,053)
Total comprehensive (loss) income	-	-	-	-	66,236,589	66,236,589	2,851,838	(129,275,555)	(399,659)	-	(252,018,813)	(378,842,189)	(312,605,600)	(6,269,041)	(318,874,641)
Appropriation and distribution:															
Legal reserve appropriated	-	-	19,878,531	-	(19,878,531)	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	63,748,199	(63,748,199)	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(76,372)	76,372	-	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(15,578,315)	(15,578,315)	-	-	-	-	-	-	(15,578,315)	-	(15,578,315)
Special reserve－catastrophic risk reserve and contingency risk reserve	-	-	-	161,933	(161,933)	-	-	-	-	-	-	-	-	-	-
Special reserve－travel insurance	-	-	-	7,025	(7,025)	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus:															
Changes in investments in associates and joint ventures accounted for using equity method	-	(46,506)	-	-	-	-	-	-	-	-	-	-	(46,506)	-	(46,506)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(147,853)	(147,853)	-	147,853	-	-	-	147,853	-	-	-
Balance on December 31, 2022	110,831,140	31,149,454	79,319,723	192,822,801	65,919,778	338,062,302	(11,366,525)	(115,789,494)	(77,295)	227,751	(82,119,539)	(209,125,102)	270,917,794	4,093,461	275,011,255
Net income	-	-	-	-	36,091,107	36,091,107	-	-	-	-	-	-	36,091,107	(1,126,773)	34,964,334
Other comprehensive (loss) income	-	-	-	-	(216,742)	(216,742)	1,272,882	80,809,584	(62,438)	14,976	104,460,145	186,495,149	186,278,407	2,013,210	188,291,617
Total comprehensive (loss) income	-	-	-	-	35,874,365	35,874,365	1,272,882	80,809,584	(62,438)	14,976	104,460,145	186,495,149	222,369,514	886,437	223,255,951
Appropriation and distribution:															
Legal reserve appropriated	-	-	13,217,747	-	(13,217,747)	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	53,163,988	(53,163,988)	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(461,957)	461,957	-	-	-	-	-	-	-	-	-	-
Special reserve－catastrophic risk reserve and contingency risk reserve	-	-	-	308,176	(308,176)	-	-	-	-	-	-	-	-	-	-
Special reserve－travel insurance	-	-	-	15,124	(15,124)	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus:															
Changes in investments in associates and joint ventures accounted for using equity method	-	2,021	-	-	-	-	-	-	-	-	-	-	2,021	-	2,021
Changes in ownership interests in subsidiaries	-	247,193	-	-	(5,761)	(5,761)	(206,669)	(1,301,948)	6,470	-	9,523	(1,492,624)	(1,251,192)	1,199,369	(51,823)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(605,390)	(605,390)	-	605,390	-	-	-	605,390	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,588)	(4,588)
Balance on December 31, 2023	**$ 110,831,140**	**31,398,668**	**92,537,470**	**245,848,132**	**34,939,914**	**373,325,516**	**(10,300,312)**	**(35,676,468)**	**(133,263)**	**242,727**	**22,350,129**	**(23,517,187)**	**492,038,137**	**6,174,679**	**498,212,816**

(See accompany notes to the consolidated financial statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON LIFE INSURANCE CO., LTD.AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed In Thousands of New Taiwan Dollars)

	For the years ended December 31, 2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	$ 35,836,851	74,094,318
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,169,865	1,136,254
Amortization expense	438,182	326,034
Net (gain) loss on financial assets or liabilities measured at fair value through profit or loss	(207,582,117)	221,603,449
Net loss on financial assets or liabilities measured at fair value through other comprehensive income	1,037,253	808,919
Net loss (gain) on derecognition of financial assets measured at amortized cost	689,669	(3,633,864)
Interest expense	3,696,028	2,979,274
Interest income	(120,606,191)	(115,801,796)
Dividend income	(48,041,767)	(43,267,625)
Net change in insurance liabilities	39,646,613	88,921,381
Net change in reserve for insurance with nature of financial instrument	64,801	(191,590)
Net change in reserve for foreign exchange valuation	(27,955,058)	26,741,926
Expected credit loss of investment	2,153,875	2,235,040
(Reversal of) expected credit loss of non-investment	(147)	13,831
Share of (profit) loss of associates and joint ventures accounted for using equity method	(283,533)	814,902
Loss (Gain) reclassified to other comprehensive income by using overlay approach	111,983,087	(264,056,269)
Loss on disposal of property and equipment	4,222	8,590
Property and equipment transferred to revenues	(42,656)	(19,021)
Loss on disposal of investment property	43,020	-
Gains on disposal of investments accounted for using equity method	(472,096)	-
Impairment loss on non-financial assets	246	4,717
Unrealized foreign exchange gain	(1,449,590)	(175,699,992)
Loss on fair value adjustment of investment property	3,437,261	5,327,618
Other items	306,475	(3,120,214)
Total adjustments to reconcile profit (loss)	(241,762,558)	(254,868,436)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	12,501,361	2,616,907
Decrease (Increase) in financial assets or liabilities measured at fair value through profit or loss	(77,271,316)	386,319
Decrease in financial assets measured at fair value through other comprehensive income	59,911,971	2,049,396
Decrease in financial assets measured at amortized cost	14,992,147	86,915,341
Decrease (Increase) in other financial assets	86,434	(434,773)
Increase in reinsurance assets	(474,632)	(492,953)
Decrease (Increase) in other assets	7,098,063	(8,851,629)
Total changes in operating assets	16,844,028	82,188,608
Changes in operating liabilities:		
Decrease in other payable	(8,455,851)	(23,011,675)
Decrease in provisions	(343,396)	(139,054)
Increase (Decrease) in other liabilities	5,130,430	(3,672,775)
Total changes in operating liabilities	(3,668,817)	(26,823,504)
Total adjustments	(228,587,347)	(199,503,332)
Cash outflow generated from operations	(192,750,496)	(125,409,014)
Interest received	105,702,161	101,505,647
Dividends received	48,041,966	42,865,622
Interest paid	(3,514,708)	(3,169,215)
Dividends paid	-	(15,578,315)
Income taxes paid	(3,506,158)	(12,625,349)
Net Cash flows used in operating activities	(46,027,235)	(12,410,624)
Cash flows (used in) from investing activities:		
Acquisition of investments accounted for using equity method	(300,000)	(5,336,803)
Proceeds from disposal of investments accounted for using equity method	916,608	-
Acquisition of property and equipment	(649,084)	(519,090)
Proceeds from disposal of property and equipment	326	194
Acquisition of intangible assets	(243,348)	(308,910)
Decrease in loans	17,645,202	22,841,170
Acquisition of investment properties	(5,900,806)	(6,203,327)
Other investing activities	-	(20)
Net cash flows from investing activities	11,468,898	10,473,214
Cash flows from (used in) financing activities:		
Proceeds from issuing bonds	29,920,212	4,616,301
Repayments of bonds	(1,828,442)	(1,158,350)
Increase (Decrease) in notes and bonds issued under repurchase agreement	(12,217,500)	12,217,500
Payments of lease liabilities	(718,881)	(708,670)
Change in non-controlling interests	(4,588)	-
Other financing activities	(51,650)	-
Net cash flows from financing activities	15,099,151	14,966,781
Effect of exchange rate changes on cash and cash equivalents	(596,112)	782,353
Net (decrease) increase in cash and cash equivalents	(20,055,298)	13,811,724
Cash and cash equivalents at beginning of period	249,234,118	235,422,394
Cash and cash equivalents at end of period	$ **229,178,820**	**249,234,118**

(See accompany notes to the consolidated financial statements)

1. COMPANY HISTORY

Fubon Life Insurance Co., Ltd. ("Fubon Life Insurance" or "Company"), formerly ING Life Insurance Co., Ltd. ("ING Life Insurance") was established in March 2006. The Company primarily conducts life insurance business.

Originally, the Company is one of the ING group members. On October 20, 2008, the Company's former parent company, ING Group, announced that it has reached a cooperation agreement with Fubon Financial Holding Co., Ltd. ("Fubon Financial Holding") to sell the Company effectively on February 11, 2009.

ING Life Insurance swapped shares with Fubon Life Assurance Co. Ltd ("Fubon Life Assurance"). Fubon Life Assurance ceased to legally exist, and the former ING Life Insurance, which was a surviving entity, changed its name to "Fubon Life Insurance Co., Ltd.". The corporate restructuring was permitted by the Financial Supervisory Commission, Executive Yuan through its letter Gin Guan Bao Li No.09802091401 issued on June 1, 2009.

The consolidated financial statements as of December 31, 2023, December 31 and 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). Please refer to Note 4(C) for further information. The parent and ultimate parent company of the Group is Fubon Financial Holding.

2. APPROVAL DATE AND PROCEDURES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issuance by the Board of Directors on March 8, 2024.

3. New Standards, Amendments and Interpretations Adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023.

- Amendments to IAS 12"International Tax Reform – Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Effective date to be determined by IASB

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 17 "Insurance Contracts"	The new standard of accounting for insurance contracts contain recognition, measurement, presentation and disclosure of insurance contracts issued, and the main amendments are as follows: ● Recognition: an entity recognizes a group of insurance contracts that it issues from the earliest of : - the beginning of the coverage period of the group of contracts; - the date when the first payment from a policyholder in the group because due; and - for a group of onerous contracts, when the group becomes onerous, if facts and circumstances indicate that there is such a group. ● Measurement: on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. For subsequent measurement, the entity shall estimate the cash flows, discount rates and the adjustment for non-financial risk. ● Presentation and disclosure: the presentation of insurance revenue is based on the provision of service pattern and investment components excluded from insurance revenue.	January 1, 2023

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 17 “Insurance Contracts”	The fundamental principles introduced when the Board first issued IFRS 17 in May 2017 remain unaffected. The amendments are designed to: ● reduce costs by simplifying some requirements in the Standard; ● make financial performance easier to explain; and ● ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time.	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “	The amendment adds a new transition option to IFRS 17 (the ‘classification overlay’) to alleviate accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of IFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with IFRS 9 Financial Instruments.	January 1, 2023
Amendments to IAS21 “Lack of Exchangeability”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2025

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied onsistently throughout the periods presented in the consolidated financial statements.

(A) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises (hereinafter referred to as " the Regulations") and the international financial reporting standards, international accounting standards, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (hereinafter referred to as "International financial reporting guidelines recognized by FSC").

(B) Basis of preparation

The consolidated financial statements comprise consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity, consolidated statements of cash flows, and related notes.

The consolidated financial statements have been prepared on a historical cost basis, except for the financial instruments and investment property which are measured at fair value. The financial statements are presented in New Taiwan Dollar, the functional currency of the Company, and rounded to the nearest thousand, except where otherwise indicated.

(C) Basis of consolidation

(a) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners equity of the parent.

(b) List of subsidiaries in the consolidated financial statements

The following entities have been included in the consolidated financial statements:

Investor Company	Subsidiary	Business Type	Stockholder's equity (Holding %) December 31, 2023	December 31, 2022
The Company	Fubon Life Insurance (Vietnam) Co., Ltd.	Life insurance	100 %	100 %
The Company	Fubon Life Insurance (Hong Kong) Co., Ltd.	Life insurance	100 %	100 %
The Company	Fubon Hyundai Life Insurance Co., Ltd.	Life insurance	83.22 %	77.40 %
The Company	Carter Lane (Guernsey) Ltd.	Real estate investment and management	100 %	100 %
The Company	Bow Bells House (Jersey) Ltd.	Real estate investment and management	100 %	100 %
The Company	Fubon MTL Property (Jersey) Ltd.	Real estate investment and management	100 %	100 %
The Company	Fubon Ellipse (Belgium) S.A.	Real estate investment and management	100 %	100 %
The Company	Fubon Eurotower (Luxembourg) S. ā r.l.	Real estate investment and management	100 %	100 %

(D) Foreign exchange

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate at the date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated to the exchange rate at the date of the transaction.

Foreign translation differences arising from settlement or retranslation are recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

- Equity instruments measured at fair value through other comprehensive income;

- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

- Qualifying cash flow hedges to the extent that the hedges are effective.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the Company' s functional currency in New Taiwan dollars at the exchange rate at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the Company' s functional currency at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the foreign currency translation adjustments related to that foreign operation are all reclassified to profit or loss. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant cumulative amount of foreign currency translation adjustments is reattributed proportionately to non-controlling interest. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation, the relevant cumulative amount of foreign currency translation adjustments is reclassified proportionately to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered as part of a net investment in foreign operation and are recognized in other comprehensive income.

(E) Principles of classifying assets and liabilities as current and non-current

The Group primarily engages in the life insurance business. In the insurance industry, there is no clear standard distinction between the operating period and cycle as it depends on the nature of the insurance contracts and the different durations for which insurance claims are processed; therefore, the Group does not classify assets and liabilities as current or noncurrent.

(F) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to cash at the known amounts and subject to insignificant risk of value changes. Time deposits that fit the definition above and are used by the Group in the management of its short-term commitments are comprised in cash equivalents.

(G) Financial instruments

All financial assets possessed by the Group are recognized and derecognized using trade date accounting.

(a) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at original cost, plus/minus accumulated amortization using the effective interest method, and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in unrealized gains (losses) on financial assets measured at fair value through other comprehensive income. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retained earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group’ s right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(3) Financial assets measured at fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets and accounts receivables (except for those presented as accounts receivables but measured at FVTPL). On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset measured at FVTPL is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Net gains and losses (including dividend and interest income) are recognized in profit or loss.

(4) Loans and receivables

Loans include premium loans, life insurance loans, secured loans and unsecured loans. Premium loans refer to cash advances granted to the insured to settle unpaid premiums in accordance with the insurance contract. Life insurance loans are loans secured by insurance policies issued by the Group. Secured loans include loans collateralized by property and real estate and special project loans approved by the competent authority.

Loans and receivables are initially recognized at fair value, plus any directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method, less any impairment loss.

(5) Impairment of financial assets

At each reporting date, the Group assesses whether the credit risk of financial instruments has significantly increased since initial recognition. An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. Lifetime ECL measurement of allowance for impairment of the financial asset applies if the credit risk at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not.

1) General approach to expected credit loss:

The Group applies the general approach for expected credit losses to debt instruments and loans classified as financial assets measured at amortized costs or at FVOCI and related receivables. At each reporting date, the Group assesses whether credit risk has significantly increased since initial recognition to recognize the allowance for impairment. Allowance for impairment measured at FVOCI should be adjusted for profit and loss and recognized in other comprehensive income, but should not decrease carrying amounts of financial assets on consolidated balance sheets.

2) Simplified approach to expected credit loss:

The Group applies simplified approach to lease receivables and to accounts receivables under IFRS 15. Recognition and measurement of the allowance for impairment of these financial assets are based on lifetime ECL. With reference to past experience, receivables that do not belong to what described above and loans with investment-linked insurance provided as pledged assets have extremely low loss ratios so the Group adopted the simplified approach.

3) Loss allowance for loans and receivables should also be complied with the regulations under the “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”. The least standard of the loss allowance should be measured by the higher of expected credit loss described above and of ECL that are complied with the regulations.

(6) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(7) Reclassification of financial assets

According to IFRS 9, financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(8) Overlay approach

The Group has applied IFRS 9 since 2018. To reduce the impact caused by different effective dates of IFRS 9 and the forthcoming IFRS 17, the Group simultaneously adopted overlay approach under IFRS 4 to present profit or loss of designated financial assets.

(b) Financial liabilities

(1) Short-term liabilities

Bonds issued under repurchase agreement in financing activities are recorded to short-term debts-notes and bonds issued under repurchase agreement at trading date. When the notes and bonds are repurchased, the difference between the repurchase price and original sale price is recognized as interest expenses.

(2) Financial liabilities measured at fair value through profit or loss

Financial liabilities including held-for-trading, derivative and designated upon initial recognition are classified as financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at FVTPL are recognized at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Financial liabilities measured at fair value through profit or loss and those designated as such at initial recognition are recognized as "financial liabilities measured at fair value through profit or loss" in the consolidated balance sheets. The changes in fair value are recognized as "gains or losses on financial assets or liabilities measured at fair value through profit or loss" in the consolidated statements of comprehensive income. However, the amount of change in the fair value of the financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, except that the treatment would create or enlarge accounting mismatch or it is a financial guarantee contract, and in this case, the Group will present all gains or losses on that liability in profit or loss.

(3) Bonds payable

The initial recognition of financial liabilities measured at amortized cost is valued at fair value after deducting transaction costs. After initial recognition, bonds payable is measured at the effective interest method and the interest is recognized in profit or loss as the adjustment of "finance costs" during the outstanding period of bonds.

(4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged, cancelled, or expires. On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(c) Determination of fair value

Please refer to Note 6(AD) for the fair value of financial instruments and information of fair value hierarchy.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheets when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(e) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Group will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Group will apply applied the policies on accounting for modifications to the additional changes.

(f) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates part of its hedging instruments as fair value hedges, cash flow hedges, or hedges of net investments in a foreign operations.

At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, and the nature of the risk being hedged and how the Group' s will assess whether the hedging relationship meets the hedge effectiveness requirements.

(1) Fair value hedges

The gain or loss on the qualifying hedging instrument shall be recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in other comprehensive income.

If the hedged item is a debt instrument that is measured at fair value through other comprehensive income, the hedging gains or losses on the hedged item shall be recognized in profit or loss. However, if the hedged item is an equity instrument designated at FVOCI, the hedging gains or losses shall remain in other comprehensive income. Where hedging gains or losses are recognized in profit or loss, they are recognized in the same lines as the hedged item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged item is measured at amortized cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss.

(2) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated under "other equity — gains (losses) on hedging instruments". The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged item is recognized in profit or loss, the amount accumulated in equity and retained in other comprehensive income is reclassified to profit or loss in the same period, and is presented in the same accounting item with the hedged item recognized in the consolidated statement of comprehensive income. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. In addition, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in future periods, it shall immediately reclassify the amount in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(3) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in 'other equity —gains (losses) on hedging instruments'. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Gains and losses on the hedging instrument accumulated in other equity are reclassified to profit or loss on the disposal of the foreign operation.

(4) Specific policies applicable for hedges directly affected by IBOR reform

1) Interest rate benchmark reform —Phase 1

a) Prospective assessments

For the purpose of evaluating whether the economic relationship between the hedged item and the hedging instrument exists, the Group assumes that the benchmark interest rate is not altered as a result of IBOR reform.

b) The ‘highly probable’ assessments for forecast transactions

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of IBOR reform for the purpose of asserting that the forecast transaction is highly probable. Also, for discontinued hedging relationships, the same assumption is applied for determining whether the hedged future cash flows are expected to occur.

c) End of application

The Group will cease to apply the above assessments when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

2) Interest rate benchmark reform —Phase 2

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group will amend the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;

– updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;

– that the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

– the original hedging instrument is not derecognized.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group will first consider whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group will amend the formal hedge documentation for changes required by IBOR reform as mentioned above.

If the Group reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it designates the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date.

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

(H) Investment in associates

An associate is an entity in which the Group has significant influence over its financial and operating policies but has no control over it. Investments in associates are accounted for using the equity method and are recognized at cost on acquisition. The cost of investment includes transaction cost. The carrying amount of investment in associates includes the goodwill identified in initial investment less any accumulated impairment loss. Any excess of the Group’s share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is accounted as income in the acquisition date.

The consolidated financial statements include the profit or loss and other comprehensive income recognized based on the equity holding ratio of the invested associates from the date that the Group has significant influence over the investees until the date that the Group loses the significant influence. The accounting policies of the investees and the Group shall be reconciled before the amount is presented in the financial statements. The Group recognizes any changes, of its proportionate share in an associate within capital surplus, when the associate' s equity changes due to reasons other than profit and loss or comprehensive income, and such change does not affect the Group's ownership percentage of the associate.

Unrealized gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated investors' interest in the associate.

When the Group' s share of losses of the associates equals or exceeds its interest in the associates, the Group discontinues recognizing its share of further losses. The Group 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.

Since the goodwill that forms part of the carrying amount of investment in associates or joint venture is not separately recognized, it is not tested for impairment by applying the requirements for impairment testing goodwill in IAS 36. The Group has to determine whether there is any objective evidence that its net investment in the associate or joint venture is impaired at each reporting date in accordance with IAS 28. If there is an objective evidence of impairment, the investment is tested for impairment in accordance with IAS 36 by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. When recoverable amount is determined by the value in use of the net investment, the Group estimates:

(a) its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds from the ultimate disposal of the investment; or

(b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

(I) Joint venture

Jointly controlled entity is an entity which is established as a result of a contractual arrangement between the Group and other ventures to jointly control over its financial policy and operating policy. Consensus for all decisions must be obtained from the ventures. The Group uses equity method to account for the jointly controlled entity.

Please refer to Note 4(H) for the assessment of impairment of the Group.

(J) Investment property

Investment property held by the Group is either to earn rental income or for capital appreciation or both owned either by the owner or by the lessee through possession of right-of-use assets, rather than for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purpose. Investment property is measured at cost on initial recognition, including transaction costs. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Costs of self-constructed investment property include the cost of raw materials and direct labor, and any other costs and capitalized costs directly attributable to bring the investment property to a working condition for its intended use. Investment property is subsequently measured at fair value, with any change in fair value shall be recognized in profit or loss. Except the property 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", investment property is accounted for in accordance with IAS 40 " Investment property". If the fair value cannot be reliably determined, it should be measured at cost less accumulated depreciation and impairment. When fair value can be reliably determined, the valuation should be measured at fair value.

Investment property should be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal and recognized in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in 'other equity - revaluation surplus' is transferred to retained earnings.

The Group transfers investment property in or out based on its actual use. Transfers between categories should be based on market values and accounting treatment should be conducted in accordance with IAS 40 "Investment property".

(K) Reinsurance assets

The Group arranges the reinsurance business based on the business need and the related insurance laws to limit the losses caused by certain events. For reinsurance ceded business, the Group cannot refuse to fulfill their obligations to insured even if the reinsurer refuses to fulfill its obligation.

Reinsurance assets, claims recoverable from reinsurers, reinsurance receivable and funds held by ceding companies are periodically assessed for impairment. A reinsurance asset is impaired if, and only if there is objective evidence that the Group may not receive all amounts due them under the terms of the contract as a result of an event that occurred after initial recognition of the reinsurance asset; and the impact of that event to the recoverable amounts that the Group will receive from the reinsurer can be measured reliably. If the reinsurance asset is impaired, its carrying amount is reduced accordingly and is recognized as impairment loss.

In addition, for classification of reinsurance contracts, the Group assesses not only transfer of significant insurance risk, but also whether it has transferred underwriting risk, (probability of material loss) and timing risk (variation of occurrence timing of cash flows) to reinsurers. If reinsurance contracts only cede significant insurance risks (excluding the underwriter risk and timing risk), the reinsurance contract is accounted for using deposit accounting. Under this deposit accounting, the insurance premium minus the Group’ s retained reinsurance premium (or fee) is recognized as a deposit asset or liability.

Changes in amount of the deposit component are charged to profit or loss. Interests arising from the deposit component for the contracts which does not transfer any risk or transfers the timing risk only are recognized as interest income or expense and calculated based on the effective interest rates which are determined by the estimates of future cash flows.

Reinsurance shall arrange the impairment losses recognized and/or reversed in accordance with IFRS 4.

(L) Property and equipment

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of property and equipment includes any cost directly attributable to the asset and the initial estimated of the cost of dismantlement, removal or restoration.

As the Group has obligations for dismantling, removing and restoring the site on which an item of property and equipment is located, the present value of the cost of the obligation should be recognized as provision.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts that are replaced is derecognized. Significant renewals and improvements meeting the recognition criteria are treated as capital expenditures, on-going repairs and maintenance are expensed as incurred.

Land is not depreciated. Other assets are depreciated on a straight line basis over the estimated useful lives. The estimated useful lives of property and equipment are as follows:

(a) Buildings	5-50 years
(b) Transportation and communication equipment	3-5 years
(c) Computer and other equipment	3-15 years

The residual values and useful lives of depreciable fixed assets are reviewed at each reporting date and adjusted if appropriate. The gain or loss arising from the derecognition of an item of property and equipment is determined on the difference between the net disposal proceeds, if any, and carrying amount of the item, and is recognized in profit or loss. If expectations of depreciation method, useful life and residual value differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property accordingly. Any resulting increase in the carrying amount due to the fair value at the date of transfer is recognized in profit or loss to the extent of previously accumulated impairment of that property and equipment. The remaining part of the increase is recognized in "Other comprehensive income－Revaluation of real estate property" and accumulated in "Other equity interest－Unrealized revaluation surplus." Any loss is recognized in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognized in other comprehensive income and reduces the revaluation surplus within equity.

(M) Leases

At inception of a contract, the Group assesses whether a 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.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group applies fair value model to right-of-use assets that meet the condition of investment property and classifies these assets as investment property.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments less any receivable lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise price for purchase options; and
- penalty for lease termination.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; and
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

Any amortization of right-of-use assets and interest expense of lease liabilities during construction period should be recognized as costs of building.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the Covid-19 pandemic;

- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. For operating leases, the Group uses the straight-line basis to recognize the lease payments received as rental income over the lease term.

Variable lease payment unconnected to an index or to a ratio is recognized as revenue when the leasing adjustment is confirmed.

(N) Intangible assets

Intangible assets meeting the relevant recognition criteria are initially measured at cost. The cost of intangible assets acquired in business combinations is the fair value at the acquisition date. Goodwill resulting from acquisition has been included in intangible assets.

When the Group acquires intangible assets with finite useful lives, the carrying amount is measured at the cost less accumulated amortization and any impairment loss, and is amortized on a straight-line basis over their useful lives. The Group evaluates intangible assets on every reporting date and reviews indicator of impairment or changes on the estimated future economic benefits. Intangible assets and goodwill with indefinite useful life are not amortized, but assessed for impairment when they are reviewed annually or when there is an indication of impairment of an asset, and the carrying amount is determined using cost less accumulated impairment loss. In terms of investments accounted for using equity method, the carrying amount of goodwill is included in the carrying amount of the investments and the impairment losses of such investments are not distributed to goodwill and any other assets. The impairment losses are part of the carrying amount of the investments.

Most of the Group's identifiable intangible assets, excluding goodwill, are with finite useful lives and they are amortized using straight line basis ever since they are available for use. The amortization is recognized in profit and loss. The useful lives are as follows:

Items	Useful lives
Computer software	3-10 years
Business license	32 years
Others	5-20 years

(O) Impairment – Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets and investment properties measured at fair value) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(P) Separate account insurance product

The Group is engaged in selling investment-linked insurance policies. The payment of premiums, net of administrative expenses, is recorded in a separate account and is used only in the way agreed to by the policyholder. The assets in this separate account are measured at market value on valuation date. Net asset value is determined in accordance with related government regulations and TIFRS.

Regardless of whether the assets and liabilities arise from insurance contracts or investment contracts, such assets and liabilities are recorded as "Assets on insurance product, separate account" and "Liabilities on insurance product, separate account", respectively.

The income and disbursements recorded in the separate account for the insurance product are the total income and expense amount of insurance product which conform to the definition of the insurance contract under IFRS 4 endorsed by the FSC and are recorded as " Income on insurance product, separate account" and "Disbursements on insurance product, separate account", respectively. Therefore, the net amount of premium of insurance product which is classified as insurance contract minus the preliminary charge and account management fee is recognized as income. The difference between the proceeds from the disposal and the original cost of financial assets or the change in the fair value thereof is recognized in profit or loss.

The financial assets and liabilities arising from the insurance products, separate account which are classified as investment contracts, are evaluated based on IFRS 9. Therefore, the amount collected or paid is recognized as financial liabilities and assets in separate account, instead of revenue or expense, respectively. The difference between the proceeds from the disposal and the original cost of investment contracts or the change in the fair value thereof is charged to "Reserve-Investment contract", instead of profit or loss.

The Group shall set up separate accounts for labor retirement insurance business and record the value of its investments. It shall also set up separate subledgers for related assets, liabilities, income and expenses and manage these accounts separately from other assets of life insurance business. The initiation, record and accounting treatments of the separate accounts shall follow the rules of local governing institutions of the Group.

(Q) Insurance liability

(a) The Company

The reserve for both the insurance contracts and the investment contracts with or without discretionary participation feature of the Company is determined reserves for insurance contracts in accordance with the Regulations Governing the Provision of Various Reserve. The methodologies used to determine the reserve are certified by the appointed actuary who is authorized by the Financial Supervisory Commission. Except for the reserve for short-term group insurance which shall be calculated on the actual premiums or the premiums conforming to the rule prescribed in Gin Guan Bao Tsai No.11004925801, whichever is higher, the bases for determining other reserves or provision for liabilities are as follows:

(1) Unearned Premiums Reserve

Unearned premium reserves for effective insurance contracts with a term below 1 year and injury insurance contracts with a term over 1 year are calculated based on the gross premiums of the insurance contracts which do not matured yet on the balance sheet date.

(2) Claim reserve

Claim reserve is provided based on the incurred but not reported claims and reported but unpaid claims. For reported but unpaid cases, the claim reserves are provided based on the actual claim case by case. For incurred but not reported cases, the reserves are provided as follows:

1) Health insurance and life insurance with a term below 1 year:

The reserve is provided based on historical claim experiences and expenses along with the insurance types via the method conforming to actuarial principles (e.g.: Loss Development Triangle Method).

2) Injury insurance

The reserve is provided based on historical claim experiences and expenses via the method conforming to actuarial principles (e.g.: Loss Development Triangle Method).

(3) Liability reserve

The provision for future policy benefits is calculated on the basis of life table and assumed interest rate of each policy in accordance with both the modified method of Article 12 of the Regulations Governing the Provision of Various Reserves and the calculation prescribed by the competent authority.

Starting from 2003, for effective insurance contracts which adopt the dividend calculation formula prescribed under the Tai Tsai Bao No. 800484251 letter, the policy reserve is provided based on the currently reduced amount of dividend caused by the offset between interest margin and mortality margin for long term effective insurance contracts.

Starting from 2012, in accordance with the Gin Guan Bao Tsai No. 10102500530 letter and Article 11 of Value-added and Non-value-added Business Tax Act, a liability reserve based on 3% of sales is provided for purposes of writing off overdue loans or providing allowance for bad debts when the percentage of overdue loans is lower than 1%. The company is allowed to recognize the aforementioned balance to liability reserve. Furthermore, based on Article 19 of the "Regulations Governing the Provision of Various Reserves", the Company is allowed to recognize those written off Catastrophic risk reserve in " Life Insurance Liability Reserves-Catastrophic Risk Reserve."

When the Company chooses to adopt the fair value model for investment property, the fair value measurement for insurance liability should also be adopted as well. If fair value of insurance liability exceeds carrying amount, the liability reserve should be provided by the difference and adjust retained earnings. The company in accordance with Article 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, insurance liability shall be subsequently measured based on the fair value measurement criteria designated by the FSC every year. When the measured fair value of insurance liability is greater than its carrying amount, an improvement plan shall be proposed. Where the improvement plan includes the amount of additional reserve to be set aside, the amount of increase in reserve shall be added to the policy reserve and deducted from retained earnings.

(4) Special reserve

1) The special reserve provided for retention business with a term within 1 year is divided into 2 categories, which are catastrophic risk reserve and contingency risk reserve. The methods for providing these reserves are as follows:

a) Catastrophic risk reserve

A catastrophic risk reserve covering all types of insurance is provided at a rate prescribed by the competent authority. For the actual catastrophic claim exceeding $30 million, the excess amount is offset against catastrophic risk reserve. For catastrophic risk reserve that remains outstanding for over 15 years, it is written off based on the evaluation of an actuary and after being reported to the competent authority for inspection. The above-mentioned new provision of catastrophic risk reserve, net of income tax pursuant to IAS 12, is accounted for under special reserve of stockholders' equity.

b) Contingency risk reserve

If the net amount of actual claim minus the related catastrophic risk reserve is lower than the amount of expected claim, a contingency risk reserve is provided at a rate of 15% of the difference between the net amount of actual claim and the amount of expected claim.

If the net amount of actual claim minus the related catastrophic risk reserve of each insurance is higher than the expected claim amount, the difference is debited to contingency risk reserve. If the contingency risk reserve of the insurance is for offsetting, the Company can offset the reserve from other insurance policy. However, the amount and type of insurance shall be reported to the competent authority for inspection. If the total accumulated amount of the contingency risk reserve is over 30% of the matured retention premium of the year for Fubon Life Insurance, the excess is treated under reclaim rule. The aforementioned reclaim of the contingency risk reserve will be limited or redirected based on its usage if the competent authority deemed it will bring stable growth to the industry. The balance for write-down or reclaim, net of income tax, is offset against the contingency risk reserve under equity in accordance with IAS 12.

The above-mentioned new provision of contingency risk reserve, net of income tax pursuant to IAS 12, is accounted for under special reserve of stockholders' equity.

2) The pre-tax (pre-bonus) income of participating life insurance policies sold by the Company is assessed separately at the end of the year, in accordance with the Rule Governing Management of the Financial and Operational Aspects of a Participating Life Insurance Policy. The income/loss and the amount of reclassification to retained earnings of the gains/losses on disposal of investments in equity instruments designated at fair value through other comprehensive income, allocation of participating and nonparticipating life insurance policies are also assessed according to the guidelines, and is reported to the competent authority. Such income is credited/debited to "special reserve - provision for bonus of participating policy". This reserve is written off on the date of bonus announcement. If this reserve is insufficient, an additional "special reserve — provision for risk of bonus" is made to cover for the deficiency.

3) In accordance with subsequent measurement of investment properties from cost model to fair value model, the Group should recognize special reserve under liabilities by the net amount of the effects of the first-time adoption of investment properties subsequently measured at fair value model deducting incremental amounts of liability reserve. Additionally, commencing from January 1, 2013, the excess amount of the enhancement of liability reserve, calculated in accordance with November 27, 2012 Gin Guan Bao Tsai Order No. 10102515285, could transfer to "liability reserve － Insurance contract liability measured at fair value" in accordance with November 30, 2012 Gin Guan Bao Tsai Order No. 10102515281. For remaining outstanding reserve, it is accounted for under special reserve of stockholders' equity, either recognized by 80% of which at first year or recovered by 5 years with the restriction up to $10 billion dollars each year.

(5) Premium deficiency reserve

For life insurance, health insurance, and annuities contracts with a coverage period exceeding one year, and issued commencing from January 1, 2001, a special premium deficiency reserve is provided based on the unpaid premiums deficiency if the written premiums are less than those used for providing policy reserves.

In addition, for effective insurance contracts with a term below 1 year and injury insurance with a term over 1 year, a premium deficiency reserve is provided by type of insurance if the aggregate amount of unearned premium retention and expected future premium revenue is less than the estimated potential insurance claims and related future expenses.

(6) Liability adequacy reserve

Liability adequacy reserve is a reserve that is provided depending on the results of the liability adequacy test prescribed under IFRS 4 endorsed by the FSC.

In accordance with the "Code of Conduct of Actuarial Practice under IFRS 4" as pronounced by the Actuarial Institute of the Republic of China, the liability adequacy is tested by product type group (or on the overall Company contracts). Under this liability adequacy test, the net carrying amount of the insurance liability minus the deferred acquisition costs and relevant intangible asset is compared to the estimated present value of future cash flow of the insurance contracts. If the net carrying amount is less than the estimated present value of future cash flow of the insurance contracts, then the difference is recognized as current loss.

(b) Insurance liabilities of subsidiaries are life insurance liabilities reserves, unearned premium reserves and claims reserves that are in accordance with the insurance rules where the subsidiaries reside. The amount of these reserves are based on actuarial report issued by local government-certified actuaries.

