KGI Financial Holding Co., Ltd. and Subsidiaries

(Formerly China Development Financial Holding Corporation)

Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and 2023 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
KGI Financial Holding Co., Ltd.
(Formerly China Development Financial Holding Corporation)

Introduction

We have reviewed the accompanying consolidated balance sheets of KGI Financial Holding Co., Ltd. (formerly China Development Financial Holding Corporation (the "Company")) and its subsidiaries (collectively referred to as the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements") Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

November 18, 2024

Notice to Readers

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.

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2024		December 31, 2023		September 30, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Note 6)	$ 96,900,834	3	$ 72,864,773	2	$ 65,654,409	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO FINANCIAL INSTITUTIONS (Notes 7 and 45)	48,646,603	1	29,682,480	1	37,891,645	1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 17, 44 and 45)	589,965,244	15	550,917,931	15	557,825,480	15
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 17, 45 and 50)	252,961,091	6	249,360,614	7	252,903,153	7
DEBT INVESTMENTS MEASURED AT AMORTIZED COST (Notes 10, 17, 44, 45 and 50)	1,699,985,852	43	1,668,017,681	46	1,704,659,083	46
FINANCIAL ASSETS FOR HEDGING (Note 11)	312,036	-	835,695	-	2,356,619	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 12)	92,608,119	2	68,181,458	2	66,791,169	2
RECEIVABLES, NET (Notes 13, 44, 45 and 50)	220,119,167	6	156,501,248	4	141,309,673	4
CURRENT TAX ASSETS (Note 4)	884,457	-	891,186	-	137,575	-
DISCOUNTS AND LOANS, NET (Notes 14, 44 and 50)	489,443,202	12	430,891,355	12	430,997,759	12
REINSURANCE ASSETS, NET (Note 15)	1,036,706	-	1,011,096	-	1,167,552	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 16 and 17)	27,650,509	1	24,818,337	1	21,577,622	-
OTHER FINANCIAL ASSETS (Notes 18, 44 and 45)	190,348,477	5	177,975,337	5	172,714,153	5
INVESTMENT PROPERTY, NET (Notes 19 and 45)	59,035,188	2	59,391,549	2	59,112,149	1
PROPERTY AND EQUIPMENT, NET (Notes 20 and 45)	30,532,815	1	31,174,212	1	32,030,274	1
RIGHT-OF-USE ASSETS, NET (Notes 21 and 45)	11,608,286	-	11,860,235	-	12,134,751	-
INTANGIBLE ASSETS, NET (Note 22)	17,239,755	-	17,778,030	-	17,888,303	-
DEFERRED TAX ASSETS (Notes 4 and 41)	16,327,570	-	18,834,982	-	25,333,111	1
OTHER ASSETS, NET (Notes 23 and 44)	96,180,636	3	77,223,854	2	108,338,055	3
TOTAL	$ 3,941,786,547	100	$ 3,648,212,053	100	$ 3,710,822,535	100
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and financial institutions (Notes 24 and 44)	$ 12,761,186	-	$ 7,027,312	-	$ 7,770,686	-
Financial liabilities at fair value through profit or loss (Notes 8 and 44)	59,656,739	2	62,481,110	2	106,763,190	3
Financial liabilities for hedging (Note 11)	1,255,999	-	697,122	-	838,437	-
Notes and bonds issued under repurchase agreements (Notes 8, 9, 10 and 25)	173,485,728	4	130,294,589	4	147,012,927	4
Commercial paper payable, net (Notes 26 and 45)	53,472,495	1	29,459,780	1	35,699,235	1
Payables (Notes 27 and 44)	156,568,428	4	107,156,822	3	98,274,863	3
Current tax liabilities (Note 4)	698,283	-	312,088	-	225,789	-
Deposits and remittances (Notes 28 and 44)	591,817,255	15	529,936,718	14	520,001,310	14
Bonds payable (Note 29)	112,783,289	3	101,938,248	3	101,281,435	3
Other borrowings (Notes 30 and 45)	32,213,117	1	24,444,457	1	27,684,109	1
Provisions (Notes 4 and 31)	2,090,545,953	53	2,082,411,350	57	2,119,496,501	57
Other financial liabilities (Note 33)	238,413,214	6	210,573,263	6	214,997,143	6
Lease liabilities (Notes 21 and 44)	3,956,027	-	4,034,022	-	4,267,276	-
Deferred tax liabilities (Notes 4 and 41)	20,922,441	1	16,326,381	-	22,628,706	-
Other liabilities (Note 44)	87,122,018	2	78,168,155	2	68,515,616	2
Total liabilities	3,635,672,172	92	3,385,261,417	93	3,475,457,223	94
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 34)						
Capital						
Common stock	168,085,598	4	168,345,806	5	168,392,886	5
Preferred stock	15,821,424	1	15,821,424	-	15,821,424	-
Share capital awaiting retirement	(4,645)	-	(6,000)	-	(47,080)	-
Capital surplus	33,729,846	1	33,588,602	1	33,506,036	1
Retained earnings						
Legal reserve	17,591,149	1	15,613,641	-	15,613,641	-
Special reserve	39,120,659	1	48,976,557	1	48,976,557	1
Unappropriated earnings	48,892,200	1	19,775,079	1	18,413,843	1
Other equity	(17,256,425)	(1)	(39,296,475)	(1)	(65,435,269)	(2)
Total equity attributable to owners of the parent	305,979,806	8	262,818,634	7	235,242,038	6
NON-CONTROLLING INTERESTS	134,569	-	132,002	-	123,274	-
Total equity	306,114,375	8	262,950,636	7	235,365,312	6
TOTAL	$ 3,941,786,547	100	$ 3,648,212,053	100	$ 3,710,822,535	100

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST REVENUE (Notes 35 and 44)	$ 26,240,492	108	$ 25,124,956	267	$ 77,154,219	148	$ 71,750,944	190
INTEREST EXPENSE (Notes 35 and 44)	(7,438,275)	(31)	(6,297,430)	(67)	(21,395,842)	(41)	(16,790,130)	(44)
INTEREST PROFIT, NET	18,802,217	77	18,827,526	200	55,758,377	107	54,960,814	146
TOTAL NONINTEREST PROFITS AND GAINS (LOSSES), NET								
Service fee and commission, net (Notes 18, 36 and 44)	2,920,674	12	1,430,927	15	7,536,265	14	2,231,516	6
Net loss from insurance operations (Notes 37 and 44)	(10,247,095)	(42)	(20,555,114)	(218)	(43,629,425)	(84)	(36,999,385)	(98)
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss, net (Notes 8, 38 and 44)	19,927,589	82	(33,106,034)	(351)	20,609,111	40	(15,590,295)	(41)
Gain on investment property, net	70,984	-	213,002	2	268,029	-	517,249	1
Realized gain on financial assets measured at fair value through other comprehensive income (Note 39)	1,005,676	4	558,063	6	1,586,060	3	1,336,901	3
Gain (loss) on disposal of financial assets measured at amortized cost (Note 10)	(408,030)	(2)	(285,494)	(3)	(641,454)	(1)	721,844	2
Foreign exchange gain (loss), net	(21,906,670)	(90)	34,010,811	361	31,939,038	62	45,549,164	120
Reversal of impairment loss (impairment loss) on assets, net	7,310	-	(28,422)	-	(333,936)	(1)	(425,481)	(1)
Share of the profit (loss) of associates and joint ventures	433,490	2	(83,216)	(1)	825,460	2	1,530,904	4
Gain (loss) on reclassification using the overlay approach (Note 8)	10,056,647	41	13,240,825	140	(19,376,078)	(37)	(11,011,123)	(29)
Net changes in reserve for changes in foreign exchange valuation (Note 31)	3,522,604	15	(5,023,589)	(53)	(3,494,082)	(7)	(5,647,899)	(15)
Others (Notes 44 and 46)	214,249	1	234,805	2	867,898	2	600,205	2
Total noninterest profits and gains (losses), net	5,597,428	23	(9,393,436)	(100)	(3,843,114)	(7)	(17,186,400)	(46)
TOTAL NET REVENUE	24,399,645	100	9,434,090	100	51,915,263	100	37,774,414	100
ALLOWANCE FOR BAD DEBTS AND LOSSES ON COMMITMENTS AND GUARANTEES	(318,207)	(1)	(349,942)	(4)	(1,128,889)	(2)	(294,589)	(1)
NET CHANGE IN RESERVE FOR INSURANCE LIABILITIES	313,821	1	8,848,569	94	12,143,247	23	6,428,752	17

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KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING EXPENSES (Notes 21, 32, 40 and 44)								
Employee benefits	$ (6,252,520)	(26)	$ (4,963,241)	(53)	$ (17,331,552)	(34)	$ (14,537,329)	(38)
Depreciation and amortization	(929,574)	(4)	(957,319)	(10)	(2,784,447)	(5)	(2,843,473)	(8)
Other general and administrative expenses	(2,765,840)	(11)	(2,277,133)	(24)	(7,411,143)	(14)	(6,253,044)	(17)
Total operating expenses	(9,947,934)	(41)	(8,197,693)	(87)	(27,527,142)	(53)	(23,633,846)	(63)
NET PROFIT BEFORE INCOME TAX	14,447,325	59	9,735,024	103	35,402,479	68	20,274,731	53
INCOME TAX EXPENSE (Note 41)	(2,259,634)	(9)	(2,366,444)	(25)	(6,262,185)	(12)	(2,759,048)	(7)
NET PROFIT FOR THE PERIOD	12,187,691	50	7,368,580	78	29,140,294	56	17,515,683	46
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	609,620	2	(80,120)	(1)	640,173	1	122,243	-
Gain (loss) on equity instruments measured at fair value through other comprehensive income	2,079,934	9	(518,046)	(5)	1,703,564	3	(83,919)	-
Income tax relating to the items that will not be reclassified subsequently to profit or loss (Note 41)	(482,547)	(2)	122,432	1	(210,548)	-	278,242	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	(286,592)	(1)	1,366,230	14	1,691,842	3	1,469,172	4
Share of the other comprehensive income (loss) of associates and joint ventures	(182,208)	(1)	185,008	2	160,806	-	264,660	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 41)	(898,810)	(4)	1,111,780	12	(2,009,219)	(4)	72,866	-

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(Formerly China Development Financial Holding Corporation)

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Gain (loss) on debt instruments measured at fair value through other comprehensive income	$ 5,047,737	21	$ (5,055,104)	(54)	$ 1,484,520	3	$ (4,222,704)	(11)
Other comprehensive income (loss) on reclassification using the overlay approach (Note 8)	(10,056,647)	(41)	(13,240,825)	(140)	19,376,078	38	11,011,123	29
	(4,169,513)	(17)	(16,108,645)	(171)	22,837,216	44	8,911,683	24
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 8,018,178	33	$ (8,740,065)	(93)	$ 51,977,510	100	$ 26,427,366	70
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	$ 12,187,349	50	$ 7,369,598	78	$ 29,140,005	56	$ 17,512,376	46
Non-controlling interests	342	-	(1,018)	-	289	-	3,307	-
	$ 12,187,691	50	$ 7,368,580	78	$ 29,140,294	56	$ 17,515,683	46
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the parent	$ 8,016,211	33	$ (8,742,113)	(93)	$ 51,972,724	100	$ 26,423,604	70
Non-controlling interests	1,967	-	2,048	-	4,786	-	3,762	-
	$ 8,018,178	33	$ (8,740,065)	(93)	$ 51,977,510	100	$ 26,427,366	70
EARNINGS PER SHARE (Note 42)								
Basic	$ 0.73		$ 0.44		$ 1.71		$ 1.05	
Diluted	$ 0.73		$ 0.44		$ 1.70		$ 1.04	

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	Equity Attributable to Owners of the Parent														
	Capital				Retained Earnings			Other Equity							
	Common Stock	Preferred 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 (Loss) on Reclassified Using the Overlay Approach	Equity on Hedging Instruments	Others	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	$ 168,453,886	$ 15,821,424	$ -	$ 33,626,805	$ 13,703,864	$ 410,006	$ 50,476,328	$ (1,116,811)	$ (13,728,907)	$ (58,042,885)	$ 3,301	$ (943,738)	$ 208,663,273	$ 122,103	$ 208,785,376
Appropriation of the 2022 earnings															
Legal reserve	-	-	-	-	1,909,777	-	(1,909,777)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	48,566,551	(48,566,551)	-	-	-	-	-	-	-	-
	-	-	-	-	1,909,777	48,566,551	(50,476,328)	-	-	-	-	-	-	-	-
Share of profit or loss of associates and joint ventures accounted for using equity method	-	-	-	(15,741)	-	-	-	-	-	-	-	-	(15,741)	-	(15,741)
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	17,512,376	-	-	-	-	-	17,512,376	3,307	17,515,683
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	1,732,337	(2,964,532)	10,142,232	1,191	-	8,911,228	455	8,911,683
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	17,512,376	1,732,337	(2,964,532)	10,142,232	1,191	-	26,423,604	3,762	26,427,366
Share-based payments	(61,000)	-	(47,080)	(105,028)	-	-	10,809	-	-	-	-	415,295	212,996	-	212,996
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,591)	(2,591)
Disposal of equity investments at fair values through other comprehensive income	-	-	-	-	-	-	932,752	-	(932,752)	-	-	-	-	-	-
Net changes in special reserve of subsidiaries	-	-	-	-	-	-	(42,094)	-	-	-	-	-	(42,094)	-	(42,094)
BALANCE AT SEPTEMBER 30, 2023	$ 168,392,886	$ 15,821,424	$ (47,080)	$ 33,506,036	$ 15,613,641	$ 48,976,557	$ 18,413,843	$ 615,526	$ (17,626,191)	$ (47,900,653)	$ 4,492	$ (528,443)	$ 235,242,038	$ 123,274	$ 235,365,312
BALANCE AT JANUARY 1, 2024	$ 168,345,806	$ 15,821,424	$ (6,000)	$ 33,588,602	$ 15,613,641	$ 48,976,557	$ 19,775,079	$ (1,364,704)	$ (11,632,625)	$ (25,848,289)	$ 2,067	$ (452,924)	$ 262,818,634	$ 132,002	$ 262,950,636
Appropriation of the 2023 earnings															
Legal reserve	-	-	-	-	1,977,508	-	(1,977,508)	-	-	-	-	-	-	-	-
Special reserve reserved	-	-	-	-	-	(9,855,898)	9,855,898	-	-	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	-	(8,414,813)	-	-	-	-	-	(8,414,813)	-	(8,414,813)
Cash dividends - preferred shares	-	-	-	-	-	-	(561,661)	-	-	-	-	-	(561,661)	-	(561,661)
	-	-	-	-	1,977,508	(9,855,898)	(1,098,084)	-	-	-	-	-	(8,976,474)	-	(8,976,474)
Share of profit or loss of associates and joint ventures accounted for using equity method	-	-	-	54	-	-	-	-	-	-	-	-	54	-	54
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	-	29,140,005	-	-	-	-	-	29,140,005	289	29,140,294
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	-	1,848,566	3,566,133	17,418,435	(415)	-	22,832,719	4,497	22,837,216
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	29,140,005	1,848,566	3,566,133	17,418,435	(415)	-	51,972,724	4,786	51,977,510
Share-based payments	(260,208)	-	1,355	141,190	-	-	25,097	-	-	-	-	257,434	164,868	-	164,868
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,219)	(2,219)
Disposal of equity investments at fair values through other comprehensive income	-	-	-	-	-	-	1,050,103	-	(1,050,103)	-	-	-	-	-	-
BALANCE AT SEPTEMBER 30, 2024	$ 168,085,598	$ 15,821,424	$ (4,645)	$ 33,729,846	$ 17,591,149	$ 39,120,659	$ 48,892,200	$ 483,862	$ (9,116,595)	$ (8,429,854)	$ 1,652	$ (195,490)	$ 305,979,806	$ 134,569	$ 306,114,375

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 35,402,479	$ 20,274,731
Adjustments for reconciliation with net profit		
Depreciation expense	2,104,728	2,173,012
Amortization expense	1,163,105	1,141,827
Allowance for bad debts and losses on commitments and guarantees, net	1,128,889	294,589
Loss (gain) on financial assets and liabilities measured at fair value through profit or loss, net	(8,337,618)	29,012,409
Interest expense	21,395,842	16,790,130
Interest revenue	(77,154,219)	(71,750,944)
Dividend income	(13,175,641)	(14,219,507)
Net changes in insurance liabilities	4,711,044	19,178,338
Net changes in reserve for changes in foreign exchange valuation	3,494,082	5,647,899
Compensation cost for share-based payments	139,771	202,187
Share of profit of associates and joint ventures	(795,081)	(1,531,442)
Loss on reclassification using the overlay approach	19,376,078	11,011,123
Gain on disposal of investments	(30,866)	(1,232,776)
Impairment loss on financial assets	333,936	426,801
Others	(115,500)	(515,146)
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to financial institutions	(4,468,414)	13,505
Financial assets at fair value through profit or loss	1,226,719	(55,531,337)
Financial assets at fair value through other comprehensive income	1,589,227	(40,631,304)
Debt investments measured at amortized cost	(20,914,449)	(32,161,148)
Securities purchased under resell agreements	(1,502,622)	(778,944)
Receivables	(63,283,618)	(28,550,742)
Discounts and loans	(59,627,772)	(3,244,285)
Other financial assets	(8,980,715)	1,884,983
Other assets	(16,131,876)	2,009,739
Deposits from the Central Bank and financial institutions	5,733,874	(4,201,742)
Financial liabilities at fair value through profit or loss	(34,092,249)	(41,629,426)
Notes and bonds issued under repurchase agreements	43,191,139	45,829,032
Payables	49,558,711	10,625,067
Deposits and remittances	61,880,537	(9,642,709)
Other financial liabilities	23,837,712	327,643
Other liabilities	8,932,796	15,479,308
Cash used in operations	(23,409,971)	(123,299,129)
Interest received	64,254,299	56,015,786
Dividends received	12,701,964	13,765,050

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	For the Nine Months Ended September 30 2024	2023
Interest paid	$ (21,637,161)	$ (17,746,698)
Income tax paid	(998,774)	(1,291,628)
Net cash generated from (used in) operating activities	30,910,357	(72,556,619)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(15,850)	-
Acquisition of financial assets measured at amortized cost	-	(808,567)
Proceeds from sale of financial assets measured at amortized cost	458,246	-
Acquisition of financial assets at fair value through profit or loss	(2,123,167)	(276,389)
Proceeds from sale of financial assets at fair value through profit or loss	202,720	515,845
Acquisition of investments accounted for using equity method	(1,099,818)	(156,365)
Proceeds from capital reduction of investments accounted for using the equity method	45,871	401,100
Acquisition of property and equipment	(531,979)	(576,134)
Proceeds from disposal of property and equipment	1,400	133,944
Acquisition of investment properties	(349,360)	(48,643)
Proceeds from disposal of investment properties	422,462	414,318
Others	163,322	(238,983)
Net cash used in investing activities	(2,826,153)	(639,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	7,568,794	5,208,432
Increase in commercial paper payable	24,012,715	10,920,758
Proceeds from corporate bonds	13,000,000	10,000,000
Repayments of corporate bonds	(1,172,779)	(20,000)
Repayments of bank debentures payable	(700,000)	-
Proceeds from long-term borrowings	199,866	800,074
Repayments of long-term borrowings	-	(2,000,061)
Repayments of the principal portion of lease liabilities	(525,726)	(696,529)
Cash dividends paid	(8,976,474)	-
Net changes in non-controlling interests	(2,219)	(2,591)
Others	25,698	10,809
Net cash generated from financing activities	33,429,875	24,220,892
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(58,271)	(164,078)

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

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

	For the Nine Months Ended September 30	
	2024	2023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 61,455,808	$ (49,139,679)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	151,519,882	200,161,850
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 212,975,690	$ 151,022,171

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of September 30, 2024 and 2023:

	September 30	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	$ 96,900,834	$ 65,654,409
Due from the Central Bank and call loans to banks which qualify as cash and cash equivalents as defined in IAS 7	26,827,464	19,870,051
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	89,247,392	65,497,711
Cash and cash equivalents in consolidated statements of cash flows	$ 212,975,690	$ 151,022,171

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

KGI Financial Holding Co., Ltd. (formerly China Development Financial Holding Corporation (the "Company")) 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. The Company was approved by the Financial Supervisory Commission and the Ministry of Economic Affairs to change its name to KGI Financial Holding Co., Ltd. on July 10, 2024 and August 8, 2024, respectively.

