China Development Financial Holding Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2022 and 2021 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
China Development Financial Holding Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China Development Financial Holding Corporation (the "Corporation") and its subsidiaries as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and related notes, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the guidelines issued by the authority and International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three -month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the guidelines issued by the authority and International Accounting Standard 34 "Interim Financial Reporting".

The engagement partners on the reviews resulting in this independent auditors' review report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 20, 2022

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

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

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

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Note 6)	$ 127,016,387	4	$ 167,862,826	5	$ 114,249,689	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO FINANCIAL INSTITUTIONS (Notes 7 and 49)	22,689,489	1	48,914,268	1	31,792,157	1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 9, 18, 48 and 49)	551,103,203	16	554,548,173	16	548,444,225	16
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 10, 49 and 54)	443,725,449	13	507,374,321	15	631,722,572	18
DEBT INVESTMENTS MEASURED AT AMORTIZED COST (Notes 11, 18, 48 and 54)	1,337,668,785	38	1,220,278,781	35	1,132,929,229	33
FINANCIAL ASSETS FOR HEDGING (Note 12)	1,483,206	-	259,267	-	220,795	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 13)	33,947,519	1	28,315,799	1	32,989,548	1
RECEIVABLES, NET (Notes 14, 48, 49 and 54)	150,778,602	4	130,448,138	4	153,528,373	5
CURRENT TAX ASSETS	153,257	-	123,419	-	701,499	-
DISCOUNTS AND LOANS, NET (Notes 15, 48 and 54)	413,923,646	12	407,601,578	12	408,733,410	12
REINSURANCE ASSETS, NET (Note 16)	1,053,512	-	891,059	-	863,787	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 17 and 18)	20,492,199	1	20,227,991	1	16,203,827	1
OTHER FINANCIAL ASSETS (Notes 19, 48 and 49)	157,495,787	4	154,951,789	4	142,845,080	4
INVESTMENT PROPERTY, NET (Notes 20 and 49)	50,054,146	1	35,299,898	1	30,285,628	1
PROPERTY AND EQUIPMENT, NET (Notes 21 and 49)	34,484,588	1	34,051,875	1	34,853,794	1
RIGHT-OF-USE ASSETS, NET (Note 22)	12,754,760	-	12,590,590	-	13,942,436	-
INTANGIBLE ASSETS, NET (Note 23)	18,681,612	1	18,742,494	1	19,307,056	1
DEFERRED TAX ASSETS (Note 44)	15,205,015	-	14,003,281	-	11,935,103	-
OTHER ASSETS, NET (Notes 24 and 48)	108,585,617	3	102,154,401	3	100,569,581	3
TOTAL	$ 3,501,296,779	100	$ 3,458,639,948	100	$ 3,426,117,789	100
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and financial institutions (Notes 25 and 48)	$ 20,080,666	-	$ 20,823,546	-	$ 21,754,797	1
Funds from the Central Bank and financial institutions	133,700	-	129,490	-	91,080	-
Financial liabilities at fair value through profit or loss (Notes 8 and 48)	95,503,375	3	57,698,157	2	102,724,790	3
Financial liabilities for hedging (Note 12)	568,275	-	73,006	-	153,036	-
Notes and bonds issued under repurchase agreements (Notes 8, 10, 11 and 26)	126,082,270	4	101,884,810	3	132,598,134	4
Commercial paper payable, net (Notes 27 and 49)	26,073,829	1	21,214,240	1	18,284,269	1
Payables (Notes 28 and 48)	100,729,413	3	102,849,601	3	120,221,498	3
Current tax liabilities	4,067,362	-	3,789,560	-	5,942,981	-
Deposits and remittances (Notes 29 and 48)	468,089,605	13	483,502,457	14	479,588,765	14
Bonds payable (Note 30)	91,759,044	3	92,441,122	3	71,554,882	2
Other borrowings (Notes 31 and 49)	23,733,297	1	22,557,523	1	23,069,688	1
Provisions (Notes 4 and 32)	2,035,594,545	58	1,993,971,267	58	1,929,483,077	56
Other financial liabilities (Note 34)	181,292,542	5	171,923,171	5	163,093,555	5
Lease liabilities (Note 22)	4,660,764	-	4,455,216	-	4,389,446	-
Deferred tax liabilities (Notes 4 and 44)	6,291,164	-	9,007,624	-	8,158,364	-
Other liabilities (Note 48)	54,096,821	1	79,208,406	2	50,756,971	1
Total liabilities	3,238,756,672	92	3,165,529,196	92	3,131,865,333	91
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Notes 35, 36 and 37)						
Capital						
Common stock	171,927,773	5	171,896,598	5	149,736,024	5
Preferred stock	18,930,436	1	18,930,436	-	-	-
Advance receipts for capital stock	-	-	31,175	-	60,615	-
Share capital awaiting retirement	(14,100)	-	-	-	-	-
Capital surplus	36,142,397	1	36,147,480	1	11,821,316	-
Retained earnings						
Legal reserve	10,035,815	-	10,035,815	-	8,816,167	-
Special reserve	298,120	-	298,120	-	565,041	-
Unappropriated earnings	63,540,379	2	52,021,923	2	35,311,330	1
Other equity	(29,591,673)	(1)	12,490,292	-	8,998,834	-
Treasury shares	(9,071,501)	-	(9,071,501)	-	(698,576)	-
Total equity attributable to owners of the parent	262,197,646	8	292,780,338	8	214,610,751	6
NON-CONTROLLING INTERESTS (Notes 35 and 36)	342,461	-	330,414	-	79,641,705	3
Total equity	262,540,107	8	293,110,752	8	294,252,456	9
TOTAL	$ 3,501,296,779	100	$ 3,458,639,948	100	$ 3,426,117,789	100

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

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 38 and 48)	$ 17,453,018	42	$ 17,787,370	34
INTEREST EXPENSE (Notes 38 and 48)	(953,319)	(2)	(974,348)	(2)
INTEREST PROFIT, NET	16,499,699	40	16,813,022	32
NONINTEREST PROFITS AND GAINS, NET				
Service fee and commission, net (Notes 19, 39 and 48)	269,950	1	1,824,102	3
Net income from insurance operations (Notes 40 and 48)	9,407,474	23	19,248,333	36
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss, net (Notes 8, 41 and 48)	(38,146,138)	(92)	6,432,603	12
Realized gain (loss) on financial assets measured at fair value through other comprehensive income (Note 42)	2,939,505	7	5,317,873	10
Gain (loss) on disposal of financial assets measured at amortized cost (Note 11)	118,808	-	(214,117)	-
Foreign exchange gain (loss), net	33,492,932	80	(251,113)	-
Impairment loss on assets, net	(1,522,051)	(4)	(5,378)	-
Share of the profit (loss) of associates and joint ventures	(202,757)	-	359,998	1
Gain (loss) on reclassification using the overlay approach (Note 8)	18,016,045	43	1,280,164	2
Other noninterest net income (loss) (Notes 48 and 50)	783,265	2	2,402,205	4
Total noninterest profits and gains, net	25,157,033	60	36,394,670	68
TOTAL NET REVENUE	41,656,732	100	53,207,692	100
REVERSAL OF ALLOWANCE FOR BAD DEBTS AND LOSSES ON COMMITMENTS AND GUARANTEES	104,719	-	56,715	-
NET CHANGE IN RESERVE FOR INSURANCE LIABILITIES	(22,548,567)	(54)	(27,532,500)	(52)

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CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING EXPENSES (Notes 22, 33, 43 and 48)				
Employee benefits	$ (4,830,287)	(12)	$ (6,031,859)	(11)
Depreciation and amortization	(936,109)	(2)	(918,110)	(2)
Other general and administrative expenses	(1,841,600)	(4)	(2,285,398)	(4)
Total operating expenses	(7,607,996)	(18)	(9,235,367)	(17)
NET PROFIT BEFORE INCOME TAX	11,604,888	28	16,496,540	31
INCOME TAX EXPENSE (Note 44)	(1,924,701)	(5)	(1,680,827)	(3)
NET PROFIT FOR THE PERIOD	9,680,187	23	14,815,713	28
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss, net of income tax				
Share of the other comprehensive income (loss) of associates and joint ventures	(305,976)	(1)	117,528	-
Gain (loss) on equity instruments measured at fair value through other comprehensive income	(1,253,490)	(3)	1,277,955	2
Income tax relating to the items that will not be reclassified subsequently to profit or loss (Note 44)	290,640	1	426,252	1
Items that will be reclassified subsequently to profit or loss, net of income tax				
Exchange differences on translation of financial statements of foreign operations	1,261,398	3	1,911	-
Share of the other comprehensive income (loss) of associates and joint ventures	197,510	-	4,914	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 44)	4,995,371	12	5,961,318	11
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(27,531,142)	(66)	(38,303,609)	(72)
Other comprehensive income (loss) on reclassification using the overlay approach (Note 8)	(18,016,045)	(43)	(1,280,164)	(2)
Other comprehensive income (loss) for the period, net of income tax	(40,361,734)	(97)	(31,793,895)	(60)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (30,681,547)	(74)	$ (16,978,182)	(32)

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CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of parent	$ 9,673,661	23	$ 9,839,868	19
Non-controlling interests	6,526	-	4,975,845	9
	$ 9,680,187	23	$ 14,815,713	28
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of parent	$ (30,693,594)	(74)	$ (6,494,470)	(12)
Non-controlling interests	12,047	-	(10,483,712)	(20)
	$ (30,681,547)	(74)	$ (16,978,182)	(32)
EARNINGS PER SHARE (Note 45)				
Basic	$ 0.58		$ 0.66	
Diluted	$ 0.58		$ 0.66	

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

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Parent															
	Capital					Retained Earnings			Other Equity							
	Common Stock	Preferred Stock	Advance Receipts for Capital Stock	Share Capital Awaiting Retirement	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Other Comprehensive Income Reclassified Using the Overlay Approach	Others	Treasury Shares	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	$ 149,729,414	$ -	$ 3,298	$ -	$ 1,627,728	$ 8,816,167	$ 565,041	$ 24,809,292	$ (3,814,286)	$ 21,020,859	$ 1,157,242	$ -	$ (1,178,647)	$ 202,736,108	$ 129,889,979	$ 332,626,087
Net profit for the three months ended March 31, 2021	-	-	-	-	-	-	-	9,839,868	-	-	-	-	-	9,839,868	4,975,845	14,815,713
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	-	8,099	(16,343,364)	927	-	-	(16,334,338)	(15,459,557)	(31,793,895)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	-	9,839,868	8,099	(16,343,364)	927	-	-	(6,494,470)	(10,483,712)	(16,978,182)
Disposal of the Corporation shares, as treasury shares	-	-	-	-	20,821	-	-	-	-	-	-	-	956,908	977,729	1,194,084	2,171,813
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	10,181,427	-	-	-	(12,101)	7,661,553	(1,363)	-	(476,837)	17,352,679	(40,952,679)	(23,600,000)
Share-based payments	6,610	-	57,317	-	(8,660)	-	-	(10,414)	-	-	-	-	-	44,853	-	44,853
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	678,732	-	(678,732)	-	-	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	-	(6,148)	-	-	-	-	-	(6,148)	(5,967)	(12,115)
BALANCE AT MARCH 31, 2021	$ 149,736,024	$ -	$ 60,615	$ -	$ 11,821,316	$ 8,816,167	$ 565,041	$ 35,311,330	$ (3,818,288)	$ 11,660,316	$ 1,156,806	$ -	$ (698,576)	$ 214,610,751	$ 79,641,705	$ 294,252,456
BALANCE AT JANUARY 1, 2022	$ 171,896,598	$ 18,930,436	$ 31,175	$ -	$ 36,147,480	$ 10,035,815	$ 298,120	$ 52,021,923	$ (5,126,549)	$ 13,669,003	$ 5,406,323	$ (1,458,485)	$ (9,071,501)	$ 292,780,338	$ 330,414	$ 293,110,752
Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	-	9,673,661	-	-	-	-	-	9,673,661	6,526	9,680,187
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	-	1,455,343	(24,398,311)	(17,424,287)	-	-	(40,367,255)	5,521	(40,361,734)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	-	9,673,661	1,455,343	(24,398,311)	(17,424,287)	-	-	(30,693,594)	12,047	(30,681,547)
Share-based payments	31,175	-	(31,175)	(14,100)	(5,083)	-	-	-	-	-	-	130,970	-	111,787	-	111,787
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	1,845,680	-	(1,845,680)	-	-	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	-	(885)	-	-	-	-	-	(885)	-	(885)
BALANCE AT MARCH 31, 2022	$ 171,927,773	$ 18,930,436	$ -	$ (14,100)	$ 36,142,397	$ 10,035,815	$ 298,120	$ 63,540,379	$ (3,671,206)	$ (12,574,988)	$ (12,017,964)	$ (1,327,515)	$ (9,071,501)	$ 262,197,646	$ 342,461	$ 262,540,107

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

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 11,604,888	$ 16,496,540
Adjustments for reconciliation with net profit		
Depreciation expenses	601,680	592,091
Amortization expenses	335,061	326,675
Reversal of allowance for bad debts and losses on commitments and guarantees, net	(104,719)	(56,715)
Loss (gain) on financial assets and liabilities measured at fair value through profit or loss, net	39,704,178	(4,806,803)
Interest expense	953,339	974,372
Interest revenue	(17,453,018)	(17,787,370)
Dividend income	(1,698,181)	(1,720,853)
Net changes in insurance liabilities	38,406,143	27,206,772
Net changes in reserve for changes in foreign exchange valuation	3,384,510	(129,232)
Share of loss (profit) of associates and joint ventures	203,025	(359,683)
Loss (gain) on reclassification using the overlay approach	(18,016,045)	(1,280,164)
Gain on disposal of investments	(3,281,844)	(4,754,249)
Impairment loss on financial assets	1,520,482	7,278
Unrealized loss (gain) on foreign currency exchange	(44,832,237)	970,022
Others	104,819	25,305
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to financial institutions	(472,128)	(1,766,636)
Financial assets at fair value through profit or loss	(6,346,231)	(11,256,715)
Financial assets at fair value through other comprehensive income	(7,515,307)	(4,699,510)
Debt investments measured at amortized cost	(5,336,976)	(1,181,655)
Note and bonds issued under resale agreement	(151,154)	-
Receivables	(11,668,830)	(14,803,528)
Discounts and loans	(6,218,299)	(221,139)
Other financial assets	588,120	6,461,163
Other assets	(6,797,285)	(5,756,469)
Deposits from the Central Bank and financial institutions	(742,880)	10,328,059
Financial liabilities at fair value through profit or loss	9,882,321	(2,724,301)
Notes and bonds issued under repurchase agreements	24,197,460	(2,266,111)
Payables	(10,256,796)	15,584,032
Deposits and remittances	(15,412,852)	(7,119,186)
Other financial liabilities	5,650,280	(3,146,625)
Other liabilities	(25,121,894)	(7,921,263)
Cash used in operations	(44,290,370)	(14,785,898)
Interest received	18,494,837	20,793,353
Dividends received	1,536,563	1,260,021

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CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31 2022	2021
Interest paid	$ (491,657)	$ (684,770)
Income tax paid	(295,278)	(95,986)
Net cash generated from (used in) operating activities	(25,045,905)	6,486,720
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(4,178,497)	(7,860,543)
Proceeds from sale of financial assets at fair value through other comprehensive income	53,886,599	59,969,445
Acquisition of financial assets measured at amortized cost	(101,668,839)	(112,465,323)
Proceeds from sale of financial assets measured at amortized cost	24,849,888	34,428,355
Principal from financial assets measured at amortized cost	1,287,093	7,729,733
Acquisition of financial assets at fair value through profit or loss	(1,232,846)	(20,208)
Acquisition of investments accounted for using equity method	(338,222)	(865,127)
Acquisition of property and equipment	(406,576)	(127,438)
Acquisition of investment properties	(15,154,602)	(64,014)
Others	49,261	388,394
Net cash used in investing activities	(42,906,741)	(18,886,726)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,615,958	(2,327,757)
Increase in funds from the Central Bank and financial institutions	4,210	15,050
Increase in commercial paper payable	4,859,589	6,719,465
Proceeds from corporate bonds	-	4,370,000
Repayments of corporate bonds	(130,000)	-
Proceeds from bank debentures	-	4,300,000
Repayments of long-term borrowings	(440,184)	(80,266)
Repayments of the principal portion of lease liabilities	(220,010)	(230,192)
Sale of treasury shares	-	2,171,813
Acquisition of ownership interests in subsidiaries	-	(23,600,000)
Others	(194)	45,123
Net cash generated from (used in) financing activities	5,689,369	(8,616,764)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	200,497	(22,260)

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CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	**2021**
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (62,062,780)	$ (21,039,030)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	230,064,311	185,202,488
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 168,001,531	$ 164,163,458

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of March 31, 2022 and 2021:

	March 31	
	2022	**2021**
Cash and cash equivalents in consolidated balance sheets	$ 127,016,387	$ 114,249,689
Due from the Central Bank and call loans to banks which qualify as cash and cash equivalents as defined in IAS 7	7,243,805	16,924,221
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	33,741,339	32,989,548
Cash and cash equivalents in consolidated statements of cash flows	$ 168,001,531	$ 164,163,458

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

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

China Development Financial Holding Corporation (the Corporation) was established by CDIB Capital Group (formerly China Development Industrial Bank) through a share swap on December 28, 2001 made under the Financial Holding Company Act and related regulations. CDIB Capital Group became a wholly owned subsidiary of the Corporation after the share swap.

The Corporation acquired First Taiwan Securities Corporation (First Taiwan) and Grand Cathay Securities Corporation (Grand Cathay) through a share swap on November 8, 2002. The effective date of the merger between Grand Cathay and First Taiwan was December 31, 2003. Grand Cathay was the survivor company after the merger.

On April 30, 2012, the Corporation's board of the directors approved the acquisition of 100% shares of KGI Securities Co., Ltd. (KGI Securities) through a tender offer. The Corporation acquired 81.73% of KGI Securities' shares during the public tender offer period. The Corporation acquired KGI Securities' remaining shares through a share swap and completed on January 18, 2013. Thus, KGI Securities is a 100% subsidiary of the Corporation. The effective date of the merger between KGI Securities and Grand Cathay was June 22, 2013. KGI Securities was the survivor company after the merger.

On September 15, 2014, the Corporation acquired KGI Bank Co., Ltd. (KGI Bank) through a share swap. Thus, KGI Bank became the Corporation's wholly owned subsidiary.

On March 13, 2017, the Corporation hold 100% equity interests of China Development Asset Management Corporation, which was previously held by CDIB Capital Group. China Development Asset Management Corporation has merged with its subsidiaries, including Development Industrial Bank Asset Management Corp., Chung Hwa Growth 3 Asset Management Corp. and Chung Hwa Growth 4 Asset Management Corp. on July 1, 2019. Chung Hwa Growth 3 Asset Management Corp. was the surviving company after the merger and was renamed as China Development Asset Management Corporation on the same day.

On August 15, 2017, the Corporation's board of directors approved the acquisition of 25.33% shares of China Life Insurance. After the Corporation acquired ordinary shares through public tender offer, China Life Insurance became a subsidiary of the Corporation as defined by the Financial Holding Company Act. On March 25, 2019, the Corporation's board of directors approved to apply for the participation of capital increase by cash of China Life Insurance. After the Corporation acquired ordinary shares, the Corporation held 26.17% of the ordinary shares of China Life Insurance. On November 27, 2020, the Corporation's board of directors approved the acquisition of 21.13% shares of China Life Insurance through public tender offer. After the Corporation acquired ordinary shares through public tender offer, the Corporation held 47.30% of the ordinary shares of China Life Insurance. On October 1, 2021, the Corporation's extraordinary general shareholders meeting approved the acquisition of 52.70% shares of China Life Insurance (including 8.65% share of China Life Insurance held by a subsidiary, KGI Securities) through a share swap. The Corporation in exchange for China Life Insurance shares at a share swap ratio of 1 China Life Insurance common share being in exchange for 0.80 the Corporation's common shares, 0.73 the Corporation's preferred shares and NT$11.5. On December 30, 2021, the Corporation acquired China Life Insurance through a share swap. Thus, China Life Insurance became the Corporation's wholly owned subsidiary.

The Corporation invests in and manages the businesses of finance-related institutions and investees.

The Corporation’s shares have been listed on the Taiwan Stock Exchange (TSE).

CDIB Capital Group was incorporated under the Corporation Act and relevant regulations and started operations on May 14, 1959. Effective January 1999, CDIB Capital Group was converted from a trust corporation into an industrial bank under government approval.

On May 1, 2015, CDIB Capital Group’s board of the directors approved the transfer to KGI Bank of (a) all assets and liabilities associated with the commercial banking business of CDIB Capital Group and (b) CDIB Capital Group’s holdings of shares in the CDIB Capital Group’s leasing subsidiaries and in the Taiwan Financial Asset Service Corporation.

On January 19, 2017, under the approval of the board of directors who had been authorized to exercise the rights on behalf of the shareholders’ meeting, China Development Industrial Bank was converted and the name became CDIB Capital Group. The date of conversion was March 15, 2017, and CDIB Capital Group will continue to expand its assets management business. The Financial Supervisory Commission (FSC) approved the conversion on March 10, 2017 with Official Letter No. 10600025880.

CDIB Capital Group’s main operations included securities investment, investment financial related business, venture capital and other activities approved by the authorities.

KGI Securities was established on September 14, 1988. It merged with Taishin Securities Co., Ltd. in 2009 and with Grand Cathay in 2013. The survivor entity in all these mergers was KGI Securities. As of March 31, 2022, KGI Securities had 74 branches, which included head office.

KGI Securities operates as a securities underwriter, dealer, broker, future trading, future dealer, trust, wealth management, offshore securities and other related business as approved by authorities.

KGI Bank was established on January 14, 1992. As of March 31, 2022, KGI Bank had a international banking department, a trust department, insurance department, various business departments, an offshore banking unit (OBU), and 51 domestic branches.

KGI Bank engages in banking operations are regulated under the banking Act.

China Development Asset Management Corporation (formerly Chung Hwa Growth 3 Asset Management Corp.) was established on November 5, 2003, and its operation includes acquiring, valuation, auction and management of debts from financial institution, acquiring of accounts receivable, management of overdue accounts receivable, and leasing and investment of real estate.

China Life Insurance was incorporated in Taiwan on April 25, 1963. In 2009, China Life Insurance completed the acquisition of major assets and liabilities of Prudential Corporation Asia Life Taiwan. As of March 31, 2021, China Life Insurance had a head office, an offshore insurance unit, and 8 domestic branches.

On October 19, 2017, China Life Insurance’s board of directors approved the acquisition of the following from Allianz Taiwan Life Insurance Co., Ltd.: A portion of the traditional insurance policies and additional attachments valued at NT$1 dollar. This acquisition has been approved by the FSC on February 27, 2018, and then the delivery was completed on May 18, 2018.

China Life Insurance is mainly engaged in the business of life insurance, offshore life insurance paid and received for foreign currency and other insurance-related businesses approved by competent authorities.

For more information on the organization and business of the consolidated entities, please refer to Table 7 (attached).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved to the board of directors and authorized for issue on May 20, 2022.

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

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

The related amendments to the International Financial Reporting Standards (IFRSs) did not have any material impact on the Group's accounting policies.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

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

2) IFRS 17 "Insurance Contract" and its amendments

IFRS 17 establishes the principle for the accounting treatment of insurance contracts and supersedes IFRS 4 "Insurance Contract". The principle is as follows:

Level of aggregation

An entity shall identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together. Contracts within a particular product line, such as motor policies, are expected to have similar risks, and if they are managed together would be in the same portfolio. For all issued insurance contracts in a portfolio, any entity shall divide it into:

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

b) A group of contracts that at initial recognition have no significant risk of becoming onerous, if any, and

c) A group of the remaining contracts in the portfolio, if any.

An entity is permitted to divide portfolios into more groups than required above. However, groups cannot include contracts issued more than one year apart.

Recognition

An entity shall recognize a group of insurance contracts it issues from the earliest of:

a) The beginning of the coverage period of a group of insurance contracts;

b) The date when the first payment from a policyholder of the group becomes due; and

c) When the Group becomes onerous.

Measurement

On initial recognition, an entity shall measure a group of contracts at the total of the amount of fulfilment cash flows ("FCF") and the contractual service margin ("CSM"). FCF comprises the estimate of future cash flow, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and risk adjustment for non-financial risk. The CSM represents the unearned profit the entity will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the Group of contracts is onerous, results in no income or expenses arising from:

a) The initial recognition of an amount for the FCF;

b) The cash inflows and outflows arising from the contracts in the Group at that date; and

c) The derecognition at that date of below items for acquisition cash flows

    i. Any asset recognized for acquisition cash flows; and

    ii. Any other asset or liability related to a group of contracts which had been recognized for cash flows before.

Subsequent measurement

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is remeasured to be the sum of the liability for remaining coverage and the liability for incurred claims, both determined as at that date. The liability for remaining coverage comprises the fulfilment cash flows related to the allocated future service and the contractual service margin; the liability for incurred claims comprises the fulfilment cash flows related to the allocated past service. If a group of insurance contracts becomes onerous (or more onerous) on subsequent measurement, the Group recognizes loss immediately.

Onerous contracts

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

Premium allocation approach

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach (PAA) on the condition that:

a) The entity reasonably expects the that this will be an approximation of General Model; or

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

If at the inception of the Group, an entity expects significant variance in the FCF during the period before a claim is incurred, such contracts are not eligible to condition (a).

Using the PAA, the liability for remaining coverage shall be:

a) Initially recognized at the premiums

b) Received at initial recognition, minus any insurance acquisition cash flows if any; and

c) The derecognition at that date of below items for acquisition cash flows

    i. Any asset recognized for acquisition cash flows; and

    ii. Any other asset or liability related to a group of contracts which had been recognized for cash flows before

Investment contracts with a discretionary participation feature

An investment contract with a discretionary participation feature (DPF) is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of IFRS 17 only if the issuer also issues insurance contracts.

Modification and derecognition

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

An entity shall de-recognize an insurance contract when it is extinguished or substantially modified.

Transition

An entity shall apply IFRS 17 retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. Fair value approach shall be used if the information is not reasonable and supportable information.

Under the fair value approach, an entity determines the CSM at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity to which IFRS 9 has applied may redesignate and reclassify financial assets that meet the requirements of paragraph C29 of IFRS 17. The entity is not required to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount of these financial assets and their carrying amount at the date of initial application is recognised in the initial retained earnings (or other equity as appropriate) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of IFRS 9 for these affected financial assets.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reporting by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises IAS 34 "Interim Financial Reporting" endorsed by the FSC. Disclosure information included in the interim financial report is less than disclosures required in a full set of annual financial report.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

All the consolidated accounts in the financial statements were categorized according to the nature of each account and sequenced by their liquidity rather than classified as current or noncurrent assets/liabilities.

Principles for Preparing Consolidated Financial Statements

The entities incorporated in the consolidated financial statements includes the Corporation and its subsidiaries. All significant intra-group transactions, balances, and unrealized income and expenses are eliminated in full upon consolidation.

The accounting policies of the subsidiary are applied consistently with the Corporation.

The functional currency of the Corporation is the New Taiwan dollar, and the consolidated financial statements are presented in New Taiwan dollars.

As of March 31, 2022, December 31, 2021 and March 31, 2021, the consolidated entities included in the consolidated financial statements included 59, 59 and 56 companies, respectively (please refer to the attached Table 7).

Other Significant Accounting Policy

Except for the following description, the accounting policies of the consolidated financial statements are applied consistently with the consolidated financial statements for the year ended December 31, 2021.

Retirement Benefit Costs

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistent with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

Modification of Financial Instruments

When a financial instrument is modified, the Corporation and its subsidiaries assess whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Corporation and its subsidiaries recalculate the gross carrying amount of the financial assets or the amortized cost of the financial liabilities based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial assets or financial liabilities and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Corporation and its subsidiaries elect to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Corporation and its subsidiaries first apply the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

It refers to the consolidated statement for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Cash in banks	$ 113,762,562	$ 154,814,397	$ 104,681,293
Due from banks	6,466,558	6,554,062	3,318,504
Others	6,787,267	6,494,367	6,249,892
	$ 127,016,387	$ 167,862,826	$ 114,249,689

Cash and cash equivalents as of December 31, 2021 as shown in the consolidated statement of cash flows can be reconciled to the related items in the balance sheets as follows; please refer to the consolidated statement of cash flows for the reconciliation information as of March 31, 2022 and 2021:

	December 31, 2021
Cash and cash equivalents in consolidated balance sheet	$ 167,862,826
Due from the Central Bank and call loans to financial institutions which qualify as cash and cash equivalents as defined of in IAS 7	33,940,712
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined of in IAS 7	28,260,773
Cash and cash equivalents in consolidated statement of cash flow	$ 230,064,311

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO FINANCIAL INSTITUTIONS

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Call loans to financial institutions	$ 3,829,726	$ 27,017,500	$ 11,168,418
Deposit reserve - demand accounts	11,759,235	11,198,024	11,519,168
Deposit reserve - checking accounts	3,942,404	7,545,247	5,949,807
Due from the Central Bank - interbank settlement funds	3,003,565	3,003,971	3,000,697
Deposit reserve - foreign currencies	154,559	149,526	154,067
	$ 22,689,489	$ 48,914,268	$ 31,792,157

Under a directive issued by the Central Bank of the ROC, New Taiwan dollar (NTD) - denominated deposit reserve is determined monthly at prescribed rates based on average balance of the Bank’s deposits. Deposit reserve - demand account should not be used, except for adjusting the deposit reserve account monthly.

In addition, separate foreign-currency deposit reserves are determined at prescribed rates based on balances of foreign-currency deposits. These reserves may be withdrawn anytime at no interest.

For the certificates deposit issued by the Central Bank of the ROC pledged as collaterals for the Group, please refer to Note 49.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets mandatorily classified as at FVTPL			
Derivative financial instrument			
Currency swap and forward exchange contracts	$ 17,836,073	$ 9,117,191	$ 14,240,546
Options and futures contracts	6,105,470	5,654,299	12,067,343
Interest rate swap contracts	4,340,659	3,783,166	18,780,798
Others	666,965	1,456,290	902,187
Non-derivative financial assets			
Shares	206,364,577	207,350,016	189,812,248
Mutual funds	162,044,093	168,819,138	151,901,804
Operating securities (Note 9)	61,681,933	67,945,917	73,657,375
Bank debentures	40,782,836	39,906,323	41,273,284
Corporate bonds	7,943,279	12,776,587	15,823,024
Commercial paper	7,838,014	10,260,772	10,413,599
Others	28,216,557	22,737,962	17,285,386
	543,820,456	549,807,661	546,157,594
Financial assets designated as at FVTPL			
Government bonds	1,017,987	-	204,509
Others	6,264,760	4,740,512	2,082,122
	7,282,747	4,740,512	2,286,631
Financial assets at FVTPL	$ 551,103,203	$ 554,548,173	$ 548,444,225
Financial liabilities held for trading			
Derivative financial instrument			
Currency swap and forward exchange contracts	$ 27,981,710	$ 5,739,505	$ 15,795,573
Non-deliverable forward	10,721,363	613,628	5,532,568
Options and futures contracts	6,533,587	6,553,181	9,457,158
Interest rate swap contracts	4,775,571	3,999,440	22,989,224
Others	5,766,216	6,301,266	5,811,463
Non-derivative financial liabilities			
Borrowed securities payable	15,929,814	11,012,190	22,672,967
Others	2,941,705	3,829,439	1,904,530
	74,649,966	38,048,649	84,163,483
Financial liabilities designated as at FVTPL			
Bank debentures payable	10,472,412	10,354,365	10,970,273
Structured products	10,380,013	9,294,131	7,541,106
Others	984	1,012	49,928
	20,853,409	19,649,508	18,561,307
Financial liabilities at FVTPL	$ 95,503,375	$ 57,698,157	$ 102,724,790

As of March 31, 2022, December 31, 2021 and March 31, 2021, bank debentures issued by the Group designated as at FVTPL were as follows:

Bank Debenture Number	March 31, 2022	December 31, 2021	March 31, 2021	Issuance Period	Method of Paying Principles and Interests	Interest Rate
P18KGIB1	$ 5,724,400	$ 5,538,000	$ 5,706,200	January 30, 2018 - January 30, 2048 (Note)	Principal due on maturity	0%
P18KGIB2	4,579,520	4,430,400	4,564,960	February 27, 2018 - February 27, 2048 (Note)	Principal due on maturity	0%
	10,303,920	9,968,400	10,271,160			
Valuation adjustments	168,492	385,965	699,113			
	$ 10,472,412	$ 10,354,365	$ 10,970,273			

Note: Based on 100% of the carrying value of each bond principal plus the interest; the Bank may redeem all the debentures after five years from the issue date (inclusive).

China Life Insurance elected to adopt the overlay approach in expressing financial assets designated as at FVTPL under IFRS 4 "Insurance Contracts" starting from application of IFRS 9. Investment of financial assets relating insurance contracts issued by China Life Insurance designated as at adoption of the overlay approach financial assets were as follows:

Financial assets mandatorily classified as at FVTPL

	March 31, 2022	December 31, 2021	March 31, 2021
Shares	$ 193,519,223	$ 192,878,435	$ 176,859,709
Mutual funds	161,019,099	167,750,597	150,331,011
Bank debentures	38,905,025	39,664,048	39,777,602
Corporate bonds	5,187,529	11,482,356	13,924,484
Others	24,552,260	18,302,596	9,928,647
	$ 423,183,136	$ 430,078,032	$ 390,821,453

For the three months ended March 31, 2022 and 2021, reclassification amount under profit or loss and other comprehensive income of designated as at adoption of the overlay approach financial assets is described as follows:

	For the Three Months Ended March 31	
	2022	2021
Gain (loss) on application of IFRS 9	$ (9,644,518)	$ 8,060,898
Loss (gain) on application of IAS 39	(8,371,527)	(9,341,062)
Gain (loss) on reclassification using the overlay approach	$ (18,016,045)	$ (1,280,164)

Due to the adjustment of the overlay approach, loss on financial assets measured at FVTPL decreased from $38,146,138 thousand to loss of $20,130,093 thousand for the three months ended March 31, 2022; and gain on financial assets measured at FVTPL increased from $6,432,603 thousand to gain of $7,712,767 thousand for the three months ended March 31, 2021.

The contract (nominal) amounts of the Group's outstanding derivative financial instruments as of March 31, 2022, December 31, 2021 and March 31, 2021 are summarized as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Currency swap and forward exchange contracts	$ 1,969,375,736	$ 1,922,416,963	$ 1,933,552,119
Interest rate swap contracts	452,234,014	445,570,514	948,932,103
Non-deliverable forward contracts	404,074,038	326,900,182	310,603,313
Options and futures contracts	277,199,313	241,576,309	759,559,833
Assets swap contracts	30,019,508	31,432,825	22,332,464
Structured products contracts	16,116,859	15,625,743	14,348,397
Cross-currency swap contracts	13,389,910	14,061,476	12,063,746
Credit default swap contracts	3,005,841	1,877,380	2,285,608
Commodity swap contracts	130,061	151,744	9,471
Equity derivative financial contracts	-	-	5,967

As of March 31, 2022, December 31, 2021 and March 31, 2021, financial assets at fair value through profit or loss with aggregate carrying values of $25,251,348 thousand, $37,656,259 thousand and $35,679,739 thousand, respectively, had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the information on financial instruments at fair value through profit or loss pledged as collateral for the Group, please refer to Note 49.

9. OPERATING SECURITIES

	March 31, 2022	December 31, 2021	March 31, 2021
Dealing			
Overseas securities	$ 16,892,618	$ 16,825,482	$ 20,267,258
Corporate bonds	10,748,250	11,958,948	13,691,229
Listed, OTC and emerging market stock	6,316,120	5,933,071	7,577,969
Government bonds	1,753,320	2,702,579	1,625,274
Others	1,906,481	3,679,142	3,176,145
	37,616,789	41,099,222	46,337,875
Underwriting			
Corporate bonds	1,098,983	1,033,616	397,857
Listed, OTC and emerging market stock	115,447	180,291	280,568
Others	502,500	-	90,000
	1,716,930	1,213,907	768,425
Hedge positions			
Corporate bonds	8,900,812	9,107,818	8,983,593
Listed, OTC and emerging market stock	5,171,832	7,787,157	5,162,678
Overseas securities	5,013,707	5,069,175	7,089,880
Mutual funds	3,106,489	3,537,691	4,630,238
Others	155,374	130,947	684,686
	22,348,214	25,632,788	26,551,075
	$ 61,681,933	$ 67,945,917	$ 73,657,375

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2022	December 31, 2021	March 31, 2021
Investments in debt instruments at FVTOCI			
Government bonds	$ 127,091,249	$ 157,406,737	$ 179,607,861
Corporate bonds	103,320,146	120,320,655	192,924,104
Bank debentures	81,550,259	93,029,108	133,481,192
Negotiable certificates of deposit	72,447,590	70,115,980	60,142,037
Others	2,806,836	2,042,848	2,292,110
	387,216,080	442,915,328	568,447,304
Investments in equity instruments at FVTOCI			
Common stocks	44,201,914	52,091,487	50,946,019
Preferred stocks	12,307,455	12,367,506	12,329,249
	56,509,369	64,458,993	63,275,268
	$ 443,725,449	$ 507,374,321	$ 631,722,572

a. Investments in debt instruments at FVTOCI

As of March 31, 2022, December 31, 2021 and March 31, 2021, investments in debt instruments at FVTOCI, with aggregate carrying values of $83,122,485 thousand, $64,467,623 thousand and $88,819,902 thousand had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the information on investments in debt instruments at FVTOCI pledged as collateral for the Group, please refer to Note 49.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at FVTOCI, please refer to Note 54.

b. Investments in equity instruments at FVTOCI

For the three months ended March 31, 2022 and 2021, the Group sold its shares in order to manage its investment portfolio. The sold shares had a fair value of $7,678,140 thousand and $2,086,900 thousand, respectively. The Group transferred a gain of $1,845,680 thousand and $678,732 thousand from other equity related-unrealized gain or loss on financial assets at fair value through other comprehensive income to retained earnings.

For the three months ended March 31, 2022 and 2021, dividend income for $140,218 thousand and $90,620 thousand, respectively, and those related to investment held as of March 31, 2022 and 2021 were $98,355 thousand and $90,620 thousand, respectively, and those related to investment derecognized for the three months ended March 31, 2022 and 2021 were $41,863 thousand and $0 thousand, respectively.

There are no any investments in equity instruments at FVTOCI pledged as collateral for the Group.

11. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2022	December 31, 2021	March 31, 2021
Bank debentures	$ 669,496,346	$ 626,551,255	$ 588,196,581
Corporate bonds	476,911,339	430,054,733	409,286,650
Government bonds	179,047,737	152,535,613	120,508,115
Others	12,213,363	11,137,180	14,937,883
	$ 1,337,668,785	$ 1,220,278,781	$ 1,132,929,229

As of March 31, 2022, December 31, 2021 and March 31, 2021, investments in debt instruments at amortized cost, with aggregate carrying values of $2,180,297 thousand, $263,055 thousand and $271,044 thousand had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the three months ended March 31, 2022 and 2021, Financial assets at amortized cost are derecognized, because of the agreement acquisition by issuers, the credit risk are increasing, seldomly selling, or both individually and totally amounts is lower than the materiality, corporation respectively recognizes the gain on disposal $115,398 thousand, and the loss on disposal $218,986 thousand.

There are no any investments in debt instruments at amortized cost that are pledged as collateral for the Group.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at amortized cost, please refer to Note 54.

12. FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets for hedging			
Fair value hedge - interest rate swap	$ 1,483,206	$ 259,267	$ 220,795
Financial liabilities for hedging			
Fair value hedge - interest rate swap	$ 568,275	$ 73,006	$ 153,036

Fair Value Hedges

The Group is exposed to the risk of adverse fair value fluctuations due to changes in interest rates for the debt instruments and bank debentures issued. Since the risk is considered material, the Group enters into interest rate swap contracts to hedge against this risk.

The following tables summarize the information relating to the hedges for interest rate risk.

March 31, 2022

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
Fair value hedge					
Interest rate swap contracts	$ 44,344,721	2022.05.03-2032.04.18	Financial assets and liabilities for hedging	$ 1,483,206	$ 568,275

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments	
	Asset	Liability	Asset	Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 27,764,394	$ -	$ (1,500,078)	$ -
Bank debentures	-	15,239,044	-	(560,956)

December 31, 2021

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Asset	Liability
Fair value hedge					
Interest rate swap contracts	$ 37,752,632	2022.05.03-2031.09.14	Financial assets and liabilities for hedging	$ 259,267	$ 73,006

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments	
	Asset	Liability	Asset	Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 23,135,245	$ -	$ (198,510)	$ -
Bank debentures	-	15,791,122	-	(8,878)

March 31, 2021

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Asset	Liability
Fair value hedge					
Interest rate swap contracts	$ 30,957,530	2022.05.03-2031.06.01	Financial assets and liabilities for hedging	$ 220,795	$ 153,036

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments	
	Asset	Liability	Asset	Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 17,041,385	$ -	$ (62,871)	$ -
Bank debentures	-	15,104,882	-	4,882

13. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Corporate bonds	$ 13,319,987	$ 15,007,379	$ 11,312,295
Government bonds	10,123,132	9,905,720	8,720,351
Commercial paper	8,089,613	2,098,902	7,456,849
Bank debentures	1,514,779	1,303,798	1,884,964
Negotiable certificates of deposit	900,008	-	3,615,089
	$ 33,947,519	$ 28,315,799	$ 32,989,548
Resold amounts	$ 33,955,112	$ 28,321,100	$ 32,993,733
Last maturity date	June 2022	March 2022	August 2021

14. RECEIVABLES, NET

	March 31, 2022	December 31, 2021	March 31, 2021
Receivable accounts for settlement	$ 53,126,258	$ 33,581,605	$ 51,105,328
Margin loans receivable, securities financing refundable deposits and deposits payable for securities financing	34,226,324	39,096,851	41,171,469
Interest receivable	18,873,708	18,125,119	18,491,354
Accounts receivable factoring without recourse	9,951,135	8,152,050	7,747,872
Trading securities receivable	8,661,185	6,683,802	7,471,669
Exchange clearing receivable	7,990,161	7,330,973	4,911,683
Accounts receivable - forfeiting	5,038,262	5,624,574	10,584,251
Others	15,097,702	13,939,914	13,912,345
	152,964,735	132,534,888	155,395,971
Less: Allowance for bad debts	(1,856,747)	(1,779,479)	(1,623,739)
Unrealized interest revenue	(329,386)	(307,271)	(243,859)
	$ 150,778,602	$ 130,448,138	$ 153,528,373

For the amount of receivables pledged as collateral for the Group, please refer to Note 49.

For the information on credit risk management and impairment loss analysis of receivables, please refer to Note 54.

15. DISCOUNTS AND LOANS, NET

	March 31, 2022	December 31, 2021	March 31, 2021
Short-term loans	$ 72,094,880	$ 73,846,711	$ 78,614,200
Medium-term loans	217,625,224	210,621,400	215,314,865
Long-term loans	95,740,758	94,213,623	86,362,880
Loans reclassified to nonperforming loans	286,977	278,416	415,846
Export negotiations	58,833	32,089	164,481
Policy loans	27,414,245	27,839,905	27,065,470
Automatic premium loans	5,685,347	5,702,046	5,848,752
	418,906,264	412,534,190	413,786,494
Less: Allowance for bad debts	(4,929,307)	(4,880,384)	(4,996,731)
Discounts on loans	(53,311)	(52,228)	(56,353)
	$ 413,923,646	$ 407,601,578	$ 408,733,410

For the information on credit risk management and impairment loss analysis of discounts and loans, please refer to Note 54.

16. REINSURANCE ASSETS, NET

	March 31, 2022	December 31, 2021	March 31, 2021
Claims recoverable from reinsurers	$ 904,800	$ 782,484	$ 760,347
Due from reinsurers and ceding companies	36,727	20,653	2,434
Reinsurance reserve assets			
Ceded unearned premium reserve	73,336	67,418	64,998
Ceded reserve for claims	38,649	20,504	36,008
	111,985	87,922	101,006
	$ 1,053,512	$ 891,059	$ 863,787

No impairment loss was recognized for reinsurance assets.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

Associates that are not individually material:

	March 31, 2022	December 31, 2021	March 31, 2021
CDIB & Partners Investment Holding Corporation	$ 5,560,727	$ 6,069,630	$ 6,096,382
Suyin KGI Consumer Finance Co., Ltd.	4,337,228	4,113,459	870,270
CDIB Capital Asia Partners L.P.	2,908,870	2,805,614	3,073,395
KGI Securities (Thailand) Public Company Limited	2,742,315	2,568,241	2,562,759
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,141,880	1,152,431	1,110,902
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	759,895	755,448	836,653
Others	3,041,284	2,763,168	1,653,466
	$ 20,492,199	$ 20,227,991	$ 16,203,827

As of March 31, 2022, December 31, 2021 and March 31, 2021, financial assets designated as at FVTPL of associates that are not individually material were $6,200,525 thousand, $4,740,512 thousand and $1,910,967 thousand, respectively.

Investments accounted for using the equity method and the Group’s share of profit and other comprehensive income of CDIB & Partners Investment Holding Corporation and KGI Securities (Thailand) Public Company Limited are calculated based on reviewed financial statements; those of other affiliates are calculated based on unreviewed financial statements. Management believes that the financial statements of these investees had not been reviewed, there would have been no significant effect on the consolidated financial statements.

There are no any investments under equity method was pledged as collateral for the Group.

18. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Investment in structured entities

The Corporation's subsidiaries have equities of structured entities which the Corporation's subsidiaries do not have significant influence but rights and obligations in accordance with the contract.

March 31, 2022

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 27,188,470	$ 5,488,094	$ 32,676,564
Financial assets at fair value through other comprehensive income	-	288,092	288,092
Debt instruments measured at amortized cost	-	6,312,334	6,312,334
Maximum exposure	27,188,470	12,088,520	39,276,990

December 31, 2021

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 20,859,385	$ 4,587,146	$ 25,446,531
Financial assets at fair value through other comprehensive income	-	280,424	280,424
Debt instruments measured at amortized cost	-	6,321,505	6,321,505
Maximum exposure	20,859,385	11,189,075	32,048,460

March 31, 2021

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 13,694,621	$ 5,804,024	$ 19,498,645
Financial assets at fair value through other comprehensive income	-	286,011	286,011
Debt instruments measured at amortized cost	-	10,719,671	10,719,671
Maximum exposure	13,694,621	16,809,706	30,504,327

b. Management on structured entities

The Corporation's subsidiaries have the equities of structured entities as well as the obligations to their investment and management. The Corporation's subsidiaries have significant influence over the above investments.

The funds of unconsolidated structured entities are from the Corporation's subsidiaries and external third parties.

	March 31, 2022	December 31, 2021	March 31, 2021
Management on partnership equity fund			
Total assets	$ 26,771,973	$ 24,692,188	$ 22,492,984
Total liabilities	247,250	10,545	14,367
Investments accounted for using the equity method	5,501,740	5,342,078	5,428,102
Financial assets designated as at FVTPL	5,834,151	4,378,248	1,609,569
Maximum exposure	11,335,891	9,720,326	7,037,671

19. OTHER FINANCIAL ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
Separate-account insurance products	$ 104,711,565	$ 101,041,555	$ 88,203,699
Customer margin accounts	50,482,065	50,774,121	52,067,641
Others	2,302,157	3,136,113	2,573,740
	$ 157,495,787	$ 154,951,789	$ 142,845,080

Separate Account Insurance Products

a. Separate account insurance products - assets and liabilities

	Assets		
	March 31, 2022	December 31, 2021	March 31, 2021
Cash in banks	$ 1,392,295	$ 2,446,188	$ 1,021,245
Financial assets at fair value through profit or loss	103,239,445	98,563,221	87,122,715
Other receivables	79,825	32,146	59,739
	$ 104,711,565	$ 101,041,555	$ 88,203,699

	Liabilities		
	March 31, 2022	December 31, 2021	March 31, 2021
Reserve for separate account	$ 104,695,100	$ 101,025,859	$ 88,072,031
Other payables	16,465	15,696	131,668
	$ 104,711,565	$ 101,041,555	$ 88,203,699

b. Separate account insurance products - revenues and expenses

	Revenues For the Three Months Ended March 31	
	2022	2021
Premium income	$ 1,975,978	$ 1,408,703
Gain from financial assets and liabilities at fair value through profit or loss	(1,610,855)	1,891,393
Interest income	95	46
Other revenues	42,067	42,635
Foreign exchange gains	520,821	171,909
	$ 928,106	$ 3,514,686

	Expenses For the Three Months Ended March 31	
	2022	2021
Insurance claim payments	$ 1,045,912	$ 1,466,841
Net change in separate account reserve	(546,977)	1,518,069
Custodian fee	429,171	529,776
	$ 928,106	$ 3,514,686

c. China Life Insurance rebates from counterparties in the investment-linked insurance business, which recognized as service fee revenue, for the three months ended March 31, 2022 and 2021 was $75,219 thousand and $73,668 thousand, respectively.

For the information on other financial assets pledged as collateral for the Group, please refer to Note 49.