(R) Reserve for insurance with nature of financial instrument

In accordance with the " Regulations Governing the Provision of Various Reserves" , provision for financial instruments without discretionary participation feature is accounted for using deposit accounting.

(S) Reserve for foreign exchange valuation

Commencing from March 1, 2012, part of the catastrophic risk reserve and contingency risk reserve covering all types of insurance is transferred to serve as the initial balance of reserve for foreign exchange valuation. Subsequent provision or write off of this reserve is made in conformity with the " Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises". Additional provision for special reserve in stockholders' equity is made for the saved hedging cost annually. If the earnings of the year are insufficient to allow provision of special reserve, then it can be made in the subsequent years when there are sufficient earnings. The related special reserve is only used for capital increase or offset against accumulated deficit. In conformity with Article 9 of the "Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises", if life insurance enterprises have earnings after tax in the current year, 10% of which shall be set aside as a special reserve.

(T) Insurance contracts

An insurance contract is a "contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder". The Group defines significant insurance risk as the event which might lead to additional significant payment.

An insurance contract with financial instruments features means that the contract is able to transfer significant financial risk. Financial risk is the risk resulting from possible changes in one or more specified interest rate, financial instrument price, commodity price, foreign exchange rate, price index, tariff index, credit rating, credit index or other variable in the future. If the previously stated variables are non-financial variables, then the variables do not belong to any specific side of the contract.

Once a contract has qualified as an insurance contract, it remains an insurance contract until all rights and obligations are extinguished or expired, even if insurance risk becomes insignificant or non-existent. However, some contracts do not transfer any insurance risk to the Group at inception, although they will transfer insurance risk at a later time. In those cases, the contract is not considered as an insurance contract until the risk transfer happens.

Insurance contracts and insurance contracts with financial instruments features can be further classified as to whether they are insurance with discretionary participation feature or not. Except for guaranteed benefits, a discretionary participation feature is a contractual right to receive an additional payment. This right also has the following features as shown below:

(a) Likely to be a significant portion of the total contractual benefits;

(b) The additional payments or timing of distribution belong to the Group's discretionary participation and

(c) The additional payments are contractually based on:

(1) The performance of a specified pool of contracts or a specified type of contract;

(2) Return on investment of specific asset portfolio, or

(3) The profit or loss of the Group, fund or other entity.

An embedded derivative is accounted for separately from the host contract when it is not closely related to the host contract, and the contract is measured at fair value through profit or loss. If the embedded derivative conforms to definition of an insurance contract and when the entire contract is measured at fair value through profit or loss, the Group need not recognize it separately.

(U) Revenue recognition

(a) The Company

(1) Premium income and policy acquisition cost

For insurance contracts and financial products with discretionary participation feature, the first and the subsequent period premiums are recognized as revenue when receipts are collected and underwriting procedures are completed, and when receipts are collected on the due date.

Premiums on insurance contracts, which do not belong to separate account insurance product and which are classified as financial products without discretionary participation feature, are recognized as "provision for insurance contracts with financial product features". The insurance acquisition costs are offset against "provision for insurance contracts with financial product features" when the insurance contracts become effective.

Premiums on insurance contracts, which belong to investment-linked insurance and which are classified as financial products without discretionary participation feature, are recognized as "Liabilities on Insurance Product – Separate Account", net of related expenses such as the front-end load and investment administration service charge. The insurance acquisition costs relating to investment administration service, including commission expenses and additional charges for the issuance of new contracts, are recognized as "deferred acquisition costs".

(2) Accounting for service charge on investment-linked insurance contracts classified as financial products without discretionary participation feature.

The service charges normally collected from the policyholder of insurance contracts, which do not belong to investment-linked insurance and which are classified as financial products non-discretionary participation feature, include contract administrative charge, investment administrative charge, rescinding charge and others. These charges are recognized as revenue upon collection. When the Company receives certain service charge which makes them obligated to provide future service (e.g., front-end load), this service charge is initially treated as a deferred revenue and is recognized as revenue with the fulfillment of the obligations.

(b) Subsidiary: Fubon Life Insurance (Vietnam) Co., Ltd.

Premium income from direct insurance business typically follows common insurance practice. When the insurance premium is received and the receipt is issued, the income should be recognized for the fiscal year. Relevant expenditure, such as commission expense and underwriting expense, should be recognized under the accrual basis of accounting.

(c) Subsidiary: Fubon Life Insurance (Hong Kong) Co., Ltd.

Premium income from direct insurance business typically follows common insurance practice. The first installment premium is recognized at the moment that receipt of premium and completion of underwriting procedures have both occurred. Renewal premiums are recognized on receivable basis. Expenses for acquiring policy, such as commission expense, are recognized as current expenses along with the recognition of premiums.

(d) Subsidiary: Fubon Hyundai Life Insurance Co., Ltd.

Premium income from direct insurance business typically follows common insurance practice. The first installment premium is recognized at the moment that receipt of premium and completion of underwriting procedures have both occurred. Renewal premiums are recognized once received. Deferred recognition of policy acquisition cost is required.

(V) Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Overseas subsidiaries have implemented defined benefit plans which are subject to local laws to make contributions on a regular basis and recognize as an employee benefit expense in the current period.

(b) Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. The discount rate should be reflected the estimated timing of benefit payments, and it also shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds or government bonds. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other long-term employee benefits

The Group’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(e) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(W) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

(a) Current income taxes

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The 5% income taxes for undistributed earnings calculated in accordance with the Income Tax Act is recognized as income tax expense the year in which the distribution proposal is approved in the shareholders’ meeting.

(b) Deferred Tax

Deferred taxes assets and liabilities are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax is recognized as the temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits.

Temporary difference mainly occurs in the Group due to the valuation of financial instruments (including financial derivative instruments), for recognizing and delaying transfer of funds to the pension fund and other post-employment benefits. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities (other than a business combination) in a transaction that neither affects the taxable profit nor accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary difference, and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which those deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities are recognized for taxable temporary difference associated with investment in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in foreseeable future.

(c) Consolidated Tax Return

The Group and its parent company, under Article 49 Financial Holding Company Art, elect the financial holding company to be the tax payer and jointly declare and report consolidated profit-seeking enterprise income tax in accordance with the Income Tax Act.

(d) Global minimum top-up tax – Pillar Two

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

5. SIGNIFICANT ACCOUNTING ASSUMPTIONS AND JUDGMENTS, AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management will continue to monitor the accounting assessing estimates and assumptions and recognize the change in accounting estimates in the period and affected future periods.

The information below relates to the key sources of uncertainty in the assumptions and estimates underlying future projections, which may have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial reporting period. Those assumptions and estimation have been updated to reflect the impact of the Conflict of Ukraine:

(A) The expected credit losses of the investments in debt instrument, loans classified as subsequently measured at amortized cost or fair value through other comprehensive income and related receivable.

The financial asset impairments of the Group, measuring the loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses, are determined by whether the credit risk of the financial instruments have increased significantly since initial recognition. In order to measure expected credit losses, the Group consider the probability of default ("PD") of financial asset, issuer or counterparty, and include loss given default ("LGD") multiplied by exposure at default ("EAD"). Meanwhile, it also considers the impact of the time value of money to calculate the expected credit losses for 12-month and lifetime, respectively. At every reporting date the historical experience, current market situation and forward-looking estimates, etc. are considered by the Group to determine the adopted assumptions and parameters when calculating impairment.

For further explanation of the related assumptions and parameters, please refer to Note 6(AE).

(B) Fair value of financial instruments

The fair value of financial instruments without active markets or public markets is based on pricing models or quoted prices from counter parties. If pricing model was used to determine the fair value, to the extent possible, the data which is observable information without adjustments input into the model. The observable information is based on the market parameters with long-term stability to avoid differences caused by the changes in source data. Testing and verification has to be done repeatedly to ensure that the results reflect asset value adequately.

Please refer to Note 6(AE) for sensitivity analysis of financial instruments.

(C) Fair value of investment property

The fair value of investment property is derived from valuation techniques, such as income approach, sales comparison method or cost approach. Assumptions which are used in applying valuation techniques will have impacts on the fair value of investment property.

(D) Insurance liability and provision for investment-linked insurance contracts

The Group measures insurance liabilities in accordance with "Regulations Governing the Provision of Various Reserves".

Provision of life insurance liability reserve applies lock-in assumption, under which fixed interest rate at the time the policy is issued, instead current interest market rate is used for providing this reserve.

Reserve for unearned premium is calculated according to the risk of respective insurance, and is determined by the actuary based on the characteristic of respective insurance.

Claim reserve is estimated by Loss Development Triangle Method. The final claim cost is calculated using primary assumptions including claim development factor and expected claim rate. The claim development factor and the expected claim rate are based on the historical claim experience and adjusted by the Group policy such as charge rate and claim management.

The estimation of liability adequacy test follows the “Code of Conduct of Actuarial Practice for the Statements of Financial Accounting Standards No 4” pronounced by the Actuarial Institute of the Republic of China. When the Group assesses liability adequacy reserve, the estimated present value of the future cash flow of insurance contract is based on the reasonable estimate of future insurance payment, premium revenue and relevant expenses. Please refer to Note 6(W).

The professional judgment applied to the above-mentioned liability evaluation process will affect the amount recognized for net change in insurance liability, net change in investment-linked insurance contract, insurance liability and provision for investment-linked insurance contract.

6. EXPLANATION OF SIGNIFICANT ACCOUNTS

(A) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 26,610	26,515
Demand deposits and check deposits	74,469,739	89,958,060
Time deposits	76,033,127	56,584,764
Cash equivalents	78,649,344	102,664,779
	$ 229,178,820	**249,234,118**

(B) Financial assets and liabilities

(a) The details of the financial assets and liabilities are as follows:

(1) Receivables:

	December 31, 2023	December 31, 2022
Notes receivable	$ 29,054	56,907
Interest receivable	32,646,980	32,231,743
Other accounts receivable	13,514,001	26,160,252
Overdue receivable	1,528,732	608,266
Less: Loss allowance	(2,198,544)	(1,193,627)
	$ 45,520,223	**57,863,541**

Movements between the beginning balance and the ending balance for loss allowance for receivables are as follows:

	For the years ended December 31, 2023	2022
Beginning balance	$ 1,193,627	292,445
Recognition of impairment losses	1,037,530	959,902
Less: Amounts written off	(32,367)	(63,436)
Effect of changes in foreign exchange rates and other	(246)	4,716
Ending Balance	**$ 2,198,544**	**1,193,627**

The aging analyses of accounts receivable were determined as follows:

	December 31, 2023	December 31, 2022
Current / Past due within 3 months	$ 46,190,293	58,451,998
Past due within 3-6 months	28,961	64,437
Past due within 6-12 months	471,683	379,941
Past due for over 12 months	1,027,830	160,792
Total	**$ 47,718,767**	**59,057,168**

(2) Financial assets and liabilities measured at fair value through profit or loss:

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 4,265,543	2,651,678
Foreign exchange swaps	32,690,880	17,416,269
Option contracts	270,748	488,195
Others	40,370	67,078
Non-derivative financial assets		
Stocks	528,160,019	448,345,848
Corporate bonds	3,425,117	1,050,834
Financial bonds	45,267,024	45,646,078
Beneficiary certificates	813,885,480	664,050,182
Asset securitization products	2,116,883	1,982,954
Structured products	48,291,235	45,522,531
Others	1,120,529	1,108,976
Total	**$ 1,479,533,828**	**1,228,330,623**
Financial liabilities held-for-trading:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 1,443,788	3,490,779
Foreign exchange swaps	139,383	25,743,648
Total	**$ 1,583,171**	**29,234,427**

When adopting IFRS 9 since 2018, the Group simultaneously chooses to apply the overlay approach of IFRS 4 "Insurance contract" to present gains and losses on designated financial assets.

The financial assets related to the investing activities of the issued insurance contracts to which the Group designates to apply the overlay approach are listed as follows:

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:		
Stocks	$ 528,160,019	448,345,848
Corporate bonds	1,083,148	1,050,834
Financial bonds	44,321,071	45,646,078
Beneficiary certificates	813,885,480	664,050,182
Asset securitization products	2,116,883	1,982,954
Structured products	48,291,235	45,522,531
Others	1,120,529	1,108,976
Total	**$ 1,438,978,365**	**1,207,707,403**

The amount reclassified between profit or loss and other comprehensive income of these designated financial assets applying the overlay approach is as follows:

	For the years ended December 31,	
	2023	2022
Gains (losses) reported in profit or loss for applying IFRS 9	$ 207,990,832	(164,494,864)
Less: Gains reported in profit or loss if applied IAS 39	(96,007,745)	(99,561,405)
Gains (losses) on reclassified under the overlay approach	**$ 111,983,087**	**(264,056,269)**

Due to the overlay approach adjustments, changes of gains (losses) on financial assets measured at fair value through profit or loss are as follows:

	For the years ended December 31,	
	2023	2022
Gains (losses) before adjustments	**$ 152,909,840**	**(309,384,202)**
Gains (losses) after adjustments	**$ 40,926,753**	**(45,327,933)**

The Group did not designate financial asset which did not meet the condition to apply overlay approach previously but met the condition for the years ended December 31, 2023 and 2022, nor did the Group release the designation.

(3) Financial assets measured at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Debt instruments measured at fair value through other comprehensive income:		
Government bonds	$ 120,842,105	207,738,433
Corporate bonds	95,678,379	264,486,511
Financial bonds	38,214,142	98,409,237
Asset securitization products	12,608,618	23,282,895
Loans	8,539	26,623
Others	4,000,816	11,504,685
Subtotal	271,352,599	605,448,384
Equity instruments measured at fair value through other comprehensive income:		
Stocks	13,157,215	21,029,174
Less: Statutory deposits	(9,632,265)	(9,535,630)
Total	**$ 274,877,549**	**616,941,928**

1) Equity instruments measured at fair value through other comprehensive income

Part of equity instruments is not held for trading. Therefore, they have been designated as equity instruments measured at fair value through other comprehensive income.

The Group's dividend income related to equity instruments designated to be measured at fair value through other comprehensive income is recognized as follows:

	For the years ended December 31,	
	2023	**2022**
Derecognized during the period	$ 205,400	90,000
Held at the end of the period	263,291	859,161
Total	**$ 468,691**	**949,161**

The Group has sold stocks designated to be measured at fair value through other comprehensive income as a result of managing and rearranging portfolio. Details are as follows:

	For the years ended December 31,	
	2023	**2022**
Fair value at disposal	**$ 7,294,047**	**7,726,877**
Cumulative losses on disposal (after tax)	**$ (613,415)**	**(146,570)**

2) Please refer to Note 6(AE) for further information of credit risk and market risk.

3) The guarantee of the financial assets measured at fair value through other comprehensive income provided as pledged assets, please refer to Note 8 “Assets Pledged as Security”.

4) As of December 31, 2022, the Group's provided repurchase aggrement on financial assets measured at fair value through other comprehensive income which carring amount was $5,879,628 thousand. There is no repurchase aggrement on financial assets measured at fair value through other comprehensive income on December 31, 2023.

5) The Group assesses the impairment of financial assets on December 31, 2023 and 2022. Please refer to Note 6(AE) for the movement in the loss allowance of debt instruments measured at FVOCI.

6) The Group changed its business model, and reclassified the financial assets on January 1, 2023, please refer to Note 12(I).

(4) Financial instruments used for hedging:

The details are as follows:

	December 31, 2023	December 31, 2022
Fair Value hedge:		
Financial assets for hedging:		
Forward exchange contracts	$ 4,365	4,920
Foreign exchange swaps	1,227,283	2,226,971
Financial liabilities for hedging:		
Forward exchange contracts	(56,275)	(98,784)
Foreign exchange swaps	(521,107)	(1,355,157)
Cross currency swaps		(2,008,993)
Cash flow hedge:		
Financial assets for hedging:		
Interest rate swaps	1,432	38,781
Cross currency swaps	467,147	331,974
Financial liabilities for hedging:		
Interest rate swaps	(78,814)	(267,089)
Cross currency swaps	(22,097)	(224,429)
Total	**$ 1,021,934**	**(1,351,806)**

(5) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Government bonds	$ 326,320,891	277,286,319
Corporate bonds	1,330,299,929	1,100,246,103
Financial bonds	865,239,494	779,953,215
Asset securitization products	55,131,701	45,000,453
Structured products	57,882,250	57,921,750
Negotiable certificates of deposit	6,147,000	6,141,600
Less: Statutory deposits	(6,444,513)	(6,442,087)
Subtotal	2,634,576,752	2,260,107,353
Less: Loss allowance	(3,045,555)	(1,936,549)
Total	**$ 2,631,531,197**	**2,258,170,804**

1) Please refer to Note 6(AE) for further information of credit risk.

2) The guarantee of financial assets measured at amortized cost provided as pledged assets, please refer to Note 8 “Assets Pledged as Security”.

3) As of December 31, 2022, the Group's provided repurchase aggrement on financial assets measured at amortized cost which carring amount was $8,836,429 thousand. There is no repurchase aggrement on financial assets measured at amortized cost on December 31, 2023.

4) The Group assesses the impairment of financial asset on December 31, 2023 and 2022. Please refer to Note 6(AE) for the movements in the loss allowance of financial assets measured at amortized cost.

5) The gains/losses on sale of financial assets measured at amortized cost and the carrying amount at the date of derecognition are as follows:

	For the years ended December 31, 2023	2022
Carrying amount at the date of derecognition	$ 7,413,922	110,999,308
Gains on sale	$ (689,643)	3,629,118

The Group sold financial assets measured at amortized cost, primarily since the credit risk of bonds issuers increases as well as other sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). In addition, the parts sold by the subsidiary, Fubon Life Insurance (Hong Kong) Co., Ltd., have been redesignated to financial assets measured at fair value through other comprehensive income because of the application of IFRS17 and the changes in the local capital regulatory regime.

6) The Group changed its business model, and reclassified the financial assets on January 1, 2023, please refer to Note 12(I).

(6) Other financial assets, net:

	December 31, 2023	December 31, 2022
Cash in bank	$ 4,631,877	4,820,527
Less: Statutory deposits	(1,471,503)	(1,468,129)
Subtotal	3,160,374	3,352,398
Less: Loss allowance	(4,565)	(2,847)
Total	$ 3,155,809	3,349,551

1) The guarantee of other financial assets provided as pledged assets, please refer to Note 8 “Assets Pledged as Security”.

2) Please refer to Note 6(AE) for the movement in the loss allowance of other financial assets for the years ended December 31, 2023 and 2022.

(7) Loans:

	December 31, 2023	December 31, 2022
Life insurance loans	$ 74,716,498	73,429,784
Premium loans	13,301,648	13,255,621
Secured loans	137,741,819	159,825,224
Unsecured loans	6,375,390	5,043,120
Overdue receivables	6,316	16,402
Less: Loss allowance	(1,834,670)	(1,886,222)
Total	**$ 230,307,001**	**249,683,929**

The reconciliations in loss allowance of loans for the years ended December 31, 2023 and 2022, please refer to Note 6(AE).

(b) The carrying amounts of investments managed by the discretionary investment management companies are as follows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 9,954,873	15,385,202
Stocks	18,374,488	8,088,528
Financial bonds	20,740,858	17,748,950
Corporate bonds	162,714,916	147,747,149
Total	**$ 211,785,135**	**188,969,829**

The limits of discretionary investment management agreements are as follows:

(Unit: thousands dollar)

	December 31, 2023	December 31, 2022
NTD	**13,000,000**	**13,000,000**
USD	**3,500,000**	**3,500,000**

(c) The Group details of the expected credit loss recognized and/or reversed of investments as follows.

	For the years ended December 31, 2023	2022
Receivable	$ (1,039,364)	(895,574)
Financial assets measured at fair value through other comprehensive income	(14,954)	(785,465)
Financial assets measured at amortized cost	(1,101,025)	(718,162)
Other financial asset, net	(1,840)	471
Loans (including their interest receivable and provisions for financing commitment)	3,308	163,690
Total	$ (2,153,875)	(2,235,040)

(C) Derivatives and hedging accounting

(a) Derivatives

(1) The details of the derivatives are as follows:

	December 31, 2023 Book Value	Nominal amount	December 31, 2022 Book Value	Nominal amount
Financial assets (liabilities)				
Forward exchange contracts	$ 2,769,845	634,021,774	(932,965)	445,549,562
Foreign exchange swaps	33,257,673	1,185,408,963	(7,455,565)	1,180,219,538
Cross currency swaps	445,050	13,750,026	(1,901,448)	26,635,841
Option contracts	270,748	590,706	488,195	1,378,842
Interest rate swaps	(77,382)	12,264,481	(228,308)	18,516,864
Others	40,370	153,771	67,078	153,616
Total	$ 36,706,304	1,846,189,721	(9,963,013)	1,672,454,263

As of December 31, 2023, and 2022, the Group does not possess derivatives through discretionary investment management agreement.

(2) The Group enters into forward exchange contracts, foreign exchange swaps, interest rate swaps, and cross currency swaps primarily to hedge against exchange risk from foreign-currency denominated investments and interest rate fluctuation risk from bond investments.

(3) The unrealized gain or loss resulting from changes in fair value of financial derivatives is recognized in gains (losses) on financial assets or liabilities measured at fair value through profit or loss:

For the years ended December 31, 2023	2022
$ 47,097,941	(14,965,588)

(b) Hedge accounting

(1) Fair value hedge

The Group is exposed to fair value fluctuation risk of foreign-currency denominated assets which arises from variations in the exchange rates. The Group assessed that the risk might be significant, and therefore entered into cross currency swaps, forward exchange contracts and foreign exchange swaps to hedge such risk.

(2) Cash flow hedge

The Group is exposed to cash flow risk of floating-rate assets and fixed-rate assests held arising from variations in the market interest rates and exchange rates. The Group assessed that the risk might be significant, and therefore entered into interest rate swaps and cross currency swaps to hedge such risk.

(3) Hedges of net investments in foreign operations

Net investments in foreign operations held by the Group apply different functional currencies compared to the Group. This creates exchange rate risks due to the movement of the exchange rates. The Group assessed that the risk might be significant, and therefore entered into forward exchange contracts to hedge such risk.

The amount, timing and uncertainty of future cash flows:

	Maturity				
	< 1 month	1~3 months	3 months ~ 1 year	1~5 years	>5 years
December 31, 2023					
Fair value hedge					
Forward exchange contracts					
Nominal amount	$ -	12,195	341,464	-	-
Average exchange rate (KRW/USD)	-	1,297.62	1,291.22	-	-
Nominal amount	$ 329,269	-	1,295,734	-	-
Average exchange rate (NTD/USD)	30.40	-	31.48	-	-
Foreign exchange swaps					
Nominal amount	$ 5,545,203	16,918,646	22,987,010	21,264,724	-
Average exchange rate (KRW/USD)	1,311.54	1,309.44	1,312.81	1,248.06	-
Nominal amount	$ -	4,786,595	4,716,472	-	-
Average exchange rate (NTD/USD)	-	31.25	30.87	-	-
Cash flow hedge					
Interest rate swaps					
Nominal amount	$ -	545,546	9,383,075	2,335,860	-
Average fixed interest rate	-	2.12 %	1.65 %	2.97 %	-
Cross currency swaps					
Nominal amount	$ -	304,879	3,780,495	9,664,652	-
Average interest rate	-	(0.89)%	(0.84)%	(1.54)%	-
Average exchange rate (KRW/USD)	-	1,313.30	1,328.96	1,320.59	-

	Maturity				
	< 1 month	1~3 months	3 months ~ 1 year	1~5 years	>5 years
December 31, 2022					
Fair value hedge					
Forward exchange contracts					
Nominal amount	$ 9,809	-	281,669	-	-
Average exchange rate (KRW/USD)	1,341.35	-	1,280.81	-	-
Nominal amount	$ -	-	2,793,176	-	-
Average exchange rate (TWD/USD)	-	-	31.44		
Foreign exchange swaps					
Nominal amount	$ 946,252	7,824,394	29,571,297	12,255,193	-
Average exchange rate (KRW/USD)	1,164.57	1,163.72	1,301.91	1,318.07	-
Nominal amount	$ 77,416	-	7,766,392	-	-
Average exchange rate (NTD/USD)	29.75	-	29.55	-	-
Cross currency swaps					
Nominal amount	$ 1,514,738	1,968,899	14,657,711	-	-
Average interest rate	(0.09)%	(0.03)%	0.19 %	-	-
Average exchange rate (KRW/USD)	1,127.10	1,119.16	1,154.35	-	-
Cash flow hedge					
Interest rate swaps					
Nominal amount	$ -	-	6,256,129	12,260,735	-
Average fixed interest rate	-	-	1.39 %	1.92 %	-
Cross currency swaps					
Nominal amount	$ -	-	2,425,137	6,069,356	-
Average interest rate	-	-	0.28 %	(0.74)%	-
Average exchange rate (KRW/USD)	-	-	1,167.82	1,315.34	-

The hedging instruments used in hedging strategies are as follows:

	Nominal amount of hedging instruments	Carrying amount of hedging instruments		The line item in Balance Sheet that includes the hedging instruments	The change in fair value of the hedging instrument used as the basis for recognizing hedge ineffectiveness for 2023
		Assets	Liabilities		
December 31, 2023					
Fair value hedge					
—Forward exchange contracts	$ 1,978,662	4,365	56,275	Financial assets/ liabilities for hedging	(17,228)
—Foreign exchange swaps	76,218,650	1,227,283	521,107	Financial assets/ liabilities for hedging	(1,055,055)
—Cross currency swaps	-	-	-		(984,465)
Cash flow hedge					
—Interest rate swaps	$ 12,264,481	1,432	78,814	Financial assets/ liabilities for hedging	(425,922)
—Cross currency swaps	13,750,026	467,147	22,097	Financial assets/ liabilities for hedging	(28,039)

	Nominal amount of hedging instruments	Carrying amount of hedging instruments		The line item in Balance Sheet that includes the hedging instrument	The change in fair value of the hedging instrument used as the basis for recognizing hedge ineffectiveness for 2022
		Assets	Liabilities		
December 31, 2022					
Fair value hedge					
—Forward exchange contracts	$ 3,084,654	4,920	98,784	Financial assets/ liabilities for hedging	(104,955)
—Foreign exchange swaps	58,440,944	2,226,971	1,355,157	Financial assets/ liabilities for hedging	(2,275,962)
—Cross currency swaps	18,141,348	-	2,008,993	Financial liabilities for hedging	(1,679,084)
Cash flow hedge					
—Interest rate swaps	$ 18,516,864	38,781	267,089	Financial assets/ liabilities for hedging	309,471
—Cross currency swaps	8,494,493	331,974	224,429	Financial assets/ liabilities for hedging	(14,391)

The information of designated hedged items are as follows:

Fair value hedge:

	Carrying amount of hedged items		The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		The line item in Balance Sheet that includes the hedging instrument	The chang in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2023	Accumulated amount of fair value adjustments that are still recognized on balance sheet but discontinues adjusting gains and losses on hedged items	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities					
December 31, 2023									
Hedged items									
Stocks	$ 13,390,038	-	154,033	-	Financial assets measured at fair value through profit or loss	218,898	None	188,573	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds	18,526,295	-	335,610	-	Financial assets measured at fair value through other comprehensive income	364,810	None	(276,157)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds and deposits	49,267,479	-	891,980	-	Financial assets measured at amortized cost	883,214	None	(502,242)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

	Carrying amount of hedged items		The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		The line item in Balance Sheet that includes the hedging instrument	The change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2022	Accumulated amount of fair value adjustments that are still recognized on balance sheet but discontinues adjusting gains and losses on hedged items	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities					
December 31, 2022									
Hedged items									
Stocks	$ 12,044,161	-	(408,742)	-	Financial assets measured at fair value through profit or loss	(64,726)	None	99,719	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds	-	-	-	-	Financial assets measured at fair value through other comprehensive income	4,321	None	2,640	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds and deposits	70,367,628	-	5,627,673	-	Financial assets measured at amortized cost	5,392,127	None	1,169,362	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

Cash flow hedge

		The change in value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2023	Cash flow hedge reserve	The amount remained in the cash flow hedge reserve from discontinued hedge accounting	The change in value of the hedging instrument that were recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness	The amount reclassified from the cash flow hedge reserve to profit or loss	The line item in the statement of comprehensive income that includes the reclassification adjustment
December 31, 2023									
Hedged items									
Floating-rate bonds	$	(755,025)	(77,452)	Not applicable	371,565	(661)	Financial costs	(219,978)	Interest income
Fixed-rate bonds		(64,911)	44,380	Not applicable	71,776	-	Not applicable	(184,908)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

		The change in value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2022	Cash flow hedge reserve	The amount remained in the cash flow hedge reserve from discontinued hedge accounting	The change in value of the hedging instrument that were recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness	The amount reclassified from the cash flow hedge reserve to profit or loss	The line item in the statement of comprehensive income that includes the reclassification adjustment
December 31, 2022									
Hedged items									
Floating-rate bonds	$	528,182	(229,039)	Not applicable	(718,927)	330	Financial costs	87,144	Interest income
Fixed-rate bonds		(1,032,372)	157,512	Not applicable	140,767	-	Not applicable	(12,795)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

The reconciliation of each component of equity applying hedging accounting and an analysis of other comprehensive income are as follows:

	Cash flow hedge reserve		Foreign currency translation reserve from net investment in foreign operation	
	For the years ended December 31,		For the years ended December 31,	
	2023	2022	2023	2022
Opening balance	$ (71,527)	432,284	(19,503)	(19,503)
Total amount recognized in other comprehensive income:				
Cash flow hedge				
The change in value of hedging instruments that were recognized in other comprehensive income	443,341	(578,160)	-	-
The amount reclassified from cash flow hedge reserve to profit or loss	(404,886)	74,349	-	-
Ending balance	**$ (33,072)**	**(71,527)**	**(19,503)**	**(19,503)**

Note: The sheet is prepared on basis of overall changes of the Group (includes non-controlling interests) during the reporting period.

(D) Investments accounted for using equity method, net

The investment under equity method of the Group on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Associates	$ 25,553,585	26,460,655
Joint ventures	381,220	467,463
	$ 25,934,805	26,928,118

(a) Associates

Relevant information of associates of the Group is as follows:

Name of Associate	Book Value December 31, 2023	Book Value December 31, 2022	Ownership interest and voting right percentage December 31, 2023	Ownership interest and voting right percentage December 31, 2022
CITIC Capital Holdings Limited	$ 9,159,243	9,566,427	Percentage of ownership interests: 18.00% Percentage of voting rights: 21.37%	Percentage of ownership interests: 18.00% Percentage of voting rights: 21.37%
Hyundai Card Co., Ltd.	8,875,359	9,101,131	10.00 %	10.00 %
Fubon Financial Holdings Venture Capital Co., Ltd.	3,763,871	3,897,241	25.00 %	25.00 %
Star River Energy Co., Ltd.	211,194	210,435	20.00 %	20.00 %
Star Shining Energy Co., Ltd.	2,269,904	2,173,122	30.00 %	30.00 %
Whole Max Green Power Co., Ltd.	499,717	347,793	30.00 %	30.00 %
Sinergy 1st Co., Ltd	299,520	149,773	30.00 %	30.00 %
Aquastar Energy Corporation	175,727	179,852	30.00 %	30.00 %
ZA Life Limited	299,050	834,881	15.00 %	35.00 %
	$ 25,553,585	26,460,655		

Summarized financial information of the individually immaterial associates accounted for using equity method was as follows. The financial information was included in the consolidated financial statements of the Group.

	For the years ended December 31, 2023	For the years ended December 31, 2022
Attributable to the Group:		
Profit or loss after tax from continuing operations	$ 353,713	(824,894)
Other comprehensive (loss) income	(602,418)	(153,006)
Comprehensive (loss) income	$ (248,705)	(977,900)

Group share of profit (loss) of associates and investments were recognized based on the financial report of the investee companies that have not been audited were as follows:

	For the years ended December 31, 2023	2022
Share of profit (loss) of associates accounted for using equity method	$ (125,487)	(153,155)

	December 31, 2023	December 31, 2022
Investments accounted for using equity method	$ 598,570	984,654

In May 2022, the Group subscribed for Hyundai Card Co., Ltd. for $5,156,803 thousand in cash, holding 10% of the equity interest, and the bargain purchase gain of $3,556,251 thousand was recognized in the consolidated statement of comprehensive income as the non-operating income and expense.

(b) Joint venture interest:

The following summarized Fubon Property & Casualty Insurance Co., Ltd. financial adjustment information of the rights and the carrying amount within the financial report of the Group.

	December 31, 2023	December 31, 2022
Proportion of ownership interest	40 %	40 %
Assets	$ 6,651,700	8,889,700
Liabilities	$ 5,698,649	7,721,042
Net assets of the Group (carrying amount of joint venture)	$ 381,220	467,463

	For the years ended December 31, 2023	2022
Operating revenue	$ 3,326,522	3,556,209
Profit or loss after tax from continuing operations	$ (175,450)	24,980
Other comprehensive (loss) income	(18,179)	(102,691)
Comprehensive income (loss)	$ (193,629)	(77,711)

	For the years ended December 31, 2023	2022
Attributable to the Group:		
Profit or loss after tax from continuing operations	$ (70,180)	9,992
Other comprehensive (loss) income	(7,272)	(41,076)
Comprehensive income (loss)	$ (77,452)	(31,084)

(c) Guarantee

The Group does not pledge or guarantee any of its investments accounted for using equity method.

(E) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests December 31, 2023	Percentage of non-controlling interests December 31, 2022
Fubon Hyundai Life Insurance Co., Ltd.	Korea	16.78 %	22.60 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the "International financial reporting guidelines recognized by FSC". The fair value adjustment made at the acquisition date and adjustments of relevant differences in accounting principles between the Group are included in this information. Intragroup transactions were not eliminated in this information.

	December 31, 2023	December 31, 2022
Total assets	$ 460,260,492	511,577,972
Total liabilities	(434,244,497)	(500,237,727)
Equity that belongs to non-ordinary shares	(2,499,523)	(2,465,815)
Net assets	$ 23,516,472	8,874,430
Non-controlling interests	$ 6,174,679	4,093,461

	For the years ended December 31, 2023	For the years ended December 31, 2022
Operating revenue	$ 62,933,272	71,123,525
Net profit	$ (5,683,976)	641,577
Other comprehensive (loss) income	10,962,617	(28,697,773)
Comprehensive (loss) income	$ 5,278,641	(28,056,196)
Net profit, attributable to non-controlling interests	$ (1,126,773)	144,997
Comprehensive (loss) income, attributable to non-controlling interests	$ 886,437	(6,269,041)

	For the years ended December 31, 2023	For the years ended December 31, 2022
Net cash flows from (used in) operating activities	$ (8,851,009)	(15,793,376)
Net cash flows from (used in) investing activities	$ (569,033)	1,032,921
Net cash flows from (used in) financing activities	$ 417,734	14,972,862

(F) Changes in ownership interests in subsidiaries

Fubon Hyundai Life Insurance Co., Ltd. early redeemed KRW $60 billion unsecured hybrid bonds in Feburary 2023, and issued KRW $60 billion unsecured hybrid bonds by private placement in the same month, which were acquired by enterprises other than the Group. On August 31, 2023, the Group acquired additional shares of Fubon Hyundai Life Insurance Co., Ltd. through capital injection of $9,451,007 thousand by cash, which resulted in the increase in shareholdings from 77.40% to 83.22%.