The Company 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.

In 2012, the Company acquired 81.73% of KGI Securities' shares through public tender offer. Afterwards, the Company acquired KGI Securities' remaining shares through a share swap and completed on January 18, 2013. Thus, KGI Securities is a 100% subsidiary of the Company 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 Company acquired KGI Bank Co., Ltd. (KGI Bank) through a share swap. Thus, KGI Bank became the Company's wholly owned subsidiary.

On March 13, 2017, the Company hold 100% equity interests of KGI Asset Management Co., Ltd. (formerly China Development Asset Management Corporation), which was previously held by CDIB Capital Group.

In 2017, the Company acquired 25.33% ordinary shares of KGI Life Insurance through public tender offer. After the acquisition, KGI Life Insurance became a subsidiary of the Company as defined by the Financial Holding Company Act. After the participation of capital increase by cash of KGI Life Insurance and acquisition of ordinary shares through public tender offer, on December 30, 2021, the Company acquired KGI Life Insurance through a share swap. Thus, KGI Life Insurance became the Company's wholly owned subsidiary.

On July 1, 2023, the Company acquired 100% equity interests in KGI Securities Investment Trust Co., Ltd, which were previously held by KGI Securities.

The Company mainly engages in financial holding, invests in and manages the businesses of finance-related institutions domestic and foreign approved by authorities and investees.

The Company's shares have been listed on the Taiwan Stock Exchange (TSE).

CDIB Capital Group was incorporated under the Company 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 transfer banking business to KGI Bank. On March 15, 2017, China Development Industrial Bank was converted, and the name became CDIB Capital Group, and main operations included securities investment, investment financial related business and venture capital, etc.

KGI Securities was established on September 14, 1988, and 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, and mainly engages in banking operations are regulated under the banking Act.

KGI Asset Management Co., Ltd. was established on November 5, 2003, and mainly engages in acquiring and disposal of debts from financial institution, investment in foreclosed real estate, etc.

KGI Life Insurance was incorporated in Taiwan on April 25, 1963, and 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.

KGI Securities Investment Trust Co., Ltd. was established on April 19, 2001, and is mainly engaged in Nominee services, discretionary investment services, and other related business approved by authorities.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on November 18, 2024.

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

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

   The related amendments to the International Financial Reporting Standards (IFRS Accounting Standards) did not have a material impact on the Group’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

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

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

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

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

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

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

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

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

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

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the 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 or joint venture, 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 or joint venture, 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 or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

3) 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:

   <u>Level of aggregation</u>

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

   <u>Recognition</u>

   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 that 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 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 that had been recognized for cash flows before.

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

Investment contracts with 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 recognized 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 the initial application of IFRS 17, the enterprise could choose to apply the classification overlay method on the basis of individual financial asset 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.

4) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 and 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 statements.

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 consolidated financial statements include the financial statements of the Group. All significant intra-group transactions, balances, income and expenses have been eliminated in full upon consolidation.

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

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

As of September 30, 2024, December 31, 2023 and September 30, 2023, the consolidated entities included in the consolidated financial statements included 62, 62 and 61 companies, respectively (refer to the attached Table 7).

Other Material 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, 2023.

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.

Income Tax Expense

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.

5. MATERIAL 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 on 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.

For the material accounting judgments and key sources of estimation uncertainly of the consolidated financial statements, refers to the consolidated statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks	$ 67,864,952	$ 49,087,340	$ 51,206,885
Due from banks	22,554,596	17,657,401	7,559,543
Others	6,481,286	6,120,032	6,887,981
	$ 96,900,834	$ 72,864,773	$ 65,654,409

Cash and cash equivalents as of December 31, 2023 as shown in the consolidated statement of cash flows can be reconciled to the related items in the balance sheets as follows; refer to the consolidated statement of cash flows for the reconciliation information as of September 30, 2024 and 2023.

	December 31, 2023
Cash and cash equivalents in consolidated balance sheet	$ 72,864,773
Due from the Central Bank and call loans to financial institutions which qualify as cash and cash equivalents as defined in IAS 7	12,331,755
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	66,323,354
Cash and cash equivalents in consolidated statement cash flow	$ 151,519,882

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

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans to financial institutions	$ 17,089,680	$ 9,485,620	$ 17,702,556
Deposit reserve - demand accounts	14,361,650	12,306,162	12,832,047
Deposit reserve - checking accounts	9,973,307	4,068,943	3,430,275
Due from the Central Bank - interbank settlement funds	7,000,409	3,606,610	3,700,891
Deposit reserve - foreign currencies	221,557	215,145	225,876
	$ 48,646,603	$ 29,682,480	$ 37,891,645

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.

There are no certificates of deposit issued by the Central Bank of the ROC pledged as collateral for the Group.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at FVTPL			
Derivative financial instruments			
Currency swap and forward exchange contracts	$ 21,256,694	$ 44,301,950	$ 39,775,741
Options and futures contracts	6,170,947	5,522,350	6,628,251
Interest rate swap contracts	5,597,933	4,017,850	6,692,807
Others	434,876	639,313	2,966,116
Non-derivative financial assets			
Mutual funds	222,589,226	184,741,071	191,349,142
Shares	192,162,411	189,422,819	183,339,964
Corporate bonds	65,023,456	50,566,015	51,742,305
Bank debentures	49,332,917	47,259,841	50,703,944
Commercial paper	12,818,855	11,909,838	13,912,116
Others	6,903,915	4,090,299	2,335,772
	582,291,230	542,471,346	549,446,158
Financial assets designated as at FVTPL			
Others	7,674,014	8,446,585	8,379,322
Financial assets at FVTPL	$ 589,965,244	$ 550,917,931	$ 557,825,480
Financial liabilities held for trading			
Derivative financial instruments			
Currency swap and forward exchange contracts	$ 19,388,218	$ 30,570,634	$ 69,535,583
Options and futures contracts	6,558,430	6,328,889	7,834,570
Interest rate swap contracts	5,672,263	3,781,998	6,183,631
Structured products	5,509,524	3,098,050	3,075,094
Others	2,340,007	2,542,628	2,886,195
Non-derivative financial liabilities			
Borrowed securities payable	9,640,209	7,522,875	5,862,626
Others	5,133,929	697,778	1,989,582
	54,242,580	54,542,852	97,367,281
Financial liabilities designated as at FVTPL			
Structured products	5,414,159	7,937,195	9,394,937
Others	-	1,063	972
	5,414,159	7,938,258	9,395,909
Financial liabilities at FVTPL	$ 59,656,739	$ 62,481,110	$ 106,763,190

KGI 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 KGI Life Insurance designated as at adoption of the overlay approach financial assets were as follows:

Financial assets mandatorily classified as at FVTPL

	September 30, 2024	December 31, 2023	September 30, 2023
Mutual funds	$ 199,690,176	$ 171,271,175	$ 180,163,068
Shares	167,211,906	164,345,519	155,874,189
Bank debentures	41,520,519	41,585,764	40,850,313
Corporate bonds	4,334,196	5,105,865	5,252,869
	$ 412,756,797	$ 382,308,323	$ 382,140,439

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Gain (loss) on application of IFRS 9	$ 4,785,031	$ (3,795,232)	$ 53,170,663	$ 32,711,592
Loss (gain) on application of IAS 39	(14,841,678)	(9,445,593)	(33,794,585)	(21,700,469)
Gain (loss) on reclassification using the overlay approach	$ (10,056,647)	$ (13,240,825)	$ 19,376,078	$ 11,011,123

Due to the adjustments of the overlay approach, gain on financial assets measured at FVTPL increased from $19,927,589 thousand to gain of $29,984,236 thousand for the three months ended September 30, 2024; and loss on financial assets measured at FVTPL decreased from $33,106,034 thousand to loss of $19,865,209 thousand for the three months ended September 30, 2023. The gain on financial assets measured at FVTPL decreased from $20,609,111 thousand to gain of $1,233,033 thousand for the nine months ended September 30, 2024; the loss on financial assets measured at FVTPL increased from $15,590,295 thousand to loss of $26,601,418 for the nine months ended September 30, 2023.

As of September 30, 2024, December 31, 2023 and September 30, 2023, financial assets at fair value through profit or loss with aggregate carrying values of $66,552,897 thousand, $49,067,269 thousand and $52,763,664 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, refer to Note 45.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in debt instruments at FVTOCI			
Corporate bonds	$ 95,426,533	$ 85,336,186	$ 83,671,487
Government bonds	77,295,267	72,792,200	72,293,951
Bank debentures	44,689,296	55,105,826	55,957,726
Negotiable certificates of deposit	-	2,433,259	6,026,535
Others	5,713,017	3,391,974	4,429,977
	223,124,113	219,059,445	222,379,676
Investments in equity instruments at FVTOCI			
Common stocks	18,415,056	18,741,361	18,949,258
Preferred stocks	11,421,922	11,559,808	11,574,219
	29,836,978	30,301,169	30,523,477
	$ 252,961,091	$ 249,360,614	$ 252,903,153

a. Investments in debt instruments at FVTOCI

As of September 30, 2024, December 31, 2023 and September 30, 2023, investments in debt instruments at FVTOCI, with aggregate carrying values of $85,027,572 thousand, $67,514,613 thousand and $78,194,468 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, refer to Note 45.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at FVTOCI, refer to Note 50.

b. Investments in equity instruments at FVTOCI

For the nine months ended September 30, 2024 and 2023, the Group sold its shares in order to manage its investment portfolio. The sold shares had a fair value of $14,433,294 thousand and $6,450,521 thousand, respectively. The Group transferred a gain of $994,566 thousand and a gain of $1,020,085 thousand from other equity related-unrealized gain on financial assets at fair value through other comprehensive income to retained earnings.

For the three months ended September 30, 2024 and 2023, dividend income was $763,436 thousand and $524,943 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, dividend income was $905,620 thousand and $800,624 thousand, respectively, and those related to investment held as for the nine months ended September 30, 2024 and 2023 were $663,917 thousand and $704,769 thousand, respectively, and those related to investment derecognized for the nine months ended September 30, 2024 and 2023 were $241,703 thousand and $95,855 thousand, respectively.

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

10. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	$ 827,920,378	$ 792,167,984	$ 817,245,355
Corporate bonds	570,702,765	567,064,085	593,410,522
Government bonds	239,842,683	247,451,871	235,326,401
Others	61,520,026	61,333,741	58,676,805
	$ 1,699,985,852	$ 1,668,017,681	$ 1,704,659,083

As of September 30, 2024, December 31, 2023 and September 30, 2023, investments in debt instruments at amortized cost, with aggregate carrying values of $2,336,524 thousand, $927,945 thousand and $2,750,587 thousand had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, financial assets at amortized cost are derecognized due to seldomly sold, or both individually and totally amounts are lower than the materiality and sold approaching maturity dates. The Company recognizes the loss on disposal of $410,776 thousand for the three months ended September 30, 2024, and the loss on disposal of $290,268 thousand for the three months ended September 30, 2023. The loss on disposal was $649,467 thousand for the nine months ended September 30, 2024. The gain on disposal was $696,669 thousand for the nine months ended September 30, 2023.

For the information on investments in debt instruments at amortized cost that are pledged as collateral for the Group, refer to Note 45.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at amortized cost, refer to Note 50.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets for hedging			
Fair value hedge - interest rate swap	$ 312,036	$ 835,695	$ 2,356,619
Financial liabilities for hedging			
Fair value hedge - interest rate swap	$ 1,255,999	$ 697,122	$ 838,437

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.

September 30, 2024

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
Fair value hedge					
Interest rate swap contracts	$ 40,768,962	2026.02.09-2038.03.25	Financial assets and liabilities for hedging	$ 312,036	$ 1,255,999

Hedged Items	Carrying Amount Asset	Carrying Amount Liability	Accumulated Amount of Fair Value Adjustments Asset	Accumulated Amount of Fair Value Adjustments Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 24,892,864	$ -	$ (111,350)	$ -
Bank debentures	-	14,315,623	-	(784,377)

December 31, 2023

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
Fair value hedge					
Interest rate swap contracts	$ 43,338,561	2024.05.18-2033.09.21	Financial assets and liabilities for hedging	$ 835,695	$ 697,122

Hedged Items	Carrying Amount Asset	Carrying Amount Liability	Accumulated Amount of Fair Value Adjustments Asset	Accumulated Amount of Fair Value Adjustments Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 25,984,868	$ -	$ (954,478)	$ -
Bank debentures	-	15,297,803	-	(502,197)

September 30, 2023

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
Fair value hedge					
Interest rate swap contracts	$ 46,841,816	2024.05.18-2033.09.21	Financial assets and liabilities for hedging	$ 2,356,619	$ 838,437

Hedged Items	Carrying Amount Asset	Carrying Amount Liability	Accumulated Amount of Fair Value Adjustments Asset	Accumulated Amount of Fair Value Adjustments Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	$ 28,006,225	$ -	$ (2,646,170)	$ -
Bank debentures	-	14,961,435	-	(838,565)

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Corporate bonds	$ 38,833,765	$ 32,109,680	$ 35,036,251
Commercial paper	19,933,917	16,916,433	16,287,912
Negotiable certificates of deposit	19,175,389	9,380,121	3,630,364
Government bonds	10,991,380	6,742,654	8,933,776
Bank debentures	3,673,668	3,032,570	2,902,866
	$ 92,608,119	$ 68,181,458	$ 66,791,169
Resold amounts	$ 92,754,134	$ 68,289,044	$ 66,898,971

13. RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Receivable accounts for settlement	$ 79,912,119	$ 44,497,583	$ 33,561,154
Margin loans receivable, securities financing refundable deposits and deposits payable for securities financing	42,552,982	35,433,692	33,224,932
Trading securities receivable	27,521,039	15,692,461	14,208,326
Interest receivable	25,012,496	24,859,200	23,616,715
Exchange clearing receivable	23,467,481	12,429,501	9,791,674
Accounts receivable - forfeiting without recourse	8,035,416	10,262,998	9,211,122
Installment accounts receivable and lease payments receivable	5,311,673	6,177,528	6,552,669
Others	12,545,686	10,794,975	14,726,656
	224,358,892	160,147,938	144,893,248
Less: Allowance for bad debts	(3,927,504)	(3,296,392)	(3,223,006)
Unrealized interest revenue	(312,221)	(350,298)	(360,569)
	$ 220,119,167	$ 156,501,248	$ 141,309,673

For the amount of receivables pledged as collateral for the Group, refer to Note 45.

For the information on credit risk management and impairment loss analysis of receivables, refer to Note 50.

14. DISCOUNTS AND LOANS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Short-term loans	$ 82,495,132	$ 61,520,084	$ 61,619,961
Medium-term loans	251,012,912	234,899,351	238,010,287
Long-term loans	125,730,499	104,913,220	102,312,007
Loans reclassified to nonperforming loans	1,076,383	974,615	927,648
Export negotiations	-	5,449	24,268
Policy loans	29,824,519	28,339,180	27,925,252
Automatic premium loans	5,457,524	5,453,270	5,496,608
	495,596,969	436,105,169	436,316,031
Less: Allowance for bad debts	(6,082,880)	(5,157,903)	(5,263,743)
Discounts on loans	(70,887)	(55,911)	(54,529)
	$ 489,443,202	$ 430,891,355	$ 430,997,759

For the information on credit risk management and impairment loss analysis of discounts and loans, refer to Note 50.