20. INVESTMENT PROPERTY, NET

	March 31, 2022	December 31, 2021	March 31, 2021
Land	$ 32,608,496	$ 22,191,682	$ 20,643,136
Buildings and facilities	12,774,811	8,423,583	6,560,462
Right-of-use assets - superficies of royalties	4,173,232	4,197,532	2,758,682
Right-of-use assets - land	497,607	487,101	323,348
	$ 50,054,146	$ 35,299,898	$ 30,285,628

The changes in the Group's investment properties were as follows:

	For the Three Months Ended March 31	
	2022	2021
Cost		
Beginning balance	$ 38,128,494	$ 31,971,958
Additions	15,184,531	64,014
Disposals	(27,064)	(3,433)
Reclassification	(306,679)	392,306
Ending balance	52,979,282	32,424,845
Accumulated depreciation		
Beginning balance	(2,279,484)	(1,521,158)
Depreciation	(145,532)	(118,430)
Disposals	21	86
Reclassification	48,971	(2,671)
Ending balance	(2,376,024)	(1,642,173)
Accumulated impairment		
Beginning balance	(549,112)	(497,044)
Ending balance	(549,112)	(497,044)
Carrying amount	$ 50,054,146	$ 30,285,628

The above items of investment property are depreciated on a straight-line basis at estimated economic lives as follows:

Buildings and facilities	
Main building and parking spaces	30-60 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Right-of-use assets - superficies of royalties	70 years
Right-of-use assets - land	70 years

The fair values of the Group's investment property as of March 31, 2022, December 31, 2021 and March 31, 2021 were $50,637,301 thousand, $35,818,724 thousand and $30,727,965 thousand, respectively. Investment property was categorized into Level 3.

The Corporation's subsidiaries had development of the vacant land and prepayments for buildings without construction license, and the carrying amount was $2,470,235 thousand, $2,470,235 thousand and $2,519,944 thousand, respectively, on March 31, 2022, December 31, 2021 and March 31, 2021. Because its fair value cannot be reliably determined, it was excluded from the amount of fair value above mentioned.

Valuation of fair values above mentioned, except the fair values of investment properties held by KGI Securities and or the year ended December 31, 2021, and the fair values of partial investment properties held by CDIB Capital Group for the year ended December 31, 2020 were arrived at without appraisal from independent appraisers, but instead were arrived at by reference to available external appraisal reports for the previous period and valuation models commonly used by market participants. All the other subsidiaries of the Group engaged independent appraisers for the valuation of their investment properties. The sales comparison approach and income approach were used in the valuation, whereby the sales comparison approach compares a subject property's characteristics with those of comparable properties which have been recently sold in similar transaction, and income approach takes the net operating income of the rent collected and divides it by the capitalization rate.

The Group's investment property is mainly based on leased building with lease terms of 1 to 20 years and some lessees have priority to rent the leased building. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Year 1	$ 882,224	$ 582,030	$ 464,549
Year 2	992,677	671,857	375,629
Year 3	802,631	614,829	307,483
Year 4	586,692	518,770	254,017
Year 5	405,949	398,749	237,097
Year 5 onwards	3,844,996	3,934,871	613,085
	$ 7,515,169	$ 6,721,106	$ 2,251,860

The investment property leased by the Group for operating leases is depreciated on a straight-line basis over their estimated useful lives as follows:

	Estimated Useful Lives
Buildings and facilities	30-60 years

All of the Group's investment property were held under freehold interests. The carrying amount of the investment properties that had been pledged for the Group to secure borrowings were reflected in Note 49.

21. PROPERTY AND EQUIPMENT, NET

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Land	$ 19,291,724	$ 19,228,612	$ 19,997,263
Buildings and facilities	11,544,298	11,407,520	12,545,356
Machinery and computer equipment	1,515,707	1,476,229	1,353,295
Leasehold improvements	520,884	319,049	261,121
Other equipment	402,474	340,940	292,065
Transportation equipment	53,283	74,567	141,248
	33,328,370	32,846,917	34,590,348
Prepayments for acquisition of properties	1,156,218	1,204,958	263,446
	$ 34,484,588	$ 34,051,875	$ 34,853,794
Assets used by the Group	$ 34,120,345	$ 33,662,194	$ 34,380,610
Assets leased under operating leases	364,243	389,681	473,184
	$ 34,484,588	$ 34,051,875	$ 34,853,794

Except for depreciation recognized, the Group had no significant addition, disposal and impairment of property and equipment during the three months ended March 31, 2022 and 2021.

The above items of self-use property and equipment are depreciated on a straight-line basis over the estimated economic lives as follows:

Buildings and facilities	3-60 years
Machinery and computer equipment	3-15 years
Transportation equipment	4-10 years
Other equipment	3-15 years
Leasehold improvements	Depend on the age or the durable life of lease, whichever is shorter

The operating lease of the group’s subsidiaries are mainly based on leased light passenger vehicle with lease terms of 1 to 5 years without an option to extend for any additional years.

The maturity analysis of lease payments receivable was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	$ 15,600	$ 23,532	$ 53,810
Year 2	896	2,476	15,150
Year 3	-	174	896
Year 4	-	-	-
Year 5	-	-	-
	$ 16,496	$ 26,182	$ 69,856

The investment property leased by the Group for operating leases is depreciated on a straight-line basis based over their estimated useful lives as follows:

	Estimated Useful Lives
Machinery equipment	4-20 years
Transportation equipment	2-5 years

For the information on property and equipment pledged as collateral for the Group, please refer to Note 49.

22. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts			
Royalty-surface rights	$ 8,650,778	$ 8,685,772	$ 9,957,598
Buildings and facilities	2,839,302	2,644,249	2,571,055
Land	1,044,501	1,018,139	1,167,255
Computer equipment	165,924	150,617	172,204
Transportation equipment	39,452	44,397	41,628
Other equipment	14,803	47,416	32,696
	$ 12,754,760	$ 12,590,590	$ 13,942,436

	For the Three Months Ended March 31	
	2022	2021
Additions to right-of-use assets	$ 541,657	$ 393,371
Depreciation of right-of-use assets		
Buildings and facilities	$ 190,489	$ 199,234
Royalty-surface rights	34,994	39,639
Computer equipment	11,310	10,793
Transportation equipment	5,761	4,804
Land	4,240	4,661
Other equipment	6,168	4,362
	$ 252,962	$ 263,493

The depreciation expense of the right-of-use asset recognized in profit or loss for the three months ended March 31, 2022 and 2021 were $252,330 thousand and $262,838 thousand, respectively.

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts	$ 4,660,764	$ 4,455,216	$ 4,389,446

The interest expense of the lease liabilities recognized in profit or loss for the three months ended March 31, 2022 and 2021 were $22,079 thousand and $24,857 thousand, respectively.

Range of discount rate for lease liabilities were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Buildings and facilities	0.49%-9.79%	0.50%-9.79%	0.43%-9.79%
Land	0.77%-3.50%	0.77%-3.50%	0.77%-3.50%
Computer equipment	0.56%-1.07%	0.56%-1.07%	0.77%-1.07%
Transportation equipment	0.49%-1.08%	0.49%-1.32%	0.52%-1.44%
Other equipment	0.51%-1.03%	0.51%-1.03%	0.53%-1.20%

The maturity analysis of lease liabilities were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Not later than 1 year	$ 869,426	$ 681,809	$ 845,275
Later than 1 year and not later than 5 years	2,259,113	2,175,345	1,798,660
Later than 5 years and not later than 10 years	714,502	788,636	903,742
Later than 10 years	3,227,662	3,152,758	3,198,185
	$ 7,070,703	$ 6,798,548	$ 6,745,862

c. Material lease-in activities and terms

The Group leases land, building and facilities, computer equipment, transportation equipment and other equipment with lease terms of 1 to 20 years. In the contract, the Group has options to lease the building at the end of the lease terms. The lease contract for the right of superficies has been established indicates that China Life Insurance also leases land with lease terms of 70 years.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant and equipment for the Group, please refer Notes 20 and 21, respectively.

	For the Three Months Ended March 31	
	2022	**2021**
Expenses relating to short-term leases	$ 10,220	$ 4,923
Expenses relating to low-value asset leases	$ 643	$ 670
Total cash outflow for leases	$ 237,224	$ 249,206

The Group leases certain assets which qualify as short-term leases and certain assets which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

23. INTANGIBLE ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
Purchase policy value	$ 11,640,437	$ 11,721,285	$ 11,970,637
Goodwill	3,127,564	3,089,780	3,124,939
Operation rights	2,309,780	2,442,703	2,838,321
Computer software	1,603,831	1,488,726	1,373,159
	$ 18,681,612	$ 18,742,494	$ 19,307,056

Except for amortization recognized, the Group had no significant addition, disposal, and impairment of other intangible assets during the three months ended March 31, 2022 and 2021.

Apart from the purchase policy value is amortized on present value of annuity of expected remaining policies over effective period of policies, the other items of intangible assets above are amortized on a straight-line basis over the estimated economic lives as follows:

Operation rights	7-20 years
Computer software	3-6 years

24. OTHER ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
Security borrowing margins	$ 44,262,027	$ 40,699,598	$ 41,601,139
Overseas custodian accounts	26,151,449	27,409,184	30,691,314
Guarantee deposits paid	24,041,821	3,785,779	15,362,640
Operating guarantee deposits	8,585,217	8,585,515	8,275,509
Cash and cash equivalents-receipts under custody from customers	457,860	15,755,321	337
Others	5,087,243	5,919,004	4,638,642
	$ 108,585,617	$ 102,154,401	$ 100,569,581

The fund deposited in foreign securities is mainly for foreign subsidiaries transaction.

25. DEPOSITS FROM THE CENTRAL BANK AND FINANCIAL INSTITUTIONS

	March 31, 2022	December 31, 2021	March 31, 2021
Call loans from financial institutions	$ 19,890,520	$ 20,633,400	$ 21,564,651
Deposits from Chunghwa Post Co., Ltd.	190,146	190,146	190,146
	$ 20,080,666	$ 20,823,546	$ 21,754,797

26. NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Corporate bonds	$ 68,441,207	$ 56,891,519	$ 81,616,216
Bank debentures	30,010,209	24,903,171	25,538,732
Government bonds	26,548,810	20,090,120	25,443,186
Others	1,082,044	-	-
	$ 126,082,270	$ 101,884,810	$ 132,598,134
Repurchased amounts	$ 126,191,474	$ 101,935,509	$ 132,642,679
Last maturity date	July 2022	April 2022	March 2022

27. COMMERCIAL PAPER PAYABLE, NET

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial paper payable	$ 26,076,456	$ 21,216,060	$ 18,287,000
Less: Unamortized discount	(2,627)	(1,820)	(2,731)
	$ 26,073,829	$ 21,214,240	$ 18,284,269
Range of rate	0.30%-1.07%	0.26%-1.06%	0.19%-1.31%

As of March 31, 2022, China Bills Finance Corporation, and Grand Bills, guaranteed the above commercial paper. However, some commercial paper which amounted to $26,033,853 thousand, had no guarantee.

As of December 31, 2021, China Bills Finance Corporation, Taiwan Finance Corporation, and Grand Bills, guaranteed the above commercial paper. However, some commercial paper which amounted to $21,154,260 thousand, had no guarantee.

As of March 31, 2021, Mega Bills Finance Corporation, China Bills Finance Corporation, Taiwan Finance Corporation, Ta Ching Finance Corporation, Grand Bills Finance Corporation, Union Bank of Taiwan, Taiwan Cooperative Bills Finance Corporation, Bank SinoPac, International Bills Finance Corporation and Taishin International Bank guaranteed the above commercial paper. However, some commercial paper which amounted to $11,439,257 thousand, had no guarantee.

28. PAYABLES

	March 31, 2022	December 31, 2021	March 31, 2021
Accounts payable for settlement	$ 47,503,000	$ 47,196,758	$ 72,167,752
Accrued expenses and payable on insurance policies	15,183,909	20,238,854	13,912,506
Exchange clearing payable	11,265,904	6,678,293	6,384,809
Deposits payable for securities financing	11,037,902	12,525,783	11,944,838
Others	15,738,698	16,209,913	15,811,593
	$ 100,729,413	$ 102,849,601	$ 120,221,498

29. DEPOSITS AND REMITTANCES

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits	$ 211,130,507	$ 226,306,526	$ 238,126,997
Saving deposits	148,414,302	143,663,711	137,370,033
Demand deposits	100,826,642	106,786,423	96,413,201
Negotiable CDs	5,578,300	4,578,300	6,563,700
Checking deposits	2,079,828	1,906,700	1,077,215
Inward remittance	60,026	260,797	37,619
	$ 468,089,605	$ 483,502,457	$ 479,588,765

30. BONDS PAYABLE

	March 31, 2022	December 31, 2021	March 31, 2021
Corporate bonds payable	$ 67,070,000	$ 67,200,000	$ 47,000,000
Bank debentures payable	24,689,044	25,241,122	24,554,882
	$ 91,759,044	$ 92,441,122	$ 71,554,882

Corporate Bonds Payable

Name	March 31, 2022	December 31, 2021	March 31, 2021	Issuance Period	Method of Paying Principle and Interests	Interest Rate
1st corporate bonds in 2017 - the Corporation	$ 10,000,000	$ 10,000,000	10,000,000	Bond A 2017.09.08-2024.09.08 Bond B 2017.09.08-2027.09.08 Bond C 2017.09.08-2032.09.08	Interest payable annually; Principal due on maturity	Bond A 1.75% Bond B 1.90% Bond C 2.10%
1st corporate bonds in 2019 - the Corporation	5,000,000	5,000,000	5,000,000	Bond A 2019.08.08-2026.08.08 Bond B 2019.08.08-2029.08.08	Interest payable annually; Principal due on maturity	Bond A 0.88% Bond B 1.00%
1st corporate bonds in 2020 - the Corporation	8,000,000	8,000,000	8,000,000	Bond A 2020.05.20-2025.05.20 Bond B 2020.05.20-2035.05.20	Interest payable annually; Principal due on maturity	Bond A 0.75% Bond B 0.95%
2nd corporate bonds in 2020 - the Corporation	6,000,000	6,000,000	6,000,000	Bond A 2020.11.30-2030.11.30 Bond B 2020.11.30-2035.11.30	Interest payable annually; Principal due on maturity	Bond A 1.25% Bond B 1.50%
3rd corporate bonds in 2020 - the Corporation	4,000,000	4,000,000	3,800,000	Bond A 2021.01.14-2028.01.14 Bond B 2021.01.14-2031.01.14	Interest payable annually; Principal due on maturity	Bond A 0.50% Bond B 0.59%
1st corporate bonds in 2021 - the Corporation	15,000,000	15,000,000	-	Bond A 2021.12.20-2026.12.20 Bond B 2021.12.20-2028.12.20 Bond C 2021.12.20-2031.12.20	Interest payable annually; Principal due on maturity	Bond A 0.59% Bond B 0.65% Bond C 0.75%
1st corporate bonds in 2019 - KGI Securities	4,200,000	4,200,000	4,200,000	Bond A 2019.11.22-2022.11.22 Bond B 2019.11.22-2024.11.22 Bond C 2019.11.22-2026.11.22	Interest payable annually; Principal due on maturity	Bond A 0.73% Bond B 0.78% Bond C 0.83%
1st corporate bonds in 2021 - KGI Securities	5,000,000	5,000,000	-	Bond A 2021.07.09-2026.07.09 Bond B 2021.07.09-2028.07.09	Interest payable annually; Principal due on maturity	Bond A 0.51% Bond B 0.55%
1st corporate bonds in 2020 - China Life Insurance	9,870,000	10,000,000	10,000,000	2020.12.28, no maturity date	Interest payable annually (Note)	2.70%
Net amount	$ 67,070,000	$ 67,200,000	$ 47,000,000			

Note: China Life Insurance has the right to redeem the bonds after 10 years from the issue date if its self-owned capital adequacy ratio is twice as higher as the required risk based capital ratio set by the competent authority. China Life Insurance is allowed to redeem the bonds based on the carrying value of each bond plus interest after being approved by the competent authority.

Bank Debentures Payable

Name	March 31, 2022	December 31, 2021	March 31, 2021	Issuance Period	Method of Paying Principle and Interests	Interest Rate
P07 KGIB 1	$ 3,000,000	$ 3,000,000	$ 3,000,000	2018.12.27, no maturity date	Interest payable annually (Note)	2.35%
P07 KGIB 2	3,350,000	3,350,000	3,350,000	2018.12.27-2033.12.27	Interest payable annually; principal due on maturity	1.68%
P08 KGIB 1	3,100,000	3,100,000	3,100,000	2019.06.26-2034.06.26	Interest payable annually; principal due on maturity	1.40%
P09 KGIB 1	1,200,000	1,200,000	1,200,000	2020.03.05-2027.03.05	Interest payable annually; principal due on maturity	0.75%
P09 KGIB 2	4,800,000	4,800,000	4,800,000	2020.03.05-2030.03.05	Interest payable annually; principal due on maturity	0.80%
P09 KGIB 3	4,800,000	4,800,000	4,800,000	2020.08.07-2030.08.07	Interest payable annually; principal due on maturity	0.71%
P10 KGIB 1	4,300,000	4,300,000	4,300,000	2021.02.04-2031.02.04	Interest payable annually; principal due on maturity	0.57%
P10 KGIB 2	700,000	700,000	-	2021.05.18-2024.05.18	Interest payable annually; principal due on maturity	0.40%
	25,250,000	25,250,000	24,550,000			
Unamortized discount	(560,956)	(8,878)	4,882			
Net amount	$ 24,689,044	$ 25,241,122	$ 24,554,882			

Note: KGI Bank has the right to redeem the bonds after 5 years and 1 month from the issue date if its self-owned capital adequacy ratio is still in accordance with the requirements set by the competent authority. KGI Bank is allowed to redeem the bonds based on the carrying value of each bond plus interest after approved by the competent authority.

31. OTHER BORROWINGS

	March 31, 2022	December 31, 2021	March 31, 2021
Short-term credit borrowings	$ 16,471,168	$ 12,117,211	$ 10,920,237
Note issuance facility	4,019,566	4,459,750	4,658,783
Short-term secured borrowings	2,097,683	3,488,462	6,007,056
Call loans from banks	1,144,880	2,492,100	1,483,612
	$ 23,733,297	$ 22,557,523	$ 23,069,688
Range of rate	0.35%-5.15%	0.28%-5.95%	0.20%-6.15%
Last maturity date	November 2023	November 2023	October 2023

For the information on collateral of other borrowings listed, please refer to Note 49.

32. PROVISIONS

	March 31, 2022	December 31, 2021	March 31, 2021
Insurance liabilities	$ 2,027,126,167	$ 1,988,686,889	$ 1,923,921,558
Foreign exchange valuation reserve	6,735,634	3,351,124	3,893,775
Provisions for employee benefits	1,194,339	1,396,134	1,119,704
Others	538,405	537,120	548,040
	$ 2,035,594,545	$ 1,993,971,267	$ 1,929,483,077

Insurance Contracts and Provision for Financial Instruments with Discretionary Participation Feature

As at March 31, 2022, December 31, 2021 and March 31, 2021, China Life Insurance’s movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Reserve for life insurance liabilities	$ 1,989,798,963	$ 1,952,465,847	$ 1,886,864,894
Unearned premium reserve	4,375,411	4,699,485	4,175,365
Reserve for claims	2,889,367	2,605,570	2,541,283
Special reserve	9,088,860	7,747,818	7,466,974
Premium deficiency reserve	2,321,676	2,435,334	3,884,342
Other reserve	18,651,890	18,732,835	18,988,700
	$ 2,027,126,167	$ 1,988,686,889	$ 1,923,921,558

a. Reserve for life insurance liabilities:

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 1,629,906,820	$ 53,936,400	$ 1,683,843,220
Health insurance	158,108,970	-	158,108,970
Annuity insurance	651,738	145,220,572	145,872,310
Investment-linked insurance	1,820,410	-	1,820,410
	$ 1,790,487,938	$ 199,156,972	$ 1,989,644,910

Note: The total amount of liability reserve is $1,989,798,963 thousand on March 31, 2022 after reserve for life insurance-accrued paid is added.

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 1,593,122,492	$ 54,305,280	$ 1,647,427,772
Health insurance	155,648,698	-	155,648,698
Annuity insurance	664,492	146,776,781	147,441,273
Investment-linked insurance	1,801,647	-	1,801,647
	$ 1,751,237,329	$ 201,082,061	$ 1,952,319,390

Note: The total amount of liability reserve is $1,952,465,847 thousand on December 31, 2021 after reserve for life insurance-accrued paid is added.

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 1,526,369,114	$ 56,751,711	$ 1,583,120,825
Health insurance	146,742,539	-	146,742,539
Annuity insurance	650,789	154,440,600	155,091,389
Investment-linked insurance	1,768,158	-	1,768,158
	$ 1,675,530,600	$ 211,192,311	$ 1,886,722,911

Note: The total amount of liability reserve is $1,886,864,894 thousand on March 31, 2021 after reserve for life insurance-accrued paid is added.

There is no ceded liability reserve for the above insurance contracts of China Life Insurance.

Movement in reserve for life insurance liabilities is summarized below:

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,751,237,329	$ 201,082,061	$ 1,952,319,390
Reserve	43,262,198	1,311,023	44,573,221
Recover	(19,306,629)	(4,079,385)	(23,386,014)
Losses (gains) on foreign exchange	15,295,040	843,273	16,138,313
Ending balance (Note)	$ 1,790,487,938	$ 199,156,972	$ 1,989,644,910

Note: Reserve for life insurance liabilities were $1,989,798,963 thousand at March 31, 2022 after adding the payment of reserve for life insurance-accrued.

	For the Three Months Ended March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,646,143,158	$ 213,575,814	$ 1,859,718,972
Reserve	53,997,796	1,757,554	55,755,350
Recover	(24,608,949)	(4,156,458)	(28,765,407)
Losses (gains) on foreign exchange	(1,405)	15,401	13,996
Ending balance (Note)	$ 1,675,530,600	$ 211,192,311	$ 1,886,722,911

Note: Reserve for life insurance liabilities were $1,886,864,894 thousand at March 31, 2021 after adding the payment of reserve for life insurance-accrued.

b. Unearned premium reserve

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 835	$ -	$ 835
Individual injury insurance	1,502,230	-	1,502,230
Individual health insurance	2,354,609	-	2,354,609
Group insurance	449,200	-	449,200
Investment-linked insurance	68,526	-	68,526
Annuity insurance	-	11	11
	4,375,400	11	4,375,411

(Continued)

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Less ceded unearned premium reserve			
Individual life insurance	$ 18,203	$ -	$ 18,203
Individual injury insurance	1,297	-	1,297
Individual health insurance	35,598	-	35,598
Group insurance	13,071	-	13,071
Investment-linked insurance	5,167	-	5,167
	73,336	-	73,336
Net amount	$ 4,302,064	$ 11	$ 4,302,075

(Concluded)

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 937	$ -	$ 937
Individual injury insurance	1,550,612	-	1,550,612
Individual health insurance	2,452,741	-	2,452,741
Group insurance	627,188	-	627,188
Investment-linked insurance	67,996	-	67,996
Annuity insurance	-	11	11
	4,699,474	11	4,699,485
Less ceded unearned premium reserve			
Individual life insurance	17,620	-	17,620
Individual injury insurance	961	-	961
Individual health insurance	40,911	-	40,911
Group insurance	2,892	-	2,892
Investment-linked insurance	5,034	-	5,034
	67,418	-	67,418
Net amount	$ 4,632,056	$ 11	$ 4,632,067

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 934	$ -	$ 934
Individual injury insurance	1,457,735	-	1,457,735
Individual health insurance	2,192,278	-	2,192,278
Group insurance	461,100	-	461,100
Investment-linked insurance	63,292	-	63,292
Annuity insurance	-	26	26
	4,175,339	26	4,175,365
Less ceded unearned premium reserve			
Individual life insurance	17,105	-	17,105
Individual injury insurance	1,203	-	1,203
Individual health insurance	34,052	-	34,052
Group insurance	7,591	-	7,591
Investment-linked insurance	5,047	-	5,047
	64,998	-	64,998
Net amount	$ 4,110,341	$ 26	$ 4,110,367

Movement in unearned premium reserve is summarized below:

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 4,699,474	$ 11	$ 4,699,485
Reserve	850,791	11	850,802
Recover	(1,174,868)	(11)	(1,174,879)
Losses (gains) on foreign exchange	3	-	3
Ending balance	4,375,400	11	4,375,411
Less ceded unearned premium reserve			
Beginning balance	67,418	-	67,418
Increase	22,745	-	22,745
Decrease	(16,855)	-	(16,855)
Losses (gains) on foreign exchange	28	-	28
Ending balance	73,336	-	73,336
Net amount	$ 4,302,064	$ 11	$ 4,302,075

	For the Three Months Ended March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 4,509,106	$ 27	$ 4,509,133
Reserve	793,509	26	793,535
Recover	(1,127,276)	(27)	(1,127,303)
Losses (gains) on foreign exchange			
Ending balance	4,175,339	26	4,175,365
Less ceded unearned premium reserve			
Beginning balance	61,774	-	61,774
Increase	22,281	-	22,281
Decrease	(19,058)	-	(19,058)
Losses (gains) on foreign exchange	1	-	1
Ending balance	64,998	-	64,998
Net amount	$ 4,110,341	$ 26	$ 4,110,367

c. Reserve for claims

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance			
Reported but not paid claim	$ 238,342	$ 11,663	$ 250,005
Unreported claim	2,004	-	2,004
Individual injury insurance			
Reported but not paid claim	45,401	-	45,401
Unreported claim	641,828	-	641,828
Individual health insurance			
Reported but not paid claim	169,061	-	169,061
Unreported claim	1,096,606	-	1,096,606
Group insurance			
Reported but not paid claim	93,623	-	93,623
Unreported claim	494,626	-	494,626
Investment-linked insurance			
Reported but not paid claim	41,801	-	41,801
Unreported claim	-	-	-
Annuity insurance			
Reported but not paid claim	3,801	50,586	54,387
Unreported claim	-	25	25
	2,827,093	62,274	2,889,367

(Continued)

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Less ceded reserve for claims			
Individual life insurance	$ 10,576	$ -	$ 10,576
Individual injury insurance	2,237	-	2,237
Individual health insurance	17,054	-	17,054
Group insurance	6,782	-	6,782
Investment insurance	2,000	-	2,000
	38,649	-	38,649
Net amount	$ 2,788,444	$ 62,274	$ 2,850,718

(Concluded)

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance			
Reported but not paid claim	$ 167,345	$ 31,109	$ 198,454
Unreported claim	553	-	553
Individual injury insurance			
Reported but not paid claim	43,547	-	43,547
Unreported claim	546,033	-	546,033
Individual health insurance			
Reported but not paid claim	130,114	-	130,114
Unreported claim	985,368	-	985,368
Group insurance			
Reported but not paid claim	81,546	-	81,546
Unreported claim	466,506	-	466,506
Investment-linked insurance			
Reported but not paid claim	101,716	-	101,716
Unreported claim	-	-	-
Annuity insurance			
Reported but not paid claim	3,801	47,901	51,702
Unreported claim	-	31	31
	2,526,529	79,041	2,605,570
Less ceded reserve for claims			
Individual life insurance	3,781	-	3,781
Individual injury insurance	-	-	-
Individual health insurance	15,223	-	15,223
Group insurance	1,500	-	1,500
	20,504	-	20,504
Net amount	$ 2,506,025	$ 79,041	$ 2,585,066

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance			
Reported but not paid claim	$ 166,844	$ 4,377	$ 171,221
Unreported claim	2,175	-	2,175
Individual injury insurance			
Reported but not paid claim	37,338	-	37,338
Unreported claim	593,815	-	593,815
Individual health insurance			
Reported but not paid claim	124,210	-	124,210
Unreported claim	1,010,185	-	1,010,185
Group insurance			
Reported but not paid claim	135,031	-	135,031
Unreported claim	414,336	-	414,336
Investment-linked insurance			
Reported but not paid claim	17,371	-	17,371
Unreported claim	-	-	-
Annuity insurance			
Reported but not paid claim	30	35,525	35,555
Unreported claim	-	46	46
	2,501,335	39,948	2,541,283
Less ceded reserve for claims			
Individual life insurance	7,903	-	7,903
Individual injury insurance	490	-	490
Individual health insurance	14,867	-	14,867
Group insurance	12,748	-	12,748
	36,008	-	36,008
Net amount	$ 2,465,327	$ 39,948	$ 2,505,275

Movement in reserve for claims is summarized below:

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 2,526,529	$ 79,041	$ 2,605,570
Reserve	2,825,932	62,002	2,887,934
Recover	(2,526,529)	(79,041)	(2,605,570)
Losses (gains) on foreign exchange	1,161	272	1,433
Ending balance	2,827,093	62,274	2,889,367

(Continued)

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Less ceded unearned premium reserve			
Beginning balance	$ 20,504	$ -	$ 20,504
Increase	38,649	-	38,649
Decrease	(20,504)	-	(20,504)
Foreign exchange losses	-	-	-
Ending balance	38,649	-	38,649
Net amount	$ 2,788,444	$ 62,274	$ 2,850,718

(Concluded)

	For the Three Months Ended March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 2,418,262	$ 45,381	$ 2,463,643
Reserve	2,501,400	39,947	2,541,347
Recover	(2,418,262)	(45,381)	(2,463,643)
Losses (gains) on foreign exchange	(65)	1	(64)
Ending balance	2,501,335	39,948	2,541,283
Less ceded unearned premium reserve			
Beginning balance	20,815	-	20,815
Increase	36,011	-	36,011
Decrease	(20,815)	-	(20,815)
Losses (gains) on foreign exchange	(3)	-	(3)
Ending balance	36,008	-	36,008
Net amount	$ 2,465,327	$ 39,948	$ 2,505,275

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

d. Special reserve

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 9,088,860	$ -	$ 9,088,860
Dividend risk reserve	-	-	-
	$ 9,088,860	$ -	$ 9,088,860

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 7,747,818	$ -	$ 7,747,818
Dividend risk reserve	-	-	-
	$ 7,747,818	$ -	$ 7,747,818

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 7,466,974	$ -	$ 7,466,974
Dividend risk reserve	-	-	-
	$ 7,466,974	$ -	$ 7,466,974

Movement in special reserve is summarized below:

	For the Three Months Ended March 31	
	2022	2021
	Insurance Contract	Insurance Contract
Beginning balance	$ 7,747,818	$ 6,633,515
Reserve for participating policy dividend revenue	1,339,566	818,315
Recover for participating policy dividend revenue	-	-
Gains (losses) on equity instruments from participating dividend policy measured at FVTOCI	1,476	15,144
Ending balance	$ 9,088,860	$ 7,466,974

e. Special capital reserve for major incidents and fluctuation of risks

	March 31, 2022		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 2,107	$ -	$ 2,107
Individual injury insurance	913,200	-	913,200
Individual health insurance	2,831,791	-	2,831,791
Group insurance	3,493,939	-	3,493,939
Annuity insurance	-	390	390
	$ 7,241,037	$ 390	$ 7,241,427

	December 31, 2021		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 2,107	$ -	$ 2,107
Individual injury insurance	913,200	-	913,200
Individual health insurance	2,831,791	-	2,831,791
Group insurance	3,493,939	-	3,493,939
Annuity insurance	-	390	390
	$ 7,241,037	$ 390	$ 7,241,427

	March 31, 2021		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 2,028	$ -	$ 2,028
Individual injury insurance	884,209	-	884,209
Individual health insurance	2,673,733	-	2,673,733
Group insurance	3,360,666	-	3,360,666
Annuity insurance	-	476	476
	$ 6,920,636	$ 476	$ 6,921,112

f. Premium deficiency reserve

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 2,214,703	$ -	$ 2,214,703
Individual health insurance	106,973	-	106,973
	$ 2,321,676	$ -	$ 2,321,676

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 2,326,325	$ -	$ 2,326,325
Individual health insurance	109,009	-	109,009
	$ 2,435,334	$ -	$ 2,435,334

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 3,770,066	$ -	$ 3,770,066
Individual health insurance	114,276	-	114,276
	$ 3,884,342	$ -	$ 3,884,342

Premium deficiency reserve was not ceded in the above insurance contracts of China Life Insurance.

Movement in premium deficiency reserve is summarized as below:

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 2,435,334	$ -	$ 2,435,334
Reserve	109,016	-	109,016
Recover	(270,495)	-	(270,495)
Losses (gains) on foreign exchange	47,821	-	47,821
Ending balance	$ 2,321,676	$ -	$ 2,321,676

	For the Three Months Ended March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 4,139,991	$ -	$ 4,139,991
Reserve	150,322	-	150,322
Recover	(403,299)	-	(403,299)
Losses (gains) on foreign exchange	(2,672)	-	(2,672)
Ending balance	$ 3,884,342	$ -	$ 3,884,342

g. Other reserve

	March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Others	$ 18,651,890	$ -	$ 18,651,890

	December 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Others	$ 18,732,835	$ -	$ 18,732,835

	March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Others	$ 18,988,700	$ -	$ 18,988,700

Movement in other reserve is summarized as below:

	For the Three Months Ended March 31, 2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 18,732,835	$ -	$ 18,732,835
Recover	(80,945)	-	(80,945)
Ending balance	$ 18,651,890	$ -	$ 18,651,890

	For the Three Months Ended March 31, 2021		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 19,073,989	$ -	$ 19,073,989
Recover	(85,289)	-	(85,289)
Ending balance	$ 18,988,700	$ -	$ 18,988,700

Note: The amount is transferred from the acquisition of a partial traditional insurance policies of Allianz Life Insurance on May 18, 2018.

h. Liability adequacy reserve

	Insurance Contract and Financial Instruments with Discretionary Participation Feature		
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Reserve for life insurance liabilities	$ 1,989,644,910	$ 1,952,319,390	$ 1,886,722,911
Unearned premium reserve	4,375,411	4,699,485	4,175,365
Premium deficiency reserve	2,321,676	2,435,334	3,884,342
Special reserve	9,088,860	7,747,818	7,466,974
Other reserve	18,651,890	18,732,835	18,988,700
Book value of insurance liabilities	$ 2,024,082,747	$ 1,985,934,862	$ 1,921,238,292
Estimated present value of cash flows	$ 1,531,699,121	$ 1,573,602,103	$ 1,523,499,192
Balance of liability adequacy reserve	$ -	$ -	$ -

China Life Insurance's liability adequacy testing methodology is listed as follows:

	March 31, 2022
Test method	Gross Premium Valuation Method (GPV)
Groups	Integrated testing
Assumptions	Adopt the best-estimated scenario investment return on the most recent actuary report (the actuary report of 2021).

	December 31, 2021 and March 31, 2021
Test method	Gross Premium Valuation Method (GPV)
Groups	Integrated testing
Assumptions	Adopt the best-estimated scenario investment return on the most recent actuary report (the actuary report of 2020), and discount rates of December 31, 2021 were evaluated with consideration of current information.

i. Foreign exchange valuation reserve

1) The hedge strategy and risk exposure

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

2) Adjustment in foreign exchange valuation reserve

	For the Three Months Ended March 31	
	2022	2021
Beginning balance	$ 3,351,124	$ 4,023,007
Reserve		
Compulsory reserve	463,221	503,802
Extra reserve	2,921,289	415,058
	3,384,510	918,860
Recover	-	(1,048,092)
Ending balance	$ 6,735,634	$ 3,893,775

3) Effects due to foreign exchange valuation reserve of China Life Insurance

	For the Three Months Ended March 31, 2022		
Item	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 11,543,991	$ 8,836,383	$ (2,707,608)
Earnings per share (dollar)	2.35	1.80	(0.55)
Foreign exchange valuation reserve	-	6,735,634	6,735,634
Equity	151,832,986	147,787,541	(4,045,445)

	For the Three Months Ended March 31, 2021		
Item	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 9,738,381	$ 9,841,767	$ 103,386
Earnings per share (dollar)	1.98	2.00	0.02
Foreign exchange valuation reserve	-	3,893,775	3,893,775
Equity	160,977,479	159,205,522	(1,771,957)

33. RETIREMENT BENEFIT PLANS

The Group’s retirement benefit plans include defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rate as of December 31, 2021 and 2020, and recognized respectively For the Three Months Ended March 31, 2022 and 2021.

The Group recognized its contributions under defined benefit plans as pension expenses (recognized as employee benefits) amounting to $11,425 thousand and $6,938 thousand, respectively and recognized pension expenses (recognized as employee benefits) under defined contribution plans amounting to $166,990 thousand and $156,198 thousand, respectively for the three months ended March 31, 2022 and 2021.

34. OTHER FINANCIAL LIABILITIES

	March 31, 2022	December 31, 2021	March 31, 2021
Separate-account product liabilities	$ 104,711,565	$ 101,041,555	$ 88,203,699
Customers' equity accounts - futures	49,741,890	49,718,102	50,890,101
Principal received on structured products	26,839,087	21,163,514	23,999,755
	$ 181,292,542	$ 171,923,171	$ 163,093,555

35. EQUITY

a. Capital

Common stock

	March 31, 2022	December 31, 2021	March 31, 2021
Number of shares authorized (in thousands)	25,000,000	25,000,000	20,000,000
Shares authorized	$ 250,000,000	$ 250,000,000	$ 200,000,000
Number of shares issued and fully paid (in thousands) (Note)			
Common share	17,192,777	17,192,777	14,979,664
Preference share	1,893,044	1,893,044	-
Shares issued	$ 190,858,209	$ 190,858,209	$ 149,796,639
Share Capital awaiting retirement	$ 14,100	$ -	$ -

Note: Par value of NT$10.

On October 1, 2021, in order to meet the scale of capital needs for the future, the Corporation's extraordinary general shareholders' meeting amended the Articles of Incorporation which increased the Corporation's authorized capital from $200,000,000 thousand to $250,000,000 thousand, and increase the Corporation's authorized capital shares from 20,000,000 thousand shares to 25,000,000 thousand shares.The Corporation's extraordinary general shareholders' meeting also approved the acquisition of China Life Insurance through a share swap. Thus, China Life Insurance became the Corporation's 100%-owned subsidiary. According to the share swap agreement, the Corporation issued 2,074,568 thousand newly common shares and 1,893,044 thousand preferred shares, with a par value of NT$10. On November 16, 2021, the Corporation's board of the directors approved the record date for the capital increase as December 31, 2021.

The Corporation's issuance of new restricted employee shares was approved by the Financial Supervisory Commission. In 2021, the Corporation issued 109,991 thousand common shares, with a par value of NT$10. On November 19, 2021, the Corporation's board of the directors approved the record date for the capital increase as December 1, 2021.

The Corporation revoked the new restricted employee shares which was invalid, the amount of shares to be writed off is 1,410 thousand.

Insurance of preferred shares

On October 1, 2021, the Corporation adopted a resolution of the extraordinary shareholders' meeting to take China Life Insurance as a 100%-owned subsidiary through share conversion. The Corporation issued 1,893,044 thousand preferred shares B, with a par value of NT$10. The issue price is NT$10 per share. According to the resolution of the board of directors on November 16, 2021, the date of the capital increase on December 30, 2021, and the preferred shares are classified under equity. The rights and obligations are as follows:

1) If the Corporation has a surplus after the year-end final accounts, it should first pay taxes and make up the losses accumulated from preceding years. After setting aside the legal reserve and setting aside or reversing the special reserve as required by law, if there is any remaining balance, it may first distribute the dividends for the year to which the preferred shares are entitled.

2) The dividend on the preferred shares is calculated at an annual rate of 3.55% (seven-year IRS 0.75% + 2.80%) based on the issue price per share. The seven-year IRS rate will reset on the business day following the seventh year from the issue date and every seven years thereafter. The interest rate reset record date is two Taiwan bank days prior to the interest rate reset date. The interest rate index seven-year IRS is the arithmetic average of Reuter's TAIFXIRS and COSMOS3 seven-year interest rate swap quotes priced at 11:00 a.m. on the interest rate reset record date. If such quotes are not available on the interest rate reset record date, The Corporation will decide in good faith and based on reasonable market conditions.

3) The dividend on the preferred shares is paid annually in cash after the board of directors set the record date for the distribution of the preceding year's dividend after the financial report is approved by the shareholders at the annual general meeting. The number of dividends paid in the year of issuance and the number of dividends received in the year of recovery are calculated based on the actual number of days the preferred shares are outstanding in that year.

4) The Corporation has the discretion to distribute dividends on the preferred shares. If the Corporation has no or insufficient surplus to distribute dividends on the preferred shares in its annual accounts, or if the distribution of dividends on the preferred shares will cause the Corporation's capital adequacy ratio to fall below the minimum requirements set by law or by the competent authorities, or if there are other necessary considerations, the Corporation may resolve not to distribute dividends on the preferred shares and the preferred shareholders shall not dissent.

5) The preferred shares are noncumulative, and any undistributed or under-distributed dividends will not be accumulated and deferred in coming years.

6) The preferred shareholders shall not participate in the distribution of earnings and capital surplus in cash and capitalization of common shares, except for receiving the dividends set forth in (2).

7) The preferred shareholders shall have priority in the distribution of the residual property of the Corporation over the common shareholders, and the shareholders of each class of preferred shares shall be paid in the same order, provided that such distribution shall not exceed the original amount of issuance.

8) The preferred shareholders shall not have voting rights at general shareholders' meetings, but may be elected as directors, and shall have voting rights at shareholders' meetings of preferred shares and at shareholders' meetings concerning the rights and obligations of preferred shareholders.

9) Preferred shares shall not be converted into common shares.

10) The preferred shares issued by the Corporation have no expiration date and the preferred shareholders have no right to require the Corporation to buy back the preferred shares held thereby. On the day following the expiration of seven years from the date of issuance, the Corporation may redeem all or part of the preferred shares issued at the actual issue price, and the un-redeemed preferred shares shall continue to be subject to the rights and obligations of the aforementioned terms of issuance. If the Corporation decides to pay dividends in the current year, the dividends payable as of the date of recovery are calculated based on the actual number of days the preferred shares are outstanding in that year.

11) When the Corporation issues new shares for cash, the preferred shareholders have the same right of first refusal to purchase the new shares as the common shareholders.

b. Capital surplus

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ 18,483,237	$ 18,483,237	$ 10,262,421
Additional paid-in capital	15,559,230	15,559,230	-
Arising from treasury stock transactions	1,682,294	1,682,294	1,488,968
Others	417,636	422,719	69,927
	$ 36,142,397	$ 36,147,480	$ 11,821,316

The premium from shares issued in excess of par (share premium from issuance of common shares, treasury share transactions and excess of consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Corporation's capital surplus and once a year.

The capital surplus from long-term investments may not be used for any purpose.

Under Order No. 10200017220 issued by the Financial Supervisory Commission (FSC), if the capital surplus obtained by a financial holding company through a stock conversion comes from its subsidiaries' unappropriated earnings net of legal reserve and special reserve, the surplus may be distributed as cash dividends or transferred to capital in the period of conversion, and the distribution is exempted from the appropriation restrictions of Article 41 of the Securities and Exchange Act and Article 8 of the Securities and Exchange Act Enforcement Rules.

c. Special revenue

According to Rule No. 09900738571 issued by FSC and Rule No. 10000002891 issued under Regulations Governing Securities Firms, Grand Cathay and GCFC reclassified the default reserve and the trading loss reserve that had been set up until December 31, 2010 to special reserve. The Group also recognizes special revenue according to the percentage of holdings by the Group to subsidiaries directly and indirectly.

This special reserve should be used only to offset a deficit or when the legal reserve has reached 50% of the Corporation's paid-in capital, up to 50% thereof may be transferred to paid-in capital or according to Rule No. 09900738571 issued by FSC, the Corporation reclassified the legal reserve which exceed paid-in capital, then reversed the surpass part to retained earnings in line with the approval of FSC.

Under a directive issued by the SFB, whenever the components of shareholders' equity which includes unrealized gains or losses on financial instruments and cumulative translation adjustment but not treasury stock have debit balances, a special reserve equal to the total debit balance should be appropriated from the current year's earnings and unappropriated earnings generated in the prior years. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

When transitioning to IFRSs, the Corporation recognizes or reserves special revenue, under Rule No. 1010012865 issued by the FSC, Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

d. Appropriation of earnings

Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Corporation adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.

Where the Corporation made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period shall be used as the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining is subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the Board of Directors and resolved in the annual general shareholders meeting.

The appropriation of earnings should be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

The appropriation of earnings of 2021 was expected to propose in the board of directors on April 25, 2022 and the appropriation of earnings of 2020 was approved in the shareholders' meeting on July 20, 2021 as follows:

	Earnings Appropriation		**Dividends Per Share (NT$)**	
	2021	**2020**	**2021**	**2020**
Earnings appropriation				
Legal reserve	$ 3,668,049	$ 1,219,648		
Appropriation (reversal) of special reserve	123,680	3,790		
Cash dividends	16,848,554	8,244,420	$1.00	$0.55
Interest of preference shares	3,077	-		

The appropriation of earnings of 2021 will be approved in the shareholders' meeting on 2022.

Related information can be accessed at the Market Observation Post System website of the Taiwan Stock Exchange.

e. Non-controlling interests

	For the Three Months Ended March 31	
	2022	2021
Beginning balance	$ 330,414	$ 129,889,979
Attributable to non-controlling interests		
Share of profit for the period	6,526	4,975,845
Exchange differences on translation of financial statements of foreign operations	3,564	(1,277)
Gain (loss) on equity instruments measured at FVTOCI	1,957	652,665
Gain (loss) on debt instrument measured at FVTOCI	-	(14,853,850)
Other comprehensive income (loss) reclassified using the overlay approach	-	(1,257,095)
Changes in percentage of ownership interests in subsidiaries	-	(40,952,679)
Disposal of the Corporation shares	-	1,194,084
Others	-	(5,967)
Ending balance	$ 342,461	$ 79,641,705

36. SUBSIDIARY INFORMATION OF NON-CONTROLLING INTERESTS

Subsidiaries	The Main Place of Business	Non-controlling Interests Held by the Proportion of Equity March 31, 2021
China Life Insurance	Taipei	44.05%

	Net Income Attributed to Non-controlling Interests For the Three Months Ended March 31, 2021
China Life Insurance	$ 4,971,784

	Non-controlling Interests March 31, 2021
China Life Insurance	$ 79,322,131

The following aggregated financial information was prepared based on the amount before the intercompany transaction sales, and it has reflected the impact of the purchase method when the Corporation acquired China Life Insurance.

China Life Insurance

	March 31, 2021
Total assets	$ 2,250,718,210
Total liabilities	2,071,630,261
Equity	$ 179,087,949
Equity attributable to:	
Owners of parent	$ 99,765,818
Non-controlling interest	79,322,131
	$ 179,087,949

	For the Three Months Ended March 31, 2021
Revenue	$ 78,363,481
Net profit for the period	$ 9,401,515
Other comprehensive income	(30,260,490)
Total comprehensive income	$ (20,858,975)
Net profit attributable to:	
Owners of parent	$ 4,429,731
Non-controlling interest	4,971,784
	$ 9,401,515
Comprehensive income attributable to:	
Owners of parent	$ (5,310,236)
Non-controlling interest	(15,548,739)
	$ (20,858,975)
Cash flows	
From operating activities	$ 6,660,545
From investing activities	(15,875,416)
From financing activities	(21,147)
Net increase (decrease) in cash	$ (9,236,018)

37. TREASURY SHARES

Reason for Repurchase	Shares at Beginning of the Period (In Thousands)	Share Increase During the Period (In Thousands)	Share Decrease During the Period (In Thousands)	Shares at End of the Period (In Thousands)
For the three months ended March 31, 2022				
Reclassification of the Corporation's stock held by subsidiaries and recognized as long-term investment				
Common shares	340,714	-	-	340,714
Preference shares	310,901	-	-	310,901
For the three months ended March 31, 2021				
Reclassification of the Corporation's stock held by subsidiaries and recognized as long-term investment	126,329	-	51,455	74,874

The Corporation's shares held by subsidiaries are regarded as treasury stock. The Corporation's shares held by China Life Insurance are also treated as treasury stock and recognized at book value based on the proportion of shares acquired on the purchase date of acquisition. China Life Insurance completed the deal in May 2021.

For the year ended 2021, China Life Insurance became the Corporation's 100% owned subsidiary through a share swap. KGI Securities held the Corporation's shares. The Corporation converted the shares into treasury shares at the price of the share conversion. The market price of the shares was respectively \$9,398,885 thousand, \$8,944,032 thousand, and \$786,180 thousand on March 31, 2022, December 31, 2021, and March 31, 2021.

Under the Securities and Exchange Act, the Corporation should not acquire treasury stock in excess of 10% of its total shares outstanding. In addition, the Corporation should not spend more than the aggregate amount of the retained earnings, paid-in capital in excess of par value, and realized capital surplus arising from gains on disposal of properties and donated capital. The Corporation should not use treasury shares to secure any of its obligations and should not exercise any shareholders' rights on those shares.