The effect of changes in the Group's ownership interest in the subsidiary listed above on the equity attributable to owners of parent is as follows:

	For the year ended December 31, 2023
Increase in ownership interests after capital increase of subsidiary	$ 8,330,926
Less: Capital injection	(9,451,007)
Transaction costs	(40,039)
Changes in other equity interest	1,498,241
Others (Note)	(90,928)
Capital surplus, changes in ownership interest in subsidiary	**$ 247,193**

Note: The Group recognizes changes in capital reserves of Fubon Hyundai Life Insurance Co., Ltd. arising from the early redemption of hybrid bonds by shareholding percentage.

(G) Investment property

	Land	Buildings and other facilities	Construction in progress	Prepayments for building, land and equipment	Right-of-use asset	Total
Balance of January 1, 2023	$ 179,462,243	61,563,441	15,183,127	1,163,737	47,404,653	304,777,201
Addition (Note)	2,305,963	2,711,002	671,290	13,589	29,262	5,731,106
Subsequent expenditures	-	156,762	-	12,938	-	169,700
Gains (losses) on fair value adjustments	3,265,521	(7,987,840)	-	-	1,285,058	(3,437,261)
Reclassification	1,466,293	9,940,644	(12,495,807)	(1,105,206)	(4,152,702)	(6,346,778)
Disposal	-	(43,020)	-	-	-	(43,020)
Effect of changes in foreign exchange rates	605,035	1,243,688	-	-	77,189	1,925,912
Balance of December 31, 2023	**$ 187,105,055**	**67,584,677**	**3,358,610**	**85,058**	**44,643,460**	**302,776,860**
Balance of January 1, 2022	$ 183,363,660	60,291,969	9,775,163	72,969	48,850,609	302,354,370
Addition (Note)	85,854	(28,841)	5,062,911	1,004,549	-	6,124,473
Subsequent expenditures	-	44,326	-	34,528	-	78,854
Remeasurement	-	-	-	-	321,006	321,006
Gains (losses) on fair value adjustments	(4,246,155)	673,022	-	-	(1,754,485)	(5,327,618)
Reclassification	(85,854)	34,163	345,053	51,691	-	345,053
Effect of changes in foreign exchange rates	344,738	548,802	-	-	(12,477)	881,063
Balance of December 31, 2022	**$ 179,462,243**	**61,563,441**	**15,183,127**	**1,163,737**	**47,404,653**	**304,777,201**

Note: Settlement adjustments for cost were included.

For lease liabilities and interest expense due to possession of superficies by the Group, please refer to Note 6(R).

In accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Group engaged appraisers from professional valuation firms listing below to evaluate the fair value of investment properties based on the Regulations on Real Estate Appraisal, and the appraisal dates are December 31, 2023 and 2022:

(a) DTZ Cushman & Wakefield Real Estate Appraiser Office: Lee Ken Yuan, Tsai Chia Ho, Hu Chun Chun and Yang Chang Da

(b) Savills Valuation and Professional Services: Tai Kuang Ping, Chang Hung Kai, Chang Yi Chih, Yeh Yu Fen and Yeh Shih Yu

(c) REPro International Appraisals: Tsai You Shiang and Hsu Hsiang I

(d) Jin Han Real Estate Appraisers Joint Firm: Wu Yu Chun, Hung Chi Hsiang and Chen Yi Jun

(e) G-Beam Real Estate Appraisers Firm: Lai Jin Wei

(f) Colliers International Valuation (Taiwan) Ltd.: Ke Fong Ru and Ku Chien Hui

(g) Hong Bang Real Estate Appraisers Joint Firm: Li Qing Tang

(h) CBRE Taiwan and CBRE Limited: Shi Fu Xue, Li Zhi Wei, Jonathan White, Edward Higgins and Luke Heracleous

(i) Jones Lang LaSalle Taiwan and Jones Lang LaSalle Limited: Hsu Kuo Chun,You Shu Fen, Andrew Pirie, Elizabeth Levingston and Roger Meeds

(j) Colliers International Valuation (Taiwan) Ltd., Daeil Appraisal Board and Colliers International (Hong Kong) Limited: Ku Chien Hui, Hannah Jeong and Kyoungdo Lee

(k) CBRE Taiwan and CBRE Korea Co., Ltd.: Shi Fu Xue, Li Zhi Wei and Alex Chan

(l) DTZ Cushman & Wakefield Real Estate Appraiser Office and Cushman & Wakefield Belgium SA: Charlie Yang, Emeric Inghels and Gregory Lamarche

(m) Savills Valuation and Professional Services and Savills Belux Group sa: Chang Hung Kai, Melchior de La Pom é lie and David Poole

(n) Colliers International Valuation (Taiwan) Ltd. and Colliers International Valuation GmbH: Ku Chien Hui, Kamill Georg Wipyewski, Robert Becker and Dmitry Stul

(o) DTZ Cushman & Wakefield Real Estate Appraiser Office and C&W (U.K.) LLP German Branch: Charlie Yang, Martin Belik and Peter Fleischmann

The fair value of investment property is evaluated by the appraisers from market-based evidence and Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. Appraisal methods include Sales Comparison Method, Income Approach (including Direct Capitalization Method and Discounted Cash Flow Method), Cost Approach and Cost Approach - Land Development Analysis, and so on.

Commercial office buildings are appraised by Sales Comparison Method and Income Approach mostly because of the market liquidity, comparable sale and rental cases in the neighboring areas. Shopping malls, hotels and department stores, given its characteristics, terms of lease contracts and reference of similar investment properties, are appraised mainly by Sales Comparison Method as well as Cost Approach, Direct Capitalization Method or DCF method of Income Approach. Special properties such as complex properties of malls and hotels or hospitals are appraised mainly by Cost Approach, as well as Sales Comparison Method, Direct Capitalization Method and DCF Method of Income Approach.

Superficies are appraised by Sales Comparison Method, Price Ratio Method, Cost Approach - Land Development Analysis, and Discounted Cash Flow Method. Factories and buildings planned for urban renewal are appraised by Sales Comparison Method, Cost Approach and Land Development Analysis Approach. Vacant land and superficies after completion of construction are appraised by the methods mentioned above regarding the nature of completed buildings.

Parameters primarily used are as below:

	December 31, 2023	December 31, 2022
	approx	approx
Capitalization rate	0.23%~6.71%	0.25%~5.75%
Capitalization rate at the period end	1.70%~6.00%	1.70%~5.90%
Discount rate	2.85%~8.25%	2.82%~8.25%

External appraisers use the market extraction method, search several comparable properties similar to the subject property, and consider the liquidity risk and future disposal risk premium to decide the capitalization rate and discount rate. Decision of discount rate is according to “ Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” which is after amending when the Group acquired target on May 11, 2020.

Buildings that finished constructing within the year 2023, due to the change in the type of the subject from land superficie to combination compound of house and land, external appraisers used the cost method and the discounted cash flow analysis method instead to evaluate the compound as a whole, thus increasing the fair value compared to the developing period.

Due to the Group can not evaluate the fair value of the land obtained after May 11, 2020, using a method that complies with the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises", the carrying amount is evaluated by cost. As of December 31, 2023 and 2022, the amounts are $32,038,078 thousand and $28,299,074 thousand, respectively.

The investment properties held by the Group are subsequently measured at fair value and are classified in the level 3 of the fair value hierarchy. The valuation techniques and significant inputs used by the professional appraisal firms are as follows:

(a) The direct capitalization method of the income approach: When the direct capitalization rate increases, the fair value of investment properties will decrease, and vice versa.

(b) The discounted cash flow analysis method of the income approach: When the discount rate and year-end income capitalization rate increase, the fair value of investment properties will decrease, and vice versa.

Investment properties are primarily held for lease under operating leases, and the main terms of these leases are the same as general lease contracts. Please refer to Note 6(H).

As of December 31, 2023 and 2022, investment properties owned by the Group were not pledged.

(H) Operating lease

The Group leases out investment property as operating leases, please refer to Note 6(G).

	For the years ended December 31, 2023	2022
Rental income of investment property	**$ 8,234,132**	**7,682,110**
Direct operating expenses arising from the investment property	**$ 2,110,357**	**1,783,234**
Direct operating expenses arising from the investment property that did not generate rental income during the period	**$ 294,160**	**164,931**

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2023	December 31, 2022
Less than one year	$ 8,396,749	7,819,191
One to two years	7,469,097	7,421,322
Two to three years	6,054,401	6,546,490
Three to four years	5,406,426	5,226,846
Four to five years	4,057,785	4,642,037
More than five years	25,394,738	24,658,673
Total undiscounted lease payments	**$ 56,779,196**	**56,314,559**

(I) Reinsurance assets

	December 31, 2023	December 31, 2022
Claims recoverable from reinsurers	$ 1,482,447	1,233,460
Due from reinsurers and ceding companies	537,316	635,404
Overdue receivables	1,199,802	1,158,281
Less: Loss allowance	(514,168)	(507,517)
Subtotal	2,705,397	2,519,628
Reinsurance reserve assets:		
Ceded reinsurance unearned premiums reserve	929,473	908,957
Ceded reinsurance claim reserve	274,609	277,721
Ceded reinsurance liability reserve	2,282	3,027
Subtotal	1,206,364	1,189,705
Total	**$ 3,911,761**	**3,709,333**

(J) Property and equipment － net

	December 31, 2023			
Assets	**Cost**	**Accumulated Depreciation**	**Accumulated impairment loss**	**Carrying Amount**
Land	$ 15,275,861	-	1,013,284	14,262,577
Buildings	8,145,002	1,506,942	45,259	6,592,801
Computer equipment	2,736,099	1,775,560	-	960,539
Transportation equipment	19	19	-	-
Other equipment	1,500,596	1,346,674	-	153,922
Leasehold improvements	901,347	862,948	-	38,399
Construction in progress	204,445	-	-	204,445
Prepayments for equipment	134,352	-	-	134,352
Total	**$ 28,897,721**	**5,492,143**	**1,058,543**	**22,347,035**

	December 31, 2022			
Assets	**Cost**	**Accumulated Depreciation**	**Accumulated impairment loss**	**Carrying Amount**
Land	$ 15,299,846	-	1,013,284	14,286,562
Buildings	5,292,938	1,354,411	45,259	3,893,268
Computer equipment	2,397,757	1,684,407	-	713,350
Transportation equipment	19	19	-	-
Other equipment	1,516,061	1,337,803	-	178,258
Leasehold improvements	944,308	877,084	-	67,224
Construction in progress	168,934	-	-	168,934
Prepayments for equipment	97,006	-	-	97,006
Total	**$ 25,716,869**	**5,253,724**	**1,058,543**	**19,404,602**

The changes in property and equipment of the Group are as follows:

	Land	Buildings	Computer equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress	Prepayments for equipment	Total
Cost									
Balance of January 1, 2023	$ 15,299,846	5,292,938	2,397,757	19	1,516,061	944,308	168,934	97,006	25,716,869
Purchase and acquisition	-	(868)	457,105	-	42,368	8,072	20,595	121,812	649,084
Disposal	-	-	(171,636)	-	(56,895)	(48,583)	-	-	(277,114)
Reclassification	(22,277)	2,855,971	75,108	-	11,397	(2,148)	14,916	(84,452)	2,848,515
Effect of changes in foreign exchange rates	(1,708)	(3,039)	(22,235)	-	(12,335)	(302)	-	(14)	(39,633)
Balance of December 31, 2023	15,275,861	8,145,002	2,736,099	19	1,500,596	901,347	204,445	134,352	28,897,721
Accumulated depreciation									
Balance of January 1, 2023	$ -	1,354,411	1,684,407	19	1,337,803	877,084	-	-	5,253,724
Depreciation	-	155,408	277,751	-	76,168	33,662	-	-	542,989
Disposal	-	-	(170,761)	-	(55,704)	(47,448)	-	-	(273,913)
Reclassification	-	(2,034)	-	-	-	-	-	-	(2,034)
Effect of changes in foreign exchange rates	-	(843)	(15,837)	-	(11,593)	(350)	-	-	(28,623)
Balance of December 31, 2023	-	1,506,942	1,775,560	19	1,346,674	862,948	-	-	5,492,143
Accumulated impairment loss									
Balance of January 1, 2023	**$ 1,013,284**	**45,259**	**-**	**-**	**-**	**-**	**-**	**-**	**1,058,543**
Balance of December 31, 2023	**$ 1,013,284**	**45,259**	**-**	**-**	**-**	**-**	**-**	**-**	**1,058,543**
Cost									
Balance of January 1, 2022	$ 15,297,373	5,283,893	2,156,615	19	1,503,378	950,693	48,150	38,506	25,278,627
Purchase and acquisition	-	4,645	242,548	-	35,056	40,029	106,141	90,671	519,090
Estimated cost of derecognition	-	-	-	-	-	498	-	-	498
Disposal	-	-	(69,175)	-	(43,591)	(50,134)	-	-	(162,900)
Written down decommission cost	-	-	-	-	-	(284)	-	-	(284)
Reclassification	-	-	32,059	-	2,680	54	14,643	(32,362)	17,074
Effect of changes in foreign exchange rates	2,473	4,400	35,710	-	18,538	3,452	-	191	64,764
Balance of December 31, 2022	15,299,846	5,292,938	2,397,757	19	1,516,061	944,308	168,934	97,006	25,716,869
Accumulated depreciation									
Balance of January 1, 2022	$ -	1,222,659	1,498,725	19	1,269,924	872,269	-	-	4,863,596
Depreciation	-	130,532	229,206	-	91,685	50,578	-	-	502,001
Disposal	-	-	(69,095)	-	(40,993)	(48,095)	-	-	(158,183)
Written down decommission cost	-	-	-	-	-	(284)	-	-	(284)
Effect of changes in foreign exchange rates	-	1,220	25,571	-	17,187	2,616	-	-	46,594
Balance of December 31, 2022	-	1,354,411	1,684,407	19	1,337,803	877,084	-	-	5,253,724
Accumulated impairment loss									
Balance of January 1, 2022	**$ 1,013,284**	**45,259**	**-**	**-**	**-**	**-**	**-**	**-**	**1,058,543**
Balance of December 31, 2022	**$ 1,013,284**	**45,259**	**-**	**-**	**-**	**-**	**-**	**-**	**1,058,543**
Net									
Balance of December 31, 2023	**$ 14,262,577**	**6,592,801**	**960,539**	**-**	**153,922**	**38,399**	**204,445**	**134,352**	**22,347,035**
Balance of December 31, 2022	**$ 14,286,562**	**3,893,268**	**713,350**	**-**	**178,258**	**67,224**	**168,934**	**97,006**	**19,404,602**

Significant components of buildings include architecture constructions, engineering constructions, elevator equipment constructions, air conditioner constructions, fire-prevention constructions, mechanical parking equipment, and solar power equipment. These are depreciated based on major useful lives of 50, 15, 10, 8 and 5 years, respectively or the remaining useful lives.

(K) Right-of-use assets

The Group leases many assets including land and buildings, IT equipment and transportation equipment. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Transporation equipment	Other equipment	Total
Cost					
Balance of January 1, 2023	$ 417,080	2,133,212	17,079	42,559	2,609,930
Addition	-	196,460	6,796	6,003	209,259
Reassement or modificaification of lease agreement	-	(576,554)	(7,415)	(7,733)	(591,702)
Reclassfication	4,152,702	-	-	-	4,152,702
Effect of changes in foreign exchange rates	-	(8,119)	(155)	(33)	(8,307)
Balance of December 31, 2023	$ 4,569,782	1,744,999	16,305	40,796	6,371,882
Balance of January 1, 2022	$ 417,080	2,151,950	20,004	7,331	2,596,365
Addition	-	408,253	6,671	35,340	450,264
Reassement or modificaification of lease agreement	-	(452,169)	(9,867)	(230)	(462,266)
Effect of changes in foreign exchange rates	-	25,178	271	118	25,567
Balance of December 31, 2022	$ 417,080	2,133,212	17,079	42,559	2,609,930
Accumulated Depreciation and imparment loss					
Balance of January 1, 2023	$ 24,059	1,158,510	8,944	11,728	1,203,241
Depreciation (including assets capitalized)	31,337	609,417	5,175	6,815	652,744
Deduction	-	(569,135)	(7,480)	(4,508)	(581,123)
Reclassfication	-	(88)	-	-	(88)
Effect of changes in foreign exchange rates	-	(4,436)	(96)	(16)	(4,548)
Balance of December 31, 2023	$ 55,396	1,194,268	6,543	14,019	1,270,226
Balance of January 1, 2022	$ 18,044	893,238	12,263	4,528	928,073
Depreciation (including assets capitalized)	6,015	639,694	5,241	7,306	658,256
Deduction	-	(387,743)	(8,770)	(190)	(396,703)
Effect of changes in foreign exchange rates	-	13,321	210	84	13,615
Balance of December 31, 2022	$ 24,059	1,158,510	8,944	11,728	1,203,241
Carrying amount					
Balance of December 31, 2023	$ 4,514,386	550,731	9,762	26,777	5,101,656
Balance of December 31, 2022	$ 393,021	974,702	8,135	30,831	1,406,689

(L) Intangible assets

		December 31, 2023	December 31, 2022
Goodwill	$	1,618,385	1,672,457
Development costs		579,296	700,355
Computer software		455,138	445,517
Business license		2,723,424	2,919,792
Others		48,683	50,292
	$	**5,424,926**	**5,788,413**

The changes of the intangible assets are as follows:

		Goodwill	Other intangible assets	Total
Cost:				
Balance of January 1, 2023	$	1,672,457	7,634,782	9,307,239
Purchase and acquisition		-	243,348	243,348
Disposal		-	(4,291)	(4,291)
Reclassification		-	7,538	7,538
Effect of changes in foreign exchange rates		(54,072)	(196,631)	(250,703)
Balance of December 31, 2023	**$**	**1,618,385**	**7,684,746**	**9,303,131**
Balance of January 1, 2022	$	1,594,156	7,030,193	8,624,349
Purchase and acquisition		-	308,910	308,910
Disposal		-	(4,507)	(4,507)
Reclassification		-	8,388	8,388
Effect of changes in foreign exchange rates		78,301	291,798	370,099
Balance of December 31, 2022	**$**	**1,672,457**	**7,634,782**	**9,307,239**
Accumulated amortization and impairment:				
Balance of January 1, 2023	$	-	3,518,826	3,518,826
Amortization		-	438,182	438,182
Disposal		-	(4,125)	(4,125)
Effect of changes in foreign exchange rates		-	(74,678)	(74,678)
Balance of December 31, 2023	**$**	**-**	**3,878,205**	**3,878,205**
Balance of January 1, 2022	$	-	3,084,675	3,084,675
Amortization		-	326,034	326,034
Disposal		-	(4,497)	(4,497)
Effect of changes in foreign exchange rates		-	112,614	112,614
Balance of December 31, 2022	**$**	**-**	**3,518,826**	**3,518,826**
Carrying amount:				
Balance of December 31, 2023	**$**	**1,618,385**	**3,806,541**	**5,424,926**
Balance of December 31, 2022	**$**	**1,672,457**	**4,115,956**	**5,788,413**

The above stated goodwill of the Group was attributed to the acquisition of controlling power of subsidiary, Fubon Hyundai Life Insurance Co., Ltd. in September 2018.

Goodwill generated from a business combination should be tested for impairment on an annual basis. The Group regards Fubon Hyundai Life Insurance Co., Ltd. as a cash generating unit, uses appropriate discounting rates to estimate recoverable amount of Fubon Hyundai Life, and calculates the carrying value of net assets to evaluate whether to recognize impairment. The recoverable amount of Fubon Hyundai Life Insurance is determined with fair value less cost to sale, and the figures are based on expert' s valuation report. The estimated recoverable amount is greater than the carrying amount, therefore there is no indication of impairment for goodwill.

(M) Other assets

	December 31, 2023	December 31, 2022
Prepayments	$ 1,911,495	1,344,699
Deferred acquisition cost	2,323,228	2,158,159
Refundable deposits	18,078,802	26,245,180
Other assets - other	4,895,874	4,980,629
Less: Accumulated impairment	(59,957)	(59,711)
Total	**$ 27,149,442**	**34,668,956**

As of December 2023, the Group has assessed other assets for impairment and have found indications that the carrying amount of a portion of other assets may be impaired. Fair value less cost to sale is measured to determine the recoverable amount, the amounts determined is based on expert's valuation report, and the recognition of impairment focuses on recoverable amounts that are lower than the carrying amount. The aforementioned fair value is based on significant unobservable inputs, and is therefore classified under level 3.

In the consolidated statement of comprehensive income under non-operating income and loss the Group recognized an amount of impairment of $246 thousand and $4,717 thousand for the years ended December 31, 2023 and 2022, respectively.

Articles 141 and 142 of the Insurance Act require insurance industry to place a government statutory deposit equal to 15% of its paid-in capital. Such deposits will not be returned until cessation of business and liquidation has been completed. In accordance with the regulations of the competent authority in Vietnam, insurance companies shall deposit 2% of legal capital in local banks in Vietnam as operating guarantee deposits. The Group used government bonds and saving deposits for the operating guarantee deposits, the details of which were as follows:

	December 31, 2023	December 31, 2022
Government bonds (Book value)	**$ 16,076,778**	**15,977,717**
Cash in bank	**$ 19,005**	**15,612**

(N) Insurance product — separate account

Detailed account balances of the investment insurance products, separate accounts are as follows:

		December 31, 2023	December 31, 2022
Assets on insurance product, separate account:			
Cash in bank	$	10,463,260	12,043,010
Financial assets measured at fair value through profit or loss		279,315,381	246,518,822
Accounts receivable		1,191,892	1,319,530
Total	$	**290,970,533**	**259,881,362**
Liabilities on insurance product, separate account:			
Reserve — Insurance contract	$	138,416,517	129,837,793
Reserve — Investment contract		152,517,745	130,010,488
Accounts payable		36,271	33,081
Total	$	**290,970,533**	**259,881,362**

		For the years ended December 31, 2023	2022
Income on insurance product, separate account:			
Premiums income	$	11,873,767	16,275,503
Interest income		3,566,601	3,332,767
Gains or losses on financial assets and liabilities measured at fair value through profit or loss		10,948,235	(18,465,739)
Gains or losses on foreign exchange		492,218	180,510
Total	$	**26,880,821**	**1,323,041**
Disbursements on insurance product, separate account:			
Net changes in reserve, insurance contract	$	8,450,898	(13,290,111)
Insurance claims and payment		14,807,361	10,861,963
Administrative expenses		3,618,380	3,746,522
Other disbursements		4,182	4,667
Total	$	**26,880,821**	**1,323,041**

Sales rebate earned from counterparty for investment-linked insurance products are as follows (recognized in fee income):

	For the years ended December 31, 2023	2022
Sales rebate earned from counterparty for investment-linked insurance products	**$ 743,704**	**657,721**

Detailed account balances of the business (individual) annuity insurance products of Fubon Hyundai Life Insurance - separate accounts are as follows:

	December 31, 2023	December 31, 2022
Assets on business (individual) annuity insurance products, separate accounts:		
Cash in bank	$ 4,895,606	2,586,365
Financial assets measured at fair value through profit or loss	16,584,250	16,055,614
Financial assets measured at fair value through other comprehensive income	117,319,439	127,098,518
Financial assets for hedging	996,741	1,778,258
Loans	26,527,289	33,641,356
Interests receivable	1,140,019	1,217,800
Other accounts receivable	12,645,168	27,545,731
Total	**$ 180,108,512**	**209,923,642**
Liabilities on business (individual) annuity insurance products, separate accounts:		
Financial liabilities for hedging	$ 132,018	2,129,372
Other accounts payable	197,382	13,653,153
Reserve － Insurance contract	182,428,451	201,055,408
Short-term liabilities	15,369,250	20,769,750
Total	**$ 198,127,101**	**237,607,683**

	For the years ended December 31, 2023	2022
Income on business (individual) annuity insurance products, separate accounts:		
Interest income	$ 6,526,273	6,305,225
Gains on financial assets and liabilities measured at fair value through profit or loss	1,324,473	2,777,282
Realized gains from financial assets measured at fair value through other comprehensive income		87,462
Reversal of ECL on investments	1,674	73,570
Gains on foreign exchange	1,270,511	4,187,037
Other income	6,025,781	698,662
Total	**$ 15,148,712**	**14,129,238**

	For the years ended December 31, 2023	2022
Disbursements on business (individual) annuity insurance products, separate accounts:		
Insurance claims and payment	$ -	3,007
Current provisions of separate accounts	10,180,224	4,468,527
Losses on financial assets and liabilities measured at fair value through profit or loss	2,920,745	8,421,193
Realized losses from financial assets measured at fair value through other comprehensive income	756,916	584,841
Recognition of ECL on investments	180,211	1,077
Losses on foreign exchange	273,822	312,008
Administrative expenses	639,026	255,170
Other expenses	197,768	83,415
Total	$ 15,148,712	14,129,238

The subsidiary, Fubon Hyundai Life Insurance Co., Ltd., provides government bonds and corporate bonds as collateral of trades of finincial assets and repurchase agreements which is classified as financial assets measured at fair value through other comprehensive income. As of December 31, 2023 and 2022, the carrying amount of the collateral were $16,283,482 thousand and $24,036,047 thousand, respectively.

(O) Accounts payable

	December 31, 2023	December 31, 2022
Notes payable	$ 254	128
Expense payable	8,523,557	7,599,094
Commissions payable	2,602,963	1,861,580
Insurance and reinsurance claims payable	11,945,970	10,931,905
Due to reinsurers and ceding companies	2,810,316	2,543,504
Insurance product — separate accounts payable	13,796,772	28,548,234
Investments payable	10,691,507	7,758,403
Other payable	2,678,865	2,829,083
Total	$ 53,050,204	62,071,931

(P) Short-term liabilities

	December 31, 2023	December 31, 2022
Notes and bonds issued under repurchase agreement	$ -	12,217,500
Repurchase price	$ -	12,238,956
Repurchase interest	-	4.3%~4.9%

(Q) Bonds payable

The information of bonds issued by the Group were as follows:

Name	Outstanding period: Date of Issuance	Outstanding period: Maturity	Rate %	Face Amount	(Discount) Premium	December 31, 2023	December 31, 2022	Note
The first issue of 2016 perpetual cumulative subordinated corporate bond	2016.12.07	No maturity date	3.25 % (Note 1)	$ 28,500,000	-	28,500,000	28,500,000	Note2
The first issue of 2017 perpetual cumulative subordinated corporate bond	2017.04.21	No maturity date	3.30 % (Note 1)	6,500,000	-	6,500,000	6,500,000	Note2
The first issue of 2018 perpetual non-cumulative subordinated corporate bond (private placement)	2018.03.27	No maturity date	3.60 % (Note 3)	20,000,000	-	20,000,000	20,000,000	Note4
Fubon Life Insurance Co., Ltd.1st issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	2023.09.05	2033.09.05	3.70 %	13,570,000	-	13,570,000	-	
Fubon Life Insurance Co., Ltd.1st issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2023	2023.09.05	2038.09.05	3.85 %	8,930,000	-	8,930,000	-	Note5
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	2023.11.07	2033.11.07	3.70 %	500,000	-	500,000	-	
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2023	2023.11.07	2038.11.07	3.85 %	2,000,000	-	2,000,000	-	Note5
Hyundailife Insurance 8 (private placement)	2017.06.26	2023.01.26	4.90 %	212,805	-	-	219,959	
Hyundailife Insurance 9 (private placement)	2017.07.20	2023.01.20	4.90 %	189,160	-	-	195,536	
Hyundailife Insurance 11 (private placement)	2017.12.28	2023.06.28	5.60 %	1,418,700	-	-	1,470,251	
FubonHyundai Insurance 13 (private placement)	2019.09.09	2029.09.09	4.30 % (Note 6)	1,182,250	(1,925)	1,180,325	1,219,460	
FubonHyundai Insurance 14	2019.10.02	2029.10.02	4.25 % (Note 6)	2,364,500	(6,161)	2,358,339	2,436,178	
FubonHyundai Insurance 15 (private placement)	2020.06.24	2030.06.24	4.30 % (Note 6)	354,675	(647)	354,028	365,768	
FubonHyundai Insurance 16	2020.09.21	2030.09.21	4.49 % (Note 6)	1,182,250	(3,628)	1,178,622	1,217,534	
FubonHyundai Insurance 17 (private placement)	2021.04.29	2031.04.29	4.60 % (Note 6)	1,288,653	(2,611)	1,286,042	1,328,707	
FubonHyundai Insurance 18	2021.09.14	2031.09.14	4.10 % (Note 6)	2,246,275	(6,805)	2,239,470	2,313,534	
FubonHyundai Insurance 19 (private placement)	2022.04.08	2032.04.08	5.10 % (Note 6)	1,182,250	(3,953)	1,178,297	1,217,278	
FubonHyundai Insurance 20	2022.06.28	2032.06.28	6.20 % (Note 6)	3,546,750	(11,396)	3,535,354	3,652,452	
FubonHyundai Insurance 23	2023.04.26	2033.04.26	7.30 % (Note 6)	1,891,600	(7,615)	1,883,985	-	
FubonHyundai Insurance 24	2023.06.16	2033.06.16	7.28 % (Note 6)	2,317,210	(8,435)	2,308,775	-	
FubonHyundai Insurance 25 (private placement)	2023.09.25	2033.09.25	7.40 % (Note 6)	709,350	(2,081)	707,269	-	
Total					$ (55,257)	98,210,506	70,636,657	

Note1: Fixed rate from the date of issuance, plus 1% if the group does not redeem the bond in 10 years from the date of issuance.

Note2: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than one time of the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed earlier at face value plus accrued interest.

Note3: After 10 years of issuance, if the bond is not redeemed, the coupon rate will be readjusted to 10 year benchmark yield rate plus the spread at the time of issuance.

Note4: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than one time of the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed at face value plus accrued interest once a year.

Note5: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed earlier at face value plus accrued interest.

Note6: After 5 years of issuance, if the bond is not redeemed, the coupon rate will be readjusted to 10 year KTB rate plus the spread at the time of issuance.

	For the years ended December 31,	
	2023	**2022**
Interest Expense	**$ 3,043,658**	**2,488,476**

(R) Lease liabilities

The Group's undiscounted lease payments maturity analysis:

	December 31, 2023	**December 31, 2022**
Less than one year	$ 857,909	1,080,160
One to three years	1,204,191	1,360,580
Three to five years	2,995,787	1,087,733
More than five years	22,439,888	24,826,705
	$ 27,497,775	**28,355,178**

The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2023	2022
Interest on lease liabilities	$ 293,317	184,582
Variable lease payments not included in the measurement of lease liabilities	$ 12,090	11,450
Expenses relating to short-term leases	$ 10,356	13,838
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 12,218	7,568

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31, 2023	2022
Total cash outflow for leases	$ 1,100,509	1,110,389

The amounts recognized in the costs of the building were as follows:

	For the years ended December 31, 2023	2022
Capitalization of interest	$ 237,393	353,681

(a) Office leases

For the year ended December 31, 2023, the Group leases buildings as offices with lease terms of one to five years. For the year ended December 31, 2022, the Group leases buildings as offices with lease terms of two to six years.

(b) Superficies leases

As of December 31, 2023 and 2022, the Group leases land for superficies with lease terms of fifty to one hundred and thirty three years for the purpose of commercial buildings, malls, hotels etc.

The Group elected to apply the amendments made to IFRS 16 “Covid-19-Related Rent Concessions” as a practical expedient. The amounts recognized in profit or loss were $0 thousand and $1,323 thousand for the years ended December 31, 2023 and 2022, respectively.

(c) Other leases

The Group leases transportation and other equipments with lease terms of two to six years. If these leases are short-term or leases of low-value items, the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(S) Liabilities reserve

	December 31, 2023	December 31, 2022
Decommissioning liability	$ 83,453	116,606
Employee benefits liabilities	7,072,039	7,067,117
Other liabilities reserve	4,413,499	4,638,829
	$ 11,568,991	**11,822,552**

(a) Decommissioning liability

	Decommissioning liability
Balance of January 1, 2023	$ 116,606
Increase of liabilities reserves	7,904
Reversal of liabilities reserves	(41,836)
Discounting and amortization of liabilities reserves	1,929
Reclassification to other income	(820)
Effect of changes in foreign exchange rates	(330)
Balance of December 31, 2023	**$ 83,453**
Balance of January 1, 2022	$ 101,294
Increase of liabilities reserves	31,519
Reversal of liabilities reserves	(18,606)
Discounting and amortization of liabilities reserves	1,159
Reclassification to other income	(415)
Effect of changes in foreign exchange rates	1,655
Balance of December 31, 2022	**$ 116,606**

(b) Employee benefit

(1) Defined benefit plan

Employee benefit liability reserves recognized by the Group in balance sheets were as follows:

	For the years ended December 31,	
	2023	2022
Defined benefit plan	$ 6,915,470	6,913,435
Pension plan	131,282	127,727
Unpaid leave	25,287	25,955
Total	**$ 7,072,039**	**7,067,117**

1) Defined benefit plan

The Group's reconciliations of the present value of defined benefit obligation and plan assets at fair value are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 11,301,359	11,346,232
Plan assets at fair value	(4,431,342)	(4,525,287)
Net defined benefit liability (asset)	**$ 6,870,017**	**6,820,945**
Defined benefit liability	**$ 6,915,470**	**6,913,435**
Prepaid defined benefit asset (included in other assets)	**$ (45,453)**	**(92,490)**

A. Components of plan assets

The Company makes a contribution to pension plan which is managed by Executive Yun Council of Labor Affairs Labor Pension Fund Supervisory Committee (hereinafter referred to as the Labor Pension Fund Supervisory Committee) in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The annual distributions shall be deposited into the restricted account of the Bank of Taiwan. If the restricted bank account is inadequate to cover projected benefit payments within the following year, the deficit will be covered by the end of March next year.

Please refer to the website of Labor Pension Fund Supervisory Committee for information released by Council of Labor Affairs regarding the utilization of labor pension fund assets including allocation of fund assets and fund returns.

B. Changes in the present value of the defined benefit obligation

The Group's changes in present value of the defined benefit obligation for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	2022
Defined benefit obligation on January 1	$ 11,346,232	12,527,345
Benefits paid	(340,603)	(929,514)
Payments by liabilities for defined obligations	(389,712)	(22,746)
Current service cost and interest cost	415,454	376,752
Net (gains) losses on remeasurements of defined benefit liability		
-Actuarial (gains) losses from experience adjustments	268,195	42,315
-Actuarial (gains) losses from changes in assumption	24,983	(707,255)
-Actuarial (gains) losses from demographic assumptions	(9,319)	39,685
Effect of movements in exchange rates	(13,871)	19,650
Defined benefit obligation on December 31	**$ 11,301,359**	**11,346,232**

C. Changes in fair value of plan assets

The Group's changes in fair value of plan assets for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	2022
Plan assets, at fair value on January 1	$ 4,525,287	4,646,320
Contribution from employer	155,111	477,034
Benefits paid	(339,335)	(923,733)
Interest income	79,668	38,004
Net gains (losses) on remeasurements of defined benefit asset		
-Expected return on plan assets, excluding current interest	27,286	263,274
Exchange rate difference from foreign plan	(16,675)	24,388
Plan assets, at fair value on December 31	**$ 4,431,342**	**4,525,287**

D. The expenses recognized in profit or loss for the Group for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	2022
Current service costs	$ 243,622	287,380
Net interest from net defined benefit liability	92,164	51,368
	$ 335,786	**338,748**
Operating costs	$ 163,629	162,251
Administrative expenses	172,157	176,497
	$ 335,786	**338,748**

E. Net remeasurements of defined benefit liability recognized in other comprehensive income

The Group's net remeasurements of defined benefit liability recognized in other comprehensive income as of December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	2022
Cumulative amount on January 1	$ 1,051,310	1,939,839
Recognized during the period	256,573	(888,529)
Cumulative amount on December 31	**$ 1,307,883**	**1,051,310**

F. Primary actuarial assumptions

The Group's primary assumptions used in determining the present value of the defined benefit plan are shown below:

	December 31, 2023	December 31, 2022
Discount rate	1.50%-4.16%	1.50%~5.17%
Increases in future salary	3.00%	3.00%

The Group's projected payments for defined benefit obligation within a year from the reporting date is $762,144 thousand.