15. REINSURANCE ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Claims recoverable from reinsurers	$ 881,469	$ 814,846	$ 934,269
Due from reinsurers and ceding companies	39,615	52,673	108,169
Reinsurance reserve assets			
Ceded unearned premium reserve	84,052	88,798	79,146
Ceded reserve for claims	31,570	54,779	45,968
	115,622	143,577	125,114
	$ 1,036,706	$ 1,011,096	$ 1,167,552

No impairment loss was recognized for reinsurance assets.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Suyin KGI Consumer Finance Co., Ltd.	$ 8,766,566	$ 7,768,118	$ 4,920,751
CDIB & Partners Investment Holding Corporation	7,143,186	5,783,495	5,394,440
KGI Securities (Thailand) Public Company Limited	3,039,465	2,803,191	2,744,901
CDIB Capital Asia Partners L.P.	2,161,209	2,541,993	2,724,175
Others	6,540,083	5,921,540	5,793,355
	$ 27,650,509	$ 24,818,337	$ 21,577,622

As of September 30, 2024, December 31, 2023 and September 30, 2023, financial assets designated as at FVTPL of associates that are not individually material were $7,674,014 thousand, $8,446,585 thousand and $8,379,322 thousand, respectively.

Investments accounted for using the equity method and the Group's share of profit and other comprehensive income of Suyin KGI Consumer Finance Co., Ltd., 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 that had not been reviewed would have been no significant effect on the consolidated financial statements.

None of the Group's investments accounted for using the equity method have been pledged as collateral.

17. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Investment in structured entities

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

September 30, 2024

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 41,781,030	$ 1,879,374	$ 43,660,404
Financial assets at fair value through other comprehensive income	-	317,969	317,969
Debt instruments measured at amortized cost	-	6,685,721	6,685,721
Maximum exposure	41,781,030	8,883,064	50,664,094

December 31, 2023

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 35,706,859	$ 4,614,382	$ 40,321,241
Financial assets at fair value through other comprehensive income	-	310,961	310,961
Debt instruments measured at amortized cost	-	6,593,502	6,593,502
Maximum exposure	35,706,859	11,518,845	47,225,704

September 30, 2023

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	$ 34,574,732	$ 4,554,262	$ 39,128,994
Financial assets at fair value through other comprehensive income	-	326,268	326,268
Debt instruments measured at amortized cost	-	6,952,291	6,952,291
Maximum exposure	34,574,732	11,832,821	46,407,553

b. Management on structured entities

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Management on partnership equity fund			
Total assets	$ 30,485,477	$ 28,499,933	$ 29,484,733
Total liabilities	145,657	29,528	182,273
Investments accounted for using the equity method	5,517,343	5,684,829	5,768,892
Financial assets designated as at FVTPL	3,842,287	3,303,290	3,225,788
Maximum exposure	9,359,630	8,988,119	8,994,680

18. OTHER FINANCIAL ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Separate-account insurance products	$ 119,527,978	$ 115,525,739	$ 113,384,656
Customer margin accounts	65,645,926	51,908,330	54,814,099
Others	5,174,573	10,541,268	4,515,398
	$ 190,348,477	$ 177,975,337	$ 172,714,153

Separate Account Insurance Products

a. Separate account insurance products - assets and liabilities

	Assets		
	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks	$ 699,594	$ 340,130	$ 353,066
Financial assets at fair value through profit or loss	118,758,458	115,135,298	112,993,287
Other receivables	69,926	50,311	38,303
	$ 119,527,978	$ 115,525,739	$ 113,384,656

	Liabilities		
	September 30, 2024	December 31, 2023	September 30, 2023
Reserve for separate account	$ 119,524,659	$ 115,516,533	$ 113,370,589
Other payables	3,319	9,206	14,067
	$ 119,527,978	$ 115,525,739	$ 113,384,656

b. Separate account insurance products - revenues and expenses

	Revenues			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Premium income	$ 2,160,365	$ 1,544,323	$ 5,591,260	$ 4,733,755
Gain (loss) from financial assets and liabilities at fair value through profit or loss	1,209,823	62,920	7,174,136	4,553,891
Interest income	647	489	1,555	1,101
Other revenues	46,040	43,439	137,609	133,715
Foreign exchange gains (losses)	(483,208)	680,925	595,761	947,259
	$ 2,933,667	$ 2,332,096	$ 13,500,321	$ 10,369,721

	Expenses			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Insurance claim payments	$ 1,384,048	$ 1,136,637	$ 4,343,798	$ 2,945,748
Net change in separate-account reserve	1,020,850	594,837	7,495,297	5,797,040
Custodian fee	528,769	600,622	1,661,226	1,626,933
	$ 2,933,667	$ 2,332,096	$ 13,500,321	$ 10,369,721

c. The rebate achieved by KGI Life Insurance from counterparties in the investment-linked insurance business, which is recognized as service fee revenue, for the three months ended September 30, 2024 and 2023 were $87,137 thousand and $77,142 thousand, respectively, and for the nine months ended September 30, 2024 and 2023 were $251,465 thousand and $212,671 thousand, respectively.

For the information on other financial assets pledged as collateral for the Group, refer to Note 45.

19. INVESTMENT PROPERTY, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ 40,417,062	$ 40,579,421	$ 40,315,880
Buildings and facilities	14,499,462	14,646,903	14,604,162
Right-of-use assets - superficies of royalties	3,639,893	3,711,997	3,736,031
Right-of-use assets - land	478,771	453,228	456,076
	$ 59,035,188	$ 59,391,549	$ 59,112,149

Except for depreciation recognized, the Group had no significant addition, disposal and impairment of investment property during the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023.

The investment property listed above are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and facilities	5-60 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 September 30, 2024, December 31, 2023 and September 30, 2023 were $61,095,268 thousand, $61,489,628 thousand and $60,503,752 thousand, respectively. Investment property was categorized into Level 3.

The Company's subsidiaries had development of the vacant land and prepayments for buildings without construction license, and the carrying amount was $2,434,887 thousand, $2,434,887 thousand and $2,436,553 thousand, respectively, on September 30, 2024, December 31, 2023 and September 30, 2023. 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 arrived at without appraisal from independent appraisers. 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	$ 1,091,352	$ 1,101,630	$ 1,118,200
Year 2	944,992	920,818	958,649
Year 3	780,897	683,978	699,632
Year 4	630,166	572,064	568,366
Year 5	519,125	455,103	461,819
Year 5 onwards	3,601,129	3,793,966	3,730,031
	$ 7,567,661	$ 7,527,559	$ 7,536,697

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	5-60 years

All of the Group's investment properties were held under freehold interests. The carrying amount of the investment properties that were pledged for the Group to secure borrowings is reflected in Note 45.

20. PROPERTY AND EQUIPMENT, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ 17,152,859	$ 17,213,070	$ 17,629,920
Buildings and facilities	10,317,207	10,693,364	10,919,034
Machinery and computer equipment	1,478,285	1,612,595	1,762,662
Leasehold improvements	705,266	745,534	719,494
Other equipment	569,621	562,582	533,194
Transportation equipment	21,860	27,097	28,129
	30,245,098	30,854,242	31,592,433
Prepayments for acquisition of properties	287,717	319,970	437,841
	$ 30,532,815	$ 31,174,212	$ 32,030,274
Assets used by the Group	$ 30,532,815	$ 31,173,413	$ 31,776,554
Assets leased under operating leases	-	799	253,720
	$ 30,532,815	$ 31,174,212	$ 32,030,274

Except for depreciation recognized, the Group had no significant addition, disposal and impairment of property and equipment during the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023.

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	$ -	$ 174	$ 348
Year 2-5	-	-	-
	$ -	$ 174	$ 348

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, refer to Note 45.

21. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Royalty-surface rights	$ 8,332,296	$ 8,437,621	$ 8,472,460
Buildings and facilities	2,167,192	2,266,376	2,488,331
Land	1,017,964	1,014,106	1,018,294
Computer equipment	57,440	96,186	104,143
Transportation equipment	21,096	29,246	33,356
Other equipment	12,298	16,700	18,167
	$ 11,608,286	$ 11,860,235	$ 12,134,751

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets	$ 251,588	$ 13,532	$ 406,088	$ 306,172
Depreciation of right-of-use assets				
Buildings and facilities	$ 159,970	$ 194,457	$ 485,692	$ 587,908
Royalty-surface rights	35,108	35,182	105,325	105,594
Computer equipment	10,374	11,669	31,805	38,607
Transportation equipment	4,814	5,861	14,913	17,549
Land	4,402	4,271	13,207	12,813
Other equipment	1,467	1,383	4,402	10,944
	$ 216,135	$ 252,823	$ 655,344	$ 773,415

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount	$ 3,956,027	$ 4,034,022	$ 4,267,276

The interest expense of the lease liabilities recognized in profit or loss for the three months ended September 30, 2024 and 2023 were $25,816 thousand and $24,223 thousand, respectively, and the interest expense of the lease liabilities recognized in profit or loss for the nine months ended September 30, 2024 and 2023 were $73,017 thousand and $70,813 thousand, respectively.

Ranges of discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings and facilities	0.57%-7.35%	0.52%-7.35%	0.52%-7.35%
Land	1.61%-3.50%	1.61%-3.50%	1.61%-3.50%
Computer equipment	0.57%-4.87%	0.56%-4.87%	0.56%-4.87%
Transportation equipment	0.53%-1.81%	0.50%-1.68%	0.49%-1.68%
Other equipment	0.60%-1.61%	0.60%-1.61%	0.51%-1.61%

The maturity analysis of lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Not later than 1 year	$ 690,869	$ 725,228	$ 787,455
Later than 1 year and not later than 5 years	1,775,391	1,827,967	1,971,913
Later than 5 years and not later than 10 years	645,740	624,025	674,721
Later than 10 years	3,173,083	3,118,622	3,134,199
	$ 6,285,083	$ 6,295,842	$ 6,568,288

c. Material lease-in activities and terms

The Group leases land, buildings and facilities, computer equipment, transportation equipment and other equipment with lease terms of 1 to 15 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 KGI 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, refer Notes 19 and 20, respectively.

	For the Three Months Ended September 30		**For the Nine Months Ended September 30**	
	2024	**2023**	**2024**	**2023**
Expenses relating to short-term leases	$ 41,704	$ 7,504	$ 125,033	$ 20,466
Expenses relating to low-value asset leases	$ 1,535	$ 1,647	$ 4,611	$ 5,036
Total cash outflow for leases			$ 681,376	$ 728,259

The Group's leases of certain assets qualify as short-term leases and 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.

22. INTANGIBLE ASSETS

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Purchase policy value	$ 10,845,653	$ 11,080,843	$ 11,160,105
Goodwill	3,281,281	3,223,561	3,265,235
Computer software	2,101,818	2,072,879	1,932,669
Operation rights	1,010,636	1,400,380	1,530,294
Others	367	367	-
	$ 17,239,755	$ 17,778,030	$ 17,888,303

Except for amortization recognized, the Group had no significant addition, disposal, and impairment of other intangible assets during the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023.

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 on a straight-line basis are amortized over the estimated economic lives as follows:

Operation rights	7-20 years
Computer software	1-10 years

23. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Security borrowing margins	$ 43,661,727	$ 39,929,058	$ 42,486,594
Overseas custodian accounts	23,535,586	19,611,446	22,053,267
Refundable deposits	9,978,107	4,791,817	31,839,042
Operating guarantee deposits	8,533,763	8,522,574	8,522,187
Others	10,471,453	4,368,959	3,436,965
	$ 96,180,636	$ 77,223,854	$ 108,338,055

The above overseas custodian account is mainly for foreign subsidiaries transactions.

24. DEPOSITS FROM THE CENTRAL BANK AND FINANCIAL INSTITUTIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans from financial institutions	$ 12,580,630	$ 6,846,756	$ 7,590,130
Deposits from Chunghwa Post Co., Ltd.	180,556	180,556	180,556
	$ 12,761,186	$ 7,027,312	$ 7,770,686

25. NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Corporate bonds	$ 94,899,554	$ 70,489,928	$ 81,455,074
Bank debentures	38,084,322	30,835,269	37,129,784
Government bonds	37,551,935	27,459,269	26,273,682
Commercial paper	2,949,917	1,510,123	2,154,387
	$ 173,485,728	$ 130,294,589	$ 147,012,927
Repurchased amounts	$ 174,335,722	$ 131,146,970	$ 147,881,357

26. COMMERCIAL PAPER PAYABLE, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper payable	$ 53,526,318	$ 29,476,985	$ 35,728,891
Less: Unamortized discount	(53,823)	(17,205)	(29,656)
	$ 53,472,495	$ 29,459,780	$ 35,699,235
Range of rate	1.67%-10%	1.44%-5.26%	1.42%-5.22%

Except the commercial paper payable for those issued without guarantee, are guaranteed or accepted by note corporations and banks.

27. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable for settlement	$ 84,764,752	$ 55,717,645	$ 46,164,342
Exchange clearing payable	28,289,540	10,573,313	8,866,308
Accrued expenses and payables on insurance policies	21,038,067	18,950,568	17,862,678
Deposits payable for securities financing	10,580,491	8,971,558	9,320,731
Others	11,895,578	12,943,738	16,060,804
	$ 156,568,428	$ 107,156,822	$ 98,274,863

28. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits	$ 262,716,190	$ 233,798,911	$ 236,322,035
Saving deposits	192,325,908	177,602,354	170,056,654
Demand deposits	126,802,873	115,927,860	111,708,815
Negotiable CDs	8,129,200	134,100	141,100
Checking deposits	1,702,969	1,769,837	1,696,898
Inward remittance	140,115	703,656	75,808
	$ 591,817,255	$ 529,936,718	$ 520,001,310

29. BONDS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Corporate bonds payable	$ 89,017,666	$ 77,190,445	$ 76,870,000
Bank debentures payable	23,765,623	24,747,803	24,411,435
	$ 112,783,289	$ 101,938,248	$ 101,281,435

Corporate Bonds Payable

Name	September 30, 2024	December 31, 2023	September 30, 2023	Issuance Period	Method of Paying Principle and Interests	Interest Rate
1st corporate bonds in 2017 - the Company	$ 9,000,000	$ 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 Company	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 Company	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 Company	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 Company	4,000,000	4,000,000	4,000,000	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 Company	15,000,000	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	3,900,000	3,900,000	3,900,000	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	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 2024 - KGI Securities Insurance	3,000,000	-	-	2024.05.28-2034.05.28	Interest payable annually; principal due on maturity	2.20%
1st corporate bonds in 2020 - KGI Life Insurance	9,811,000	10,000,000	9,970,000	2020.12.28, no maturity date	Interest payable annually (Note 1)	2.70%
1st corporate bonds in 2023 - KGI Life Insurance	10,000,000	10,000,000	10,000,000	2023.07.25-2033.07.25	Interest payable annually	3.75%
1st corporate bonds in 2024 - KGI Life Insurance	10,000,000	-	-	Bond A 2024.09.13-2034.09.13 Bond B 2024.09.13-2039.09.13	Interest payable annually (Note 2)	Bond A 3.75% Bond B 3.88%
Beneficiary bonds - CDIB Real Estate Credit Ltd.	306,666	290,445	-	2023.10.26-2026.09.27	Interest payable quarterly	9.50%
Net amount	$ 89,017,666	$ 77,190,445	$ 76,870,000			

Note 1: KGI 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. KGI 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.

Note 2: KGI Life Insurance has the right to redeem the B 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. KGI 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	September 30, 2024	December 31, 2023	September 30, 2023	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%
	24,550,000	25,250,000	25,250,000			
Unamortized discount	(784,377)	(502,197)	(838,565)			
Net amount	$ 23,765,623	$ 24,747,803	$ 24,411,435			

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.

30. OTHER BORROWINGS

	September 30, 2024	December 31, 2023	September 30, 2023
Short-term credit borrowings	$ 27,445,259	$ 19,365,523	$ 19,187,809
Call loans from banks	2,437,127	2,889,090	2,968,656
Note issuance facilities	1,299,731	1,099,865	4,599,644
Short-term secured borrowings	1,031,000	1,089,979	928,000
	$ 32,213,117	$ 24,444,457	$ 27,684,109
Range of rate	1.85%-6.00%	1.55%-6.53%	1.42%-6.47%

For the information on collateral of other borrowings listed, refer to Note 45.

31. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Insurance liabilities	$ 2,076,107,674	$ 2,071,434,364	$ 2,101,833,524
Foreign exchange valuation reserve	13,262,870	9,768,788	16,534,826
Provisions for employee benefits	659,377	740,703	651,189
Others	516,032	467,495	476,962
	$ 2,090,545,953	$ 2,082,411,350	$ 2,119,496,501

Insurance Contracts and Provision for Financial Instruments with Discretionary Participation Feature

As of September 30, 2024, December 31, 2023 and September 30, 2023, KGI Life Insurance's movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Reserve for life insurance liabilities	$ 2,039,778,448	$ 2,035,521,454	$ 2,065,339,210
Unearned premium reserve	6,303,083	5,776,296	5,503,465
Reserve for claims	4,051,552	3,261,985	3,348,758
Special reserve	6,920,710	7,284,162	7,878,731
Premium deficiency reserve	1,190,801	1,493,153	1,688,112
Other reserve	17,863,080	18,097,314	18,175,248
	$ 2,076,107,674	$ 2,071,434,364	$ 2,101,933,524

a. Reserve for life insurance liabilities:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 1,699,539,188	$ 45,459,664	$ 1,744,998,852	$ 1,688,712,054	$ 48,428,133	$ 1,737,140,187	$ 1,714,929,516	$ 49,726,667	$ 1,764,656,183
Health insurance	186,725,034	-	186,725,034	178,371,313	-	178,371,313	174,835,038	-	174,835,038
Annuity insurance	792,533	104,577,992	105,370,525	745,258	116,760,636	117,505,894	780,835	122,526,192	123,307,027
Investment-linked insurance	2,499,069	-	2,499,069	2,309,312	-	2,309,312	2,247,733	-	2,247,733
Total (Note)	$ 1,889,555,824	$ 150,037,656	$ 2,039,593,480	$ 1,870,137,937	$ 165,188,769	$ 2,035,326,706	$ 1,892,793,122	$ 172,252,859	$ 2,065,045,981

Note: The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,039,778,448 thousand as of September 30, 2024.

The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,035,521,454 thousand as of December 31, 2023.

The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to $2,065,239,210 thousand as of September 30, 2023.