38. INTEREST PROFIT, NET

	For the Three Months Ended March 31	
	2022	2021
Interest revenues		
Securities	$ 14,042,034	$ 14,367,980
Discounts and loans	2,545,752	2,512,238
Others	865,232	907,152
	17,453,018	17,787,370
Interest expenses		
Deposits	433,761	474,037
Corporate bonds	206,885	173,341
Notes and bonds issued under repurchase agreements	97,046	108,174
Bank debentures	58,350	30,651
Borrowing interest expense	42,720	101,489
Others	114,557	86,656
	953,319	974,348
Interest profit, net	$ 16,499,699	$ 16,813,022

39. SERVICE FEE AND COMMISSION, NET

	For the Three Months Ended March 31	
	2022	2021
Service fee revenue and commission income		
Brokerage	$ 3,040,572	$ 3,864,625
Security lending	379,602	237,459
Trust	195,533	283,592
Insurance	150,407	120,833
Commission income - insurance	130,776	166,860
Others	719,210	560,587
	4,616,100	5,233,956
Service fee expense and commission expense		
Commission expense - insurance	3,209,145	2,393,635
Brokerage	566,961	578,318
Others	570,044	437,901
	4,346,150	3,409,854
Service fee and commission, net	$ 269,950	$ 1,824,102

40. NET INCOME FROM INSURANCE OPERATIONS

	For the Three Months Ended March 31	
	2022	2021
Insurance business income		
Premium income	$ 40,016,182	$ 51,398,175
Reinsurance premium expense	(413,157)	(376,221)
Changes in unearned premium reserve	329,967	336,991
Retained earned premium	39,932,992	51,358,945
Separate-account insurance products revenues	928,106	3,514,686
	40,861,098	54,873,631
Insurance business expense		
Insurance claim payments	(27,241,320)	(32,358,324)
Claims recovered from reinsures	176,983	198,083
Retained claim payments	(27,064,337)	(32,160,241)
Brokerage expense	(622)	(2,485)
Disbursements toward industry stability fund	(76,049)	(77,118)
Changes in foreign exchange valuation reserve	(3,384,510)	129,232
Separate-account insurance products expenses	(928,106)	(3,514,686)
	(31,453,624)	(35,625,298)
Insurance business, net	$ 9,407,474	$ 19,248,333

41. GAIN (LOSS) ON FINANCIAL ASSETS OR LIABILITIES MEASURED AT FVTPL

	For the Three Months Ended March 31	
	2022	2021
Derivatives	$ (28,297,534)	$ (3,297,092)
Stocks	(4,722,697)	14,782,322
Mutual funds	(3,207,987)	(4,380,766)
Operating securities	(2,004,805)	1,725,486
Bonds	(1,338,223)	(2,375,441)
Others	1,425,108	(21,906)
	$ (38,146,138)	$ 6,432,603

For the Three Months Ended March 31, 2022 and 2021, the Group's financial assets and liabilities at fair value through profit or loss included interest revenue of $717,921 thousand, $693,666 thousand, respectively, dividend income of $1,557,963 thousand and $1,630,233 thousand, respectively and interest expense of $193,832 thousand, $121,192 thousand, respectively.

42. REALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2022	**2021**
Gain on bond disposal	$ 2,798,437	$ 5,225,437
Dividend income	140,218	90,620
Others	850	1,816
	$ 2,939,505	$ 5,317,873

43. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended March 31	
	2022	**2021**
Employee benefit expense		
Salaries and wages	$ 3,790,547	$ 4,923,749
Employee insurance	344,335	325,994
Pension	178,415	163,136
Others	516,990	618,980
	$ 4,830,287	$ 6,031,859
Depreciation and amortization expenses	$ 936,109	$ 918,110

The Company's Articles of Incorporation stipulate to distribute employees' compensation and remuneration to directors and supervisors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the Three Months Ended March 31, 2022 and 2021, the employees' compensation were both $99,000 thousand and the remuneration of directors and supervisors were both $98,000 thousand.

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The employees' compensation bonus of employees and remuneration to directors and supervisors for 2021 and 2020 which have been approved by the board of directors on April 25, 2022 and March 22, 2021, respectively, though the actually distributing amount of employees' compensation, and remuneration to directors and supervisors were different from the amounts of annual financial report recognized, the difference is adjusted to profit or loss on 2022 and 2021 respectively. were as follows. The employees' compensation bonus and remuneration of directors and supervisors for 2020 were reported on the shareholders meeting on July 20, 2021.

	2021		2020	
	Employees' Compensation to Employees	**Remuneration to Directors and Supervisors**	**Employees' Compensation to Employees**	**Remuneration to Directors and Supervisors**
Board of directors approved to distribute	$ 357,000	$ 290,000	$ 134,000	$ 133,000
Annual financial report recognized	357,000	355,000	134,000	133,000

The information on the proposed and approved compensation to employees and directors and supervisor is available on the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange.

44. INCOME TAX

Under Rule No. 910458039 issued by the Ministry of Finance on February 12, 2003, a financial holding company and its domestic subsidiaries holding over 90% of shares issued by the financial holding company for 12 months within the same tax year may choose to adopt the linked-tax system for income tax filings in accordance with Article 49 of Financial Holding Company Act and Article 40 of Business Mergers and Acquisitions Act. Thus, the Corporation adopted the linked-tax system for income tax filing with its eligible subsidiaries, income tax and unappropriated earnings tax filings.

The principle adopted by the Group under the linked-tax system is to reduce the income tax liabilities of the Group and to consider the fairness of the tax borne by all the companies in order to maximize the synergy of the Group. The Group adopt the linked-tax system for tax filings. The different amounts between tax expense and deferred tax liabilities and assets based on consolidation with its qualified subsidiaries are allocated and adjusted to income tax expense/benefit on the Corporation and each subsidiary pro rata; related amounts are recognized as receivables from parent or payable on parent.

a. Income tax expense recognized in profit or loss

The major components of tax expense (benefit) were as follows:

	For the Three Months Ended March 31	
	2022	**2021**
Current income tax		
Current period	$ 570,376	$ 2,098,130
Prior years	(27,473)	(95,411)
Others	158	455
	543,061	2,003,174
Deferred income tax	1,381,640	(322,347)
Income tax expense recognized in profit or loss	$ 1,924,701	$ 1,680,827

b. Income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the Three Months Ended March 31	
	2022	**2021**
Current income tax		
(Gain) loss on equity instruments at fair value through other comprehensive income	$ 13,233	$ 71,116
Deferred income tax		
(Gain) loss on debt instruments at fair value through other comprehensive income	(4,403,612)	(5,937,322)
(Gain) loss on equity instruments at fair value through other comprehensive income	(303,873)	(497,368)
(Gain) loss on reclassification using the overlay approach	(591,759)	(23,996)
Income tax expense (benefit)	$ (5,286,011)	$ (6,387,570)

c. Income tax expense (benefit) recognized in equity were as follows:

	For the Three Months Ended March 31	
	2022	**2021**
Current income tax		
Disposal of equity instruments at fair value through other comprehensive income	$ -	$ (95,918)
Deferred income tax		
Gain on equity instruments at fair value through other comprehensive income	-	95,918
Deferred income tax related to tax losses and reversals	(590)	(3,029)
Income tax benefit	$ (590)	$ (3,029)

d. Income tax assessments

The Corporation's income tax returns through 2016 had been examined by the tax authorities. The income tax returns of KGI bank through 2016 had been examined by the tax authorities. The income tax returns of CDIB Management Consulting Corporation through 2020 had been examined by the tax authorities. The income tax returns of CDC Finance & Leasing Corp. through 2019 had been examined by the tax authorities.

The income tax returns of KGI Securities for the years through 2016 had been examined by the tax authorities. KGI Securities did not agree with the assessment of the taxes in 2015 and 2016, and was in the process of administrative remedy.

KGI Futures Co., Ltd., KGI Insurance Brokers Co., Ltd., KGI Securities Investment Advisory Co., Ltd., KGI Investment Trust Co., Ltd., KGI Venture Capital Co., Ltd., and KGI Information Technology Co., Ltd. through 2020 had been examined by the tax authorities.

CDIB Capital Group's income tax returns through 2016 had been examined by the tax authorities.

Income tax returns of CDIB Capital Management Corporation, through 2019 had been examined by the tax authorities. Income tax returns of CDIB Venture Capital Corp. through 2019 had been examined by the tax authorities.

Income tax returns of formerly CHG3 through 2019 had been examined by the tax authorities. Income tax returns of CHG4 and Development Industrial Bank Asset Management Corp. through 2018 had been examined by the tax authorities. Formerly China Development Asset Management Corp. through 2017 and 2019 had been examined by the tax authorities.

China Life Insurance's income tax returns through 2019 had been examined by the tax authorities.

45. EARNINGS PER SHARE

(New Taiwan Dollars)

	For the Three Months Ended March 31	
	2022	**2021**
Basic EPS	$ 0.58	$ 0.66
Diluted EPS	$ 0.58	$ 0.66

The earnings and weighted average number of common shares outstanding in the computation of EPS were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2022	**2021**
Earnings used in the computation of EPS	$ 9,673,661	$ 9,839,868

Weighted Average Number of Common Shares Outstanding (In Thousand Shares)

	For the Three Months Ended March 31	
	2022	**2021**
Weighted average number of common shares outstanding in computation of basic EPS	16,742,073	14,866,865
Effect of dilutive potentially common shares:		
Employee share options	-	10,015
Restricted shares	37,148	-
Weighted average number of common shares outstanding in computation of diluted EPS	16,779,221	14,876,880

46. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Corporation

The Corporation acquired 100% of KGI Bank share through a share swap. In accordance with this contract, the Corporation granted options to replace KGI Bank’s options granted in May and August 2011. Qualified employees of KGI Bank were granted 30,862 and 11,088 thousand options on conversion date, September 15, 2014. Each option entitles the holder to subscribe for one common share of the Corporation. The options granted are valid for 6.64 and 6.96 years and exercisable at certain percentages from now. The unexercised units of the options granted have passed its expiration date in May and August 2021, respectively.

Besides, the Corporation granted 44,850 thousand employee stock options in October 2014. Each option entitles the holder to subscribe for one common share of the Corporation. The options granted are valid for 7 years and exercisable 2 years after the issuance date. The unexercised units of the options granted in October 2014 have passed its expiration date in October 2021.

For any subsequent changes in the Corporation’s issued common stocks, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Three Months Ended March 31, 2021	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	44,109	$ 6.92
Options exercised	(6,392)	7.02
Options invalid	(220)	6.82
Balance at March 31	37,497	6.91
Options exercisable, end of period	37,497	6.91
Weighted-average remaining contractual life (years)	0.34	

The weighted-average share price at the date of exercise of share options from January 1 to March 31, 2021 was $9.88.

Options granted on conversion date were priced using the trinomial trees model and the inputs to the model were as follows:

Grant-date share price	$9.54-$10
Exercise price	$7.68-$9.99
Expected volatility	14.94%-15.45%
Expected life	6.64-7 years
Expected dividend yield	1.50%
Risk-free interest rate	1.5647%-1.6283%
Early exercise of the multiplier	1.63

Expected volatility was based on the historical share price volatility over the past 1 year.

Compensation costs for the three months ended March 31, 2022 and 2021 and For the Three Months Ended March 31, 2021 was $0.

b. Issuance of restricted shares

On November 19, 2021, the board of directors of the Corporation has decided to issue restricted shares for $1,099,910 thousand in total, and with a par value of $10 per share, i.e., a total of 109,991 thousand shares at issue price of $0 (free issuance). Further, the board of directors made December 1, 2021 as the record date for the issuance of shares. The fair value of the stock on the grant date is measured by performance indicators.

The vesting portion of shares was measured according to the achievement of the performance indicators, and the vesting rate of the shares is 40%, 30% and 30% in installments. Employees who have not met the vesting conditions cannot sell, pledge, transfer, donate, asking the Corporation to buy them back or in any other way dispose of these shares except inheritance. Besides, employees do not have preemptive rights when capital increase but do share the same rights of issued common stock (which includes but not confined to cash dividend, stock dividend, capital decrease, capital surplus cash (stock) or any rights that was originated from legal subject such as consolidation, split or stock-exchange which we called “allocated rights” thereafter). Allocated rights have to be in the trust before meeting the vesting conditions.

After the restricted shares are allocated to employees, the Corporation will retrieve and cancel the stocks with no reimbursement if the vesting conditions are not met. The Corporation will also retrieve the allocated rights at the rate of shares of vesting conditions not met divided by shares allocated, with no reimbursement. If it is stocks that are retrieved, they shall be cancelled in each year of the vesting period.

For the three months ended March 31, 2022 and 2021, the Corporation recognized $111,787 thousand and $0 thousand as compensation cost.

47. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In February 2021, the Corporation acquired 1,000,000 thousand ordinary shares of China Life Insurance Co., Ltd. through public tender offer, resulting in an increase of its equity interests in China Life Insurance from 34.82% to 55.95%.

The above transactions were accounted for as equity transactions, since there is no change of the Group's control over China Life Insurance.

	For the Three Months Ended March 31, 2021
Cash consideration paid	$ (23,600,000)
Changes in non-controlling interests	40,952,679
Reattribution of other equity to (from) non-controlling interests	
- exchange differences on translation of financial statements of foreign operations	12,101
- unrealized gain (loss) on financial assets at FVTOCI	(7,661,553)
- other comprehensive income reclassified using the overlay approach	1,363
Treasury shares	476,837
Differences recognized from equity transactions	$ 10,181,427

Line items adjusted for equity transactions

Capital surplus	$ 10,181,427

48. RELATED-PARTY TRANSACTIONS

The significant transactions and relationship with related parties (in addition to those disclosed in other notes) are summarized below:

a. Related parties

Related Party	Relationship with the Group
Others	Other related parties

b. Significant transactions with related-parties

1) Purchase funds managed by related parties (recognized as financial assets at fair value through profit or loss)

	Amount
March 31, 2022	$ 5,801,078
December 31, 2021	9,201,707
March 31, 2021	8,486,817

2) Revenue receivable (recognized as receivables, net)

	Amount
March 31, 2022	$ 589,342
December 31, 2021	482,423
March 31, 2021	706,868

3) Receivable on margin loans (recognized as receivables, net)

	Amount
March 31, 2022	$ 52,382
December 31, 2021	67,513
March 31, 2021	27,924

4) Credit card receivable (recognized as receivables, net)

	Amount
March 31, 2022	$ 13,378
December 31, 2021	20,006
March 31, 2021	10,649

5) Other receivables (recognized as receivables, net)

	Amount
March 31, 2022	$ 30,206
December 31, 2021	20,306
March 31, 2021	12,786

6) Discounts and loans, net

KGI Bank

	Amount	Interest Rate (%)
March 31, 2022	$ 934,326	1.25-5.99
December 31, 2021	993,280	0.00-10.99
March 31, 2021	923,013	0.00-5.99

China Life Insurance

	Amount
March 31, 2022	$ 6,719
December 31, 2021	5,451
March 31, 2021	10,385

For the three months ended March 31, 2022 and 2021, the interest revenues from discounts and loans were $3,113 thousand and $3,115 thousand, respectively.

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	25	$ 19,064	$ 17,364	$ 17,364	$ -	None/credit guarantee fund	Yes
Residential mortgage loans	73	970,555	895,808	895,808	-	Real estate	Yes
Others	5	31,324	21,154	21,154	-	Real estate	Yes

For the Year Ended December 31, 2021

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	37	$ 35,672	$ 19,064	$ 19,064	$ -	None/credit guarantee fund	Yes
Residential mortgage loans	85	1,295,373	944,915	944,915	-	Real estate	Yes
Others	8	44,003	29,301	29,301	-	Real estate	Yes

For the Three Months Ended March 31, 2021

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	26	$ 21,616	$ 17,207	$ 17,207	$ -	None/credit guarantee fund	Yes
Residential mortgage loans	71	1,041,132	896,166	896,166	-	Real estate	Yes
Others	6	12,033	9,640	9,640	-	Real estate	Yes

7) Guarantee deposits received in futures contracts (recognized as other financial assets)

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties	$ 18,500	$ 8,340	$ 14,370

8) Other payables (recognized as payables)

	Amount
March 31, 2022	$ 1,898,529
December 31, 2021	1,914,642
March 31, 2021	774,330

9) Deposits and remittances

	Amount	Interest Rate (%)
March 31, 2022	$ 2,163,284	0-5.60
December 31, 2021	1,554,947	0-5.35
March 31, 2021	1,772,444	0-5.35

For the three months ended March 31, 2022 and 2021, the interest expenses from deposits and remittances were $1,978 thousand and $1,909 thousand, respectively.

10) Unearned receipts (recognized as other liabilities)

	Amount
March 31, 2022	$ 40,383
December 31, 2021	102,065
March 31, 2021	41,405

11) Premium income (recognized as insurance operations, net)

	For the Three Months Ended March 31	
	2022	2021
Other related parties	$ 62,320	$ 37,008

12) Rental revenue (recognized as other noninterest profit (loss) and gains, net)

	For the Three Months Ended March 31	
	2022	2021
Other related parties	$ 19,620	$ 5,616

13) Consulting service revenue (recognized as other noninterest profit (loss) and gains, net)

	For the Three Months Ended March 31	
	2022	2021
Other related parties	$ 133,738	$ 139,909

14) Gain (loss) on financial assets or liabilities measured at FVTPL - dividend income

	For the Three Months Ended March 31	
	2022	**2021**
Other related parties	$ 70,754	$ 76,715

15) Outstanding derivative financial instruments

KGI Securities

	March 31, 2022	**December 31, 2021**	**March 31, 2021**
	Contract Amount	**Contract Amount**	**Contract Amount**
Structured products liabilities			
Other related parties	$ 16,044	$ 22,044	$ 42,132

16) Remuneration of key management personnel

	For the Three Months Ended March 31	
	2022	**2021**
Salary and short-term benefits	$ 281,928	$ 301,488
Share based payment	13,473	-
Post-employment benefits	2,874	1,212
	$ 298,275	$ 302,700

The terms of the transactions with related parties were similar to those for third parties, except for certain preferential interest rates for employees' savings in and borrowings from KGI Bank.

Based on the Banking Act 32 and 33, except for consumer loans and government loans, credits extended by KGI Bank to any related party were fully secured, and the other terms of these credits were similar to those for third parties.

c. Related-party transactions were at costs or prices of at least NT$100 million

The significant transactions and relationship of the Corporation's subsidiaries with related parties were summarized below:

KGI Bank and subsidiaries

Related Party	**Relationship with the KGI Bank and Subsidiaries**
China Development Financial Holding Corporation	Parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
China Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Futures contract (recognized as cash and cash equivalents and Financial assets at fair value through profit and loss)

Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 884,696	$ 326,505	$ 193,271

Financial assets at fair value through profit and loss

	March 31, 2022
Subsidiary of the parent company	$ 177,694

2) Receivables from sale of securities (recognized as receivables, net)

	March 31, 2022
Subsidiary of the parent company	$ 273,179

3) Purchase and sale of bonds

	Purchase of Bonds	Sale of Bonds
For the three months ended March 31, 2022		
Subsidiary of the parent company	$ 500,000	$ -
For the three months ended March 31, 2021		
Subsidiary of the parent company	300,000	33,000

4) Lease agreement

	For the Three Months Ended March 31	
	2022	2021
Acquisition of right-of-use assets		
Subsidiary of the parent company	$ 104,599	$ 1,586,404

	March 31, 2022	December 31, 2021	March 31, 2021
Lease liabilities			
Subsidiary of the parent company	$ 2,427,570	$ 2,352,433	$ 1,614,534

Determination of rental price above is similar with market price, and payment of rental fee is on a monthly/quarterly basis.

5) Payable on parent (recognized as current tax liabilities)

	March 31, 2022	December 31, 2021	March 31, 2021
Parent company	$ 1,072,142	$ 878,223	$ 760,170

The payables resulted from CDFH and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns.

6) Payables from purchase of securities (recognized as payables)

	Amount
December 31, 2021	$ 883,997
March 31, 2021	107,886

7) Deposits and remittances

	Amount	Interest Rate (%)
March 31, 2022		
Parent company	$ 944,963	0-0.35
Subsidiary of the parent company	12,095,177	0-1.00
Other related parties	260,000	0.34-0.58
December 31, 2021		
Parent company	1,444,662	0-0.42
Subsidiary of the parent company	17,162,327	0-1.00
Other related parties	200,000	0.04-0.38
March 31, 2021		
Parent company	510,771	0-0.42
Subsidiary of the parent company	9,053,086	0-1.00
Other related parties	250,000	0.38

8) Temporary receipts (recognized as other liabilities)

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 687,942	$ 1,662,596	$ 1,121,628

The above account is temporary receipts of Automated Clearing House (ACH).

9) Outstanding derivative financial instrument

March 31, 2022

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet Account	Balance Sheet Balance
Subsidiaries of the parent company	Currency swap contracts	September 1, 2021-September 6, 2022	$ 18,524,158	$ 477,830	Financial assets at FVTPL	$ 458,543
	Cross-currency swap contracts	March 12, 2020-May 26, 2025	559,110	(3,254)	Financial assets at FVTPL	11,882
					Financial liabilities at FVTPL	3,427

December 31, 2021

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet Account	Balance Sheet Balance
Subsidiaries of the parent company	Currency swap contracts	August 16, 2021-September 6, 2022	$ 17,920,968	$ (56,773)	Financial liabilities at FVTPL	$ 56,773
	Cross-currency swap contracts	March 12, 2020-May 26, 2025	583,858	(36,290)	Financial assets at FVTPL	12,199
					Financial liabilities at FVTPL	491

March 31, 2021

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet Account	Balance Sheet Balance
Subsidiaries of the parent company	Currency swap contracts	April 9, 2020-June 28, 2021	$ 21,033,053	$ 321,541	Financial assets at FVTPL	$ 322,080
					Financial liabilities at FVTPL	52,987
	Cross-currency swap contracts	March 12, 2020-May 26, 2023	567,455	(10,605)	Financial assets at FVTPL	37,394

KGI Securities and subsidiaries

Related Party	Relationship with the KGI Securities and Subsidiaries
China Development Financial Holding Corporation	Parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
China Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 325,317	$ 321,426	$ 337,822

2) Financial assets at fair value through profit and loss - current

	March 31, 2022	December 31, 2021	March 31, 2021
Open ended fund, money market instruments and other securities			
Other related parties	$ 512,081	$ 561,788	$ 581,322
Operating securities			
Parent company	-	-	195,489
Subsidiary of the parent company	4,849,670	4,849,990	4,849,670
Other related parties	865,942	1,935,719	1,252,378

3) Financial assets at fair value through other comprehensive income - current

	March 31	
	2022	2021
Stocks		
Parent company	$ 9,398,885	$ 8,944,032

4) Purchase and sale of bonds

	Purchase of Bonds	Sale of Bonds
For the three months ended March 31, 2022		
Subsidiary of the parent company	$ -	$ 500,000
For the three months ended March 31, 2021		
Subsidiary of the parent company	33,000	300,000

5) Guarantee deposits received in futures contracts

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 783,734	$ 786,409	$ 759,468

6) Accounts receivables

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ -	$ 1,065,427	$ 107,891
Other related parties	444,685	428,471	626,600

7) Other current assets

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 3,876,614	$ 8,933,641	$ 2,108,003

8) Customers' equity accounts - futures

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 1,069,086	$ 407,286	$ 215,966

9) Payables

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 1,223,041	$ -	$ 424,003
Other related parties	442,917	423,877	611,963

10) Current tax liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Parent company	$ 2,507,802	$ 2,372,268	$ 1,659,911

11) Outstanding derivative financial instruments

Currency swap contracts

	March 31, 2022
	Contract Amount (Principal)
Subsidiary of the parent company	$ 1,205,776

CDIB Capital Group and subsidiaries

Related Party	Relationship with CDIB Capital Group and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
China Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 6,265,828	$ 6,207,300	$ 4,474,898

2) Receivables from parent (recognized as current tax assets)

	March 31, 2022	December 31, 2021	March 31, 2021
Parent company	$ 218,787	$ 218,787	$ 240,257

The receivables resulted from CDFH and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns since 2003.

3) Lease agreement

	For the Three Months Ended March 31, 2022
<u>Acquisition of right-of-use assets</u>	
Subsidiary of the parent company	$ 537,026

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Lease liabilities</u>			
Subsidiary of the parent company	$ 783,541	$ 790,103	$ 538,250

Determination of rental price above is similar with market price, and payment of rental fee is on a monthly/quarterly basis.

4) Restricted assets (recognized as other current assets)

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties	$ 1,390,702	$ 1,336,960	$ 1,326,346

5) Dividend payable

	March 31, 2022
Parent company	$ 8,000,000

6) Other payable

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties	$ 1,390,702	$ 1,336,960	$ 1,326,346

7) Payables to parent (recognized as current tax liabilities)

	March 31, 2022	December 31, 2021	March 31, 2021
Parent company	$ 674,841	$ 636,624	$ 690,064

The payables resulted from CDFH and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns since 2003.

8) Outstanding derivative financial instrument

March 31, 2022

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	March 12, 2020 - May 26, 2025	$ 610,070	$ 3,547	Financial liabilities at FVTPL	$ 8,179

December 31, 2021

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	March 12, 2020 - May 26, 2025	$ 573,639	$ (11,550)	Financial liabilities at FVTPL	$ 11,417

March 31, 2021

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	March 12, 2020 - May 26, 2022	$ 540,214	$ 10,591	Financial Assets at FVTPL	$ 37,395

China Development Asset Management Corp.

Related Party	Relationship with the China Development Asset Management Corp.
China Development Financial Holding Corporation	Parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
China Life Insurance	Subsidiary of the parent company
Others	Other related parties

Payables to parent (recognized as current tax liabilities)

	March 31, 2022	December 31, 2021
Subsidiaries of the parent company	$ 102,724	$ 100,500

China Life Insurance

Related Party	Relationship with the China Life Insurance
China Development Financial Holding Corporation	Parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 843,684	$ 913,551	$ 1,372,895

2) Receivables

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 1,778,239	$ 1,776,237	$ 1,587,465

3) Purchase funds managed by related parties (recognized as financial assets at fair value through profit or loss)

	March 31, 2022	December 31, 2021	March 31, 2021
Other related parties	$ 4,423,055	$ 6,704,200	$ 6,572,180

4) Financial assets at fair value through other comprehensive income

	March 31, 2021
Stocks	
Parent company	$ 1,405,029

5) Bonds payable

	March 31, 2022	December 31, 2021	March 31, 2021
Subsidiary of the parent company	$ 4,850,000	$ 4,850,000	$ 4,850,000

6) Payable

	December 31, 2021
Subsidiary of the parent company	$ 167,892

7) Investment balances appointed to related parties' discretionary investment

	March 31, 2021
Subsidiary of the parent company	$ 2,089,150

8) Outstanding derivative financial instrument

March 31, 2022

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	August 16, 2021 - September 6, 2022	US$ 645,000	Financial liabilities at FVTPL	$ (452,258)

December 31, 2021

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	August 16, 2021 - September 6, 2022	US$ 645,000	Financial assets at FVTPL	$ 58,900

March 31, 2021

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	April 9, 2020 - April 13, 2021	US$ 40,000	Financial assets at FVTPL	$ 51,313
		January 11, 2021 - June 28, 2021	US$ 655,000	Financial liabilities at FVTPL	(320,851)

49. PLEDGED ASSETS

The following assets and partial guarantee recognized as other current assets have been (a) pledged to various financial institutions as guarantees and collaterals for short-term loans, commercial paper payable, long-term loans, and overdraft, (b) pledged with Taipei Exchange Securities Market for settlement reserve, (c) required by the Central Bank for day-term overdraft, (d) required by government for bidding of government bonds, (e) pledged as part of the requirements for filing a petition for tax reassessment, (f) pledged as operating guarantee, compensation reserve and wealth management compensation, (g) pledged as guarantee deposit for oversees bonds sold with repurchase agreement, and (h) derivative transactions security deposit.

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at fair value through other comprehensive income - negotiable certificate of deposit	$ 18,136,560	$ 18,035,956	$ 17,801,907
Property and equipment, net	4,516,995	4,527,463	4,592,341
Other financial assets - pledged time deposits	3,615,113	3,302,021	2,306,426

(Continued)

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at fair value through other comprehensive income	$ 693,685	$ 594,564	$ 696,602
Due from the Central Bank and call loans to financial institutions	500,000	500,000	500,000
Accounts receivable - installment accounts receivables and lease receivables	335,128	262,312	2,388,999
Financial assets at fair value through other comprehensive income	202,048	204,492	172,542
Investment property, net	155,560	156,144	121,653

(Concluded)

Note: 88,500 thousand of China Life Insurance shares held by KGI Securities on March 31, 2021 have been pledged.

50. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Commitments and contingencies of the Group, except for those disclosed in Notes 52 and 54 were summarized as follows:

a. Securities and Futures Investors Protection Center sued Grand Cathay (KGI Securities as the survivor company after merging on June 22, 2013) and claimed that due to the fact that KGI Securities was the lead underwriter of Taiwan Kolin Co., Ltd. 2nd convertible bonds which issued on November 7, 2007, KGI Securities must have but not performed sufficient audits on the contents disclosed in the prospectus of Taiwan Kolin Co., Ltd. 2nd convertible corporate bonds, which against the Article 20 and 32 of Securities and Exchange Act and the Article 184 and 185 of Civil Code. On June 14, 2010, the plaintiffs sued KGI Securities, Taiwan Kolin Co., Ltd., the principal of formerly management team, Moore Stephens and the auditor with jointly liability amounted to $133,308 thousand plus 5% interest. The Taipei District Court judged that KGI Securities won favorable decisions in the first instance on January 29, 2021. After an appeal by the Securities and Futures Investors Protection Center, the case is currently being heard by the Taiwan High Court.

b. Plaintiffs, Digital Imaging Solution Global Ltd. (“Digital”) and Minda Consulting Ltd. (“Minda”), advocated that GT based on stock pledge generated from loans of HK$10,000 thousand with Minda and Minda transferred its pledge right on Digital to GT, GT transferred a pledge right of 35,000 thousand shares of eCyberChina to Minda in exchange. However, GT and its fund managers, including KGI Limited, disposed the 2,000 thousand shares of eCyberChina without Minda’s approval and thus violated the pledge agreement. Therefore, Digital and Minda filed a lawsuit to the GT in November 2007 and requested for compensation of HK$119,130 thousand and related expenses and interest. In February 2008, Digital and Minda added KGI Limited as a defendant. On July 21, 2008, the appeal was dismissed by courts of Hong Kong and the plaintiffs appealed to a higher court. In December 2008, the courts of appeals dismissed the appeal by Digital while the appeal by Minda is still pending in the courts of appeals.

c. Securities and Futures Investors Protection Center sued CDIB Capital Management Corporation and claimed that due to the fact that CDIB Capital Management Corporation is the corporate director of Powercom Ltd., CDIB Capital Management Corporation have but not performed sufficient audits on the contents disclosed in the financial statements which failed to comply the obligation of being a good administrator. Therefore, the plaintiff demanded compensation of $592,648 thousand and related interests from CDIB Capital Management Corporation and Powercom Ltd. On November 29, 2019, the Taipei District Court judged that CDIB Capital Management Corporation partially lost the lawsuit, and should pay $31,010 thousand plus 5% interest (from November 13, 2013 till the date of payment). CDIB Capital Management Corporation and Powercom Ltd. has appealed on January 9, 2020, and could not estimate the related possible loss because the case was currently pending with the Taiwan High Court and the final outcome of the court is uncertain.

d. The case KGI Bank acted vigorously in regards to Prince Motors' overdue debt. In December 2012, a third party filed a lawsuit claiming that the Bank fraudulently infringed upon the property rights of creditors on Dun Nan building. On February 14, 2014, the Taipei District Court adjudicated that the mortgage is cancelled and the Bank has to return the amount of $1,786,318 thousand. The Bank has appealed against this sentence on March 10, 2014. The original adjudication in favor of the third party was revoked by the court. The third party filed a new appeal and the Supreme Court ordered the high court to conduct a new trial on November 9, 2018. The High Court issued a judgment on August 17, 2021, upholding the original Taipei District Court's decision to revoke the part of the mortgage, and dismissed the third party's request for the Bank to pay the received money. The Bank or the third party files a third-instance appeal for losing part of the lawsuit on September 2021. As of the day which board of directors adopts the consolidation financial report, the case is being heard by the Taiwan Supreme Court.

e. In response to the rapid business development and IT demands for innovative products, KGI Bank plans to outsource its IT operations to improve IT service levels and to rapidly respond to the business development and changes in external regulations. The board of directors' meeting held on October 30, 2012 approved the plan for outsourcing the IT operations to International Business Machines Corp., Taiwan (IBM Taiwan) for the next 10 years, starting from October 31, 2012. Except for extra services will be charged by professional rates, the basic framework, support service, IT application service, integration and transformation of server and so on are charged by the contract. In response to information age and to improve quality of service, KGI Bank keeps replacing its core system and other related systems. After that, KGI Bank will reduce its demand on the basic framework and IT application services mentioned before. The contract about related service scope, which was approved by the board of directors on August 21, 2018, came into effect on January 1, 2019. As of March 31, 2022, KGI Bank has to pay a total of $20,011 thousand in the future contract periods.

f. On December 16, 2016, the Company signed the contract with CHUNG-LU Construction Co., Ltd. for the construction of Taipei Academy, and on March 1, 2017 and April 12, 2021 signed the first and second contract change protocol, respectively. The modified total amount of the contract is $5,738,173 thousand. As of March 31, 2022, the actual total amount of construction expenditure (after deduction of 5% construction retainage) is $5,721,586 thousand and unpaid amount is $16,587 thousand.

51. INDIVIDUAL PROFITABILITY AND CONSOLIDATED PROFIT ABILITIES OF CDFH, KGI BANK, KGI SECURITIES AND CHINA LIFE INSURANCE

Consolidated Profitability

(%)

Items		March 31, 2022	March 31, 2021
Return on total assets	Before income tax	1.33	1.92
	After income tax	1.11	1.73
Return on net worth	Before income tax	16.71	21.05
	After income tax	13.94	18.91
Profit margin		23.24	27.85

Profitability of CDFH

(%)

Items		March 31, 2022	March 31, 2021
Return on total assets	Before income tax	11.14	15.45
	After income tax	11.17	15.64
Return on net worth	Before income tax	13.87	18.60
	After income tax	13.94	18.86
Profit margin		94.67	95.18

Profitability of KGI Bank

(%)

Items		March 31, 2022	March 31, 2021
Return on total assets	Before income tax	0.89	0.67
	After income tax	0.75	0.57
Return on net worth	Before income tax	9.75	7.63
	After income tax	8.29	6.49
Profit margin		43.67	39.42

Profitability of KGI Securities

(%)

Items		March 31, 2022	March 31, 2021
Return on total assets	Before income tax	2.47	6.59
	After income tax	2.11	6.08
Return on net worth	Before income tax	9.41	25.14
	After income tax	8.03	23.18
Profit margin		38.16	75.37

Profitability of China Life Insurance

(%)

Items		March 31, 2022	March 31, 2021
Return on total assets	Before income tax	1.81	1.98
	After income tax	1.53	1.78
Return on net worth	Before income tax	25.67	25.80
	After income tax	21.76	23.23
Profit margin		13.30	12.50

52. FINANCIAL INSTRUMENTS

a. The definitions of each hierarchy are as follows:

1) Level 1 fair values are quoted prices in active markets for financial instruments.

2) Level 2 fair values refer to directly or indirectly observable inputs other than Level 1 quoted prices, such as the quoted prices of similar financial instruments in active markets; in less active markets, fair values are quoted prices of the same or similar financial instruments or financial instruments that can be generated by using pricing models that use inputs such as interest rates and volatility rates, which are derived from or can be corroborated with observable market data.

3) Level 3 refers to inputs that are not based on observable market data.

b. Fair value

1) The fair value hierarchy of financial instruments were as follows:

March 31, 2022

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	$ 209,308,583	$ 284,458	$ 8,544,633	$ 218,137,674
Bond investments	29,111,625	63,667,230	1,362,374	94,141,229
Others	166,514,996	8,491,537	27,585,853	202,592,386
Financial assets designated as at FVTPL	-	1,082,222	6,200,525	7,282,747
Financial assets at FVTOCI				
Stock investments	39,990,256	272,066	16,247,047	56,509,369
Bond investments	169,593,494	145,174,996	-	314,768,490
Others	-	72,447,590	-	72,447,590
Other financial assets				
Purchased debt receivable	-	-	203,536	203,536
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	12,375,024	6,496,495	-	18,871,519
Financial liabilities designated as at FVTPL	-	10,472,412	-	10,472,412
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,151,539	27,426,139	371,489	28,949,167
Financial assets for hedging	-	1,483,206	-	1,483,206
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,260,120	51,275,573	3,242,754	55,778,447
Financial liabilities designated as at FVTPL	984	10,380,013	-	10,380,997
Financial liabilities for hedging	-	568,275	-	568,275

December 31, 2021

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	$ 212,532,873	$ 332,399	$ 8,820,446	$ 221,685,718
Bond investments	28,690,428	69,747,925	940,171	99,378,524
Others	176,567,615	10,905,975	21,258,883	208,732,473
Financial assets designated as at FVTPL	-	-	4,740,512	4,740,512
Financial assets at FVTOCI				
Stock investments	43,989,149	343,068	20,126,776	64,458,993
Bond investments	210,211,909	162,587,439	-	372,799,348
Others	-	70,115,980	-	70,115,980
Other financial assets				
Purchased debt receivable	-	-	212,442	212,442
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	12,390,186	2,451,443	-	14,841,629
Financial liabilities designated as at FVTPL	-	10,354,365	-	10,354,365

(Continued)

	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Assets				
Financial assets at FVTPL	$ 858,403	$ 18,986,765	$ 165,778	$ 20,010,946
Financial assets for hedging	-	259,267	-	259,267
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,962,432	18,015,129	3,229,459	23,207,020
Financial liabilities designated as at FVTPL	1,012	9,294,131	-	9,295,143
Financial liabilities for hedging	-	73,006	-	73,006

(Concluded)

March 31, 2021

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	$ 195,157,562	$ 99,478	$ 8,680,913	$ 203,937,953
Bond investments	48,791,733	61,117,211	1,258,106	111,167,050
Others	159,415,605	11,951,491	13,694,621	185,061,717
Financial assets designated as at FVTPL	-	375,664	1,910,967	2,286,631
Financial assets at FVTOCI				
Stock investments	41,787,030	21,988	21,466,250	63,275,268
Bond investments	321,942,889	185,863,953	-	507,806,842
Others	-	60,640,462	-	60,640,462
Other financial assets				
Purchased debt receivable	-	-	152,883	152,883
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	22,447,207	2,130,290	-	24,577,497
Financial liabilities designated as at FVTPL	-	11,019,342	-	11,019,342
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,765,273	44,099,504	126,097	45,990,874
Financial assets for hedging	-	220,795	-	220,795
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,694,782	54,351,316	3,539,888	59,585,986
Financial liabilities designated as at FVTPL	859	7,541,106	-	7,541,965
Financial liabilities for hedging	-	153,036	-	153,036

2) Evaluation technology at fair value

For financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income, fair value is determined at quoted market prices. When market prices of the Group’s various financial instruments are not readily available, fair values are estimated by using appropriate valuation models or other banks’ transaction prices. The information the Group uses for fair value estimation is consistent with that generally used in the market; the basis of the theory are commonly recognized by the industry. The type of relevant methodology can roughly divided into analytical solution model (for example: Black-Scholes model) and numerical method model (for example Monte Carlo simulation).

3) Reconciliation of fair value

a) The limitation of valuation techniques and uncertain inputs

Valuation techniques incorporate assumptions are dependent on the instrument type and available market data. However, certain model inputs may be less readily determinable from valuation techniques. In these circumstances, valuation model would adopt additional parameters and/or model assumptions such as model risk or Liquidity Risk and so on, to make fair value adjustment. According to our policies of Valuation management and relevant control procedure, the Corporation's management considers that Valuation adjustments are necessary and appropriate. To accept approaches and principles for the making the appropriate adjustments, all parameters and price information should be evaluated thoroughly and make reference from market situation.

b) Credit risk valuation adjustments

Credit risk valuation adjustments are classified into Credit value adjustments and Debit value adjustments, and definitions are the following:

- The credit value adjustment is an adjustment to the valuation of OTC derivative contracts to reflect within fair value the possibility that the counterparty may default and that the Corporation may not receive the full market value of the transactions.

- The debit value adjustment is an adjustment to the valuation of OTC derivative contracts to reflect within fair value the possibility that the Corporation may default, and that the Corporation may not pay full market value of the transactions.

The Group calculates their debit valuation adjustment on the basis of their international credit assessment and model and international accounting standard of a counterparty's probability of default (PD), which is subject to standard supervisory parameters, take loss given default (LGD) into consideration and multiplied by their estimates of the counterparty's exposure at default (EAD). On the contrary, the Group calculates their credit valuation adjustment on the basis of the Group's PD, which is subject to standard supervisory parameters, take LGD into consideration and multiplied by their estimates of the Group's EAD.

The Group calculates the counterparty's EAD with OTC derivative's market to market value and the counterparty's LGD, which is 60 percent of EAD based on Taiwan Stock Exchange (TWSE) guidance.

The Group takes Credit risk valuation adjustments for determining the fair value of financial instruments and reflect counterparty's credit risk and the Corporation's credit quality.

4) Transfer between the Level 1 and Level 2

	For the Three Months Ended March 31, 2022		For the Three Months Ended March 31, 2021	
	Level One Converted Into Level Two	**Level Two Converted Into Level One**	**Level One Converted Into Level Two**	**Level Two Converted Into Level One**
Financial assets at FVTPL - bond investments	$ -	$ -	$ -	$ 5,970,110
Financial assets at FVOCI - bond investments	7,892,478	-	5,590,991	10,436,625

Because of changes in market liquidity, evaluation sources applied by some stock investments and bond investments will change. It makes the applicable level of bond's fair value change from level one into level two or level two into level one.

5) Reconciliation of Level 3 items of financial instruments

The movements of financial assets with Level 3 fair value were as follows:

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 31,185,278	$ 1,441,604	$ 5,850,369	$ -	$ (412,013)	$ (200,889)	$ 37,864,349
Financial assets designated as at FVTPL	4,740,512	53,187	1,406,826	-	-	-	6,200,525
Financial assets at FVTOCI	20,126,776	(3,710,473)	-	-	(13,066)	(156,190)	16,247,047
Other financial assets							
Purchased debt receivable	212,442	(1,530)	-	-	(7,376)	-	203,536

For the Three Months Ended March 31, 2021

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 21,906,518	$ 330,117	$ 2,030,842	$ -	$ (448,547)	$ (59,193)	$ 23,759,737
Financial assets designated as at FVTPL	1,854,964	40,339	20,208	-	(4,544)	-	1,910,967
Financial assets at FVTOCI	23,144,621	(1,512,801)	-	-	(165,570)	-	21,466,250
Other financial assets							
Purchased debt receivable	162,247	1,012	-	-	(10,376)	-	152,883

Note: For parts of stock investments, the Corporation's subsidiaries acquired their observable market material, causing the applicable level of stock investment transfer from level 3.

The movements of financial liabilities with Level 3 fair value were as follows:

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial liabilities at FVTPL Financial liabilities held for trading	$ 3,229,459	$ (52,266)	$ 386,223	$ -	$ (320,662)	$ -	$ 3,242,754

For the Three Months Ended March 31, 2021

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial liabilities at FVTPL Financial liabilities held for trading	$ 3,706,831	$ (25,140)	$ 238,612	$ -	$ (380,415)	$ -	$ 3,539,888

The total gains or losses for the three months ended March 31, 2022 and 2021 included a gain of $184,663 thousand and $608,802 thousand relating to assets and liabilities measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

6) Quantitative information about significant unobservable inputs (Level 3)

<u>KGI Bank and subsidiaries</u>

The table below lists quantitative unobservable inputs of Level 3 financial instruments:

	Fair Value at March 31, 2022	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTPL	$ 397,381	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Use quoted price of counterparties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed
Financial assets at FVTOCI	969,783	Market approach	P/B, Discount for lack of liquidity	1.33 27.2%	Multiplier is proportional to fair value, fair value is inversely proportional to discount for lack of liquidity
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control
Derivative financial instruments					
Financial assets at FVTPL	385,634	Hull White Model, Libor Market Model, BS Model, discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed
Financial liabilities at FVTPL	385,999	Hull White Model, Libor Market Model, BS Model, discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed

	Fair Value at December 31, 2021	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTPL	$ 339,497	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Use quoted price of counterparties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed
Financial assets at FVTOCI	946,623	Market approach	P/E Discount for lack of liquidity	12.47 27.2%	Multiplier is proportional to fair value; fair value is inversely proportional to discount for lack of liquidity.
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control.
Derivative financial instruments					
Financial assets at FVTPL	177,924	Hull White Model, Libor Market Model, BS Model, discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed
Financial liabilities at FVTPL	178,401	Hull White Model, Libor Market Model, BS Model. discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed

	Fair Value at March 31, 2021	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTOCI	$ 1,095,539	Market approach	P/E, Discount for lack of liquidity	15.04 27.2%	Multiplier is proportional to fair value; fair value is inversely proportional to discount for lack of liquidity and control.
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control.
		Recent strike price	-	-	-
Derivative financial instruments					
Financial assets at FVTPL	163,356	Hull White Model, Libor Market Model, BS Model, discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed
Financial liabilities at FVTPL	163,407	Hull White Model, Libor Market Model, BS Model, discounted cash flow/quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the KGI Bank and its subsidiaries select the applicable one according to the analysis; use quoted price of counter-parties, because the market is not liquid, resulting in a lack of observable market liquidity reduction factors, so no items are disclosed

KGI Securities and subsidiaries

The explanation of quantitative information about significant unobservable inputs in fair value measurement and sensitivity analysis significant unobservable inputs used by repetitive basis to fair value Level 3 financial asset of KGI Securities and subsidiaries were as follows:

	Fair Value at March 31, 2022	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative financial assets					
Financial assets at FVTPL - equity and debt instruments	$ 3,379,130	Recent strike price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	23%-29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	7.02%	Assets at fair value is inversely proportional to WACC
			Growth rate	2.60%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Financial assets at FVTOCI - equity instruments	42,863	Option pricing model	Discount for lack of liquidity	26%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			History volatility	37.39%	According to condition of contract, fair value of asset may be higher or lower.
		Asset method	Discount for lack of liquidity	15%	Assets at fair value is inversely proportional to discount for lack of liquidity.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL	2,863,478				
Structured products - options		Martingale pricing technique	History volatility	0.00%-65.50%	According to condition of contract, fair value of liabilities may be higher or lower.
Credit derivatives instrument - - CDS		ISDA Standard Upfront Model	Recovery rate	0.4	According to ISDA Standard Upfront Model, by type of debt, using the appropriate recovery rate

	Fair Value at December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative financial assets					
Financial assets at FVTPL - equity and debt instruments	$ 2,846,210	Fair value from counter-party, recently strike price or measured by using asset-based approach.	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	23%-29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	6.83%	Assets at fair value is inversely proportional to WACC
			Growth rate	2.60%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Financial assets at FVTOCI - equity instruments	42,138	Option pricing model	Discount for lack of liquidity	26%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			History volatility	37.39%	According to condition of contract, fair value of asset may be higher or lower.
		Asset method	Discount for lack of liquidity	15%	Assets at fair value is inversely proportional to discount for lack of liquidity.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL	3,052,493				
Structured products - options		Martingale pricing technique	History volatility	0.00%-13.40%	According to condition of contract, fair value of liabilities may be higher or lower.
Equity derivatives - premium - equity options (put option)		Martingale pricing technique	History volatility	36.25%-37.30%	According to condition of contract, fair value of liabilities may be higher or lower.

	Fair Value at March 31,2021	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative financial assets					
Financial assets at FVTPL - equity instruments	$ 2,838,640	Fair value from counter-party, recently strike price or measured by using asset-based approach.	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	23%-29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	6.85%	Assets at fair value is inversely proportional to WACC
			Growth rate	2.20%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Financial assets at FVTOCI - equity instruments	70,896	Fair value from counter-party, recently strike price or measured by using asset-based approach.	Not applicable	Not applicable	Not applicable
		Asset method	Discount for lack of liquidity	15%	Assets at fair value is inversely proportional to discount for lack of liquidity.
Derivative instruments					
Financial assets at FVTPL	135				
Structured products - options		Martingale pricing technique	History volatility	26.44%-51.87%	According to condition of contract, fair value of asset may be higher or lower.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL	3,376,481				
Structured products - options		Martingale pricing technique	History volatility	0.00%-16.71%	According to condition of contract, fair value of liabilities may be higher or lower.
Equity derivatives - premium - equity options (put option)		Martingale pricing technique	History volatility	59.46%-59.46%	According to condition of contract, fair value of liabilities may be higher or lower.

History volatility used by Martingale Pricing Technique in KGI Securities depends on moving weighted average method, and sampling period refer to maturity in initial contract; if maturity is less than 6 months, sampling period is between 20 to 180 days; if maturity is between 6 months to 12 months, sampling period is between 20 to 360 days; if maturity is more than 12 months, sampling period is between 20 to initial maturity days.

The recovery rate adopted by KGI Securities in the ISDA CDS Standard Model is set based on the ISDA Standard CDS Converter Specification. If the underlying debt is senior unsecured debt, the recovery rate is set to be 0.4. If the underlying debt is subordinated debt, the recovery rate is set to be 0.2. If the debt is from emerging markets (including senior and subordinated debt), the recovery rate is set to be 0.25. KGI Securities set the recovery rate base on the types of the debts. Therefore, the recovery rate is not changed.