The weighted average duration of the defined benefit obligation is 6.30~6.50 years.

G. Sensitivity analysis

The Company

	The effect of changes in discount rate on defined benefit obligation	
	Increase 0.5%	**Decrease 0.5%**
As of December 31, 2023		
Discount rate	$ (340,663)	360,108
Increases in future salary	178,059	(168,620)
As of December 31, 2022		
Discount rate	(366,071)	387,984
Increases in future salary	190,294	(179,623)

Subsidiary - Fubon Hyundai Life Insurance

	The effect of changes in discount rate on defined benefit obligation	
	Increase 1%	**Decrease 1%**
As of December 31, 2023		
Discount rate	$ (22,479)	25,102
Increases in future salary	25,188	(22,965)
As of December 31, 2022		
Discount rate	(24,400)	27,679
Increases in future salary	28,039	(25,132)

The sensitivity analysis above allows for only one assumption change at a time. In real practice, a change in one assumption may lead to changes in other assumptions. The method used in sensitivity analysis is consistent with the method used in calculating net pension liability in the balance sheet.

2) Pension plan

The Group's reconciliations of liability (asset) of the pension plan were as follows:

	December 31, 2023	**December 31, 2022**
Present value of pension plan obligations	$ 131,282	127,727
Fair value of plan assets	-	-
Net pension plan liability	**$ 131,282**	**127,727**

A. Changes in present value of the pension plan obligation

The Group's changes in present value of the pension plan obligation for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Pension plan obligation on January 1	$ 127,727	129,950
Payments by liabilities for pension plan obligations	(4,961)	-
Current service cost and interest cost	7,631	7,043
Net (gains) losses on remeasurements of pension plan liability	885	(9,266)
Pension plan obligation on December 31	**$ 131,282**	**127,727**

B. The expenses under the pension plan recognized in profit or loss

The Group's expenses under the pension plan recognized in profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Current service costs	$ 5,777	6,161
Net interest from net pension plan liability	1,854	882
Net (gains) losses on remeasurements of pension plan liability	885	(9,266)
	$ 8,516	**(2,223)**

C. Primary actuarial assumptions

The Group's primary assumptions used in determining the present value of the pension plan are shown below:

	December 31, 2023	December 31, 2022
Discount rate	1.50 %	1.50 %
Increases in future salary	3.00 %	3.00 %

The weighted average duration of the pension plan obligation is 7.80 years.

D. Sensitivity analysis

	The effect of changes in discount rate on pension plan obligation	
	Increase 0.5%	Decrease 0.5%
As of December 31, 2023		
Discount rate	$ (4,928)	5,238
Increases in future salary	9,055	(8,420)

	The effect of changes in discount rate on pension plan obligation	
	Increase 0.5%	Decrease 0.5%
As of December 31, 2022		
Discount rate	(4,961)	5,280
Increases in future salary	9,252	(8,607)

The sensitivity analysis above allows for only one assumption change at a time. In real practice, a change in one assumption may lead to changes in other assumptions. The method used in sensitivity analysis is consistent with the method used in calculating net pension liability in the balance sheet.

(2) Defined contribution plan

The Group’s pension expenses under the defined contribution plan were as follows:

	For the years ended December 31,	
	2023	2022
Pension expenses	$ 613,397	553,266

(T) Shareholders’ equity

(a) Common stock

As of December 31, 2023 and 2022, the Company had authorized capital of $150,000,000 thousand, and issued common stock of $110,831,140 thousand, with a $10 par value per share.

(b) Capital surplus

The capital surplus arising from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, the capital surplus may be distributed as cash dividends, or transferred to capital (limited to 10% of the paid-in capital and once a year).

	December 31, 2023	December 31, 2022
Additional paid-in capital	$ 7,463,192	7,463,192
Changes in ownership interests in subsidiaries	1,276,641	1,029,448
Changes in equity of associates and joint ventures accounted for using equity method	2,183,597	2,181,576
Consolidation excess	20,340,460	20,340,460
Other	134,778	134,778
Total	$ 31,398,668	31,149,454

(c) Retained earnings and earnings appropriation

(1) Legal reserve

If the Company has no deficit and the legal reserve exceeds 25% of paid-in capital, the excess may be transferred to capital or distributed in cash pursuant to the resolution of the shareholders. If the Company intends to distribute in cash, Gin Guan Bao Tsai No.10202501991 shall be followed.

(2) Special reserve

	December 31, 2023	December 31, 2022
Recovered contingency risk reserve	$ 9,915,778	9,517,079
Catastrophic risk reserve and contingency risk reserve	7,634,214	7,326,037
Foreign currency translation reserve	56,350,258	49,016,432
Real estate increment recovered	2,609,068	2,609,068
Gains from the fluctuation of subsequent fair value measurement of investment property	22,842,558	23,295,317
The gains or losses on disposal of unexpired debt instruments	26,147,206	25,330,288
Bargain purchase gain	2,845,001	-
Net reduction of other shareholder's equity	40,437,442	-
Variable interest rate product segmented assets	9,933,386	9,933,386
Other	67,133,221	65,795,194
Total	$ **245,848,132**	**192,822,801**

1) Special reserve for catastrophic risk reserve and contingency risk reserve

In accordance with Tai Tsai Pao No.0920700594, recovered contingency risk reserve can be transferred to special reserve regardless of whether the Company has earnings next year or not, pursuant to the resolution of the shareholders. Under the "Regulations Governing the Provision of Various Reserves", commencing from January 1, 2011, the special reserves for catastrophic risk reserve and contingency risk reserve for net of reinsurance business with the term below 1 year are provided annually. These reserves, net of income tax, are classified as special reserve under retained earnings. For more details, please refer to Note 4(Q).

2) Special reserve for foreign currency translation reserve

The special reserve appropriated according to the "Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises", please refer to Note 4(S).

3) Special reserve for real estate increment recovered

In accordance with Jin Guan Bao Tsai No. 10102515281 on November 30, 2012, special reserves for real estate increment due to the first-time adoption of IFRSs are allowed to recover 80% in the first year or in five years and transferred to special reserve under equity. The limitation of the recoverable amount is $10 billion per year.

4) Special reserve for investment property subsequently measured at fair value

In accordance with Gin Guan Bao Tsai No.10904917647, the Company should appropriate special reserve for investment property in restricting distributed earnings, based on the net after-tax effects of the first-time adoption of investment property measured at fair value model and the accumulated net after-tax gains on subsequent fair value measurements, respectively. The special reserve subsequently can only be used for effective contracts according to IFRS 17 "Insurance Contract", life insurance industry effective insurance contract liability estimated at fair value and estimate method required by the competent authorities to fulfill liabilities from insurance contract. Subsequently when related assets are disposed, the special reserve could be reversed in the proportion of initial recognition and requires the approval from the competent authorities. The distribution of the reversed amount will need to be in accordance with Gin Guan Bao Tsai No.10202501992.

5) Special reserve for the gains or losses on disposal of unexpired debt instruments

From January 1, 2019, in accordance with Gin Guan Bao Tsai No. 11204939731 on November 13, 2023 (the former regulation Gin Guan Bao Tsai No. 10804501381 on June 25, 2019 is abolished with immediate effect), the gains (losses) on disposal of unexpired debt instruments with the deduction of 20% of the tax rate should be appropriated as (recovered from) special reserve. The Company can reverse special reserve based on the amortization calculated with the residual periods to expiry dates. Debt instruments with uncertain expiration date could be amortized for 10 years. Based on relevant regulations, the financial report should disclose the aforementioned special reserve's current year movement, the prior year ending balance, and the amount added in the current year for amortization in future periods, are as follows:

The movement of accumulated gains (losses) from disposal of debt instruments in the current year is as follows:

Gains (losses) from disposal of debt instruments	Amount
1. The accumulated amount of gains (losses) from disposal of debt instruments at the end of prior year (December 31, 2022)	26,147,206
2. Provision after tax with current year realized capital losses (the amount before income tax of $(644,421) thousand, less income tax of $(128,884) thousand)	(515,537)
3. Net recovery in the current year	1,962,331
4. The accumulated amount of gains (losses) from disposal of debt instruments at the end of the year	23,669,338

As of December 31, 2023, the amount of the special reserves the Company appropriated in accordance with regulation is $26,147,206 thousand. Additionally, the current year movement of $2,477,868 thousand will be appropriated to special reserves after a resolution has been decided in the shareholders' meeting (A board meeting will be held in place of the shareholders meeting). After the special reserve is appropriated, the accumulated amount of the special reserves will be $23,669,338 thousand.

The details of the prior year ending balance and the amount added in the current year for amortization in the future periods are as follows:

Year	The accumulated amount of gains (losses) from disposal apportioned for future periods at the end of the prior year (December 31, 2022) (1)	The amount of provision after tax on gains (losses) from disposal in the current year (2)	The accumulated amount of gains (losses) from disposal apportioned for future periods at the end of the year (1)+(2)
2023	2,134,839	(172,508)	1,962,331
2024	2,121,526	(172,507)	1,949,019
2025	2,112,054	(140,857)	1,971,197
2026	2,185,471	(17,907)	2,167,564
2027	2,040,870	(17,277)	2,023,593
2028	2,039,754	(16,947)	2,022,807
2029	1,860,028	(16,463)	1,843,565
2030	1,523,486	(17,083)	1,506,403
2031	996,229	1,373	997,602
2032	785,714	2,401	788,115
2033 to 2042	6,691,293	40,274	6,731,567
2043 to 2052	1,653,487	11,964	1,665,451
2053 to 2055	2,455	-	2,455
Total (Note)	26,147,206	(515,537)	23,669,338

Note: The year of 2023 is set as the evaluation year; the amount for the year of 2023 is not included in the total of column (1) + (2).

6) Special reserve for bargain purchase gain

In accordance with Jin Guan Bao Tsai No.10302153881 on February 10, 2015, the increase in retained earnings from bargain purchase gains, which is recognized due to mergers from self or subsidiaries, should recognize the same amount of special reserve and is barred from reversing within a year. After the expiration of one year, the special reserve can be used to cover the accumulated losses. If the value of the underlying asset after valuation is similar to that during the merger, yet to incur unexpected significant impairment, and being reviewed by the CPA, the special reserve can be recognized as capital.

In accordance with Bao Ju (Tsai) No.1120414605 on April 12, 2023, in order to maintain the sound and stability of financial structure, bargain purchase gains obtained through the equity method that has no cash inflow should follow the Jin Guan Bao Tsai No.10302153881 on February 10, 2015.

7) Special reserve for net reduction of other shareholder's equity

In accordance with Jin Guan Bao Tsai No.11004920441 on June 11, 2021, a portion of earnings shall be appropriated as special reserve during the earnings distribution. For the current debit balance on other equity interest, an equivalent amount of special reserve shall be appropriated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current period earnings. If the special reserve is insufficient, the Company should appropriate it from undistributed prior-period earnings. For the debit balance on other equity interest pertaining to prior periods, an equivalent amount of special reserve is appropriated from the undistributed prior-period earnings. If the Company has already appropriated a portion of earnings to special reserve under the preceding subparagraph, the Company shall make supplemental appropriation of special reserve for any difference between the amount it has already allocated and the amount mentioned above. The special reserve can be reversed due to net reduction of the debit balance of other shareholders’ equity. In accordance with the regulations of Gin Guan Bao Tsai No.11104942741 on November 4, 2022, the Company reclassified the financial assets measured at fair value through other comprehensive income to financial assets measured at amortized cost. The changes in the fair value should be included in the debit balance in other equity. The amount incurred in the current year shall be provided for in the special reserve, and the special reserve can be reversed due to net reduction (including disposals) of the debit balance of other shareholders’ equity.

8) Special reserve for variable interest rate product segmented assets

In accordance with Gin Guan Bao Tsai No.10804963711 on January 16, 2020, from July 1, 2020, if the life insurance industry still has surplus retained earnings for distribution after appropriating special reserves in accordance with other laws and regulations at the end of financial year, it should further appropriate special reserve in accordance with " Guidance for Product with Variable Interest Rate of Life Insurance Enterprises".

9) Other special reserve

In accordance with the Gin Guan Bao Tsai No.10502066461 on July 13, 2016, the Company should appropriate special reserve, from 0.5% to 1% of net profit when distributing earnings from the year 2016 through 2018. From the following year of the special reserve appropriated, the Company can reverse the same amount of expenses for the purpose of providing transforming trainings and safeguarding rights and interests of employees within the remaining balance of appropriated special reserve. Gin Guan Bao Tsai No.10804932431 was published on July 30, 2019, prior to the replacement of said document, the rule stated that starting on or after 2019, special reserves cannot be appropriated. However, if there are the above aforementioned transforming trainings and safeguarding rights expenses, based on the above special reserve amount, the Company can reverse the same amount of expenses.

In accordance with the Gin Guan Bao Tsai No.11004908861 on March 26, 2021, life insurance industries should appropriate special reserve from all net profits after tax relating to disability insurance from 2020. If the net profit after tax of current year is insufficient to be appreciated, it shall be made up in the subsequent years. If there is a loss from disability insurance in the subsequent years, the special reverse can be reversed from initially recognition.

In accordance with Gin Guan Bao Tsai No. 10904939031 on October 29, 2020, beginning from 2021 the life insurance industry is required, after the end of each fiscal year, to act in accordance with the "Table of Standard Premiums for Accident, Death and Disability Benefits under Individual Travel Accident Insurance" to take a prescribed share of premium income and set it aside to the special reserve account under owners' equity. This prescribed share is calculated as follows: (10% of total premium income) – (20% nominal tax).

(3) Distribution of earnings

Under the Company's Article of Incorporation, the annual earnings are first used to pay taxes, cover prior years' losses, and in accordance with relevant laws, appropriate 20% of the above net amount as legal reserves until the legal reserves equals to the Company's paid-in capital. Appropriate special reserves in accordance with laws or with a resolution of shareholders if necessary. The remaining of earnings can be distributed with a resolution from the board of directors and shareholders' approval. If the Company has profits, the Company should allocate an amount ranged from 0.01% to 0.05% of the profits as employee compensation. If there is any difference between the actual distribution and the estimated amount, the difference will be recognized in the profit or loss in the current period.

Employee compensation has been estimated an amount of $17,000 thousand and $7,480 thousand for the years of 2023 and 2022, respectively. There is no difference between the actual distribution and the estimated amount for the year of 2022.

The information of the employee compensation approved by board of directors can be found on Market Observation Post System.

The Company executed the resolution approved by the board of directors on behalf of the shareholders' meeting on June 15, 2022 to distribute cash dividends which amounted to $15,578,315 thousand from the undistributed retained earnings of 2021. The ex-dividend record date is June 22, 2022.

(d) Other equity items (net － after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Unrealized revaluation surplus	Other comprehensive profits (losses) reclassified using overlay approach	Total
Balance, January 1, 2023	$ (11,366,525)	(115,789,494)	(77,295)	227,751	(82,119,539)	(209,125,102)
Foreign exchange translation difference	1,452,280	-	-	-	-	1,452,280
Foreign exchange translation differences in the share of associates accounted for using equity method	(179,398)	-	-	-	-	(179,398)
Changes in fair value of hedging instruments	-	-	49,570	-	-	49,570
Changes in fair value of hedging instruments in the share of associates accounted for using equity method	-	-	(112,008)	-	-	(112,008)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	79,991,557	-	-	-	79,991,557
Accumulated (gains) losses reclassified to profit or loss on disposal of debt instruments measured at fair value through other comprehensive income	-	1,037,257	-	-	-	1,037,257
Disposal of equity instruments measured at fair value through other comprehensive income reclassified to unappropriated earnings	-	613,415	-	-	-	613,415
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income in the share of associates and joint ventures accounted for using equity method	-	(219,230)	-	-	-	(219,230)
Disposal of equity instruments measured at fair value through other comprehensive income in the share of associates accounted for using equity method	-	(8,025)	-	-	-	(8,025)
Gains on revaluation	-	-	-	14,976	-	14,976
Profit or loss reclassified using overlay approach	-	-	-	-	104,466,981	104,466,981
Profit or loss reclassified using overlay approach in the share of joint ventures accounted for using equity method	-	-	-	-	(6,836)	(6,836)
Adjustment of equity from acquisition of additional shares in subsidiary	(206,669)	(1,301,948)	6,470	-	9,523	(1,492,624)
Balance, December 31, 2023	**$ (10,300,312)**	**(35,676,468)**	**(133,263)**	**242,727**	**22,350,129**	**(23,517,187)**

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Unrealized revaluation surplus	Other comprehensive profits (losses) reclassified using overlay approach	Total
Balance, January 1, 2022	$ (14,218,363)	13,338,208	322,364	227,751	169,899,274	169,569,234
Foreign exchange translation difference	3,368,284	-	-	-	-	3,368,284
Foreign exchange translation differences in the share of associates accounted for using equity method	(516,446)	-	-	-	-	(516,446)
Changes in fair value of hedging instruments	-	-	(429,128)	-	-	(429,128)
Changes in fair value of hedging instruments in the share of associates accounted for using equity method	-	-	29,469	-	-	29,469
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(130,351,335)	-	-	-	(130,351,335)
Accumulated (gains) losses reclassified to profit or loss on disposal of debt instruments measured at fair value through other comprehensive income	-	617,921	-	-	-	617,921
Disposal of equity instruments measured at fair value through other comprehensive income reclassified to unappropriated earnings	-	146,570	-	-	-	146,570
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income in the share of associates and joint ventures accounted for using equity method	-	457,859	-	-	-	457,859
Disposal of equity instruments measured at fair value through other comprehensive income in the share of associates accounted for using equity method	-	1,283	-	-	-	1,283
Profit or loss reclassified using overlay approach	-	-	-	-	(251,983,048)	(251,983,048)
Profit or loss reclassified using overlay approach in the share of joint ventures accounted for using equity method	-	-	-	-	(35,765)	(35,765)
Balance, December 31, 2022	**$ (11,366,525)**	**(115,789,494)**	**(77,295)**	**227,751**	**(82,119,539)**	**(209,125,102)**

(e) Non-controlling interests

	For the years ended December 31, 2023	2022
Beginning balance	$ 4,093,461	10,362,502
Increase (decrease) of non-controlling interests (Note1)	(4,588)	-
Changes in ownership interests in subsidiaries (Note2)	1,199,369	-
Shares attributable to non-controlling interests		
Net income	(1,126,773)	144,997
Exchange differences on translation of foreign financial statements	(16,835)	146,730
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income and other equity interest	2,033,341	(6,564,528)
Remeasurement of defined benefit plans	(3,296)	3,760
Ending balance	**$ 6,174,679**	**4,093,461**

Note 1: The change includes that Fubon Hyundai Life Insurance Co., Ltd. early redeemed KRW $60 billion and KRW $40 billion unsecured hybrid bonds in February 2023 and November 2022, respectively, and issued KRW $60 billion and KRW $40 billion unsecured hybrid bonds by private placement in the same month, which were acquired by enterprises other than the Group.

Note 2: The change is mainly due to early redemption of hybrid bonds and issuance of new shares (as described in Note 6(f)) by Fubon Hyundai Life Insurance Co., Ltd., which resulted in a change in non-controlling interests.

(U) Income taxes

According to the amendment announced by local tax authorities on March 14, 2023, the subsidiary, Fubon Hyundai Life Insurance Co., Ltd. reduced the local income tax rate by 0.1% and adjusted its applicable tax rate range from 23.2% to 23.1%.

(a) Income tax (expense) profit were as follows:

	For the years ended December 31, 2023	2022
Current expense tax		
Current period	$ (530,421)	(328,352)
Adjustments for prior period	(2,489)	499,595
Foreign withholding tax	(1,506,214)	(1,017,170)
Subtotal	(2,039,124)	(845,927)
Deferred expense tax		
Reversal and recognition of temporary differences	1,167,218	(7,570,153)
Income tax rate change	(611)	4,174
Income tax expense	**$ (872,517)**	**(8,411,906)**

The details of income tax (expense) profit recognized in other comprehensive income were as follows:

	For the years ended December 31, 2023	2022
Items that may not be reclassified subsequently to profit or loss:		
Revaluation of real estate property	$ (930)	-
Remeasurement of defined benefit plans	52,046	(179,429)
Valuation gains/ losses on equity instruments measured at fair value through other comprehensive income	388,984	557,947
Share of other comprehensive income of associates and joint ventures accounted for using equity method - Items may not be reclassified into profit or loss	3,856	1,288
Items may be reclassified subsequently to profit or loss:		
Exchange differences on translation	(374,967)	(483,722)
Gains/ losses on hedging instruments	(4,026)	96,963
Valuation gains/ losses on debt instruments measured at fair value through other comprehensive income	(20,545,088)	30,056,650
Other comprehensive profits/ losses reclassified using overlay approach	(6,985,954)	11,037,603
Share of other comprehensive income of associates and joint ventures accounted for using equity method - Items may be reclassified into profit or loss	72,851	121,743
	$ (27,393,228)	**41,209,043**

For the year ended December 31, 2023, the details of income tax (expense) profit recognized in other comprehensive profit or loss include the income tax rate change $37,077 thousand from Fubon Hyundai Life Insurance Co., Ltd.

Reconciliation of income tax (expense) and profit before tax is as follows:

	For the years ended December 31, 2023	2022
Profit before tax	$ 35,836,851	74,094,318
Income tax using the Company's domestic tax rate	(7,167,370)	(14,818,864)
Effects of tax rates in foreign jurisdiction	191,973	(82,671)
Permanent differences	6,183,736	7,723,907
Adjustment for prior period	(2,489)	499,595
Foreign withholding tax	(1,506,214)	(1,017,170)
Tax effects of investment property measured at fair value	(442,265)	(928,718)
Income tax rate change	(611)	4,174
Others	1,870,723	207,841
Income tax expense	**$ (872,517)**	**(8,411,906)**

(b) Deferred income tax asset and liability

(1) Unrecognized defined tax asset

Unrecognized deferred tax asset for the Group as follow :

	December 31, 2023	December 31, 2022
Taxable temporary difference related to investment in subsidiaries	$ 602,884	659,345
Tax losses	1,232,678	1,397,077
Others	2,622,967	1,390,691
	$ 4,458,529	**3,447,113**

Tax losses which have not been recognized as deferred tax asset because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Company Name	Year of loss	Unused tax loss		Expiry date
Fubon Life Insurance (Vietnam) Co., Ltd.	2021	VND	19,092,638	2026
	2022	VND	31,696,002	2027
		VND	**50,788,640**	
Fubon Life Insurance (Hong Kong) Co., Ltd.	2015	HKD	12,307	No expiry date
	2016	HKD	79,951	No expiry date
	2017	HKD	216,655	No expiry date
	2018	HKD	201,790	No expiry date
	2019	HKD	1,086,729	No expiry date
	2020	HKD	202,561	No expiry date
	2021	HKD	61,127	No expiry date
		HKD	**1,861,120**	
Fubon Eurotower (Luxembourg) S. a r.l.	2020	EUR	384	2037
	2021	EUR	486	2038
	2022	EUR	484	2039
		EUR	**1,354**	

(2) Recongnized deferred tax asset and liability

The movements of deferred tax assets and liabilities were as follows:

	For the year ended December 31, 2023				
	Beginning balance	Recognized in profit and loss	Recognized in other comprehensive income or loss	Others	Ending balance
Temporary difference					
Unrealized (gains) losses recognized on foreign exchange	$ (12,973,993)	172,212	-	-	(12,801,781)
Unappropriated pension fund reserve	346,623	(40,334)	-	-	306,289
Valuation (gains) losses of financial assets and liabilities	1,810,322	(8,908,104)	-	-	(7,097,782)
Cumulative translation adjustments	1,919,064	-	(330,117)	-	1,588,947
Unrealized (gains) losses from changes in financial assets measured at fair value through other comprehensive income	30,275,283	-	(20,156,104)	(577,674)	9,541,505
Other comprehensive profits (losses) reclassified using overlay approach	5,110,603	-	(6,985,954)	(19,252)	(1,894,603)
Long-term employee benefit - pension funds - defined benefit plan	608,180	711	55,906	(625)	664,172
Investment property measured at fair values	621,231	176,808	(580)	3,442	800,901
Differences between financial and tax depreciation of properties	(2,810,546)	(478,996)	(407)	-	(3,289,949)
Land value increment tax on investment property	(2,254,832)	(95,022)	57	-	(2,349,797)
Loss carryforwards	20,063,938	7,565,787	-	(5,360,274)	22,269,451
Others	(1,464,853)	2,773,545	23,971	(14,502)	1,318,161
Deferred tax assets (liabilities) - net	**$ 41,251,020**	**1,166,607**	**(27,393,228)**	**(5,968,885)**	**9,055,514**
Information presenting below the balance sheet was as follows:					
Deferred tax assets	$ 61,650,966				37,136,841
Deferred tax liabilities	(20,399,946)				(28,081,327)
Total	**$ 41,251,020**				**9,055,514**

	For the year ended December 31, 2022				
	Beginning balance	Recognized in profit and loss	Recognized in other comprehensive income or loss	Others	Ending balance
Temporary difference					
Unrealized (gains) losses recognized on foreign exchange	$ 22,076,806	(35,050,799)	-	-	(12,973,993)
Unappropriated pension fund reserve	438,432	(91,809)	-	-	346,623
Valuation (gains) losses of financial assets and liabilities	(1,489,948)	3,300,270	-	-	1,810,322
Cumulative translation adjustments	2,273,675	-	(354,611)	-	1,919,064
Unrealized (gains) losses from changes in financial assets measured at fair value through other comprehensive income	(753,492)	-	30,614,597	414,178	30,275,283
Other comprehensive profits (losses) reclassified using overlay approach	(5,967,036)	-	11,037,602	40,037	5,110,603
Long-term employee benefit - pension funds - defined benefit plan	785,666	(445)	(177,876)	835	608,180
Investment property measured at fair values	234,755	385,134	-	1,342	621,231
Differences between financial and tax depreciation of properties	(2,369,687)	(440,859)	-	-	(2,810,546)
Land value increment tax on investment property	(2,208,236)	(46,596)	-	-	(2,254,832)
Loss carryforwards	600,083	24,269,726	-	(4,805,871)	20,063,938
Others	(2,386,892)	109,399	89,331	723,309	(1,464,853)
Deferred tax assets (liabilities)-net	**$ 11,234,126**	**(7,565,979)**	**41,209,043**	**(3,626,170)**	**41,251,020**
Information presenting below the balance sheet was as follows:					
Deferred tax assets	$ 28,627,289				61,650,966
Deferred tax liabilities	(17,393,163)				(20,399,946)
Total	**$ 11,234,126**				**41,251,020**

(c) Fubon Financial Holding Company, the parent company of the Company, appointed to be the taxpayer itself; therefore, commencing from 2010, income tax return and undistributed retained earnings based on the income tax return has been filed a combined income tax return with Fubon Financial Holding Company and its qualifying subsidiaries.

(d) In regard to all taxes filed for the year but not approved yet, the Group evaluated correlation factors which include relevant regulations and previous experiences, and determined that sufficient income tax liability is reliably estimated.

(e) For the approved income tax filed by the Company up to the 2017, in regard to the adjustments determined by the tax authority, the Company has proposed administrative remedies for the adjustments determined by the tax authority for the years 2013, 2014, 2016 and 2017, the Company will apply for administrative remedy within the statutory time limit.

(V) Earnings per share

The Group's earnings per share calculated based on simple capital structure are as follows:

	For the years ended December 31,	
	2023	**2022**
Profit attributable to ordinary shareholders of the Company	**$ 36,091,107**	**65,537,415**
Weighted average number of ordinary shares (thousand shares)	**11,083,114**	**11,083,114**
Basic earnings per share (dollar)	**$ 3.26**	**5.91**

(W) Insurance liabilities

	December 31, 2023	**December 31, 2022**
Unearned premium reserves	$ 11,197,067	10,367,322
Claim reserves	7,050,531	7,183,374
Liability reserves	4,539,903,428	4,504,597,101
Special reserves	20,321,738	19,321,529
Premium deficiency reserves	4,721,928	6,912,443
Total	**$ 4,583,194,692**	**4,548,381,769**

The details of provision for insurance contracts and financial instruments with discretionary participation feature for this account balance and reconciliation were as follows:

(a) The unearned premium reserves for these insurance products are as follows:

	December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance	$ 7,374	-	7,374
Individual injury insurance	5,923,673	-	5,923,673
Individual health insurance	2,798,503	-	2,798,503
Group insurance	2,356,007	-	2,356,007
Investment-linked insurance	111,510	-	111,510
Gross reserve	11,197,067	-	11,197,067
Deduction of provision for reinsurance ceded			
Individual life insurance	715,227	-	715,227
Individual injury insurance	17,051	-	17,051
Individual health insurance	28,722	-	28,722
Group insurance	158,040	-	158,040
Investment-linked insurance	10,433	-	10,433
Total ceded reserve	929,473	-	929,473
Net reserve	**$ 10,267,594**	**-**	**10,267,594**

	December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance	$ 7,804	-	7,804
Individual injury insurance	5,232,833	-	5,232,833
Individual health insurance	2,754,563	-	2,754,563
Group insurance	2,258,377	-	2,258,377
Investment-linked insurance	113,745	-	113,745
Gross reserve	10,367,322	-	10,367,322
Deduction of provision for reinsurance ceded			
Individual life insurance	689,327	-	689,327
Individual injury insurance	15,899	-	15,899
Individual health insurance	34,185	-	34,185
Group insurance	158,671	-	158,671
Investment-linked insurance	10,875	-	10,875
Total ceded reserve	908,957	-	908,957
Net reserve	**$ 9,458,365**	**-**	**9,458,365**

The changes in unearned premium reserves for these insurance products are as follows:

	For the year ended December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Beginning balance	$ 10,367,322	-	10,367,322
Current provisions	11,191,810	-	11,191,810
Current reclaims	(10,358,406)	-	(10,358,406)
Gain and loss on foreign exchange	(3,659)	-	(3,659)
Ending balance	11,197,067	-	11,197,067
Less: Provision for ceded reinsurance			
Beginning balance	908,957	-	908,957
Current provisions	929,537	-	929,537
Current reclaims	(908,157)	-	(908,157)
Gain and loss on foreign exchange	(864)	-	(864)
Ending balance	929,473	-	929,473
Net ending balance	**$ 10,267,594**	**-**	**10,267,594**

	For the year ended December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Beginning balance	$ 9,485,914	-	9,485,914
Current provisions	10,355,592	-	10,355,592
Current reclaims	(9,479,843)	-	(9,479,843)
Gain and loss on foreign exchange	5,659	-	5,659
Ending balance	10,367,322	-	10,367,322
Less: Provision for ceded reinsurance			
Beginning balance	853,684	-	853,684
Current provisions	906,809	-	906,809
Current reclaims	(853,541)	-	(853,541)
Gain and loss on foreign exchange	2,005	-	2,005
Ending balance	908,957	-	908,957
Net ending balance	**$ 9,458,365**	**-**	**9,458,365**

(b) The components of claim reserves are as follows:

	December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance			
—reported but not paid	$ 2,850,771	5,327	2,856,098
—incurred but not reported	222,663	-	222,663
Individual injury insurance			
—reported but not paid	154,813	-	154,813
—incurred but not reported	793,226	-	793,226
Individual health insurance			
—reported but not paid	609,520	-	609,520
—incurred but not reported	1,315,028	-	1,315,028
Group insurance			
—reported but not paid	151,433	-	151,433
—incurred but not reported	673,242	-	673,242
Investment-linked insurance			
—reported but not paid	219,618	-	219,618
—incurred but not reported	54,890	-	54,890
Gross reserve	7,045,204	5,327	7,050,531
Deduction of provision for reinsurance ceded:			
Individual life insurance	127,273	-	127,273
Individual injury insurance	30,710	-	30,710
Individual health insurance	62,995	-	62,995
Group insurance	34,983	-	34,983
Investment-linked insurance	18,648	-	18,648
Total ceded reserve	274,609	-	274,609
Net reserve	**$ 6,770,595**	**5,327**	**6,775,922**

	December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance			
—reported but not paid	$ 2,951,748	57,981	3,009,729
—incurred but not reported	258,701	-	258,701
Individual injury insurance			
—reported but not paid	200,667	-	200,667
—incurred but not reported	688,951	-	688,951
Individual health insurance			
—reported but not paid	694,952	-	694,952
—incurred but not reported	1,164,023	-	1,164,023
Group insurance			
—reported but not paid	144,072	-	144,072
—incurred but not reported	714,359	-	714,359
Investment-linked insurance			
—reported but not paid	259,791	-	259,791
—incurred but not reported	48,129	-	48,129
Gross reserve	7,125,393	57,981	7,183,374
Deduction of provision for reinsurance ceded:			
Individual life insurance	131,691	-	131,691
Individual injury insurance	30,926	-	30,926
Individual health insurance	68,120	-	68,120
Group insurance	37,157	-	37,157
Investment-linked insurance	9,827	-	9,827
Total ceded reserve	277,721	-	277,721
Net reserve	**$ 6,847,672**	**57,981**	**6,905,653**

The movements in claim reserves are as follows:

	For the year ended December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Beginning balance	$ 7,125,393	57,981	7,183,374
Current provisions	7,055,192	5,327	7,060,519
Current reclaims	(7,034,301)	(57,981)	(7,092,282)
Gain and loss on foreign exchange	(101,080)	-	(101,080)
Ending balance	7,045,204	5,327	7,050,531
Less: Provision for ceded reinsurance			
Beginning balance	277,721	-	277,721
Current provisions	275,323	-	275,323
Current reclaims	(272,479)	-	(272,479)
Gain and loss on foreign exchange	(5,956)	-	(5,956)
Ending balance	274,609	-	274,609
Net ending balance	**$ 6,770,595**	**5,327**	**6,775,922**

	For the year ended December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Beginning balance	$ 7,084,225	63,517	7,147,742
Current provisions	6,959,880	57,981	7,017,861
Current reclaims	(7,063,411)	(63,517)	(7,126,928)
Gain and loss on foreign exchange	144,699	-	144,699
Ending balance	7,125,393	57,981	7,183,374
Less: Provision for ceded reinsurance			
Beginning balance	254,952	-	254,952
Current provisions	268,073	-	268,073
Current reclaims	(253,908)	-	(253,908)
Gain and loss on foreign exchange	8,604	-	8,604
Ending balance	277,721	-	277,721
Net ending balance	**$ 6,847,672**	**57,981**	**6,905,653**

(c) The components of liability reserves are as follows:

	December 31, 2023		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Life insurance	$ 3,928,940,119	-	3,928,940,119
Injury insurance	794,713	-	794,713
Health insurance	398,783,947	-	398,783,947
Annuity insurance	77,615,203	133,270,689	210,885,892
Investment-linked insurance	244,688	-	244,688
Total (Note 1)	4,406,378,670	133,270,689	4,539,649,359
Less: Ceded liability reserve			
Life insurance	2,282	-	2,282
Net ending balance (Note 1)	**$ 4,406,376,388**	**133,270,689**	**4,539,647,077**

Note 1: As of December 31, 2023, after adding the " liability reserve － pending payment for policyholders" , liability reserve amounted to $4,539,903,428 thousand, less ceded liability reserve, the total amounted to $4,539,901,146 thousand.