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

Movement in reserve for life insurance liabilities is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,870,137,937	$ 165,188,769	$ 2,035,326,706	$ 1,858,062,445	$ 186,744,859	$ 2,044,807,304
Reserve	129,286,081	2,032,889	131,318,970	119,997,822	3,125,248	123,123,070
Recover	(125,599,307)	(17,756,677)	(143,355,984)	(109,435,249)	(18,633,249)	(128,068,498)
Losses (gains) on foreign exchange	15,731,113	572,675	16,303,788	24,168,104	1,016,001	25,184,105
Ending balance (Note)	$ 1,889,555,824	$ 150,037,656	$ 2,039,593,480	$ 1,892,793,122	$ 172,252,859	$ 2,065,045,981

Note: The total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,039,778,448 thousand as of September 30, 2024.

The total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,065,239,210 thousand as of September 30, 2023.

b. Unearned premium reserve:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 701	$ -	$ 701	$ 754	$ -	$ 754	$ 724	$ -	$ 724
Individual injury insurance	2,425,353	-	2,425,353	2,173,679	-	2,173,679	2,072,883	-	2,072,883
Individual health insurance	2,920,368	-	2,920,368	2,904,329	-	2,904,329	2,483,084	-	2,483,084
Group insurance	877,538	-	877,538	622,551	-	622,551	870,844	-	870,844
Investment-linked insurance	79,122	-	79,122	74,981	-	74,981	75,928	-	75,928
Annuity insurance	-	1	1	-	2	2	-	2	2
Total	6,303,082	1	6,303,083	5,776,294	2	5,776,296	5,503,463	2	5,503,465
Less ceded unearned premium reserve:									
Individual life insurance	22,984	-	22,984	21,220	-	21,220	21,277	-	21,277
Individual injury insurance	1,075	-	1,075	963	-	963	1,839	-	1,839
Individual health insurance	49,536	-	49,536	56,986	-	56,986	40,209	-	40,209
Group insurance	5,040	-	5,040	4,313	-	4,313	10,460	-	10,460
Investment-linked insurance	5,417	-	5,417	5,316	-	5,316	5,361	-	5,361
Total	84,052	-	84,052	88,798	-	88,798	79,146	-	79,146
Net amount	$ 6,219,030	$ 1	$ 6,219,031	$ 5,687,496	$ 2	$ 5,687,498	$ 5,424,317	$ 2	$ 5,424,319

Movement in unearned premium reserve is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 5,776,294	$ 2	$ 5,776,296	$ 5,099,215	$ 7	$ 5,099,222
Reserve	4,859,003	1	4,859,004	4,228,650	2	4,228,652
Recover	(4,332,221)	(2)	(4,332,223)	(3,824,411)	(7)	(3,824,418)
Losses (gains) on foreign exchange	6	-	6	9	-	9
Ending balance	6,303,082	1	6,303,083	5,503,463	2	5,503,465
Less ceded unearned premium reserve:						
Beginning balance	88,798	-	88,798	66,877	-	66,877
Increase	61,805	-	61,805	62,288	-	62,288
Decrease	(66,598)	-	(66,598)	(50,158)	-	(50,158)
Losses (gains) on foreign exchange	47	-	47	139	-	139
Ending balance	84,052	-	84,052	79,146	-	79,146
Net amount	$ 6,219,030	$ 1	$ 6,219,031	$ 5,424,317	$ 2	$ 5,424,319

c. Reserve for claims:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance									
Reported but not paid claim	$ 229,237	$ 12,029	$ 241,266	$ 255,746	$ 4,607	$ 260,353	$ 214,266	$ 3,973	$ 218,239
Unreported claim	219	-	219	199	-	199	214	-	214
Individual injury insurance									
Reported but not paid claim	67,781	-	67,781	61,232	-	61,232	54,491	-	54,491
Unreported claim	905,411	-	905,411	743,830	-	743,830	670,295	-	670,295
Individual health insurance									
Reported but not paid claim	236,050	-	236,050	182,834	-	182,834	161,286	-	161,286
Unreported claim	1,532,420	-	1,532,420	1,181,370	-	1,181,370	1,323,015	-	1,323,015
Group insurance									
Reported but not paid claim	122,960	-	122,960	95,822	-	95,822	97,386	-	97,386
Unreported claim	861,938	-	861,938	663,053	-	663,053	764,044	-	764,044
Investment-linked insurance									
Reported but not paid claim	49,317	-	49,317	38,928	-	38,928	32,754	-	32,754
Unreported claim	-	-	-	-	-	-	-	-	-
Annuity insurance									
Reported but not paid claim	-	34,183	34,183	-	34,343	34,343	278	26,705	26,983
Unreported claim	-	7	7	-	21	21	-	51	51
Total	4,005,333	46,219	4,051,552	3,223,014	38,971	3,261,985	3,318,029	30,729	3,348,758
Less ceded reserve for claims:									
Individual life insurance	10,163	-	10,163	27,274	-	27,274	16,208	-	16,208
Individual injury insurance	1,088	-	1,088	1,674	-	1,674	1,674	-	1,674
Individual health insurance	17,359	-	17,359	18,771	-	18,771	21,529	-	21,529
Group insurance	2,960	-	2,960	5,700	-	5,700	3,957	-	3,957
Investment-linked insurance	-	-	-	1,360	-	1,360	2,600	-	2,600
Total	31,570	-	31,570	54,779	-	54,779	45,968	-	45,968
Net amount	$ 3,973,763	$ 46,219	$ 4,019,982	$ 3,168,235	$ 38,971	$ 3,207,206	$ 3,272,061	$ 30,729	$ 3,302,790

Movement in reserve for claims is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 3,223,014	$ 38,971	$ 3,261,985	$ 3,539,974	$ 42,273	$ 3,582,247
Reserve	4,003,795	46,265	4,050,060	3,315,045	30,556	3,345,601
Recover	(3,223,014)	(38,971)	(3,261,985)	(3,539,974)	(42,273)	(3,582,247)
Losses (gains) on foreign exchange	1,538	(46)	1,492	2,984	173	3,157
Ending balance	4,005,333	46,219	4,051,552	3,318,029	30,729	3,348,758
Less ceded unearned premium reserve:						
Beginning balance	54,779	-	54,779	44,168	-	44,168
Increase	31,461	-	31,461	45,945	-	45,945
Decrease	(54,779)	-	(54,779)	(44,168)	-	(44,168)
Losses (gains) on foreign exchange	109	-	109	23	-	23
Ending balance	31,570	-	31,570	45,968	-	45,968
Net amount	$ 3,973,763	$ 46,219	$ 4,019,982	$ 3,272,061	$ 30,729	$ 3,302,790

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

d. Special reserve:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 6,920,710	$ -	$ 6,920,710	$ 7,284,162	$ -	$ 7,284,162	$ 7,878,731	$ -	$ 7,878,731
Dividend risk reserve	-	-	-	-	-	-	-	-	-
Total	$ 6,920,710	$ -	$ 6,920,710	$ 7,284,162	$ -	$ 7,284,162	$ 7,878,731	$ -	$ 7,878,731

Movement in special reserve is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 7,284,162	$ -	$ 7,284,162	$ 8,507,932	$ -	$ 8,507,932
Reserve for participating policy dividend reserve	1,853,076	-	1,853,076	1,364,646	-	1,364,646
Recover for participating policy dividend reserve	(2,216,528)	-	(2,216,528)	(2,056,508)	-	(2,056,508)
Gain (loss) on equity instruments from participating dividend policy measured at FVTOCI	-	-	-	62,661	-	62,661
Ending balance	$ 6,920,710	$ -	$ 6,920,710	$ 7,878,731	$ -	$ 7,878,731

e. Special reserve for catastrophe and fluctuation of risks:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 2,451	$ -	$ 2,451	$ 2,451	$ -	$ 2,451	$ 2,302	$ -	$ 2,302
Individual injury insurance	1,010,136	-	1,010,136	1,010,136	-	1,010,136	940,255	-	940,255
Individual health insurance	2,165,239	-	2,165,239	2,165,239	-	2,165,239	2,580,980	-	2,580,980
Group insurance	3,852,199	-	3,852,199	3,852,199	-	3,852,199	3,657,214	-	3,657,214
Annuity insurance	-	312	312	-	312	312	-	362	362
Total	$ 7,030,025	$ 312	$ 7,030,337	$ 7,030,025	$ 312	$ 7,030,337	$ 7,180,751	$ 362	$ 7,181,113

f. Premium deficiency reserve:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Individual life insurance	$ 1,104,123	$ -	$ 1,104,123	$ 1,400,556	$ -	$ 1,400,556	$ 1,593,238	$ -	$ 1,593,238
Individual health insurance	86,678	-	86,678	92,597	-	92,597	94,874	-	94,874
Total	$ 1,190,801	$ -	$ 1,190,801	$ 1,493,153	$ -	$ 1,493,153	$ 1,688,112	$ -	$ 1,688,112

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

Movement in premium deficiency reserve is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,493,153	$ -	$ 1,493,153	$ 1,991,327	$ -	$ 1,991,327
Reserve	118,974	-	118,974	216,909	-	216,909
Recover	(438,913)	-	(438,913)	(547,999)	-	(547,999)
Losses (gains) on foreign exchange	17,587	-	17,587	27,875	-	27,875
Ending balance	$ 1,190,801	$ -	$ 1,190,801	$ 1,688,112	$ -	$ 1,688,112

g. Other reserve:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Others	$ 17,863,080	$ -	$ 17,863,080	$ 18,097,314	$ -	$ 18,097,314	$ 18,175,248	$ -	$ 18,175,248

Movement in other reserve is summarized below:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 18,097,314	$ -	$ 18,097,314	$ 18,409,053	$ -	$ 18,409,053
Recover	(234,234)	-	(234,234)	(233,805)	-	(233,805)
Ending balance	$ 17,863,080	$ -	$ 17,863,080	$ 18,175,248	$ -	$ 18,175,248

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

h. Liability adequacy reserve:

	Insurance Contract and Financial Instruments with Discretionary Participation Feature		
	September 30, 2024	December 31, 2023	September 30, 2023
Reserve for life insurance liabilities	$ 2,039,593,480	$ 2,035,326,706	$ 2,065,045,981
Unearned premium reserve	6,303,083	5,776,296	5,503,465
Premium deficiency reserve	1,190,801	1,493,153	1,688,112
Special reserve	6,920,710	7,284,162	7,878,731
Other reserve	17,863,080	18,097,314	18,175,248
Book value of insurance liabilities	$ 2,071,871,154	$ 2,067,977,631	$ 2,098,291,537
Estimated present value of cash flows	$ 1,638,605,919	$ 1,668,867,475	$ 1,696,101,904
Balance of liability adequacy reserve	$ -	$ -	$ -

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

	September 30, 2024	December 31, 2023 and September 30, 2023
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing
Assumptions	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2023)	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2022)

i. Foreign exchange valuation reserve

1) The hedge strategy and risk exposure

KGI 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) Adjustments in foreign exchange valuation reserve

	For the Nine Months Ended September 30	
	2024	**2023**
Beginning balance	$ 9,768,788	$ 10,886,927
Reserve		
Compulsory reserve	2,102,838	1,488,093
Extra reserve	11,604,816	9,334,969
	13,707,654	10,823,062
Recover	(10,213,572)	(5,175,163)
Ending balance	$ 13,262,870	$ 16,534,826

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

Item	For the Nine Months Ended September 30, 2024		
	Inapplicable Amount	**Applicable Amount**	**Effects**
Net income	$ 22,918,527	$ 20,123,261	$ (2,795,266)
Earnings per share (dollar)	4.52	3.97	(0.55)
Foreign exchange valuation reserve	-	13,262,870	13,262,870
Equity	196,006,313	186,739,079	(9,267,234)

Item	For the Nine Months Ended September 30, 2023		
	Inapplicable Amount	**Applicable Amount**	**Effects**
Net income	$ 15,828,345	$ 11,310,026	$ (4,518,319)
Earnings per share (dollar) (Note)	3.12	2.23	(0.89)
Foreign exchange valuation reserve	-	16,534,826	16,534,826
Equity	136,860,364	124,975,565	(11,884,799)

Note: Information on the impact of retrospective adjustments on earnings per share of KGI Life Insurance is set out.

32. 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, 2023 and 2022, and recognized respectively for the nine months ended September 30, 2024 and 2023.

For the three months ended September 30, 2024 and 2023, the Group recognized its contributions under defined benefit plans as pension expenses (recognized as employee benefits) amounting to $4,267 thousand and $6,041 thousand, respectively, and recognized pension expenses (recognized as employee benefits) under defined contribution plans amounting to $194,032 thousand and $177,634 thousand, respectively, and for the nine months ended September 30, 2024 and 2023 the Group recognized its contributions under defined benefit plans as pension expenses (recognized as employee benefits) amounting to $12,869 thousand and $19,363 thousand, respectively, and recognized pension expenses (recognized as employee benefits) under defined contribution plans amounting to $554,836 thousand and $518,823 thousand, respectively.

33. OTHER FINANCIAL LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Separate-account product liabilities	$ 119,527,978	$ 115,525,739	$ 113,384,656
Customers' equity accounts - futures	65,707,844	51,088,913	56,141,403
Principal received on structured products	49,674,725	42,245,278	43,824,417
Appropriation for loans	3,502,667	1,713,333	1,646,667
	$ 238,413,214	$ 210,573,263	$ 214,997,143

34. EQUITY

a. Capital

Common stock

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands) (Note)	25,000,000	25,000,000	25,000,000
Shares authorized	$ 250,000,000	$ 250,000,000	$ 250,000,000
Number of shares issued and fully paid (in thousands) (Note)			
Common share	16,808,560	16,834,581	16,839,289
Preference share	1,582,142	1,582,142	1,582,142
Shares issued	$ 183,907,022	$ 184,167,230	$ 184,214,310
Share capital awaiting retirement	$ 4,645	$ 6,000	$ 47,080

Note: Par value of NT$10.

Preferred shares

On October 1, 2021, the Company adopted a resolution of the extraordinary shareholders' meeting to take KGI Life Insurance as a 100%-owned subsidiary through share conversion. The Company 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 Company 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 dividends on the preferred shares are 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 Company will decide in good faith and based on reasonable market conditions.

3) The dividends on the preferred shares are paid annually in cash after the board of directors set the record date for the distribution of the preceding year's dividends 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 Company has the discretion to distribute dividends on the preferred shares. If the Company 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 Company'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 Company 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 Company 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 Company have no expiration date and the preferred shareholders have no right to require the Company to buy back the preferred shares held thereby. On the day following the expiration of seven years from the date of issuance, the Company 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 Company 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 Company issues new shares for cash, the preferred shareholders have the same right of first refusal to purchase the new shares as the common shareholders.

KGI Securities' board of directors, on behalf of the shareholders' meeting, approved the reduction of the above-mentioned preference stock of 310,901 thousand shares held by KGI Securities on February 18, 2022. The Company's board of directors approved the capital reduction and wrote off the treasury stock on April 25, 2022, which was endorsed by the FSC on June 13, 2022; the record date is July 8, 2022.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ 18,488,215	$ 18,488,215	$ 18,488,215
Additional paid-in capital	13,184,345	13,003,878	13,003,878
Arising from treasury stock transactions	1,682,294	1,682,294	1,682,294
Others	374,992	414,215	331,649
	$ 33,729,846	$ 33,588,602	$ 33,506,036

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 Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Company'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 the FSC and Rule No. 10000002891 issued under the 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 in subsidiaries, directly and indirectly.

This special reserve should be used only to offset a deficit or when the special reserve has reached 50% of the Company'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 Company reclassified the special reserve which exceed paid-in capital, then reversed the surpass part to retained earnings in line with the approval of FSC.

The Company recognizes or reserves special revenue under Article 41 of the Securities and Exchange Act, Rule No. 1090150022 issued by the FSC and Order No. 11102279031 issued by the FSC.

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 Company adopts a residual dividends policy. Cash dividends may not be less than 10% of total dividend.