KGI Securities and subsidiaries adopts pricing model and pricing parameters cautiously, producing reasonable fair value measurement, however, different pricing model or parameters may lead to different outcome. To those financial assets and liabilities categorized into Level 3, effects of current period net income or loss affected by changes in pricing parameters were as follows:

March 31, 2022

	Sensitivity Analysis of Relationship Between Inputs and Fair Value		Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
	Inputs	Positive/ Negative Change	Positive Impact	Negative Impact	Positive Impact	Negative Impact
Financial assets						
Non-derivative instruments						
Financial assets at FVTPL						
Equity and debt instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	$ 176	$ 177	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	78	78	-	-
	WACC	-1%/+1%	442	428	-	-
	Growth rate	+1%/-1%	150	148	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,558	3,323	-	-
Financial assets at FVTOCI						
Equity instruments (option pricing model)	Discount for lack of liquidity	-1%/+1%	-	-	160	161
	History volatility	-1%/+1%	-	-	172	171
Equity instruments (assets approach)	Discount for lack of liquidity	-1%/+1%	-	-	5	5
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	102	171	-	-

December 31, 2021

	Sensitivity Analysis of Relationship Between Inputs and Fair Value		Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
	Inputs	Positive/ Negative Change	Positive Impact	Negative Impact	Positive Impact	Negative Impact
Financial assets						
Non-derivative instruments						
Financial assets at FVTPL						
Equity and debt instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	$ 231	$ 231	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	83	83	-	-
	WACC	-1%/+1%	469	454	-	-
	Growth rate	+1%/-1%	163	161	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,560	3,137	-	-
Financial assets at FVTOCI						
Equity instruments (option pricing model)	Discount for lack of liquidity	-1%/+1%	-	-	155	156
	History volatility	-1%/+1%	-	-	167	166
Equity instruments (assets approach)	Discount for lack of liquidity	-1%/+1%	-	-	5	5
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-
Equity derivative instruments - premium - options (put option)	Historical Volatility	-25%/+25%	502	524	-	-

March 31, 2021

	Sensitivity Analysis of Relationship Between Inputs and Fair Value		Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
	Inputs	Positive/ Negative Change	Positive Impact	Negative Impact	Positive Impact	Negative Impact
Financial assets						
Non-derivative instruments						
Financial assets at FVTPL						
Equity and debt instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	$ 204	$ 195	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	92	92	-	-
	WACC	-1%/+1%	464	451	-	-
	Growth rate	+1%/-1%	136	134	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	2,879	3,085	-	-
Financial assets at FVTOCI						
Equity and debt instruments (option pricing model)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (assets approach)	Discount for lack of liquidity	-1%/+1%	-	-	4	4
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	Historical Volatility	+25%/-25%	82	70	-	-
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-
Equity derivative instruments - premium - options (put option)	Historical Volatility	-25%/+25%	229	230	-	-

CDIB Capital Group and subsidiaries

Equity securities are classified fair value Level 3 financial asset by CDIB Capital Group and subsidiaries. Quantitative information about the significant unobservable inputs is set out below:

	Fair Value at March 31, 2022	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 15,100,494	Market approach	EV/Sales	0.52	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
			P/B	1.57	
			P/S	0.73-1.03	
			Discount for lack of liquidity	26%-29%	
		Discounted cash-flow method	Discount for lack of liquidity	26%-29%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
			WACC	5.80%-11.06%	
			Growth rate	1.80%-6.76%	
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-	-	-

	Fair Value at December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 13,910,044	Market approach	EV/Sales	0.57	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
			P/B	1.72	
			P/S	0.84-1.07	
			Discount for lack of liquidity	26%-29%	
		Discounted cash-flow method	Discount for lack of liquidity	26%-29%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
			WACC	5.67%-10.49%	
			Growth rate	1.80%-6.76%	
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-	-	-

	Fair Value at March 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 13,674,982	Market approach	P/B P/S Discount for lack of liquidity	0.98-2.51 0.89-2.81 26%-29%	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
		Discounted cash-flow method	Discount for lack of liquidity WACC Growth rate	26%-29% 5.23%-12.26% 0.50%-5.10%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-	-	-

China Life Insurance

Equity securities are classified into fair value Level 3 financial asset by China Life Insurance. Quantitative information about the significant unobservable input was set out below:

	March 31, 2022			
	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	0%-10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.69%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	0%-10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

	December 31, 2021			
	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	0%-10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.71%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	0%-10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

	March 31, 2021			
	Valuation Techniques	**Significant Unobservable Inputs**	**Quantification Information**	**Relationship Between Inputs and Fair Value**
Financial assets				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity, the lower the estimated fair value.
		Control premium	0%-10%	The higher the control premium, the higher the estimated fair value.
	Income approach	Cost of capital rate	6.17%	The higher the cost of capital rate, the lower the estimated fair value.
		Discount for liquidity	0%-10%	The higher the discount for liquidity, the lower the estimated fair value.
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value.

7) Pricing process of Level 3 fair value

KGI Bank and subsidiaries

KGI Bank's risk management department is responsible for the pricing process of Level 3 fair value. The pricing models and conditions assumed are conform to market practice; the basis of the theory are commonly recognized by the industry as a basis of valuation in conducting measurement of fair value. Further, the department confirms whether the sources of the information are independent or not, reasonably reflecting the prices in normal circumstances, and examines and adjusts fair value periodically to insure results of the valuation is reasonable.

KGI Securities and subsidiaries

When KGI Securities has those derivatives that their fair value are hard to reach or they are categorized as derivative financial assets with no active market, reasonability of fair value of those financial assets are assessed by related department according to the Guidelines of Asset Valuation Operation set by KGI Securities, and the outcomes of the valuation will be recorded in the book by accounting department.

CDIB Capital Group and subsidiaries

The valuation method and parameters adopted by CDIB Capital Group and subsidiaries conform to the general market practice which the theoretical basis is generally identified by the industry. Besides, the department exams and adjusts inputs that pricing model needed periodically to insure outcomes are reasonable.

The valuation method and parameters adopted by CDIB Capital Group and subsidiaries have considered the influence of Covid-19, including future operating conditions, which decrease the forecast numbers of revenue and profit.

China Life Insurance

China Life Insurance is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions and the sources are independent, reliable, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. China Life Insurance analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to China Life Insurance's accounting policies at each reporting date.

c. Fair value of financial instruments not carried at fair value

1) Fair value information

Assets and liabilities measured at cost, excluding debt investments measured at amortized cost, guarantee deposits paid, bonds payable, have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

Fair values of bonds payable with quoted price in an active market are evaluated using the market price; bonds payable with no quoted prices in an active market are estimated by valuation methods or the opponent's price.

2) The fair value hierarchy of financial instruments were as follows:

March 31, 2022

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 481,589,210	$ 777,925,059	$ -	$ 1,259,514,269
Non-financial assets				
Guarantee deposits paid - bonds	-	8,465,680	-	8,465,680

December 31, 2021

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 466,605,518	$ 798,839,528	$ -	$ 1,265,445,046
Non-financial assets				
Guarantee deposits paid - bonds	-	8,722,040	-	8,722,040

March 31, 2021

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 400,355,425	$ 758,712,337	$ -	$ 1,159,067,762
Non-financial assets				
Guarantee deposits paid - bonds	-	8,757,585	-	8,757,585

3) Measurement technique

a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to other banks, securities purchased under resell agreements, receivables, other financial assets, guarantee deposits paid, due to the Central Bank and other banks, securities sold under repurchase agreements, payables, deposits and remittances, other financial liabilities and guarantee deposits received and remittances approximate their fair values because of the short maturities of these instruments.

b) The base rate (floating rate) is usually adopted as the loan rate because it can reflect the market rate. Thus, using the carrying amount for considering the probability of repossession and estimating the fair value is reasonable.

c) The fair value of debt investments measured at amortized cost is estimated by

i. Referring to the quoted price from electronic bond trading system of Taipei Exchange and Bloomberg.

ii. Referring to the discounted expected cash flow, of which the discount rate is referenced to interest rates with similar maturity date.

d) The fair values of bonds payable are determined by the present values of future cash flows, with the values discounted at the interest rates of similar bonds payable available for the Corporation.

53. INFORMATION OF INSURANCE CONTRACTS

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

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

The board of directors should ensure the effectiveness of risk management and bear the ultimate responsibility for risk management, responsible for formulating China Life Insurance’s overall risk appetite and risk tolerance, review and approve China Life Insurance’s risk management objectives and strategies. “Risk Management Committee” is set under the board of directors. Various risk management report and related issues are first report to risk management committee and made the final approval by the board of directors. Besides the risk management committee, China Life Insurance set up an assets and liabilities risk management team to strengthen the risk management organization and structure.

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

2) Risk management policies, procedures and methods:

According to risk management policies, China Life Insurance sets an effective mechanism to proceed identification, measurement, monitoring, reporting and response to risk, establishes clear objectives for risk management, controls approaches and attribution of responsibility to make sure that each operational risk is controlled under the tolerable range, making the largest surplus and profits for shareholders.

China Life Insurance follows the principle of centralized management and specialization, and assigns responsible risk management department to manage various risks. In addition, China Life Insurance develops management guidelines for various types of risk, standardizes measurement and evaluation methods, and regularly issues risk reports to monitor the various risks.

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

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

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

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

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

b. Information of insurance risks

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

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

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

As at March 31, 2022, assuming a 5% change in mortality, morbidity, surrender and expenses, and a decrease in investment return of 0.1%, all insurance contracts and financial instruments with discretionary participation feature will not cause China Life Insurance's insurance liability inadequate.

2) Interpretation for concentration of insurance risks:

a) China Life Insurance’s insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. China Life Insurance had set tolerable cumulative risk limits for each risk unit and incident. Insurance risks that exceed the limits will be transferred through reinsurance. Please refer to Note 32 for concentration of risk before and after the reinsurance for China Life Insurance.

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

3) Claim development trend:

a) Direct business loss development trend

Accident Year	Development Year															Reserve for Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2008	$ 2,170,100	$ 2,736,556	$ 2,776,542	$ 2,781,989	$ 2,786,399	$ 2,792,187	$ 2,798,032	$ 2,798,807	$ 2,799,546	$ 2,800,435	$ 2,802,449	$ 2,803,020	$ 2,803,856	$ 2,804,061	2,804,502	
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,941,995	-	
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,137	-	-	
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,356,911	-	-	-	
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,058,913	-	-	-	-	
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,057,193	-	-	-	-	-	
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,323,901	-	-	-	-	-	-	
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,231	-	-	-	-	-	-	-	
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,766,742	-	-	-	-	-	-	-	-	
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,559,266	-	-	-	-	-	-	-	-	-	
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,081,326	-	-	-	-	-	-	-	-	-	-	
2019	5,257,484	6,776,954	6,904,733	6,916,725	-	-	-	-	-	-	-	-	-	-	-	
2020	5,208,589	6,557,028	6,622,957	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,729,794	6,732,440	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	882,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 2,321,344

Note: This table does not include long-term life insurance.

Add: Long-term insurance claims	436,330
Claim reserve for discount on no claim	131,693
Reserve for claims balance	$ 2,889,367

b) Retained business loss development trend

Accident Year	Development Year															Reserve for Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2008	$ 2,128,556	$ 2,682,784	$ 2,721,905	$ 2,719,002	$ 2,723,312	$ 2,728,970	$ 2,734,682	$ 2,735,440	$ 2,736,162	$ 2,737,031	$ 2,739,000	$ 2,739,557	$ 2,740,394	$ 2,740,598	$ 2,741,039	
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,875,390	-	
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,919	-	-	
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,280,955	-	-	-	
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,989,715	-	-	-	-	
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,988,029	-	-	-	-	-	
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,226,159	-	-	-	-	-	-	
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,418,973	-	-	-	-	-	-	-	
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,659,085	-	-	-	-	-	-	-	-	
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,446,440	-	-	-	-	-	-	-	-	-	
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,967,254	-	-	-	-	-	-	-	-	-	-	
2019	5,165,606	6,658,675	6,786,454	6,798,446	-	-	-	-	-	-	-	-	-	-	-	
2020	5,136,641	6,454,169	6,520,098	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,640,880	6,616,893	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	874,365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 2,312,310

Note: This table does not include long-term life insurance.

Add: Long-term insurance claims	406,715
Claim reserve for discount on no claim	131,693
Reserve for claims balance	$ 2,850,718

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

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

4) Credit risk:

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

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

5) Liquidity risk:

As at March 31, 2022, December 31, 2021 and March 31, 2021, the maturity analysis of liquidity risk for insurance contract liabilities of China Life Insurance are as follow:

	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
March 31, 2022					
Insurance liabilities of investment contracts with discretionary participation features	$ 29,195,385	$ 128,964,808	$ 139,340,273	$ 612,045,547	$ 3,933,010,054
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
December 31, 2021					
Insurance liabilities of investment contracts with discretionary participation features	38,514,881	132,626,854	144,267,981	604,249,058	3,805,721,194
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
March 31, 2021					
Insurance liabilities of investment contracts with discretionary participation features	5,444,827	122,012,273	154,235,681	589,341,177	3,753,046,319
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

Note 1: This table estimates net cash flow of all related insurance liabilities at it starting point.

Note 2: The actual maturity date will change according to the exercise of termination right by the policyholders.

Note 3: The table cannot match with the liabilities of balance sheet because the above contracts use the undiscounted contractual cash flow analysis. In addition, it includes the cash inflows of future renewal premiums.

6) Market risk:

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

54. FINANCIAL RISK MANAGEMENT

a. Risk management policies and framework

The Corporation

The Corporation has established its risk management policies, which combine business management and risk management to form a corporate culture and business strategies that place a fundamental importance on risk management. The results of quantified and qualified risk management measures serve as a reference for formulating business strategies. The board of directors has approved the documentation of both overall and specific risk management policies, including business, operational and liquidity risks.

The Corporation has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. The Corporation also has a risk management department to plan and manage the risk management system, supervise the implementation of risk management of subsidiaries and provide related information to the management and the board of directors.

KGI Bank and subsidiaries

KGI Bank has planned a proper risk management system regarding market risk, credit risk, and operating risk related to the operation of company as a basis of following risk management procedures.

KGI Bank also planned the mechanism of analysis, monitoring, and report related to overall risk management. Further, it reports to senior management, and committee or board of directors with risk management function; KGI Bank keeps related information updated in response to the actual risks encountering significant changes in macroeconomics or financial market to monitor and response effectively.

KGI Bank's risk management not only focuses on individual department but consider the comprehensive effects from an overall corporation perspective.

KGI Bank undertakes risk identification with consistent asset portfolio classification as well as correlation between each other, and establishes a consistent measure according to the different types of exposure.

KGI Bank’s risk management divisions are as follows:

1) Board of directors

   The KGI Bank’s board of director supervise the establishment of risk management structure and culture, ensures efficiency of operation in risk management, reviews important risk control report and bear the ultimate responsibility of risk management.

2) Risk management committee

   KGI Bank has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues.

3) Business and management departments

   The department is responsible for ensuring compliance of risk management regulations while conducting the operations to practice the control of daily risk.

4) Risk management department

   KGI Bank establishes a risk management department which is independent from operating departments to take charge of planning and managing of risk management system and to provide overall risk management information to senior management and the board of directors.

5) Internal audit department

   The department takes charge of establishment of all risk mechanisms and audit the compliance and implementation of mechanism.

Risk management is a joint duty to all KGI Bank’s department including business, legal, compliance of law, finance, accounting, administration, operating, audit departments and so on, should all practice it actively, and through coordination of intra-departments to carry out the overall risk management.

<u>KGI Securities and subsidiaries</u>

1) Financial risk management objectives

   To effectively manage the risks related to the operation of KGI Securities and strengthen KGI Securities Competitive advantage, According to the laws by authorities, risk management policy by parent company, and business development strategy by KGI Securities, which set risk management policy as compliance basis for risk management.

2) Risk management organization

   KGI Securities’ risk management organization framework, which monitors, plans, and executes related risk management affairs, includes board of directors, risk management department, business department and other related departments. KGI Securities’ business departments and back offices should comply with risk management regulations and reports all anomalies and their effects to Risk Management Committee (RMC) and Investment Review Committee (IRC) in time. Risk management organizations’ functions and responsibilities are as follows:

   The board of directors is the highest decisive department in KGI Securities, and it also bears ultimate responsibility while monitoring the execution of overall risk management system.

Functions and responsibilities of committees: RMC executes risk management decisions made by the board of directors, which include reviewing KGI Securities' every department's, risk budget, limit and their management system, reviewing guidelines regarding risk management, and inspecting related countermeasures according to risk reports submitted by departments; IRC examines underwriting of securities, assisting of business projects consistent long-term investments; and Merchandise Review Committee (MRC) sets up the reviewing system of KGI Securities' for sale of commodities, trusted investment and management of new business and financial instruments.

Business department is responsible for setting risk management systems, managing and reporting daily risks which belong to its department and executing internal controls effectively which correspond to the government regulations and risk management policies.

Risk management department's functions and responsibilities are ensuring the execution of policies approved by board of directors, making risk management rules and guidelines, controlling the measuring, monitoring and evaluating of daily risk, producing periodic (daily, weekly or monthly) risk management reports and submitting them to management, and developing or assisting the exploitation and maintenance of risk management information system.

Legal affair department's functions and responsibilities are providing comprehensive management of KGI Securities company law, legal consultations, drafting, reviewing and taking custody of major contracts and monitoring litigation and non-litigation cases.

Legal compliance department's functions and responsibilities are conveying laws, providing legal consultation, negotiating and facilitating communications. It is also responsible to make sure that all operations and management guidelines are updated accordingly as related regulations are amended. It also supervises as all units conduct an overview of the feasibility of legal compliance.

Fund dispatching department is responsible for KGI Securities' dispatching and usage of capital, setting up and maintaining finance credits with financial institution, lowering capital costs and managing liquidity risks.

Internal audit department's function and responsibilities are auditing execution of regulations and business operations, proposing amendments in time, and tracing improving progresses after reporting defects and anomalies to the board of directors.

Finance department, settlement department, information department and other related department should understand the risk facing in its industry thoroughly on the basis of risk management related regulations, take necessary risk control measures into consideration while setting up operating management guidelines to assist in completing the whole cooperation's various risk management tasks, and monitor transaction processes regarding valuation, confirmation of price information, preparation of income statement, processing and confirming of transaction, settling, verifying of accounts, asset control, information safety and maintenance of information.

3) Risk management system

KGI Securities has planned proper risk management system regarding market risk, credit risk, operating risk, liquidity risk, legal risk and other risks related to the operation of company as a basis of following risk management procedures.

The risk management policies, various risk management standards and operation of merchandise guidelines are established by competent unit. The competent unit makes a draft and asks the related department for advices and opinions, and it will be conducted following established guidelines and related standards of parent company, CDFH.

4) Risk management mechanism

The process of various risk managements include risk identification, risk measurement, risk monitoring and control and risk reports. The evaluation and strategies of important risk are explained as follows:

a) Market risk

KGI Securities restricts the risk level to which it is exposed to an acceptable level through structuring risk management system, enacting market risk management policies, and formulating merchandise operation guidelines. It also restraint risk through allocating venture capital, subject to management strategies and risk appetite, setting various risk-based limits, and conducting risk monitoring on a daily basis.

KGI Securities implemented the MSCI Risk Manager, a market risk management system, as a quantitative management instrument. The system integrates all holding positions and provides in a daily basis various analyzing metrics and comprehensive computation results, including equity, interest rate, exchange rate, etc., as well as adjustment and application of diverse derivatives models. Also, the risk management department controls risk-based limits by business units on a daily basis to enforce and manage market risk capital allocation.

To establish efficacy of estimation at risk (VaR) model, risk management department conducts Back Testing periodically to examine the validity of the model. Additionally, it builds various scenarios for Stress Testing and scenario analysis, to understand the risk tolerance level of KGI Securities.

b) Credit risk

KGI Securities takes into account the credit rating of issuers or counterparties, the features of transactions, and the characters of instruments, etc. to adopt appropriate ways of measurement, and considers KGI Securities' net value, risk measurement and concentration of risk to set proper credit limits. KGI Securities would periodically inspect the credit records of counterparties, holding positions, and collaterals, then report the use of various credit risk limits to management as well as related departments.

KGI Securities use the external part of credit rating by rating comparison table to evaluate the credit risk of the counterparties or transaction subjects. Among them, the external part of credit rating refers to the TCRI of Taiwan Economic Journal, Taiwan Ratings, S&P, Moody's, and Fitch. Not only update the credit rating information of the external rating agency on the counterparties or transaction subjects, but also appropriately adjust the credit risk limits when the credit rating changes.

The risk management department applies for credit risk capital toward the board of directors annually. Establish proper credit risk expected loss limitation amount relating to the firms. Also, set different Pre-Settlement Risk (PSR) limitation amount base on countries, same groups, high-risk industries, high-risk groups, etc. Also, routinely examine KGI Securities' credit risk exposure, credit risk change of counterparties or transaction subjects, and the use of various credit risk limitation amount to enforce management of credit risk.

c) Liquidity risk

The liquidity risk could be divided into two categories: Market liquidity risk and fund liquidity risk. The measurement of market liquidity risk is the trading volume of holding position of KGI Securities and serves as the basis of information disclosure. The fund liquidity risk management has established independent fund transfer unit, considering the timing and net cash flow of need by various departments, to effectively control the fund liquidity risk.

d) Operating risk and other risks

All units conduct operation risk management respectively by their own business. This management contains authorization related to operation risk, process, operation content, plan following the division of front and back desk operation and principle of control and segregation of duties. Operation risk controls include information security and maintenance, clearing, trade confirmation, statements preparation, segregation of duties, relating party trade control as well as the internal control, etc.

Each business unit is responsible for examining and controlling its own operation risk. In addition to the compliance of law and regulation, the internal audit department would implement examination by the regulation and procedure of internal control system to ensure the effectiveness of risk management.

When abnormal events occur, all business units should comply with "Announcement of Abnormal Events and Handling Procedures" by KGI Securities. According to the necessity of the abnormal event, the internal audit unit reports to the director of the board of directors and the internal audit unit of the parent company to effectively manage the operation risk of loss event. When KGI Securities discover material risk events during the execution of their business, they should comply with "Method for Notification of Material Risk Events" by parent company and "Announcement of Abnormal Events and Handling Procedures" by KGI Securities. in addition, risk management unit should review whether material risk events are notified in time.

KGI Securities have obtained the related qualification for the option under the sensitivity analysis (Delta Plus) method to use the advanced calculation method of Securities firm's capital adequacy ratio. In order to calculate the capital adequacy ratio and other statutory ratios required for financial product evaluation models, model management operations have been used.

KGI Securities regularly detects business risks. The detections include financial institutions' capital adequacy, asset quality, management capabilities, profitability, liquidity, sources of profit, foreign exposure, investment positions, off-balance sheet, and material customer complaints. Measurement unit inspects frequency and measures detection indicators and alert values, and sends the measurement results and their increase or decrease data to the risk management unit for monitoring and storage.

5) Risk hedge and mitigation strategy

KGI Securities have set "Financial Commodity Transaction Processing Procedures" and "Operation Guidelines for Derivative Financial Commodity Transactions in Business Locations" to standardize relevant policies for hedging and mitigating risks:

a) All business departments engaged in derivative transactions should confirm their transaction objectives and hedging nature in advance. After the transaction, the transaction objective cannot be changed at will.

b) The transaction nature means buying and selling derivatives based on price expectations to take risks and earn the spread. Hedging means to reduce the market risk of existing assets or liabilities and prospective transactions through the trading derivatives.

c) For positions held for hedging, the hedging and hedged positions should be regarded as one entity, and notice to the relation between the changes in profit and loss of the hedging and the hedged positions.

CDIB Capital Group and subsidiaries

CDIB Capital Group has established its risk management policies, which combine business management and risk management to form a corporate culture and business strategies that place a fundamental importance on risk management. The results of quantified and qualified risk management measures serve as a reference for formulating business strategies. The board of directors has approved the documentation of both overall and specific risk management policies.

CDIB Capital Group has established the risk management committee, which belongs to the board of directors and unit supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. CDIB Capital Group also has a business risk committee, which belongs to administration department and a risk management department to plan and manage the risk management system and supervise the implementation of risk management of subsidiaries and provide related information to the management and the board of directors.

China Life Insurance

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

b. Credit risk

KGI Bank and subsidiaries

1) Definition and source of credit risk

Credit risk is the risk of financial loss to KGI Bank if a creditor or counterparty fails to meet its contractual obligations or has negative changes in its credit quality. Credit risk management covers all operating activities that involve credit risk, including loans, call loans to banks, banking book securities investment, financial derivatives, repurchase agreement transactions and other operating activities.

2) Credit risk management policy

KGI Bank has standard control procedures for credit risk identification, measurement, and generation of disclosures and reports to be used for a rational identification, measurement, disclosure, and effective control of credit risk. These procedures include applying standard screening criteria for target clients, credit investigations for credit approval or rejection, careful deliberation of applications for certain exceptions, credit review, management of non-performing loans and requests, and control over all related documents and information. KGI Bank also adjusts the credit risk structure accordingly so that credit portfolios are within KGI Bank's risk appetite. Further, KGI Bank assesses the changes in the economy to adjust risk structure and develops strategies in response to these changes to alleviate shareholders' value and ensure the risk is bearable.

Based on the risk management policies, the management process is carried out as follows:

a) Credit investigation

In screening target clients, KGI Bank asks for all the necessary documents from the clients in order to get an accurate understanding of their backgrounds accurately and control credit portfolios within the acceptable range.

b) Credit approval

Cases that have passed the credit investigation are reviewed by the credit authority of each level.

The credit authorities approve credits in accordance with KGI Bank's credit limit structure and authorization policies. KGI Bank's credit approval structure and policies are based not only on the Banking Act and other government rules for credit extended to the same person or affiliated enterprises/groups, industry and country, but also on the professionalism of KGI Bank's credit authorities and the quality of asset control. The amounts of credit authorized are reviewed by the credit authorities occasionally.

c) Post-lending loan review

The corporate banking segment of KGI Bank tracks the borrowers' financial and business conditions, generates risk assessment reports on credit asset portfolios regularly, operates a risk warning system and adjusts business development strategies as needed to cope with economic conditions and changes in asset quality through the use of an account management scheme and a regular-reassessment system. For delinquent loans, KGI Bank uses the concentration management method, together with information systems and analysis models, to conduct regular loan reviews for the enhanced management of overdue loans and expedite the collection of nonperforming loans.

d) Risk report and information disclosures

The risk management department is responsible for measuring risk, preparing quarterly risk report, including all risk management index and risk capital requirement assessment and reporting to risk management committee and board of directors.

3) Mitigation of risks or hedging of credit risk

Considering the asset hedge market and liquidity, KGI Bank takes the necessary risk reduction strategies, mainly on loan objects and hedge transactions involving assets with doubtful collectability or a long period of duration, including methods for increasing appropriate collaterals with good liquidity, or transferring to credit guarantee institutions such as the Small and Medium Credit Guarantee Fund to maximize the collateral. For determining the value of foreclosed collaterals, liquid securities will be evaluated at their market value; other collaterals will be subject to field surveys by appraisal firms for their fair value assessment, which will be used as a basis for demanding additional collaterals or adjusting the credit amount to ensure that risks are within KGI Bank's tolerance range.

If clients are found to have bad credit features, KGI Bank will strengthen the monitoring of the credit of borrower and guarantor and take measures, such as demanding an early repayment or additional collateral in mitigating KGI Bank's credit risk. In addition, KGI Bank sets different credit limits for counterparties involved in derivative transactions and enters into collateral support agreements with counterparties to ensure that risks are under control.

4) Maximum exposure to credit risk

Without taking into account irrevocable collateral or other credit enhancements and maximum exposure of unused amount for unused revolving credit without credit card and cash card, the maximum exposure to credit risk from on-balance sheet financial assets was equal to their carrying values; the maximum exposure of credit risk from off-balance sheet financial instruments was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Irrevocable loan commitments, guarantees and letters of credit	$ 59,907,544	$ 57,251,227	$ 54,144,009

KGI Bank believes that stringent selection processes and conducting regular review afterwards are the reasons why they can continuously control and minimize the credit risk exposure from their off-balance sheet items.

KGI Bank and subsidiaries' book values of maximum exposure credit risk for major credit assets were as follows:

	Discounts and Loans					
	March 31, 2022					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Recognition/ Discount	Total
Short-term loans	$ 49,825,178	$ 706,786	$ 655,016	$ -		$ 51,186,980
Short-term secured loans	20,903,606	-	4,294	-		20,907,900
Medium-term loans	133,385,119	102,335	290,597	-		133,778,051
Medium-term secured loans	83,723,424	95,172	28,537	-		83,847,133
Long-term loans	7,008,538	503,217	698,732	-		8,210,487
Long-term secured loans	86,945,478	85,595	138,188	-		87,169,261
Loans reclassified to nonperforming loans	-	-	286,977	-		286,977
Export negotiations	58,833	-	-	-		58,833
Total book values	381,850,176	1,493,105	2,102,341	-		385,445,622
Impairment allowance	(675,736)	(104,941)	(429,246)	-		(1,209,923)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (3,713,255)	(3,713,255)
Adjusting for discounts and loans premium					(53,311)	(53,311)
	$ 381,174,440	$ 1,388,164	$ 1,673,095	$ -	$ (3,766,566)	$ 380,469,133

	Receivables					
	March 31, 2022					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Regulation	Total
Credit card business	$ 2,813,092	$ 204,138	$ 98,688	$ -		$ 3,115,918
Accounts receivable - forfaiting	5,038,262	-	-	-		5,038,262
Accounts receivable factoring without recourse	9,951,059	11	72	-		9,951,142
Acceptances	79,826	-	-	-		79,826
Installment accounts and lease receivables	6,078,231	3,964	45,329	-		6,127,524
Total book value	23,960,470	208,113	144,089	-		24,312,672
Impairment allowance	(71,911)	(16,407)	(30,380)	-		(118,698)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (193,447)	(193,447)
	$ 23,888,559	$ 191,706	$ 113,709	$ -	$ (193,447)	$ 24,000,527

	Discounts and Loans					
	December 31, 2021					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Recognition/ Discount	Total
Short-term loans	$ 50,287,343	$ 690,392	$ 721,003	$ -		$ 51,698,738
Short-term secured loans	22,143,638	4,294	41	-		22,147,973
Medium-term loans	129,689,798	102,722	295,556	-		130,088,076
Medium-term secured loans	80,415,750	90,683	26,821	-		80,533,254
Long-term loans	6,412,535	493,158	684,389	-		7,590,082
Long-term secured loans	86,021,951	60,225	146,068	-		86,228,244
Loans reclassified to nonperforming loans	-	-	278,416	-		278,416
Export negotiations	32,089	-	-	-		32,089
Total book values	375,003,104	1,441,474	2,152,294	-		378,596,872
Impairment allowance	(856,760)	(102,498)	(499,580)	-		(1,458,838)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (3,415,417)	(3,415,417)
Adjusting for discounts and loans premium					(52,228)	(52,228)
	$ 374,146,344	$ 1,338,976	$ 1,652,714	$ -	$ (3,467,645)	$ 373,670,389

	Receivables					
	December 31, 2021					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Regulation	Total
Credit card business	$ 2,994,684	$ 202,148	$ 99,459	$ -		$ 3,296,291
Accounts receivable - forfaiting	5,624,574	-	-	-		5,624,574
Accounts receivable factoring without recourse	8,151,934	46	81	-		8,152,061
Acceptances	190,903	-	-	-		190,903
Installment accounts and lease receivables	5,705,389	4,762	44,493	-		5,754,644
Total book value	22,667,484	206,956	144,033	-		23,018,473
Impairment allowance	(47,554)	(18,614)	(30,164)	-		(96,332)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (195,728)	(195,728)
	$ 22,619,930	$ 188,342	$ 113,869	$ -	$ (195,728)	$ 22,726,413

	Discounts and Loans					
	March 31, 2021					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Recognition/ Discount	Total
Short-term loans	$ 52,812,048	$ 768,194	$ 703,874	$ -		$ 54,284,116
Short-term secured loans	24,330,084	-	-	-		24,330,084
Medium-term loans	136,562,713	118,840	202,340	-		136,883,893
Medium-term secured loans	78,290,719	98,543	41,481	-		78,430,743
Long-term loans	3,191,187	406,216	688,233	-		4,285,636
Long-term secured loans	81,300,781	108,952	139,870	-		81,549,603
Loans reclassified to nonperforming loans	-	-	415,846	-		415,846
Export negotiations	164,481	-	-	-		164,481
Total book values	376,652,013	1,500,745	2,191,644	-		380,344,402
Impairment allowance	(837,015)	(108,796)	(476,909)	-		(1,422,720)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (3,564,863)	(3,564,863)
Adjusting for discounts and loans premium					(56,353)	(56,353)
	$ 375,814,998	$ 1,391,949	$ 1,714,735	$ -	$ (3,621,216)	$ 375,300,466

	Receivables					
	March 31, 2021					
			Stage 3			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Adjustment under the Regulation	Total
Credit card business	$ 2,705,795	$ 195,114	$ 113,697	$ -		$ 3,014,606
Accounts receivable - forfaiting	10,584,251	-	-	-		10,584,251
Accounts receivable factoring without recourse	7,747,727	58	126	-		7,747,911
Acceptances	29,487	-	-	-		29,487
Installment accounts and lease receivables	4,292,863	37,231	43,886	-		4,373,980
Total book value	25,360,123	232,403	157,709	-		25,750,235
Impairment allowance	(41,543)	(35,028)	(36,700)	-		(113,271)
Impairment recognized in accordance with Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					$ (240,076)	(240,076)
	$ 25,318,580	$ 197,375	$ 121,009	$ -	$ (240,076)	$ 25,396,888

Maximum exposures to credit risk of financial instrument not applicable to impairment were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at FVTPL			
Debt instrument	$ 13,657,775	$ 12,835,798	$ 15,060,733
Derivatives instruments	22,931,987	9,988,612	37,181,472

5) Collaterals and credit enhancement

KGI Bank and its subsidiaries' pledged collaterals associated with credit include discounts, loans and receivables which contain real estate, properties (e.g.: Machinery), rights certificates and securities (e.g.: Certificates of deposit, stocks), notes receivable arose from borrowing of business transactions, deposits guaranteed by authorities of treasury department of government, banks or guarantee institutions authorized by government (e.g.: SME credit guarantee fund and letter of credit guaranteed) and mortgages set in accordance with the laws including registration of land rights. Financial assets held by KGI Bank are part of corporate bonds guaranteed by financial institutions as credit enhancement.

KGI Bank and subsidiaries observe collateral's value of financial instrument closely, and consider recognizing impairment for financial assets with credit impairment. KGI Bank and subsidiaries' financial assets with impairment, and collateral's values for mitigation of potential losses were as follows:

March 31, 2022

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired asset:				
Accounts receivable				
Credit card business	$ 98,688	$ 19,619	$ 79,069	$ -
Accounts receivable factoring	72	3	69	-
Installment receivables and lease receivables	45,329	10,758	34,571	-
Discounts and loans	2,102,341	429,246	1,673,095	218,219
Total amount of impaired asset	$ 2,246,430	$ 459,626	$ 1,786,804	$ 218,219

December 31, 2021

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired asset:				
Accounts receivable				
Credit card business	$ 99,459	$ 18,757	$ 80,702	$ -
Accounts receivable factoring	81	4	77	-
Installment receivables and lease receivables	44,493	11,403	33,090	-
Discounts and loans	2,152,294	499,580	1,652,714	226,587
Total amount of impaired asset	$ 2,296,327	$ 529,744	$ 1,766,583	$ 226,587

March 31, 2021

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired asset:				
Accounts receivable				
Credit card business	$ 113,697	$ 24,574	$ 89,123	$ -
Accounts receivable factoring	126	11	115	-
Installment receivables and lease receivables	43,886	12,115	31,771	-
Discounts and loans	2,191,644	476,909	1,714,735	250,420
Total amount of impaired asset	$ 2,349,353	$ 513,609	$ 1,835,744	$ 250,420

The amount the of KGI Bank and subsidiaries' financial assets which has been written off and still has recourse activities of outstanding contract amount is $121,948 thousand and $124,004 thousand for the three months ended March 31, 2022 and 2021.

6) Concentrations of credit risk

Concentrations of credit risk arise when there is only one counterparty, or when there is a number of more than one counterparties but they are engaged in similar economic activities and have similar economic characteristics, so that their collective ability to meet contractual obligations is uniformly affected by changes in economic or other conditions.

Credit risk concentration can arise from a bank's assets, liabilities, or off-balance sheet items through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. It includes credits, due from and call loans to banks, investments, receivables and derivatives, etc. KGI Bank maintained a diversified loan portfolio to mitigate the credit risk concentration to the same customers or the same counterparty; total transaction of the same customers or the same counterparty in discounts and loans are not material. To manage credit risk concentration, KGI Bank maintains a diversified portfolio and monitors its exposure continually. KGI Bank's most significant concentrations of credit risk are summarized as follows:

a) By object

Object	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%
Public and private enterprise	$ 234,261,052	60.78	$ 230,312,065	60.83	$ 239,846,722	63.06
Natural person	150,954,570	39.16	148,044,807	39.10	140,309,680	36.89
Non-profit organization	230,000	0.06	240,000	0.07	188,000	0.05
Total	$ 385,445,622	100.00	$ 378,596,872	100.00	$ 380,344,402	100.00

b) By region

Region	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%
Domestic	$ 302,524,895	78.49	$ 299,569,449	79.13	$ 289,330,910	76.07
Overseas	82,920,727	21.51	79,027,423	20.87	91,013,492	23.93
Total	$ 385,445,622	100.00	$ 378,596,872	100.00	$ 380,344,402	100.00

c) By collateral

Collateral	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%
Non-collateral	$ 193,507,762	50.20	$ 189,661,926	50.10	$ 195,966,483	51.52
Collateral						
Property	163,347,530	42.38	161,608,496	42.69	152,737,882	40.16
Guarantee	14,853,865	3.85	14,636,496	3.87	17,521,461	4.61
Financial collateral	7,990,221	2.07	6,674,661	1.76	7,104,813	1.87
Other	5,746,244	1.50	6,015,293	1.58	7,013,763	1.84
Total	$ 385,445,622	100.00	$ 378,596,872	100.00	$ 380,344,402	100.00

7) Management of foreclosed collateral

Foreclosed collaterals are recorded at cost, using lower-at-cost or market approach as of the balance sheet date. For those foreclosed collaterals which were not disposed of within the statutory period, except for applying for an extension of the disposal period, if the competent authority ask for the increase of its provision for possible losses, KGI bank should execute as required.

	March 31, 2022	December 31, 2021	March 31, 2021
Foreclosed collateral	$ 588,985	$ 588,985	$ 588,985
Accumulated impairment	(588,985)	(588,985)	(588,985)
	$ -	$ -	$ -

Foreclosed collateral will be sold when it is actually available for sale. The foreclosed collateral is classified as other assets in balance sheet. The difference amount between the disposition price and the book value is recognized as net other noninterest profit and gain.

8) Disclosures required in the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Asset quality of nonperforming loan and overdue credits of KGI Bank

Item			March 31, 2022				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 22,847	$ 92,647,119	0.02%	$ 1,163,113	5,090.93%
	Unsecured		119,797	152,402,892	0.08%	1,711,749	1,428.86%
Consumer loan	Mortgage (Note 4)		6,350	72,145,209	0.01%	1,082,735	17,051.80%
	Cash card		108,886	11,111,155	0.98%	233,195	214.16%
	Micro credit (Note 5)		266,262	29,932,536	0.89%	443,511	166.57%
	Other (Note 6)	Secured	14,898	27,151,533	0.05%	288,309	1,935.20%
		Unsecured	-	55,178	-	566	-
Total			539,040	385,445,622	0.14%	4,923,178	913.32%
			Overdue Receivable	Account Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			$ 21,172	$ 3,115,918	0.68%	$ 51,326	242.42%
Account receivable - factored without recourse (Note 7)			7	9,951,142	0.00%	129,241	1,759,816.01%

Item			March 31, 2021				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 53,193	$ 91,366,873	0.06%	$ 1,161,561	2,183.66%
	Unsecured		162,851	158,637,508	0.10%	1,878,962	1,153.80%
Consumer loan	Mortgage (Note 4)		12,515	66,171,873	0.02%	993,697	7,940.32%
	Cash card		89,861	12,099,539	0.74%	271,116	301.71%
	Micro credit (Note 5)		233,423	25,151,054	0.93%	394,687	169.09%
	Other (Note 6)	Secured	17,193	26,839,173	0.06%	286,752	1,667.80%
		Unsecured	-	78,382	-	808	-
Total			569,036	380,344,402	0.15%	4,987,583	876.50%
			Overdue Receivable	Account Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			$ 21,016	$ 3,014,606	0.70%	$ 58,282	277.32%
Account receivable - factored without recourse (Note 7)			38	7,747,911	0.00%	94,434	247,313.09%

Note 1: Non-performing loans are reported in accordance with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” issued by Ministry of Finance. Overdue credit card receivables are regulated by Order No. 0944000378 announced by the FSC on July 6, 2005.

Note 2: NPL ratio = NPL/Total loans. For credit card business: Delinquency ratio = Overdue credit card receivables/Credit card receivables balance.

Note 3: Coverage ratio = LLR/NPL. Coverage ratio of credit receivables: Allowance for credit losses/Overdue credit card receivables.

Note 4: Household mortgage refers to financing obtained to buy, build, or fix houses owned by the borrower or the borrower’s spouse or children, with the house used as loan collateral.

Note 5: Micro credit is covered by a Banking Bureau pronouncement dated December 19, 2005 (Order No. 09440010950) and is excluded from credit card and cash card loans.

Note 6: “Others” under consumer loans refers to secured or unsecured loans other than mortgage loans, cash cards, micro credit, and it does not include credit cards.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Order No. 0945000494), allowance for bad debt is recognized once no compensation is made by a factor or insurance company within three months for accounts receivable - factoring without recourse.

b) Exemption of KGI Bank's nonperforming loans and overdue receivables

Items	March 31, 2022		March 31, 2021	
	Discounts and Loans	Accounts Receivable	Discounts and Loans	Accounts Receivable
Amounts of executed contracts on negotiated debts not reported (Note 1)	$ 3,665	$ 52	$ 5,407	$ 80
Amounts of executed debt settlement program and rehabilitation program not reported (Note 2)	64,000	6,298	58,229	6,368
Total	$ 67,665	$ 6,350	$ 63,636	$ 6,448

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreements is based on the Banking Bureau letter dated April 25, 2006 (Order No. 09510001270).

Note 2: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau letters dated September 15, 2008 (Order No. 09700318940) and dated September 20, 2016 (Order No. 10500134790).

c) Concentration of KGI Bank's credit extensions

March 31, 2022

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	A Group - manufacture of liquid crystal panel and components	$ 6,404,237	9.84
2	B Group - real estate development activities	6,208,000	9.54
3	C Group - computers manufacturing	5,426,842	8.34
4	D Group - real estate development activities	5,297,168	8.14
5	E Group - manufacture of electronic passive devices	5,085,310	7.81
6	F Group - manufacture of chemical material	4,682,149	7.19
7	G Group - real estate activities for sale and rental	4,154,177	6.38
8	H Group - activities of other holding companies	3,899,481	5.99
9	I Group - cable telecommunications industry	3,617,640	5.56
10	J Group - electricity supply industry	3,285,000	5.05

March 31, 2021

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	B Group - real estate development activities	$ 6,925,000	10.35
2	H Group - activities of other holding companies	6,049,317	9.04
3	K Group - renting and leasing other machinery and equipment	5,761,731	8.61
4	L Group - activities of other holding companies	5,518,950	8.25
5	A Group - manufacture of liquid crystal panel and components	5,240,092	7.83
6	E Group - manufacture of electronic passive devices	5,155,980	7.71
7	G Group - real estate activities for sale and rental	4,464,618	6.67
8	M Group - air transport	3,838,558	5.74
9	N Group - iron and steel smelting	3,825,464	5.72
10	F Group - department Stores	3,741,177	5.59

9) Judgements of a significant increase in credit risk since initial recognition

Credit business

KGI Bank assesses changes in credit quality during the expected lifetime of various types of credit assets on each reporting date to determine if there has been a significant increase in credit risk since the initial recognition, primarily consideration of indicators and supporting information (including prospective information) were as the follows:

a) Quantitative index

When the contractual payments are overdue for more than 30 days, the credit risk of the credit assets are considered to be significantly increased since the initial recognition.

b) Qualitative index

i. Changes in the current or predicted operating, financial, or economic conditions that are expected to cause a significant change in the ability of the borrower to perform its obligations.

ii. Actual or expected significant changes in borrower's operating results.

iii. The credit risk of other credit contracts of the same borrower has increased significantly.

iv. Individual credit assets, if the client did not suffer from financial difficulties at the time of the agreement can be included after assessment.

For the various types of credit assets of KGI Bank which are not be regarded as low credit risk, it can be assumed that the credit risk of such assets has not increased significantly since the initial recognition.

10) Definition of default and impaired credit of financial assets

The definition of default of the financial assets of the KGI Bank is the same as that of the impaired credit assets. If one or more of the following conditions are met, KGI Bank determines that the credit asset has defaulted and the credit is impaired:

a) Quantitative index

i. When the borrower's overdue payment of the contract is more than 90 days.

ii. Changes in external rating of guarantor or issuer of the notes or bonds.

b) Qualitative index

If there is evidence that the borrower will be unable to settle the loan, or has significant financial difficulties, such as:

i. Borrower has been bankrupt or may file a petition for bankruptcy or financial restructuring.

ii. Borrower's loan contract has been reclassified to nonperforming loans or has been written off as bad debts by the KGI Bank.

iii. Due to financial or contractual reasons related to the financial difficulties of the borrower, the creditor of the borrower gives the borrower concessions that would not have been considered or agreed (agreements).

iv. For cases involving the sale of non-performing loans and suits.

v. Payment by the bank to fulfill off-balance sheet financial contracts (e.g., guarantee advances).

The aforementioned definition of default and credit impairment applied to the credit assets held by KGI Bank is consistent with the definition of credit assets used for internal credit risk management purposes, and the relevant impairment assessment model is used.

The credit asset will be restore to the state of compliance and is not considered a credit impaired credit assets in default if it no longer meets the definition of default and credit impairment.

A debt instrument investor may also be deemed to have a credit impairment on the financial asset if the rating of the bond guarantor or issuer's rating deteriorates significantly, for example, from an investment grade to a junk bond rating, or if one or more of the following conditions are met:

i. The guarantor or issuer cannot repay the principal or interest on the maturity date of the note or bond.

ii. Before the maturity of the note or bond, it can be objectively determined that the bond guarantor or issuer of note or bond may not be able to repay the principal and interest of the note or bond on time.

iii. Before the maturity of the note or bond, the bond guarantor or issuer of note or bond is in bankruptcy or in reorganization or taken over due to financial difficulties.

iv. Before the maturity of the note or bond, the bond guarantor or issuer of note or bond closes down or is in the process of perform other financial restructuring.

11) Write-off policy

The KGI Bank shall write off bad debts for non-performing loans and overdue receivables that meet one of the following requirements:

a) When reaching the criteria of write-off of the regulation.

b) There is a need to expedite the reduction of non-performing loans or for certain businesses that needs to comply with the requirements of the governing authorities.

c) Written off by the governing authorities or the financial inspection authorities.

d) Although the collateral has been collected, if it is difficult to dispose of the collateral or it may take a long time to recover the loan, the creditor's balance shall be written of within the period which specified in a).

e) Obtaining the documentary evidence or supporting documents with the assessments that it is not possible to recover the loan.

12) Amendment of contract cash flows of financial assets

KGI Bank may amend the contract cash flows of credit assets as a result of financial difficulties of borrowers, improvement of problematic debtors' recovery rate. The contract amendments include the extension of the contract period, interest payment time modification, contract interest rate modification, or exemption of part of the debts.

13) Measurement of expected credit losses

For the purpose of measuring expected credit losses, KGI Bank divides credit assets into the following groups; for corporate banking, they are grouped according to scale, while for consumer banking, they are grouped according to product characteristics.

Business	Combination	Definition
Corporate banking	Large enterprises + Stage 1	Credit risk has not increased significantly.
	Small and medium enterprises + Stage 1	
	Large enterprises + Stage 2	Credit risk has increased significantly.
	Small and medium enterprises + Stage 2	
	Large enterprises + Stage 3	Credit impaired.
	Small and medium enterprises + Stage 3	
Consumer banking	Product + Stage 1	Credit risk has not increased significantly.
	Product + Stage 2	Credit risk has increased significantly.
	Product + Stage 3	Credit impaired.

KGI Bank measures the allowance loss for financial instruments that did not have a significant increase in credit risk since initial recognition based on the 12-month expected credit loss. For financial instruments that had a significant increase in credit risk or are credit impaired since initial recognition, the allowance loss is measured by lifetime expected credit losses.

To measure the expected credit losses, KGI Bank takes into account the borrower's probability of default ("PD") for the next 12 months and the period of existence, and include the loss given default ("LGD"). Multiply by the Exposure at default ("EAD") and taking into account the impact of the time value of money, the expected credit losses for 12 months and duration are calculated.

Probability of default is the probability of default of the borrower (or the counterparty) over a period of time; the loss given default refers to the probability of loss of the borrower (or the counterparty) due to inability to recover the debt at the end of the reminder procedures. The probability of default and loss given default are used in the impairment assessment of KGI Bank credit business are based on internal historical information (such as credit loss experience, etc.) of each group, and adjust the history data based on the current observable data and forward-looking general economic information (such as GDP and employment rate, etc.) which are used to calculate the probability of default on expected losses.

The exposure at default mean that KGI Bank can claim compensation for the book value held by borrowers (or the counterparty) after borrowers have defaulted. KGI Bank's exposure at default amount has taken into account the amount of credits that have been used and the amounts that may be used in the future for the exposure at default amount. The amount of credits is used as an assessment of exposure at default of on balance sheet credits or part of credits that were already used; off-balance sheet or committed credits that are not yet used are based on the corresponding Credit Conversion Factor (CCF) which considered the credits that are expected to be used within 12 months after the reporting date or expected lifetime to calculate exposure at default of expected credit loss.

14) Considerations of forward-looking information

KGI Bank incorporates forward-looking information when measuring expected credit losses on loans and receivables. Based on the business characteristics, KGI Bank selected the appropriate overall indicators as an adjustment parameter for default probability of lending. Based on the type of business, KGI Bank used different overall indicator. The Corporate banking business takes the Economic Growth Rate (GDP) as an adjustment parameter; the consumer banking business takes employment rate variation as adjustment parameter. KGI Bank will make reference to external information (predicted value of internationally renowned economic forecasting institutions) or group expert assessments to provide forecasting information on economic factors. quarterly. For example, the changes of leading index and interbank offered rate as basic economic conditions; it contains the best estimate of the economic situation in the next five years.