	December 31, 2022		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Life insurance	$ 3,918,243,879	-	3,918,243,879
Injury insurance	819,887	-	819,887
Health insurance	376,867,091	-	376,867,091
Annuity insurance	62,634,722	145,575,777	208,210,499
Investment-linked insurance	212,414	-	212,414
Total (Note 2)	4,358,777,993	145,575,777	4,504,353,770
Less: Ceded liability reserve			
Life insurance	3,027	-	3,027
Net ending balance (Note 2)	**$ 4,358,774,966**	**145,575,777**	**4,504,350,743**

Note 2: As of December 31, 2022, after adding the " liability reserve － pending payment for policyholders" , liability reserve amounted to $4,504,597,101 thousand, less ceded liability reserve, the total amounted to $4,504,594,074 thousand.

The movements in the liability reserves are as follows:

	For the year ended December 31, 2023		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Beginning balance	$ 4,358,777,993	145,575,777	4,504,353,770
Current provisions	511,555,405	4,429,230	515,984,635
Current reclaims	(459,148,911)	(16,796,152)	(475,945,063)
Gain and loss on foreign exchange	(4,805,817)	61,834	(4,743,983)
Ending balance	4,406,378,670	133,270,689	4,539,649,359
Less: Ceded liability reserve			
Beginning balance	3,027	-	3,027
Current reclaims	(756)	-	(756)
Gain and loss on foreign exchange	11	-	11
Ending balance	2,282	-	2,282
Net ending balance	**$ 4,406,376,388**	**133,270,689**	**4,539,647,077**

	For the year ended December 31, 2022		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Beginning balance	$ 4,166,701,866	153,045,681	4,319,747,547
Current provisions	519,239,358	7,135,451	526,374,809
Current reclaims	(424,730,622)	(16,071,876)	(440,802,498)
Gain and loss on foreign exchange	97,567,391	1,466,521	99,033,912
Ending balance	4,358,777,993	145,575,777	4,504,353,770
Less: Ceded liability reserve			
Beginning balance	3,062	-	3,062
Current reclaims	(360)	-	(360)
Gain and loss on foreign exchange	325	-	325
Ending balance	3,027	-	3,027
Net ending balance	**$ 4,358,774,966**	**145,575,777**	**4,504,350,743**

(d) The components of special reserves for these insurance products are as follows:

	December 31, 2023			
	Insurance Contracts	**Financial instruments with discretionary participation**	**Others**	**Total**
Dividend provision for participating policies	$ 17,101,910	-	-	17,101,910
Dividend risk reserve	2,567,561	-	-	2,567,561
Valuation surplus gain for investment property	-	-	652,267	652,267
Total	**$ 19,669,471**	**-**	**652,267**	**20,321,738**

	December 31, 2022			
	Insurance Contracts	**Financial instruments with discretionary participation**	**Others**	**Total**
Dividend provision for participating policies	$ 18,669,262	-	-	18,669,262
Valuation surplus gain for investment property	-	-	652,267	652,267
Total	**$ 18,669,262**	**-**	**652,267**	**19,321,529**

The movements in special reserves are as follows:

	For the year ended December 31, 2023			
	Insurance Contracts	**Financial instruments with discretionary participation**	**Others**	**Total**
Beginning balance	$ 18,669,262	-	652,267	19,321,529
Provision for participating policies dividend reserve	(312,729)	-	-	(312,729)
Recover for participating policies dividend reserve	(1,307,945)	-	-	(1,307,945)
Provision of dividend risk reserve	2,640,831	-	-	2,640,831
Gain and loss on foreign exchange	(20,122)	-	-	(20,122)
Other (Note)	174	-	-	174
Ending balance	**$ 19,669,471**	**-**	**652,267**	**20,321,738**

	For the year ended December 31, 2022			
	Insurance Contracts	Financial instruments with discretionary participation	Others	Total
Beginning balance	$ 14,572,038	-	652,267	15,224,305
Provision for participating policies dividend reserve	5,267,386	-	-	5,267,386
Recover for participating policies dividend reserve	(1,282,867)	-	-	(1,282,867)
Gain and loss on foreign exchange	112,705	-	-	112,705
Ending balance	**$ 18,669,262**	**-**	**652,267**	**19,321,529**

Note: In accordance with the regulations of local competent authorities, the subsidiary, Fubon Hyundai Life Insurance Co., Ltd., shall increase the special reserve and reduce the retained earnings.

(e) The components of premium deficiency reserves are as follows:

	December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance	$ 4,703,075	-	4,703,075
Individual health insurance	18,853	-	18,853
Total	**$ 4,721,928**	**-**	**4,721,928**

	December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Individual life insurance	$ 6,854,454	-	6,854,454
Individual health insurance	57,989	-	57,989
Total	**$ 6,912,443**	**-**	**6,912,443**

The movements in premium deficiency reserve are as follows:

	For the year ended December 31, 2023		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Beginning balance	$ 6,912,443	-	6,912,443
Current reversal, net	(2,191,290)	-	(2,191,290)
Gain and loss on foreign exchange	775	-	775
Ending balance	**$ 4,721,928**	**-**	**4,721,928**

	For the year ended December 31, 2022		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Beginning balance	$ 8,172,613	-	8,172,613
Current provision, net	(1,335,058)	-	(1,335,058)
Gain and loss on foreign exchange	74,888	-	74,888
Ending balance	**$ 6,912,443**	**-**	**6,912,443**

(f) Liability adequacy reserve:

Based on the actuary's liability adequacy test report, the results of reserve testing are as follows:

Insurance contracts and financial instruments with discretionary participation	**December 31, 2023**	**December 31, 2022**
Liability reserves	$ 4,480,009,476	4,448,386,611
Unearned premium reserves	11,194,446	10,364,407
Premium deficiency reserves	4,627,022	6,787,110
Special reserves	17,664,514	17,638,119
Claim reserves	4,358,528	4,056,565
The carrying amount of the related insurance liabilities	4,517,853,986	4,487,232,812
Difference between the fair value of insurance obligation acquired from business combination and insurance liability measured through accounting policy	4,026,679	4,298,114
Insurance liability at adjusted carrying value	**$ 4,521,880,665**	**4,491,530,926**
Current estimate of future cash flows under its insurance liabilities	**$ 3,845,420,094**	**4,198,101,165**
Total liability adequacy reserve	**$ -**	**-**

The liability adequacy test method adopted by the Group for December 31, 2023, December 31 and 2022:

Test method	Gross Premium Valuation (GPV)
Group	All insurance contracts
Significant assumption	The discount rate assumption for future years was set up based on the assets allocation and the weighted average return on investment.

The liability adequacy test has included the results of Fubon Hyundai Life Insurance Co., Ltd. The provision of other subsidiaries are excluded due to the fact that they only account for very little portion and it is not expected to affect the result of the sensitivity analysis.

IFRS 17 was adopted in Korea starting from January 1, 2023. Since the first quarter of 2023, the subsidiary, Fubon Hyundai Life Insurance Co., Ltd has replaced the "Current estimate of future cash flows under insurance liabilities" by the best estimate of liabilities based on IFRS 17 in the liability adequacy test. In addition, since the separate account amount of the best estimate liability under IFRS 17 cannot be taken apart, it includes both general account and the separate account amounts.

(g) Special reserve (Catastrophic risk reserve and contingency risk reserve):

	December 31, 2023			
	Insurance Contracts	**Financial instruments with discretionary participation**	**Others**	**Total**
Catastrophic risk reserve	$ 5,087,507	-	-	5,087,507
Contingency risk reserve	2,546,707	-	-	2,546,707
Total	**$ 7,634,214**	**-**	**-**	**7,634,214**

	December 31, 2022			
	Insurance Contracts	**Financial instruments with discretionary participation**	**Others**	**Total**
Catastrophic risk reserve	$ 4,773,944	-	-	4,773,944
Contingency risk reserve	2,552,093	-	-	2,552,093
Total	**$ 7,326,037**	**-**	**-**	**7,326,037**

(X) Reserve for insurance with nature of financial instrument

Financial instruments without discretionary participation features, and the movements in the related reserve are as follows:

	December 31, 2023	December 31, 2022
Life insurance	$ 3,188,770	3,184,863
Investment-linked insurance	242,194	181,300
Total	**$ 3,430,964**	**3,366,163**

	For the years ended December 31, 2023	2022
Beginning balance	$ 3,366,163	3,557,753
Current premiums collected	577	76
Current claims payment	(122,724)	(354,745)
Current net provision for legal reserve	186,948	163,079
Ending balance	**$ 3,430,964**	**3,366,163**

(Y) Reserve for foreign exchange valuation

(a) Hedging strategy and risk exposure

The foreign exchange hedging strategy is the primarily perfect hedge, together with natural hedge and currency proxy hedge. To ensure the effectiveness and appropriateness of hedging, the rationality of the hedging cost is considered and the hedging strategy and hedging proportion are dynamically adjusted. The interval of foreign exchange hedge ratio is determined by the bearing capability of foreign exchange risk.

(b) The movements in reserve for foreign exchange valuation are as follows:

	For the years ended December 31, 2023	2022
Beginning balance	$ 37,131,393	10,389,467
Current provision:		
Compulsory provision	1,749,901	5,045,984
Additional provision	1,739,290	35,838,807
Subtotal	3,489,191	40,884,791
Current recovery	(31,444,249)	(14,142,865)
Ending balance	**$ 9,176,335**	**37,131,393**

(c) Effect of the reserve for foreign exchange valuation

Item	Not applied amount	Applied amount	Effect
December 31, 2023			
Foreign exchange valuation reserve	$ -	9,176,335	(9,176,335)
Equity attributable to owners of parent	497,774,042	492,038,137	5,735,905
December 31, 2022			
Foreign exchange valuation reserve	-	37,131,393	(37,131,393)
Equity attributable to owners of parent	299,017,745	270,917,794	28,099,951

	For the year ended December 31, 2023			For the year ended December 31, 2022		
Item	Not applied amount	Applied amount	Effect	Not applied amount	Applied amount	Effect
Net profit attributable to owners of parent	$ 13,727,061	36,091,107	(22,364,046)	86,930,956	65,537,415	21,393,541
Earnings per share	1.24	3.26	(2.02)	7.84	5.91	1.93

(Z) Deferred acquisition cost and deferred handling fee

(a) Deferred acquisition cost

The additional transaction costs incurred on investment administrative work were deferred in connection with the sales of investment-linked insurance policies, classified as financial instrument without discretionary participation features. The movements in these deferred acquisition costs are as follows:

	For the years ended December 31,	
	2023	2022
Beginning balance	$ 2,158,159	1,995,000
Addition	252,194	241,867
Amortization	(87,125)	(78,708)
Ending balance	**$ 2,323,228**	**2,158,159**

(b) Deferred handling fees

The handling fees incurred on investment administrative work were likewise deferred in connection with the sales of investment-linked insurance policies, classified as financial instrument without discretionary participation features. The movements in these deferred handling fees are as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Beginning balance	$ 3,080,908	2,604,828
Addition	681,064	585,369
Amortization	(130,663)	(109,289)
Ending balance	**$ 3,631,309**	**3,080,908**

(AA) Retained earned premium and retained claims payment

(a) Retained earned premium

	For the year ended December 31, 2023		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Direct written premiums	$ 328,715,392	3,926,214	332,641,606
Reinsurance premiums	-	-	-
Premium income	328,715,392	3,926,214	332,641,606
Less: Reinsurance premium ceded	(2,614,315)	-	(2,614,315)
Net change in unearned premium reserves	(812,024)	-	(812,024)
Subtotal	(3,426,339)	-	(3,426,339)
Retained earned premiums	**$ 325,289,053**	**3,926,214**	**329,215,267**

	For the year ended December 31, 2022		
	Insurance Contracts	**Financial instruments with discretionary participation**	**Total**
Direct written premiums	$ 339,575,484	5,146,087	344,721,571
Reinsurance premiums	-	-	-
Premium income	339,575,484	5,146,087	344,721,571
Less: Reinsurance premium ceded	(2,674,902)	-	(2,674,902)
Net change in unearned premium reserves	(822,481)	-	(822,481)
Subtotal	(3,497,383)	-	(3,497,383)
Retained earned premiums	**$ 336,078,101**	**5,146,087**	**341,224,188**

(b) Retained claims payment

	For the year ended December 31, 2023		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Claims payment incurred	$ 374,417,012	19,087,102	393,504,114
Reinsurance claims payment incurred	107	-	107
Insurance claims payment	374,417,119	19,087,102	393,504,221
Less: Claims payment recovered from reinsurers	(2,116,735)	-	(2,116,735)
Retained claims payment	**$ 372,300,384**	**19,087,102**	**391,387,486**

	For the year ended December 31, 2022		
	Insurance Contracts	Financial instruments with discretionary participation	Total
Claims payment incurred	$ 346,776,137	16,631,494	363,407,631
Reinsurance claims payment incurred	41	-	41
Insurance claims payment	346,776,178	16,631,494	363,407,672
Less: Claims payment recovered from reinsurers	(1,866,638)	-	(1,866,638)
Retained claims payment	**$ 344,909,540**	**16,631,494**	**361,541,034**

(AB) Non-operating income and expenses

	For the years ended December 31,	
	2023	2022
Losses on disposal of assets	$ (4,388)	(8,600)
Impairment loss on non-financial assets	(246)	(4,717)
The bargain purchase gain	-	3,556,251
Other non-operating income and expenses	1,009,744	1,020,631
Total	**$ 1,005,110**	**4,563,565**

(AC) The nature and extent of risks arising from insurance contracts

(a) The objectives, polices, processes and methods used for managing risks arising from insurance contracts.

(1) The organization of risk management

Please refer to Note 6(AE)(a) for further explanation.

(2) Risk management strategy

Please refer to Note 6(AE)(a) for further explanation.

(b) Insurance risk management

(1) Underwriting risk management

Underwriting risk refers to the unexpected risk arising from soliciting new insurance policies, and relevant expenditures. In order to manage underwriting risk, the Company has classified underwriting risk into the following types:

1) Risk of policyholder concealment

2) Risk of insurance content

3) Occupational and financial risk

4) Risk of health conditions

5) Risk of the lack of experience of the underwriter

6) Risk of retention

7) Risk of operation quality

Aside from establishing " Underwriting Systems and Procedures" based on the "Regulations Governing New Insurance Solicitation Policy, Underwriting and Claim Settlement of Insurance Enterprises", a code of conduct for underwriting operation is also established to serve as a guide for underwriting risk control. Considering the experience and professional skills of the underwriters, different levels of authorization are established and the underwriting amount for each underwriter personnel is regulated to control the propriety of underwriting assessment and to monitor the accuracy and timeliness of underwriting operation.

(2) Claim risk management

Claim risk refers to the risk arising from adopting inappropriate or negligent procedures on claims settlement procedure. In order to manage claim risks the Group abides by the " Regulations Governing new insurance policy Soliciting, Underwriting and Claim Settlement of Insurance Enterprises" and established a " Claim Settlement System and Procedures" and a standard operating procedure to decrease the risk of negligence when processing claims, in order to protect the financial consumers' rights. The Company also monitors the accuracy, timeliness, by implementing levels of authority and by enhancing professional training for claims personnel.

(3) Product design and pricing risk management

Product design and pricing risk refers to the risk arising from the impropriety, inconsistency or unexpected change of the data related to the product content, clauses and rates. To insure risk control at the point of the pre and after sales of insurance products, internal code of conduct and control procedure were established based on " Regulation governing the procedure before the sales of insurance product" issued by authorities for the insurance product design, inspection, sales preparation to control the risk related to each phases and procedure of product development. In terms of product design, feasibility of new product is analyzed and an internal meeting is held before a new product is launched. A pre-market meeting is also convened before product launch to ensure that the related activities are completed. In terms of product pricing, aside from certain quantitative risk control mechanism such as risk control procedure, profit test and sensitivity analysis, an assets allocation plan is also set up. They also set assets allocation plans, which take into the characteristics of the requirement of asset and liabilities management, and conform to sales review meeting regularly after sales.

(4) Reserve-risk management

Reserve-related risk refers to the risk arising from underestimating the liabilities from insufficient written premium provision to cover future obligation. In order to control the reserve-risk, the reserve-risk is categorized into the statutory compliance of reserve provision and completeness of operating procedures. To ensure the legality of reserves provision, the Regulatory Self-Inspection Compliance manual has been established and audit procedures are executed regularly to ensure that all sorts of reserves conform to what is required by law. Also, "Standard Operating Procedures" manual is established. The provisions of this manual maybe updated regularly as the law changes. The operating procedures manual covers ranges from system administration, data access and report generation. Furthermore, several control points are established within the framework to ensure the accuracy of the calculation.

(5) Catastrophic risk and reinsurance risk

To avoid risk concentration and catastrophic compensation, the following controls are established.

1) Catastrophic risk

Based on the Company's experience, the retention and reinsurance limits are set up and are regularly reviewed. These limits are also applicable to insurance for calamities like earthquakes, typhoons, and air-crash by using scenario analysis. The catastrophic losses that may arise from life insurance and accident insurance are likewise considered in evaluation of catastrophic risk. For the amendment of the regulation, the scenario analysis of terrorist attacks and infectious diseases will be added in 2024.

2) Reinsurance risk

An annual reinsurance risk management plan is established in conformity with the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" as part of the Company's annual reinsurance policy. This plan includes retention risk management, ceded insurance risk management, assumed insurance risk management, intergroup reinsurance risk management.

The credit rating of the reinsurers is also monitored monthly. Such credit rating is based on Article 7 and Article 8 of "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms". Under this Article, reinsurers or insurance organizations with a credit rating above a certain level from an international credit rating agency (The credit rating should be BBB or higher from Standard & Poor's Corporation or comparable rating assigned by other credit rating agencies authorized by the Authority) are eligible as reinsurers to whom an insurance enterprise may cede it business. The Company currently adopts Standard and Poor's A- or above as its guideline.

(6) Assets and liabilities combination risk

1) To enhance the overall assets and liabilities allocation, maintain adequate liquidity, and improve the capital performance with the expectation of the maximum risk return on overall revenue, management monitor compliance of the Company with the relevant government regulations. Also, through the establishment of Assets and Liabilities Management Committee, management keep track of the issues related to the cash flow allocation of assets and liabilities, and to establish assets and liabilities management related regulation which enable the Company to sustain adequate capital to cover the potential risk from business operation.

2) Under the Article of Organization Rules for the Assets and Liabilities Management Committee, the meeting must be held at least once per quarter and the responsible department in the Company performs the cash flow test using the spot interest rate and estimates the earnings at the end of each year to ensure the ability of discharging of the Company. Also, the Risk-Based Capital ratio is examined and simulated via important elements to execute sensitivity analysis which serves as the reference for capital adequacy decision. Furthermore, the change between Venture Capital and equity fund is analyzed periodically to identify the reason for such changes and capital liquidity risk analysis is performed by using the accumulated net cash flow in a year and the accumulated net cash flow in 5 years as the benchmark for risk management.

3) The subsidiaries comply with relevant local laws and regulations, the Company's capital adequacy management measures and risk management regulations, to manage assets and liabilities by controlling risk, and to maintain appropriate solvency and sound operations.

(7) Risk management report

1) A Risk Management Committee is set up under the supervision of the Board of Directors. The independent directors act as the conveners and hold a meeting quarterly. According to its organization rules, the major duties of the committee are to

(I) Set up and modify policy and structure of risk management

(II) Set up and modify the quantitative and qualitative criteria for risk measurement.

(III) Adjust risk types as environment change

(IV) Set up risk limit allocation and the way of undertaking risk

(V) Submit risk management report to the board of directors regularly and authorize to competent departments.

2) The committee also reviews the overall risk management. Aside from supervising the implementation of risk management policies to ensure that the Company meets the strategic target, the committee reviews the effectiveness and feasibility of risk management mechanism. It also submits reports to the board of directors to ensure that the risk management is enforced effectively.

The subsidiaries manage the above-mentioned risks in accordance with relevant laws and regulations and the Company's risk management standards.

(c) Information of insurance risk

(1) Sensitivity of insurance risk－ Insurance contracts and financial instrument with discretionary feature

	For the year ended December 31, 2023			
	Change of assumption		Change of income before tax	Change of stockholder's equity
Mortality/Morbidity	Increase	10 %	(4,628,626)	(3,696,952)
Rate of return	Decrease	0.1 %	(5,009,628)	(4,000,133)
Expense (fixed expense)	Increase	5 %	(563,785)	(448,837)
Lapse and surrender rate	Increase	10 %	244,999	195,771

	For the year ended December 31, 2022			
	Change of assumption		Change of income before tax	Change of stockholder's equity
Mortality/Morbidity	Increase	10 %	(4,125,803)	(3,293,004)
Rate of return	Decrease	0.1 %	(4,918,274)	(3,924,405)
Expense (fixed expense)	Increase	5 %	(591,468)	(468,033)
Lapse and surrender rate	Increase	10 %	227,824	182,109

The sensitivity analysis requires evaluating the impact to income before tax/stockholders' equity in which only one element changes and the others remain constant. The change of stockholder' s equity was calculated based on the assumption that the tax rate which the Company was 20% and the subsidiary Fubon Hyundai Life Insurance Co., Ltd. was 23.1% (It was calculated by 24.2% in 2022.), the change factors considered include mortality, morbidity, rate of return, expense rate and lapse rate. The sensitivity analysis does not include the information of subsidiaries Fubon Life Insurance (Vietnam) Co., Ltd. and Fubon Life Insurance (Hong Kong) Co., Ltd., due to the fact that the percentage of retained earned premiums compared to the consolidated retained earned premiums is relatively small and is not expected to affect the result of the sensitivity analysis.

(2) Insurance risk concentration

Insurance contracts sold by the Group include life insurance, annuities, accident insurance and health insurance. As these insurance contracts are primarily issued in Taiwan, the insurance risk is mainly concentrated in Taiwan.

(3) Claim development trend

1) Development trend of claims payment incurred

Cumulative claims payment and adjustment to the consolidated balance sheet are as follows:

December 31, 2023 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2017	5,431,814	6,649,814	6,807,062	6,829,081	6,844,046	6,850,137	6,854,769	-
2018	5,723,578	7,033,233	7,151,192	7,182,040	7,211,306	7,222,376	-	-
2019	6,173,797	7,578,255	7,721,002	7,743,497	7,763,638	-	-	-
2020	6,426,045	7,924,896	8,086,839	8,117,517	-	-	-	4,093
2021	6,529,528	8,138,219	8,326,494	-	-	-	-	21,284
2022	7,759,860	9,677,450	-	-	-	-	-	240,669
2023	8,128,602	-	-	-	-	-	-	2,213,283
IBNR Reserve								2,479,329
Plus: RBNA Reserve (Including subsidiaries except for Fubon Hyundai Life Insurance)								1,861,994
The balance of claim reserve								4,341,323

December 31, 2023 (Subsidiary － Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2019	1,470,143	1,807,072	1,846,447	1,871,862	1,883,008	-
2020	1,452,841	1,785,187	1,823,056	1,844,745	-	9,439
2021	1,548,114	1,869,373	1,918,443	-	-	24,914
2022	1,566,486	1,941,651	-	-	-	46,402
2023	1,548,845	-	-	-	-	480,812
IBNR Reserve						561,567
Plus: RBNA Reserve						2,129,488
The balance of claim reserve						2,691,055

December 31, 2022 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2016	5,070,166	6,224,855	6,352,169	6,382,360	6,398,819	6,407,560	6,415,852	-
2017	5,431,814	6,649,814	6,807,062	6,829,081	6,844,046	6,850,137	-	-
2018	5,723,578	7,033,233	7,151,192	7,182,040	7,211,306	-	-	-
2019	6,173,797	7,578,255	7,721,002	7,743,497	-	-	-	8,186
2020	6,426,045	7,924,896	8,086,839	-	-	-	-	25,614
2021	6,529,528	8,138,219	-	-	-	-	-	175,874
2022	7,759,860	-	-	-	-	-	-	2,003,746
IBNR Reserve								2,213,420
Plus: RBNA Reserve (Including subsidiaries except for Fubon Hyundai Life Insurance)								1,828,574
The balance of claim reserve								4,041,994

December 31, 2022 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2018	1,496,501	1,855,065	1,900,220	1,922,613	1,930,111	-
2019	1,519,262	1,867,448	1,908,139	1,934,403	-	6,004
2020	1,501,537	1,845,231	1,884,182	-	-	35,101
2021	1,599,839	1,929,748	-	-	-	87,777
2022	1,605,336	-	-	-	-	514,281
IBNR Reserve						643,163
Plus: RBNA Reserve						2,480,637
The balance of claim reserve						3,123,800

Note 1： Amount shown above excludes investment contracts.
Note 2： As of December 31, 2023 and 2022, except for the IBNR Reserve of Investment-linked products and the IBNR of the subsidiary company (not included Fubon Hyundai Life Insurance), from claims payment incurred are not estimated based on claim development trend amounts to $18,153 thousand and $17,580 thousand, respectively.

2) Development trend of retention claims payments

Cumulative claims payments from prior years are as follows:

December 31, 2023 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2017	5,412,545	6,505,146	6,662,242	6,684,260	6,699,135	6,705,215	6,709,847	-
2018	5,708,571	6,880,386	6,998,334	7,028,608	7,057,864	7,068,390	-	-
2019	6,156,966	7,379,306	7,521,266	7,543,596	7,563,281	-	-	-
2020	6,423,414	7,747,404	7,904,904	7,935,224	-	-	-	3,913
2021	6,508,771	8,076,863	8,262,381	-	-	-	-	21,024
2022	7,594,099	9,445,772	-	-	-	-	-	237,067
2023	7,954,623	-	-	-	-	-	-	2,173,037
IBNR Reserve								2,435,041
Plus: RBNA Reserve (Including subsidiaries except for Fubon Hyundai Life Insurance)								1,800,859
The balance of claim reserve								4,235,900

December 31, 2023 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2019	1,109,205	1,367,971	1,399,589	1,417,125	1,426,023	-
2020	1,087,648	1,345,437	1,374,308	1,390,777	-	7,542
2021	1,153,571	1,404,961	1,441,613	-	-	19,907
2022	1,158,421	1,439,264	-	-	-	37,076
2023	1,188,876	-	-	-	-	384,173
IBNR Reserve						448,698
Plus: RBNA Reserve						2,075,130
The balance of claim reserve						2,523,828

December 31, 2022 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2016	5,068,488	6,111,210	6,238,474	6,267,558	6,284,017	6,292,750	6,301,034	-
2017	5,412,545	6,505,146	6,662,242	6,684,260	6,699,135	6,705,215	-	-
2018	5,708,571	6,880,386	6,998,334	7,028,608	7,057,864	-	-	-
2019	6,156,966	7,379,306	7,521,266	7,543,596	-	-	-	7,627
2020	6,423,414	7,747,404	7,904,904	-	-	-	-	25,129
2021	6,508,771	8,076,863	-	-	-	-	-	174,225
2022	7,594,099	-	-	-	-	-	-	1,968,133
IBNR Reserve								2,175,114
Plus: RBNA Reserve (Including subsidiaries except for Fubon Hyundai Life Insurance)								1,777,159
The balance of claim reserve								3,952,273

December 31, 2022 (Subsidiary － Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2018	1,137,498	1,411,295	1,440,276	1,456,235	1,461,040	-
2019	1,146,265	1,413,676	1,446,350	1,464,472	-	4,747
2020	1,124,143	1,390,594	1,420,246	-	-	27,752
2021	1,192,113	1,451,129	-	-	-	69,399
2022	1,185,432	-	-	-	-	406,608
IBNR Reserve						508,506
Plus: RBNA Reserve						2,429,369
The balance of claim reserve						2,937,875

Note 1： Amount shown above excludes investment contracts.

Note 2： As of December 31, 2023 and 2022, except for the IBNR Reserve of Investment-linked products and the IBNR of the subsidiary company, from claims payment incurred are not estimated based on claim development trend amounts to $16,194 thousand and $15,505 thousand, respectively.

Claims reserves are provided based on the expected claims payment and relevant handling fee of RBNA and IBNR claims. Such provisions involve vast uncertainty, estimates and judgments which are highly complicated. Any change of estimate or judgment is regarded as a change in accounting estimate and the amount of change is recognized as current gain or loss. For some claims, notifications to the Group may be delayed. In addition, estimating the potential IBNR claims involves vast past loss experience and subjective judgment; therefore, it is difficult to confirm whether the estimated claims reserve on the balance sheet date will be equal to the final claim compensation amount. The estimate of claims reserve is based on the information currently available; however, the final result may deviate from the original estimate due to the subsequent development.

The table above demonstrates the development trend of claims (excluding those claims that need confirmation within one year). The vertical shaft represents the year in which the claim event occurred, and the horizontal shaft represents the development years. Each slash represents the accumulated compensation amount at the end of each year. The compensation amount refers to the claims whether they are finalized or not. It explains how the Group estimate the compensation amount of each year as time passes by. The scenario and trend which affect the provision of claims reserve may not be the same as they will be in the future; therefore, the estimated future compensation amount cannot be determined by the claim development trend.

(d) The credit risk, liquidity risk and market risk of insurance contracts

(1) Credit risk

The credit risk from Insurance Contract arises mainly from the inability of reinsurers to fulfill the obligation of reinsurance contracts which result in financial losses. The Group monitors the credit rating of reinsurers monthly to ensure that they meet the minimum regulatory requirements. It also selects reinsurers prudently to reduce the potential loss.

(2) Liquidity risk

The liquidity risk of insurance contract arises mainly from the inability of the Group to obtain sufficient funds or turn assets into cash in order to fulfill payment of financial obligations as they are due. Aside from regularly reviewing the maturity analysis of Insurance Contracts, the Group also reviews short-term and mid-term liquidity risk benchmark through the Assets and Liabilities Management Committee to lower the relevant risk by using Asset Liability Matching (ALM). The Committee sets in advance the response strategy for potential payments in order to enhance timely liquidity risk management and to avoid the situation of inadequate liquidity.

The maturity analysis of Insurance Contracts of the Group is shown below:

(Unit: NT$ million)

December 31, 2023

Maturity date	<1 year	1~3 years	3~5 years	>5 years	Unable to classify (Note2)	Total
Provision	35,614	31,771	55,284	4,176,942	286,362	4,585,973
Proportion	0.8 %	0.7 %	1.2 %	91.1 %	6.2 %	100.0 %

December 31, 2022

Maturity date	<1 year	1~3 years	3~5 years	>5 years	Unable to classify (Note2)	Total
Provision	35,754	35,620	57,062	4,135,352	287,308	4,551,096
Proportion	0.8 %	0.8 %	1.3 %	90.8 %	6.3 %	100.0 %

Note1: Reserve containing preparation having an insurance contract nature of financial instruments.

Note2: The " Unable to classify" includes interest-linked product, authorized additional provision, and the reserve of allowance for doubtful accounts recognized by business tax saving benefits. The amounts above exclude provision for separate account, foreign exchange valuation reserve and revaluation surplus of fixed assets.

(3) Market risk

Market risk refers to the risk caused by the adverse changes in market prices in terms of interest rates, foreign exchange rates, stock prices, and commodity prices. The Group measures market risk from insurance contract according to discount rate assumption prescribed by the authorities. This assumption may not be consistent with changes in market interest rates. Unless the liability adequacy test disclosed the need to provide more reserve, management is not expecting that the change in market risk factors would have a significant effect on income and equity of the Group.

Guided by Assets and Liabilities Management Committee, the Group takes into account financial environment, all the economic indicators, liability properties and ALM, to choose appropriate investment target through risk control mechanism. Under the consent of regulatory framework and market environment, choosing and acquisition of long-term assets is monitored by the Assets and Liabilities Management Committee. This is to allow assets and liabilities to match better in terms of payment terms and profits, to pursue long term business and protect the rights of policyholders. This will also reduce the influence on insurance contract caused by market risk and eventually lower the potential loss to the Group.

(AD) Fair value and fair value hierarchy

(a) Fair value information

(1) General description

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.

Financial instruments are measured at fair value at initial recognition, which mostly refers to transaction price. Except for those measured at amortized cost, financial instruments are measured at fair value on subsequent measurement. A quoted price in an active market is the best evidence of fair value. If the market is not active, the fair value of financial instruments is determined in accordance with (a) valuation techniques, (b) valuation provided by the professional finance information providers which are commonly used by market participants, or (c) quoted prices from counter parties.

(2) The definition of fair value hierarchy

1) Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is one in which all the following conditions exist: a) the items traded within the market are homogeneous; b) willing buyers and sellers can normally be found at any time; and c) prices are available to the public. Taiwan government bonds, listed equities and debt instruments with active market prices are categorized in Level 1.

2) Level 2 inputs

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). Debt instruments without active market prices, and derivative instruments are categorized in Level 2.

3) Level 3 inputs

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted prices from counter parties. Equity, debt instruments, derivatives and investment properties without active market prices but based on quoted prices from counter parties or figures obtained from non-market indicators, are categorized in level 3.

If the market parameters which are directly relevant to the financial instruments are not accessible, the Group uses the market parameters accessed from other similar companies to evaluate the value of the financial instruments. Even though the market parameters of other similar companies can be accessed publicly, the market parameters are indirectly related to the financial instruments. As a result, the Group classified the financial instruments, such as non-public stocks, to Level 3.

(3) Valuation techniques

1) Financial instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchanges and Taipei Exchange, theoretical prices of government bonds, and net asset value of mutual funds, are all basis for measuring the fair value of listed equities and debt instruments with quoted prices in active markets.

If the quoted prices are timely and regularly available from stock exchanges, brokers, underwriters, industry associations, pricing agencies or authorities, and those prices represent actual and regularly occurring market transactions, on an arm’s length basis, the financial instrument is regarded to have a quoted price in an active market. If the aforementioned conditions are not fulfilled, the market is regarded as inactive. Generally, large or significantly widen bid-ask spread, or significantly low trading volume are indications of an inactive market.

Except for financial instruments with active markets, fair value of other financial instruments is determined by valuation techniques, valuation provided by the professional finance information providers which are commonly used by market participants, or quoted prices from counter parties. Necessary inputs for the fair value resulting from the use of discounted cash flow method or other valuation techniques include available market information such as yield curve of Taipei Exchange.

The Group uses the valuation techniques commonly accepted by market participants for nonstandard and less complicated financial instruments. Parameters of valuation models are usually the observable market information.

Valuation of derivative instruments is based on valuation models commonly accepted by market participants such as discounted cash flow method. Valuation of forward exchange contracts is based on the discounted cash flow method using the quoted forward rate. Valuation of interest rate derivatives is based on discounted cash flow method with observable market inputs.

2) Non-financial instruments

The fair value of investment property is determined in accordance with the “ Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” and evaluated by the professional appraisal agency with the support of market evidences. Please refer to Note 6(G) for details.

(4) Fair value adjustment

Limitations of valuation models and uncertain inputs

Limitations of valuation models may lead to insufficient reflection of all relevant elements of the financial and non-financial instruments. Therefore, the estimated value will be adjusted based on additional parameters when necessary. There are validation processes for valuation models, and the adjustments are considered to be proper and essential. Price information and parameters for measurement are carefully used and adjusted based on the current market conditions.