Where the Company 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 dividends 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 appropriations of earnings of 2023 and 2022, which were approved in the shareholders' meeting on June 14, 2024 and June 17 2023, were as follows:

	Earnings Appropriation		**Dividends Per Share (NT$)**	
	2023	**2022**	**2023**	**2022**
Earnings appropriation				
Legal reserve	$ 1,977,508	$ 1,909,777		
(Reversal of) special reserve	(9,855,898)	48,566,551		
Cash dividends	8,414,813	-	$ 0.50	$ -
Preference share dividends	561,661	-	0.355	-

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

35. INTEREST PROFIT, NET

	For the Three Months Ended September 30		**For the Nine Months Ended September 30**	
	2024	**2023**	**2024**	**2023**
Interest revenue				
Securities	$ 18,590,880	$ 18,065,854	$ 55,246,167	$ 52,001,155
Discounts and loans	4,775,889	4,334,818	13,700,199	12,416,857
Others	2,873,723	2,724,284	8,207,853	7,332,932
	26,240,492	25,124,956	77,154,219	71,750,944
Interest expense				
Deposits	3,245,089	2,946,773	9,690,512	8,131,417
Notes and bonds issued under repurchase agreements	2,011,238	1,612,093	5,609,865	3,962,862
Structured products	383,960	357,803	1,131,817	970,410
Security lending guarantee deposits	383,122	299,959	1,145,717	865,947
Others	1,414,866	1,080,802	3,817,931	2,859,494
	7,438,275	6,297,430	21,395,842	16,790,130
Interest profit, net	$ 18,802,217	$ 18,827,526	$ 55,758,377	$ 54,960,814

36. SERVICE FEE AND COMMISSION, NET

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fee revenue and commission income				
Brokerage	$ 4,816,070	$ 3,757,164	$ 13,376,245	$ 9,655,995
Security lending	744,948	525,819	1,933,130	1,476,315
Others	2,150,648	1,625,486	6,085,855	4,795,922
	7,711,666	5,908,469	21,395,230	15,928,232
Service fee expense and commission expense				
Commission expense - insurance	3,051,150	3,126,058	9,087,522	10,062,088
Brokerage	1,015,772	747,489	2,748,434	1,861,071
Others	724,070	603,995	2,023,009	1,773,557
	4,790,992	4,477,542	13,858,965	13,696,716
Service fee and commission, net	$ 2,920,674	$ 1,430,927	$ 7,536,265	$ 2,231,516

37. NET INCOME FROM INSURANCE OPERATIONS

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Insurance business income				
Premium income	$ 46,715,746	$ 31,187,092	$ 117,721,659	$ 107,335,002
Reinsurance premium expense	(512,194)	(469,573)	(1,558,006)	(1,347,175)
Changes in unearned premium reserve	(111,114)	469,277	(531,575)	(392,104)
Retained earned premium	46,092,438	31,186,796	115,632,078	105,595,723
Separate-account insurance products revenues	2,933,667	2,332,096	13,500,321	10,369,721
	49,026,105	33,518,892	129,132,399	115,965,444
Insurance business expense				
Insurance claim payments	(56,669,502)	(51,995,949)	(160,057,367)	(143,241,293)
Claims recovered from reinsures	379,966	287,607	921,795	758,370
Retained claim payments	(56,289,536)	(51,708,342)	(159,135,572)	(142,482,923)
Brokerage expense	(3,264)	(2,362)	(8,170)	(4,810)
Disbursements toward industry stability fund	(46,733)	(31,206)	(117,761)	(107,375)
Separate-account insurance products expenses	(2,933,667)	(2,332,096)	(13,500,321)	(10,369,721)
	(59,273,200)	(54,074,006)	(172,761,824)	(152,964,829)
Net income from insurance operations	$ (10,247,095)	$ (20,555,114)	$ (43,629,425)	$ (36,999,385)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Derivatives	$ 14,828,269	$ (30,524,324)	$ (45,017,166)	$ (55,649,064)
Mutual funds	5,946,115	(2,203,596)	13,590,258	3,218,055
Bonds	2,353,280	(214,493)	2,795,545	2,005,821
Operating securities	(2,159,993)	(124,494)	8,277,890	3,339,441
Stocks	(2,044,927)	(106,755)	40,939,381	30,943,368
Others	1,004,845	67,628	23,203	552,084
	$ 19,927,589	$ (33,106,034)	$ 20,609,111	$ (15,590,295)

For the three months ended September 30, 2024 and 2023, the Group's financial assets and liabilities at fair value through profit or loss included interest revenue of $842,896 thousand and $743,993 thousand, respectively, and dividend income of $6,754,935 thousand and $5,954,558 thousand, respectively, and interest expense of $0 thousand and $0 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, the Group's financial assets and liabilities at fair value through profit or loss included interest revenue of $2,340,433 thousand and $2,048,150 thousand, respectively, and dividend income of $12,270,021 thousand and $13,418,883 thousand, respectively, and interest expense of $0 thousand and $66,200 thousand, respectively.

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividend income	$ 763,436	$ 524,943	$ 905,620	$ 800,624
Gain on disposal of bonds	242,212	33,056	680,334	536,107
Others	28	64	106	170
	$ 1,005,676	$ 558,063	$ 1,586,060	$ 1,336,901

40. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employee benefit expense				
Salaries and wages	$ 5,086,921	$ 4,022,805	$ 14,084,973	$ 11,838,548
Employee insurance	325,698	291,323	1,010,458	945,959
Pension	201,187	183,675	575,043	560,741
Others	638,714	465,438	1,661,078	1,192,081
	$ 6,252,520	$ 4,963,241	$ 17,331,552	$ 14,537,329
Depreciation and amortization expenses	$ 929,574	$ 957,319	$ 2,784,447	$ 2,843,473

The Company's Articles of Incorporation stipulate to distribute employees' compensation and remuneration to directors 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.

For the nine months ended September 30, 2024 and 2023, the employees' compensation were $313,000 thousand and $182,000 thousand and the remuneration of directors were $312,000 thousand and $181,000 thousand.

The amounts of employees' compensation were $195,000 thousand and $179,000 thousand for 2023 and 2022, respectively, and the differences between the amount of employees' compensation and the amount recognized in the financial statements were both $0 thousand; the amounts of directors' compensation were $194,000 thousand and $178,000 thousand for 2023 and 2022, respectively; the differences between the amount of directors' compensation and the amount recognized in the financial statements were both $0 thousand, the aforementioned differences were due to changes in accounting estimates and were recorded as profit or loss in the following year.

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.

41. 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 Company 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 Company and subsidiary under the linked-tax system is to reduce the income tax liabilities of the Company and subsidiary and to consider the fairness of the tax borne by all the companies in order to maximize the synergy of the Company and subsidiary. the Company and subsidiary 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 Company 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 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current income tax				
Current period	$ 613,630	$ (293,569)	$ 913,682	$ 944,472
Income tax on unappropriated earnings	-	-	448,263	-
Prior years	(4,700)	4,566	16,535	(29,538)
Others	-	1,188	-	1,188
	608,930	(287,815)	1,378,480	916,122
Deferred income tax	1,650,704	2,654,259	4,883,705	1,842,926
Income tax expense recognized in profit or loss	$ 2,259,634	$ 2,366,444	$ 6,262,185	$ 2,759,048

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Current income tax				
(Gain) loss on equity instruments at fair value through other comprehensive income	$ -	$ 13,289	$ -	$ 23,195
Deferred income tax				
(Gain) loss on debt instruments at fair value through other comprehensive income	628,242	(896,616)	51,576	(941,758)
(Gain) loss on equity instruments at fair value through other comprehensive income	482,547	(135,721)	210,548	(301,437)
(Gain) loss on reclassification using the overlay approach	270,568	(215,164)	1,957,643	868,892
Income tax expense (benefit)	$ 1,381,357	$ (1,234,212)	$ 2,219,767	$ (351,108)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Current income tax				
Disposal of equity instruments at fair value through other comprehensive income	$ -	$ (101,998)	$ -	$ -
Deferred income tax				
(Gain) loss on equity instruments at fair value through other comprehensive income	-	101,998	-	-
Deferred income tax related to tax losses and reversals	-	28	-	(8,711)
Income tax expense (benefit)	$ -	$ 28	$ -	$ (8,711)

d. Income tax assessments

The Company's income tax returns through 2018 had been examined by the tax authorities.

The income tax returns of KGI bank through 2018 had been examined by the tax authorities. The income tax returns of CDIB Management Consulting Corporation through 2022 had been examined by the tax authorities. The income tax returns of KGI Finance & Leasing Corp.(Formerly CDC Finance & Leasing Corp.) through 2021 had been examined by the tax authorities.

The income tax returns of KGI Securities through 2018 had been examined by the tax authorities. KGI Securities did not agree with the assessment of the taxes in 2015 and 2018 and was in the process of administrative remedy.

The income tax returns of KGI Insurance Brokers Co., Ltd., KGI Securities Investment Advisory Co., Ltd., KGI Venture Capital Co., Ltd., and KGI Information Technology Co., Ltd. through 2022 have been examined by the tax authorities. The income tax returns of KGI Futures Co., Ltd through 2021 have been examined by the tax authorities.

CDIB Capital Group's income tax returns through 2018 had been examined by the tax authorities.

The income tax returns of CDIB Capital Management Corporation, CDIB Capital Innovation Advisors Corporation and CDIB Venture Capital Corp through 2022 have been examined by the tax authorities.

The income tax returns of KGI Asset Management Co., Ltd. through 2019 have been examined by the tax authorities.

KGI Life Insurance's income tax returns through 2021 have been examined by the tax authorities, except for 2020, which has not yet been examined.

KGI Securities Investment Trust Co., Ltd.'s income tax returns through 2022 have been examined by the tax authorities.

42. EARNINGS PER SHARE

(New Taiwan Dollars)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic EPS	$ 0.73	$ 0.44	$ 1.71	$ 1.05
Diluted EPS	$ 0.73	$ 0.44	$ 1.70	$ 1.04

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

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings belong to the Company	$ 12,187,349	$ 7,369,598	$ 29,140,005	$ 17,512,376
Less: Preference share dividends	-	-	(561,661)	-
Earnings used in the computation of EPS	$ 12,187,349	$ 7,369,598	$ 28,578,344	$ 17,512,376

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Weighted average number of common shares outstanding in computation of basic EPS	16,768,723	16,742,073	16,751,118	16,742,073
Effect of dilutive potentially common shares:				
Restricted shares	26,361	51,938	47,180	53,931
Weighted average number of common shares outstanding in computation of diluted EPS	16,795,084	16,794,011	16,798,298	16,796,004

43. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Company

In July 2024, the Company granted share options to qualified employees in an aggregate unit of 100,000 thousand. Each option entitles the holder to subscribe for one common share of the Company. The options granted are valid for 5.5 years and exercisable at certain percentages from now in accordance with the contract.

For any subsequent changes in the Company's capital, the exercise price is adjusted accordingly.

Information on employee share options is as follows:

	For the Nine Months Ended September 30	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price ($)**
Balance at January 1	-	$ -
Options granted	100,000	20
Balance at September 30	100,000	20
Options exercisable, end of the period	-	-
Weighted-average fair value of options granted ($)	$ 0.986	

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

Share price at the grant date	$14.90
Exercise price	$20
Expected volatility	28.02%
Expected life	5.5 years
Expected dividend yield	0%
Risk free interest rate	1.6148%

For the nine months ended September 30, 2024, the Company recognized compensation costs of $8,144 thousand.

b. Employee restricted shares

On November 19, 2021, the board of directors of the Company 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. Further, the board of directors made December 1, 2021 the record date for the issuance of shares. On May 20, 2022, the board of directors of the Company has decided to issue restricted shares for $11,000 thousand in total, with a par value of $10 per share, i.e., a total of 1,100 thousand shares at issue price of $0. Further, the board of directors made June 20, 2022 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, ask the Company to buy them back or in any other way dispose of these shares except in the case of inheritance. Besides, employees do not have pre-emptive rights when capital increase but do share the same rights of issued common stock (which includes but are not confined to cash dividends, stock dividends, capital decrease, capital surplus cash (stock) or any rights originated from the 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 Company will retrieve and cancel the stocks with no reimbursement if the vesting conditions are not met. The Company will also retrieve the allocated rights at the rate of shares of vesting conditions not met divided by shares allocated, with no reimbursement. If the stocks are retrieved, they shall be cancelled in each year of the vesting period.

For the three months ended September 30, 2024 and 2023, the Company recognized compensation costs of $34,609 thousand and $70,909 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, the Company recognized compensation costs of $131,627 thousand and $202,187 thousand.

44. 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
September 30, 2024	$ 19,506,878
December 31, 2023	9,820,276
September 30, 2023	12,873,375

2) Bonds of outright purchases and sales

	Sale of Bonds
<u>For the nine months ended September 30, 2024</u>	
Other related parties	$ 197,939
<u>For the nine months ended September 30, 2023</u>	
Other related parties	81,334

3) Revenue receivable (recognized as receivables, net)

	Amount
September 30, 2024	$ 897,858
December 31, 2023	1,689,344
September 30, 2023	552,773

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

	Amount
September 30, 2024	$ 58,949
December 31, 2023	36,261
September 30, 2023	25,368

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

	Amount
September 30, 2024	$ 16,283
December 31, 2023	14,340
September 30, 2023	20,754

6) Other receivables (recognized as receivables, net)

	Amount
September 30, 2024	$ 50,020
December 31, 2023	8,036
September 30, 2023	112,585

7) Discounts and loans, net

KGI Bank

	Amount	Interest Rate (%)
September 30, 2024	$ 1,287,541	2.06-6.61
December 31, 2023	772,056	1.82-6.61
September 30, 2023	669,382	1.82-6.61

For the three months ended September 30, 2024 and 2023, the interest revenues from discounts and loans were $8,192 thousand and $3,733 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, the interest revenues from discounts and loans were $21,861 thousand and $11,032 thousand, respectively.

For the Nine Months Ended September 30, 2024

(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	23	$ 29,830	$ 18,374	$ 18,374	$ -	None	Yes
Residential mortgage loans	69	855,895	775,611	775,611	-	Real estate	Yes
Others	9	502,942	493,556	493,556	-	None/real estate	Yes

For the Year Ended December 31, 2023

(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	28	$ 25,026	$ 18,517	$ 18,517	$ -	None/credit guarantee fund	Yes
Residential mortgage loans	68	791,003	641,183	641,183	-	Real estate	Yes
Others	6	116,719	112,356	112,356	-	None/real estate	Yes

For the Nine Months Ended September 30, 2023

(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	28	$ 24,839	$ 18,481	$ 18,481	$ -	None/credit guarantee fund	Yes
Residential mortgage loans	67	764,003	640,611	640,611	-	Real estate	Yes
Others	4	14,257	10,290	10,290	-	Real estate	Yes

KGI Life Insurance

	Amount
September 30, 2024	$ 13,085
December 31, 2023	14,270
September 30, 2023	14,466

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

	Amount
September 30, 2024	$ 17,658
December 31, 2023	14,909
September 30, 2023	15,385

9) As of August 23, December 31, 2023 and September 30, 2023, KGI Life Insurance has paid other related parties for the renovation on its behalf in an aggregate amount of $466,281 thousand, $127,445 thousand and $32,389 thousand, which were recognized as investment property.

10) Other payables (recognized as payables)

	Amount
September 30, 2024	$ 837,693
December 31, 2023	518,748
September 30, 2023	337,797

11) Deposits and remittances

	Amount	Interest Rate (%)
September 30, 2024	$ 2,677,692	0-10.00
December 31, 2023	1,365,564	0-7.00
September 30, 2023	1,430,658	0-7.00

For the three months ended September 30, 2024 and 2023, the interest expenses from deposits and remittances were $8,083 thousand and $5,219 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, the interest expenses from deposits and remittances were $21,752 thousand and $15,452 thousand, respectively.

12) Unearned receipts (recognized as other liabilities)

	Amount
September 30, 2024	$ 87,414
December 31, 2023	71,711
September 30, 2023	91,486

13) Equity of future trader

		Amount
September 30, 2024	$	85,105
December 31, 2023		22,426
September 30, 2023		20,552

14) Brokerage handling fee revenue

	For the Three Months Ended September 30	For the Nine Months Ended September 30
<u>2024</u>		
Other related parties	$ 16,898	$ 28,690
<u>2023</u>		
Other related parties	4,588	11,401

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

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024	$ 81,940	$ 117,836
2023	6,647	86,605

16) Rental revenue (recognized as gain or loss on investment property)

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024	$ 35,669	$ 143,554
2023	53,801	161,453

17) Service fee and commission, net

	For the Three Months Ended September 30	For the Nine Months Ended September 30
<u>2024</u>		
Other related parties	$ 375,902	$ 999,149
<u>2023</u>		
Other related parties	132,327	395,176

18) Donation (recognized as other general and administrative expenses)

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024	$ 26,000	$ 76,750
2023	3,000	56,445

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

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024	$ 142,839	$ 424,059
2023	131,366	305,802

20) Outstanding derivative financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Structured products liabilities			
Other related parties	$ 53,547	$ 19,993	$ 10,156

21) Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries and short-term benefits	$ 375,410	$ 251,309	$ 878,352	$ 694,217
Share-based payments	12,413	6,089	31,648	33,800
Post-employment benefits	406	351	5,548	9,263
	$ 388,229	$ 257,749	$ 915,548	$ 737,280

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 Company's subsidiaries with related parties were summarized below:

KGI Bank and subsidiaries

Related Party	Relationship with the KGI Bank and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Asset Management Co., Ltd.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

1) Futures contract (recognized as cash and cash equivalents)

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 232,758	$ 308,517	$ 414,965

2) Purchase and sale of bonds

	Purchase of Bonds
For the nine months ended September 30, 2024	
Subsidiary of the parent company	$ 1,682,525

3) Receivables from sales of marketable securities (receivables - net)

	December 31, 2023
Subsidiary of the parent company	$ 312,426

4) Discounts and loans, net

	Amount	Interest Rate (%)
September 30, 2024		
Other related parties	$ 380,185	3.11-3.25

5) Lease agreements

	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities			
Subsidiary of the parent company	$ 2,064,583	$ 2,190,739	$ 2,231,651

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	$ 1,228,776	$ 910,382	$ 857,112

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

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

	December 31, 2023
Subsidiary of the parent company	$ 512,954

8) Deposits and remittances

	Amount	Interest Rate (%)
September 30, 2024		
Parent company	$ 2,142,461	0-1.80
Subsidiary of the parent company	31,551,492	0-5.55
Other related parties	1,187,565	0.58-1.48
December 31, 2023		
Parent company	1,985,797	0-1.50
Subsidiary of the parent company	26,134,613	0-5.60
September 30, 2023		
Parent company	2,535,280	0-1.50
Subsidiary of the parent company	19,701,960	0-5.25

9) Temporary receipts (recognized as other liabilities)

	September 30, 2024	December 31, 2023
Subsidiary of the parent company	$ 456,044	$ 560,074

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

10) Service fee revenue

	For the Three Months Ended September 30	For the Nine Months Ended September 30
<u>2024</u>		
Subsidiary of the parent company	$ 50,862	$ 282,577
<u>2023</u>		
Subsidiary of the parent company	41,654	149,088

11) Outstanding derivative financial instruments

September 30, 2024

(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	February 16, 2024-March 24, 2025	$ 39,247,240	$ (37,044)	Financial assets at FVTPL	$ 297,484
					Financial liabilities at FVTPL	334,528
	Cross-currency swap contracts	August 26, 2021-May 26, 2026	571,155	16,323	Financial assets at FVTPL	19,460
					Financial liabilities at FVTPL	36,260

December 31, 2023

(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	May 19, 2023-April 17, 2024	$ 15,060,150	$ 125,010	Financial assets at FVTPL	$ 250,793
					Financial liabilities at FVTPL	125,783
	Foreign exchange forward contracts	November 22, 2023-January 19, 2024	13,554,135	(300,969)	Financial liabilities at FVTPL	300,969
	Cross-currency swap contracts	August 26, 2021-May 26, 2025	792,026	(17,808)	Financial assets at FVTPL	7,592
					Financial liabilities at FVTPL	33,122

September 30, 2023

(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	January 13, 2023 - March 22, 2024	$ 13,552,560	$ 802,999	Financial assets at FVTPL	$ 802,999
	Foreign exchange forward contracts	August 15, 2023 - November 21, 2023	16,488,948	210,337	Financial assets at FVTPL	210,337
	Cross-currency swap contracts	August 26, 2021 - May 26, 2025	789,174	(59,543)	Financial liabilities at FVTPL	67,265