While adjusting credit risk parameter of credit assets, the overall indicators mentioned above, such as GDP, changes of employment rate and basic economic conditions, have been adjusted due to COVID-19.

The measurement of expected credit loss of the Bank's debt instruments is based on an external credit migration matrix method to calculate the Probability of default (PD), which is incorporated in the information of forward-looking factors.

15) Changes of provisions for off-balance-sheet guarantees and commitments

For Three Months Ended March 31, 2022

	Stage 1	Stage 2		Stage 3				
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
Balance at January 1	$ 102,916	$ 443	$ -	$ 448	$ -	$ 103,807	$ 231,078	$ 334,885
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(1)	1	-	-	-	-		-
From conversion to credit-impaired financial assets	-	-	-	-	-	-		-
To 12-month ECL	315	(146)	-	(169)	-	-		-
Derecognizing financial assets during the current period	(13,051)	(287)	-	(286)	-	(13,624)		(13,624)
Purchased or originated new financial assets	8,827	-	-	-	-	8,827		8,827
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							22,672	22,672
Effect of exchange rate changes and others	(19,042)	60	-	171	-	(18,811)		(18,811)
Balance at March 31, 2022	$ 79,964	$ 71	$ -	$ 164	$ -	$ 80,199	$ 253,750	$ 333,949

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees, and expected credit loss during the duration of the financing commitment for the three months ended March 31, 2022. The aforementioned provision on March 31, 2022 decreased by $936 thousand from the beginning of the year.

For Three Months Ended March 31, 2021

	Stage 1	Stage 2		Stage 3				
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
Balance at January 1	$ 112,463	$ 371	$ -	$ 874	$ -	$ 113,708	$ 197,565	$ 311,273
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(15)	15	-	-	-	-		-
From conversion to credit-impaired financial assets	(3)	(3)	-	6	-	-		-
To 12-month ECL	367	(101)	-	(266)	-	-		-
Derecognizing financial assets during the current period	(2,239)	(257)	-	(549)	-	(3,045)		(3,045)
Purchased or originated new financial assets	7,330	5	-	56	-	7,391		7,391
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							39,712	39,712
Effect of exchange rate changes and others	(27,364)	472	-	574	-	(26,318)		(26,318)
Balance at March 31, 2021	$ 90,539	$ 502	$ -	$ 695	$ -	$ 91,736	$ 237,277	$ 329,013

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees, and expected credit loss during the duration of the financing commitment unused amount for the three months ended March 31, 2021. The aforementioned provision on March 31, 2021 increased by $17,740 thousand from the beginning of the year.

16) A loss allowance for financial assets measured at FVTOCI

For the three months ended March 31, 2022 and 2021, there was no significant increase in the credit risk of debt instruments measured at FVTOCI of KGI Bank and subsidiaries; therefore, the loss allowance was assessed based on 12 months expected credit losses. As of March 31, 2022, December 31, 2021 and March 31, 2021, loss allowance for debt instruments measured at FVTOCI due to the adjustment of the portfolio were $38,053 thousand, $29,181 thousand and $41,052 thousand, respectively.

17) A loss allowance for financial assets measured at amortized cost

For the three months ended March 31, 2022 and 2021, there was no significant increase in the credit risk of debt investments measured at amortized cost of KGI Bank and subsidiaries; therefore, the loss allowance was assessed based on 12 months expected credit losses. As of March 31, 2022, December 31, 2021 and March 31, 2021, the recognition of loss allowance were $5,376 thousand, $2,704 thousand and $2,882 thousand, respectively.

18) Loss allowance for receivables

The reconciliation statement of loss allowance for receivables for the three months ended March 31, 2022 and 2021 of the KGI Bank and subsidiaries were as follows:

For Three Months Ended March 31, 2022

	Stage 1	Stage 2		Stage 3				
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
Balance at January 1	$ 48,561	$ 18,939	$ -	$ 1,061,897	$ -	$ 1,129,397	$ 194,566	$ 1,323,963
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(240)	1,574	-	(1,334)	-	-		-
From conversion to credit-impaired financial assets	(93)	(1,091)	-	1,184	-	-		-
To 12-month ECL	3,031	(1,955)	-	(1,076)	-	-		-
Derecognizing financial assets during the current period	(12,898)	(240)	-	(2,322)	-	(15,460)		(15,460)
Purchased or originated new financial assets	35,689	257	-	156	-	36,102		36,102
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							(2,985)	(2,985)
Write-off	-	-	-	(516)	-	(516)		(516)
Recovery of written-off	-	-	-	1,524	-	1,524		1,524
Effect of exchange rate changes and others	(1,395)	(672)	-	25,532	-	23,465		23,465
Balance at March 31, 2022	$ 72,655	$ 16,812	$ -	$ 1,085,045	$ -	$ 1,174,512	$ 191,581	$ 1,366,093

For Three Months Ended March 31, 2021

	Stage 1	Stage 2		Stage 3				
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
Balance at January 1	$ 54,052	$ 39,244	$ -	$ 1,098,055	$ -	$ 1,191,351	$ 237,123	$ 1,428,474
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(83)	2,365	-	(2,282)	-	-		-
From conversion to credit-impaired financial assets	(113)	(1,234)	-	1,347	-	-		-
To 12-month ECL	388	(290)	-	(98)	-	-		-
Derecognizing financial assets during the current period	(11,975)	(3,509)	-	(4,735)	-	(20,219)		(20,219)
Purchased or originated new financial assets	5,968	85	-	20	-	6,073		6,073
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							1,374	1,374
Write-off	-	-	-	(189)	-	(189)		(189)
Recovery of written-off	-	-	-	3,372	-	3,372		3,372
Effect of exchange rate changes and others	(4,673)	(1,036)	-	4,719	-	(990)		(990)
Balance at March 31, 2021	$ 43,564	$ 35,625	$ -	$ 1,100,209	$ -	$ 1,179,398	$ 238,497	$ 1,417,895

Changes in total book values of receivables for the three months ended March 31, 2022 and 2021 of KGI Bank and subsidiaries:

For Three Months Ended March 31, 2022

	Stage 1	Stage 2		Stage 3		
		Lifetime ECL		Lifetime ECL		
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total
Balance at January 1	$ 26,298,634	$ 213,353	$ -	$ 1,630,372	$ -	$ 28,142,359
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Receivables based on collective assessment	(46,028)	36,885	-	9,143	-	-
Purchased or originated new receivables	7,397,188	4,293	-	2,509	-	7,403,990
Write-off	-	-	-	(516)	-	(516)
Derecognition	(4,427,849)	(37,250)	-	(6,281)	-	(4,471,380)
Effect of exchange rate changes and others	(159,696)	(380)	-	31,666	-	(128,410)
Balance at March 31, 2022	$ 29,062,249	$ 216,901	$ -	$ 1,666,893	$ -	$ 30,946,043

For Three Months Ended March 31, 2021

	Stage 1	Stage 2		Stage 3		Total
		Lifetime ECL		Lifetime ECL		
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1	$ 29,977,874	$ 239,811	$ -	$ 1,686,563	$ -	$ 31,904,248
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Receivables based on collective assessment	(33,147)	23,147	-	10,000	-	-
Purchased or originated new receivables	3,361,599	905	-	127	-	3,362,631
Write-off	-	-	-	(189)	-	(189)
Derecognition	(2,526,870)	(25,209)	-	(20,703)	-	(2,572,782)
Effect of exchange rate changes and others	(2,715)	-	-	558	-	(2,157)
Balance at March 31, 2021	$ 30,776,741	$ 238,654	$ -	$ 1,676,356	$ -	$ 32,691,751

19) Loss allowance for discounts and loans

The reconciliation statement of allowance for bad debts of discounts and loans for the three months ended March 31, 2022 and 2021 of the KGI Bank and subsidiaries were as follows:

For Three Months Ended March 31, 2022

	Stage 1	Stage 2		Stage 3		Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1	$ 856,760	$ 102,498	$ -	$ 499,580	$ -	$ 1,458,838	$ 3,415,417	$ 4,874,255
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(1,438)	10,277	-	(8,839)	-	-		-
From conversion to credit-impaired financial assets	(1,498)	(17,656)	-	19,154	-	-		-
To 12-month ECL	8,690	(2,246)	-	(6,444)	-	-		-
Derecognizing financial assets during the current period	(142,178)	(3,705)	-	(33,539)	-	(179,422)		(179,422)
Purchased or originated new financial assets	348,519	52,022	-	23	-	400,564		400,564
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							297,838	297,838
Write-off	-	-	-	(105,782)	-	(105,782)		(105,782)
Recovery of written-off	-	-	-	224,295	-	224,295		224,295
Effect of exchange rate changes and others	(393,119)	(36,249)	-	(159,202)	-	(588,570)		(588,570)
Balance at March 31, 2022	$ 675,736	$ 104,941	$ -	$ 429,246	$ -	$ 1,209,923	$ 3,713,255	$ 4,923,178

For Three Months Ended March 31, 2021

	Stage 1	Stage 2		Stage 3				
		Lifetime ECL		Lifetime ECL				
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
Balance at January 1	$ 1,213,597	$ 89,205	$ -	$ 557,519	$ -	$ 1,860,321	$ 3,135,568	$ 4,995,889
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(1,364)	38,949	-	(37,585)	-	-		-
From conversion to credit-impaired financial assets	(1,798)	(13,136)	-	14,934	-	-		-
To 12-month ECL	7,899	(2,307)	-	(5,592)	-	-		-
Derecognizing financial assets during the current period	(161,622)	(3,410)	-	(23,901)	-	(188,933)		(188,933)
Purchased or originated new financial assets	310,233	-	-	5	-	310,238		310,238
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							429,295	429,295
Write-off	-	-	-	(111,664)	-	(111,664)		(111,664)
Recovery of written-off	-	-	-	171,389	-	171,389		171,389
Effect of exchange rate changes and others	(529,930)	(505)	-	(88,196)	-	(618,631)		(618,631)
Balance at March 31, 2021	$ 837,015	$ 108,796	$ -	$ 476,909	$ -	$ 1,422,720	$ 3,564,863	$ 4,987,583

Changes in total book values of discounts and loans for the three months ended March 31, 2022 and 2021 of the KGI Bank and subsidiaries were as follows:

For Three Months Ended March 31, 2022

	Stage 1	Stage 2		Stage 3		
		Lifetime ECL		Lifetime ECL		
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total
Balance at January 1	$ 375,003,104	$ 1,441,474	$ -	$ 2,152,294	$ -	$ 378,596,872
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Discounts and loans based on collective assessment	(278,705)	132,006	-	146,699	-	-
Purchased or originated new discounts and loans	149,514,390	122,271	-	506	-	149,637,167
Write-off	-	-	-	(105,782)	-	(105,782)
Derecognition	(144,577,097)	(203,178)	-	(95,137)	-	(144,875,412)
Effect of exchange rate changes and others	2,188,484	532	-	3,761	-	2,192,777
Balance at March 31, 2022	$ 381,850,176	$ 1,493,105	$ -	$ 2,102,341	$ -	$ 385,445,622

For Three Months Ended March 31, 2021

	Stage 1	Stage 2		Stage 3		Total
		Lifetime ECL		Lifetime ECL		
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime E ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1	$ 376,225,602	$ 1,426,197	$ -	$ 2,303,265	$ -	$ 379,955,064
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Discounts and loans based on collective assessment	(240,253)	138,588	-	101,665	-	-
Purchased or originated new discounts and loans	139,074,445	-	-	42	-	139,074,487
Write-off	-	-	-	(111,664)	-	(111,664)
Derecognition	(137,701,442)	(64,242)	-	(101,520)	-	(137,867,204)
Effect of exchange rate changes and others	(706,339)	202	-	(144)	-	(706,281)
Balance at March 31, 2021	$ 376,652,013	$ 1,500,745	$ -	$ 2,191,644	$ -	$ 380,344,402

KGI Securities and subsidiaries

Credit risk analysis

1) Source of credit risk

The credit risks that KGI Securities and subsidiaries are exposed to during financial transactions include issuer's credit risk, and counterparty credit risk, etc.

a) Issuer's credit risk refers to the risk of financial loss that KGI Securities and subsidiaries face while possessing financial debt instruments when an issuer (or guarantor) or a bank defaults, files for bankruptcy or liquidates assets and in turn cannot honor the stipulations and fulfill the obligation of paying back (or fulfilling a guarantee).

b) Counterparty credit risk refers to the risk of financial loss that KGI Securities and subsidiaries face when a counterparty in derivative financial instrument transactions or other counterparties do not complete a transaction or fulfill a payment obligation on the appointed date.

2) Credit risk management

The investment, acquisition of fixed-income securities, other financial assets, and credit risk management of current counterparties are handled in accordance with KGI Securities and subsidiaries' internal control procedures and related regulations, and most of them have reached an external credit rating investment grade or above, so credit risk is very low.

3) Default and credit derogation definition of financial assets

   a) The definition of the credit assets default of the KGI Securities and subsidiaries are the same as that of the impaired credit assets. If there is evidence that the issuer or counterparty will be unable to pay, or has significant financial difficulties, such as:

      i. The issuer or counterparty has been bankrupt or may file a petition for bankruptcy or financial restructuring.

      ii. The contract of the other financial instrument of the issuer or counterparty has been breached.

      iii. The active market for the financial asset disappeared due to the financial difficulties of the issuer or counterparty.

      iv. Purchase or initiate financial assets at a substantial discount that reflects credit losses that have occurred.

   b) The aforementioned definition of default and credit impairment applies to all financial assets held by KGI Securities and subsidiaries are consistent with the definition of financial assets used for internal credit risk management purposes, and is used in the relevant impairment assessment.

   c) If a credit asset is assessed to no longer meet the definition of default and credit impairment, it should return to the state of compliance, and is no longer considered a credit asset for default and credit impairment.

   d) KGI securities and subsidiaries' financial assets are written-off if they are unable to reasonably expect that financial assets will be recovered (e.g., significant financial difficulties for the issuer or the debtor, or bankrupt).

4) Credit risk statement for financial assets

   a) Cash and cash equivalents

   KGI Securities and subsidiaries mainly deposit cash such as cash in bank in creditworthy financial institutions and deposit a certain amount of securities in a specific accounts appointed by the futures companies when engaging in future trading. KGI Securities and subsidiaries regularly evaluate the financial, operating and credit risk status of financial institutions and futures companies, and control the credit risk with the results. The evaluated credit risk is under KGI Securities and subsidiaries' control.

   b) Financial assets measured at fair value through profit or loss - current

   KGI Securities holds the unsecured corporate bonds, convertible (exchangeable) corporate bonds and part of the CB Asset Swap. Issuers of unsecured corporate bonds are listed/OTC companies or financial institutions. Issuers of convertible (exchangeable) corporate bonds are listed/OTC companies in Taiwan and partial of them are secured by bank. In most other holdings, KGI Securities conducts CB asset swap and issues Credit Linked Note to transfer credit risk and lower the credit risk exposure of the issuer. Therefore, the credit risk of the issuer has been effective control.

c) Financial assets measured at fair value through other comprehensive income (excluding equity instrument investments)

KGI Securities holds mainly the medium and long-term bond investment position. KGI Securities pays attention to the credit rating of each investment and the financial status of the issuer (or guarantee institution) in order to minimize credit risk.

d) Bonds purchased under resell agreements

The counterparties with bonds purchased under resell agreements are mainly creditworthy financial institutions and companies. Because KGI Securities and subsidiaries holds bonds purchased under resell agreements as collateral, it can effectively reduce underlying exposure the counterparty’s credit risk.

e) Receivables

Receivables mainly include margin loans receivable, trading securities receivable, futures commission merchant receivable and accounts receivable, etc. The main credit risk is receivable on margin loans and trading securities receivable of credit trading customers. KGI Securities and subsidiaries closely monitor market fluctuations and counterparties credit history, and enforce related control measures to minimize the credit risk.

f) Customer margin accounts

The exclusive account for depositing customer margin accounts is mainly opened in creditworthy banks, financial institutions and companies with investment grades, so there is no significant credit risk.

g) Stock borrowing collateral price and guarantee deposits - borrowed securities

When KGI Securities borrows securities from outside, they must deposit the guaranty fund into the financial institution designated by the other parties. Because KGI Securities holds the foregoing borrowed securities simultaneously, it can effectively reduce the risk of the counterparty’s credit risk.

h) Other non-current assets

Other non-current assets are mainly operating guarantee deposits, clearing and settlement funds and guarantee deposits-out. KGI Securities and subsidiaries carefully evaluates the counterparty in accordance with the amount of deposit. The counterparties are a large number and the amount of each deposit is not high. The credit risk has been effectively dispersed, so the credit risk is very low.

5) Assessment of expected credit losses

a) Consideration of forward-looking information

KGI Securities and subsidiaries take forward-looking information into consideration when assessing whether there has been a significant increase in financial assets’ credit risk after initial recognition and when measuring of expected credit losses.

Probability of default of debt instrument investment (except for at fair value through profit or loss) used by KGI Securities and subsidiaries is based on the probability of default contained forward-looking general economic information and regularly announced by international credit rating agencies.

Except for debt instrument investments, financial assets of KGI Securities and subsidiaries are analyzed using historical data to determine the economic factors that affect the expected credit losses of each asset portfolios, and supplemented by the best expectation announced by the government-affiliated institutions and academic research units. The best estimate of expected credit losses are reevaluate and revised on each financial reporting date.

b) Receivables and other financial assets

<u>KGI Securities and domestic subsidiaries</u>

KGI Securities and its domestic subsidiaries use simplified approach of IFRS 9 to measure the allowance losses by lifetime expected credit losses. The lifetime expected credit losses are based on historical records, current information, and relevant forward-looking information calculated by a regression model. For the fact that KGI Securities and domestic subsidiaries' historical records of credit losses indicate that there is no significant difference in the loss patterns of different customer groups, it is not measured in groups.

<u>Overseas subsidiaries</u>

The financial assets of overseas subsidiaries whose credit risk do not increase significantly after initial recognition are measured as 12-month expected credit losses. For financial assets whose credit risk has increased significantly after initial recognition, they are measured as lifetime expected credit losses. Customers' past default records, counterparty credit ratings, current information and relevant forward-looking information are take into consideration when assessing expected credit losses. For the fact that there is no significant difference in the loss patterns of different customer groups of overseas subsidiaries, it is not measured in groups.

c) Debt instrument investment (except at fair value through profit or loss)

The original purchase is based on the premise that the credit risk is low, it is assessed whether the credit risk is significantly increased after the initial recognition on each balance sheet date to determine the method of measuring the allowance loss and its loss rate.

In order to measure expected credit losses, KGI Securities and subsidiaries consider the probability of default (PD) of financial assets or the issuer or counterparty for the next 12 months, which collectively consider the loss given default (LGD), and is multiplied by exposure at default (EAD). KGI Securities and subsidiaries assess financial assets measured at amortized cost with exposure at default and consider the impact of time value of money to calculate the expected credit losses for 12 months and lifetime, respectively.

Probability of default is the probability that the issuer or the counterparty will default, and loss rate given default is the rate of loss caused by default by the issuer or counterparty. The probability of default and loss given default used by KGI Securities and subsidiaries in related assessment of impairment are mainly relied on the probability of default and loss given default that are regularly announced by international credit rating agencies.

The aforementioned impairment assessment method and related indicators of debt instrument investment are described as follows:

Degree of Credit Risk	Indicators	Measurement of Expected Credit Loss
Low credit risk	Ratings above BBB-/counterparty with good credit	12 months expected credit loss
Credit risk significantly increase	Ratings between BB+-C (Note)	Lifetime expected credit loss
Impaired/default	Ratings below D and impaired	Lifetime expected credit loss

Note: KGI Securities and subsidiaries consider information which indicates significant and evidential increase in credit risk (including forward-looking information) since the initial recognition. The main considerations including:

i. External credit ratings, overdue status information, credit spreads, other market information related to borrowers, issuers or counterparties, and the same borrowers' credit risk of other financial instruments increases significantly.

ii. Low credit risk: If it is determined that the credit risk of a financial instrument at the reporting date is low, it can be assumed that the credit risk of the financial instrument has not increased significantly since the date of initial recognition.

6) The estimation techniques or material assumptions used by KGI Securities and subsidiaries to assess expected credit losses did not change significantly for the three months ended March 31, 2022 and 2021.

Disclosure of total book value and allowance loss for financial assets' expected credit loss

1) Summary of KGI Securities and subsidiaries' total book value and allowance loss as of March 31, 2022, December 31, 2021 and March 31, 2021 are listed as follows:

Financial assets at fair value through other comprehensive income

Total book value for financial assets at debt instruments at fair value through other comprehensive income as of March 31, 2022, December 31, 2021 and March 31, 2021 were $32,838,202 thousand, $29,754,716 thousand and $29,412,191 thousand, respectively, and allowance were $25,049 thousand, $23,735 thousand $14,010 thousand, respectively.

Accounts receivable and others

March 31, 2022

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 21,855,846	$ (114)	$ 21,855,732
Bonds purchased under resell agreement	13,031,321	(12)	13,031,309
Margin loans receivables	34,226,302	(2,836)	34,223,466
Trading securities receivables	7,877,015	(593)	7,876,422
Customer's margin accounts	52,330,337	(2,148)	52,328,189
Futures commission merchant receivable	134,604	(134,583)	21
Deposits required for securities borrowing	44,262,045	(18)	44,262,027
Accounts receivable	54,425,186	(2,338)	54,422,848
Other current assets	32,759,561	(13,492)	32,746,069
Other non-current assets	4,206,316	(825,319)	3,380,997
	$ 265,108,533	$ (981,453)	$ 264,127,080

December 31, 2021

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 15,671,771	$ (90)	$ 15,671,681
Bonds purchased under resell agreement	13,702,755	(11)	13,702,744
Margin loans receivables	39,093,159	(3,010)	39,090,149
Trading securities receivables	7,279,801	(548)	7,279,253
Customer's margin accounts	51,969,284	(1,468)	51,967,816
Futures commission merchant receivable	134,733	(134,733)	-
Deposits required for securities borrowing	40,699,616	(18)	40,699,598
Accounts receivable	40,363,415	(2,352)	40,361,063
Other current assets	55,952,946	(12,320)	55,940,626
Other non-current assets	3,884,423	(823,829)	3,060,594
	$ 268,751,903	$ (978,379)	$ 267,773,524

March 31, 2021

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 16,302,846	$ (91)	$ 16,302,755
Bonds purchased under resell agreement	13,955,723	-	13,955,723
Margin loans receivables	41,038,450	(1,589)	41,036,861
Trading securities receivables	4,874,146	(277)	4,873,869
Customer's margin accounts	53,043,865	(1,390)	53,042,475
Futures commission merchant receivable	136,301	(136,235)	66
Accounts receivable	50,145,115	(2,023)	50,143,092
Other current assets	36,766,804	(8,446)	36,758,358
Other non-current assets	4,095,335	(1,459,089)	2,636,246
	$ 220,358,585	$ (1,609,140)	$ 218,749,445

2) Changes in allowance losses of KGI Securities and subsidiaries for the three months ended March 31, 2022 and 2021 are as follows:

a) Financial assets at fair value through other comprehensive income

	12 Months Expected Credit Loss
January 1, 2022	$ 23,735
Addition	930
Change in exchange rate and others	384
March 31, 2022	$ 25,049
January 1, 2021	$ 15,736
Addition	(1,719)
Change in exchange rate and others	(7)
March 31, 2021	$ 14,010

The loss allowance of financial assets measured at fair value through other comprehensive income-debt instrument investments for the three months ended March 31, 2022 and 2021, were influenced by the derecognition and purchase.

b) Receivables and others

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Collective)	Credit Impaired Financial Assets (Lifetime Expected Credit Loss)	Lifetime Expected Credit Loss (Simplify)	Total
January 1, 2022	$ 12,347	$ 645	$ 960,705	$ 4,682	$ 978,379
Addition (reversal)	639	161	1,780	(185)	2,395
Derecognizing financial assets during the current period	-	-	(461)	-	(461)
Write-off	-	-	-	-	-
Change in exchange rate and others	428	(140)	850	2	1,140
March 31, 2022	$ 13,414	$ 666	$ 962,874	$ 4,499	$ 981,453
January 1, 2021	$ 7,888	$ 73	$ 1,637,566	$ 2,769	$ 1,648,296
Addition (reversal)	(180)	139	(1,540)	632	(949)
Derecognizing financial assets during the current period	-	-	(31,002)	-	(31,002)
Change in exchange rate and others	(20)	-	(7,185)	-	(7,205)
March 31, 2021	$ 7,688	$ 212	$ 1,597,839	$ 3,401	$ 1,609,140

The aforementioned total book value of receivables and other financial assets did not change significantly.

<u>CDIB Capital Group and subsidiaries</u>

CDIB Capital Group and subsidiaries are exposed to credit risk due to default on contracts by counterparties. As of the balance sheet date, CDIB Capital Group and subsidiaries' maximum exposure to credit risk due to the counterparties' default on obligations is equal to the book value.

The maximum exposure to credit risk held by CDIB Capital Group and subsidiaries of the financial instruments is equal to the book value.

<u>China Life Insurance</u>

- Credit risk analysis

  1) Credit risk refers to the counterparties fail to fulfill obligations of contract, resulting in the risk of loss of value. Credit risks of China Life Insurance result from operating and financing activities, which mainly include lending, investing in financial instruments and receivables.

     The departments of China Life Insurance follow credit risk policies, procedures and controls to manage credit risks. The credit risk assessment of all issuers or counterparties is based on comprehensive consideration of their financial status, credit ratings, historical transaction records, current economic environment, China Life Insurance's internal rating indicators, and etc. Also, China Life Insurance uses certain credit enhancement tools in due course to reduce the credit risk of a particular issuer or counterparty.

     For investments of financial instruments, its original purchase is based on the premise that the credit risk is low, and on each balance sheet date, it is assessed whether the conditions of low credit risk are still met to determine the method of measuring the allowance. Also, China Life Insurance dispose those investments to reduce credit losses in appropriate time, such as there is a significant increase in credit risk. In addition, China Life Insurance has established credit VaR model to assess the maximum loss of the credit positions due to changes of credit rating or default. Besides, China Life Insurance also evaluates credit risk and concentration risk based on issuer's region, industry and credit rating within portfolios.

     Lending of China Life Insurance is determined by the factors that affect the risk based on the 5P principle which gives different weights according to the impact of the risk so as to calculate the credit score of each borrower. The credit score comprehensively measures the rationality of the purpose of the loan, the collateral area, value and number, the customer's credit report, historical interest payment record, financial status, debt repayment ability, and etc. Once a delay occurs, it is promptly collected in accordance with the procedures to avoid financial losses.

     China Life Insurance assesses expected credit losses in accordance with IFRS 9, except for some of receivables, which allowance are measured by lifetime expected credit losses. The original purchase of the rest, which do not belong to debt instruments measured at fair value through profit or loss, is based on the premise of low credit risk and uses credit risk as the basis of the differentiation group. On each balance sheet date, assessing whether the credit risk is significantly increased after the initial recognition to determine the method of measuring the allowance loss and its loss rate. The main considerations for determining whether the credit risk has increased significantly include objective evidence such as the external credit rating and its degree of change, other market information related to the issuer which shows that its credit risk has increased significantly, etc. For the judgment of credit impairment, it refers to the default of contract, the overdue payment of interest or principal for holding debt instruments for more than 90 days, the happening of major financial difficulties, bankruptcy or financial reorganization of the issuer. If the credit risk of a financial asset at the balance sheet date is low, it is assumed that the credit risk of the financial asset has not increased significantly since the initial recognition. For financial assets whose credit risk has not increased significantly since initial recognition, China Life Insurance measures the allowance loss by the 12-month expected credit loss amount;

For financial assets with a significant increase in credit risk or credit impairment since initial recognition, China Life Insurance measures the allowance loss by the amount of expected credit loss during the lifetime.

Expected credit losses will be measured by the probability of default (PD) of the issuer or the counterparty over the next 12 months and the lifetime, multiplied by the loss given default (LGD) and the exposure at default (EAD), and is considered by the impact of the time value of money. The expected credit losses for 12 months and duration is calculated, respectively.

Probability of default is the probability that the issuer or the counterparty will default, and the loss given default is the rate of loss caused by default by the issuer or counterparty. China Life Insurance employs information on the default probability and default loss rate published by external credit rating agencies and adjusts it based on forward-looking general economic information.

China Life employs amortized cost of financial assets plus accrued interest and receivables as a measure of exposure at default, while loans are calculated as the sum of the principal balance of the debtor at the time of calculation, interest, and payable as a measure of exposure at default.

Some of the allowance losses of part of receivables are measured by its expected credit losses for its lifetime. The expected credit losses during the existence period is considered by the past default records and current information, and the expected credit loss rate is set based on the overdue days of receivables.

In February 2022, a military conflict broke out between Russia and Ukraine and triggered international sanctions. China Life Insurance will continue to pay attention to the follow-up development and take the impact of this incident into consideration when evaluating the expected credit losses of relevant financial assets in 2022.

2) Financial assets credit risk concentration analysis

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

March 31, 2022

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 89,813,353	$ 7,392,905	$ 8,957,631	$ -	$ -	$ 106,163,889
Financial assets at fair value through profit or loss	24,322,890	5,515,146	11,870,033	2,384,485	-	44,092,554
Financial assets at fair value through other comprehensive income	38,900,824	65,341,962	33,274,032	26,488,035	-	164,004,853
Financial assets at amortized cost	146,787,509	352,165,231	291,695,333	518,010,909	4,719,898	1,313,378,880
Refundable deposits - bonds	7,401,908	-	-	-	-	7,401,908
	$ 307,226,484	$ 430,415,244	$ 345,797,029	$ 546,883,429	$ 4,719,898	$ 1,635,042,084
Proportion	18.79%	26.32%	21.15%	33.45%	0.29%	100.00%

December 31, 2021

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 129,250,490	$ 10,620,757	$ 13,914,048	$ -	$ -	$ 153,785,295
Financial assets at fair value through profit or loss	24,218,292	7,592,246	16,850,342	2,485,524	-	51,146,404
Financial assets at fair value through other comprehensive income	55,616,783	86,249,417	50,287,213	34,207,632	-	226,361,045
Financial assets at amortized cost	144,791,992	327,458,052	283,806,918	440,734,653	4,519,353	1,201,310,968
Refundable deposits - bonds	7,402,206	-	-	-	-	7,402,206
	$ 361,279,763	$ 431,920,472	$ 364,858,521	$ 477,427,809	$ 4,519,353	$ 1,640,005,918
Proportion	22.03%	26.34%	22.25%	29.11%	0.27%	100.00%

March 31, 2021

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 64,437,790	$ 18,039,902	$ 9,661,021	$ -	$ -	$ 92,138,713
Financial assets at fair value through profit or loss	24,916,048	6,452,986	17,933,814	5,396,758	-	54,699,606
Financial assets at fair value through other comprehensive income	67,573,497	111,854,896	74,996,248	87,513,389	-	341,938,030
Financial assets at amortized cost	152,227,764	307,475,671	250,287,363	397,834,988	6,207,070	1,114,032,856
Refundable deposits - bonds	7,092,199	-	-	-	-	7,092,199
	$ 316,247,298	$ 443,823,455	$ 352,878,446	$ 490,745,135	$ 6,207,070	$ 1,609,901,404
Proportion	19.64%	27.57%	21.92%	30.48%	0.39%	100.00%

b) China Life Insurance's regional distribution of credit risk exposure for loans (excluding policy loans and automatic premium loans) is as follows:

March 31, 2022

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 75,849	$ 179,628	$ 99,444	$ 354,921
Overdue receivables	-	-	-	-
	$ 75,849	$ 179,628	$ 99,444	$ 354,921
Proportion	21.37%	50.61%	28.02%	100.00%

December 31, 2021

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 193,503	$ 86,402	$ 109,333	$ 389,238
Overdue receivables	-	-	-	-
	$ 193,503	$ 86,402	$ 109,333	$ 389,238
Proportion	49.71%	22.20%	28.09%	100.00%

March 31, 2021

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 256,379	$ 128,578	$ 133,765	$ 518,722
Overdue receivables	-	-	-	-
	$ 256,379	$ 128,578	$ 133,765	$ 518,722
Proportion	49.42%	24.79%	25.79%	100.00%

3) Disclosure of total book value and allowance loss for financial assets' expected credit loss

The reconciliation statement of loss allowance for financial assets measured at FVTOCI for the three months ended March 31, 2022 and 2021 were as follows:

	12 Months expected Credit Loss	Lifetime Expected Credit Loss (Credit risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized In Accordance with IFRS 9
January 1, 2022	$ 17,277	$ -	$ -	$ 17,277
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	(706)	-	706	-

(Continued)

	12 Months expected Credit Loss	Lifetime Expected Credit Loss (Credit risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized In Accordance with IFRS 9
Disposal	$ (3,250)	$ -	$ (1)	$ (3,251)
Addition	64	-	3	67
Change in model/risk parameters	1,883	-	687,930	689,813
Change in exchange rate and others	568	-	23,179	23,747
March 31, 2022	$ 15,836	$ -	$ 711,817	$ 727,653
January 1, 2021	$ 24,319	$ -	$ -	$ 24,319
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(3,933)	-	-	(3,933)
Addition	183	-	-	183
Change in model/risk parameters	124	-	-	124
Change in exchange rate and others	(17)	-	-	(17)
March 31, 2021	$ 20,676	$ -	$ -	$ 20,676

(Concluded)

The reconciliation statement of loss allowance for financial assets measured at amortized cost for the three months ended March 31, 2022 and 2021 were as follows:

	12 Months Expected Credit Loss	**Lifetime Expected Credit Loss (Credit risk Significantly Increase)**	**Lifetime Expected Credit Loss (Credit risk Has Been Impaired)**	**Impairment Recognized In Accordance with IFRS 9**
January 1, 2022	$ 101,776	$ 46,202	$ -	$ 147,978
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	46,202	(46,202)	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	(786)	-	786	-
Disposal	(2,686)	-	-	(2,686)
Addition	10,653	-	5	10,658
Change in model/risk parameters	(28,483)	-	754,996	726,513
Change in exchange rate and others	3,754	-	25,441	29,195
March 31, 2022	$ 130,430	$ -	$ 781,228	$ 911,658
January 1, 2021	$ 56,197	$ -	$ -	$ 56,917
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(2,143)	-	-	(2,143)
Addition	7,273	-	-	7,273
Change in model/risk parameters	2,307	-	-	2,307
Change in exchange rate and others	4	-	-	4
March 31, 2021	$ 64,358	$ -	$ -	$ 64,358

The reconciliation statement of other receivables related to financial asset measured at FVTCOI and financial assets measured at amortized cost for the three months ended March 31, 2022 and 2021 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized In Accordance with IFRS 9
January 1, 2022	$ 1,152	$ 388	$ -	$ 1,540
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	338	(388)	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	(14)	-	14	-
Disposal	(557)	-	(6)	(563)
Addition	643	-	17,009	17,652
Change in model/risk parameters	(284)	-	7,766	7,482
Change in exchange rate and others	24	-	270	294
March 31, 2022	$ 1,352	$ -	$ 25,053	$ 26,405
January 1, 2021	$ 805	$ -	$ -	$ 805
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(398)	-	-	(398)
Addition	368	-	-	368
Change in model/risk parameters	12	-	-	12
Change in exchange rate and others	-	-	-	-
March 31, 2021	$ 787	$ -	$ -	$ 787

For the three months ended March 31, 2022 and 2021, the changes in debt investments allowance loss measured at amortized cost and at fair value through other comprehensive income result from the variation of allowance loss parameter which is affected by recent financial environment, and forward - looking factors, follow as disposals and new additions.

The expected credit loss rate measuring the amount of allowance loss of the investment in debt instruments of financial assets and other related receivables are as follows:

March 31, 2022

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)
Measured fair value through other comprehensive income	0.00%-0.07%	-	9.81%-10.15%
Measured at amortized cost	0.00%-0.07%	-	8.08%-11.17%
Other receivables	0.00%-0.07%	-	8.08%-11.17%

December 31, 2021

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)
Measured fair value through other comprehensive income	0.00%-0.06%	0.00%-0.00%	-
Measured at amortized cost	0.00%-0.06%	1.80%-1.93%	-
Other receivables	0.00%-0.06%	1.80%-1.93%	-

China Life Insurance assesses its debt investments at fair value through other comprehensive income, debt investments measured at amortized cost and other receivables. The assessment do not have significant increase in credit risk on March 31, 2021. Therefore, the 12-month expected credit loss is used to measure the amount of allowance loss. The loss rate were 0.00%-0.04%.

Changes in allowance losses for the three months ended March 31, 2022 and 2021 are as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss - Collective	Lifetime Expected Credit Loss - Individual	Impairment Recognized In Accordance with IFRS 9	Different of Impairment Recognized In Accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts By Insurance Enterprises	Total
January 1, 2022	$ 5	$ 193	$ 330	$ 528	$ 5,601	$ 6,129
Change due to financial assets recognized at the beginning of the period						
Change to duration expected credit loss	-	-	-	-	-	-
Change to 12 months expected credit loss	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-		-	(566)	(566)
Change in exchange rate and others	(1)	517	50	566	-	566
March 31, 2022	$ 4	$ 710	$ 380	$ 1,094	$ 5,035	$ 6,129
January 1, 2021	$ 8	$ 384	$ 444	$ 836	$ 8,312	$ 9,148
Change due to financial assets recognized at the beginning of the period						
Change to duration expected credit loss	-	-	-	-	-	-
Change to 12 months expected credit loss	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-	-	-	(813)	(813)
Change in exchange rate and others	(1)	835	(21)	813	-	813
March 31, 2021	$ 7	$ 1,219	$ 423	$ 1,649	$ 7,499	$ 9,148

The allowance loss of China Life Insurance's accounts receivables arising from other transactions are measured by lifetime expected credit loss. Changes in allowance losses of receivables for the three months ended March 31, 2022 and 2021 are as follows:

	Receivables For the Three Months Ended March 31	
	2022	2021
January 1	$ 4,571	$ 6,874
Addition (reversal)	7	(2,277)
Written-off due to uncollectable	-	-
March 31	$ 4,578	$ 4,597

4) The information on the total book value and credit risk ratings of financial assets

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

March 31, 2022

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
Investment Grade				
Financial assets at fair value through other comprehensive income	$ 169,012,489	$ -	$ -	$ 169,012,489
Financial assets measured at amortized cost	1,310,874,020	-	-	1,310,874,020
Other receivables	13,296,402	-	-	13,296,402
Non-investment Grade				
Financial assets at fair value through other comprehensive income	3,356,501	-	7,092,382	10,448,883
Financial assets measured at amortized cost	2,870,381	-	7,948,045	10,818,426
Other receivables	46,451	-	248,971	295,422

December 31, 2021

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
Investment Grade				
Financial assets at fair value through other comprehensive income	$ 213,332,708	$ -	$ -	$ 213,332,708
Financial assets measured at amortized cost	1,204,481,553	2,472,225	-	1,206,953,778
Other receivables	11,663,976	20,872	-	11,684,848
Non-investment Grade				
Financial assets at fair value through other comprehensive income	3,247,410	-	-	3,247,410
Financial assets measured at amortized cost	1,907,374	-	-	1,907,374
Other receivables	100,661	-	-	100,661

March 31, 2021

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
Investment Grade				
Financial assets at fair value through other comprehensive income	$ 323,882,382	$ -	$ -	$ 323,882,382
Financial assets measured at amortized cost	1,119,534,095	-	-	1,119,534,095
Other receivables	12,368,106	-	-	12,368,106
Non-investment Grade				
Financial assets at fair value through other comprehensive income	3,346,658	-	-	3,346,658
Financial assets measured at amortized cost	1,655,318	-	-	1,655,318
Other receivables	33,505	-	-	33,505

Note 1: Including securities serving as collateral deposits.

Note 2: China Life Insurance's investment grade based on rating of the credit rating agencies: Investment grade means credit rating reaches at least BBB-granted by a credit rating agency; Non-investment grade means no credit rating or credit rating lower than BBB-granted by a credit rating agency.

b) Guarantee loans and related other receivables

March 31, 2022

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 354,381	$ 301
Credit risk significantly increase	Lifetime expected credit loss	685	3
Impairment	Lifetime expected credit loss	5,984	5
Total book value		$ 361,050	$ 309

December 31, 2021

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 388,984	$ 330
Credit risk significantly increase	Lifetime expected credit loss	1,180	5
Impairment	Lifetime expected credit loss	5,203	5
Total book value		$ 395,367	$ 340

March 31, 2021

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 519,901	$ 436
Credit risk significantly increase	Lifetime expected credit loss	1,919	8
Impairment	Lifetime expected credit loss	6,050	6
Total book value		$ 527,870	$ 450

c. Liquidity risk

KGI Bank and subsidiaries

1) The source and definition of liquidity risk

Liquidity risk of KGI Bank refers to the risks of bearing profit or capital loss because of the inability to obtain funds with reasonable price to meet the financial obligation with a reasonable time, such as early termination of deposits, deteriorating of the source and condition of financing from banks influenced by specific market, abnormal recover of funds due to default from borrowers, inability to liquidate financial instruments and early exertion of rights of rescission of interest sensitive product by the assured. The aforementioned situation may reduce cash source of loan, transactions and investment. In some extreme cases, the lack of liquidity may result in a decrease in the overall position of the balance sheet, sale of assets and failure to perform loan commitments.

2) Management policy of liquidity risk

KGI Bank's liquidity risk management uses gap limit management strategy, which is the net cumulative mismatch of inflows and outflows, and calculates the maximum cumulative cash outflow (MCO) to monitor the daily funding gap by each currency as a basis for controlling the liquidity risk. For Liquidity gap management, KGI Bank also actively deconcentrates funding sources, distributes the fund maturity date based on the gap report, disperses the call loans (lending) from counterparties and increases the renewal rate of enterprises' deposits to enhance the stability of the resources of funds.

3) Maturity analysis of financial assets and non-derivative financial liabilities held for liquidity risk management

a) Financial assets held for liquidity management

The KGI Bank holds cash and highly liquid and high-grade profit-generating assets to pay off obligations and meet any potential emergency funding needs in the market environment. The assets held for liquidity management include cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, securities purchased under resell agreement, accounts receivable, and discounts and loans, etc.

b) Maturity analysis of non-derivative financial liabilities

The following tables show the cash outflows on the KGI Bank's non-derivative financial liabilities based on the remaining period from the balance sheet date to the maturity date of the contract. However, because the amounts disclosed were based on contractual cash flows, some of them will not match the amounts shown in the balance sheets.

Maturity analysis of KGI Bank's non-derivative financial liabilities in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 1,000,000	$ -	$ 9,590	$ 180,556	$ -	$ 1,190,146
Notes and bonds issued under repurchase agreement	11,550,205	700,000	-	-	-	12,250,205
Deposits and remittances	55,201,860	90,203,180	69,907,182	102,638,730	22,180,600	340,131,552
Loans payable	-	-	133,700	-	25,250,000	25,383,700
Other capital outflow on maturity	1,230,612	263,062	307,658	1,582,753	3,960,968	7,345,053
Total	$ 68,982,677	$ 91,166,242	$ 70,358,130	$ 104,402,039	$ 51,391,568	$ 386,300,656

(In Thousands of New Taiwan Dollars)

December 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 6,023,296	$ -	$ -	$ 166,850	$ -	$ 6,190,146
Notes and bonds issued under repurchase agreement	4,700,647	1,100,210	-	-	-	5,800,857
Deposits and remittances	41,193,532	93,476,840	70,321,598	106,288,309	22,748,717	334,028,996
Loans payable	-	-	-	129,490	25,250,000	25,379,490
Other capital outflow on maturity	4,078,954	379,906	354,651	3,966,071	4,121,245	12,900,827
Total	$ 55,996,429	$ 94,956,956	$ 70,676,249	$ 110,550,720	$ 52,119,962	$ 384,300,316

(In Thousands of New Taiwan Dollars)

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 4,500,000	$ 2,200,000	$ 9,590	$ 180,556	$ -	$ 6,890,146
Notes and bonds issued under repurchase agreement	8,950,034	-	-	-	-	8,950,034
Deposits and remittances	60,126,976	103,956,041	63,560,254	96,864,242	19,918,515	344,426,028
Loans payable	-	-	-	91,080	24,550,000	24,641,080
Other capital outflow on maturity	1,756,798	242,951	254,705	1,129,587	3,532,890	6,916,931
Total	$ 75,333,808	$ 106,398,992	$ 63,824,549	$ 98,265,465	$ 48,001,405	$ 391,824,219

Maturity analysis of KGI Bank's non-derivative financial liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 253,000	$ 387,000	$ 20,000	$ -	$ -	$ 660,000
Notes and bonds issued under repurchase agreement	322,795	653,620	800,688	-	-	1,777,103
Deposits and remittances	1,514,724	1,555,144	234,594	834,975	391	4,139,828
Loans payable	-	-	-	-	365,887	365,887
Other capital outflow on maturity	34,529	18,412	4,368	129	106,713	164,151
Total	$ 2,125,048	$ 2,614,176	$ 1,059,650	$ 835,104	$ 472,991	$ 7,106,969

(In Thousands of U.S. Dollars)

December 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 110,000	$ 380,000	$ -	$ -	$ -	$ 490,000
Notes and bonds issued under repurchase agreement	313,395	661,840	273,650	-	-	1,248,885
Deposits and remittances	1,960,468	2,289,458	279,642	767,524	548	5,297,640
Loans payable	-	-	-	-	373,939	373,939
Other capital outflow on maturity	40,014	12,717	3,000	36	161,108	216,875
Total	$ 2,423,877	$ 3,344,015	$ 556,292	$ 767,560	$ 535,595	$ 7,627,339

(In Thousands of U.S. Dollars)

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 162,000	$ 309,000	$ 50,000	$ -	$ -	$ 521,000
Notes and bonds issued under repurchase agreement	479,140	798,254	271,441	-	-	1,548,835
Deposits and remittances	2,126,687	1,188,200	346,119	751,873	372	4,413,251
Loans payable	-	-	-	-	384,504	384,504
Other capital outflow on maturity	103,849	26,283	5,505	69	170,185	305,891
Total	$ 2,871,676	$ 2,321,737	$ 673,065	$ 751,942	$ 555,061	$ 7,173,481

4) Maturity analysis of derivative financial instruments

The valuation of the maturity of the contracts is essential for presenting the financial instruments on the balance sheet. The amount disclosed in the balance sheet is prepared based on the cash flows of the contract. Thus, a part of the amount disclosed deviates from the balance sheet.