(b) Fair value measurement

(1) Fair value hierarchy

Information of fair value hierarchy is as follows:

Assets and liabilities items		December 31, 2023 Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements					
Non-derivative assets and liabilities					
Assets:					
Financial assets measured at fair value on through profit or loss					
Security investment	$	528,160,019	527,071,709	-	1,088,310
Bond investment		100,220,788	5,124,951	90,148,859	4,946,978
Other		813,885,480	603,300,357	42,947	210,542,176
Financial assets measured at fair value through other comprehensive income					
Security investment		13,157,215	5,286,430	-	7,870,785
Bond investment (Note 1)		271,344,060	152,522,265	113,317,695	5,504,100
Other		8,539	-	-	8,539
Investment property (Note 2)		267,295,114	-	-	267,295,114
Derivative assets and liabilities					
Assets:					
Financial assets measured at fair value through profit or loss	$	37,267,541	-	36,956,423	311,118
Financial assets for hedging		1,700,227	-	1,700,227	-
Liabilities:					
Financial liabilities measured at fair value through profit or loss		1,583,171	-	1,583,171	-
Financial liabilities for hedging		678,293	-	678,293	-

Assets and liabilities items		December 31, 2022 Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements					
Non-derivative assets and liabilities					
Assets:					
Financial assets measured at fair value on through profit or loss					
Security investment	$	448,345,848	447,748,975	-	596,873
Bond investment		95,311,373	4,908,472	89,314,454	1,088,447
Other		664,050,182	474,486,874	46,586	189,516,722
Financial assets measured at fair value through other comprehensive income					
Security investment		21,029,174	11,475,769	-	9,553,405
Bond investment (Note 1)		605,421,761	462,081,374	142,651,547	688,840
Other		26,623	-	-	26,623
Investment property (Note 2)		260,131,263	-	-	260,131,263
Derivative assets and liabilities					
Assets:					
Financial assets measured at fair value through profit or loss	$	20,623,220	-	20,067,947	555,273
Financial assets for hedging		2,602,646	-	2,602,646	-
Liabilities:					
Financial liabilities measured at fair value through profit or loss		29,234,427	-	29,234,427	-
Financial liabilities for hedging		3,954,452	-	3,954,452	-

Note 1: Government bonds provided as statutory deposits were included.

Note 2: Excluding investment properties not measured at fair value.

(2) Transfer between Level 1 and Level 2

There was no significant transfer between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

(3) The movement details of Level 3

Movements of assets categorized in Level 3 are as follows:

	For the year ended December 31, 2023							
		Valuation profit or loss		Increase		Decrease		
Name	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income (Note)	Purchase or issue	Transfer into Level 3 (a)(b)	Sale, disposal or settlement	Transfer out of Level 3 (b)(c)	Ending balance
Financial assets measured at fair value through profit or loss	$ 191,757,315	7,702	3,180,910	31,965,333	4,455,936	14,478,614	-	216,888,582
Financial assets measured at fair value through other comprehensive income	10,268,868	(423)	(1,637,323)	494	5,409,943	63,146	594,989	13,383,424
Investment property	260,131,263	(3,437,261)	1,925,912	2,897,026	5,821,194	43,020	-	267,295,114
Total	$ **462,157,446**	**(3,429,982)**	**3,469,499**	**34,862,853**	**15,687,073**	**14,584,780**	**594,989**	**497,567,120**

	For the year ended December 31, 2022							
		Valuation profit or loss		Increase		Decrease		
Name	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income (Note)	Purchase or issue	Transfer into Level 3 (a)(b)	Sale, disposal or settlement	Transfer out of Level 3 (b)(c)	Ending balance
Financial assets measured at fair value through profit or loss	$ 176,556,944	19,990	2,179,386	44,198,042	-	31,197,047	-	191,757,315
Financial assets measured at fair value through other comprehensive income	27,379,738	37,436	(1,843,674)	848,969	-	279,515	15,874,086	10,268,868
Investment property	264,207,164	(5,327,618)	881,063	336,491	34,163	-	-	260,131,263
Total	$ **468,143,846**	**(5,270,192)**	**1,216,775**	**45,383,502**	**34,163**	**31,476,562**	**15,874,086**	**462,157,446**

(a) Transferred to Level 3 because of a lack of observable market data, resulting from a decrease in market activity for the securities.

(b) The Group's policy is to recognize transfers into and transfers out of Level 3 as of the date of the event or change in circumstances that caused the transfers.

(c) Transferred from Level 3 because observable market data became available for the securities.

Note: Gains or losses on financial assets measured at fair value through profit or loss was reclassified to other comprehensive income by applying the overlay approach.

	For the years ended December 31,	
	2023	**2022**
The amount of the total gains or losses for the period included in profit or loss that is attributable to the change in unrealized gains or losses relating to these assets and liabilities held at the end of the reporting period	**$ (3,429,982)**	**(5,277,639)**
The amount of the total gains or losses for the period included in other comprehensive income that is attributable to the change in unrealized gains or losses relating to these assets and liabilities held at the end of the reporting period	**$ 2,687,954**	**1,187,930**

(4) Quantitative information about the significant unobservable inputs used in the fair value measurement

Financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property of the Group are categorized in Level 3.

Because of the inability to comprehensively manage the relationship of significant unobservable inputs to fair value, the undisclosed quantitative information about fair value are as follows：

December 31, 2023	December 31, 2022
$ 220,125,317	190,464,372

Quantitative information about the significant unobservable inputs are as follows:

Accounting classification	Fair value	Valuation techniques	Significant unobservable input	Range (weighted-average)	Relationship between inputs and fair value
	December 31, 2023				
Financial assets measured at fair value through profit or loss	$ 2,272,654	Asset-based Approach	Discount for lack of marketability	5%	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach － comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	1.3~4.3(2.8)	The higher the P/B ratio, the higher the fair value
		Black-Scholes Model	Risk-free rate	1 years : 3.53%~4.31% 3 years : 2.97%~3.63% 10 years : 3.49%~4.27%	The higher the risk-free rate, the higher the call warrant value but the lower the put option value
			Volatility	6 years : 25.6%~31.29% 39.78%~48.62%	The higher the volatility, the higher the fair value
			Underlying stock price	HK$68,344,615 ~$83,532,307 US$2,883,980 ~$3,524,865	The higher the underlying stock price, the higher the call warrant value but the lower the put option value
Financial assets measured at fair value through other comprehensive income	7,874,035	Asset-based Approach	Discount for lack of marketability	0%~20% (9.44%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach － comparable companies	Discount for lack of marketability	11.79%~50% (28.93%)	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	1.7~3.6 (2.65)	The higher the P/B ratio, the higher the fair value
		Discounted Cash Flow Method	Discount rate	4.17%~4.56%	The higher the discount rate, the lower the fair value
			Credit spread	0.22%~15.78%	The higher the credit spread, the lower the fair value
			Prepayment rate	0.51%~0.74%	The higher the prepayment rate, the higher the fair value
Investment property	267,295,114	Please refer to Note 6(G)			

	December 31, 2022				
Accounting classification	**Fair value**	**Valuation techniques**	**Significant unobservable input**	**Range (weighted-average)**	**Relationship between inputs and fair value**
Financial assets measured at fair value through profit or loss	$ 1,987,249	Asset-based Approach	Discount for lack of marketability	5%~10%(5.83%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach － comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			P/E ratio	8.9	The higher the P/E ratio, the higher the fair value
			P/B ratio	5.6	The higher the P/B ratio, the higher the fair value
		Black-Scholes Model	Risk-free rate	3 years : 3.52%~4.31% 5 years : 3.33%~4.07% 10 years : 3.49%~4.26%	The higher the risk-free rate, the higher the call warrant value but the lower the put option value
			Volatility	3 years : 24.90%~30.44% 39.78%~48.62%	The higher the volatility, the higher the fair value
			Underlying stock price	HK$184,530,277 ~$225,537,005 US$3,789,85 ~$4,632,047	The higher the underlying stock price, the higher the call warrant value but the lower the put option value
Financial assets measured at fair value through other comprehensive income	9,574,562	Asset-based Approach	Discount for lack of marketability	0%~20% (10.56%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%~20% (11.11%)	The higher the non-controlling discount, the lower the fair value
		Market Approach － comparable companies	Discount for lack of marketability	11.58%~28% (20.53%)	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	1.5~3.1 (2.3)	The higher the P/B ratio, the higher the fair value
		Discounted Cash Flow Method	Discount rate	4.80%~5.26%	The higher the discount rate, the lower the fair value
			Credit spread	0.22%~18.08%	The higher the credit spread, the lower the fair value
			Prepayment rate	0%~1.21%	The higher the prepayment rate, the higher the fair value
Investment property	260,131,263	Please refer to Note 6(G)			

(5) Valuation processes for fair value measurements categorized within Level 3

When the Group’ s fair value measurement uses both unobservable inputs and observable inputs which need a significant adjustment based on the unobservable parameters, the asset or liability is categorized in Level 3. The inputs come from:

(a) Prices referring from the professional finance information providers, which are not different for each acquirer and shall be acquired through specific facility.

(b) Prices referring from quoted prices from counter parties or valuation institute. Price information is provided on a monthly or quarterly basis and shall be kept properly. Valuation shall be reviewed regularly to ensure the consistency with reference pricing source and the reasonability of the valuation.

(c) Prices of equity investment referring from market approach and valuation model.

(d) Prices of loans referring from discounted cash flow method.

(e) Prices of derivatives referring from the valuation model.

Investment property is evaluated by the professional appraisal agency in accordance with the valuation techniques announced by FSC.

(6) Sensitivity and reasonableness of the fair value measurements categorized within Level 3

The fair value measurement of financial instruments and investment property are reasonable. Because of the inability to comprehensively manage the relationship of significant unobservable input to fair value, the Group does not perform alternative or sensitivity test for the items that are partially categorized within Level 3 and not valued by the Group. The following table summarizes the effects to profit or loss and other comprehensive income resulting from 10% changes in the valuation parameters of those financial instruments categorized within Level 3 valued by the Group and partially by the professional finance information providers:

December 31, 2023	Profit or loss		Other comprehensive income (Note)	
Items	**Favorable**	**Unfavorable**	**Favorable**	**Unfavorable**
Assets				
Financial assets measured at fair value through profit or loss	$ 58,643	(53,458)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	89,110	(89,109)
Total	**$ 58,643**	**(53,458)**	**89,110**	**(89,109)**

December 31, 2022	Profit or loss		Other comprehensive income (Note)	
Items	**Favorable**	**Unfavorable**	**Favorable**	**Unfavorable**
Assets				
Financial assets measured at fair value through profit or loss	$ 65,509	(65,023)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	109,262	(110,063)
Total	**$ 65,509**	**(65,023)**	**109,262**	**(110,063)**

Note: Gains or losses on financial assets measured at fair value through profit or loss was reclassified to other comprehensive income by applying the overlay approach.

(c) Assets and liabilities not measured at fair value

(1) Fair value information

Other than the items stated in the table below, disclosures of fair value are not required for the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, receivables, other financial assets — cash in bank, loans, accounts payable and short-term liabilities) and their carrying amount is a reasonable approximation of fair value, and lease liabilities.

Items	Carrying amount	Fair value
December 31, 2023		
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 2,637,975,710	2,190,813,195
Financial liabilities		
Bonds payable	98,210,506	97,136,021
December 31, 2022		
Financial assets		
Financial assets measured at amortized cost (Note 1)	2,264,612,891	1,890,407,223
Financial liabilities		
Bonds payable	70,636,657	68,986,321

Note 1: Government bonds provided as statutory deposits were included.

Note 2: For fair value adjustments details, please refer to Note 6(AD)(a)(4).

(2) Fair value hierarchy

	December 31, 2023			
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets:				
Financial assets measured at amortized cost	$ 2,190,813,195	1,335,252,146	666,128,567	189,432,482
Financial liabilities:				
Bonds payable	97,136,021	-	79,055,828	18,080,193

Assets and liabilities items	December 31, 2022 Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets:				
Financial assets measured at amortized cost	$ 1,890,407,223	948,782,437	765,892,033	175,732,753
Financial liabilities:				
Bonds payable	68,986,321	-	54,073,140	14,913,181

(AE) Financial risk management

(a) Risk management system

(1) The organization structure of risk management

The Company sets Risk Management Committee which is under the jurisdiction of the board of directors and was convened by independent directors. It is to supervise the overall risk control of the Company and report to the board of directors regularly. In order to effectively examine the Company' s risk management operation, two special committees were established.

1) Assets and Liabilities Management Committee: The chairman of the Company or appointed personnel serves as the chairman of the committee. The committee is to consider the balance between assets and liabilities, set up the strategic target of assets and liabilities and supervise the execution progress.

2) Operational Risk Management Committee: It is convened by the president to supervise and manage the operational risk of the Company in order to assure the management adopts appropriate risk management procedures within its authority. Furthermore, in order to assist all business units to carry out the risk control and to facilitate the coordination of other risk control affairs, the Company's board of directors designates a chief risk officer to be in charge of a risk management department which is independent of all business units. The risk management department executes or assists to execute risk control duty following the regulation of risk management policy, organization rules governing the risk management committee and organization rules governing the risk related committee. The Company has established diverse risk management policies, risk limits and stop-loss prevention and assessment policy, hierarchical authorization, and risk assessment criteria in order to facilitate effective risk management.

The risk management mechanism of the subsidiaries is conducted per the relevant regulations of local authority and the risk management rules of the Company. It is to control certain risks such as market, credit and liquidity risk and measure and evaluate the overall investment position regularly. The risk management staff prepares management and evaluation internal monitoring reports for various risks.

(2) Risk management policies

The Company pronounced Risk Management Policy under the consent of the board of directors. The policy regulates the strategy and target as well as the mechanism of risk management. The risk management strategy is based on the regulation of overall operation target, management strategy and risk management. It is to establish appropriate risk management system and management procedure so as to identify, evaluate, measure, supervise, respond and report potential risk. Through the announcement of the risk management policies, the Company established clear management targets, controlling methods and the responsibilities for respective departments to ensure the operating capital is adequate and to create profit for shareholders.

The subsidiaries also set up risk management policies or rules as the basis of risk management.

(3) Risk management process

The process of the Company’s risk management includes: Risk identification, risk measurement, risk monitoring and risk report.

1) Risk identification: Risk factors refer to the internal and external factors which may subject the Company to certain risks during the operating process; risk identification is to confirm various risk factors and the sources of the risks from investing activities.

2) Risk measurement: To set up quantitative and qualitative risk management methods, indices and models and generate relevant risk management reports to effectively identify, measure and monitor risk exposure and to adopt effective procedures to diminish, transfer and control the risks under an acceptable extent.

3) Risk monitoring: Through risk management methods, mechanism and reports to continuously monitor various risk exposure in order to control and respond in time.

4) Risk report: Except for the regular report during the monitoring process, the risk management staff shall report immediately when abnormal or other special situation occurs and take appropriate actions (including the diminishing, control, transfer and tolerating of risk) to minimize the possible impact to the Company.

In accordance with the internal risk management policies, the Company controls risks such as market risk, credit risk, liquidity risk, operation risk, insurance risk, assets and liabilities coordination risk. In addition to the arrangement regulated by the authorities, the Company also established measurement and evaluation management mechanism to regularly prepare management and evaluation monitoring report for various risks.

The subsidiaries set up appropriate management process and risk monitoring in accordance with their characteristics, development stage and regulations.

(4) Risk hedging and diminishing strategy

The Company takes capital scale and risk tolerance into consideration and review capital adequacy ratio regularly to ensure the capital is adequate. Furthermore, by combining several business aspects such as the understanding of the market status, the Company' s operating strategy, product characteristics and risk control, the Company also analyzes the risk structure and risk level of the overall position and constrains the Company' s risk within the pre-approved extent or adjusts the Company's risk to a tolerable extent. The execution of risk hedging and diminishing strategy is adjusted based on the risk tolerance of the Company.

The subsidiaries managed risk tolerance in accordance with their characteristics, development stage and local regulations.

(b) Credit risk analysis

Credit risk refers to the risk resulted from the deterioration of the credit status of the investment, the descending of credit rating, the credit risk event which can be attributed to the default of contracts, and the default of the issuers or counterparties for fulfilling their obligation. The Group may suffer losses from these incidents.

(1) Analysis of credit risk concentration

The following are credit risk exposure of the Group’ s debt instruments and derivative instruments as well as loans distributed by industry and geographic area.

Credit risk exposure by industry

Financial assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Industrial enterprise	$ 171,155,980	5.22	163,091,149	5.04
Public business	135,313,177	4.13	133,703,650	4.13
Diversification	7,354,498	0.22	7,348,880	0.23
Mortgage backed securities	37,166,984	1.13	37,682,168	1.16
Financial sector	1,249,318,288	38.09	1,207,727,549	37.29
Consumer staples	296,742,087	9.05	281,768,117	8.70
Government	469,117,356	14.30	506,140,174	15.63
Technology	102,891,957	3.14	97,494,116	3.01
Raw material	76,136,685	2.32	71,574,169	2.21
Consumer discretionary	69,160,843	2.11	67,864,310	2.09
Energy	208,458,534	6.36	199,413,020	6.16
Assets backed securities	30,260,611	0.92	30,235,763	0.93
Telecommunication	225,966,540	6.89	219,539,422	6.78
Other	200,670,935	6.12	215,183,498	6.64
Subtotal	3,279,714,475	100.00	3,238,765,985	100.00
Fair value adjustment through business combination	(261,698)		(105,734)	
Total	$ 3,279,452,777	100.00	3,238,660,251	100.00

Credit risk exposure by geographic area

Financial assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Taiwan	$ 489,793,680	14.93	565,437,802	17.46
Asia except Taiwan	413,866,717	12.62	401,819,753	12.41
North America	1,514,412,635	46.18	1,438,416,855	44.41
Middle and South America	110,047,456	3.35	103,495,174	3.19
Europe	531,640,777	16.21	511,526,899	15.80
Africa/Middle East	219,953,210	6.71	218,069,502	6.73
Subtotal	3,279,714,475	100.00	3,238,765,985	100.00
Fair value adjustment through business combination	(261,698)		(105,734)	
Total	$ 3,279,452,777	100.00	3,238,660,251	100.00

Note: The Group operates credit business in the energy industry in Taiwan in 2023. As of December 31, 2023, loan commitment credit exposures of the off-balance sheet amount was $8,000,000 thousand, which was not included in the above-mentioned industry and geographic area table.

(2) Categories for credit risk quality

The Group internally categories the credit risk into three levels, which are low risk, medium risk and high risk. The definition of each level is as follows:

1) Low risk: The issuers or the counterparties are rated as robust or above to fulfill their obligation of the contracts. Even under various negative news or disadvantageous economic conditions, the companies are financially capable of dealing with the situations.

2) Medium risk: The issuers or the counterparties have lower capability of fulfilling their obligation. Negative news or disadvantageous economic conditions may weaken their financial statuses and result in the doubt of asset impairment or the loss of the Group.

3) High risk: The possibility that the issuers or counterparties fulfill their obligation is remote and mainly relies on the business environment. Negative news or disadvantageous economic conditions will lower their ability and willingness to fulfill their obligation.

The Group’s credit analysis for debt instruments, loans, other financial assets and related accounts receivable are as follows:

	December 31, 2023												
	stage1				stage2				stage3				
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total	Loss allowance	Total
Accounts receivable － interests receivable(inclueing overdue receivable)	$ 30,724,321	822,368	351	31,547,040	152	165	2	319	1,924,528	-	1,924,528	1,958,228	31,513,659
Financial assets measured at fair value through other comprehensive income － debt instruments (Note 2)	263,859,800	5,159,527	-	269,019,327	-	-	-	-	2,447,179	-	2,447,179	(Note1)	271,466,506
Financial assets measured at amortized costs (Note 2)	2,590,516,669	35,556,633	-	2,626,073,302	-	-	-	-	15,053,342	-	15,053,342	3,045,555	2,638,081,089
Other financial assets	4,053,729	578,005	-	4,631,734	-	-	-	-	-	-	-	4,565	4,627,169
Loans (Note 2)	188,425,342	37,222,064	294,510	225,941,916	951,338	4,598,728	566	5,550,632	691,535	-	691,535	1,834,670	230,349,413
Total	**$ 3,077,579,861**	**79,338,597**	**294,861**	**3,157,213,319**	**951,490**	**4,598,893**	**568**	**5,550,951**	**20,116,584**	**-**	**20,116,584**	**6,843,018**	**3,176,037,836**

	December 31, 2022												
	stage1				stage2				stage3				
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total	Loss allowance	Total
Accounts receivable － interests receivable(inclueing overdue receivable)	$ 30,398,739	869,714	386	31,268,839	181	105	1	287	982,986	1	982,987	931,986	31,320,127
Financial assets measured at fair value through other comprehensive income － debt instruments (Note 2)	593,343,810	8,983,605	-	602,327,415	-	3,919	-	3,919	3,117,050	-	3,117,050	(Note1)	605,448,384
Financial assets measured at amortized costs (Note 2)	2,209,654,559	41,843,688	-	2,251,498,247	-	-	-	-	15,107,287	-	15,107,287	1,936,549	2,264,668,985
Other financial assets	4,140,629	679,825	-	4,820,454	-	-	-	-	-	-	-	2,847	4,817,607
Loans (Note 2)	204,239,817	43,566,273	373,549	248,179,639	1,910,081	784,361	651	2,695,093	744,260	799	745,059	1,886,222	249,733,569
Total	**$ 3,041,777,554**	**95,943,105**	**373,935**	**3,138,094,594**	**1,910,262**	**788,385**	**652**	**2,699,299**	**19,951,583**	**800**	**19,952,383**	**4,757,604**	**3,155,988,672**

Note 1: Please refer to Note 6(AD)(b)(8) for further information of the loss allowance of debt instruments measured at FVOCI.

Note 2: Fair value adjustments from business combinations of financial assets measured at fair value through other comprehensive income, financial assets measured at amortized cost and loans for December 31, 2023 and 2022 were $(113,907) thousand and $(105,379) thousand, $(42,412) thousand and $0 thousand, $(56,094) thousand and $(49,640) thousand, respectively.

Note 3: The Group operates credit business in 2023. As of December 31, 2023, loan commitment credit exposures of the off-balance sheet was 8,000,000 thousand, and the recognized loan commitments reserve was $16,000 thousand, which was not included in the above-mentioned table.

(3) Determination on the credit risk that has increased significantly since initial recognition

1) The Group determines whether the credit risk of financial instruments applying the impairment requirements in IFRS 9 increased significantly since the initial recognition on each reporting date. For this assessment, the Group considers the reasonable and supportable information that shows the credit risk increased significantly since initial recognition (including forward looking information). The main considerations include: external credit rating, market price decline, credit spreads, quantitative and qualitative information.

2) Low credit risk: it may be assumed that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

(4) The definition of default and credit-impaired financial assets

The Group’s definition of default on financial assets is as follows, if one or more conditions are met, it is determined that the financial asset has defaulted. However, it is not limited to this, all obviously objective evidences as a result of the inability of the debt or its credit-linked company to be repaid are treated as a breach of contract and the credible impairment procedure will be proceeded.

1) Bankruptcy:

Enter bankruptcy procedures in accordance with the “ Bankruptcy Law” , resolution for dissolution or takeover by the government, recognition of failure to pay loans on maturity date etc.

2) Failure to pay:

After the expiration of the grace period, the principal or interest could not be paid on contract.

3) Debt restructuring:

Due to financial difficulties, the borrower negotiated with the creditor for debt relief, extension or re-planning. The debt instrument held by the Group has been impaired because of the borrower’s application for debt restructuring.

4) Repudiation or moratorium:

Unilaterally refuses or denies any legality or validity of debt, and refuses or defers payment.

5) Cross default or accelerated expiry:

A credit default of a credit-linked company or related institution's other debts or similar events that caused the early repayment of debt or breach of contract.

6) The company completely suspended its operations because of local government orders.

(5) Measurement of expected credit loss

1) The methodology and assumption applied

Expected credit loss is a probability-weighted estimate of credit losses for a specific period, and the period is based on whether the credit risk of the financial instruments have increased significantly since initial recognition. If the financial assets are determined to have low credit risk or no significant increase in credit risk, an amount equal to 12-month expected credit losses will be recognized. The impairment requirement is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition or credit impaired.

In order to measure expected credit losses, the Group adopts Probability of default ("PD"), and include Loss given default ("LGD") and Exposure at default ("EAD"), and consider the impact of the time value of money, to calculate the expected credit losses for 12-month and lifetime, respectively.

2) Forward looking information considerations

The Probability of default and Loss given default, the Group used in debt instruments, are based on the information released by Moody's, an international credit rating agency. The Probability of default is based on the future macroeconomic status with implied market data predictions to adjust the forward looking PD, the Loss given default is based on the recovery rate of bonds by Moody's. The Exposure at default is measured by the amortized cost of the financial assets (including accrued interest). The Probability of default and Loss given default used by the Group for loans are internal historical information (such as credit loss experience) which is adjusted based on current observable data and forward-looking macroeconomic information (e.g., consumer price index and the unemployment rate). The Exposure at default is measured by the amortized cost (including accrued interest).

The estimation techniques or material assumptions made by the Group to assess expected credit losses have no significant changes during the year.

(6) Policies to hedge or mitigate credit risk

1) Collateral

The Group requires full collateral from the borrowers and set up lending policies to decrease credit risk. The amount of loan is evaluated based on borrower' s ability to pay back, the type of collateral and the difficulty of its liquidation to ensure collection. Besides, creditor protection, collateral terms and offsetting terms are all addressed in the credit contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, in order to mitigate credit risks.

2) Enhancement of other credits

The Group have offsetting terms within credit contracts, which clearly define that all cash payments from debtors may be offset against their liabilities upon a credit event, in order to mitigate credit risk.

For the clients whom the Group considers to be incompetent to repay the loans, the Group would request one or more joint guarantors to enhance the guarantee for the creditor's right.

(7) The maximum credit risk exposure of the Group

The maximum credit risk exposure of the assets on the consolidated balance sheet, excluding collaterals or other credit enhancement tools, is the carrying amount of the assets.

The maximum exposure of assets used as collaterals, master netting arrangement and other credit enhancements is the carrying amount on the consolidated balance sheet.

(8) Changes in the loss allowance

The reconciliation in loss allowance of loans for the years ended December 31, 2023 and 2022 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9	Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	Total
Balance of January 1, 2023	$ 21,994	13,715	209	53,142	31	89,091	1,797,119	1,886,210
Changes due to financial instruments recognized as at beginning:								
－Transfer to lifetime expected credit losses	(2,314)	3,474	265	(1,425)	-	-	-	-
－Transfer to credit-impaired financial assets	(36)	(874)	(19)	929	-	-	-	-
－Transfer to 12-month expected credit losses	3,653	(2,788)	(31)	(834)	-	-	-	-
－Financial assets that have been derecognized during the period	(2,558)	(4,086)	(18)	(10,485)	(31)	(17,178)	-	(17,178)
New financial assets originated or purchased	2,117	66,288	-	-	-	68,405	-	68,405
Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	-	-	-	-	-	-	(294,841)	(294,841)
Write-off bad debts	-	-	-	(19,933)	-	(19,933)	-	(19,933)
Changes in models/risk parameters	(1,420)	182,131	(286)	34,975	-	215,400	-	215,400
Foreign exchange and other movements	(699)	(1,482)	-	(1,310)	-	(3,491)	-	(3,491)
Balance of December 31, 2023	**$ 20,737**	**256,378**	**120**	**55,059**	**-**	**332,294**	**1,502,278**	**1,834,572**

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9	Impairment difference recognized in accordance with "Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises"	Total
Balance of January 1, 2022	$ 35,954	12,395	793	55,952	33	105,127	2,109,375	2,214,502
Changes due to financial instruments recognized as at beginning:								
－Transfer to lifetime expected credit losses	(508)	869	16	(377)	-	-	-	-
－Transfer to credit-impaired financial assets	(34)	(901)	(177)	1,112	-	-	-	-
－Transfer to 12-month expected credit losses	4,338	(3,985)	(106)	(247)	-	-	-	-
－Financial assets that have been derecognized during the period	(22,588)	(1,372)	(132)	(2,186)	(2)	(26,280)	-	(26,280)
New financial assets originated or purchased	14,746	1,244	-	91	-	16,081	-	16,081
Impairment difference recognized in accordance with "Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises"	-	-	-	-	-	-	(312,256)	(312,256)
Write-off bad debts	-	-	-	(5,793)	-	(5,793)	-	(5,793)
Changes in models/risk parameters	(10,877)	4,819	(185)	2,746	-	(3,497)	-	(3,497)
Foreign exchange and other movements	963	646	-	1,844	-	3,453	-	3,453
Balance of December 31, 2022	**$ 21,994**	**13,715**	**209**	**53,142**	**31**	**89,091**	**1,797,119**	**1,886,210**

Note1: As of December 31, 2023 and 2022, loss allowance for loans with investment-linked insurance amounted at $98 thousand and $12 thousand were not included on the above-mentioned movement.

Note2: As of December 31, 2023, the Group had recognized loan commitments reserve of $16,000 thousand for irrevocable loan commitment related to the loans business, which was not included in the above mentioned table. There was no such transaction as of December 31, 2022.

The reconciliation in loss allowance of financial assets measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2023	$ 132,221	73	-	1,028,304	-	1,160,598
Changes due to financial instruments recognized as at beginning:						
－Transfer to credit-impaired financial assets	(83)	-	-	83	-	-
－Transfer to 12-month expected credit losses	2,436	(32)	-	(2,404)	-	-
－Financial assets that have been derecognized during the period	(13,792)	(42)	-	(22,547)	-	(36,381)
New financial assets originated or purchased	9,225	-	-	-	-	9,225
Write-offs	-	-	-	(1,858)	-	(1,858)
Changes in model/risk parameter	18,207	-	-	22,987	-	41,194
Foreign exchange and other movements	(81,333)	1	-	(33,974)	-	(115,306)
Balance of December 31, 2023	**$ 66,881**	**-**	**-**	**990,591**	**-**	**1,057,472**

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2022	$ 320,062	1,502	-	143,623	-	465,187
Changes due to financial instruments recognized as at beginning:						
—Transfer to lifetime expected credit losses	-	1,493	-	(1,493)	-	-
—Transfer to credit-impaired financial assets	(9,010)	(201)	-	9,211	-	-
—Transfer to 12-month expected credit losses	2,841	(21)	-	(2,820)	-	-
—Financial assets that have been derecognized during the period	(71,252)	(1,176)	-	(28,182)	-	(100,610)
New financial assets originated or purchased	28,011	-	-	-	-	28,011
Write-offs	-	-	-	(56,130)	-	(56,130)
Changes in model/risk parameter	(145,770)	(1,448)	-	898,849	-	751,631
Foreign exchange and other movements	7,339	(76)	-	65,246	-	72,509
Balance of December 31, 2022	**$ 132,221**	**73**	**-**	**1,028,304**	**-**	**1,160,598**

Note: The sheet is prepared on basis of overall changes of the Group during the reporting period. As a result, the sheet includes accumulated impairment loss of the subsidiary upon business combination.

The reconciliation in expected credit losses of financial assets measured at amortized cost for the years ended December 31, 2023 and 2022 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2023	$ 522,443	-	-	1,414,106	-	1,936,549
Changes due to financial instruments recognized as at beginning:						
－Financial assets that have been derecognized during the period	(10,887)	-	-	-	-	(10,887)
New financial assets originated or purchased	3,531	-	-	-	-	3,531
Changes in model/risk parameter	654,846	-	-	450,780	-	1,105,626
Foreign exchange and other movements	82,046	-	-	(71,310)	-	10,736
Balance of December 31, 2023	**$ 1,251,979**	**-**	**-**	**1,793,576**	**-**	**3,045,555**

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2022	$ 1,256,846	-	-	-	-	1,256,846
Changes due to financial instruments recognized as at beginning:						
－Transfer to credit-impaired financial assets	(14,121)	-	-	14,121	-	-
－Financial assets that have been derecognized during the period	(153,288)	-	-	-	-	(153,288)
New financial assets originated or purchased	14,886	-	-	-	-	14,886
Changes in model/risk parameter	(630,959)	-	-	1,298,361	-	667,402
Foreign exchange and other movements	49,079	-	-	101,624	-	150,703
Balance of December 31, 2022	**$ 522,443**	**-**	**-**	**1,414,106**	**-**	**1,936,549**

Note: The sheet is prepared on basis of overall changes of the Group during the reporting period. As a result, the sheet includes accumulated impairment loss of the subsidiary upon business combination.

The reconciliation in expected credit losses of other financial assets for the years ended December 31, 2023 and 2022 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2023	$ 2,847	-	-	-	-	2,847
Changes due to financial instruments recognized as at beginning:						
－Financial assets that have been derecognized during the period	(30)	-	-	-	-	(30)
New financial assets originated or purchased	61	-	-	-	-	61
Changes in model/risk parameter	1,809	-	-	-	-	1,809
Foreign exchange and other movements	(122)	-	-	-	-	(122)
Balance of December 31, 2023	**$ 4,565**	**-**	**-**	**-**	**-**	**4,565**

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2022	$ 3,136	-	-	-	-	3,136
Changes due to financial instruments recognized as at beginning:						
－Financial assets that have been derecognized during the period	(231)	-	-	-	-	(231)
New financial assets originated or purchased	220	-	-	-	-	220
Changes in model/risk parameter	(460)	-	-	-	-	(460)
Foreign exchange and other movements	182	-	-	-	-	182
Balance of December 31, 2022	**$ 2,847**	**-**	**-**	**-**	**-**	**2,847**

(c) Liquidity risk analysis

The liquidity risk of financial instruments is divided into capital liquidity risk and market liquidity risk. Capital liquidity risk refers to the risk that the Group does not possess sufficient cash and is not able to raise funds in time and finally failed to fulfill the obligation (debt repayment); market liquidity risk refers to the risk that the Group is not able to settle or offset current position with reasonable market price due to the shallow market depth or market disorder or the oversized possession of the investment position and finally the Group may suffer from losses.

In terms of capital liquidity risk, the Group manages it in two aspects, short term and mid-to-long term. In addition to setting the index of management of short-term liquidity risk, relevant departments have established prompt cash report mechanism and have applied proper currency market instruments for daily capital movement. Besides, the Group has established the index of mid-to-long term capital liquidity risk management reviewed by the Assets and Liabilities Management Committee. The Group applies cash flow analysis model to monitor the coordination of assets and liabilities in order to lower related risks.

Regarding the market liquidity risk, the risk management department of the Group established monitoring mechanism based on internal management policies and relevant regulations for stock concentration, the overall liquidity of investment positions and the evaluation of market liquidity risk performed by the investment department prior to transactions in order to mitigate the market liquidity risk.

In addition, the Group established complete crisis management and responding mechanism to cope with significant capital demand of unusual or emergent situations.

The Group possesses sufficient operating funds, including cash and cash equivalents and securities with excellent liquidity such as government bond, to cover the investments and debt repayments. Therefore, the liquidity risk of the Group is extremely low. In addition, the derivative financial instruments the Group engages in, such as forward exchange contracts and foreign exchange swaps, are all of highly liquid currencies. The possibility that they are not able to be sold at reasonable prices in the market is minimum, and therefore the market liquidity risk is low. Furthermore, forward exchange contracts and foreign exchange swaps which matured are mostly rolled forward and the capital to pay for the settlements is sufficient. Thus, the capital liquidity risk is insignificant.

The maturity structure of the non-derivative financial liabilities of the Group is listed below:

	December 31, 2023				
	<1 year	1~3 years	3~5 years	>5 years	Total
Accounts payable	$ 52,761,527	288,677	-	-	53,050,204
Bonds payable (Note1)	3,812,647	36,061,853	11,908,438	76,632,265	128,415,203
Total	**$ 56,574,174**	**36,350,530**	**11,908,438**	**76,632,265**	**181,465,407**

	December 31, 2022				
	<1 year	1~3 years	3~5 years	>5 years	Total
Accounts payable	$ 61,814,967	256,964	-	-	62,071,931
Short-term liabilities	12,217,500	-	-	-	12,217,500
Bonds payable (Note 1)	4,243,366	5,067,478	38,927,930	39,757,754	87,996,528
Total	**$ 78,275,833**	**5,324,442**	**38,927,930**	**39,757,754**	**162,285,959**

Note 1: The disclosed amounts included estimated interests and thus cannot be equal to the relevant accounts in the financial statements. In addition, for bonds payable without maturity date, the contractual cash flows were calculated based on a remaining maturity of 10 years.