KGI Securities and subsidiaries

Related Party	Relationship with the KGI Securities and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Asset Management Co., Ltd.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

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

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 164,585	$ 200,548	$ 1,567,724

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

	September 30, 2024	December 31, 2023	September 30, 2023
Open-ended fund, money market instruments and other securities			
Other related parties	$ -	$ 505,327	$ 503,747
Operating securities			
Subsidiary of the parent company	4,883,190	4,831,706	4,830,779
Other related parties	936,547	338,432	347,963

3) Purchase and sale of bonds

	Sale of Bonds
For the nine months ended September 30, 2024	
Subsidiary of the parent company	$ 1,682,525

4) Guarantee deposits received in futures contracts

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 1,690,954	$ 1,455,257	$ 2,089,004

5) Accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 115,146	$ 200,533	$ 114,674
Other related parties	515,481	1,404,881	250,393

6) Other current assets

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 16,047,286	$ 14,887,057	$ 8,595,666

7) Customers' equity accounts - futures

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 235,363	$ 367,749	$ 500,842

8) Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 106,749	$ -	$ -
Other related parties	681,486	435,384	252,358

9) Current tax liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	$ 2,889,323	$ 1,852,683	$ 1,681,124

10) Brokerage handling fee revenue

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Subsidiary of the parent company	$ 32,379	$ 102,007

11) Other operating income

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Subsidiary of the parent company	$ 81,319	$ 195,228
2023		
Subsidiary of the parent company	62,632	185,945

12) Other gains and losses

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Subsidiary of the parent company	$ 102,815	$ 266,892
2023		
Subsidiary of the parent company	72,940	165,393

CDIB Capital Group and subsidiaries

Related Party	Relationship with CDIB Capital Group and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
KGI Asset Management Co., Ltd.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

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

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 3,255,674	$ 2,459,509	$ 2,254,756

2) Revenue receivable (recognized as other receivables)

	September 30, 2024
Other related parties	$ 121,429

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

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	$ 243,911	$ 219,957	$ 219,850

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

4) Acquisition of financial assets at fair value through profit or loss

	Underlying Assets	Purchase Price
<u>For the nine months ended September 30, 2023</u>		
Subsidiary of the parent company	12 partnership funds	$ 1,005,984

5) Lease agreements

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Lease liabilities</u>			
Subsidiary of the parent company	$ 625,305	$ 661,621	$ 673,640

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	$ 692,387	$ 546,126	$ 577,987

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

7) Consulting service revenue

	For the Three Months Ended September 30	For the Nine Months Ended September 30
<u>2024</u>		
Other related parties	$ 37,200	$ 109,810
<u>2023</u>		
Other related parties	36,429	105,965

8) Outstanding derivative financial instruments

September 30, 2024

(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	August 26, 2021 - May 26, 2026	$ 606,881	$ (16,775)	Financial assets at FVTPL	$ 16,241

December 31, 2023

(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	August 26, 2021 - May 26, 2025	$ 622,258	$ 16,090	Financial assets at FVTPL	$ 31,856
		March 31, 2023 - March 31, 2024	225,076	(7,456)	Financial liabilities at FVTPL	7,349

September 30, 2023

(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	August 26, 2021 - May 26, 2025	$ 653,295	$ 38,987	Financial assets at FVTPL	$ 57,431
		March 31, 2023 - March 31, 2024	236,302	7,008	Financial assets at FVTPL	7,305

KGI Asset Management Co., Ltd.

Related Party	Relationship with the KGI Asset Management Co., Ltd.
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

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

	September 30, 2024	December 31, 2023
Subsidiary of the parent company	$ 158,212	$ 300,943

2) Lease agreements

	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities			
Subsidiary of the parent company	$ 101,157	$ 106,780	$ 108,645

KGI Life Insurance

Related Party	Relationship with the KGI Life Insurance
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Asset Management Co., Ltd.	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

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

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 10,152,630	$ 6,777,032	$ 5,194,810

2) Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 763,832	$ 1,292,134	$ 126,974
Other related parties	106,674	205,061	200,108

3) Current tax assets

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	$ 5,253,238	$ 2,683,885	$ 2,015,994

The above refers to the tax that the Company, the parent company and its eligible subsidiaries' adoption of the linked-tax system in filing of tax returns.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	$ 18,543,570	$ 8,950,025	$ 12,021,665

5) Disposal of financial assets at fair value through profit or loss

	Underlying Assets	Proceeds	Gain on Disposal
For the three months ended September 30			
Subsidiary of the parent company	Private equity fund	$ -	$ -
For the nine months ended September 30			
Subsidiary of the parent company	Private equity fund	1,005,441	162,979

6) Payables

	December 31, 2023
Subsidiary of the parent company	$ 625,600

7) As of August 23, 2024, December 31, 2023 and September 30, 2023, the Company had paid other related parties to perform renovations on its behalf for an aggregate amount of $466,281 thousand, $127,445 thousand and $32,389 thousand, respectively (recognized as prepayments for equipment - investment property).

8) Bonds payable

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of the parent company	$ 4,850,000	$ 4,850,000	$ 4,850,000

9) Financial assets at fair value through profit or loss - dividend income

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Other related parties	$ 135,758	$ 411,936
2023		
Other related parties	129,960	302,800

10) Gain or loss on investment property - rental revenue

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Subsidiary of the parent company	$ 45,272	$ 135,815
Other related parties	28,891	123,167
2023		
Subsidiary of the parent company	45,258	135,731
Other related parties	47,138	141,414

11) Commission expense

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Subsidiary of the parent company	$ 132,450	$ 470,518
2023		
Subsidiary of the parent company	100,089	319,854

12) Outstanding derivative financial instruments

September 30, 2024

(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	June 14, 2024 - March 24, 2025	US$ 940,000	Financial assets at FVTPL	$ 337,673
		February 16, 2024 - November 20, 2026	US$ 300,000	Financial liabilities at FVTPL	296,383

December 31, 2023

(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	October 13, 2023 - April 17, 2024	US$ 120,000	Financial assets at FVTPL	$ 126,775
		May 19, 2023 - March 22, 2024	US$ 370,000	Financial liabilities at FVTPL	248,376
	Foreign exchange forward contracts	November 22, 2023 - January 19, 2024	US$ 441,000	Financial assets at FVTPL	303,762

September 30, 2023

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

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet Account	Balance Sheet Balance
Subsidiary of the parent company	Currency swap contracts	January 13, 2023 - March 22, 2024	US$ 420,000	Financial liabilities at FVTPL	$ 801,727
	Forward swap contracts	August 15, 2023 - November 21, 2023	US$ 511,000	Financial liabilities at FVTPL	209,617

KGI Securities Investment Trust

Related Party	Relationship with the KGI Securities Investment Trust
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
Others	Other related parties

Management fee income

	For the Three Months Ended September 30	For the Nine Months Ended September 30
2024		
Other related parties	$ 207,934	$ 574,169
2023		
Other related parties	173,236	492,671

45. 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in debt instruments measured at amortized cost - negotiable certificates of deposit	$ 19,240,000	$ 18,730,000	$ 18,130,000
Property and equipment, net	4,239,497	4,388,309	4,396,518
Other financial assets - pledged deposits	2,116,897	2,107,942	2,220,758

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss	$ 1,023,487	$ 809,728	$ 2,470,362
Accounts receivable - installment accounts receivables and lease receivables	969,797	1,216,249	1,073,118
Investment property, net	512,317	391,407	392,498
Financial assets at fair value through other comprehensive income	218,371	200,364	200,136
Financial assets at amortized cost	154,112	148,736	93,149
Financial assets at fair value through other comprehensive income - negotiable certificates of deposit	-	299,607	498,898

(Concluded)

46. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Commitments and contingencies of the Group, except for those disclosed in Notes 48 and 50 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. The case KGI Bank acted vigorously in regard 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. On May 30, 2024, the Taiwan Supreme Court annulled the judgment of the Taiwan High Court and remanded the case to the Taiwan High Court for a new trial. As of the date of approval by the board of directors of the consolidated financial statements, the case is remanded in the Taiwan High Court.

47. INDIVIDUAL PROFITABILITY AND CONSOLIDATED PROFIT ABILITIES OF PARENT COMPANY KGI BANK, KGI SECURITIES AND KGI LIFE INSURANCE

Consolidated Profitability

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	1.24	0.75
	After income tax	1.02	0.64
Return on net worth	Before income tax	16.59	12.17
	After income tax	13.66	10.52
Profit margin		56.13	46.37

Profitability of KGI Financial Holdings

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	11.84	8.47
	After income tax	11.25	8.32
Return on net worth	Before income tax	14.34	10.66
	After income tax	13.66	10.52
Profit margin		89.63	90.65

Profitability of KGI Bank

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.79	0.83
	After income tax	0.69	0.73
Return on net worth	Before income tax	9.35	10.21
	After income tax	8.13	8.88
Profit margin		36.49	41.90

Profitability of KGI Securities

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	3.52	2.95
	After income tax	3.07	2.67
Return on net worth	Before income tax	20.30	14.33
	After income tax	17.72	12.98
Profit margin		38.42	35.68

Profitability of KGI Life Insurance

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	1.28	0.74
	After income tax	1.13	0.64
Return on net worth	Before income tax	18.13	14.85
	After income tax	16.01	13.02
Profit margin		10.07	6.46

48. 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, yield curves 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:

September 30, 2024

(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	$ 179,310,056	$ 136,996	$ 12,770,184	$ 192,217,236
Bond investments	29,119,218	90,186,573	1,194,676	120,500,467

(Continued)

	Level 1	Level 2	Level 3	Total
Others	$ 180,351,250	$ 13,531,037	$ 42,230,790	$ 236,113,077
Financial assets designated as at FVTPL	-	-	7,674,014	7,674,014
Financial assets at FVTOCI				
Stock investments	17,125,749	-	12,711,229	29,836,978
Bond investments	145,843,413	75,363,640	-	221,207,053
Others	-	1,917,060	-	1,917,060
Other financial assets				
Purchased debt receivable	-	-	149,396	149,396
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	7,620,471	7,153,667	-	14,774,138
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,180,510	31,275,608	1,004,332	33,460,450
Financial assets for hedging	-	312,036	-	312,036
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,411,266	31,604,068	6,453,108	39,468,442
Financial liabilities designated as at FVTPL	-	5,414,159	-	5,414,159
Financial liabilities for hedging	-	1,255,999	-	1,255,999

(Concluded)

December 31, 2023

(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	$ 177,952,461	$ 210,969	$ 11,255,813	$ 189,419,243
Bond investments	26,634,074	73,988,252	880,483	101,502,809
Others	148,226,329	12,721,296	36,120,206	197,067,831
Financial assets designated as at FVTPL	-	-	8,446,585	8,446,585
Financial assets at FVTOCI				
Stock investments	18,470,837	-	11,830,332	30,301,169
Bond investments	144,038,798	72,587,388	-	216,626,186
Others	-	2,433,259	-	2,433,259
Other financial assets				
Purchased debt receivable	-	-	160,766	160,766
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	3,936,913	4,283,740	-	8,220,653
Derivative financial instruments				
Assets				
Financial assets at FVTPL	762,217	52,566,274	1,152,972	54,481,463
Financial assets for hedging	-	835,695	-	835,695
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,515,674	40,592,972	4,213,553	46,322,199
Financial liabilities designated as at FVTPL	1,063	7,937,195	-	7,938,258
Financial liabilities for hedging	-	697,122	-	697,122

September 30, 2023

(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	$ 172,078,817	$ 258,253	$ 11,015,140	$ 183,352,210
Bond investments	27,700,690	75,710,224	941,237	104,352,151
Others	155,954,037	14,720,243	35,004,602	205,678,882
Financial assets designated as at FVTPL	-	-	8,379,322	8,379,322
Financial assets at FVTOCI				
Stock investments	16,845,961	-	13,677,516	30,523,477
Bond investments	143,648,449	72,704,692	-	216,353,141
Others	-	6,026,535	-	6,026,535
Other financial assets				
Purchased debt receivable	-	-	166,616	166,616
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	2,498,505	5,353,703	-	7,852,208
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,204,598	53,136,968	1,721,349	56,062,915
Financial assets for hedging	-	2,356,619	-	2,356,619
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,562,588	83,251,128	4,701,357	89,515,073
Financial liabilities designated as at FVTPL	972	9,394,937	-	9,395,909
Financial liabilities for hedging	-	838,437	-	838,437

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 is commonly recognized by the industry. The type of relevant methodology can roughly divide 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 Company’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 valuation adjustment is an adjustment to the valuation of OTC derivative financial instrument contracts to reflect within fair value the possibility that the counterparty may default, and that the Company may not receive the full market value of the transactions.

- The debit valuation adjustment is an adjustment to the valuation of OTC derivative financial instrument contracts to reflect within fair value the possibility that the Group may default, and that the Group 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 Company's credit quality.

4) Transfers between Level 1 and Level 2

There was no transfer from level one into level two or level two into level one for the nine months ended September 30, 2024 and 2023.

5) Reconciliation of Level 3 items of financial instruments

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

For the Nine Months Ended September 30, 2024

(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 (Note 1)	Sale, Disposal or Settlement	Transfer from Level 3 (Note 2)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 49,409,474	$ 3,345,879	$ 5,826,882	$ 91,904	$ (1,298,664)	$ (175,493)	$ 57,199,982
Financial assets designated as at FVTPL	8,446,585	(398,448)	2,232,833	-	(2,606,956)	-	7,674,014
Financial assets at FVTOCI	11,830,332	910,566	-	15,850	(45,519)	-	12,711,229
Other financial assets							
Purchased debt receivable	160,766	10,210	-	-	(21,580)	-	149,396

For the Nine Months Ended September 30, 2023

(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 (Note 2)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 49,399,891	$ 2,024,792	$ 8,318,176	$ -	$ (11,012,406)	$ (48,125)	$ 48,682,328
Financial assets designated as at FVTPL	7,031,671	1,598,173	282,804	-	(533,326)	-	8,379,322
Financial assets at FVTOCI	15,412,018	(1,708,481)	-	-	(26,021)	-	13,677,516
Other financial assets							
Purchased debt receivable	188,032	7,383	-	-	(28,799)	-	166,616

Note 1: For parts of stock investments, the Company's subsidiaries acquired their observable market information from available to unavailable, causing the applicable level of stock investments transfers to level 3.

Note 2: For parts of stock investments, the Company's subsidiaries acquired their observable market material, causing the applicable level of stock investments transfers from level 3.

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

For the Nine Months Ended September 30, 2024

(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	$ 4,213,553	$ 65,450	$ 2,943,022	$ -	$ (768,917)	$ -	$ 6,453,108

For the Nine Months Ended September 30, 2023

(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	$ 3,859,342	$ 675,728	$ 1,292,759	$ -	$ (1,126,472)	$ -	$ 4,701,357

The total gains or losses for the nine months ended September 30, 2024 and 2023 included a loss of $1,001,349 thousand and a gain of $2,014,534 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)

KGI Bank and subsidiaries

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

	Fair Value at September 30, 2024	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	$ 449,761	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to the liquidity discount rate
Financial assets at FVTOCI	915,929	Market approach	P/B, Discount for lack of liquidity	1.70 27.20%	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	1,020,519	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios
Financial liabilities at FVTPL	1,020,503	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios

	Fair Value at December 31, 2023	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	$ 413,347	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to the liquidity discount ratios
Financial assets at FVTOCI	923,832	Market approach	P/B, Discount for lack of liquidity	1.28 27.20%	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	1,160,254	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios
Financial liabilities at FVTPL	1,160,272	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios

	Fair Value at September 30, 2023	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	$ 429,870	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to the liquidity discount ratios
Financial assets at FVTOCI	911,818	Market approach	P/B, Discount for lack of liquidity	1.23 27.20%	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	1,717,728	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios
Financial liabilities at FVTPL	1,717,750	Hull White 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 Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to the liquidity discount ratios

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 September 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative instruments					
Financial assets at FVTPL - equity and debt instruments	$ 4,028,830	Recent strike price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	26%-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	7.03%	Assets at fair value is inversely proportional to WACC.
			Growth rate	5.50%	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.
Derivative instruments					
Financial assets at FVTPL Structured products - options	3,273	Martingale pricing technique	History volatility	39.74%-90.07%	According to condition of contract, fair value of assets may be higher or lower.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL Structured products - options	5,468,865	Martingale pricing technique	History volatility	0.00%-15.01%	According to condition of contract, fair value of liabilities may be higher or lower.

	Fair Value at December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative instruments					
Financial assets at FVTPL - equity instruments	$ 3,613,204	Recent strike price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	26%-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	7.18%	Assets at fair value is inversely proportional to WACC.
			Growth rate	5.50%	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.
Derivative instruments					
Financial assets at FVTPL Structured products - options	310	Martingale pricing technique	History volatility	47.77%-47.77%	According to condition of contract, fair value of assets may be higher or lower.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL Structured products - options	3,086,977	Martingale pricing technique	History volatility	0.00%-16.92%	According to condition of contract, fair value of liabilities may be higher or lower.

	Fair Value at September 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
Financial assets					
Non-derivative instruments					
Financial assets at FVTPL - equity instruments	$ 3,252,198	Recent strike price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	26%-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	7.83%	Assets at fair value is inversely proportional to WACC.
			Growth rate	3.25%	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	47,646	Option pricing model	Discount for lack of liquidity	26%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			History volatility	44.51%	According to condition of contract, fair value of asset may be higher or lower.
Derivative instruments					
Financial assets at FVTPL Structured products - options	3,621	Martingale pricing technique	History volatility	27.25%-60.78%	According to condition of contract, fair value of assets may be higher or lower.
Financial liabilities					
Derivative instruments					
Financial liabilities at FVTPL Structured products - options	3,050,872	Martingale pricing technique	History volatility	0.00%-12.26%	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.