Maturity analysis of KGI Bank's derivative financial instruments in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (144,886,908)	$ (207,035,394)	$ (174,823,583)	$ (142,626,671)	$ (9,579,290)	$ (678,951,846)
Cash inflow	135,137,788	199,572,992	169,748,922	135,137,921	11,563,787	651,161,410
Interest rate derivatives instruments						
Cash outflow	(135,218)	(231,794)	(51,018)	(9,327)	(16,222,175)	(16,649,532)
Cash inflow	146,893	229,133	41,528	-	-	417,554
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(18,618)	-	-	-	(18,618)
Cash inflow	-	3,885	39,696	80,544	-	124,125
Cash outflow subtotal	(145,022,126)	(207,285,806)	(174,874,601)	(142,635,998)	(25,801,465)	(695,619,996)
Cash inflow subtotal	135,284,681	199,806,010	169,830,146	135,218,465	11,563,787	651,703,089
Net cash flow	$ (9,737,445)	$ (7,479,796)	$ (5,044,455)	$ (7,417,533)	$ (14,237,678)	$ (43,916,907)

(In Thousands of New Taiwan Dollars)

December 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (177,221,843)	$ (208,587,820)	$ (156,161,476)	$ (136,346,089)	$ (13,008,417)	$ (691,325,645)
Cash inflow	153,887,697	185,607,754	153,162,118	142,131,466	11,195,610	645,984,645
Interest rate derivatives instruments						
Cash outflow	(163,297)	(202,138)	(10,968)	(1,558)	(11,625,928)	(12,003,889)
Cash inflow	120,182	211,781	10,247	-	-	342,210
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(19,171)	-	-	-	(19,171)
Cash inflow	-	81,296	3,885	39,696	-	124,877
Cash outflow subtotal	(177,385,140)	(208,809,129)	(156,172,444)	(136,347,647)	(24,634,345)	(703,348,705)
Cash inflow subtotal	154,007,879	185,900,831	153,176,250	142,171,162	11,195,610	646,451,732
Net cash flow	$ (23,377,261)	$ (22,908,298)	$ (2,996,194)	$ 5,823,515	$ (13,438,735)	$ (56,896,973)

(In Thousands of New Taiwan Dollars)

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (171,649,622)	$ (215,603,167)	$ (136,658,873)	$ (128,928,987)	$ (7,476,609)	$ (660,317,258)
Cash inflow	162,527,793	206,120,174	149,137,684	123,375,053	2,977,350	644,138,054
Interest rate derivatives instruments						
Cash outflow	(1,154,684)	(233,266)	(17,805)	(701)	(16,082,212)	(17,488,668)
Cash inflow	148,352	238,348	17,758	-	-	404,458
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(17,996)	-	-	-	(17,996)
Cash inflow	-	-	39,576	81,142	-	120,718
Cash outflow subtotal	(172,804,306)	(215,854,429)	(136,676,678)	(128,929,688)	(23,558,821)	(677,823,922)
Cash inflow subtotal	162,676,145	206,358,522	149,195,018	123,456,195	2,977,350	644,663,230
Net cash flow	$ (10,128,161)	$ (9,495,907)	$ 12,518,340	$ (5,473,493)	$ (20,581,471)	$ (33,160,692)

Maturity analysis of KGI Bank's derivative financial instruments in U.S. dollars

(In Thousands of U.S. Dollars)

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (6,472,625)	$ (8,031,826)	$ (6,837,280)	$ (5,432,446)	$ (456,529)	$ (27,230,706)
Cash inflow	6,834,602	8,369,817	7,067,642	6,249,046	384,030	28,905,137
Interest rate derivatives instruments						
Cash outflow	(8,246)	(11,929)	(2,530)	(48,702)	(201,285)	(272,692)
Cash inflow	3,486	5,633	7,848	774	243	17,984
Others						
Cash outflow	(237)	-	-	-	-	(237)
Cash inflow	81	-	-	-	-	81
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(1,201)	(946)	(2,177)	(1,814)	(162)	(6,300)
Cash inflow	142	466	38	-	-	646
Cash outflow subtotal	(6,482,309)	(8,044,701)	(6,841,987)	(5,482,962)	(657,976)	(27,509,935)
Cash inflow subtotal	6,838,311	8,375,916	7,075,528	6,249,820	384,273	28,923,848
Net cash flow	$ 356,002	$ 331,215	$ 233,541	$ 766,858	$ (273,703)	$ 1,413,913

(In Thousands of U.S. Dollars)

December 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (6,530,255)	$ (7,435,810)	$ (5,976,675)	$ (5,882,118)	$ (446,322)	$ (26,271,180)
Cash inflow	7,838,238	8,352,981	6,122,189	5,641,870	516,822	28,472,100
Interest rate derivatives instruments						
Cash outflow	(43,395)	(6,319)	(8,282)	(7,272)	(140,925)	(206,193)
Cash inflow	4,141	9,751	6,028	1,401	856	22,177
Others						
Cash outflow	(150)	-	-	-	-	(150)
Cash inflow	220	-	-	-	-	220
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(534)	(1,566)	(2,584)	-	-	(4,684)
Cash inflow	104	167	-	-	-	271
Cash outflow subtotal	(6,574,334)	(7,443,695)	(5,987,541)	(5,889,390)	(587,247)	(26,482,207)
Cash inflow subtotal	7,842,703	8,362,899	6,128,217	5,643,271	517,678	28,494,768
Net cash flow	$ 1,268,369	$ 919,204	$ 140,676	$ (246,119)	$ (69,569)	$ 2,012,561

(In Thousands of U.S. Dollars)

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	$ (6,997,520)	$ (7,741,272)	$ (5,576,805)	$ (4,912,828)	$ (135,019)	$ (25,363,444)
Cash inflow	7,677,717	8,204,097	5,238,051	5,256,677	304,019	26,680,561
Interest rate derivatives instruments						
Cash outflow	(22,240)	(25,494)	(55,641)	(47,992)	(9,555)	(160,922)
Cash inflow	19,282	29,896	55,457	1,257	-	105,892
Others						
Cash outflow	(134)	-	-	-	-	(134)
Cash inflow	550	-	-	-	-	550
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(766)	(653)	(1,848)	(126)	-	(3,393)
Cash inflow	129	128	3	-	-	260
Cash outflow subtotal	(7,020,660)	(7,767,419)	(5,634,294)	(4,960,946)	(144,574)	(25,527,893)
Cash inflow subtotal	7,697,678	8,234,121	5,293,511	5,257,934	304,019	26,787,263
Net cash flow	$ 677,018	$ 466,702	$ (340,783)	$ 296,988	$ 159,445	$ 1,259,370

5) Maturity analysis of off-balance sheet items

The table below shows KGI Bank's maturity analysis of the off-balance sheet items based on the remaining time between the reporting date and the contractual period. For the issued financial guarantee contracts, the maximum guaranteed amount included in the guarantee may be required to be fulfilled in the earliest period.

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	$ 13,939,368	$ 11,810,555	$ 4,753,220	$ 9,814,916	$ 19,589,485	$ 59,907,544

December 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	$ 14,923,239	$ 8,916,761	$ 4,161,137	$ 9,601,983	$ 19,648,107	$ 57,251,227

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	$ 14,030,006	$ 9,867,172	$ 4,929,009	$ 9,464,024	$ 15,853,798	$ 54,144,009

6) Disclosures required by the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of KGI Bank's assets and liabilities in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

March 31, 2022	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 101,908,502	$ 150,021,836	$ 253,860,702	$ 211,346,155	$ 185,993,904	$ 237,149,714	$ 1,140,280,813
Main capital outflow on maturity	74,823,512	158,947,348	336,443,538	280,055,451	306,465,770	249,465,916	1,406,201,535
Gap	27,084,990	(8,925,512)	(82,582,836)	(68,709,296)	(120,471,866)	(12,316,202)	(265,920,722)

(In Thousands of New Taiwan Dollars)

March 31, 2021	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 113,122,229	$ 181,968,501	$ 258,903,093	$ 188,326,005	$ 177,521,041	$ 212,716,084	$ 1,132,556,953
Main capital outflow on maturity	94,784,559	169,947,480	354,261,363	233,190,531	287,476,089	243,389,449	1,383,049,471
Gap	18,337,670	12,021,021	(95,358,270)	(44,864,526)	(109,955,048)	(30,673,365)	(250,492,518)

b) Maturity analysis of KGI Bank's assets and liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

March 31, 2022	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 7,566,834	$ 8,980,132	$ 7,345,180	$ 6,636,303	$ 4,151,194	$ 34,679,643
Main capital outflow on maturity	9,038,029	11,520,221	8,750,929	7,682,119	3,775,230	40,766,528
Gap	(1,471,195)	(2,540,089)	(1,405,749)	(1,045,816)	375,964	(6,086,885)

(In Thousands of U.S. Dollars)

March 31, 2021	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 8,744,827	$ 8,960,695	$ 5,516,776	$ 5,699,491	$ 4,071,479	$ 32,993,268
Main capital outflow on maturity	10,199,458	10,703,400	7,113,977	7,239,423	3,690,892	38,947,150
Gap	(1,454,631)	(1,742,705)	(1,597,201)	(1,539,932)	380,587	(5,953,882)

KGI Securities and subsidiaries

1) Cash flow analysis

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

March 31, 2022	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	$ 9,403,890	$ 10,859,104	$ 1,592,738	$ -	$ -	$ 21,855,732
Financial assets measured at FVTPL - current	40,526,929	10,483,775	1,528,137	17,121,436	41,664	69,701,941
Financial assets measured at FVTOCI - current	21,510,600	11,720,191	420,284	-	-	33,651,075
Financial assets for hedging - current	-	602	12,040	97,192	10,269	120,103
Securities purchased under resell agreement	-	13,034,101	-	-	-	13,034,101
Receivables	47,086,233	21,909,128	27,499,673	27,794	-	96,522,828
Customer margin accounts	52,328,189	-	-	-	-	52,328,189
Stock borrowing collateral price and security lending deposits	3,320,881	6,645,021	34,349,634	-	-	44,315,536
Current tax assets	-	-	16,694	9,392	-	26,086
Other current assets	30,230,514	2,474,620	39,646	1,289	-	32,746,069
Financial assets measured at FVTPL - non-current	-	-	-	921,776	2,914,525	3,836,301
Financial assets measured at FVTOCI - non-current	-	-	-	-	7,379,323	7,379,323
Investments accounted for using the equity method	-	-	-	-	2,743,728	2,743,728
Other non-current assets	-	1,249	-	11,034	3,288,811	3,301,094
Total	$ 204,407,236	$ 77,127,791	$ 65,458,846	$ 18,189,913	$ 16,378,320	$ 381,562,106
Percentage	53.57%	20.21%	17.16%	4.77%	4.29%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

March 31, 2022	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 18,904,586	$ -	$ -	$ -	$ 18,904,586
Commercial paper payable	-	4,195,541	-	-	-	4,195,541
Financial liabilities measured at FVTPL - current	16,217,888	5,397,137	2,509,816	15,094,328	2,151,778	41,370,947
Bonds issued under repurchase agreements	-	59,253,236	1,001,292	-	-	60,254,528
Payables	66,867,449	6,440,375	2,985,241	-	-	76,293,065
Guarantee deposits received from security lending	-	8,401,615	38,356,688	-	-	46,758,303
Futures customers' equity	50,804,279	-	-	-	-	50,804,279
Amounts collected for others/other payables/other current liabilities	1,032,080	1,435,061	4,590,414	2,697	43	7,060,295
Other financial liabilities - current	-	2,780,725	9,019	598	1,765	2,792,107
Lease liabilities - current	-	128,586	358,723	-	-	487,309
Current tax liabilities	-	91,456	133,443	31,949	2,703,505	2,960,353
Current portion of long-term liabilities	-	-	300,000	-	-	300,000
Bonds payable	-	-	-	7,600,000	1,300,000	8,900,000
Liabilities reserve - non-current	-	-	-	920	207,454	208,374
Lease liabilities - non-current	-	-	-	1,081,491	-	1,081,491
Other non-current liabilities	-	-	49	816,916	122,819	939,784
Total	$ 134,921,696	$ 107,028,318	$ 50,244,685	$ 24,628,899	$ 6,487,364	$ 323,310,962
Percentage	41.73%	33.10%	15.54%	7.62%	2.01%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

March 31, 2022	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	$ 204,407,236	$ 77,127,791	$ 65,458,846	$ 18,189,913	$ 16,378,320	$ 381,562,106
Cash outflow	134,921,696	107,028,318	50,244,685	24,628,899	6,487,364	323,310,962
Amount of cash flow gap	$ 69,485,540	$ (29,900,527)	$ 15,214,161	$ (6,438,986)	$ 9,890,956	$ 58,251,144

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

December 31, 2021	Collection Period					Total
	Spot	In 3 Months	3 Months- 12 Months	Over 1 Year- 5 Years	Over 5 Years	
Cash and cash equivalents	$ 7,999,949	$ 4,389,467	$ 3,282,265	$ -	$ -	$ 15,671,681
Financial assets measured at FVTPL - current	48,512,763	10,558,608	1,120,264	15,285,546	16,576	75,493,757
Financial assets measured at FVTOCI - current	19,417,648	3,077,052	9,083,339	-	-	31,578,039
Financial assets for hedging - current	-	(3,763)	(6,236)	15,424	3,615	9,040
Securities purchased under resell agreement	-	13,704,621	-	-	-	13,704,621
Receivables	38,197,819	16,993,054	31,517,587	26,034	-	86,734,494
Customer margin accounts	51,967,816	-	-	-	-	51,967,816
Stock borrowing collateral price and security lending deposits	5,030,428	27,643,869	8,616,952	-	-	41,291,249
Current tax assets	-	-	5,386	9,390	-	14,776
Other current assets	53,751,966	1,999,618	187,863	1,179	-	55,940,626
Financial assets measured at FVTPL - non-current	-	-	-	945,652	2,724,011	3,669,663
Financial assets measured at FVTOCI - non-current	-	-	-	-	6,938,113	6,938,113
Investments accounted for using the equity method	-	-	-	-	2,569,654	2,569,654
Other non-current assets	1,371	1,249	-	9,547	2,976,476	2,988,643
Total	$ 224,879,760	$ 78,363,775	$ 53,807,420	$ 16,292,772	$ 15,228,445	$ 388,572,172
Percentage	57.87%	20.17%	13.85%	4.19%	3.92%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2021	Payment Period					Total
	Spot	In 3 Months	3 Months- 12 Months	Over 1 Year- 5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 17,299,940	$ -	$ -	$ -	$ 17,299,940
Commercial paper payable	-	816,022	-	-	-	816,022
Financial liabilities measured at FVTPL - current	14,452,771	5,526,632	3,191,131	11,428,359	2,139,402	36,738,295
Bonds issued under repurchase agreements	-	59,125,161	-	-	-	59,125,161
Payables	64,569,956	2,291,779	4,834,787	-	-	71,696,522
Guarantee deposits received from security lending	-	12,939,668	34,479,842	-	-	47,419,510
Futures customers' equity	50,125,388	-	-	-	-	50,125,388
Amounts collected for others/other payables/other current liabilities	20,132,509	1,782,641	8,065,969	2,935	43	29,984,097
Other financial liabilities - current	-	3,231,447	412	792	1,781	3,234,432
Lease liabilities - current	-	84,650	215,996	-	-	300,646
Current tax liabilities	-	-	340,983	-	2,423,949	2,764,932
Current portion of long-term liabilities	-	-	300,000	-	-	300,000
Bonds payable	-	-	-	4,900,000	4,000,000	8,900,000
Liabilities reserve - non-current	-	-	-	920	205,941	206,861
Lease liabilities - non-current	-	-	-	936,351	-	936,351
Other non-current liabilities	-	-	49	1,008,028	65,337	1,073,414
Total	$ 149,280,624	$ 103,097,940	$ 51,429,169	$ 18,277,385	$ 8,836,453	$ 330,921,571
Percentage	45.11%	31.16%	15.54%	5.52%	2.67%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

December 31, 2021	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months- 12 Months	Over 1 Year- 5 Years	Over 5 Years	
Cash inflow	$ 224,879,760	$ 78,363,775	$ 53,807,420	$ 16,292,772	$ 15,228,445	$ 388,572,172
Cash outflow	149,280,624	103,097,940	51,429,169	18,277,385	8,836,453	330,921,571
Amount of cash flow gap	$ 75,599,136	$ (24,734,165)	$ 2,378,251	$ (1,984,613)	$ 6,391,992	$ 57,650,601

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

March 31, 2021	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	$ 7,523,466	$ 4,745,020	$ 4,034,269	$ -	$ -	$ 16,302,755
Financial assets measured at FVTPL - current	56,990,933	9,999,942	11,037,217	3,744,155	17,526	81,789,773
Financial assets measured at FVTOCI - current	16,668,116	4,704,859	363,839	-	-	21,736,814
Securities purchased under resell agreement	-	13,957,815	-	-	-	13,957,815
Receivables	64,824,844	5,992,621	25,369,645	2	-	96,187,112
Customer margin accounts	53,042,475	-	-	-	-	53,042,475
Stock borrowing collateral price and security lending deposits	9,983,098	4,437,749	27,250,803	-	-	41,671,650
Current tax assets	-	104	2,404	9,611	-	12,119
Other current assets	35,209,346	354,118	1,194,894	-	-	36,758,358
Financial assets measured at FVTPL - non-current	-	-	-	833,913	2,580,411	3,414,324
Financial assets measured at FVTOCI - non-current	-	-	-	-	7,910,959	7,910,959
Investments accounted for using the equity method	-	-	-	-	17,594,490	17,594,490
Other non-current assets	-	-	6,962	4,769	2,579,743	2,591,474
Total	$ 244,242,278	$ 44,192,228	$ 69,260,033	$ 4,592,450	$ 30,683,129	$ 392,970,118
Percentage	62.15%	11.25%	17.62%	1.17%	7.81%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

March 31, 2021	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 18,348,546	$ -	$ -	$ -	$ 18,348,546
Commercial paper payable	-	5,719,629	-	-	-	5,719,629
Financial liabilities measured at FVTPL - current	24,642,986	1,804,766	2,809,348	11,603,566	2,203,838	43,064,504
Bonds issued under repurchase agreements	-	66,704,896	3,206,647	-	-	69,911,543
Payables	80,538,609	1,951,420	2,844,145	-	-	85,334,174
Guarantee deposits received from security lending	-	5,029,172	36,792,197	-	-	41,821,369
Futures customers' equity	51,105,406	-	-	-	-	51,105,406
Amounts collected for others/other payables/other current liabilities	790,021	1,451,488	4,057,678	1,072	43	6,300,302
Other financial liabilities - current	-	3,019,782	395,261	1,311	1,866	3,418,220
Lease liabilities - current	-	127,943	303,061	-	-	431,004
Current tax liabilities	-	12,061	372,634	29,897	1,510,266	1,924,858
Bonds payable	-	-	-	2,900,000	1,300,000	4,200,000
Liabilities reserve - non-current	-	-	-	24,643	185,512	210,155
Lease liabilities - non-current	-	-	-	590,566	-	590,566
Other non-current liabilities	-	-	-	740,199	61,656	801,855
Total	$ 157,077,022	$ 104,169,703	$ 50,780,971	$ 15,891,254	$ 5,263,181	$333,182,131
Percentage	47.14%	31.27%	15.24%	4.77%	1.58%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

March 31, 2021	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	$ 244,242,278	$ 44,192,228	$ 69,260,033	$ 4,592,450	$ 30,683,129	$ 392,970,118
Cash outflow	157,077,022	104,169,703	50,780,971	15,891,254	5,263,181	333,182,131
Amount of cash flow gap	$ 87,165,256	$ (59,977,475)	$ 18,479,062	$ (11,298,804)	$ 25,419,948	$ 59,787,987

KGI Securities has established statement of capital liquidation gap to estimate how all financial assets and liabilities in future cash flows can affect KGI Securities and subsidiaries when it comes to fund dispatching. Cash flow gap statement from March 31, 2022, December 31, 2021 and March 31, 2021, show that the sums from deducting cash outflow from cash inflow are $58,251,144 thousand, $57,650,601 thousand and $59,787,987 thousand, respectively, all indicating sufficient fund liquidity.

Although an analysis of funds gap shows that the cash outflow during partial periods. Net cash inflow calculated from net spot financial assets are sufficient to cover the net cash outflows generated from subsequent periods, an indicator of sufficient fund liquidity.

2) Control mechanism of capital liquidity risk

The independent fund-dispatching department established by KGI Securities takes into consideration the needs of net cash flow and their timings from various departments and predicts future cash flows based on the requests submitted by departments with a need for funds. The department has also established a simulation analysis mechanism for capital flows after considering short-term capital dispatching in Taiwan as well as international or cross-market transactions in order to better predict futures needs of funds and set up contingency measures.

KGI Securities also offers suggestions over a secure amount of reserve fund and reports it to the RMC. The department reviews the standard amount of reserve capital and will take the following action if available capitals are below 120% of the safe reserve amount:

a) Except all due payments and those whose use of capital cannot be restricted due to the nature of their business, all the requests for capitals from all business departments need to be approved by the fund-dispatching department in order to maintain a safe amount of reserve capital.

b) Fund-dispatching department will propose contingency measures to the RMC, which includes disposal of low yield or unnecessary assets, expanding repurchase agreements with the Central Bank of Taiwan, financing from securities finance corporations or exploring other fund-raising methods that will increase available funds to KGI Securities.

CDIB Capital Group and subsidiaries

The management of liquidity risk is aimed to deal with financing CDIB Capital Group's operations and mitigate the effects of fluctuations in cash flows by monitoring and maintaining a level of cash and cash equivalents.

CDIB Capital Group's Management policies of liquidity risk are as follows:

1) Disposal of capital surplus should consider possible future capital requirements, diversification of capital sources and reasonable liquidity of liability structure.

2) Pursuant to liquidity risk control, CDIB Capital Group uses performance index of financial structure and dispatching of funds to set up a system to monitor daily funding gap.

As of March 31, 2022, December 31, 2021 and March 31, 2021, CDIB Capital Group and subsidiaries' other financial liabilities are $0 thousand, and will be paid by financial assets and the rest of non-derivative financial liabilities are $12,417,469 thousand, $5,539,589 thousand and $2,642,396 thousand, respectively, and are mainly all current liabilities.

China Life Insurance

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

China Life Insurance assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, China Life Insurance manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions with symmetric. To decentralize market risk when investment and to maintain investment each aspect (such as asset category, maturity, region, currency and tools) diversification. Planning emergency financing plan in order to assess how China Life Insurance in the long term illiquid environment still regularly operate to pay emergency and major funding requirements.

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

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

a) Financial assets held for managing liquidity risk

China Life Insurance holds cash, highly liquid and superior assets to deal with payment obligation and the potential urgent funds needs to dispatch in the market environment. Financial assets for managing liquidity risk are cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost, etc.

b) Maturity analysis of non-derivative financial liabilities

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

Non-derivative financial instruments

	March 31, 2022			
	In 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
Payables	$ 11,886,640	$ 64,677	$ -	$ 11,951,317
Bonds payable	-	-	10,000,000	10,000,000
Lease liabilities	142,134	403,148	3,558,323	4,103,605

	December 31, 2021			
	In 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
Payables	$ 13,110,913	$ 58,112	$ -	$ 13,169,025
Bonds payable	-	-	10,000,000	10,000,000
Lease liabilities	137,790	405,177	3,475,404	4,018,371

	March 31, 2021			
	In 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
Payables	$ 21,269,104	$ 37,933	$ -	$ 21,307,037
Bonds payable	-	-	10,000,000	10,000,000
Lease liabilities	131,446	357,067	3,502,365	3,990,878

c) Maturity analysis of derivative financial liabilities

China Life Insurance operates derivatives including foreign exchange derivative instruments (such as currency forward contracts, foreign exchange forward).

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

China Life Insurance's maturity structure of derivative financial liabilities is as follows:

	March 31, 2022				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 13,038,384	$ 6,430,616	$ 2,153,900	$ -	$ 21,622,900

	December 31, 2021				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 587,924	$ 231,997	$ 161,097	$ -	$ 981,018

	March 31, 2021				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 6,169,893	$ 712,980	$ 3,299,124	$ -	$ 10,181,997

d. Market risk

KGI Bank and subsidiaries

1) Source and definition of market risk

Market risk is defined as an unfavorable change in macroeconomic and financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss on financial assets held for trading.

2) Risk management policies

In order to have a common-language of market risk management, definition, communication and measurement, then comply with the requirements of the governing authorities, KGI Bank has developed "Market Risk Management Standard" based on Regulations Governing the Capital Adequacy Ratio of Banks (the CAR Regulations) related market risk calculation tables announced by the FSC, international standards, and CDFH's market risk management policy framework.

The "Market Risk Policy" is applicable to "Trading Book" positions defined by the Regulations Governing the Capital Adequacy Ratio of the KGI Bank related market risk calculation tables and the KGI Bank's book management approach to financial instrument handling.

Following the "Market Risk Policy", the KGI Bank sets up the "Market Risk Management Procedure to Trading Activities" to manage market risk throughout the Firm. This procedure includes risk identification and assessment, risk measurement, risk monitoring and response, risk reporting and contingency management processes.

3) The procedure of market risk measuring, monitoring, and reporting

The KGI Bank's market risk limits include position sensitivities, stop-loss limits, Value-at-Risk (VaR).

Risk factors analyzed through the KGI Bank's risk measurement systems are sufficient to determine all market risks of trading positions on balance sheet, including interest rates risk, foreign exchange risk, equity risk and commodity risk, as well as volatility risks which arise out of the option transactions.

The KGI Bank's market risk report includes profit or loss on trading positions, limits usage, stress testing, trading portfolio risk assessment, as well as significant exception if any.

The risk management unit of the KGI Bank independently performs daily market risk limit controls, and monthly reports to both the Risk Management Committee and Risk Management Committee of parent company, CDFH. Besides, the above reports are regularly presented to the Board for reference.

4) Mitigation of risks or hedging of market risk

The KGI Bank's market risk positions or hedging positions are marked to market on a daily base through techniques such as model evaluation. All market parameters are updated at least daily in accordance with changes in market conditions to conduct value assessment of products. Market Risk Limits are reviewed and controlled based on the revaluation results of traders' position risk value, position sensitivity and profit and loss figure on the daily basis.

5) Valuation techniques of market risk

The KGI Bank uses the VaR model and stress testing to evaluate the potential and extreme risk of trading portfolios. Through variations of the assumptions on market conditions, these techniques can be used to assess the market risk of positions held and the maximum expected loss.

VaR is calculated using a one-day time horizon with a 95% confidence level.

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2022			For the Year Ended December 31, 2021			For the Three Months Ended March 31, 2021		
	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest
Interest rate risk	$ 48,812	$ 89,831	$ 22,496	$ 60,783	$ 141,061	$ 13,163	$ 36,896	$ 70,433	$ 13,163
Equity risk	6,014	14,693	917	9,335	19,006	-	13,191	18,980	4,101
Exchange rate risk	19,938	36,355	5,344	3,339	15,981	1,547	3,844	6,605	2,021

6) Interest rate risk in banking book

The scope of interest rate risk in banking book includes interest rate sensitivity of assets and liabilities, but do not include risk management of trading book. Interest rate risk in banking book measures the adverse effects on net interest income of assets, liabilities and off-balance sheet as a result of adverse fluctuations in interest. Risk assessment not only builds the sensitivity gap between assets and liabilities, but also quantifies through the dimension of retained earnings and economic value perspectives.

7) Interest rate risk management of the banking book

The interest rate risk management strategy involving the Bank's banking book is to minimize the negative impact of changes in interest rates on net interest income and the net economic value of equity. The asset-liability management committee (ALMCO) approves the annual banking book interest rate risk limits and monitors the Bank's interest rate risk exposures every day. The interest rate risk management processes involving the banking book include risk identification, risk measurement, risk control, risk monitor and others. The unit monitoring the banking book interest rate risk reports interest rate risk exposures regularly to ALMCO, and adjust the structure of assets and liabilities according to the report, lowering the amount of exposure. For risk monitoring, the asset and liability management system outputs an analysis report, which is provided to the interest rate risk execution unit and top management. If risk missing or excess of limit occurred from monitor, written notices will be passed to interest rate risk implementation units to adjust and improve the program reported to ALMCO.

8) The effect of interest rate benchmark reform

KGI Bank is exposed to USD LIBOR which is subject to interest rate benchmark reform. The exposures arise on derivatives and non-derivative financial assets and liabilities. SOFR (Secured Overnight Financing Rate) is expected to replace USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is "forward looking", which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a "backward-looking" rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

KGI Bank has established a LIBOR conversion task force, is responsible for promoting cross-departmental conversion work, drafting conversion plans and time schedule planning, conducting impact assessments. This task force also focuses on product conversion business strategy adjustments, customer communication, system, operating process changes, evaluation, risk models, financial reports and tax implications. This task force reports to the Risk Management Committee and the Board of Directors on the implementation situation quarterly, completes the identification of the information system and internal processes that affect the risk, and take inventory and analysis of the affected areas of risk. Before the cessation of LIBOR, the task force will be based on the regulations of the standard setter, market participants and the competent authority, and continue to adjust related systems, methods and procedures to meet the requirements of the new benchmark interest rate.

Risks arising from the transition relate principally to the potential impact of interest rate basis risk. If the bilateral negotiations with KGI Bank's counterparties are not successfully concluded before the cessation of LIBOR, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into.

The following table contains details of all of the financial instruments held by KGI Bank at March 31, 2022 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

Non-derivative Financial Instrument	**Financial Assets**
USD LIBOR	$ 48,062,087
Others LIBOR	5,664,751
	$ 53,726,838

Derivative Financial Instrument	Nominal Principal
USD LIBOR	$ 160,747,335

9) Concentration of currency risk information

The financial assets and liabilities denominated in foreign currency and with material influence on KGI Bank and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2022		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 5,831,233	28.62	$ 166,901,560
HKD	3,996,783	3.66	14,612,240
EUR	384,539	31.91	12,270,635
ZAR	4,334,222	1.98	8,590,429
CNY	1,591,987	4.51	7,174,130
JPY	12,143,347	0.24	2,854,901
GBP	45,837	37.59	1,723,028
AUD	59,122	21.42	1,266,392
SGD	18,982	21.16	401,649
THB	188,421	0.86	162,042
CAD	4,504	22.87	103,017
Investments accounted for using the equity method			
CNY	962,460	4.51	4,337,228
Financial liabilities			
Monetary items			
USD	7,428,246	28.62	212,611,267
CNY	3,744,735	4.51	16,875,275
EUR	167,211	31.91	5,335,715
ZAR	2,086,661	1.98	4,135,763
JPY	6,698,928	0.24	1,574,918
AUD	68,837	21.42	1,474,479
HKD	161,599	3.66	590,805
THB	238,880	0.86	205,437
SGD	8,024	21.16	169,778
GBP	4,199	37.59	157,847
NZD	6,322	19.89	125,745
CAD	4,463	22.87	102,079

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2021		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 5,805,963	27.69	$ 160,767,123
EUR	401,065	31.32	12,561,369
HKD	3,449,824	3.55	12,250,326
ZAR	4,765,944	1.73	8,264,148
CNY	1,367,024	4.35	5,941,498
JPY	12,931,061	0.24	3,109,920
AUD	59,310	20.09	1,191,530
GBP	26,705	37.30	996,107
SGD	19,146	20.46	391,732
Investments accounted for using the equity method			
CNY	946,428	4.35	4,113,459
<u>Financial liabilities</u>			
Monetary items			
USD	7,900,722	27.69	218,771,002
CNY	3,514,926	4.35	15,276,923
EUR	187,337	31.32	5,867,383
ZAR	2,009,704	1.73	3,484,827
HKD	427,923	3.55	1,519,555
JPY	6,093,136	0.24	1,465,399
AUD	69,078	20.09	1,387,769
GBP	5,805	37.30	216,523
SGD	7,475	20.46	152,937
NZD	6,565	18.89	124,010
CAD	4,815	21.63	104,140

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2021		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 7,372,286	28.53	$ 210,338,702
EUR	725,428	33.47	24,280,079
HKD	2,715,459	3.67	9,965,733
ZAR	3,597,555	1.92	6,907,305
CNY	1,290,350	4.34	5,604,505
JPY	8,947,828	0.26	2,305,855
GBP	28,161	39.20	1,103,914
AUD	49,669	21.71	1,078,314
SGD	17,043	21.20	361,307
CAD	6,024	22.64	136,373
Investments accounted for using the equity method			
CNY	200,366	4.34	870,270
Financial liabilities			
Monetary items			
USD	8,501,910	28.53	242,568,002
CNY	2,872,129	4.34	12,474,803
EUR	359,762	33.47	12,041,242
ZAR	2,348,435	1.92	4,508,996
JPY	5,997,830	0.26	1,545,641
AUD	70,276	21.71	1,525,683
HKD	119,738	3.67	439,439
GBP	4,968	39.20	194,727
NZD	7,544	19.94	150,430
SGD	6,230	21.20	132,068

10) Disclosure required by the Regulations Governing the Preparation of Financial Reports by Public Banks.

a) Analysis of KGI Bank’s interest rate-sensitive assets and liabilities (New Taiwan dollars)

March 31, 2022

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 337,900,038	$ 29,804,877	$ 17,660,520	$ 76,278,594	$ 461,644,029
Interest rate-sensitive liabilities	164,286,751	171,204,959	26,792,805	27,749,446	390,033,961
Interest rate sensitivity gap	173,613,287	(141,400,082)	(9,132,285)	48,529,148	71,610,068
Net worth					65,519,885
Ratio of interest rate-sensitive assets to liabilities (%)					118.36
Ratio of interest rate-sensitive gap to net worth (%)					109.30

March 31, 2021

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 329,843,203	$ 31,324,100	$ 22,154,438	$ 72,644,464	$ 455,966,205
Interest rate-sensitive liabilities	179,141,365	159,609,914	32,540,643	27,597,847	398,889,769
Interest rate sensitivity gap	150,701,838	(128,285,814)	(10,386,205)	45,046,617	57,076,436
Net worth					66,453,346
Ratio of interest rate-sensitive assets to liabilities (%)					114.31
Ratio of interest rate-sensitive gap to net worth (%)					85.89

Note 1: The above amounts included only New Taiwan dollar amounts held by KGI Bank excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities in New Taiwan dollars).

b) Analysis of KGI Bank’s interest rate-sensitive assets and liabilities (U.S. dollars)

March 31, 2022

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 2,472,046	$ 254,799	$ 145,561	$ 2,397,159	$ 5,269,565
Interest rate-sensitive liabilities	5,490,115	1,009,480	277,131	366,278	7,143,004
Interest rate sensitivity gap	(3,018,069)	(754,681)	(131,570)	2,030,881	(1,873,439)
Net worth					(14,885)
Ratio of interest rate-sensitive assets to liabilities (%)					73.77
Ratio of interest rate-sensitive gap to net worth (%)					-

March 31, 2021

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 3,172,803	$ 183,626	$ 81,646	$ 2,265,052	$ 5,703,127
Interest rate-sensitive liabilities	5,673,539	621,695	201,350	384,875	6,881,459
Interest rate sensitivity gap	(2,500,736)	(438,069)	(119,704)	1,880,177	(1,178,332)
Net worth					15,358
Ratio of interest rate-sensitive assets to liabilities (%)					82.88
Ratio of interest rate-sensitive gap to net worth (%)					(7,672.43)

Note 1: The above amounts included only U.S. dollars amounts held by KGI Bank, excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities in U.S. dollars).

KGI Securities and subsidiaries

Market risk is the risk of potential loss or change in valuation for securities or financial products that KGI Securities and subsidiaries hold due to the fluctuations of the market risk factors. Such factors include interest rates (including credit spread) and risk of equity securities and exchange rates and commodity risk.

KGI Securities and subsidiaries utilize risk factor sensitivity and value at risk to measure and contain market risks. KGI Securities and subsidiaries also holds regular stress test to help the management understand the estimated influence on the income of investment portfolio under potential extreme events or circumstances.

1) Risk factor sensitivity

   Using product identification and analysis procedure held by KGI Securities, the corresponding market risk factor can be determined. Individual risk factor’s entire exposure can be measured by observing how the value of a financial instrument changes as each risk factor changes. KGI Securities and subsidiaries monitor the following risk factor sensitivities:

   a) Interest rate risk sensitivity: Measured by the change of present value of future cash flows of the measured holding with each yield curve or credit spread moved 0.01% horizontally.

   b) Equity securities risk sensitivity: Measured by the change of the value of investment portfolio with the price of the underlying assets linked to the equity securities (as the potential loss amount given that the TAIEX and stock of respective companies drop 1%), which could divided into two types by distribution of financial instrument:

      i. Equity delta: Measured by the change of present value of stock with the price of the underlying assets linked to the equity securities. (As the potential loss amount given that the TAIEX and stock of respective companies drop 1%).

      ii. Debt delta: Measured by the change of present value of bond with the price of the underlying assets linked to the debt securities. (As the potential loss amount given that the beneficiary certificates and funds, included preferred stocks and bond ETF drop 1%).

   c) Exchange rate risk sensitivity: Measured by the change of present values of corresponding holdings of currencies with exchange rate for each currency (as the potential loss amount given that the foreign currencies depreciate 1% against NTD).

   d) Commodity risk sensitivity: Measured by the change of present values of corresponding holdings of currencies with commodity for each currency (as the potential loss amount given that commodity currencies depreciate 1% against NTD).

The risk sensitivities in the portfolio held by KGI Securities and subsidiaries are as follows:

Comparisons of Risk Sensitive Factors

(In Thousands of New Taiwan Dollars)

Risk Sensitivity	March 31, 2022	December 31, 2021	March 31, 2021
Interest rate risk	$ 480	$ 468	$ 4,203
Equity securities risk			
Equity delta	5,392,042	7,657,464	8,825,946
Debt delta	1,154,619	2,382,439	1,673,154
Exchange rate risk	5,414,845	5,842,599	4,777,315
Commodity risk	14,737	(31,232)	(22,080)

2) Value at risk

Value at risk ("VAR") is a statistical measurement used to measure the maximum potential loss of a portfolio in a certain future time horizon and confidence level. KGI Securities and subsidiaries uses parametric in estimating a value at risk at 99% of confidence interval at duration of 1 day. This means that among 100 trading days, 1 trading day might see the loss of the positions exceeding the value at risk estimated the day before. KGI Securities and subsidiaries continue to conduct backtesting daily to ensure the effectiveness of the estimations made by the risk value model.

The comparison of risk value in the trading portfolio held by KGI Securities and subsidiaries were as follows:

	For the Three Months Ended March 31, 2022			March 31, 2022
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	$ 148,454	$ 92,083	$ 329,324	$ 156,221
Interest rate	203,394	154,136	267,544	216,481
Exchange rate	71,949	55,058	101,868	99,035
Commodity	8,269	2,885	15,100	11,189

	For the Three Months Ended March 31, 2021			March 31, 2021
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	$ 183,849	$ 134,668	$ 246,530	$ 227,878
Interest rate	180,234	123,656	265,975	129,025
Exchange rate	42,805	19,330	62,408	53,249
Commodity	69,364	24,071	139,868	133,956

3) Stress test

Stress test is one of the tools for risk management. It mainly evaluates the effects extreme changes in market risk factors in an investment portfolio to help KGI Securities' board of directors and management understand how potential extreme incidents can affect the market risk sensitivity and the profit/loss of an investment portfolio.

The main methods of stress test are historic analysis and hypothetical scenarios analysis. The results will be regularly reported to the risk management committee and the board of directors of KGI Securities.

4) The effect of interest rate benchmark reform

KGI Securities and subsidiaries assessed that when the interest rate index does not exist, updating the effective interest rate to reflect the change in the alternative index interest rate. The interest rate change does not have a significant impact on KGI Securities and subsidiaries. KGI Securities and subsidiaries will continue to evaluate the effect and development of interest rate benchmark reform.

The following table contains details of all of the financial instruments held by KGI Securities and subsidiaries at March 31, 2022 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

	Carrying Amount	
	Financial Assets	**Financial Liabilities**
Non-derivative financial instrument		
USD LIBOR	$ 467,007	$ -
CNY HIBOR	-	1,604,845
Others LIBOR	318,799	1,029,500
Derivative financial instrument		
USD LIBOR	406,209	1,108,362
CNY HIBOR	10	45
	$ 1,192,025	$ 3,742,752

	Nominal Principal	
	Financial Assets	**Financial Liabilities**
Derivative instrument		
USD LIBOR	$ 14,422,626	$ 21,732,685
CNY HIBOR	2,862,200	2,862,200
	$ 17,284,826	$ 24,594,885

5) Foreign currency exchange rate of financial assets and liabilities information

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2022		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 3,477,341	28.62	$ 99,529,445
EUR	504,825	31.91	16,108,982
CNY	248,148	4.51	1,118,254
HKD	156,864	3.66	573,496
JPY	1,155,354	0.24	271,795
AUD	7,865	21.42	168,477
Nonmonetary items			
USD	1,929,994	28.62	55,238,952
CNY	364,960	4.51	1,644,656
Investments accounted for using the equity method			
USD	95,811	28.62	2,742,315
<u>Financial liabilities</u>			
Monetary items			
USD	5,657,799	28.62	161,938,539
EUR	502,780	31.91	16,043,712
CNY	119,848	4.51	540,082
HKD	105,575	3.66	385,981
JPY	999,592	0.24	235,174
AUD	6,370	21.42	136,444
Nonmonetary items			
USD	631,718	28.62	18,081,035

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2021		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 2,971,630	27.69	$ 82,280,789
EUR	501,987	31.32	15,722,244
HKD	146,831	3.55	521,310
JPY	1,072,467	0.24	257,928
CNY	51,371	4.35	223,271
AUD	6,583	20.08	132,203
Nonmonetary items			
USD	1,855,880	27.69	51,387,965
CNY	737,953	4.35	3,207,366
Investments accounted for using the equity method			
USD	92,750	27.69	2,568,241
<u>Financial liabilities</u>			
Monetary items			
USD	5,381,676	27.69	149,014,953
EUR	501,264	31.32	15,699,574
HKD	80,840	3.55	286,976
JPY	903,000	0.24	217,171
CNY	26,665	4.35	115,893
AUD	5,150	20.08	103,417
Nonmonetary items			
USD	520,770	27.69	14,420,119

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2021		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 3,106,087	28.53	$ 88,621,973
EUR	621,094	33.47	20,788,022
HKD	214,452	3.67	787,038
CNY	105,850	4.34	459,750
JPY	1,370,447	0.26	353,169
AUD	7,764	21.71	168,566
Nonmonetary items			
USD	2,001,651	28.53	57,109,118
CNY	654,204	4.34	2,841,468
Investments accounted for using the equity method			
USD	89,824	28.53	2,562,759
<u>Financial liabilities</u>			
Monetary items			
USD	5,512,514	28.53	157,279,682
EUR	619,727	33.47	20,742,264
CNY	208,072	4.34	903,740
HKD	149,149	3.67	547,376
JPY	1,190,622	0.26	306,823
AUD	12,378	21.71	268,727
Nonmonetary items			
USD	440,456	28.53	12,566,646

CDIB Capital Group and subsidiaries

Market risk is defined as an unfavorable change in financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss on financial assets held for trading. Market risk as explained as follows:

1) Exchange rate risk

The financial assets and liabilities denominated in foreign currency and with material influence on CDIB Capital Group and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2022		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 133,564	28.622	$ 3,822,874
CNY	598,304	4.506	2,696,196
KRW	22,140,264	0.024	523,108
Nonmonetary items			
USD	334,649	28.622	9,578,338
CNY	139,069	4.506	626,701
GBP	5,261	37.590	197,758
KRW	6,079,691	0.024	143,645
Investment accounted for using the equity method			
USD	77,213	28.622	2,209,983
CNY	422,054	4.506	1,901,775
Financial liabilities			
Monetary items			
CNY	313,990	4.506	1,414,966
USD	6,705	28.622	191,908

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2021		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 242,417	27.690	$ 6,712,539
CNY	273,438	4.346	1,188,445
KRW	22,125,934	0.023	515,291
Nonmonetary items			
USD	315,588	27.690	8,738,623
CNY	129,189	4.346	561,495
KRW	5,756,891	0.023	134,072
Investment accounted for using the equity method			
USD	76,871	27.690	2,128,572
CNY	438,997	4.346	1,907,879
Financial liabilities			
Monetary items			
CNY	317,003	4.346	1,377,790
USD	34,300	27.690	949,764

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2021		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 184,333	28.531	$ 5,259,199
CNY	585,228	4.343	2,541,879
KRW	21,571,717	0.025	544,103
HKD	31,972	3.670	117,336
Nonmonetary items			
USD	317,073	28.531	9,046,403
KRW	5,127,585	0.025	129,333
THB	131,892	0.910	120,022
Investment accounted for using the equity method			
CNY	448,435	4.343	1,947,555
USD	81,876	28.531	2,336,007
Financial liabilities			
Monetary items			
CNY	313,349	4.343	1,360,998

Sensitivity analysis

The following table details CDIB Capital Group and subsidiaries' sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease (increase) in pre-tax profit (loss) associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss), and the balances below would be negative.

	Impact on Profit or Loss For the Three Months Ended March 31	
	2022	**2021**
Monetary items		
USD	$ 36,310	$ 52,222
CNY	12,812	11,809
KRW	5,231	5,441
HKD	172	1,039

2) Interest rate risk

The primary financial assets of CDIB Capital Group and subsidiaries with exposure to interest rates as of March 31, 2022, December 31, 2021 and March 31, 2021 were cash in banks. Management believes that interest rate changes would have been no significant effect on CDIB Capital Group and subsidiaries.

3) Other price risk

CDIB Capital Group and subsidiaries were exposed to equity price risk through its investments in principal investment business. CDIB Capital Group manages this exposure by setting risk acceptance limitation concerning industry, country, affiliated groups, and the same group.

If equity prices had been 1% higher/lower, the post-tax income for the three months ended March 31, 2022 and 2021 would increase/decrease by $172,349 thousand and $148,602 thousand, respectively as a result of the changes in fair value of financial assets at fair value through profit or loss.

4) The effect of interest rate benchmark reform

Changes in interest rate indicators mainly expose CDIB Capital Group and subsidiaries to basic interest rate risks. CDIB Capital Group and subsidiaries will complete the contract modification negotiation with the counterparty of the financial instrument before LIBOR exits, so as to reduce the significant uncertainty of the interest rate base applicable to the financial instrument in the future, and trigger the unexpected interest rate risk insurance of CDIB Capital Group and subsidiaries.

The following table contains details of all the financial instruments held by CDIB Group and subsidiaries at March 31, 2022 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

	Financial Liabilities
Non-derivative financial instrument	
USD Libor	$ 5,700

China Life Insurance

1) Market risk analysis

Market risk refers to financial assets and liabilities due to market risk factors volatility, making the change of the value to cause the risk of loss.

China Life Insurance has built value at risk (VaR) model. All financial assets involve market risks regularly monitor by risk management system and calculate the VaR. Risk control indices are notional amount and VaR. It will issue risk management reports and execute routine control and process when over limit. We also report VaR, the use of risk limits and the results of backtesting regularly to the board of directors or risk management committee.

2) Exchange rate risk

China Life Insurance's exchange rate risk is primarily related to foreign currency assets and foreign currency liabilities in its accounts. If the foreign currency assets and foreign currency liabilities are part of the same currency, it will have a natural hedging effect, and the remaining parts may have the risk of value changes due to the exchange rate changes. China Life primarily uses foreign exchange and foreign exchange derivatives to avoid exchange rate risks, and controls it in accordance with relevant laws and requirements for internal control.

3) Interest rate risk

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

4) Equity price risk

China Life Insurance holds equity securities of listed and unlisted companies, and OTC-traded and non-OTC traded companies. The price of such equity securities will be affected by uncertainties about the future value of the underlying investment. China Life Insurance diversified its investment and set investment limits for a single equity security to manage price risk of equity securities. Portfolio information of equity securities is required to be regularly reported to senior executives of China Life Insurance. The Board of Directors should authorize the senior executives to review and approve the equity securities of all investment decisions.

5) Value at risk

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

VaR model must be able to reasonably and appropriately measure the maximum potential risk of financial instruments and investment portfolio. VaR model used to manage risk must perform model validation and backtesting to show that the model can reasonably and effectively measure the maximum potential risks of the financial instruments or investment portfolio.

6) Stress testing

China Life Insurance measures and evaluates potential risks of the occurrence of extreme and abnormal events regularly in addition to Value at Risk models. Stress testing measures the potential impact on the value of the investment portfolio when extreme fluctuations of financial variables occur.

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

a) Simple sensitivity

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

b) Scenario analysis

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

i. Historical scenario:

Adding fluctuating risk factors to a specific historical event, China Life Insurance simulates what the dollar amount of losses for the current investment portfolio would be in the same period of time.

ii. Hypothetical scenario:

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

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

Summary of Factor Sensitivity Analysis
March 31, 2022

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 3,030,268
Interest rate risk (yield curve)	+1BP	-	(301,233)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(1,745,211)	(1,147,838)

December 31, 2021

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 3,109,639
Interest rate risk (yield curve)	+1BP	-	(407,349)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(2,458,398)	(1,060,788)

March 31, 2021

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 3,006,006
Interest rate risk (yield curve)	+1BP	-	(583,694)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(2,523,495)	(941,634)

7) The effect of interest rate benchmark reform

China Life evaluated the impact on the Corporation's exposure positions based on the content of changes in international interest rate indicators. As of the end of March 2022, the book value of China Life's affected bonds was $27,461,333 thousand, and there are backups in the prospectus of these bonds. Terms, so when the interest rate indicator does not exist, there are still alternative ways to continue to accrue interest. The interest rate changes have not had a significant impact on China Life. China Life will continue to pay attention to the changes and development of international interest rate indicators.

8) China Life Insurance's foreign currency financial assets and liabilities with significant influence as of March 31, 2022, December 31, 2021 and March 31, 2021 are as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2022		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 43,505,456	28.6220	$ 1,245,213,175
AUD	5,040,094	21.4178	107,947,725
Non-monetary items			
USD	3,326,426	28.6220	95,208,970
Financial labilities			
Monetary items			
USD	10,116	28.6220	289,531

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2021		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 43,195,379	27.6900	$ 1,196,080,037
AUD	5,204,421	20.0891	104,552,135
Non-monetary items			
USD	3,237,451	27.6900	89,645,006
Financial labilities			
Monetary items			
USD	66,234	27.6900	1,834,010

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2021		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 42,165,217	28.5310	$ 1,203,015,820
AUD	4,571,331	21.7092	99,239,941
Non-monetary items			
USD	2,582,151	28.5310	73,671,339
Financial labilities			
Monetary items			
USD	206,803	28.5310	5,900,295

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

e. Transfers of financial assets

KGI Bank and subsidiaries

Transferred financial assets not qualifying for full derecognition

Among daily operations of KGI Bank, most of the transactions of transferred financial assets not qualifying for full derecognition are debt securities under repurchase agreements. As KGI Bank’s right to receive cash flows of the financial assets transferred to the counterparties, and reflecting the obligation to repurchase the transferred financial assets for a fixed price at a future date, the transferred financial assets cannot be used, sold or pledged in the duration of the transaction. KGI Bank does not derecognize it entirely because KGI Bank remains exposed to interest rate risk and credit risk on these pledged instruments.

Related information of financial assets and liabilities not qualifying for full derecognition was listed below:

March 31, 2022					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	$ 2,763,654	$ 2,180,297	$ 2,725,155	$ 2,180,297	$ 544,858
Financial assets at FVTPL	3,315,609	3,159,444	3,315,609	3,159,444	156,165
Financial assets at FVTOCI	61,568,477	60,507,374	61,568,477	60,507,374	1,061,103

December 31, 2021					
Category	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Fair Value of Net Position**
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	$ 276,830	$ 263,055	$ 276,900	$ 263,055	$ 13,845
Financial assets at FVTOCI	44,159,962	42,518,114	44,159,962	42,518,114	1,641,848

March 31, 2021					
Category	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Fair Value of Net Position**
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	$ 285,238	$ 271,044	$ 285,310	$ 271,044	$ 14,266
Financial assets at FVTPL	159,544	155,377	159,544	155,377	4,167
Financial assets at FVTOCI	64,395,626	62,279,233	64,395,626	62,279,233	2,116,393

KGI Securities and subsidiaries

1) Transferred financial assets not qualifying for full derecognition

Among daily operations of KGI Securities and subsidiaries, most of the transactions of transferred financial assets not qualifying for full derecognition are debt securities held by counterparties as collateral under repurchase agreements or equity securities lent under securities lending agreements. As the substance of these transactions is secured borrowing, securities that has transferred to counterparties during the transaction causes KGI Securities and subsidiaries' right to receive cash flows of the financial assets transferred to the counterparties; KGI Securities and subsidiaries only recognized related liabilities reflecting the obligation to repurchase the transferred financial assets at a fixed price in the future, and the transferred financial assets cannot be used, sold or pledged in the duration of the transaction. KGI Securities and subsidiaries do not derecognize it entirely because KGI Securities and subsidiaries remain exposed to interest rate risk, credit risk and market risk on these pledged instruments.