Note 2: The Group operates credit business in 2023. As of December 31, 2023, loan commitment credit exposures of the off-balance sheet were $8,000,000 thousand, and the recognized loan commitments reserve was $16,000 thousand. Among the total amount of the loan commitment, $3,592,000 thousand will be due within a year and $4,408,000 thousand will be due in 1 to 3 years.

As of December 31, 2023 and 2022 the Group's lease liability maturity analysis, please refer to Note 6(R).

The maturity structure of the derivative financial liabilities of the Group is listed below:

	December 31, 2023				
	<1 year	1~3 years	3~5 years	>5 years	Total
Financial liabilities measured at fair value through profit or loss	$ 1,449,157	137,309	-	-	1,586,466
Financial liabilities for hedging	400,818	317,259	-	-	718,077
Total	**$ 1,849,975**	**454,568**	**-**	**-**	**2,304,543**

	December 31, 2022				
	<1 year	**1~3 years**	**3~5 years**	**>5 years**	**Total**
Financial liabilities measured at fair value through profit or loss	$ 29,332,636	-	-	-	29,332,636
Financial liabilities for hedging	3,794,583	171,124	-	-	3,965,707
Total	**$ 33,127,219**	**171,124**	**-**	**-**	**33,298,343**

(d) Market risk analysis

Market risk refers to the risk that the value of assets decreases due to disadvantageous movement of the market price and this may result in a loss to the Group. The risk factors of the market price fluctuation include interest rates, foreign exchange rates, stock prices, and commodity prices.

Guided by Assets and Liabilities Management Committee or related functional units, the Group takes financial environment, all the economic indicators, liability risk properties and ALM into account, to choose appropriate investment target through risk control mechanism. Under the consent of regulatory framework and market environment, choosing and acquisition of long-term assets is monitored by the Assets and Liabilities Management Committee or related functional units. This is to allow assets and liabilities to coordinate better in terms of payment terms and profits, to pursue long term business and protect the rights of policyholders. This will also reduce the influence on insurance contract caused by market risk and eventually lower the potential loss to the Group.

The Group widely applies various risk management instruments to measure market risk. The primary methods adopted would be Value at Risk (VaR) and Sensitivity Analysis. By using these instruments, the Group is able to measure, monitor and manage market risk completely and effectively.

(1) Value at Risk

Value at Risk is to apply statistical techniques to measure the maximum potential loss of the investment portfolio resulted from market risk factor variation in a given period of time and under certain confidence interval. The 99% of the confidence interval is applied to predict the VaR in the next 10 days.

The VaR model applied to manage risk shall be examined retrospectively and continuously to ensure the ability of measuring the maximum potential risk of the portfolios reasonably, completely and accurately.

(2) Sensitivity analysis

Besides using VaR to manage market risk, the Group adopts sensitivity analysis to serve as a basis for corporate risk analysis, risk alert and operation management. Sensitivity analysis is to measure the amount changed in the portfolio value resulted from the variation of single risk factor. This will facilitate the Group to understand how each variation of risk factors may influence the portfolios in certain extreme scenarios.

Sensitivity analysis (The Company)

Units: NT$'000

December 31, 2023			
Risk factor	**Variation**	**Change in profit or loss**	**Change in Equity**
Equity risk (Price index)	Price incline by 10%	-	84,069,919
	Price decline by 10%	-	(84,069,919)
Interest rate risk (Yield curve)	Interest rate curve (USD) incline by 50BPS	(10,365)	(29,985,054)
	Interest rate curve (NTD) incline by 50BPS	-	(7,769,860)
	Interest rate curve (Other currency) incline by 50BPS	(352)	(212,838)
	Interest rate curve (USD) decline by 50BPS	10,403	29,878,158
	Interest rate curve (NTD) decline by 50BPS	-	8,088,430
	Interest rate curve (Other currency) decline by 50BPS	353	216,712
Exchange rate risk (Foreign exchange rate)	NT$ to all currency incline by 3%	(8,351,446)	(12,323,822)
	NT$ to all currency decline by 3%	8,351,446	12,323,822

December 31, 2022			
Risk factor	**Variation**	**Change in profit or loss**	**Change in Equity**
Equity risk (Price index)	Price incline by 10%	-	66,468,482
	Price decline by 10%	-	(66,468,482)
Interest rate risk (Yield curve)	Interest rate curve (USD) incline by 50BPS	(6,905)	(40,453,537)
	Interest rate curve (NTD) incline by 50BPS	-	(8,953,128)
	Interest rate curve (Other currency) incline by 50BPS	(320)	(358,804)
	Interest rate curve (USD) decline by 50BPS	6,928	42,393,727
	Interest rate curve (NTD) decline by 50BPS	-	9,300,540
	Interest rate curve (Other currency) decline by 50BPS	321	371,254
Exchange rate risk (Foreign exchange rate)	NT$ to all currency incline by 3%	(12,280,352)	(10,281,863)
	NT$ to all currency decline by 3%	12,280,352	10,281,863

Sensitivity analysis (Subsidiary - Fubon Hyundai Life Insurance)

Units: KRW'000

December 31, 2023			
Risk factor	**Variation**	**Change in profit or loss**	**Change in Equity**
Equity risk (Price index)	Price incline by 10%	-	155,190,122
	Price decline by 10%	-	(155,190,122)
Interest rate risk (Yield curve)	Interest rate curve (USD) incline by 50BPS	-	(43,472,456)
	Interest rate curve (KRW) incline by 50BPS	-	(36,332,162)
	Interest rate curve (USD) decline by 50BPS	-	46,254,237
	Interest rate curve (KRW) decline by 50BPS	-	37,396,824
Exchange rate risk (Foreign exchange rate)	KRW to all currency incline by 3%	12,079,048	-
	KRW to all currency decline by 3%	(12,079,048)	-

December 31, 2022			
Risk factor	**Variation**	**Change in profit or loss**	**Change in Equity**
Equity risk (Price index)	Price incline by 10%	-	125,434,910
	Price decline by 10%	-	(125,434,910)
Interest rate risk (Yield curve)	Interest rate curve(KRW) incline by 50BPS	-	(52,211,254)
	Interest rate curve(KRW) decline by 50BPS	-	54,095,718
Exchange rate risk (Foreign exchange rate)	KRW to all currency incline by 3%	4,511,659	-
	KRW to all currency decline by 3%	(4,511,659)	-

Note1: The sensitivity analysis of equity risk and interest rate risk mainly includes financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The scenario of equity risk includes stock and fund but excludes monetary funds and bond funds. As for the scenario of interest rate risk, it includes bonds and bond funds. The position of sensitivity analysis of exchange rate variation excludes foreign currency insurance policy, OIU assets and overseas funds denominated in NTD.

Note2: The abovementioned sensitivity analysis is a scenario assumed that the impact of changes in risk factor on fair value is based on other factors which remained constant.

Note3: Assuming other factors remain the same, an upward parallel shift in the yield curve for individual currency of 1 bp will affect $(215) thousand and $(145) thousand in profit or loss and $(763,750) thousand and $(1,017,516) thousand in equity on December 31, 2023 and 2022, respectively.

Note4: Assuming other factors remain the same, an upward parallel shift in the yield curve for individual currency of 1 bp will affect KRW $(1,633,788) thousand and $(1,062,692) thousand in equity on December 31, 2023 and 2022, respectively.

Note5: Based on the consistency of the assets and liabilities, the Company has adjusted its methodology for the impact of the yield curve for interest rate risk from the fourth quarter of 2023. The new methodology takes the yield curve given by the Insurance Bureau (IB), applies the rate curve after parallel pressurization only from the beginning to the last observed term (LOT), and extrapolates it to long-term forward rates (LTFR) through the Smith-Wilson model to create a spot yield curve. In addition, the Company has also adjusted disclosed amount during the comparison period at the same time.

Hong Kong and Vietnam subsidiaries are considered nonsignificant to the consolidated disclosures after the Group’s assessment, therefore, the data of Hong Kong and Vietnam subsidiaries are not disclosed.

(3) Interest Rate Benchmark Reform

The Group completed its transition to alternative benchmark rates under interest rate benchmark reform (IBOR reform). The Group’s remaining IBOR exposures at June 30, 2023 are financial assets indexed to US dollar LIBOR, which have been automatically switched to the Secured Overnight Financing Rate (SOFR) in accordance with fallback clauses. The amount includes $31,385,914 thousand bonds which transfer interest rate benchmark one year before maturity and does not affect significantly to contract cash flow.

(e) Transfers of financial assets

The transferred financial assets of the Group that are not qualified for de-recognition in the daily operation, are mainly equity securities under lending agreements and bonds with repurchase agreements. Since the right to receive cash flow is transferred and it reflects the associated liabilities to repurchase transferred financial assets at fixed price in future period, the Group cannot use, sell or pledge these transferred financial assets during the valid transaction period. The Group is still exposed to market risks, and therefore do not completely derecognize the transferred assets.

The table below discloses the information of financial assets that are not completely derecognized and the associated financial liabilities:

Units: NT$'000

December 31, 2023					
Type of financial assets	**Carrying amount of the transferred financial assets**	**Carrying amount of associated financial liabilities**	**Fair value of the transferred financial assets**	**Fair value of associated financial liabilities**	**Fair value net position**
Financial assets measured at fair value through profit or loss － Securities lending agreements	500,600	-	500,600	-	500,600

Units: NT$'000

December 31, 2022					
Type of financial assets	**Carrying amount of the transferred financial assets**	**Carrying amount of associated financial liabilities**	**Fair value of the transferred financial assets**	**Fair value of associated financial liabilities**	**Fair value net position**
Financial assets measured at fair value through profit or loss － Securities lending agreements	858,140	-	858,140	-	858,140
Financial assets measured at fair value through other comprehensive income - Securities lending agreements	5,879,628	5,168,385	5,879,628	5,168,385	711,243
Financial assets measured at amortized cost - Repurchase agreements	8,836,429	7,049,115	7,142,855	7,049,115	93,740

(f) Offsetting financial assets and financial liabilities

Although the Group engages in transactions that do not meet the offsetting condition in IFRSs, the Group has signed enforceable master netting agreements or similar agreements with counterparties. When both parties choose net settlement, the transactions will be allowed to settle in net amount after offsetting the financial assets and financial liabilities. Otherwise, the transactions will be settled in gross amount. However, if one party defaults, the other party could choose net settlement. Relevant information is shown as follows:

December 31, 2023

Financial assets subject to enforceable master netting agreements and similar agreements

	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Related amounts not set off in the balance sheets (d): Financial instruments (Note)	Related amounts not set off in the balance sheets (d): Cash collateral received	Net amount (e)=(c)-(d)
Derivative financial instruments and structured deposits	$ 95,737,046	-	95,737,046	2,788,624	6,290,521	86,657,901
Reverse repurchase agreements	52,212,075	-	52,212,075	52,212,075	-	-
Total	**$ 147,949,121**	**-**	**147,949,121**	**55,000,699**	**6,290,521**	**86,657,901**

December 31, 2023

Financial liabilities subject to enforceable master netting agreements and similar agreements

	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets set off in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Related amounts not set off in the balance sheets (d): Financial instruments (Note)	Related amounts not set off in the balance sheets (d): Cash collateral pledged	Net amount (e)=(c)-(d)
Derivative financial instruments	**$ 2,261,464**	**-**	**2,261,464**	**1,944,443**	**99,750**	**217,271**

December 31, 2022

Financial assets subject to enforceable master netting agreements and similar agreements

	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Related amounts not set off in the balance sheets (d): Financial instruments (Note)	Related amounts not set off in the balance sheets (d): Cash collateral received	Net amount (e)=(c)-(d)
Derivative financial instruments and structured deposits	$ 80,363,755	-	80,363,755	19,443,116	-	60,920,639
Reverse repurchase agreements	69,629,996	-	69,629,996	69,629,996	-	-
Total	**$ 149,993,751**	**-**	**149,993,751**	**89,073,112**	**-**	**60,920,639**

December 31, 2022

Financial liabilities subject to enforceable master netting agreements and similar agreements

	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets set off in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Related amounts not set off in the balance sheets (d): Financial instruments (Note)	Related amounts not set off in the balance sheets (d): Cash collateral pledged	Net amount (e)=(c)-(d)
Derivative financial instruments	$ 33,188,879	-	33,188,879	20,997,053	8,102,359	4,089,467
Repurchase agreements	12,217,500	-	12,217,500	12,217,500	-	-
Total	**$ 45,406,379**	**-**	**45,406,379**	**33,214,553**	**8,102,359**	**4,089,467**

(Note) Inclusive of master-netting arrangement and non-cash financial collateral.

(AF) Structured entities

(a) Consolidated structured entities

The consolidated structured entities of the Group are real estate investment and management entities. The structured entities are consolidated because the Group is exposed, or has rights, to variable returns from its involvement with the entities and can affect those returns through its power over the entities. As of December 31, 2023 and 2022, the Group has provided a non-contractual obligation loan of $24,014,751 thousand and $28,431,649 thousand to the entities, respectively.

(b) Unconsolidated structured entities

(1) The Group hold the following types equity of unconsolidated structured entities. The fund of unconsolidated structured entities is from the Group and an external third-party:

Type of structured entity	Nature and purpose	Rights of the Group
Private fund investment	Invest in private fund issued by outside fund manager to gain profit.	Investment in the units issued by fund or limited partnership rights.
Asset securitization product, real estate investment trust and secured loan	Invest in asset securitization product, real estate investment trust and secured loan to gain profit.	Investment in asset-backed securities issued by unconsolidated structured entities, principal and interest revenue

(2) The carrying amounts of the unconsolidated structured entities recognized by the Group were as below:

December 31, 2023	Private fund investment	Asset securitization product, real estate investment trust and secured loan
Assets held by the Group		
-Financial assets measured at fair value through profit or loss	$ 199,977,518	42,701,474
-Financial assets measured at fair value through other comprehensive income	-	12,608,618
-Financial assets measured at amortized cost	-	55,132,415
-Loans	-	21,037,921
Total assets of the Group	**$ 199,977,518**	**131,480,428**

December 31, 2022		Private fund investment	Asset securitization product, real estate investment trust and secured loan
Assets held by the Group			
-Financial assets measured at fair value through profit or loss	$	174,850,508	36,785,958
-Financial assets measured at fair value through other comprehensive income		-	23,282,895
-Financial assets measured at amortized cost		-	45,001,408
-Loans		-	22,693,445
Total assets of the Group	**$**	**174,850,508**	**127,763,706**

The maximum exposure of the possible loss from the entity is the carrying amount of the assets possessed.

(3) No financial support is provided for those unconsolidated private fund investments, asset securitization products and real estate investment trust for the years ended December 31, 2023 and 2022.

(AG) Capital management

The targets of capital management of the Company, per the regulations of Insurance Bureau, FSC, are to maintain minimum regulatory capital, monitor the adequacy of the ability of discharging, prevent possible risk from operation, protect the interests of the insured and realize the benefit of shareholders and other stakeholders.

Meanwhile, the capital management of the Company is restricted to other domestic regulations such as the operating deposit paid to the National Treasury Administration, legal reserve and special reserve. Please refer to Note 6(M) and (T).

The Company manages capital through monitoring the annual and semi-annual capital adequacy reports in order to ensure that the Company is equipped with adequate ability of discharging and rate of return.

In accordance with “Regulations Governing Capital Adequacy of Insurance Companies”, the level of capital adequacy is differentiated as norms that considers capital adequacy and net worth ratio. Capital adequacy refers to the ratio of the adjusted net capital to the risk-based capital, the net worth ratio is based on shareholder’ s equity from the audited financial statement divided by total asset (excluding investments in separate insurance account). The competent authority asks that capital adequacy ratio of an insurance company which equals or exceeds 200% and where the net worth ratio equals or exceeds 3% is classified as adequate capital. The capital adequacy ratio of an insurance company lower than 200% or where the net worth ratio is lower than 3% is divided into three categories by severity: inadequate capital, significantly inadequate capital, and seriously inadequate capital. If the capital adequacy ratio of an insurance company is lower than 200% or when the net worth ratio is lower than 3% and does not meet the minimum adequacy capital ratio, then the repurchase of shares is prohibited and distribution of earnings will not be allowed for the applicable year. The competent authorities have standard procedures in place base on actual scenarios in place, procedures include and are not limited to ordering the insurance industry and management to increase capital for a limited amount of time or provide a financial improvement plan, ordering a stop to the sale of insurance products or limiting the development of new insurance plans, limiting the use of capital, assigning insurance agents to supervise or formulating other necessary procedures, etc.

The capital adequacy of the Company is located over 200% for the last two years, and the net worth ratio is located over 3% for the last two periods and it complies with the minimum ratio requested by the competent authority.

As of December 31, 2023, the Group's method of capital management for the year remains the same.

(AH) Investing and financing activities not affecting current cash flow

The Group obtained a right of use asset through non-cash financing activities for the years ended December 31, 2023 and 2022. Please refer to Note 6(K) for more information.

Reconciliation of liabilities arising from financing activities were as follows:

	Bonds payable	Lease liabilities
Balance of January 1, 2023	$ 70,636,657	15,995,344
Cash flow used in financing activities		
Issuance of corporate bonds	29,920,212	-
Redemption of corporate bonds	(1,828,442)	-
Termination of lease liabilities	-	(718,881)
Subtotal	28,091,770	(718,881)
Items not affecting current cash flow		
Signing / renewing lease agreement and others	-	314,092
Amortization on discounts / premiums	776	-
Foreign exchange movement	(518,697)	7,405
Subtotal	(517,921)	321,497
Balance of December 31, 2023	**$ 98,210,506**	**15,597,960**

	Bonds payable	Lease liabilities
Balance of January 1, 2022	$ 66,436,709	15,911,554
Cash flow used in financing activities		
Issuance of corporate bonds	4,616,301	-
Redemption of corporate bonds	(1,158,350)	-
Termination of lease liabilities	-	(708,670)
Subtotal	3,457,951	(708,670)
Items not affecting current cash flow		
Signing / renewing lease agreement	-	781,133
Amortization on discounts / premiums	(8,544)	-
Foreign exchange movement	750,541	11,327
Subtotal	741,997	792,460
Balance of December 31, 2022	**$ 70,636,657**	**15,995,344**

(AI) Other

(a) The Group's significant financial assets and liabilities denominated in foreign currencies are disclosed as follows:

	December 31, 2023			December 31, 2022		
	Foreign Currency	Exchange Rate (Note 2)	NTD	Foreign Currency	Exchange Rate (Note 2)	NTD
Financial Assets						
Monetary items (Note 1)						
USD	$ 87,373,205	30.735/30.497 /30.754/30.488	2,684,897,187	84,170,221	30.708/30.522 /30.723/30.966	2,585,315,544
Non-monetary items (Note 1)						
USD	13,857,307	30.735/30.754 /30.488	425,892,298	11,212,669	30.708/30.723 /30.966	344,343,122
EUR	1,321,122	34.008	44,929,074	1,467,643	32.765/32.755	48,087,961
Derivatives Financial Instruments (Note 1)						
USD	-	30.735/30.754 /30.488	38,670,726	-	30.708/30.723 /30.966	22,698,890
Investments accounted for using equity method (Note 1)						
HKD	2,325,838	3.938	9,159,243	2,428,305	3.940	9,566,427
KRW	375,358,815	0.024	8,875,359	372,462,901	0.024	9,101,131
Financial Liabilities						
Monetary items (Note 1)						
USD	682,192	30.735/30.754	21,010,919	431,359	30.708/30.723	13,270,936
EUR	-	-	-	27,395	32.765	896,339
Non-monetary items (Note 1)						
USD	64	30.754	1,956	64	30.723	1,954
Derivatives Financial Instruments (Note 1)						
USD	-	30.735/30.488	1,921,538	-	30.708/30.966	33,188,879

Note 1: Each balance listed is greater than 5% of total amounts of the item.

Note 2: The adopted currency is based on the nature of the asset and liability.

(b) The amounts of total assets and liabilities which will be recovered or settled within or more than 12 months of the balance sheet date are as follows:

	December 31, 2023		
Assets	**Recovery within 12 months**	**Recovery beyond 12 months**	**Total**
Cash and cash equivalents	$ 229,178,820	-	229,178,820
Receivables	44,192,413	1,327,810	45,520,223
Current tax assets	6,255,114	9,171,771	15,426,885
Financial assets measured at fair value through profit or loss	574,325,370	905,208,458	1,479,533,828
Financial assets measured at fair value through other comprehensive income	26,659,755	248,217,794	274,877,549
Financial assets for hedging	1,291,828	408,399	1,700,227
Financial assets measured at amortized cost	4,660,100	2,626,871,097	2,631,531,197
Investments accounted for using equity method, net	-	25,934,805	25,934,805
Other financial assets, net	514,781	2,641,028	3,155,809
Investment property	-	302,776,860	302,776,860
Loans	10,588,466	219,718,535	230,307,001
Reinsurance assets	2,669,553	1,242,208	3,911,761
Property and equipment	-	22,347,035	22,347,035
Right of use assets	-	5,101,656	5,101,656
Intangible assets	-	5,424,926	5,424,926
Deferred tax assets	-	37,136,841	37,136,841
Other assets	1,083,864	26,065,578	27,149,442
Assets on insurance product, separate account	25,116,801	445,962,244	471,079,045
Total assets	$ **926,536,865**	**4,885,557,045**	**5,812,093,910**

	December 31, 2023		
Liabilities	**Settlement within 12 months**	**Settlement beyond 12 months**	**Total**
Accounts payable	$ 52,761,527	288,677	53,050,204
Current tax liabilities	4,200	769,293	773,493
Financial liabilities measured at fair value through profit or loss	1,448,019	135,152	1,583,171
Financial liabilities for hedging	409,339	268,954	678,293
Bonds payable	-	98,210,506	98,210,506
Lease liabilities	748,386	14,849,574	15,597,960
Insurance liabilities	35,613,645	4,547,581,047	4,583,194,692
Reserve for insurance with nature of financial instrument	-	3,430,964	3,430,964
Reserve for foreign exchange valuation	-	9,176,335	9,176,335
Liabilities reserve	725,079	10,843,912	11,568,991
Deferred tax liabilities	-	28,081,327	28,081,327
Other liabilities	5,113,886	14,323,638	19,437,524
Liabilities on insurance product, separate account	74,473,525	414,624,109	489,097,634
Total liabilities	$ **171,297,606**	**5,142,583,488**	**5,313,881,094**

Assets	December 31, 2022 Recovery within 12 months	Recovery beyond 12 months	Total
Cash and cash equivalents	$ 249,234,118	-	249,234,118
Receivables	56,571,101	1,292,440	57,863,541
Current tax assets	5,366,602	3,147,283	8,513,885
Financial assets measured at fair value through profit or loss	447,283,873	781,046,750	1,228,330,623
Financial assets measured at fair value through other comprehensive income	15,843,063	601,098,865	616,941,928
Financial assets for hedging	1,602,461	1,000,185	2,602,646
Financial assets measured at amortized cost	2,661,710	2,255,509,094	2,258,170,804
Investments accounted for using equity method, net	-	26,928,118	26,928,118
Other financial assets, net	489,046	2,860,505	3,349,551
Investment property	-	304,777,201	304,777,201
Loans	8,976,631	240,707,298	249,683,929
Reinsurance assets	2,458,803	1,250,530	3,709,333
Property and equipment	-	19,404,602	19,404,602
Right of use assets	-	1,406,689	1,406,689
Intangible assets	-	5,788,413	5,788,413
Deferred tax assets	-	61,650,966	61,650,966
Other assets	9,876,681	24,792,275	34,668,956
Assets on insurance product, separate account	39,306,689	430,498,315	469,805,004
Total assets	**$ 839,670,778**	**4,763,159,529**	**5,602,830,307**

Liabilities	December 31, 2022 Settlement within 12 months	Settlement beyond 12 months	Total
Accounts payable	$ 61,814,967	256,964	62,071,931
Current tax liabilities	169,010	641,769	810,779
Short-term liabilities	12,217,500	-	12,217,500
Financial liabilities measured at fair value through profit or loss	29,234,427	-	29,234,427
Financial liabilities for hedging	3,790,282	164,170	3,954,452
Bonds payable	1,885,746	68,750,911	70,636,657
Lease liabilities	959,523	15,035,821	15,995,344
Insurance liabilities	35,753,653	4,512,628,116	4,548,381,769
Reserve for insurance with nature of financial instrument	-	3,366,163	3,366,163
Reserve for foreign exchange valuation	-	37,131,393	37,131,393
Liabilities reserve	168,766	11,653,786	11,822,552
Deferred tax liabilities	-	20,399,946	20,399,946
Other liabilities	9,066,107	5,240,987	14,307,094
Liabilities on insurance product, separate account	136,860,330	360,628,715	497,489,045
Total liabilities	**$ 291,920,311**	**5,035,898,741**	**5,327,819,052**

7. RELATED-PARTY TRANSACTIONS

(A) Names and relationships of related parties

Names of related parties	Relationship with the Group
Fubon Financial Holding Co., Ltd.	Parent company
Fubon Insurance Co., Ltd.	The same parent company
Taipei Fubon Commercial Bank Co., Ltd.	The same parent company
Fubon Securities Co., Ltd.	The same parent company
Fubon Bank (Hong Kong) Limited	The same parent company
Fubon Asset Management Co., Ltd.	The same parent company
Fubon Financial Holdings Venture Capital Co., Ltd.	The same parent company
Jih Sun International Commercial Bank Co., Ltd.	The Subsidiary Company of Fubon Financial Holdings, merged with Taipei Fubon Commercial Bank and eliminated in 2023 Q2
Fubon Sports & Entertainment Co., Ltd.	Parent company’s second-tier subsidiary
Fubon Insurance Agency Co., Ltd.	The same parent company
Jih Sun Life Insurance Agent Co., Ltd.	The Sub-subsidiray Company of Fubon Financial Holdings, merged with Taipei Fubon Commercial Bank and eliminated in 2023 Q2
ZA Life Limited	The investee company under equity method by subsidiary of the Group
Hyundai Card Co., Ltd.	The investee company under equity method by the Group
Fubon Land Development Co., Ltd.	Affiliates
Taiwan Mobile Co., Ltd.	Affiliates
Taiwan Fixed Network Co., Ltd.	Affiliates
Fubon Culture and Education Foundation	Affiliates
Fubon Charity Foundation	Affiliates
Fubon Art Foundation	Affiliates
Kbro Media Co., Ltd.	Affiliates
Kbro Co., Ltd.	Affiliates
Fubon Property Management Co., Ltd.	Affiliates
Momo.com Inc.	Affiliates
Taipei City Government	Affiliates
Convoy Financial Service Ltd.	Affiliates
Taiwan High Speed Rail Corporation	Affiliates
Hyundai Commercial Inc.	Affiliates

Names of related parties	Relationship with the Group
Hyundai Mobis Co., Ltd.	Affiliates
Bluewalnut Co., Ltd.	Affiliates
H GREEN POWER INC.	Affiliates
HYUNDAI IHL CORPORATION	Affiliates
Global Information Technology Co., Ltd.	Affiliates
Ming Dong Industrial Co., Ltd.	Affiliates
Far Eastern International Bank Co., Ltd.	Affiliates
Century Development Corporation	Affiliates
China United Insurance Group Company Limited	Affiliates
Sharehope Medicine Co., Ltd.	Affiliates
TFN Media Co., Ltd.	Affiliates
Taiwan Business Bank, Ltd.	Affiliates
Fubon Art Museum Foundation	Affiliates
Funds Managed by Fubon Asset Management	Affiliates
Funds Managed by Jih Sun Securities Investment Trust	Affiliates
les enphants Co., Ltd.	Affiliates
BESTCOM Infotech Corp.	Affiliates
MOTRAS	Affiliates
UNITUS CO., LTD.	Affiliates
Other related parties	Directors, supervisors, managers and their close relatives, etc.

(B) Significant related party transactions

(a) Bank deposits

	December 31, 2023		December 31, 2022	
Name of related party	Amount	Interest rate range %	Amount	Interest rate range %
Taipei Fubon Commercial Bank Co., Ltd.	22,354,369	0~1.41	30,643,918	0.385~1.4
Far Eastern International Bank Co., Ltd.	4,502,432	0.6~1.55	7,501,870	0.475~1.5
Taiwan Business Bank, Ltd.	16,757,959	0.58~1.48	1,260,837	0.455~1.25
Fubon Bank (Hong Kong) Limited	164,583	0.5~0.9	105,879	0~0.75
Jih Sun International Commercial Bank Co., Ltd.	-	-	33,391	0~0.7
Total	$ 43,779,343		39,545,895	

(b) Financial instruments

(1) Transaction of derivative financial instruments

Name of related party	Derivative instruments	Principal Value December 31, 2023	Principal Value December 31, 2022
Taipei Fubon Commercial Bank Co., Ltd.	Foreign Exchange SWAP	$ **42,646,582**	**21,495,600**

(2) The details of the fund' s balance from related parties Fubon Asset Management and JihSun Securities Investment Trust Co., Ltd. were as follows:

Name of related party	December 31, 2023	December 31, 2022
Funds Managed by Fubon Asset Management	$ 33,515,146	16,406,561
Funds Managed by Jih Sun Securities Investment Trust	2,647,256	4,316,601
Total	$ **36,162,402**	**20,723,162**

(3) The Company and its subsidiaries have acquired Fubon REIT I Fund and Fubon REIT II Fund as follows:

Name of related party	December 31, 2023	December 31, 2022
Fubon REIT I Fund	$ 806,375	897,235
Fubon REIT II Fund	962,478	1,108,308
Total	$ **1,768,853**	**2,005,543**

(c) Receivables

Name of related party	December 31, 2023	December 31, 2022
Taipei Fubon Commercial Bank Co., Ltd.	$ 35,641	27,540
Fubon Insurance Co., Ltd.	305,080	280,438
Far East International Commercial Bank Co., Ltd.	9,198	15,158
Taiwan Business Bank, Ltd.	43,424	1,347
Hyundai Mobis Co., Ltd.	15,673	-
Others (not related company or person accounts for more than $10,000 thousand or 10%)	13,524	9,622
Total	$ **422,540**	**334,105**

(d) Joint declaration of tax

The Group and its parent company as well as its subsidiaries adopted the policy of jointly declaration of tax for declaring income tax and undistributed earnings. (Joint declaration of tax payable includes estimates payable pending for verification.)

	December 31, 2023	December 31, 2022
Joint declaration of tax-receivables (current income tax assets)	$ 12,954,812	6,867,487
Joint declaration of tax-payable (current income tax liabilities)	773,493	641,769

(e) Loans

(1) Secured loans:

December 31, 2023						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Residence mortgage loans	24 related parties in substance	$ 179,707	153,621	Normal loans	Real estate	None

December 31, 2022						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Residence mortgage loans	31 related parties in substance	$ 203,608	174,138	Normal loans	Real estate	None

The transaction terms between related parties are identical to those of other market participants.

(2) Life insurance loans:

December 31, 2023						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Life insurance loans	74 related parties in substance	$ 46,068	41,329	Normal loans	Policy value	None

December 31, 2022						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Life insurance loans	97 related parties in substance	$ 47,232	37,148	Normal loans	Policy value	None

The transaction terms between related parties are identical to those of other market participants.

(f) Refundable deposits

Name of related party		December 31, 2023	December 31, 2022
Fubon Insurance Co., Ltd.	$	23,505	23,760
Taipei City Government		1,402,257	1,305,586
Fubon REIT I Fund		33,321	32,020
Taipei Fubon Commercial Bank Co., Ltd.		92,988	-
Others (not related company or person accounts for more than $10,000 thousand or 10%)		15,051	13,774
Total	$	**1,567,122**	**1,375,140**

(g) Prepayments

Name of related party		December 31, 2023	December 31, 2022
Fubon Insurance Co., Ltd.	$	64,273	27,382
Taipei Fubon Commercial Bank Co., Ltd.		15,996	-
Others (not related company or person accounts for more than $10,000 thousand or 10%)		1,455	2,768
Total	$	**81,724**	**30,150**

(h) Payables

Name of related party		December 31, 2023	December 31, 2022
Taipei Fubon Commercial Bank Co., Ltd.	$	379,761	222,072
Fubon Bank (Hong Kong) Limited		16,090	750
Fubon Insurance Agency Co., Ltd.		30,017	31,344
Fubon Securities Co., Ltd.		27,759	9,273
Fubon Financial Holding Co., Ltd.		555,374	554,161
Jih Sun Life Insurance Agent Co., Ltd.		-	19,524
Hyundai Commercial Inc.		14,362	14,956
Fubon Asset Management Co., Ltd.		43,323	930
Others (not related company or person accounts for more than $10,000 thousand or 10%)		11,645	10,665
Total	$	**1,078,331**	**863,675**

(i) Advance receipts

Name of related party	December 31, 2023	December 31, 2022
TFN Media Co., Ltd.	$ 1,115	1,115
Taiwan Fixed Network Co., Ltd.	1,352	1,350
Kbro Co., Ltd.	1,977	1,977
Taiwan Mobile Co., Ltd.	2,705	2,534
Les enphants Co., Ltd.	2,739	-
Others (not related company or person accounts for more than $10,000 thousand or 10%)	1,152	293
Total	$ **11,040**	**7,269**

(j) Transaction for retirement pension savings

Name of related party	December 31, 2023	December 31, 2022
Hyundai Mobis Co., Ltd.	$ 8,280,439	9,649,589
Hyundai Commercial Inc.	1,311,608	1,298,868
Hyundai Card Co., Ltd.	2,940,820	2,990,213
Bluewalnut Co., Ltd.	23,559	-
H GREEN POWER INC.	58,756	-
MOTRAS	248,548	-
UNITUS CO., LTD.	132,559	-
Global Information Technolagy Co., Ltd.	58,174	-
HYUNDAI IHL CORPORATION	95,614	-
Total	$ **13,150,077**	**13,938,670**

(k) Discretionary investment from related parties

Name of related party	December 31, 2023	December 31, 2022
Fubon Asset Management Co., Ltd.	$ **7,160,860**	**5,592,184**

(l) Income

(1) Service fees

Name of related party	For the years ended December 31, 2023	2022
Hyundai Mobis Co., Ltd.	$ 20,220	16,013
Hyundai Commercial Inc.	5,595	4,922
Hyundai Card Co.Ltd	12,794	11,246
Others (not related company or person accounts for more than $10,000 thousand or 10%)	660	-
Total	$ **39,269**	**32,181**

(2) Other revenues

Name of related party	Nature	For the years ended December 31, 2023	2022
Taipei Fubon Commercial Bank Co., Ltd.	Interest income, Marketing revenue, etc.	$ 383,300	153,267
Far Eastern International Bank Co., Ltd.	Interest income	118,891	73,611
Taiwan Business Bank, Ltd.	Interest income	107,570	24,253
Fubon Insurance Co., Ltd.	Marketing revenue, other revenue, etc.	1,110,903	1,160,137
Fubon Securities Co., Ltd.	Marketing revenue, security lending handling fee income, etc.	21,602	8,910
ZA Life Limited	Transferal income and service fee income, etc.	16,188	21,358
Others (not related company or person accounts for more than $10,000 thousand or 10%)		8,873	16,946
Total		$ 1,767,327	1,458,482

(m) Expenses

(1) Donations

Name of related party	For the years ended December 31, 2023	2022
Fubon Charity Foundation	$ 18,022	44,893
Fubon Art Foundation	28,000	44,476
Fubon Art Museum Foundation	480,000	-
Fubon Culture and Education Foundation	-	36,838
Others (not related company or person accounts for more than $10,000 thousand or 10%)	2,500	5,000
Total	$ 528,522	131,207

(2) Other expenses

Name of related party	Nature	For the years ended December 31, 2023	2022
Taipei Fubon Commercial Bank Co., Ltd.	Bank charge, commission expenses, professional service fee, bank custody fee, etc.	$ 7,041,478	4,710,530
Jih Sun Life Insurance Agent Co., Ltd.	Commission expenses	168,689	126,221
Fubon Property Management Co., Ltd.	Management fee, utilities expenses, investment property fee, etc.	159,843	127,715
Fubon Securities Co., Ltd.	Marketing expenses, consignment trading handling fees, entrusted with the sale of fee, security lending fee, professional service fee, etc.	212,670	161,495
Taiwan Fixed Network Co., Ltd.	Utilities expenses, telephone fee and communication service fee etc.	91,810	84,862
Fubon Sports & Entertainment Co., Ltd.	Advertisement, stationery and printing, etc.	251,978	182,349
Fubon Insurance Co., Ltd.	Marketing expenses, investment property fee, property insurance fee, etc.	88,893	74,783
Fubon Financial Holding Venture Capital Co., Ltd.	Dealing position management fee, professional service fee, etc.	18,513	17,206
Fubon Insurance Agency Co., Ltd.	Commission expenses	232,365	237,130

Name of related party	Nature	For the years ended December 31, 2023	2022
Fubon REIT I Fund	Management fee, transportation expenses, etc.	17,914	17,895
Fubon Bank (Hong Kong) Limited	Bank charge, commission expenses, etc.	338,808	245,666
Hyundai Card Co., Ltd.	Credit card processing fee	24,673	20,335
Convoy Financial Service Ltd.	Commission expenses, sales fee, etc.	118	16,371
Momo.com Inc.	Advertisement, stationery and printing, etc.	14,045	2,935
Taiwan Mobile Co., Ltd.	Telephone fee and communication service fee etc.	12,474	11,500
Fubon Asset Management Co., Ltd.	Outsourced management fee	54,903	12,001
Others (not related company or person accounts for more than $10,000 thousand or 10%)		32,310	48,671
Total		$ 8,761,484	6,097,665

(n) Insurance Revenue

Name of related party	For the years ended December 31, 2023	2022
Taipei Fubon Commercial Bank Co., Ltd.	$ 114,351	103,814
Taiwan High Speed Rail Corporation	38,992	27,141
Fubon Securities Co., Ltd.	42,361	34,134
Momo.com Inc.	23,334	19,253
Fubon Insurance Co., Ltd.	45,023	35,688
Affiliates (individual)	470,248	606,838
Others (not related company or person accounts for more than $10,000 thousand or 10%)	83,745	90,804
Total	$ 818,054	917,672

Premium rates were calculated in accordance with the relevant provisions of the Insurance Act, and were not materially different from the general trading terms.