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:

September 30, 2024

	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%	$ 1,668	$ 1,667	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	140	140	-	-
	WACC	-1%/+1%	2,513	2,292	-	-
	Growth rate	+1%/-1%	1,904	1,772	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	4,127	4,311	-	-
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	156	114	-	-
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-

December 31, 2023

	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 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%	$ 175	$ 175	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	190	190	-	-
	WACC	-1%/+1%	3,448	3,164	-	-
	Growth rate	+1%/-1%	2,536	2,375	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,688	3,688	-	-
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	118	115	-	-
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-

September 30, 2023

	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 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%	$ 540	$ 540	$ -	$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	125	125	-	-
	WACC	-1%/+1%	864	835	-	-
	Growth rate	+1%/-1%	334	329	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,689	3,585	-	-
Financial assets at FVTOCI						
Equity instruments (option pricing model)	Discount for lack of liquidity	-1%/+1%	-	-	138	138
	History volatility	-1%/+1%	-	-	65	66
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	848	752	-	-
Financial liabilities						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-

CDIB Capital Group and subsidiaries

Quantitative information about the significant unobservable inputs is set out below:

	Fair Value at September 30, 2024	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	$ 20,994,458	Market approach	P/S Discount for lack of liquidity	1.26 26%	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 Discount rate Growth rate	23%-29% 5.72%-12.10% 2.00%-7.75%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, 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	Not applicable	Not applicable	Not applicable
Financial assets at FVTOCI	15,850	Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.

	Fair Value at December 31, 2023	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	$ 20,419,147	Market approach	P/S Discount for lack of liquidity	1.28 26%	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 Discount rate Growth rate	23%-29% 4.98%-40.00% 2.00%-17.00%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, 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	Not applicable	Not applicable	Not applicable

	Fair Value at September 30, 2023	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	$ 20,201,540	Market approach	P/S Discount for lack of liquidity	1.01 26%	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 Discount rate Growth rate	23%-29% 6.32%-40% 1.25%-17%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, 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	Not applicable	Not applicable	Not applicable

KGI Life Insurance

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

	September 30, 2024			
	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
	Market approach	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.55%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

	December 31, 2023			
	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%-11.45%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.31%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

	September 30, 2023			
	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	6.23%	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 conform to market practice; the basis of the theory is commonly recognized by the industry as a basis for valuation in conducting measurements of fair value. Further, the department confirms whether the sources of the information are independent or not, reasonably reflect the prices in normal circumstances and examines and adjusts fair value periodically to ensure the results of the valuation are reasonable.

KGI Securities and subsidiaries

When KGI Securities has those derivatives in which their fair value is hard to reach or they are categorized as derivative financial assets with no active market, the reasonability of the fair value of those financial assets is assessed by the 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 the 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.

KGI Life Insurance

KGI 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. KGI Life Insurance analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to KGI 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, refundable deposits, have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

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

September 30, 2024

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 641,910,686	$ 735,965,129	$ -	$ 1,377,875,815
Non-financial assets				
Refundable deposits - bonds	2,167,160	6,210,173	-	8,377,333

December 31, 2023

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 579,335,610	$ 763,810,437	$ -	$ 1,343,146,047
Non-financial assets				
Refundable deposits - bonds	110,116	6,313,909	-	6,424,025

September 30, 2023

(In Thousands of New Taiwan Dollars)

	Level I	Level 2	Level 3	Total
Financial assets				
Debt instruments measured at amortized cost	$ 518,386,641	$ 776,284,476	$ -	$ 1,294,671,117
Non-financial assets				
Refundable deposits - bonds	14,067,174	6,291,706	-	20,358,880

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 financial instruments, securities purchased under resell agreements, receivables, other financial assets, guarantee deposits paid, due to the Central Bank and financial instruments, securities sold under repurchase agreements, payables, deposits and remittances, bonds payable, 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.

49. 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 KGI Life Insurance’s overall risk appetite and risk tolerance, review and approve KGI 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, KGI Life Insurance set up an assets and liabilities risk management team to strengthen the risk management organization and structure.

In addition, KGI 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 KGI Life Insurance’s risk management policy.

2) Risk management policies, procedures and methods:

According to risk management policies, KGI 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. KGI Life Insurance follows the principle of centralized management and specialization and assigns responsible risk management department to manage various risks. In addition, KGI 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. KGI 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. KGI Life Insurance sets appropriate asset-liability management system based on the attributes and complexity of insurance liability risks. The system allows KGI Life Insurance to form, implement, monitor and correct related strategies within the tolerable range and achieves KGI 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 KGI Life Insurance as a whole.

For the insurance contracts and financial instruments with discretionary participation features underwritten by KGI 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 KGI 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 of September 30, 2024, 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 KGI Life Insurance’s insurance liability inadequate.

2) Interpretation for concentration of insurance risks:

   a) KGI Life Insurance's insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. KGI 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. Refer to Note 31 for concentration of risk before and after the reinsurance for KGI 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	16	17	
2008	$ 2,170,100	$ 2,736,556	$ 2,776,542	$ 2,781,989	$ 2,786,399	$ 2,792,187	$ 2,798,032	$ 2,798,807	$ 2,799,546	$ 2,800,435	$ 2,802,449	$ 2,803,020	$ 2,803,856	$ 2,804,061	$ 2,805,453	$ 2,805,535	$ 2,806,094	
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,942,857	2,942,909	2,944,085	-	
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,191	3,146,199	3,146,385	-	-	
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,357,014	3,357,047	3,357,171	-	-	-	
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,059,236	3,059,611	3,059,693	-	-	-	-	
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,058,524	3,059,470	3,060,188	-	-	-	-	-	
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,325,954	4,328,274	4,330,328	-	-	-	-	-	-	
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,956	4,523,231	4,524,484	-	-	-	-	-	-	-	
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,769,820	4,772,620	4,774,349	-	-	-	-	-	-	-	-	
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,563,170	5,565,627	5,567,546	-	-	-	-	-	-	-	-	-	
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,086,102	6,095,198	6,097,588	-	-	-	-	-	-	-	-	-	-	
2019	5,257,484	6,776,954	6,904,733	6,935,395	6,946,476	6,952,553	-	-	-	-	-	-	-	-	-	-	-	
2020	5,208,589	6,557,028	6,720,337	6,751,342	6,761,588	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,729,794	7,330,220	7,532,048	7,558,927	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	8,258,280	10,368,910	10,581,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	7,970,387	10,082,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2024	6,032,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 3,505,917

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

Add: Long-term insurance claims	429,583
Claim reserve for discount on no claim	116,052
Reserve for claims balance	$ 4,051,552

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	16	17	
2008	$ 2,128,556	$ 2,682,784	$ 2,721,905	$ 2,719,002	$ 2,723,312	$ 2,728,970	$ 2,734,682	$ 2,735,440	$ 2,736,162	$ 2,737,031	$ 2,739,000	$ 2,739,557	$ 2,740,394	$ 2,740,598	$ 2,741,991	$ 2,742,073	$ 2,742,631	
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,876,252	2,876,304	2,877,480	-	
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,973	3,074,981	3,075,167	-	-	
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,281,058	3,281,091	3,281,215	-	-	-	
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,990,038	2,990,414	2,990,496	-	-	-	-	
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,989,360	2,990,306	2,991,023	-	-	-	-	-	
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,228,211	4,230,531	4,232,586	-	-	-	-	-	-	
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,419,697	4,420,972	4,422,225	-	-	-	-	-	-	-	
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,662,163	4,664,810	4,666,539	-	-	-	-	-	-	-	-	
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,450,344	5,452,800	5,454,719	-	-	-	-	-	-	-	-	-	
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,972,030	5,981,126	5,983,516	-	-	-	-	-	-	-	-	-	-	
2019	5,165,606	6,658,675	6,786,454	6,817,116	6,828,197	6,834,274	-	-	-	-	-	-	-	-	-	-	-	
2020	5,136,641	6,454,169	6,616,159	6,647,164	6,657,410	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,640,880	7,192,041	7,393,867	7,420,746	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	8,190,602	10,249,283	10,456,636	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	7,845,303	9,925,110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2024	5,955,498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 3,498,590

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

Add: Long-term insurance claims	405,340
Claim reserve for discount on no claim	116,052
Reserve for claims balance	$ 4,019,982

KGI 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. KGI 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 KGI Life Insurance, the credit risk comes from reinsurers who fail to fulfill their obligation of reinsurance contracts, causing KGI Life Insurance to be exposed to the risk of financial loss. If KGI 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.

KGI Life Insurance’s highest risk exposure for the reinsurance contracts is the carrying amount of reinsurance assets. In order to manage that risk and avoid credit losses, KGI Life Insurance decides to deal with reinsurance companies that have good credits. KGI 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 September 30, 2024, December 31, 2023 and September 30, 2023, the maturity analysis of liquidity risk for insurance contract liabilities of KGI Life Insurance are as follow:

	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
September 30, 2024					
Insurance liabilities of investment contracts with discretionary participation features	$ 16,515,575	$ 63,976,143	$ 114,184,531	$ 638,308,917	$ 4,540,563,121
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
December 31, 2023					
Insurance liabilities of investment contracts with discretionary participation features	30,139,007	85,667,869	113,631,199	649,337,923	4,129,317,824
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
September 30, 2023					
Insurance liabilities of investment contracts with discretionary participation features	32,531,454	88,053,629	113,750,365	657,818,510	4,201,400,201
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 KGI 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 KGI 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. However, it has little influence on the adequacy of current recognized insurance liabilities.

50. FINANCIAL RISK MANAGEMENT

a. Risk management policies and framework

The Company

The Company 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 Company has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. The Company 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 senior 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 the senior management, and the committee or the 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 the 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 the 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 organization's 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 appetite, risk-based 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 and 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 the 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 regularly review the execution of relevant 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.

4) Risk management mechanism

The process of various risk managements of KGI Securities include risk identification, risk measurement, risk monitoring and management and risk reports. The evaluation and measurement 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 risk, interest rate risk, exchange rate risk, 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 risky 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.

<u>CDIB Capital Group and subsidiaries</u>

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

KGI Life Insurance

KGI Life Insurance's financial risk management objectives are primarily managing risks arising from holding financial assets. According to KGI Life Insurance's risk management policies, the main financial risks is market risk, credit risk and liquidity risk. KGI Life Insurance has established guidelines related to the management for the aforementioned financial risk, regulating the measurement and evaluation methods.

b. Credit risk

KGI Bank and subsidiaries

1) Definition and source of credit risk

Credit risk is the risk of financial loss to the KGI Bank if a creditor, debtor 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 credit business, 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, effective control and reporting 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 raise 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 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, mortgage loans, investments in marketable securities 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 consumer banking business, they track and control the changes in asset quality through the use of regular-assessment system, and handle the changes in borrowers’ credit quality instantly through the use of regular-reassessment system. For delinquent loans, the Bank uses the concentration management method, together with information systems and analysis models, to enhance and expedite the collection of non-performing 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) Credit risk hedge or mitigation policies

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

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

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Irrevocable loan commitments, guarantees and letters of credit issued yet unused	$ 53,329,189	$ 43,737,382	$ 45,466,524

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 its subsidiaries' carrying amount of maximum exposure credit risk for major credit assets were as follows:

	Discounts and Loans					
	September 30, 2024					
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Short-term loans	$ 62,222,722	$ 600,128	$ 724,447	$ -		$ 63,547,297
Short-term secured loans	18,947,835	-	-	-		18,947,835
Medium-term loans	166,928,462	205,434	215,996	-		167,349,892
Medium-term secured loans	83,579,385	47,494	36,141	-		83,663,020
Long-term loans	14,078,602	596,240	1,043,226	-		15,718,068
Long-term secured loans	109,547,324	228,024	107,728	-		109,883,076
Loans reclassified to nonperforming loans	-	-	1,076,383	-		1,076,383
Total book values	455,304,330	1,677,320	3,203,921	-		460,185,571
Impairment allowance	(960,088)	(172,770)	(861,714)	-		(1,994,572)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (4,085,579)	(4,085,579)
Adjusting for discounts and loans premium					(70,887)	(70,887)
	$ 454,344,242	$ 1,504,550	$ 2,342,207	$ -	$ (4,156,466)	$ 454,034,533

	Receivables					
	September 30, 2024					
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Credit card business	$ 3,507,262	$ 196,571	$ 152,580	$ -		$ 3,856,413
Accounts receivable - forfaiting	1,076,854	-	-	-		1,076,854
Accounts receivable factoring without recourse	8,035,408	1	19	-		8,035,428
Acceptances	7,015	-	-	-		7,015
Installment accounts and lease receivables	4,826,139	82,020	91,293	-		4,999,452
Total book values	17,452,678	278,592	243,892	-		17,975,162
Impairment allowance	(41,023)	(30,649)	(66,335)	-		(138,007)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (149,638)	(149,638)
	$ 17,411,655	$ 247,963	$ 177,557	$ -	$ (149,638)	$ 17,687,517

	Discounts and Loans					
	December 31, 2023					
	Stage 1	Stage 2	Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
Short-term loans	$ 46,320,134	$ 594,896	$ 681,759	$ -		$ 47,596,789
Short-term secured loans	13,923,022	273	-	-		13,923,295
Medium-term loans	152,121,832	160,635	242,629	-		152,525,096
Medium-term secured loans	82,043,284	309,349	21,622	-		82,374,255
Long-term loans	7,592,441	525,924	844,689	-		8,963,054
Long-term secured loans	95,437,396	174,740	162,833	-		95,774,969
Loans reclassified to nonperforming loans	-	-	974,615	-		974,615
Export negotiations	5,449	-	-	-		5,449
Total book values	397,443,558	1,765,817	2,928,147	-		402,137,522
Impairment allowance	(789,010)	(168,283)	(791,094)	-		(1,748,387)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (3,406,787)	(3,406,787)
Adjusting for discounts and loans premium					(55,911)	(55,911)
	$ 396,654,548	$ 1,597,534	$ 2,137,053	$ -	$ (3,462,698)	$ 396,926,437

	Receivables					
	December 31, 2023					
	Stage 1	Stage 2	Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
Credit card business	$ 3,195,165	$ 196,868	$ 130,508	$ -		$ 3,522,541
Accounts receivable - forfaiting	1,617,130	-	-	-		1,617,130
Accounts receivable factoring without recourse	10,262,973	4	25	-		10,263,002
Acceptances	8,292	-	-	-		8,292
Installment accounts and lease receivables	5,654,277	71,889	101,064	-		5,827,230
Total book values	20,737,837	268,761	231,597	-		21,238,195
Impairment allowance	(48,865)	(27,236)	(59,820)	-		(135,921)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (168,961)	(168,961)
	$ 20,688,972	$ 241,525	$ 171,777	$ -	$ (168,961)	$ 20,933,313

	Discounts and Loans					
	September 30, 2023					
	Stage 1	Stage 2	Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
Short-term loans	$ 46,492,469	$ 599,945	$ 671,005	$ -		$ 47,763,419
Short-term secured loans	13,856,542	-	-	-		13,856,542
Medium-term loans	152,189,171	158,540	303,237	-		152,650,948
Medium-term secured loans	85,251,382	83,504	24,453	-		85,359,339
Long-term loans	7,612,694	510,756	833,311	-		8,956,761
Long-term secured loans	92,835,698	195,237	126,280	-		93,157,215
Loans reclassified to nonperforming loans	-	-	927,648	-		927,648
Export negotiations	24,268	-	-	-		24,268
Total book values	398,262,224	1,547,982	2,885,934	-		402,696,140
Impairment allowance	(841,319)	(121,422)	(784,046)	-		(1,746,787)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (3,512,685)	(3,512,685)
Adjusting for discounts and loans premium					(54,529)	(54,529)
	$ 397,420,905	$ 1,426,560	$ 2,101,888	$ -	$ (3,567,214)	$ 397,382,139

	Receivables					
	September 30, 2023					
	Stage 1	Stage 2	Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset	The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
Credit card business	$ 3,167,948	$ 195,841	$ 123,277	$ -		$ 3,487,066
Accounts receivable - forfaiting	1,933,199	-	-	-		1,933,199
Accounts receivable factoring without recourse	9,211,088	5	34	-		9,211,127
Acceptances	48,242	-	-	-		48,242
Installment accounts and lease receivables	6,019,167	103,552	69,381	-		6,192,100
Total book values	20,379,644	299,398	192,692	-		20,871,734
Impairment allowance	(51,761)	(32,092)	(42,207)	-		(126,060)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					$ (157,805)	(157,805)
	$ 20,327,883	$ 267,306	$ 150,485	$ -	$ (157,805)	$ 20,587,869

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at FVTPL			
Debt instruments	$ 13,837,928	$ 12,554,980	$ 14,975,735
Derivatives	19,082,180	29,413,254	44,631,450

5) Collaterals and other 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 and 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:

September 30, 2024

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	$ 152,580	$ 44,196	$ 108,384	$ -
Accounts receivable factoring	19	3	16	-
Installment receivables and lease receivables	91,293	22,136	69,157	-
Discounts and loans	3,203,921	861,714	2,342,207	561,131
Total amount of impaired financial asset	$ 3,447,813	$ 928,049	$ 2,519,764	$ 561,131

December 31, 2023

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	$ 130,508	$ 30,406	$ 100,102	$ -
Accounts receivable factoring	25	1	24	-
Installment receivables and lease receivables	101,064	29,413	71,651	-
Discounts and loans	2,928,147	791,094	2,137,053	521,857
Total amount of impaired financial asset	$ 3,159,744	$ 850,914	$ 2,308,830	$ 521,857

September 30, 2023

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	$ 123,277	$ 28,394	$ 94,883	$ -
Accounts receivable factoring	34	1	33	-
Installment receivables and lease receivables	69,381	13,812	55,569	-
Discounts and loans	2,885,934	784,046	2,101,888	488,428
Total amount of impaired financial asset	$ 3,078,626	$ 826,253	$ 2,252,373	$ 488,428

The amount of the KGI Bank and subsidiaries' financial assets which has been written off and still has recourse activities of outstanding contract amount is $847,883 thousand and $767,066 thousand for the nine months ended September 30, 2024 and 2023.