Related information of financial assets and liabilities not qualifying for full derecognition was listed below:

March 31, 2022					
Category	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Fair Value of Net Position**
Financial assets at FVTPL					
Transactions with agreements	$ 20,837,502	$ 19,817,251	$ 20,837,502	$ 19,817,251	$ 1,020,251
Financial assets at FVTOCI					
Transactions with agreements	23,196,870	21,703,314	23,196,870	21,703,314	1,493,556
Financial assets at amortized cost					
Transactions with agreements	7,823,831	7,843,793	7,823,831	7,843,793	(19,962)

December 31, 2021					
Category	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Net Position of Fair Value**
Financial assets at FVTPL					
Transactions with agreements	$ 18,189,125	$ 17,202,391	$ 18,189,125	$ 17,202,391	$ 986,734
Financial assets at FVTOCI					
Transactions with agreements	21,854,379	20,308,801	21,854,379	20,308,801	1,545,578
Financial assets at amortized cost					
Transactions with agreements	6,893,729	6,925,288	6,893,729	6,925,288	(31,559)

March 31, 2021					
Category	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Fair Value of Net Position**
Financial assets at FVTPL					
Transactions with agreements	$ 24,861,613	$ 23,493,894	$ 24,861,613	$ 23,493,894	$ 1,367,719
Financial assets at FVTOCI					
Transactions with agreements	20,980,392	19,817,172	20,980,392	19,817,172	1,163,220
Financial assets at amortized cost					
Transactions with agreements	8,746,118	8,821,875	8,746,118	8,821,875	(75,757)

2) Transferred financial assets qualifying for full derecognition

KGI Securities uses convertible bonds acquired by an underwriter or dealer as the trading object of the asset swap transaction, then KGI Securities receives consideration by selling it, and exchange interests arise from convertible bonds for compensation interests according to the contracts, and has the right to redeem the bonds at any time before the maturity date. KGI Securities does not retain the control over the transferred assets and derecognizes them since counterparties have the ability to sell financial assets to third party and no restrictions will be made to counterparties. KGI Securities still retain the call option of the object, and the maximum exposure of the loss is the book value of the pledged instruments.

Related information of transferred financial assets and liabilities qualifying for full derecognition are as follows:

Period	**Types of Continuing Involvement**	**Outflows of Repurchased Transferred (Derecognized) Financial Assets**	**Book Value of Continuing Involvement in the Balance Sheet**	**Fair Value of Continuing Involvement**		**Maximum of Loss Exposure**
			Financial Assets at FVTPL	**Assets**	**Liabilities**	
March 31, 2022	Call option	$ 9,531,100	$ 2,093,343	$ 2,093,343	$ -	$ 2,093,343
December 31, 2021	Call option	9,888,800	2,500,689	2,500,689	-	2,500,689
March 31, 2021	Call option	9,306,500	1,723,511	1,723,511	-	1,723,511

The following table is repurchased transferred (derecognized) financial assets' undiscounted cash flow maturity analysis. Information of cash flow is disclosed according to the circumstances of every balance sheet day.

Period	**Types of Continuing Involvement**	**Spot**	**3 Months**	**3-12 Months**	**1-5 Years**	**Over 5 Years**	**Total**
March 31, 2022	Call option	$ -	$ 11,000	$ 1,161,700	$ 8,358,400	$ -	$ 9,531,100
December 31, 2021	Call option	-	443,200	1,912,400	7,533,200	-	9,888,800
March 31, 2021	Call option	-	419,000	2,079,900	6,807,600	-	9,306,500

The following table shows gains or losses recognized from continuing involvement - call option at the assets transferred day, continuing involvement of derecognized financial assets until balance sheet day and revenues and expenses recognized during the period.

Period	Types of Continuing Involvement	Gains or Losses Recognized at Balance Sheet Day	Revenues or Expenses Recognized from Continuing Involvement of Derecognized Financial Assets Until Balance Sheet Day	Revenues or Expenses Recognized During the Period
March 31, 2022	Call option	$ (18,651)	$ 413,139	$ 394,488
December 31, 2021	Call option	(83,086)	825,680	742,594
March 31, 2021	Call option	53,847	451,061	504,908

f. Offsetting financial assets and financial liabilities

<u>KGI Bank and subsidiaries</u>

KGI Bank and subsidiaries have enforceable master netting arrangements or similar agreements signed with counterparty, and the financial assets and financial liabilities can be offset when both sides of the transaction have decided to, but gross settlements if have not. One can choose net settlement if the other side of the transaction is in the breach of contract.

Related information of offsetting financial assets and financial liabilities were as follows:

March 31, 2022						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Securities purchased under resell agreements	$ 10,034,400	$ -	$ 10,034,400	$ 10,005,778	$ 28,622	$ -
Derivative instruments (Note 2)	24,302,651	-	24,302,651	7,521,201	1,034,177	15,747,273
Total	$ 34,337,051	$ -	$ 34,337,051	$ 17,526,979	$ 1,062,799	$ 15,747,273

March 31, 2022						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Pledged**	
Notes and bonds purchased under repurchase agreements	$ 65,847,115	$ -	$ 65,847,115	$ 64,079,130	$ 1,767,985	$ -
Derivative instruments (Note 2)	23,456,274	-	23,456,274	7,521,201	5,727,835	10,207,238
Total	$ 89,303,389	$ -	$ 89,303,389	$ 71,600,331	$ 7,495,820	$ 10,207,238

December 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Received**	
Securities purchased under resell agreements	$ 3,609,158	$ -	$ 3,609,158	$ 3,562,085	$ 47,073	$ -
Derivative instruments (Note 2)	10,239,891	-	10,239,891	2,900,954	2,831,422	4,507,515
Total	$ 13,849,049	$ -	$ 13,849,049	$ 6,463,039	$ 2,878,495	$ 4,507,515

December 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Pledged**	
Notes and bonds purchased under repurchase agreements	$ 42,781,169	$ -	$ 42,781,169	$ 42,719,476	$ 61,693	$ -
Derivative instruments (Note 2)	10,026,329	-	10,026,329	2,900,954	2,157,605	4,967,770
Total	$ 52,807,498	$ -	$ 52,807,498	$ 45,620,430	$ 2,219,298	$ 4,967,770

March 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Received**	
Securities purchased under resell agreements	$ 16,703,083	$ -	$ 16,703,083	$ 16,674,552	$ 28,531	$ -
Derivative instruments (Note 2)	37,402,267	-	37,402,267	10,239,194	3,282,142	23,880,931
Total	$ 54,105,350	$ -	$ 54,105,350	$ 26,913,746	$ 3,310,673	$ 23,880,931

March 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Pledged**	
Notes and bonds purchased under repurchase agreements	$ 62,705,654	$ -	$ 62,705,654	$ 61,990,588	$ 715,066	$ -
Derivative instruments (Note 2)	39,245,627	-	39,245,627	10,239,194	7,244,376	21,762,057
Total	$ 101,951,281	$ -	$ 101,951,281	$ 72,229,782	$ 7,959,442	$ 21,762,057

Note 1: Financial instruments include master netting arrangements and non-cash collateral.

Note 2: Derivative instruments include hedging derivative financial.

KGI Securities and subsidiaries

KGI Securities and subsidiaries' transactions of derivative assets and liabilities do not correspond to the provisions of IAS, only in the circumstances of default, insolvency or bankruptcy will KGI Securities have the rights to offset derivative assets and liabilities.

KGI Securities and subsidiaries have signed securities repurchase contracts with counterparties, and the agreements stating that KGI Securities and subsidiaries to provide securities as collateral, meanwhile KGI Securities and subsidiaries signed securities resell contracts with counterparties and receive securities as collateral which do not recognized in the balance sheet. Such contracts do not correspond to the provisions of IAS and bear the right to offset only in the circumstances of default, insolvency or bankruptcy, therefore, related securities sell with repurchase agreements and securities purchased with resell agreement are presented in the balance sheet respectively.

Related information of offsetting financial assets and financial liabilities were as follows:

March 31, 2022						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Received**	
Derivative financial instruments (Note 2)	$ 5,551,971	$ -	$ 5,551,971	$ -	$ 801,004	$ 4,750,967
Securities purchased under resell agreements	13,031,309	-	13,031,309	13,031,309	-	-
Total	$ 18,583,280	$ -	$ 18,583,280	$ 13,031,309	$ 801,004	$ 4,750,967

March 31, 2022						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Pledged**	
Derivative financial instruments	$ 10,467,284	$ -	$ 10,467,284	$ -	$ 1,527,420	$ 8,939,864
Notes and bonds issued under repurchase agreements	60,235,155	-	60,235,155	60,235,155	-	-
Total	$ 70,702,439	$ -	$ 70,702,439	$ 60,235,155	$ 1,527,420	$ 8,939,864

December 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note 1)	**Cash Collateral Received**	
Derivative financial instruments (Note 2)	$ 5,057,852	$ -	$ 5,057,852	$ -	$ 858,594	$ 4,199,258
Securities purchased under resell agreements	13,702,744	-	13,702,744	13,702,744	-	-
Total	$ 18,760,596	$ -	$ 18,760,596	$ 13,702,744	$ 858,594	$ 4,199,258

December 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Derivative financial instruments	$ 10,369,683	$ -	$ 10,369,683	$ -	$ 1,328,289	$ 9,041,394
Notes and bonds issued under repurchase agreements	59,103,641	-	59,103,641	59,103,641	-	-
Total	$ 69,473,324	$ -	$ 69,473,324	$ 59,103,641	$ 1,328,289	$ 9,041,394

March 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Derivative financial instruments (Note 2)	$ 4,217,489	$ -	$ 4,217,489	$ -	$ 982,748	$ 3,234,741
Securities purchased under resell agreements	13,955,723	-	13,955,723	13,955,723	-	-
Total	$ 18,173,212	$ -	$ 18,173,212	$ 13,955,723	$ 982,748	$ 3,234,741

March 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Derivative financial instruments	$ 8,996,407	$ -	$ 8,996,407	$ -	$ 1,196,652	$ 7,799,755
Notes and bonds issued under repurchase agreements	69,892,480	-	69,892,480	69,892,480	-	-
Total	$ 78,888,887	$ -	$ 78,888,887	$ 69,892,480	$ 1,196,652	$ 7,799,755

Note 1: Financial instruments include master netting arrangements and non-cash collateral.

Note 2: Derivative instruments include hedging derivative financial.

China Life Insurance

China Life Insurance holds financial instruments in accordance with paragraph 42 of IAS 32 recognized by the FSC and the related assets and liabilities are offset on the balance sheet.

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

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

March 31, 2022						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Received**	
Derivative financial instruments	$ 76,595	$ -	$ 76,595	$ 76,595	$ -	$ -

March 31, 2022						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Pledged**	
Derivative financial instruments	$ 21,622,900	$ -	$ 21,622,900	$ 76,595	$ 14,226,851	$ 7,319,454

December 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Received**	
Derivative financial instruments	$ 4,275,043	$ -	$ 4,275,043	$ 912,518	$ 1,568,639	$ 1,793,886

December 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Pledged**	
Derivative financial instruments	$ 981,018	$ -	$ 981,018	$ 912,518	$ 36,828	$ 31,672

March 31, 2021						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Assets (a)**	**Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)**	**Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Received**	
Derivative financial instruments	$ 3,267,256	$ -	$ 3,267,256	$ 2,958,130	$ -	$ 309,126

March 31, 2021						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	**Gross Amounts of Recognized Financial Liabilities (a)**	**Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)**	**Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)**	**Amounts not Offset in the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments	**Cash Collateral Pledged**	
Derivative financial instruments	$ 10,181,997	$ -	$ 10,181,997	$ 2,958,130	$ 5,770,965	$ 1,452,902

55. CAPITAL MANAGEMENT

a. Capital management objective

The basic management objective includes eligible capital to meet the requirements of the regulation and achieve the minimum capital adequacy ratio so as to control all risks within the risk appetite. In order to undertake all kinds of risk, the Group conducts risk management based on the risk portfolio and the assessment of risk characteristics to design the best capital allocation.

b. Capital management procedures

The Group had met the authorities' minimum requirements for capital adequacy ratio and reported to the authority quarterly. Eligible capital and legal capital were calculated according to the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

56. TRUST BUSINESS OPERATIONS UNDER THE TRUST ENTERPRISES ACT

a. The balance sheets and income statements of the trust accounts and trust property accounts of KGI Bank were as follows:

Balance Sheets of Trust Accounts

(In Thousands of New Taiwan Dollars)

Trust Assets	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**	**Trust Liabilities**	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Bank deposits	$ 2,333,274	$ 2,559,061	$ 3,654,991	Payables	$ 108,425	$ 86,492	$ 174,064
Short-term investments				Payables on securities under			
Funds	29,284,790	28,331,461	27,631,142	custody	4,949,973	5,468,229	4,455,041
Bonds	4,060,752	3,653,614	2,914,297	Other liabilities	93,621	87,671	100,196
Common shares	138,927	118,950	77,985	Trust capital	43,800,516	40,635,374	51,060,823
Receivables	45,008	38,813	53,659	Accumulated earnings	(217,923)	(16,078)	(315,094)
Securities under custody	4,949,973	5,468,229	4,455,041				
Real estate							
Lands	6,896,854	5,067,819	15,404,788				
Buildings and facilities	79	-	257,337				
Intangible assets - surface right	984,534	984,534	984,534				
Other assets	40,421	39,207	41,256				
Total	$ 48,734,612	$ 46,261,688	$ 55,475,030	Total	$ 48,734,612	$ 46,261,688	$ 55,475,030

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2022	**2021**
Trust income and gains		
Dividend income	$ 2,326	$ 1,965
Interest income	344,799	325,593
Rental income	6,693	6,662
Other income	1,005	1,823
Total trust income and gains	354,823	336,043
Trust expenses		
Properties transaction losses	(716,096)	(562,202)
Administrative expenses	(120)	(131)
Other expenses	(209,138)	(40,888)
Total trust expenses	(925,354)	(603,221)
Net income	$ (570,531)	$ (267,178)

The above income from trust operations were excluded from KGI Bank's income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Bank deposits	$ 2,333,274	$ 2,559,061	$ 3,654,991
Short-term investments			
Funds	29,284,790	28,331,461	27,631,142
Bonds	4,060,752	3,653,614	2,914,297
Common shares	138,927	118,950	77,985
Securities under custody	4,949,973	5,468,229	4,455,041
Real estate			
Lands	6,896,854	5,067,819	15,404,788
Buildings and facilities	79	-	257,337
Intangible assets - surface right	984,534	984,534	984,534
Other assets	85,429	78,020	94,915
Total	$ 48,734,612	$ 46,261,688	$ 55,475,030

b. The balance sheets and income statements of the trust accounts and trust property accounts of KGI Securities were as follows:

Balance Sheets of Trust Accounts

(In Thousands of New Taiwan Dollars)

Trust Assets	March 31, 2022	December 31, 2021	March 31, 2021	Trust Liabilities	March 31, 2022	December 31, 2021	March 31, 2021
Bank deposits	$ 2,140,094	$ 2,361,939	$ 1,732,383	Payables	$ 100,326	$ 79,383	$ 49,930
Financial assets				Taxes payable	409	296	643
Bonds	866,752	862,599	703,815	Trust capital	35,557,724	34,800,009	33,516,805
Common shares	15,022,513	15,541,912	15,657,873	Current profit and loss	1,682,540	4,853,246	3,367,310
Funds	17,353,277	17,795,176	17,154,208	Accumulated earnings	3,165,248	2,339,563	2,377,372
Structured notes	4,787,050	4,437,040	3,750,427	Deferred carry forward	(1)	14	(12)
Receivables	193,062	316,523	140,828	Other	(143,498)	(757,322)	(172,514)
Total	$ 40,362,748	$ 41,315,189	$ 39,139,534	Total	$ 40,362,748	$ 41,315,189	$ 39,139,534

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2022	2021
Trust income		
Interest income	$ 9,601	$ 8,516
Rent income	5,925	6,666
Dividend income	114,515	101,426
Realized gain profit from investment	269,626	322,104
Unrealized gain profit from investment	5,066,279	5,201,113
Other income	421,313	307,712
	5,887,259	5,947,537
Trust expenses		
Administrative expenses	1,125	1,258
Taxes	1,370	3,417
Service fee	25,003	23,156
Realized loss form investment	729,470	70,151
Unrealized loss from investment	2,658,416	1,569,369
Other expenses	789,335	912,876
	4,204,719	2,580,227
Income (loss)	1,682,540	3,367,310
Tax expense	-	-
Profit (loss)	$ 1,682,540	$ 3,367,310

The above income from trust operations were excluded from KGI Securities' income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	March 31, 2022	December 31, 2021	March 31, 2021
Bank deposits	$ 2,140,094	$ 2,361,939	$ 1,732,383
Financial assets			
Bonds	866,752	862,599	703,815
Common shares	15,022,513	15,541,912	15,657,873
Funds	17,353,277	17,795,176	17,154,208
Structured notes	4,787,050	4,437,040	3,750,427
	$ 40,169,686	$ 40,998,666	$ 38,998,706

57. DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT

The Corporation do not need to disclosure anything in this period.

58. CONDENSED INDIVIDUAL BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF GROUP

Please refer to Table 8 (attached).

59. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM COOPERATION AND RESOURCES SHARING IN THE GROUP

a. Business or trading behaviors

Please refer to Note 48 for related-party transactions.

b. Integrate business activities

The Corporation has become a full-functioning financial platform for its customers by improving the overall business performance of the Corporation through integrating the insurance, investment, trust custody and channel of banking, securities and life insurance.

c. Cross utilization of information or locations and business utilities

In compliance with Article 43 of “Financial Holding Companies Act”, “Financial Holding Subsidiaries Cross-selling Activities Acts”, “Self-disciplinary Standards” and other related regulations from FSC, the Corporation has advocated cross-selling activities among China development Financial Holdings and its Subsidiaries. In addition, the Corporation and its subsidiaries, which joined the cross selling business disclosure protection measures of customer information on official website (http://www.cdibh.com/chhtml/content/1513) to limit the use of the data, secure the customer information and related rights when handling cross-selling activities.

d. Allocation of revenues, costs, expenses, profits and losses

Revenue, costs, expenses, profits or losses arising from integrated business activities among subsidiaries are allocated to each subsidiary based on the related business features or other reasonable allocation methods.

60. CONTINGENCIES AND COMMITMENTS, DISASTER DAMAGES AND SUBSEQUENT EVENTS OF SUBSIDIARIES

Please refer to Note 50 to the consolidated financial statements. Information on disaster damages: None.

61. SUBSIDIARIES' ASSET QUALITY, MANAGEMENT, PROFITABILITY, LIQUIDITY AND SENSITIVITY TO MARKET RISK

Please refer to Notes 51 and 54 to the consolidated financial statements.

62. SPECIFIC RISK FROM FUTURES DEALING

The futures dealer needs to maintain adequate liquidity in case of its clients fail to fulfill the contracts in the futures transactions with the features of low financial leverage nature and unpredictable market fluctuation. If the dealing business fails to maintain the amount of margin, the open contracts may be closed. Thus, the margin may be lost entirely and may require further payment of deficiency.

63. FINANCIAL RATIOS OF FUTURES-DEALING SUBSIDIARIES

The following financial ratios of KGI Securities' futures department and KGI Futures Corp. are in compliance with the requirements of the Rules Governing Futures Commission Merchants.

a. KGI Securities' futures department

Rule No.	Formula	March 31, 2022 Formula	March 31, 2022 %	December 31, 2021 Formula	December 31, 2021 %	March 31, 2021 Formula	March 31, 2021 %	Standard	Meet Standard
17	Equities / Total liabilities minus customers' equity accounts	$2,126,591 / $69,108	=30.77	$2,096,345 / $789,886	=2.65	$2,063,994 / $477,064	=4.33	≧1	Yes
17	Current assets / Current liabilities	$2,970,442 / $68,687	=43.25	$3,613,693 / $789,886	=4.57	$3,856,619 / $476,645	=8.09	≧1	Yes
22	Equities / Capital stock	$2,126,591 / $400,000	=531.65%	$2,096,345 / $400,000	=524.09%	$2,063,994 / 400,000	=516.00%	≧60% ≧40%	Yes
22	Adjusted net capital / Client and proprietary account	$1,714,092 / $492,523	=348.02%	$635,052 / $451,029	=140.80%	$1,454,882 / $930,320	=156.39%	≧20% ≧15%	Yes

b. KGI Futures Corp.

Rule No.	Formula	March 31, 2022 Formula	%	December 31, 2021 Formula	%	March 31, 2021 Formula	%	Standard	Meet Standard
17	Equities / Total liabilities minus customers' equity accounts	$4,060,583 / $927,116	=4.38	$3,909,940 / $718,970	=5.44	$4,230,197 / $779,990	=5.42	≧1	Yes
17	Current assets / Current liabilities	$35,472,864 / $32,900,611	=1.08	$36,388,774 / $33,908,451	=1.07	$37,724,040 / $34,926,672	=1.08	≧1	Yes
22	Equities / Capital stock	$4,060,583 / $760,000	=534.29%	$3,909,940 / $760,000	=514.47%	$4,230,197 / $760,000	=556.61%	≧60% ≧40%	Yes
22	Adjusted net capital / Client and proprietary account	$3,542,195 / $5,836,083	=60.69%	$3,376,503 / $6,248,803	=54.03%	$3,636,153 / $8,038,891	=45.23%	≧20% ≧15%	Yes

64. ADDITIONAL DISCLOSURES

a. and b. following are the additional disclosures required for the Group:

1) Financing provided: Not applicable to the Corporation, KGI Bank and China Life Insurance. For other subsidiaries' information: Please refer to Table 1 (attached).

2) Collaterals/guarantees provided: Not applicable to the Corporation, KGI Bank and China Life Insurance. For other subsidiaries' information: Please refer to Table 2 (attached).

3) Marketable securities held: Not applicable to the Corporation, KGI Bank, KGI Securities and partial subsidiaries and China Life Insurance. For other subsidiaries' information: Please refer to Table 3 (attached).

4) Marketable securities were acquired and disposed of, at cost or prices of at least NT$300 million or 10% of the issued capital (subsidiaries acquired and disposed of marketable securities, at cost or price of at least NT$300 million or 10% of the issued capital): Not applicable to KGI Securities and subsidiaries. For other subsidiaries' information please refer to Table 4 (attached).

5) Acquisition of individual real estate at cost of at least NT$300 million or 10% of the paid-in capital: For the Group's information: Please refer to Table 5 (attached).

6) Disposal of individual real estate at price of at least NT$300 million or 10% of the issued capital: For the Group's information: None.

7) Discount on service fees received from related parties amounting to NT$5 million: For the Group's information: None.

8) Receivables from related parties amounting to NT$300 million or 10% of the issued capital: Please refer to Note 48 and Table 6 (attached).

9) Sale of nonperforming loans: None.

10) For related information on the subsidiaries' securitization products approved under the Regulation on Financial Asset Securitization: None.

11) Other significant transactions which may affect the decisions of financial statement users: None.

12) The information of investees: The Corporation do not need to disclosure anything in this period.

13) Derivative transactions of the Group: Please refer to Notes 8, 52 and 54 of the consolidated financial statements.

c. Investments in mainland China: Please refer to Table 9 (attached).

d. Business relationships and significant transactions among the Group: Please refer to Table 10 (attached).

e. Information of major shareholders: None.

65. SEGMENT INFORMATION

The reportable segments of the Corporation are Commercial banking, Securities, Venture Capital and Insurance. Under the Banking Act of the Republic of China and relevant regulations, Commercial banking engaged in consumer banking, corporate banking and global market and financial institution. Under the Securities and Exchange Act and relevant regulations, Securities engaged in wealth management business, trading business and investment banking business. Venture Capital engaged in investment business directly. Insurance department operates life insurance business based on the provisions of the insurance law.

The accounting policies of the operating segments are the same as the Corporation's accounting policies described in Note 4. The Corporation uses income after tax as the measurement for segment profit and the basis of performance assessment. The net profit and income before income tax are composed of revenues and expenses directly attributable to an operating segment.

Segment revenues and results

Following were analysis of the Group's operating revenue and results by reportable segments:

	Commercial Banking	Securities	Venture Capital	Insurance	Other	Total
For the three months ended March 31, 2022						
Interest profit (loss), net	$ 2,394,221	$ 685,844	$ 55,266	$ 13,512,771	$ (148,403)	$ 16,499,699
Noninterest profits (loss) and gains, net	712,040	3,967,977	(322,110)	21,463,175	(664,049)	25,157,033
Net revenue (loss)	3,106,261	4,653,821	(266,844)	34,975,946	(812,452)	41,656,732
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	106,482	(1,756)	-	(7)	-	104,719
Net change in reserve for insurance liabilities	-	-	-	(22,548,567)	-	(22,548,567)
Operating expenses	(1,560,366)	(3,026,582)	(287,272)	(1,831,008)	(902,768)	(7,607,996)
Net profit (loss) before income tax	1,652,377	1,625,483	(554,116)	10,596,364	(1,715,220)	11,604,888
Income tax benefit (expense)	(244,310)	(286,261)	(6,515)	(1,587,108)	199,493	(1,924,701)
Net profit (loss) for the year	$ 1,408,067	$ 1,339,222	$ (560,631)	$ 9,009,256	$ (1,515,727)	$ 9,680,187
For the three months ended March 31, 2021						
Interest profit (loss), net	$ 2,275,727	$ 728,208	$ 26,976	$ 13,894,876	$ (112,765)	$ 16,813,022
Noninterest profits (loss) and gains, net	488,542	6,816,052	2,960,642	26,457,183	(327,749)	36,394,670
Net revenue (loss)	2,764,269	7,544,260	2,987,618	40,352,059	(440,514)	53,207,692
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	79,464	768	(25,794)	2,277	-	56,715
Net change in reserve for insurance liabilities	-	-	-	(27,532,500)	-	(27,532,500)
Operating expenses	(1,490,599)	(3,737,880)	(1,187,107)	(1,910,676)	(909,105)	(9,235,367)
Net profit (loss) before income tax	1,353,134	3,807,148	1,774,717	10,911,160	(1,349,619)	16,496,540
Income tax benefit (expense)	(194,245)	(486,468)	(172,520)	(1,084,824)	257,230	(1,680,827)
Net profit (loss) for the year	$ 1,158,889	$ 3,320,680	$ 1,602,197	$ 9,826,336	$ (1,092,389)	$ 14,815,713

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Financier	Counter-party	Financial Statement Account	Related-party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Interest Rate	Nature of Financing Provided	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financial Limit for Each Borrowing Company	Limit on Financier's Total Financing
													Item	Value		
1	KGI International Holdings Limited	KGI Asia Limited	Receivables, net	Yes	$ 1,431,100	$ 1,431,100	$ -	Floating	Short-term financing	$ -	Working capital	$ -	-	$ -	$ 15,778,624 (Note 1)	$ 15,778,624 (Note 1)
2	KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	Receivables, net	Yes	457,952	457,952	457,952	2.6%	Short-term financing	-	Working capital	-	-	-	6,104,249 (Note 2)	6,104,249 (Note 2)
3	KGI Asia Limited	PT KGI Sekuritas Indonesia	Receivables, net	Yes	601,062	143,110	143,110	2.6%	Short-term financing	-	Working capital	-	-	-	9,345,541 (Note 3)	9,345,541 (Note 3)
4	CDC Finance & Leasing Corporation	BULL WILL CO., LTD.	Receivables, net	No	30,000	30,000	-	3.5%-18%	Short-term financing	-	Working capital	-	Real estate	29,700	87,166 (Note 4)	348,665 (Note 4)
		Build Joy Enterprise Co., Ltd.	Receivables, net	No	37,500	37,500	37,500	3.5%-18%	Short-term financing	-	Working capital	375	Real estate	60,258	87,166 (Note 4)	348,665 (Note 4)
		Fu-Tang Land Development Co., Ltd.	Receivables, net	No	65,000	65,000	65,000	3.5%-18%	Short-term financing	-	Working capital	650	Real estate	54,886	87,166 (Note 4)	348,665 (Note 4)
		Chi-Sun Heavy Crane Co., Ltd.	Receivables, net	No	23,000	23,000	23,000	3.5%-18%	Short-term financing	-	Working capital	230	Real estate	40,000	87,166 (Note 4)	348,665 (Note 4)

Note 1: KGI International Holdings Limited's financing limit is based on the "Loan of Funds Making Guideline". The guideline states that, for each and for all of the borrowing companies, the total amount available for financing should not exceed the net worth of the financing company.

Note 2: KGI International (Hong Kong) Limited's financing limit is based on the "Loan of Funds Making Guideline". The guideline states that, for each and for all of the borrowing companies, the total amount available for financing should not exceed the net worth of the financing company.

Note 3: KGI Asia Limited's financing limit is based on the "Loan of Funds Making Guideline". The guideline states that, for each and for all of the borrowing companies, the total amount available for financing should not exceed the net worth of the financing company.

Note 4: Financing limit is based on the "Loan of Funds Making Guideline". The guideline states that, for each and for all of the borrowing companies, (1) there are business transactions: The total amount should not exceed the amount of business transactions between the two parties, and should not exceed 20% of the company's net worth value. The cumulative total balance should not exceed twice the company's net worth value; (2) there is short-term financing: The total amount should not exceed 10% of the company's net worth, and the cumulative total balance should not exceed 40% of the net worth value.

Note 5: Those that have been included in the consolidated financial statement have been completely written off.

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

COLLATERALS/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Collaterals/Guarantee Provider	Counter-party		Limits on Each Counter-party's Collateral/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Carrying Value (as of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Nature of Relationship										
1	KGI Securities Co., Ltd	KGI Securities (Singapore) Pte. Ltd.	Note 1	$ 7,241,631	$ 761,760	$ 761,760	$ 761,760	$ -	1.05%	$ 28,966,522 (Note 2)	No	No	No
2	KGI International Holdings Limited	KGI Asia Limited	Note 1	15,778,624	1,459,722	1,144,880	541,485	-	7.26%	15,778,624 (Note 3)	No	No	No
		KGI International Finance Limited	Note 1	15,778,624	2,690,468	572,440	-	-	3.63%	15,778,624 (Note 3)	No	No	No
		KGI Futures (Hong Kong) Limited	Note 1	15,778,624	186,043	-	-	-	0.00%	15,778,624 (Note 3)	No	No	No
		KGI Finance Limited	Note 1	15,778,624	123,075	71,555	-	-	0.45%	15,778,624 (Note 3)	No	No	No
		KGI International (Hong Kong) Limited	Note 1	15,778,624	2,714,056	1,796,699	543,386	-	11.39%	15,778,624 (Note 3)	No	No	No
		KGI Securities (Singapore) Pte. Ltd.	Note 1	15,778,624	858,660	858,660	-	-	5.44%	15,778,624 (Note 3)	No	No	No
		KGI Asia (Holdings) Pte. Ltd.	Note 1	15,778,624	3,789,971	3,789,971	2,723,386	-	24.02%	15,778,624 (Note 3)	No	No	No
3	CDIB Capital Group	CDIB Capital Investment I Limited	Note 1	7,613,586	1,431,100	1,431,100	163,145	-	4.07%	14,073,982 (Note 4)	No	No	No
		CDIB Global Markets Limited	Note 1	4,908,043	1,431,100	1,431,100	-	-	4.07%	14,073,982 (Note 4)	No	No	No

Note 1: The Group has directly or indirectly over 50% voting right of the company.

Note 2: The limit of maximum guarantee provided by KGI Securities Co., Ltd is based on "Corporate Endorsement, Guarantee Making Guideline". For each company, the amount of guarantee should not exceed 10% of the guarantee provider's net asset value. The total amount available for collaterals or guarantee should not exceed 40% of the guarantee provider's net asset value.

Note 3: The limit of maximum guarantee provided by KGI International Holdings Limited is based on the "Corporate Endorsement, Guarantee Making Guideline". For each and all company, the amount of guarantee provided should not exceed the guarantee provider's net asset value.

Note 4: The limit of maximum guarantee provided by CDIB Capital Group is based on "Corporate Endorsement, Guarantee Making Guideline". For each company, the amount of guarantee should limit on the amount of each counterparty's net investment in principle except the board of directors approve. The total amount available for collaterals or guarantee should not exceed 40% of the guarantee provider's net asset value.

TABLE 3

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2022
(In Thousands of New Taiwan Dollars/Foreign Currencies)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Group	Stocks							
	Logitech Inc.	-	Financial assets at fair value through profit or loss	3,261,773	$ 13,439	10.69	$ 13,439	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	1,352	10.83	1,352	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	72,180	6.04	72,180	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	15,029	13.96	15,029	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	10,786,000	559,793	3.63	559,793	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	8,533	1.95	8,533	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	24,423	8.40	24,423	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	600,000	4,200	2.98	4,200	
	AMIA Co., Ltd.	-	Financial assets at fair value through profit or loss	6,000,000	234,000	9.54	234,000	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	64,195	6.97	64,195	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	27,421	6.47	27,421	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	20,267	1.88	20,267	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	110,124	5.32	110,124	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	3,816	1.38	3,816	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	23,873	4.77	23,873	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	1,633,241	144,052	2.85	144,052	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	17,891	10.43	17,891	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	29,449	7.71	29,449	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	52,898	4.81	52,898	
	Eden Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	94,868	3.55	94,868	
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	41,989	12.00	41,989	
	Chime Biologicis Limited	-	Financial assets at fair value through profit or loss	8,382,844	117,916	3.55	117,916	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	98,293	8.04	98,293	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	2,079,360	44,647	0.13	44,647	
	Lightel Technologies, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	3,000,000	45,953	43.44	45,953	
	Apexigen, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	4,970,588	111,916	12.68	111,916	
	CDIB Capital Innovation Accelerator Ltd.	Associate	Financial assets at fair value through profit or loss	30,000,000	366,374	35.71	366,374	
	CDIB & Partners Investment Holding Corporation	Associate	Investments accounted for using the equity method	313,200,000	4,742,903	28.71	4,742,903	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	34,920,000	233,939	38.80	233,939	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	40,775,000	504,327	33.29	504,327	
	CDIB Bio Science Ventures I, Inc.	Associate	Investments accounted for using the equity method	4,431,405	23,537	20.00	23,537	
	CDIB Capital Management Corporation	Subsidiary	Investments accounted for using the equity method	23,093,889	511,199	100.00	511,199	
	CDIB Venture Capital Corporation	Subsidiary	Investments accounted for using the equity method	476,213,353	5,508,363	100.00	5,508,363	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	925,000,000	3,426,899	100.00	3,426,899	
	CDIB Capital Investment II Limited	Subsidiary	Investments accounted for using the equity method	45,000,000	1,564,310	100.00	1,564,310	
	CDIB Global Markets Limited	Subsidiary	Investments accounted for using the equity method	339,392	4,908,043	100.00	4,908,043	
	CDIB Capital Investment I Limited	Subsidiary	Investments accounted for using the equity method	132,800,000	7,613,586	100.00	7,613,586	
	CDIB Capital International Corporation	Subsidiary	Investments accounted for using the equity method	4,700,000	192,831	100.00	192,831	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Management Corporation	Stocks							
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	$ 2,476	1.44	$ 2,476	
	CDIB Capital Innovation Advisors Corporation	Subsidiary	Investments accounted for using the equity method	1,200,000	14,523	60.00	14,523	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	900,003	6,029	1.00	6,029	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	1,225,000	15,151	1.00	15,151	
	CDIB Private Equity (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	51,900,000	343,315	100.00	343,315	
	Funds							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	58,222	-	58,222	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	16,701	-	16,701	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	8,574	-	8,574	
CDIB Private Equity (Hong Kong) Corporation Limited	Stocks							
	CDIB Private Equity (China) Corporation	Subsidiary	Investments accounted for using the equity method	-	HK$ 76,839	100.00	HK$ 76,839	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 7,586	56.00	HK$ 7,586	
	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 4,001	27.08	HK$ 4,001	
CDIB Private Equity (China) Corporation	Stocks							
	CDIB Private Equity (Fujian) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 15,945	70.00	CNY 15,945	
	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 13,149	65.00	CNY 13,149	
	CDIB Private Equity (Kunshan) Corporation	Subsidiary	Investments accounted for using the equity method	-	CNY 1,874	100.00	CNY 1,874	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 6,480	65.00	CNY 6,480	
CDIB Private Equity (Fujian) Co., Ltd.	Stocks							
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	CNY 2,198	20.00	CNY 2,198	
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Stocks							
	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	CNY 6,991	58.33	CNY 6,991	
	Funds							
	Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	CNY 4,582	-	CNY 4,582	
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Funds							
	CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	CNY 10,398	-	CNY 10,398	
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Funds							
	CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	CNY 4,776	-	CNY 4,776	
CDIB Venture Capital Corporation	Stocks							
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	16,911	1.62	16,911	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	3,891,000	295,327	1.10	295,327	
	Fukuta Elec. & Mach. Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	95,149	4.68	95,149	
	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	2,590,000	157,912	2.12	157,912	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	46,213	1.46	46,213	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	104,000	2,870	0.27	2,870	
	21st Century Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,121,094	648,990	8.23	648,990	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	3,114,000	551,178	0.53	551,178	
	M2 Communication, Inc.	-	Financial assets at fair value through profit or loss	325,631	2,604	2.60	2,604	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	1,387	0.13	1,387	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,650,603	169,639	7.16	169,639	
	Giant Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss	80,000	20,840	0.02	20,840	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,705,901	99,503	5.82	99,503	
	Taiwan Microloops Corp.	-	Financial assets at fair value through profit or loss	1,000,000	51,440	2.67	51,440	
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	49,805	5.68	49,805	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Venture Capital Corporation	Stocks							
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	$ 52,898	4.81	$ 52,898	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	5,590	2.68	5,590	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	23,357	0.93	23,357	
	i-Serve	-	Financial assets at fair value through profit or loss	2,232,219	42,319	4.17	42,319	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	64,820	10.23	64,820	
	Windtree Therapeutic, Inc.	-	Financial assets at fair value through profit or loss	198,184	6,467	0.70	6,467	
	21st Century Technology Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	833,348	131,236	75.00	131,236	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	11,167,513	84,162	46.15	84,162	
	4Gamers Entertainment Inc. - preferred stock	-	Financial assets at fair value through profit or loss	24,000	15,112	20.00	15,112	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	8,726	8.20	8,726	
	Citiesocial Holding Cayman Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	479,635	15,520	18.18	15,520	
	CCMODA Corp. - preferred stock	-	Financial assets at fair value through profit or loss	666,666	4,293	20.00	4,293	
	Asia Parents Holdings Limited	-	Financial assets at fair value through profit or loss	248,889	16,028	14.74	16,028	
	Kneron Holding Corporation	-	Financial assets at fair value through profit or loss	1,391,752	227,058	9.00	227,058	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock	-	Financial assets at fair value through profit or loss	4,559,686	97,425	26.09	97,425	
	Cloud Mile Inc. - preferred stock	-	Financial assets at fair value through profit or loss	365,051	30,311	7.26	30,311	
	Crescendo Lab	-	Financial assets at fair value through profit or loss	8,000	11,449	16.00	11,449	
	Zentera Systems, Inc.-Preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	45,525	39.35	45,525	
	FUNP Co., Ltd.-Preferred stock	-	Financial assets at fair value through profit or loss	400,000	41,216	20.00	41,216	
	Achieve Made International Limited-Preferred stock	-	Financial assets at fair value through profit or loss	168,138	12,594	6.67	12,594	
	PChome Online Inc.	-	Financial assets at fair value through profit or loss	1,875,293	118,527	1.46	118,527	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	2,888,685	62,025	0.18	62,025	
	Viscovery (Cayman) Holding Company Limited - preferred stock A	-	Financial assets at fair value through profit or loss	200,000	5,724	10.96	5,724	
	Elixiron Immunotherapeutics (Cayman) Limited	-	Financial assets at fair value through profit or loss	2,679,133	57,244	13.03	57,244	
	AmazingTalker	-	Financial assets at fair value through profit or loss	4,282,655	57,244	12.90	57,244	
	FunNow Ltd. - preferred stock A	-	Financial assets at fair value through profit or loss	185,184	60,848	20.00	60,848	
	Viscovery (Cayman) Holding Company Limited-Preferred stock AA	-	Financial assets at fair value through profit or loss	300,000	8,587	15.00	8,587	
	4Gamers Entertainment Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,495	4.80	5,495	
	Kkday.com International Company Limited - preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	44,024	8.62	44,024	
	Cloud Mile Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	162,602	13,501	3.06	13,501	
	Traveler Co., Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	32,077	22,898	10.85	22,898	
	FunNow Ltd. -Preferred stock B	-	Financial assets at fair value through profit or loss	43,573	14,317	3.36	14,317	
	Kkday.com International Company Limited - preferred stock C	-	Financial assets at fair value through profit or loss	7,655,502	59,602	2.31	59,602	
	Fractyl Laboratories, Inc.- preferred stock E	-	Financial assets at fair value through profit or loss	1,305,574	313,306	10.17	313,306	
	Achieve Made International Limited - preferred stock E	-	Financial assets at fair value through profit or loss	336,276	25,187	10.00	25,187	
	GPPC Development Corp.	Associate	Investments accounted for using the equity method	5,000,000	41,196	38.46	41,196	
	Convertible (exchange) corporate bond							
	CCMODA Corp.	-	Financial assets at fair value through profit or loss	200,000	1,717	-	1,717	
	Funds							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	1,431,067	-	1,431,067	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	378,831	-	378,831	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	241,945	-	241,945	
CDIB Venture Capital (Hong Kong) Corporation Limited	Fund							
	CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 201,961	-	HK$ 201,961	
	CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 301,447	-	HK$ 301,447	
	Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	HK$ 165,785	-	HK$ 165,785	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Investment I Limited	Stocks							
	Best Inc.	-	Financial assets at fair value through profit or loss	1,500,000	US$ 968	0.38	US$ 968	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US$ 141	0.03	US$ 141	
	Boxed, Inc	-	Financial assets at fair value through profit or loss	656,724	US$ 6,332	0.96	US$ 6,332	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 359	12.50	US$ 359	
	Mestay Cayman Islands Limited-Preferred stock	-	Financial assets at fair value through profit or loss	13,722,047	US$ 1,137	3.40	US$ 1,137	
	Viking 3 Holdings Corporation-Preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US$ 10,000	100.00	US$ 10,000	
	Great Team Backend Foundry, Inc. -Preferred stock	-	Financial assets at fair value through profit or loss	664,687	US$ 298	1.95	US$ 298	
	Rokid Corporation Ltd -Preferred stock	-	Financial assets at fair value through profit or loss	615,642	US$ 5,750	1.51	US$ 5,750	
	K Health, Inc. -Preferred stock C	-	Financial assets at fair value through profit or loss	496,376	US$ 14,451	1.70	US$ 14,451	
	CDIB X Finance I Holding Limited	Subsidiary	Investments accounted for using the equity method	5,500	US$ 5,320	100.00	US$ 5,320	
	SCBS 1 Holding Corporation	Subsidiary	Investments accounted for using the equity method	3,578	US$ 2,754	100.00	US$ 2,754	
	Fund							
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US$ 56	-	US$ 56	
	KKR X-Ray Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 7,922	-	US$ 7,922	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 34,084	-	US$ 34,084	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US$ 39,788	-	US$ 39,788	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 57	-	US$ 57	
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,575	-	US$ 3,575	
	Eve & Partners Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	US$ 6,910	-	US$ 6,910	
	CDIB Capital Global Opportunities Fund L.P.	Associate	Financial assets at fair value through profit or loss	-	US$ 7,224	-	US$ 7,224	
	CDIB Capital Asia Partners L.P.	Associate	Investments accounted for using the equity method	-	US$ 77,213	-	US$ 77,213	
	Corporate bond							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	29,395,000	US$ 28,982	-	US$ 28,982	
	StorHub Hong Kong I Limited	-	Amortised cost financial assets	1,291,923	US$ 1,292	-	US$ 1,325	
	StorHub Hong Kong IV Limited	-	Amortised cost financial assets	2,101,959	US$ 2,102	-	US$ 2,155	
	StorHub Hong Kong VI Limited	-	Amortised cost financial assets	5,477,324	US$ 5,477	-	US$ 5,616	
	StorHub Hong Kong V Ltd	-	Amortised cost financial assets	6,580,216	US$ 6,580	-	US$ 6,580	
	Convertible (exchange) corporate bond							
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US$ 1,000	-	US$ 1,000	
SCBS 1 Holding Corporation	Stocks							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$ 2,748	2.91	US$ 2,748	
CDIB X Finance I Holding Limited	Corporate bond							
	Xian Group Limited	-	Amortised cost financial assets	5,000,000	US$ 4,639	-	US$ 5,000	
CDIB Capital Investment II Limited	Stocks							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$ 1,713	2.46	US$ 1,713	
	Techmate Korea Daebu Co., Ltd.	-	Financial assets at fair value through profit or loss	45,600	US$ 3,306	10.00	US$ 3,306	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US$ 5,875	2.88	US$ 5,875	
	CDIB TMK Finance Holding Limited	Subsidiary	Investments accounted for using the equity method	19,183	US$ 19,400	100.00	US$ 19,400	
	NY4 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	8,080,000	US$ 8,061	100.00	US$ 8,061	
	Indostar Everstone - preferred stock	-	Financial assets at fair value through profit or loss	860,332	US$ 7,963	8.12	US$ 7,963	
CDIB TMK Finance Holding Limited	Corporate bond							
	Techmate Korea Daebu Co., Ltd.	-	Amortised cost financial assets	22,789,140,793	US$ 18,277	-	US$ 19,729	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Global Markets Limited	Stocks							
	Big Commerce Holdings, Inc.	-	Financial assets at fair value through profit or loss	30,361	US$ 665	0.04	US$ 665	
	Eventbrite, Inc.	-	Financial assets at fair value through profit or loss	24,904	US$ 368	0.03	US$ 368	
	ContextLogic, Inc.	-	Financial assets at fair value through profit or loss	97,200	US$ 219	0.02	US$ 219	
	Flemingo International (BVI) Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	1,048	US$ 9,990	50.19	US$ 9,990	
	Osaro, Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	510,958	US$ 3,465	100.00	US$ 3,465	
	Fund							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$ 6,539	-	US$ 6,539	
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 83	-	US$ 83	
	Convertible (exchange) corporate bond							
	Amber Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	30,091,200	US$ 30,091	-	US$ 30,091	
	Orchid Investment Holdings	Associate	Financial assets at fair value through profit or loss	28,106,786	US$ 28,107	-	US$ 28,107	
	CDIB Medtech Holdings Limited	Associate	Financial assets at fair value through profit or loss	10,000,000	US$ 10,000	-	US$ 10,000	
	CDIB Medtech Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	25,000,000	US$ 25,000	-	US$ 25,000	
CDIB Capital International Corporation	Stocks							
	CDIB Capital International (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	15,400,000	US$ 5,916	100.00	US$ 5,916	
	CDIB Capital International (USA) Corporation	Subsidiary	Investments accounted for using the equity method	8,000,000	US$ 3,151	100.00	US$ 3,151	
	CDIB Capital Asia Partners Limited	Subsidiary	Investments accounted for using the equity method	100	US$ 18	100.00	US$ 18	
	CDIB Intelligence Partners Limited	Subsidiary	Investments accounted for using the equity method	-	US$ -	100.00	US$ -	(Note 5)
	CDIB Buyout Partners Limited	Subsidiary	Investments accounted for using the equity method	50,000	US$ 128	100.00	US$ 128	
	CDIB Asia Secured Opportunities GP Ltd.	Subsidiary	Investments accounted for using the equity method	-	US$ -	100.00	US$ -	(Note 6)
China Development Asset Management Corp.	Stocks							
	IBF Securities Co., Ltd.	-	Financial assets at fair value through profit or loss	9,106,037	98,603	1.07	98,603	
	Chinfon Commercial Bank	-	Financial assets at fair value through profit or loss	5,026,269	-	0.86	-	
	Pine Street Asset Management Corp.	-	Financial assets at fair value through other comprehensive income	3,886,190	20,605	12.25	20,605	
CDIB Management Consulting Corp.	Stocks							
	CDC Finance & Leasing Corp.	Subsidiary	Investments accounted for using the equity method	58,328,460	682,821	76.04	682,821	
	CDIB International Leasing Corp.	Subsidiary	Investments accounted for using the equity method	-	129,572	100.00	129,572	
CDC Finance & Leasing Corp.	Stocks							
	Pacific Electric Wire and Cable Co., Ltd.	-	Financial assets at fair value through other comprehensive income	546,231	9,012	0.07	9,012	
Richpoint Company Limited	Stocks							
	KG Investments Holdings Limited	Subsidiary	Investments accounted for using the equity method	156,864,163	US$ 561,782	100.00	US$ 561,782	
KGI Venture Capital Co., Ltd.	Stocks							
	Young Shine Electric Co., Ltd.	-	Financial assets at fair value through profit or loss	855,000	45,922	4.27	45,922	
	Allied Supreme Corporation	-	Financial assets at fair value through profit or loss	272,000	67,728	0.39	67,728	
	Yield Microelectronics Corp.	-	Financial assets at fair value through profit or loss	525,000	47,933	1.96	47,933	
	AMPAK Technology Inc.	-	Financial assets at fair value through profit or loss	775,000	108,888	1.39	108,888	
	Taiwan Advanced Nanotech Inc.	-	Financial assets at fair value through profit or loss	540,000	78,030	2.26	78,030	
	Gingy Technology Inc.	-	Financial assets at fair value through profit or loss	175,100	1,038	2.49	1,038	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	211,930	19,116	0.62	19,116	
	Yongda Food Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,100,000	7,745	4.02	7,745	
	ChenFeng Optronics Corporation	-	Financial assets at fair value through profit or loss	2,504,178	73,873	2.42	73,873	
	Welltech Energy Inc.	-	Financial assets at fair value through profit or loss	2,222,000	29,238	5.73	29,238	
	Navifus Corporation	-	Financial assets at fair value through profit or loss	125,000	2,420	0.22	2,420	
	Jia Wei Lifestyle Inc	-	Financial assets at fair value through profit or loss	550,000	40,590	0.68	40,590	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
KGI Venture Capital Co., Ltd.	Stocks							
	Deluxe Technology Group Co., Ltd.	-	Financial assets at fair value through profit or loss	632,307	$ 4,116	0.85	$ 4,116	
	VisEra Technologies Company Ltd.	-	Financial assets at fair value through profit or loss	580,000	272,066	0.20	272,066	
	Formosa Pharmaceutical, Inc.	-	Financial assets at fair value through profit or loss	50,000	1,994	0.05	1,994	
	Top Bright Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	189,000	23,720	0.36	23,720	
	Nfore Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	20,000	1.43	20,000	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	1,599,600	121,410	0.45	121,410	
	WebComm Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	150,000	21,300	1.15	21,300	
	Asia Metal Industries, Inc.	-	Financial assets at fair value through profit or loss	55,000	4,048	0.10	4,048	

Note 1: The Group recognized the related income or loss of investees as required by regulations.