(o) Bonds payable and Interest Expense

(1) Bonds payable

Name of related party	December 31, 2023	December 31, 2022
Fubon Financial Holding Co., Ltd.	$ 20,000,000	20,000,000
Hyundai Commercial Inc.	-	244,350
Hyundai Commercial Inc. (Note)	2,364,500	2,443,500
Total	**$ 22,364,500**	**22,687,850**

Note: Recognized as equity of the Group.

(2) Interest Expense

Name of related party	For the years ended December 31, 2023	2022
Fubon Financial Holding Co., Ltd.	$ 720,000	720,000
Hyundai Commercial Inc.	170,496	159,370
Total	**$ 890,496**	**879,370**

(p) Leasing

(1) The company rents from related parties

A. Right-of-use assets

Name of related party	December 31, 2023	December 31, 2022
Taipei City Government (Note)	$ 30,699,434	28,656,799
Fubon REIT I Fund	76,629	140,096
Fubon REIT II Fund	13,826	19,383
Fubon Insurance Co., Ltd.	-	95,855
Affiliates (individual)	33,050	66,010
Others (not related company or person accounts for more than $10,000 thousand or 10%)	5,375	10,528
Total	**$ 30,828,314**	**28,988,671**

Note: Some recognized as investment properties.

B. Lease liability

Name of related party	December 31, 2023	December 31, 2022
Taipei City Government	$ 7,909,145	7,992,975
Fubon REIT I Fund	76,498	139,917
Fubon REIT II Fund	13,380	18,796
Fubon Insurance Co., Ltd.	-	92,491
Affiliates (individual)	34,811	68,398
Others (not related company or person accounts for more than $10,000 thousand or 10%)	5,558	10,744
Total	$ **8,039,392**	**8,323,321**

(2) The company leases to related parties

A. Guarantee deposits

Name of related party	December 31, 2023	December 31, 2022
Taipei Fubon Commercial Bank Co., Ltd.	$ 14,527	10,318
Momo.com Inc.	62,345	46,649
Fubon Insurance Co., Ltd.	39,747	39,874
Sharehope Medicine Co., Ltd.	17,912	17,912
Les enphants Co., Ltd.	10,506	-
Fubon Art Museum Foundation	26,884	-
Hyundai Card Co., Ltd.	6,792	20,987
Fubon Art Foundation	2,835	29,719
Others (not related company or person accounts for more than $10,000 thousand or 10%)	52,253	54,742
Total	$ **233,801**	**220,201**

B. Performance guarantee

Name of related party	December 31, 2023	December 31, 2022
Sharehope Medicine Co., Ltd. (Note)	$ 270,642	269,296
Les enphants Co., Ltd.	372,962	-
Total	$ **643,604**	**269,296**

Note: Sharehope Medicine Co., Ltd. and Taoyuan Min Sheng General Hospital (nonrelated party) jointed for performance bond.

C. Rental revenue

Name of related party	For the years ended December 31, 2023	2022
Fubon Insurance Co., Ltd.	$ 151,917	152,151
Taipei Fubon Commercial Bank Co., Ltd.	52,850	48,591
Fubon Securities Co., Ltd.	13,384	13,251
Momo.com Inc.	191,134	185,404
Taiwan Mobile Co., Ltd.	36,639	41,443
Taiwan Fixed Network Co., Ltd.	31,368	31,300
TFN Media Co., Ltd.	12,743	12,743
Kbro Co., Ltd.	23,431	23,391
Sharehope Medicine Co., Ltd.	39,836	39,638
Fubon Financial Holding Co., Ltd.	34,856	31,660
Ming Dong Industrial Co., Ltd.	18,669	15,225
Fubon Art Foundation	11,044	7,118
Les enphants Co., Ltd.	21,322	-
Fubon Art Museum Foundation	18,244	-
Kbro Media Co., Ltd.	466	38,801
Hyundai Commercial Inc.	13,567	18,149
Hyundai Card Co., Ltd.	30,626	51,113
Others (not related company or person accounts for more than $10,000 thousand or 10%)	14,010	12,381
Total	$ 716,106	722,359

The above-mentioned leases were operating leases and the terms of transactions were similar to those with non-related parties.

(q) Acquisition of property and equipment

(1) Transaction of debt instrument

A. Sold / Matured

Name of related party	For the years ended December 31, 2023	2022
Taipei Fubon Commercial Bank Co., Ltd.	$ 199,161	400,324
Far Eastern International Bank Co., Ltd.	1,000,000	-
Total	$ 1,199,161	400,324

The above-mentioned gains and losses on disposal related to Taipei Fubon Commerical Bank Co., Ltd. for the years ended December 31, 2023 and 2022- were $(1,905) thousand and $40 thousand.

(2) Transaction of equity instruments:

A. Shares undertaken

Name of related party	December 31, 2023	December 31, 2022
Century Development Corporation	$ 398,088	216,282
China United Insurance Group Company Limited	6,609,824	8,281,059
Others (not related company or person accounts for more than $10,000 thousand or 10%)	6,009	7,581
Total	$ 7,013,921	8,504,922

(3) Transaction of real estate and other assets

A. Purchase

Name of related party	For the years ended December 31, 2023	2022
Fubon Land Development Co., Ltd.	$ 24,175	36,799
Taipei City Government	67,624	1,053,937
BESTCOM Infotech Corp.	216,866	-
Total	$ 308,665	1,090,736

(C) Major management remuneration information

	For the years ended December 31, 2023	2022
Short-term employee benefits	$ 692,099	786,217
Post-employment benefits	19,314	17,571
Other long-term employee benefits	1,685	1,557
Total	$ 713,098	805,345

8. ASSETS PLEDGED AS SECURITY

Pledged assets are as follows:

Pledged assets	Purpose of pledge	December 31, 2023	December 31, 2022
Government bonds (recognized as financial assets measured at FVOCI)	Collaterals for derivatives transactions	$ 28,297	472,820
Government bonds (recognized as financial assets measured at amortized costs)	Collaterals for derivatives transactions, bank overdraft	1,164,093	2,945,813
Checking account (recognized as other financial assets)	Other	143	73
Government bonds (recognized as guarantee － lawful guarantee)	Guarantee deposits for insurance business	16,076,778	15,977,717
Time deposits (recognized as guarantee － lawful guarantee)	Guarantee deposits for insurance business	19,005	15,612
Time deposits (recognized as guarantee － other)	Guarantee deposits for insurance business, new construction guarantee deposit	1,452,498	1,452,517
Total		$ 18,740,814	20,864,552

Pursuant to the requirements of Articles 141 and 142 of the Insurance Law, government bonds were deposited in the Central Bank of the republic of China as guarantee for Fubon Life Insurance's insurance business. Fubon Life Insurance (Vietnam) Co., Ltd. deposited saving deposit in the local bank which was authorized by the Vietnam government.

9. COMMITMENTS AND CONTINGENCIES

(A) The Group have contingent liabilities of lawsuits arising from daily operating activities. Other than cases which have already made provision, several lawsuits are still in process and appointed to Group's legal affairs department or lawyers. Group will recognize relevant losses when professional opinions and reasonable estimated loss are available.

(B) Significant unrecognized commitments

The Group's signed but unrecognized new construction contract and acquisitions amount of investment and owner-occupied properties are as follow:

	December 31, 2023	December 31, 2022
New construction contracts	$ 28,775,851	3,908,441
Purchased investment properties	-	2,251,093
Total	**$ 28,775,851**	**6,159,534**

(C) The Group signed private fund contracts. The maximum amount of investment commitments that has not been funded is (in thousands):

	December 31, 2023	December 31, 2022
USD	**$ 3,105,602**	**3,379,453**
EUR	**$ 873,299**	**665,749**
KRW	**$ 149,127,135**	**182,756,598**
NTD	**$ 632,800**	**470,333**

Note: The unfunded commitments excluded unsettled trades.

(D) On March 31, 2020, the Group signed a joint investment contract to invest in Star Shining Energy Co., Ltd. by phases. Total investment amount should not exceed NTD 2.4 billion. As of December 31, 2023, the Group has not yet invested NTD 300 million as per the agreement above.

(E) On December 27, 2023, the Group signed a joint investment contract to invest in Aquastar Energy Corporation by phases. Total investment amount should not exceed NTD 1.1415 billion. As of December 31, 2023, the Group has not yet invested NTD 961.5 million as per the agreement above.

(F) On June 9, 2023, the Group signed a joint venture agreement to invest in Whole Max Green Power Co., Ltd. by phases. The investment amount will not exceed NTD 627 million. As of December 31, 2023, the Group has not yet invested NTD 150 million as per the agreement above.

(G) As of December 31, 2023, in the irrevocable loan contract signed by the Group for operating credit business in 2023, the undrawn loan commitment amount was approximately $8,000,000 thousand.

10. LOSSES DUE TO MAJOR DISASTERS: None.

11. SUBSEQUENT EVENTS: None.

12. OTHER

(A) Personnel expenses, depreciation and amortization for the periods ended December 31, 2023 and 2022 are categorized by function as follows:

Units: NT$'000

Function / Nature	For the years ended December 31, 2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employees Benefits						
Salaries and wages	10,616,335	6,814,362	17,430,697	8,689,009	6,841,044	15,530,053
Labor and health insurance	-	1,675,108	1,675,108	-	1,541,738	1,541,738
Pension	163,629	802,804	966,433	162,251	750,910	913,161
Remuneration of directors	-	241,754	241,754	-	349,692	349,692
Other	-	1,752,726	1,752,726	-	1,218,482	1,218,482
Depreciation	-	1,169,865	1,169,865	-	1,136,254	1,136,254
Amortization	-	438,182	438,182	-	326,034	326,034

For the years ended December 31, 2023 and 2022 the average numbers of employees are 23,269 and 23,484, of which the numbers of directors who are not employees are 34 and 33, respectively.

(B) When conducting business or transaction, joint business promotion as well as information and facilities sharing with Fubon Financial Holdings Co., Ltd. and other associates, the Group is using a direct allocation method based on the business characteristic or other reasonable methods to allocate income, cost, expense and profit or loss to each counterparty.

(C) The borrowing that meets cash flow arising from payment of major insurance claims: None.

(D) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund, refer to Note 6(B)(b).

(E) The information of discontinued operations: None.

(F) The adjustment of significant units and significant reform of management regulation: None.

(G) The significant impact due to variation of government rules: None.

(H) Since Russia launched an invasion of Ukraine in February 2022, Russia was subject to severe international sanctions, and international credit rating agencies downgraded the credit rating for Russian bonds. The Group is closely monitoring and evaluating the credit risk of Russian bonds, the relevant bonds' ability to pay interest and principal and will continuously evaluate the credit risk and recognize the expected credit loss associated to the risk.

(I) Reclassifications of financial assets

Since 2022, the major central banks led by Federal Reserve System have adopted the tight monetary policy, which made the stock, bond and foreign exchange markets experience drastic and unprecendented turmoil. Then, the interest rates have risen to the extreme level defined by the International Insurance Capital Standards (ICS). Therefore, in accordance with IFRS 9 "Financial Instruments" and the Ji Mi No.0000000354 "Financial Asset Reclassification Concerns of an insurer arising from Changes in the Business Model for Managing Financial Assets due to Drastic Changes in the International Economic Situation" issued on October 7, 2022 by the Accounting Research and Development Foundation of the Republic of China (ARDF), the Company adjusted the business model of related managed activities and oversea bonds investment based on the major changes from the external financial environment. The Company reclassified part of the financial assets which measured at fair value through other comprehensive income to measured at amortized cost on January 1, 2023.

After the reclassification of financial assets by the Company on January 1, 2023, other equity interest increased by $69,877,356 thousand, financial assets measured at amortized cost increased by $380,841,976 thousand, financial assets measured at fair value through other comprehensive income decreased by $293,497,526 thousand, and deferred tax assets decreased by $17,467,094 thousand.

The subsidiary, Fubon Hyundai Life Insurance Co., Ltd., reclassified part of the U.S. bonds from financial assets measured at amortized cost to financial assets measured at fair value through other comprehensive income to increase cash management flexibility and avoid significant increases in capital requestments. At the same time, considering the relatively low cost of required capital for Korean bonds and asset-liability management, the subsidiary planned to hold domestic bonds by collecting the contractual cash flow. Therefore, the subsidiary reclassified part of Korean bonds from financial assets measured at fair value through other comprehensive income to financial assets measured at amortized cost.

After the reclassification of financial assets by the subsidiary, Fubon Hyundai Life Insurance Co., Ltd., on January 1, 2023, the Group's other equity interest increased by $129,337 thousand, financial assets measured at amortized cost decreased by $7,232,181 thousand, financial assets measured at fair value through other comprehensive income increased by $7,449,761 thousand, deferred tax assets decreased by $50,478 thousand, and non-controlling interests increased by $37,765 thousand.

The above financial assets of the Group which measured at fair value through other comprehensive income were reclassified to measured at amortized cost. As of December 31, 2023, the fair value of the above reclassified financial assets that have not been derecognizd amounted to $318,570,919 thousand. Without reclassification on January 1, 2023, the pro forma information on December 31, 2023, other equity interest decreased by $59,251,073 thousand and non-controlling interests decreased by $145,571 thousand. Then, for the year ended December 31, 2023, the fair value gain (after tax) to be recognized in other comprehensive income would have been $12,001,201 thousand (including the derecognised parts at the end of the period and considered changes in shareholders' equity adjustment). Of which, equity attributable to owners of the parent company and non-controlling interests were $11,875,049 thousand and $126,152 thousand, respectively.

13. OTHER DISCLOSURES

(A) Information on Significant Transactions:

In accordance with the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises”, the Group disclosed the information on significant transactions for the year end December 31, 2023 as follows:

(a) Acquisition of real property over $100,000 thousand or 20% of capital：

Units:$'000

Acquiring Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as counterparty is a related party,				Reference for price	Purpose and usage	other
							Owner	Relations with the issuer	Transfer Date	Amount			
Fubon Life Insurance Co., Ltd.	Land: Land No. 1, Fenghuang Lane, Jianxing Lane, Hukou Township, Hsinchu County	2022.04.27	2,648,345 (Note1)	Paid in full	TA SAN SHANG International Container Terminal Co., Ltd.	Not related party	-	-	-	-	Referred to market price and appraisal reports	Investment Property	Transfer completed on April 27, 2023.
Fubon Life Insurance Co., Ltd.	Capacity transfer for land development case of Lane No. 723, 725, 2 Lane, Yucheng Section, Nangang District, Taipei City.	2022.08.12	1,085,207 (Note2)	Paid in full	Taipei City Government	Related party	Not applicable	Not applicable	Not applicable	-	Not applicable	Apply capacity transfer for development case	Acquired the permit certificate of urban building capacity transfer from the Taipei City Government on April 20, 2023.

Acquiring Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as counterparty is a related party, Owner	Relations with the issuer	Transfer Date	Amount	Reference for price	Purpose and usage	other
Fubon Life Insurance Co., Ltd.	New-build program of A25 superficies	2014.07.29~ 2023.12.07	13,544,466	Payment based on construction progress	Li Jin Engineering Co., Ltd., etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	1. The case had acquired the user license in January 2023. 2. The acceptance and improvements are ongoing, and the total program costs have not yet been finalized. 3. Transactions with related parties include an administrative consulting contract of $161,160 thousand with Fubon Land Development Co., a consulting contract of $4,300 thousand with Fubon Art Foundation, and the administrative tax charge from the Taipei City Government.
Fubon Life Insurance Co., Ltd.	New-build superficies program in Xinmin Section of Beitou	2014.05.30~ 2023.12.08	1,650,140	Payment based on construction progress	Dehwa Construction Co., Ltd., etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions with related parties include an administrative consulting contract of $26,840 thousand with Fubon Land Development Co. and the administrative tax charge from the Taipei City Government.
Fubon Life Insurance Co., Ltd.	New-build program of the northern base of Chengde Building	2012.03.09~ 2023.12.19	2,865,182	Payment based on construction progress	Dehwa Construction Co., Ltd., Da-Link Architects and Associates, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program (urban renewal) of the southern base of Chengde Building	2012.03.09~ 2023.11.17	192,539	Payment based on construction progress	QlabArchitects, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program in Yucheng Section of Nangang District	2020.06.23~ 2023.12.08	900,819	Payment based on construction progress	Dehwa Construction Co., Ltd., etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government

Acquiring Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as counterparty is a related party,				Reference for price	Purpose and usage	other
							Owner	Relations with the issuer	Transfer Date	Amount			
Fubon Life Insurance Co., Ltd.	New-build program of the superficies beside Aozihdi Station in Kaohsiung	2018.04.20~ 2023.12.04	27,414,685	Payment based on construction progress	Samsung C&T corporation Taiwan Branch-Korea, Formosa Builders,Inc., etc.	Not related party	-	-	-	-	Comparison, negotiation, and administrative tax and fee	Investment Property and owner-occupied property	
Fubon Life Insurance Co., Ltd.	New-build program (urban renewal) in Dunhua Section of Songshan District	2021.03.11~ 2023.12.20	886,232	Payment based on construction progress	HCCH & Associties Architects Planners & Engineers, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program for development case of Hsinchu Hukou	2022.09.20~ 2023.10.31	173,618	Payment based on construction progress	Da-Ju Architects & Associates, etc.	Not related party	-	-	-	-	Comparison, negotiation, and administrative tax and fee	Investment Property	

Note1: It is the total purchase price of the contract (VAT included). Transaction cost is separately counted.

Note2: The book value of capacity transfer land road and capacity deposit were \$1,085,207 thousand in total.

(b) Disposal of real property over \$100,000 thousand or 20% of capital: None.

(c) Sales and purchase with related party over \$100,000 thousand or 20% of capital：Note 7 and 13(A)(f).

(d) Accounts receivable with related party over \$100,000 thousand or 20% of capital: Please refer to Note 7.

(e) Information on derivative transactions：Please refer to Note 6(C) and (AD).

(f) Business relationship and significant transactions with the subsidiaries:

No	Company	Counterparty	Relationship	Transaction details			
				Accounts	Amount	Trading terms	Percentage ratio against total operating income or total assets
0	Fubon Life Insurance Co., Ltd.	Fubon (Hong Kong) Co., Ltd.	1	Receivables	4,958	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Fubon (Hong Kong) Co., Ltd.	1	Non-operating income & expense	22,335	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	1	Loans	1,697,722	Same as non related-party transactions	0.03 %
0	Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	1	Receivables	11,554	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	1	Interest income	46,950	Same as non related-party transactions	0.01 %
0	Fubon Life Insurance Co., Ltd.	Bow Bells House (Jersey) Limited	1	Interest income	156,846	Same as non related-party transactions	0.03 %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Loans	8,736,353	Same as non related-party transactions	0.15 %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Receivables	84,779	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Interest income	337,132	Same as non related-party transactions	0.06 %
0	Fubon Life Insurance Co., Ltd.	Fubon Ellipse (Belgium) S.A.	1	Loans	3,258,984	Same as non related-party transactions	0.06 %

No	Company	Counterparty	Relationship	Transaction details			
				Accounts	Amount	Trading terms	Percentage ratio against total operating income or total assets
0	Fubon Life Insurance Co., Ltd.	Fubon Ellipse (Belgium) S.A.	1	Receivables	28,750	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Fubon Ellipse (Belgium) S.A.	1	Interest income	113,099	Same as non related-party transactions	0.02 %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg) S. ā r.l.	1	Loans	10,321,692	Same as non related-party transactions	0.18 %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg) S. ā r.l.	1	Receivables	49,431	Same as non related-party transactions	- %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg) S. ā r.l.	1	Interest income	194,452	Same as non related-party transactions	0.03 %

Note1: Each number represents the following definitions:

(1) Zero stands for the parent company

(2) Subsidiaries are coded from No.1 per respective companies.

Note2: Transaction relationship is as follows:

(1) Parent company to subsidiary company

(2) Subsidiary company to parent company

(3) Subsidiary company with subsidiary company

(B) Information on Investees:

Disclosure on business investments for the year ended December 31, 2023 is as follows:

Units:NT$'000

Investor Company	Investee Company	Location	Major Business	Original Investment		Held by the Company			Income (losses) of investee company	Income (losses) recognized from investee company	Note
				Period-end	End of prior year	Shares	Percentage (%)	Book Value			
Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Vietnam) Co., Ltd.	Hanoi Vietnam	Life insurance business	2,153,217	2,153,217	-	100.00 %	1,612,894	32,701	32,701	Subsidiary Note 1
Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Hong Kong) Co., Ltd.	Hong Kong	Life insurance business	12,985,410	10,532,054	3,275,000,000	100.00 %	12,323,030	319,782	319,782	Subsidiary Note1
Fubon Life Insurance Co., Ltd.	Fubon Hyundai Life Insurance Co., Ltd.	Korea	Life insurance business	33,361,377	23,910,370	253,834,047	83.22 %	19,841,316	(5,478,597)	(4,557,203)	Subsidiary Note 1
Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	Guernsey	Rental property business	3,348,784	3,348,784	41,514,743	100.00 %	1,915,700	(536,729)	(536,729)	Subsidiary Note 1 Note 2 Note 4
Fubon Life Insurance Co., Ltd.	Bow Bells House (Jersey) Limited	Jersey	Rental property business	7,608,715	2,186,556	184,122,931	100.00 %	4,263,091	(1,117,402)	(1,117,402)	Subsidiary Note 1 Note 2 Note 4
Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	Jersey	Rental property business	4,708,389	4,708,389	92,581,000	100.00 %	4,960,099	174,109	174,109	Subsidiary Note 1 Note 2 Note 4

Investor Company	Investee Company	Location	Major Business	Original Investment		Held by the Company			Income (losses) of investee company	Income (losses) recognized from investee company	Note
				Period-end	End of prior year	Shares	Percentage (%)	Book Value			
Fubon Life Insurance Co., Ltd.	Fubon Ellipse (Belgium) S.A.	Brussels Belgium	Rental property business	2,579,463	2,579,463	1,133,718	100.00 %	1,554,594	(433,599)	(433,599)	Subsidiary Note 1 Note 3 Note 4
Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg) S. à r.l.	Luxembourg	Rental property business	7,727,154	7,727,154	219,997	100.00 %	2,494,832	(4,132,161)	(4,132,161)	Subsidiary Note 1 Note 4 Note 5
Fubon Life Insurance Co., Ltd.	CITIC Capital Holdings Limited	Hong Kong	Holding company	7,046,304	7,046,304	13,979,798	18.00 %	9,159,243	19,099	(188,467)	Affiliate company
Fubon Life Insurance Co., Ltd.	Hyundai Card Co., Ltd.	Korea	Credit Card Business	5,156,803	5,156,803	16,046,528	10.00 %	8,875,359	6,106,704	376,188	Affiliate company
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Venture Capital Co., Ltd.	ROC	Venture capital service	1,979,650	1,979,650	315,554,902	25.00 %	3,763,871	464,128	112,755	Affiliate company
Fubon Life Insurance Co., Ltd.	Star River Energy Co., Ltd.	ROC	Energy technology service	180,442	180,442	18,044,160	20.00 %	211,194	80,217	16,044	Affiliate company
Fubon Life Insurance Co., Ltd.	Star Shining Energy Co., Ltd.	ROC	Energy technology service	2,100,000	2,100,000	210,000,000	30.00 %	2,269,904	501,534	150,460	Affiliate company
Fubon Life Insurance Co., Ltd.	Whole Max Green Power Co., Ltd.	ROC	Energy technology service	477,000	327,000	47,700,000	30.00 %	499,717	53,641	16,345	Affiliate company
Fubon Life Insurance Co., Ltd.	Sinergy 1st Co., Ltd.	ROC	Energy technology service	300,000	150,000	30,000,000	30.00 %	299,520	(285)	(253)	Affiliate company
Fubon Life Insurance Co., Ltd.	Aquastar Energy Corporation	ROC	Energy technology service	180,000	180,000	18,000,000	30.00 %	175,727	(13,749)	(4,125)	Affiliate company
Fubon (Hong Kong) Co., Ltd.	ZA Life Limited	Hong Kong	Life insurance business	574,065	1,339,485	150,000,000	15.00 %	299,050	(436,444)	(125,234)	Affiliate company

Note 1: Write off under consolidated financial statements.

Note 2: Investment properties are located in London, England.

Note 3: Investment property is located in Brussels, Belgium.

Note 4: Investee does not have external debts, act as guarantor or provide its assets as collateral for debts of external parties. Except being pledged as collateral for its shareholder loan, the ownership of its property is not subject to restrictions.

Note 5: Investment Property is located in Frankfurt, Germany.

(C) Information on Investment in Mainland China：

(a) Information regarding investment in Mainland China as follows：

Units:$'000

Investee company	Main business	Paid-in capital	Method of investment (Note 1)	Accumulated outward fund of investment from Taiwan at the beginning	Outward remittance or inward recovery		Accumulated outward fund of investment from Taiwan at the balance sheet date	Investee company gains/(losses) in current period	Directly or indirectly share holding percentage	Income(losses) recognized from investee company	Book value of investment at period end	Recovery investment profit
					Outward	Inward						
Fubon Property & Casualty Insurance Co., Ltd.	Property Insurance	4,838,710 CNY 1,120,000	(a)	2,155,322	-	-	2,155,322	(175,450) CNY (40,047)	40.00 %	(70,180) Note2	381,220	-
Shenzhen Teng Fu Bo Investment Limited (Note 4)	Investment Consultancy	3,224,655 CNY 746,400	(c)	-	-	-	-	(356,461) CNY (81,362)	3.27 %	(11,644)	34,135	-

Note 1: Investment types are as follows:

(a) Direct investments in Mainland China.

(b) Reinvestment in Mainland China through a third regional company. (Please specify the companies invested in the third region.)

(c) Others.

Note 2: The recognition of investment gains or losses is based on the financial statements audited by certified public accountant.

Note 3: The NTD amounts in the table which were originally presented in foreign currencies are translated at the closing rate as of December 31, 2023, or the average exchange rate for the year ended December 31, 2023.

Note 4: The Group indirectly invested in WeSure Insurance Ltd. through Shenzhen Teng Fu Bo Investment Ltd.

Note 5: As of December 31, 2023, Fubon Property & Casualty Insurance Co., Ltd. has completed the disposal of the shareholding of Xiamen KingSpring Insurance Surveyors & Loss-Adjusters Co., Ltd., and the Group no longer has any direct or indirect investment in Xiamen KingSpring Insurance Surveyors & Loss-Adjusters Co., Ltd. The income (losses) from investments recognized by the Group for the period is $470 thousand, including the gain on disposal.

The Group and Fubon Insurance Co., Ltd. have jointly invested in the set-up of Fubon Property and Casualty Insurance Co., Ltd. in 2010 for its insurance business operation in Mainland China. In addition, the Group signed a joint venture contract with Fubon Insurance Co., Ltd., and Xiamen Port Holding Group in September 2012. The joint venture was approved by the Insurance Bureau, FSC, the Investment Commission, MOEA and CBRC. The proportionate share holding for The Group, Fubon Insurance Co., Ltd. and Xiamen Port Holding Group are 40%, 40% and 20% respectively. As of December 31, 2023, the accumulated investment of the Group amounted to CNY 448 million.

Fubon Property & Casualty Insurance Co., Ltd initially invested in Shenzhen Teng Fu Bo Investment Limited with 31.1% shareholding. Subsequently on July 16, 2020, board of directors has resolved to not participate in the capital increase for Shenzhen Teng Fu Bo Investment Limited, which resulted in the decrease in shareholdings from 31.1% to 16.667% and has been approved by local governing institutions on August 19, 2020. On August 13, 2021, Fubon Property & Casualty Insurance Co., Ltd shareholders’ meeting has passed a resolution to dispose of 8.5% shareholding in Shenzhen Teng Fu Bo Investment Limited. This disposal was approved by the competent authority on October 6, 2021 and the shareholding was sold to Fubon Financial Holding Venture Capital Co., Ltd. and TFB Capital Co., Ltd. The equity transfer was completed on October 15, 2021, which resulted in the shareholdings reducing from 16.667% to 8.167%. As of December 31, 2023, Funbon Property & Casualty Insurance Co. Ltd. invested an accumulated amount of CNY 60,956 thousand.

On April 8, 2021, Fubon Property & Casualty Insurance Co., Ltd. acquired 24.96% shares of Xiamen KingSpring Insurance Surveyors & Loss-Adjusters Co., Ltd. On July 20, 2023, the Board of Directors approved to dispose the entire equity interest of Xiamen KingSpring Insurance Surveyors & Loss-Adjusters Co., Ltd. to Dirun (Tianjin) Technology Co., Ltd., and the gain on disposal is approximately CNY 159.5 thousand. As of December 31, 2023, the registration of the relevant change of ownership and the settlement of the shareholding in this case had been completed.

(b) Fubon Property & Casualty Insurance Co., Ltd. is a property insurance company, the information for its cash management and profitability is disclosed as follows:

(1) Capital status and its profit and loss：No significant investment.

(2) The Fubon Property & Casualty Insurance Co., Ltd. provides premium deficiency reserve according to the Regulations Governing the Provision of Various Reserves by Insurance Enterprises amended by Financial Supervisory Commission, Executive Yuan, Gin Guan Bao Tsai No.09802513192 on December 28, 2009. Non life insurance companies should evaluate the claim payments and expense which will be incurred in the future and compare the fore-mentioned expenditures to the premium based on insurance policy without expiration or the accepting risk which is not terminative. If the expenditures are lower than the premium, non life insurance companies should provide the differences as the premium deficiency reserve. The methodology for providing premium deficiency reserve is decided by actuaries and reported to the authority. If there is any change, it should adopt the same procedures as aforementioned.

	December 31, 2023	December 31, 2022
Unearned premium reserve	$ 1,727,074	2,196,667
Claim reserve	2,077,269	2,766,605
Premium deficiency reserve	35,090	84,814
Total	**$ 3,839,433**	**5,048,086**

(3) Ratio accounted for the total premium revenue of the Group: 0.68%

(4) Ratio accounted for the total claim payment of the Group: 0.32%

(5) The pricing, payment condition, unrealized profit and loss of significant transactions with the investee in China:

1) Amount, ratio and the ending balance of relevant receivables and payable of core business items such as the insurance policy which the policy holder is the investee: None.

2) Amount and profit and loss of property transaction: None.

3) The highest balance, ending balance, interest rate interval and current interest amount of financing: None.

4) Other significant transactions which would influence current profit and loss and other financial condition, such as the provision or receipt of labor service: None.

(6) The name and premium revenue (expense) from the reinsurance business counterparties which are the branches of foreign insurance companies located in China or the branch of Chinese insurance companies: None.

(7) Name and premium revenue of significant insurance business with Chinese people, legal entities and groups located overseas: None.

(c) Limit of investment in China：

Unit:NTD$'000

Name of Company	Accumulated amount transferred from Taiwan, end of the period	Investment amount approved by Ministry of Finance	Limit of investment regulated by Investment Audit Committee of Ministry of Finance.
Fubon Life Insurance Co., Ltd.	2,155,322	2,155,416	295,222,882

Note: Excluding investments accounted not for using the equity method.

(d) Significant transactions with the investee in China：None

14. SEGMENT INFORMATION

(A) General information

The Group runs its life insurance business and provides insurance contract product in accordance with local insurance laws, or operates other kinds of businesses according to local laws. Because the Group mainly runs insurance business and invests in real estates in Taiwan and overseas, the Group shall consider both regions and operating characteristics when determining reportable segments. The operating sectors of the Group report their profit or loss based on the net income before tax, the value of which is the foundation of performance evaluation and consistent with the report used by their decision makers. The accounting policies of the operating sectors are the same as significant accounting policies summary in Note 4.

(B) Segment information

	For the year ended December 31, 2023				
	Taiwan Insurance Business	Asia Insurance Business (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue					
Gains from external customers	$ 492,596,766	75,944,498	(4,905,830)	(160,063)	563,475,371
(Losses) gains from internal segments	(9,403,152)	-	-	9,403,152	-
Total revenue	**$ 483,193,614**	**75,944,498**	**(4,905,830)**	**9,243,089**	**563,475,371**
Net income	**$ 36,091,107**	**(5,126,114)**	**(6,045,782)**	**10,045,123**	**34,964,334**
Total assets	**$5,312,703,399**	**525,275,932**	**40,787,770**	**(66,673,191)**	**5,812,093,910**

	For the year ended December 31, 2022				
	Taiwan Insurance Business	Asia Insurance Business (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue					
Gains from external customers	$ 491,169,420	86,729,414	(1,570,056)	(29,409)	576,299,369
(Losses) gains from internal segments	(1,274,371)	-	-	1,274,371	-
Total revenue	**$ 489,895,049**	**86,729,414**	**(1,570,056)**	**1,244,962**	**576,299,369**
Net income	**$ 65,537,415**	**828,132**	**(2,738,742)**	**2,055,607**	**65,682,412**
Total assets	**$5,040,875,040**	**570,444,338**	**45,173,735**	**(53,662,806)**	**5,602,830,307**

Note1: Asia Insurance Business does not include Taiwan.

Note2: The adjustments and eliminations are eliminating entries used to adjust intercompany transactions when preparing the consolidated financial statements.