Note 2: The preferred shares held divided by the number of preferred shares outstanding is the percentage of ownership.

Note 3: No securities were treated as collaterals or warrants.

Note 4: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

Note 5: CDIB Intelligence Partners Limited conducted registration establishment on February 28, 2020, however, CDIB Intelligence Partners Limited had not invested any capital as of March 31, 2022.

Note 6: CDIB Asia Secured Opportunities GP Ltd. conducted registration establishment on September 9, 2021, however, CDIB Asia Secured Opportunities GP Ltd. had not invested any capital as of March 31, 2022.

(Concluded)

TABLE 4

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
(THE BANK'S SUBSIDIARIES AMOUNTING TO NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL)
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars/Foreign Currencies)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Face Value/Units	Amount
CDIB Global Markets Limited	Convertible corporate bond CDIB Medtech Investment Partners Limited	Financial assets at fair value through profit or loss	-	-	-	$ -	25,000,000	US$ 25,000 (Note 1)	-	$ -	$ -	$ -	25,000,000	US$ 25,000 (Note 1)

Note 1: Initial acquisition cost.

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date (Note 2)	Transaction Amount (Note 1)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
China Life Insurance Co., Ltd.	1. 1F,5F, 5F-1, 5F-2, 16F, 16F-1, 16F-2,19F-24F, No. 76, Dunhua S. Rd, Sec. 2 Daan Dist, Taipei City with 38 parking lots	2022.01.25	$ 3,199,990	Payments according to contracts	An Hong Co., Ltd	Non-related party	-	-	-	$ -	Valuation report of appraisers	For business use	None
	2. 4-38F, No. 402, 1-3F, No. 408, No. 400, and No. 406, Shicheng Road, Xitun District, Taichung City with 616 parking lots	2022.01.25	12,050,000	Payments according to contracts	Land: Mr. Wang, Sen-Sheng Building: Fong Yi Construction Co., Ltd	Non-related party	-	-	-	-	Valuation report of appraisers	For business use	None

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
March 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
The Corporation	CDIB Capital Group	Subsidiary	$ 8,674,841 (Note 1)	-	$ -	-	$ 8,000,000	$ -
	KGI Bank	Subsidiary	1,137,142 (Note 2)	-	-	-	49,000	-
	KGI Securities Co., Ltd.	Subsidiary	2,664,802 (Note 2)	-	-	-	-	-
China Life Insurance Co., Ltd.	KGI Bank	Subsidiary of the parent company	800,619	-	-	-	688,585	-
	KGI Securities Co., Ltd.	Subsidiary of the parent company	977,620	-	-	-	977,620	-
KGI Asia Limited	KGI International (Hong Kong) Limited	Subsidiary of the parent company	529,507	-	-	-	529,507	-
KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	Subsidiary of the parent company	458,817	-	-	-	865	-
	KGI Asia Limited	Subsidiary of the parent company	2,414,981	-	-	-	2,414,981	-
KGI Securities (Singapore) Pte. Ltd	KGI Securities (Thailand) Public Company Limited	Associate	444,685	-	-	-	444,685	-
	KGI Asia Limited	Subsidiary of the parent company	434,412	-	-	-	434,412	-

Note 1: Tax receivable result from linked-tax system.

Note 2: Tax receivable result from directors' remuneration and linked-tax system.

Note 3: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

TABLE 7

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
The Corporation	CDIB Capital Group	Venture fund	100.00	100.00	100.00	
	KGI Securities Co., Ltd.	Financial service	100.00	100.00	100.00	
	KGI Bank	Commercial bank	100.00	100.00	100.00	
	China Development Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	China Life Insurance Co., Ltd.	Life insurance	100.00	100.00	47.30	(Note 1)
CDIB Capital Group	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
	CDIB Global Markets Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment I Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Investment	100.00	100.00	100.00	
	CDIB Capital International Corporation	Private equity advisory service	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Private equity advisory service	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Intelligence Partners Limited	Private equity advisory service	100.00	100.00	100.00	(Note 2)
	CDIB Buyout Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Asia Secured Credit Oppprtunities GP Ltd.	Private equity advisory service	100.00	100.00	-	(Note 3)
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment holdings	100.00	100.00	100.00	
	CDIB X Finance I Holding Limited	Investment	100.00	100.00	100.00	
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Investment	100.00	100.00	-	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	27.08	
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	56.00	56.00	56.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Fund management	70.00	70.00	70.00	
	CDIB Private Equity (Kunshan) Corporation	Fund management	100.00	100.00	-	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	-	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	20.00	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co., Ltd.	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	58.34	58.34	58.34	
KGI Securities Co., Ltd.	Richpoint Company Limited	Investment holdings	100.00	100.00	100.00	
	KGI Securities Investment Advisory Co., Ltd.	Security investment consulting	100.00	100.00	100.00	
	KGI Insurance Brokers Co., Ltd.	Life/property insurance brokers	100.00	100.00	100.00	
	KGI Venture Capital Co., Ltd.	Venture fund	100.00	100.00	100.00	
	KGI Securities Investment Trust Co., Ltd.	Nominee services, discretionary investment services	100.00	100.00	100.00	
	KGI Futures Co., Ltd.	Futures investment services	99.61	99.61	99.61	
KGI Futures Co., Ltd.	KGI Information Technology Co., Ltd.	Management and consulting, software services, data processing and digital information supply services	100.00	100.00	100.00	
Richpoint Company Limited	KG Investments Holdings Limited	Investment holdings	100.00	100.00	100.00	
	KGI Investment Advisory (Shanghai) Co., Ltd.	Investment and consulting service	-	-	100.00	
KG Investments Holdings Limited	KGI International Holdings Limited	Investment holdings	100.00	100.00	100.00	
KGI International Holdings Limited	KGI Limited	Investment holdings	100.00	100.00	100.00	
	KGI International Limited	Investment holdings	100.00	100.00	100.00	
KGI Limited	KGI Futures (Hong Kong) Limited	Futures brokerage and settlement services	100.00	100.00	100.00	
	Global Treasure Investments Limited	Investment services	100.00	100.00	100.00	
	KGI Investments Management Limited	Insurance brokerage	100.00	100.00	100.00	
	KGI International Finance Limited	Investment and financing services	100.00	100.00	100.00	
	KGI Hong Kong Limited	Management and consulting	100.00	100.00	100.00	
	KGI Asia Limited	Securities investment	100.00	100.00	100.00	
	KGI Capital Asia Limited	Securities investment	100.00	100.00	100.00	
	KGI Asset Management Limited	Asset management	100.00	100.00	100.00	
	KGI Nominees (Hong Kong) Limited	Trust agent	100.00	100.00	100.00	
KGI International Limited	KGI Asia (Holdings) Pte. Ltd.	Investment holdings	100.00	100.00	100.00	
KGI Capital Asia Limited	KGI International (Hong Kong) Limited	Derivative product services	100.00	100.00	100.00	
	KGI Finance Limited	Investment and financing services	100.00	100.00	100.00	
	PT KGI Sekuritas Indonesia	Securities investment	99.00	99.00	99.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
KGI Asia (Holdings) Pte. Ltd.	KGI Securities (Singapore) Pte. Ltd.	Securities and Futures investment	100.00	100.00	100.00	
KGI Bank	CDIB Management Consulting Corporation	Management and consulting	100.00	100.00	100.00	
CDIB Management Consulting Corporation	CDC Finance & Leasing Corp.	Leasing	76.04	76.04	76.04	
	CDIB International Leasing Corp.	Leasing	100.00	100.00	100.00	

Note 1: The company completed the share conversion on December 30, 2021, and China Life Insurance Co., Ltd. became a 100% subsidiary of the company.

Note 2: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020, however, CDIB Intelligence Partners Limited had not invested any capital as of March 31, 2022.

Note 3: CDIB Asia Secured Credit Opportunities GP Ltd. conducted registration of establishment on September 9, 2021, however, CDIB Asia Secured Credit Opportunities GP Ltd. had not invested any capital as of March 31, 2022.

(Concluded)

TABLE 8

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME

The Corporation

1. Balance sheets

(In Thousands of New Taiwan Dollars)

Assets	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Cash and cash equivalents	$ 981,097	$ 1,480,794	$ 546,901
Receivables, net	8,464,677	322,683	66,497
Current tax assets	4,462,172	4,092,327	3,359,970
Investments accounted for using the equity method, net	320,379,152	358,433,669	259,935,092
Other financial assets	300	300	300
Right-of-use assets, net	1,087,493	1,106,233	777,499
Property and equipment, net	239,228	213,532	60,406
Other assets, net	122,373	90,789	67,572
Total	$ 335,736,492	$ 365,740,327	$ 264,814,237
Liabilities and Equity			
Liabilities			
Commercial paper payable, net	$ 16,699,143	$ 15,799,059	$ 9,649,326
Payables	2,162,035	2,295,000	1,405,696
Current tax liabilities	2,082,951	1,765,796	2,021,432
Bonds payable	48,000,000	48,000,000	33,000,000
Other borrowings	3,399,672	3,899,854	3,299,096
Provisions	27,450	24,451	28,763
Lease liabilities	1,143,263	1,168,038	783,306
Other liabilities	24,332	7,791	15,867
Total liabilities	73,538,846	72,959,989	50,203,486
Equity			
Capital			
Common stock	171,927,773	171,896,598	149,736,024
Preferred stock	18,930,436	18,930,436	-
Advance receipts for capital stock	-	31,175	60,615
Share capital awaiting retirement	(14,100)	-	-
Capital surplus	36,142,397	36,147,480	11,821,316
Retained earnings			
Legal reserve	10,035,815	10,035,815	8,816,167
Special reserve	298,120	298,120	565,041
Unappropriated earnings	63,540,379	52,021,923	35,311,330
Other equity	(29,591,673)	12,490,292	8,998,834
Treasury shares	(9,071,501)	(9,071,501)	(698,576)
Total equity	262,197,646	292,780,338	214,610,751
Total	$ 335,736,492	$ 365,740,327	$ 264,814,237

(Continued)

2. Statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	**2021**
REVENUES		
Share of profit of subsidiaries, associates and joint ventures	$ 10,364,192	$ 10,446,491
Others	7,096	7,507
Total revenues	10,371,288	10,453,998
EXPENSES AND LOSSES		
Operating expenses	(597,687)	(635,959)
Others	(152,592)	(115,525)
Total expenses and losses	(750,279)	(751,484)
NET PROFIT BEFORE INCOME TAX	9,621,009	9,702,514
INCOME TAX BENEFIT	52,652	137,354
NET PROFIT FOR THE PERIOD	9,673,661	9,839,868
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss, net of income tax		
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(1,561,422)	1,009,490
Income tax relating to the items that will not be reclassified subsequently to profit or loss	290,640	159,580
Items that will be reclassified subsequently to profit or loss, net of income tax		
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(44,091,843)	(20,512,570)
Income tax relating to the items that may be reclassified subsequently to profit or loss	4,995,370	3,009,162
Other comprehensive income (loss) for the period, net of income tax	(40,367,225)	(16,334,338)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (30,693,594)	$ (6,494,470)
BASIC EARNINGS PER SHARE	$0.58	$0.66
DILUTED EARNINGS PER SHARE	$0.58	$0.66

(Continued)

3. Statements of changes in equity

(In Thousands of New Taiwan Dollars, Except Per Share Amount)

	Equity Attributable to Owners of the Parent													
	Capital					Retained Earnings			Other Equity					
	Common Stock	**Preferred Stock**	**Advance Receipts for Capital Stock**	**Share Capital Awaiting Retirement**	**Capital Surplus**	**Legal Reserve**	**Special Reserve**	**Unappropriated Earnings**	**Exchange Differences on Translation of Foreign Financial Statements**	**Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income**	**Other Comprehensive Income Reclassified Using the Overlay Approach**	**Others**	**Treasury Shares**	**Total Equity**
BALANCE AT JANUARY 1, 2021	$ 149,729,414	$ -	$ 3,298	$ -	$ 1,627,728	$ 8,816,167	$ 565,041	$ 24,809,292	$ (3,814,286)	$ 21,020,859	$ 1,157,242	$ -	$ (1,178,647)	$ 202,736,108
Net profit for the three months ended March 31, 2021	-	-	-	-	-	-	-	9,839,868	-	-	-	-	-	9,839,868
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	-	8,099	(16,343,364)	927	-	-	(16,334,338)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	-	9,839,868	8,099	(16,343,364)	927	-	-	(6,494,470)
Disposal of the Corporation shares, as treasury shares	-	-	-	-	20,821	-	-	-	-	-	-	-	956,908	977,729
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	10,181,427	-	-	-	(12,101)	7,661,553	(1,363)	-	(476,837)	17,352,679
Share-based payments	6,610	-	57,317	-	(8,660)	-	-	(10,414)	-	-	-	-	-	44,853
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	678,732	-	(678,732)	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	-	(6,148)	-	-	-	-	-	(6,148)
BALANCE AT MARCH 31, 2021	$ 149,736,024	$ -	$ 60,615	$ -	$ 11,821,316	$ 8,816,167	$ 565,041	$ 35,311,330	$ (3,818,288)	$ 11,660,316	$ 1,156,806	$ -	$ (698,576)	$ 214,610,751
BALANCE AT JANUARY 1, 2022	$ 171,896,598	$ 18,930,436	$ 31,175	$ -	$ 36,147,480	$ 10,035,815	$ 298,120	$ 52,021,923	$ (5,126,549)	$ 13,669,003	$ 5,406,323	$ (1,458,485)	$ (9,071,501)	$ 292,780,338
Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	-	9,673,661	-	-	-	-	-	9,673,661
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	-	1,455,343	(24,398,311)	(17,424,287)	-	-	(40,367,255)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	-	9,673,661	1,455,343	(24,398,311)	(17,424,287)	-	-	(30,693,594)
Share-based payments	31,175	-	(31,175)	(14,100)	(5,083)	-	-	-	-	-	-	130,970	-	111,787
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	1,845,680	-	(1,845,680)	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	-	(885)	-	-	-	-	-	(885)
BALANCE AT MARCH 31, 2022	$ 171,927,773	$ 18,930,436	$ -	$ (14,100)	$ 36,142,397	$ 10,035,815	$ 298,120	$ 63,540,379	$ (3,671,206)	$ (12,574,988)	$ (12,017,964)	$ (1,327,515)	$ (9,071,501)	$ 262,197,646

(Continued)

4. Statements of cash flows

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 9,621,009	$ 9,702,514
Adjustments for:		
Depreciation and amortization expenses	28,345	24,907
Interest expense	147,656	109,750
Interest income	(430)	(2,718)
Share-based payment compensation cost	22,604	-
Share of loss of subsidiaries, associates and joint ventures	(10,224,440)	(10,446,491)
Others	-	24
Changes in operating assets and liabilities		
Receivables	(141,989)	1,495,505
Other assets	(32,275)	2,499
Payables	(237,065)	136,726
Other liabilities	19,542	13,254
Interest paid	(44,194)	(7,807)
Interest received	425	9,194
Income tax paid	(38)	(914)
Net cash generated from (used in) operating activities	(840,850)	1,036,443
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(31,006)	(6,109)
Others	(284)	-
Net cash used in investing activities	(31,290)	(6,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper payable	900,084	4,199,611
Issuance of corporate bonds	-	4,000,000
Repayments of other borrowings	(500,182)	(435)
Acquisition of ownership interests in subsidiaries	-	(23,600,000)
Others	(27,459)	43,398
Net cash generated from (used in) financing activities	372,443	(15,357,426)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(499,697)	(14,327,092)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,480,794	14,873,993
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 981,097	$ 546,901

(Continued)

KGI Bank

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	March 31, 2022	December 31, 2021	March 31, 2021
Cash and cash equivalents, due from the Central Bank and call loans to banks	$ 31,627,354	$ 57,812,543	$ 36,963,655
Financial assets at fair value through profit or loss	36,731,103	23,904,374	53,466,816
Financial assets at fair value through other comprehensive income	198,032,579	197,503,631	206,131,859
Debt instruments measured at amortized cost	18,456,025	13,112,516	12,731,611
Financial assets for hedging	1,370,664	251,279	220,795
Securities purchased under resell agreements	10,034,400	3,609,158	16,703,083
Receivables, net	23,532,823	21,137,817	26,981,223
Discounts and loans, net	380,469,133	373,670,389	375,300,466
Investments accounted for using the equity method, net	6,091,784	5,916,251	2,639,467
Other financial assets, net	1,126,600	1,086,575	1,085,850
Property and equipment, net	5,385,847	5,387,909	4,851,162
Right-of-use assets, net	3,545,038	3,666,610	3,270,191
Investment property, net	1,607,617	1,624,473	1,494,930
Deferred tax assets	600,013	524,763	1,060,232
Other assets, net	10,193,068	4,449,956	10,229,725
Total assets	$ 728,804,048	$ 713,658,244	$ 753,131,065
Deposits from the Central Bank and banks	$ 20,080,666	$ 20,823,546	$ 21,754,797
Funds from the Central Bank and financial institutions	133,700	129,490	91,080
Financial liabilities at fair value through profit or loss	33,360,411	20,307,688	50,111,933
Financial liabilities for hedging	568,275	73,006	153,036
Notes and bonds issued under repurchase agreements	65,847,115	42,781,169	62,705,654
Payables	5,562,441	7,192,913	6,921,817
Current tax liabilities	1,072,143	878,223	760,170
Deposits and remittances	481,897,760	502,812,083	489,884,845
Bank debentures payable	24,689,044	25,241,122	24,554,882
Principal received on structured notes	24,048,083	17,930,084	20,583,403
Provisions	472,315	473,464	483,253
Lease liabilities	3,689,862	3,812,545	3,304,450
Deferred tax liabilities	19,831	60,915	19,831
Other liabilities	2,268,579	5,062,206	4,910,403
Total liabilities	663,710,225	647,578,454	686,239,554
Common stock	46,061,623	46,061,623	46,061,623
Capital surplus	7,280,601	7,258,874	7,251,306
Retained earnings	14,383,510	12,927,710	11,717,190
Other equity	(2,631,911)	(168,417)	1,861,392
Total equity	65,093,823	66,079,790	66,891,511
Total liabilities and equity	$ 728,804,048	$ 713,658,244	$ 753,131,065

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	**2021**
Interest revenue	$ 2,948,971	$ 2,831,148
Interest expense	(610,897)	(596,170)
Interest profit, net	2,338,074	2,234,978
Noninterest profits and gains, net	773,488	518,307
Total net revenues	3,111,562	2,753,285
Reversal of allowance for bad debts and losses on commitments and guarantees, net	105,579	77,133
Operating expenses	(1,618,604)	(1,553,393)
Net profit before income tax	1,598,537	1,277,025
Income tax expense	(239,782)	(191,552)
Net profit for the period	1,358,755	1,085,473
Other comprehensive loss for the period, net of income tax	(2,366,449)	(1,180,706)
Total comprehensive loss for the period	$ (1,007,694)	$ (95,233)
Basic earnings per share	$0.29	$0.24

(Continued)

KGI Securities Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 227,431,243	$ 247,877,170	$ 226,054,711
Noncurrent assets	36,535,103	35,730,118	52,225,780
Total assets	$ 263,966,346	$ 283,607,288	$ 278,280,491
Current liabilities	$ 180,028,880	$ 200,632,782	$ 198,876,824
Noncurrent liabilities	11,521,160	11,651,646	6,489,388
Total liabilities	191,550,040	212,284,428	205,366,212
Common stock	32,995,978	32,995,978	34,363,397
Capital surplus	7,732,315	7,706,245	8,648,583
Retained earnings	34,736,713	33,293,038	30,169,803
Others	(3,048,700)	(2,672,401)	(267,504)
Total equity	72,416,306	71,322,860	72,914,279
Total liabilities and equity	$ 263,966,346	$ 283,607,288	$ 278,280,491

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	2021
Revenues	$ 3,783,185	$ 5,566,157
Costs and expenses	(2,607,442)	(3,096,591)
Profit from operations	1,175,743	2,469,566
Share of profit (loss) of subsidiaries, associates and joint ventures	303,308	1,870,968
Other income and loss	210,853	208,926
Total non-operating income or loss	514,161	2,079,894
Net profit before income tax	1,689,904	4,549,460
Income tax benefit (expense)	(246,229)	(354,087)
Net profit for the period	1,443,675	4,195,373
Other comprehensive income (loss) for the period, net of income tax	(376,299)	(3,140,153)
Total comprehensive income (loss) for the period	$ 1,067,376	$ 1,055,220
Basic earnings per share	$0.44	$1.18

(Continued)

CDIB Capital Group

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 4,810,178	$ 4,742,422	$ 3,962,996
Noncurrent assets	32,754,179	33,083,626	34,595,921
Total assets	$ 37,564,357	$ 37,826,048	$ 38,558,917
Current liabilities	$ 9,684,232	$ 1,874,833	$ 1,218,534
Noncurrent liabilities	757,251	766,261	849,424
Total liabilities	10,441,483	2,641,094	2,067,958
Common stock	20,411,159	20,411,159	20,411,159
Capital surplus	605,342	593,947	590,409
Retained earnings	6,931,753	15,501,990	16,201,780
Others	(825,380)	(1,322,142)	(712,389)
Total equity	27,122,874	35,184,954	36,490,959
Total liabilities and equity	$ 37,564,357	$ 37,826,048	$ 38,558,917

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	2021
Operating revenues	$ (438,000)	$ 1,157,471
Operating cost	(94,525)	(923,061)
Gross profit (loss)	(532,525)	234,410
Non-operating imcome and expenses	4,798	1,560,847
Profit (loss) from operations	(527,727)	1,795,257
Income tax expense	(42,510)	(171,188)
Net profit (loss) for the period	(570,237)	1,624,069
Other comprehensive loss for the period, net of income tax	496,762	97,606
Total comprehensive income (loss) for the period	$ (73,475)	$ 1,721,675
Basic earnings (loss) per share	$(0.28)	$0.80

(Continued)

China Development Asset Management Corp.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 62,514	$ 58,909	$ 55,881
Noncurrent assets	1,736,934	1,761,278	1,766,292
Total assets	$ 1,799,448	$ 1,820,187	$ 1,822,173
Current liabilities	$ 252,550	$ 274,872	$ 258,164
Noncurrent liabilities	115,160	117,237	79,700
Total liabilities	367,710	392,109	337,864
Common stock	1,133,600	1,133,600	1,133,600
Capital surplus	139,538	139,538	139,538
Retained earnings	185,373	181,713	252,204
Others	(26,773)	(26,773)	(41,033)
Total equity	1,431,738	1,428,078	1,484,309
Total liabilities and equity	$ 1,799,448	$ 1,820,187	$ 1,822,173

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	2021
Revenues and gains	$ 36,442	$ 44,697
Expenses and losses	(29,225)	(16,714)
Net profit before income tax	7,217	27,983
Income tax expense	(3,557)	(1,114)
Net profit for the period	3,660	26,869
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	$ 3,660	$ 26,869
Basic earnings per share	$ 0.03	$ 0.24

(Continued)

China Life Insurance Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	March 31, 2022	December 31, 2021	March 31, 2021
Cash and cash equivalents	$ 106,166,605	$ 153,787,291	$ 92,140,497
Receivables	26,516,127	17,038,235	26,407,784
Current tax assets	71,073	-	526,131
Financial assets at fair value through profit or loss	424,586,541	435,588,827	395,174,281
Financial assets at fair value through other comprehensive income	214,204,476	280,355,344	397,411,820
Financial assets measured at amortized cost	1,313,378,880	1,201,310,968	1,114,032,856
Investments accounted for using the equity method, net	1,353,914	1,017,001	69,652
Investment property	58,269,380	43,216,992	36,837,475
Loans	33,454,513	33,931,189	33,432,944
Reinsurance assets	1,053,512	891,059	863,787
Property and equipment	12,313,908	12,036,982	12,403,728
Right-of-use assets	4,680,958	4,699,054	6,013,101
Intangible assets	296,979	304,998	261,780
Deferred tax assets	14,243,047	13,074,033	10,520,109
Other assets	22,095,297	7,749,971	13,224,075
Separate account product assets	104,711,565	101,041,555	88,203,699
Total assets	$ 2,337,396,775	$ 2,306,043,499	$ 2,227,523,719
Payables	$ 11,951,317	$ 13,169,025	$ 21,307,037
Current tax liabilities	1,924,345	1,924,345	3,988,388
Financial liabilities at fair value through profit or loss	21,622,900	981,018	10,181,997
Bonds payables	10,000,000	10,000,000	10,000,000
Lease liabilities	1,797,397	1,768,675	1,733,395
Insurance liabilities	2,027,126,167	1,988,686,889	1,923,921,558
Foreign exchange valuation reserve	6,735,634	3,351,124	3,893,775
Provisions	191,469	199,799	193,993
Deferred tax liabilities	1,627,899	4,153,657	3,047,264
Other liabilities	1,920,541	3,757,700	1,847,091
Separate account product liabilities	104,711,565	101,041,555	88,203,699
Total liabilities	2,189,609,234	2,129,033,787	2,068,318,197
Common stock	49,206,531	49,206,531	47,313,972
Capital surplus	7,254,547	7,224,556	7,214,523
Retained earnings	105,547,606	94,990,656	80,114,611
Others	(14,221,143)	25,587,969	24,562,416
Total equity	147,787,541	177,009,712	159,205,522
Total liabilities and equity	$ 2,337,396,775	$ 2,306,043,499	$ 2,227,523,719

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31	
	2022	**2021**
Operating revenues	$ 66,450,308	$ 78,724,357
Operating costs	(53,981,006)	(65,761,010)
Operating expenses	(2,050,535)	(2,040,933)
Profit from operations	10,418,767	10,922,414
Non-operating income and expenses	4,723	4,177
Income from continuing operations before income tax	10,423,490	10,926,591
Income tax expense	(1,587,107)	(1,084,824)
Net income	8,836,383	9,841,767
Other comprehensive loss for the period, net of income tax	(38,087,660)	(30,281,335)
Total comprehensive loss for the period	$ (29,251,277)	$ (20,439,568)
Basic earnings per share	$1.80	$2.00

(Concluded)

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
MARCH 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
Beauty Essential International (Shanghai) Ltd.	Sale and R&D of the cosmetics.	US$ 2,000 thousand	Note 1,b,1)	US$ 2,262 thousand	$ -	$ -	US$ 2,262 thousand	(Note 3)	8.86	$ -	$ 67,536	$ -
Beauteek (Shanghai) Co., Ltd.	Cosmetics and skin care products sales.	US$ 1,700 thousand	Note 1,b,1)	US$ 53 thousand	-	-	US$ 53 thousand	(Note 3)	-	-	1,657	-
Triplex International Biosciences (Fujian)	Manufacture, sale and R&D medical diagnostic reagents and instruments.	US$ 35,200 thousand	Note 1,b,2)	US$ 1,400 thousand	-	-	US$ 1,400 thousand	(Note 3)	1.66	-	43,985	-
Hartec Technology (Kunshan) Co., Ltd.	NB EMI sputtering.	US$ 17,130 thousand	Note 1,b,3)	US$ 3,000 thousand	-	-	US$ 3,000 thousand	(Note 3)	10.23	-	99,603	-
Great Team Backend Foundry (Dongguan) Ltd.	Analog IC testing and packaging.	US$ 87,070 thousand	Note 1,b,4),16)	US$ 241 thousand	-	-	US$ 241 thousand	(Note 3)	1.83	-	6,896	-
MCM (Beijing) Commercial Co., Ltd.	Apparel, jewelry, watches, perfumes, cosmetics, glasses, bags, leather goods wholesale and retail; import and export of goods.	EUR 4,460 thousand	Note 1,b,5),17)	US$ 182 thousand	-	-	US$ 182 thousand	(Note 3)	5.00	-	5,212	-
Chengdu Le Me Shi Jia Trading Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service.	US$ 28,000 thousand	Note 1,b,4),15)	US$ 948 thousand	-	-	US$ 948 thousand	(Note 3)	2.36	-	6,701	-
Chengdu Le Me Shi Jia Information Technology Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service.	US$ 3,000 thousand	Note 1,b,4),15)	US$ 33 thousand	-	-	US$ 33 thousand	(Note 3)	2.36	-	235	-
Tianjin Mei Wei Information Technology Co., Ltd.	Computer IT consulting and technical services; computer hardware and software development; furniture, building materials, daily commodities, hardware wholesale.	CNY 171,574 thousand	Note 1,b,4),15)	US$ 297 thousand	-	-	US$ 297 thousand	(Note 3)	2.36	-	2,098	-
Tianjin Mu Yuan Household Trading Co., Ltd.	Household items; furniture, building materials, daily commodities, hardware wholesale.	US$ 500 thousand	Note 1,b,4),15)	US$ 42 thousand	-	-	US$ 42 thousand	(Note 3)	2.36	-	294	-
Jiangyin Suda Huicheng Composite Material Co., Ltd.	Lithium battery with extruded composite film.	CNY 19,812 thousand	Note 1,b,15)	US$ 5,051 thousand	-	-	US$ 5,051 thousand	(Note 3)	3.89	-	35,696	-
CDIB Private Equity (China) Corporation	Management and consulting.	US$ 7,000 thousand	Note 1,b,7)	US$ 7,000 thousand	-	-	US$ 7,000 thousand	1,718	100.00	1,718	280,897	-
CDIB Private Equity (Fujian) Co., Ltd.	Fund management.	CNY 10,000 thousand	Note 4	-	-	-	-	2,267	70.00	1,587	71,854	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management.	CNY 12,000 thousand	Note 1,b,7)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	1,138	70.00	797	34,666	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment.	CNY 560,000 thousand	Note 1,b,6),7)	CNY 350,000 thousand	$ -	$ -	CNY 350,000 thousand	$ 111,654	-	$ 39,413	$ 759,895	$ -
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management.	CNY 7,000 thousand	Note 5	-	-	-	-	774	65.00	503	59,257	-
CDIB Yida Private Equity Management (Kushan) Enterprise (Limited Partnership)	Management and consulting.	CNY 12,000 thousand	Note 1,b,7)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(289)	65.00	(188)	35,106	-
CDIB Yida Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment.	CNY 793,367 thousand	Note 1,b,6),7)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	(22,168)	-	(6,728)	1,141,748	-
Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 422,000 thousand	Note 1,b,6),7)	CNY 123,857 thousand	-	-	CNY 123,857 thousand	143,608	-	43,585	626,758	-
CDIB Private Equity (Kunshan) Corporation	Fund management.	CNY 3,000 thousand	Note 1,b,7)	-	-	-	-	(2,866)	100.00	(2,866)	8,446	-
CDIB Guoke Private Equity (Kunshan) Co. Ltd	Fund management.	CNY 10,000 thousand	Note 1,b,7)	-	-	-	-	87	65.00	57	29,203	-
Beijing Shengzhuang Co., Ltd.	Cosmetics sales.	CNY 54,300 thousand	Note 1,b,8)	US$ 5,000 thousand	-	-	US$ 5,000 thousand	(Note 3)	5.44	-	150,880	-
Lightel Technologies (Shenzhen) Inc.	Fiber optic components, fiber optic equipment and instruments and LED lamps.	US$ 4,100 thousand	Note 1,b,9)	US$ 337 thousand	-	-	US$ 337 thousand	(Note 3)	11.58	-	9,857	-
Guohui (China) Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories.	HK$ 313,432 thousand	Note 1,b,5),10)	US$ 2,311 thousand	-	-	US$ 2,311 thousand	(Note 3)	7.74	-	66,148	-
Fujian Guohui Footwear Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories.	HK$ 195,686 thousand	Note 1,b,5),10)	US$ 1,678 thousand	-	-	US$ 1,678 thousand	(Note 3)	7.74	-	48,037	-
Jiangsu Stonehenge Industrial Holding Ltd.	Business in research, development and manufacture of electro optic technology, process on TFT-LCD optical, functional film material, and production and marketing of other plastic product.	HK$ 761,576 thousand	Note 1,b, 5),18)	US$ 9,248 thousand	-	-	US$ 9,248 thousand	(Note 3)	5.46	-	52,377	-
Tutwo (Xiamen) Outdoor Co., Ltd.	Business in wholesale and retail of outdoor sports products, sporting goods, clothing, shoes and hats, wholesale, retail and manufacture of textile and hosiery, leather garments, leather manufacturing, retail of kitchenware and daily groceries.	CNY 350,379 thousand	Note 1,b, 11)	US$ 7,417 thousand	-	-	US$ 7,417 thousand	(Note 3)	2.67	-	52,419	-
Best Logistics Technology (China) Co., Ltd.	Business in research, development, technical services, computer information, network logistics technology and wholesale and retail of general labor supplies, household appliances and building materials.	US$ 183,000 thousand	Note 1,b, 12)	US$ 211 thousand	-	-	US$ 211 thousand	(Note 3)	-	-	2,439	-
Suyin KGI Consumer Finance Co., Ltd.	Consumer financial business.	CNY 2,600,000 thousand	Note 1,a	CNY 940,400 thousand	-	-	CNY 940,400 thousand	195,531	36.17	70,708 (Note 2,b,3)	4,337,228	-
CDIB International Leasing Corporation	Financial leasing and management business consulting.	CNY 187,750 thousand	Note 1,a	US$ 30,000 thousand	-	-	US$ 30,000 thousand	3,371	100.00	3,371 (Note 2,b,2)	129,572	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
CCB Life Insurance Company Limited	Life insurance.	CNY 7,120,461 thousand	Note 1,a	$ 12,880,969	$ -	$ -	$ 12,880,969	$ 760,608	19.90	-	$ 13,062,813	$ 229,387
Changzhou Cheng Xing Environmental Protection Technology Co., Ltd.	Business in packaging technology development, and related transfer services consulting.	US$ 13,380 thousand	Note 1,b,14)	US$ 454 thousand	-	-	US$ 454 thousand	(Note 3)	0.85	-	1,117	-
Cheng Zong Environmental Protection Technology (Shanghai) Co., Ltd.	Business in Packaging materials, plastic products, machinery and equipment, providing molds and related products wholesale, commission agents.	US$ 5,000 thousand	Note 1,b,14)	US$ 120 thousand	-	-	US$ 120 thousand	(Note 3)	0.88	-	295	-
Taro Technology (Hangzhou) Co., Ltd.	Business in software; network engineering; intelligent robot; development of hi-tech product; technical services; transfer of technological achievements.	US$ 30,000 thousand	Note 1,b,19)	US$ 2,000 thousand	-	-	US$ 2,000 thousand	(Note 3)	1.01	-	57,244	-
Rokid Business (Hangzhou) Co., Ltd.	Business in software; network engineering; intelligent robot; development of hi-tech product; technical services; transfer of technological achievements	US$ 15,000 thousand	Note 1,b,19)	US$ 3,000 thousand	-	-	US$ 3,000 thousand	(Note 3)	1.01	(Note 2,a)	85,866	-
Ningbo DINGYAO Transmission Machinery Co., Ltd.	Business in machinery and equipment; hi-tech product.	CNY 500 thousand	Note 1,b, 20)	US$ 159 thousand	-	-	US$ 159 thousand	(Note 3)	2.90	-	4,390	-
Kunshan Beiju Machine Co., Ltd.	Business in welding fixture and fixture for inspection.	US$ 8,000 thousand	Note 1,b, 20)	US$ 812 thousand	-	-	US$ 812 thousand	(Note 3)	5.68	-	22,482	-
Kunshan Royal Precision Tools Corporation Ltd.	Business in belt-driven Spindle.	US$ 3,956 thousand	Note 1,b, 20)	US$ 526 thousand	-	-	US$ 526 thousand	(Note 3)	5.68	-	14,563	-
Kunshan XIJU Machinery Co., Ltd.	Business in CNC machine accessories.	US$ 5,619 thousand	Note 1,b, 20)	US$ 290 thousand	-	-	US$ 290 thousand	(Note 3)	5.68	-	8,038	-
Dongguan NANJU Machinery Co., Ltd.	Business in machinery equipment and its accessories.	CNY 1,500 thousand	Note 1,b, 20)	US$ 42 thousand	-	-	US$ 42 thousand	(Note 3)	3.97	-	1,168	-
Chongqing TAIJU Machinery Co., Ltd.	Business in import and export of goods, production and sales; CNC; machining center; tool magazine.	US$ 591 thousand	Note 1,b, 20)	US$ 49 thousand	-	-	US$ 49 thousand	(Note 3)	3.97	-	1,345	-
Elixiron Immunotherapeutics Inc.	Research and development of new drugs for cancer and antiviral immunity.	CNY 6,332 thousand	Note 1,b, 21)	US$ 196 thousand	-	-	US$ 196 thousand	(Note 3)	9.32	-	5,492	-

Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$23,561,620	US$866,103 thousand	$159,359,996

(Continued)

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third area by:

1) Beauty Essentials International Ltd.
2) Capital Excel Investments Limited.
3) Hartec Asia Pte Ltd.
4) CDIB Capital Investment I Limited
5) CDIB Capital Investment II Limited.
6) CDIB Venture Capital (Hong Kong) Corporation Limited.
7) CDIB Private Equity (Hong Kong) Corporation Limited.
8) Shengzhuang Holdings Limited.
9) Lightel Technologies, Inc.
10) CBA Sport International Limited.
11) CCAP Tutwo Holdings (Hong Kong) Limited.
12) Best Logistics.
13) Richpoint Company Limited.
14) Deluxe Technology Group Co., Ltd.
15) CDIB Capital Asia Partners L.P.
16) Great Team Backend Foundry, Inc.
17) Sungjoo Design Tech & Distribution Inc.
18) Great Rich Technologies Limited.
19) Rokid Corporation Limited.
20) POJU (Cayman) International Co., Ltd.
21) Elixiron Immunotherapeutics (Cayman) Limited

c. Other.

Note 2: In the column "Investment Gain"

a. If it is in preparation and there is no investment gain, it should state clearly.

b. Investment Gain recognition was based on the following and should state clearly.

1) Financial statements audited by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
2) Financial statements audited by the CPA firm of the parent company in Taiwan;
3) Other.

Note 3: Investee Company was not significantly influenced by the Company; therefore the Group cannot acquire the related financial information.

Note 4: In 2017, CDIB Private Equity (Fujian) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

Note 5: In 2017, CDIB Yida Private Equity (Kunshan) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

Note 6: Subsidiary of the Corporation formerly indirectly invested in Gio Van Gogh (International) Jewelry Limited through its subsidiary's investment in Regal Holding Co., Ltd. has been listed on the Taiwan Stock Exchange on June 26, 2017, refer to its financial report for the information.

Note 7: Subsidiary of the Corporation formerly indirectly invested in GSD Industrial (China) Co., Ltd. through its subsidiary's investment in GSD Technologies Co., Ltd. has been listed on the Taiwan Stock Exchange on September 21, 2018, refer to its financial report for the information.

(Concluded)

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
0	The Corporation	CDIB Capital Group	1	Current tax assets	$ 674,841	Note 4	0.02%
1	CDIB Capital Group	The Corporation	2	Current tax liabilities	674,841	Note 4	0.02%
0	The Corporation	CDIB Capital Group	1	Current tax liabilities	218,787	Note 4	0.01%
1	CDIB Capital Group	The Corporation	2	Current tax assets	218,787	Note 4	0.01%
0	The Corporation	CDIB Capital Group	1	Receivables, net	8,000,000	Note 4	0.23%
1	CDIB Capital Group	The Corporation	2	Payables	8,000,000	Note 4	0.23%
0	The Corporation	KGI Bank	1	Current tax assets	1,072,142	Note 4	0.03%
2	KGI Bank	The Corporation	2	Current tax liabilities	1,072,142	Note 4	0.03%
0	The Corporation	KGI Securities Co., Ltd.	1	Current tax assets	2,507,802	Note 4	0.07%
3	KGI Securities Co., Ltd.	The Corporation	2	Current tax liabilities	2,507,802	Note 4	0.07%
0	The Corporation	KGI Bank	1	Cash and cash equivalents	944,963	Note 4	0.03%
2	KGI Bank	The Corporation	2	Deposits and remittances	944,963	Note 4	0.03%
0	The Corporation	CDIB Capital Management Corporation	1	Current tax assets	102,724	Note 4	0.00%
4	CDIB Capital Management Corporation	The Corporation	2	Current tax liabilities	102,724	Note 4	0.00%
1	CDIB Capital Group	KGI Bank	3	Cash and cash equivalents	4,553,718	Note 4	0.13%
2	KGI Bank	CDIB Capital Group	3	Deposits and remittances	4,553,718	Note 4	0.13%
2	KGI Bank	KGI Securities Co., Ltd.	3	Receivables, net	245,819	Note 4	0.01%
3	KGI Securities Co., Ltd.	KGI Bank	3	Payables	245,819	Note 4	0.01%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
3	KGI Securities Co., Ltd.	KGI Bank	3	Other assets	$ 444,504	Note 4	0.01%
2	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	444,504	Note 4	0.01%
3	KGI Securities Co., Ltd.	KGI Bank	3	Other financial assets	783,734	Note 4	0.02%
2	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	783,734	Note 4	0.02%
3	KGI Securities Co., Ltd.	KGI Bank	3	Other assets	2,232,110	Note 4	0.07%
3	KGI Securities Co., Ltd.	KGI Bank	3	Other financial assets	1,200,000	Note 4	0.03%
2	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	3,432,110	Note 4	0.10%
3	KGI Securities Co., Ltd.	KGI Bank	3	Cash and cash equivalents	325,317	Note 4	0.01%
2	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	325,317	Note 4	0.01%
3	KGI Securities Co., Ltd.	KGI Bank	3	Other financial liabilities	1,062,390	Note 4	0.03%
2	KGI Bank	KGI Securities Co., Ltd.	3	Cash and cash equivalents	884,696	Note 4	0.03%
2	KGI Bank	KGI Securities Co., Ltd.	3	Financial assets at fair value through profit or loss	177,694	Note 4	0.00%
5	China Life Insurance Co., Ltd.	KGI Bank	3	Cash and cash equivalents	843,684	Note 4	0.02%
2	KGI Bank	China Life Insurance Co., Ltd.	3	Deposits and remittances	843,684	Note 4	0.02%
5	China Life Insurance Co., Ltd.	KGI Bank	3	Receivables, net	687,942	Note 4	0.02%
2	KGI Bank	China Life Insurance Co., Ltd.	3	Other liabilities	687,942	Note 4	0.02%
5	China Life Insurance Co., Ltd.	KGI Securities Co., Ltd.	3	Receivables, net	977,620	Note 4	0.03%
3	KGI Securities Co., Ltd.	China Life Insurance Co., Ltd.	3	Payables	977,620	Note 4	0.03%
6	CDIB Venture Capital (Hong Kong) Corporation Limited	KGI Bank	3	Cash and cash equivalents	986,556	Note 4	0.03%
2	KGI Bank	CDIB Venture Capital (Hong Kong) Corporation Limited	3	Deposits and remittances	986,556	Note 4	0.03%
7	CDIB Global Markets Limited	KGI Bank	3	Cash and cash equivalents	312,313	Note 4	0.01%
2	KGI Bank	CDIB Global Markets Limited	3	Deposits and remittances	312,313	Note 4	0.01%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
8	CDIB Management Consulting Corporation	KGI Bank	3	Cash and cash equivalents	$ 129,100	Note 4	0.00%
2	KGI Bank	CDIB Management Consulting Corporation	3	Deposits and remittances	129,100	Note 4	0.00%
9	CDIB Capital International Corporation	KGI Bank	3	Cash and cash equivalents	413,241	Note 4	0.01%
2	KGI Bank	CDIB Capital International Corporation	3	Deposits and remittances	413,241	Note 4	0.01%
3	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Cash and cash equivalents	618,218	Note 4	0.02%
10	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	618,218	Note 4	0.02%
3	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Financial assets at fair value through profit or loss	249,403	Note 4	0.01%
10	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	249,403	Note 4	0.01%
10	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Cash and cash equivalents	303,137	Note 4	0.01%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	303,137	Note 4	0.01%
10	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Financial assets at fair value through profit or loss	115,300	Note 4	0.00%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	115,300	Note 4	0.00%
10	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Other financial assets	1,065,753	Note 4	0.03%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	1,065,753	Note 4	0.03%
10	KGI Futures Co., Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	281,240	Note 4	0.01%
12	KGI Futures (Hong Kong) Limited	KGI Futures Co., Ltd.	3	Other financial liabilities	281,240	Note 4	0.01%
12	KGI Futures (Hong Kong) Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other financial liabilities	387,568	Note 4	0.01%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	387,568	Note 4	0.01%
12	KGI Futures (Hong Kong) Limited	KGI International (Hong Kong) Limited	3	Other financial liabilities	287,346	Note 4	0.01%
13	KGI International (Hong Kong) Limited	KGI Futures (Hong Kong) Limited	3	Receivables, net	287,346	Note 4	0.01%
12	KGI Futures (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	1,287,025	Note 4	0.04%
14	KGI International Holdings Limited	KGI Futures (Hong Kong) Limited	3	Other financial liabilities	1,287,025	Note 4	0.04%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
13	KGI International (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	$ 2,545,449	Note 4	0.07%
14	KGI International Holdings Limited	KGI International (Hong Kong) Limited	3	Other financial liabilities	2,545,449	Note 4	0.07%
15	KGI Asia Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other liabilities	375,069	Note 4	0.01%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Asia Limited	3	Receivables, net	375,069	Note 4	0.01%
15	KGI Asia Limited	KGI Securities (Singapore) Pte. Ltd.	3	Receivables, net	225,694	Note 4	0.01%
11	KGI Securities (Singapore) Pte. Ltd.	KGI Asia Limited	3	Payables	225,694	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Payables	2,024,589	Note 4	0.06%
13	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	2,024,589	Note 4	0.06%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Receivables, net	529,507	Note 4	0.02%
13	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Payables	529,507	Note 4	0.02%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Other liabilities	384,382	Note 4	0.01%
13	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	384,382	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Financial liabilities at fair value through profit or loss	531,274	Note 4	0.02%
13	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Other financial assets	531,274	Note 4	0.02%
13	KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	3	Receivables, net	458,817	Note 4	0.01%
16	PT KGI Sekuritas Indonesia	KGI International (Hong Kong) Limited	3	Payables	458,817	Note 4	0.01%
15	KGI Asia Limited	PT KGI Sekuritas Indonesia	3	Receivables, net	143,399	Note 4	0.00%
16	PT KGI Sekuritas Indonesia	KGI Asia Limited	3	Payables	143,399	Note 4	0.00%
15	KGI Asia Limited	KGI International Holdings Limited	3	Cash and cash equivalents	858,017	Note 4	0.02%
14	KGI International Holdings Limited	KGI Asia Limited	3	Other financial liabilities	858,017	Note 4	0.02%
17	KGI Hong Kong Limited	KGI Asia Limited	3	Net other non-interest income	331,386	Note 4	0.80%
15	KGI Asia Limited	KGI Hong Kong Limited	3	Net other non-interest income	331,386	Note 4	0.80%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
18	KGI International Finance Limited	KGI International Holdings Limited	3	Cash and cash equivalents	$ 377,527	Note 4	0.01%
14	KGI International Holdings Limited	KGI International Finance Limited	3	Other financial liabilities	377,527	Note 4	0.01%

Note 1: The consolidated entities are identified in the No. column as follows: Parent company - 0; subsidiaries - numbered from 1 by company.

Note 2: Transaction flows are as follows: (1) from parent to subsidiary; (2) from subsidiary to parent; and (3) between subsidiaries.

Note 3: The ratio is calculated as follows: For asset and liability accounts - Transaction amount in the ending period/Total consolidated assets; for income and expense accounts - Transaction amount in the midterm/Total consolidated net profit.

Note 4: The transaction criteria for related parties are similar to those for third parties.

Note 5: Transactions each amounted to at least NT$100 million.

(Concluded)