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 counterparty 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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Public and private enterprise	$ 265,267,806	57.64	$ 234,684,241	58.36	$ 236,394,821	58.70
Natural person	194,517,765	42.27	167,453,281	41.64	166,101,319	41.25
Non-profit organization	400,000	0.09	-	-	200,000	0.05
Total	$ 460,185,571	100.00	$ 402,137,522	100.00	$ 402,696,140	100.00

b) By region

Region	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	$ 378,386,386	82.22	$ 327,247,935	81.38	$ 324,794,623	80.66
Overseas	81,799,185	17.78	74,889,587	18.62	77,901,517	19.34
Total	$ 460,185,571	100.00	$ 402,137,522	100.00	$ 402,696,140	100.00

c) By collateral

Collateral	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Non-collateral	$ 247,255,335	53.73	$ 209,655,063	52.14	$ 209,893,563	52.12
Collateral						
Property	198,310,314	43.09	175,106,905	43.54	175,002,923	43.45
Guarantee	3,494,876	0.76	3,416,212	0.85	3,732,220	0.93
Financial collateral	7,389,761	1.61	9,225,201	2.29	8,076,451	2.01
Other	3,735,285	0.81	4,734,141	1.18	5,990,983	1.49
Total	$ 460,185,571	100.00	$ 402,137,522	100.00	$ 402,696,140	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.

	September 30, 2024	December 31, 2023	September 30, 2023
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			September 30, 2024				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 410,366	$ 93,453,444	0.44%	$ 1,195,609	291.35%
	Unsecured		76,864	185,654,884	0.04%	2,220,758	2889.20%
Consumer loan	Mortgage (Note 4)		39,173	88,680,415	0.04%	1,333,306	3,403.63%
	Cash card		142,482	10,161,757	1.40%	163,237	114.57%
	Micro credit (Note 5)		628,825	51,419,072	1.22%	840,467	133.66%
	Other (Note 6)	Secured	18,599	30,799,378	0.06%	325,751	1,751.40%
		Unsecured	862	16,621	5.19%	1,023	118.60%
Total			1,317,171	460,185,571	0.29%	6,080,151	461.61%
			Overdue Receivable	Accounts Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			$ 51,083	$ 3,856,413	1.32%	$ 90,410	176.99%
Account receivable - factored without recourse (Note 7)			12	8,035,428	0.00%	105,533	872,464.56%

Item			September 30, 2023				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 402,834	$ 91,071,253	0.44%	$ 1,122,946	278.76%
	Unsecured		92,341	158,024,748	0.06%	1,767,461	1,914.05%
Consumer loan	Mortgage (Note 4)		28,427	74,251,089	0.04%	1,116,660	3,928.16%
	Cash card		119,463	10,457,668	1.14%	252,885	211.69%
	Micro credit (Note 5)		557,207	41,382,235	1.35%	705,356	126.59%
	Other (Note 6)	Secured	10,149	27,480,235	0.04%	293,869	2,895.44%
		Unsecured	-	28,912	-	295	-
Total			1,210,421	402,696,140	0.30%	5,259,472	434.52%
			Overdue Receivable	Accounts Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			$ 36,876	$ 3,487,066	1.06%	$ 66,224	179.59%
Account receivable - factored without recourse (Note 7)			4	9,211,127	0.00%	112,916	2,549,464.44%

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	September 30, 2024		September 30, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
Amounts of executed contracts on negotiated debts not reported (Note 1)	$ 1,585	$ 47	$ 2,138	$ 57
Amounts of executed debt settlement program and rehabilitation program (Note 2)	72,004	7,140	68,519	5,712
Total	$ 73,589	$ 7,187	$ 70,657	$ 5,769

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 risk

September 30, 2024

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	A Group - Real estate activities for sale and rental	$ 6,356,474	8.82
2	B Group - Real estate development activities	5,359,371	7.44
3	C Group - Manufacture of liquid crystal panel and components	5,288,487	7.34
4	D Group - Real estate development activities	5,135,067	7.13
5	E Group - Manufacture of liquid crystal panel and components	4,908,881	6.81
6	F Group - Real estate development activities	4,786,000	6.64
7	G Group - Other Real Estate Activities	4,582,915	6.36
8	H Group - Real estate activities for sale and rental	4,562,979	6.33
9	I Group - Electromechanical, Telecommunication, and Circuit Equipment Industry	4,200,622	5.83
10	J Group - Securities Dealer	3,851,287	5.34

September 30, 2023

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	E Group - Manufacture of liquid crystal panel and components	$ 7,970,173	12.10
2	B Group - Real estate development activities	6,030,071	9.16
3	K Group - Manufacture of electronic passive devices	5,903,250	8.97
4	A Group - Real estate activities for sale and rental	5,212,654	7.92
5	C Group - Manufacture of liquid crystal panel and components	5,008,206	7.61
6	F Group - Real estate development activities	4,380,000	6.65
7	H Group - Short-term hospitality	4,251,346	6.46
8	L Group - Real estate activities for sale and rental	3,921,455	5.96
9	M Group - Financial leasing	3,328,678	5.06
10	D Group - Real estate development activities	3,304,314	5.02

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 bankrupted 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 or 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.

<table>
<tr><th>Business</th><th>Combination</th><th>Definition</th></tr>
<tr><td rowspan="6">Corporate banking</td><td>Large enterprises + Stage 1</td><td rowspan="2">Credit risk has not increased significantly.</td></tr>
<tr><td>Small and medium enterprises + Stage 1</td></tr>
<tr><td>Large enterprises + Stage 2</td><td rowspan="2">Credit risk has increased significantly.</td></tr>
<tr><td>Small and medium enterprises + Stage 2</td></tr>
<tr><td>Large enterprises + Stage 3</td><td rowspan="2">Credit impaired.</td></tr>
<tr><td>Small and medium enterprises + Stage 3</td></tr>
<tr><td rowspan="3">Consumer banking</td><td>Product + Stage 1</td><td>Credit risk has not increased significantly.</td></tr>
<tr><td>Product + Stage 2</td><td>Credit risk has increased significantly.</td></tr>
<tr><td>Product + Stage 3</td><td>Credit impaired.</td></tr>
</table>

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.

The measurement of expected credit loss of KGI 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 the Nine Months Ended September 30, 2024

	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, 2024	$ 86,033	$ 91	$ -	$ 2	$ -	$ 86,126	$ 154,967	$ 241,093
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(13)	13	-	-	-	-		-
From conversion to credit-impaired financial assets	-	-	-	-	-	-		-
To 12-month ECL	24	(24)	-	-	-	-		-
Derecognizing financial assets during the current period	(18,351)	(89)	-	(2)	-	(18,442)		(18,442)
Purchased or originated new financial assets	27,895	128	-	-	-	28,023		28,023
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							15,363	15,363
Effect of exchange rate changes and others	7,726	53	-	19	-	7,798		7,798
Balance at September 30, 2024	$ 103,314	$ 172	$ -	$ 19	$ -	$ 103,505	$ 170,330	$ 273,835

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees, and expected credit loss during the duration of the financing commitments for the nine months ended September 30, 2024. The aforementioned provision on September 30, 2024 increased by $32,742 thousand from the beginning of the year.

For the Nine Months Ended September 30, 2023

	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, 2023	$ 63,024	$ 30	$ -	$ 41	$ -	$ 63,095	$ 107,002	$ 170,097
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	2	(2)	-	-	-	-		-
Derecognizing financial assets during the current period	(24,387)	(49)	-	(56)	-	(24,492)		(24,492)
Purchased or originated new financial assets	37,442	116	-	16	-	37,574		37,574
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							40,648	40,648
Effect of exchange rate changes and others	23,140	3	-	-	-	23,143		23,143
Balance at September 30, 2023	$ 99,220	$ 99	$ -	$ 1	$ -	$ 99,320	$ 147,650	$ 246,970

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees, and expected credit loss during the duration of the financing commitments for the nine months ended September 30, 2023. The aforementioned provision on September 30, 2023 increased by $76,873 thousand from the beginning of the year.

16) Loss allowance for financial assets measured at FVTOCI

For the nine months ended September 30, 2024 and 2023, 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 September 30, 2024, December 31, 2023 and September 30, 2023, loss allowance for debt instruments measured at FVTOCI due to the adjustment of the portfolio were $45,872 thousand, $41,633 thousand and $45,455 thousand, respectively.

17) Loss allowance for financial assets measured at amortized cost

For the nine months ended September 30, 2024 and 2023, 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 September 30, 2024, December 31, 2023 and September 30, 2023, the recognition of loss allowance were $6,334 thousand, $5,489 thousand and $5,959 thousand, respectively.

18) Loss allowance for receivables

The reconciliation statement of loss allowance for receivables for the nine months ended September 30, 2024 and 2023 of the KGI Bank and subsidiaries were as follows:

For the Nine Months Ended September 30, 2024

	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 ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2024	$ 50,531	$ 28,486	$ -	$ 1,142,044	$ -	$ 1,221,061	$ 176,706	$ 1,397,767
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(841)	1,488	-	(647)	-	-		-
From conversion to credit-impaired financial assets	(553)	(1,504)	-	2,057	-	-		-
To 12-month ECL	4,600	(4,504)	-	(96)	-	-		-
Derecognizing financial assets during the current period	(62,087)	(15,583)	-	(3,362)	-	(81,032)		(81,032)
Purchased or originated new financial assets	60,653	2,374	-	1,791	-	64,818		64,818
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/ nonaccrual loans							(22,031)	(22,031)
Write-off	-	-	-	(44,537)	-	(44,537)		(44,537)
Recovery of written-off	-	-	-	1,590	-	1,590		1,590
Effect of exchange rate changes and others	(9,712)	21,226	-	75,558	-	87,072		87,072
Balance at September 30, 2024	$ 42,591	$ 31,983	$ -	$ 1,174,398	$ -	$ 1,248,972	$ 154,675	$ 1,403,647

For the Nine Months Ended September 30, 2023

	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 ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2023	$ 48,035	$ 23,846	$ -	$ 1,146,937	$ -	$ 1,218,818	$ 222,504	$ 1,441,322
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(7,269)	7,647	-	(378)	-	-		-
From conversion to credit-impaired financial assets	(399)	(6,362)	-	6,761	-	-		-
To 12-month ECL	1,252	(1,091)	-	(161)	-	-		-
Derecognizing financial assets during the current period	(55,707)	(9,281)	-	(14,420)	-	(79,408)		(79,408)
Purchased or originated new financial assets	58,748	1,804	-	5,352	-	65,904		65,904
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/ nonaccrual loans							(58,585)	(58,585)
Write-off	-	-	-	(25,670)	-	(25,670)		(25,670)
Recovery of written-off	-	-	-	4,336	-	4,336		4,336
Effect of exchange rate changes and others	8,803	16,351	-	51,325	-	76,479		76,479
Balance at September 30, 2023	$ 53,463	$ 32,914	$ -	$ 1,174,082	$ -	$ 1,260,459	$ 163,919	$ 1,424,378

Changes in total book values of receivables of KGI Bank and subsidiaries were as follows:

For the Nine Months Ended September 30, 2024

	Stage 1	Stage 2		Stage 3		Total
		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	
Balance at January 1, 2024	$ 27,338,310	$ 283,579	$ -	$ 1,739,969	$ -	$ 29,361,858
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	(231,276)	117,125	-	114,151	-	-
Purchased or originated new receivables	17,939,931	26,647	-	6,383	-	17,972,961
Write-off	-	-	-	(44,537)	-	(44,537)
Derecognition	(19,779,244)	(132,404)	-	(173,837)	-	(20,085,485)
Effect of exchange rate changes and others	221,999	53	-	32,140	-	254,192
Balance at September 30, 2024	$ 25,489,720	$ 295,000	$ -	$ 1,674,269	$ -	$ 27,468,989

For the Nine Months Ended September 30, 2023

	Stage 1	Stage 2		Stage 3		Total
		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	
Balance at January 1, 2023	$ 29,763,221	$ 281,421	$ -	$ 1,752,835	$ -	$ 31,797,477
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	(4,449)	-	-	4,449	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Receivables based on collective assessment	(192,952)	97,825	-	95,127	-	-
Purchased or originated new receivables	18,639,734	20,017	-	13,688	-	18,673,439
Write-off	-	-	-	(25,670)	-	(25,670)
Derecognition	(20,780,309)	(87,322)	-	(56,239)	-	(20,923,870)
Effect of exchange rate changes and others	336,935	-	-	47,004	-	383,939
Balance at September 30, 2023	$ 27,762,180	$ 311,941	$ -	$ 1,831,194	$ -	$ 29,905,315

19) Loss allowance for discounts and loans

The reconciliation statement of allowance for bad debts of discounts and loans for the nine months ended September 30, 2024 and 2023 of the KGI Bank and subsidiaries were as follows:

For the Nine Months Ended September 30, 2024

	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, 2024	$ 789,010	$ 168,283	$ -	$ 791,094	$ -	$ 1,748,387	$ 3,406,787	$ 5,155,174
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(4,690)	10,443	-	(5,753)	-	-		-
From conversion to credit-impaired financial assets	(7,791)	(31,034)	-	38,825	-	-		-
To 12-month ECL	50,910	(49,706)	-	(1,204)	-	-		-
Derecognizing financial assets during the current period	(871,532)	(28,052)	-	(86,965)	-	(986,549)		(986,549)
Purchased or originated new financial assets	896,100	1,657	-	14	-	897,771		897,771
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							678,792	678,792
Write-off	-	-	-	(714,890)	-	(714,890)		(714,890)
Recovery of written-off	-	-	-	525,099	-	525,099		525,099
Effect of exchange rate changes and others	108,081	101,179	-	315,494	-	524,754		524,754
Balance at September 30, 2024	$ 960,088	$ 172,770	$ -	$ 861,714	$ -	$ 1,994,572	$ 4,085,579	$ 6,080,151

For the Nine Months Ended September 30, 2023

	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, 2023	$ 702,059	$ 99,224	$ -	$ 617,242	$ -	$ 1,418,525	$ 3,762,082	$ 5,180,607
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(2,003)	7,064	-	(5,061)	-	-		-
From conversion to credit-impaired financial assets	(4,722)	(24,072)	-	28,794	-	-		-
To 12-month ECL	4,888	(2,756)	-	(2,132)	-	-		-
Derecognizing financial assets during the current period	(769,165)	(14,742)	-	(33,839)	-	(817,746)		(817,746)
Purchased or originated new financial assets	695,251	597	-	33	-	695,881		695,881
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							(249,397)	(249,397)
Write-off	-	-	-	(686,021)	-	(686,021)		(686,021)
Recovery of written-off	-	-	-	630,239	-	630,239		630,239
Effect of exchange rate changes and others	215,011	56,107	-	234,791	-	505,909		505,909
Balance at September 30, 2023	$ 841,319	$ 121,422	$ -	$ 784,046	$ -	$ 1,746,787	$ 3,512,685	$ 5,259,472

Changes in total book values of discounts and loans of the KGI Bank and subsidiaries were as follows:

For the Nine Months Ended September 30, 2024

	Stage 1	Stage 2		Stage 3		Total
		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	
Balance at January 1, 2024	$ 397,443,558	$ 1,765,817	$ -	$ 2,928,147	$ -	$ 402,137,522
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	(1,222,339)	174,717	-	1,047,622	-	-
Purchased or originated new discounts and loans	481,539,855	12,868	-	201	-	481,552,924
Write-off	-	-	-	(714,890)	-	(714,890)
Derecognition	(424,902,636)	(283,199)	-	(90,196)	-	(425,276,031)
Effect of exchange rate changes and others	2,445,892	7,117	-	33,037	-	2,486,046
Balance at September 30, 2024	$ 455,304,330	$ 1,677,320	$ -	$ 3,203,921	$ -	$ 460,185,571

For the Nine Months Ended September 30, 2023

	Stage 1	Stage 2		Stage 3		Total
		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	
Balance at January 1, 2023	$ 395,967,373	$ 1,533,963	$ -	$ 2,304,303	$ -	$ 399,805,639
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	(516,704)	-	-	516,704	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Discounts and loans based on collective assessment	(1,027,999)	213,953	-	814,046	-	-
Purchased or originated new discounts and loans	396,676,222	5,980	-	323	-	396,682,525
Write-off	-	-	-	(686,021)	-	(686,021)
Derecognition	(395,815,829)	(205,914)	-	(125,337)	-	(396,147,080)
Effect of exchange rate changes and others	2,979,161	-	-	61,916	-	3,041,077
Balance at September 30, 2023	$ 398,262,224	$ 1,547,982	$ -	$ 2,885,934	$ -	$ 402,696,140

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 account 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) and financial assets at amortized cost

KGI Securities and subsidiaries holds mainly the medium and long-term bond investment position. KGI Securities and subsidiaries 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 is reevaluate and revised on each financial reporting date.

b) Receivables and others financial assets

KGI Securities and domestic subsidiaries

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.

Overseas subsidiaries

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 taken 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 and whether the credit risk is impaired after the initial recognition on each balance sheet date. The three stages are no significant increase in credit risk (Stage 1), low credit risk (Stage 2) and credit impairment (Stage 3). For the determination of significant increase in credit risk since initial recognition, the main indicators to be considered include the external credit rating and its change in grade (from investment grade to non-investment grade or credit rating dropping by more than a certain level compared to the original recognition date), and other market information related to the issuer indicating that its credit risk has increased significantly, etc. For the determination of credit impairment, it refers to default, significant financial difficulties, bankruptcy or financial reorganization of the issuer, or a combination of certain events that may have caused the financial assets to become credit impaired. If the credit risk of a financial asset at the balance sheet date is determined to be low, the allowance for loss is measured at the expected credit loss over 12 months, assuming that the credit risk of the financial asset has not increased significantly since initial recognition, and for financial assets that have increased significantly since initial recognition or are impaired, the allowance for loss is measured at the expected credit loss over the remaining period.

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.

6) The estimation techniques or material assumptions used by KGI Securities and subsidiaries to assess expected credit losses did not change significantly for the nine months ended September 30, 2024 and 2023.

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 September 30, 2024, December 31, 2023 and September 30, 2023 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 September 30, 2024, December 31, 2023 and September 30, 2023 were $46,292,260 thousand, $45,542,812 thousand and $48,606,207 thousand, respectively, and allowance loss were $19,401 thousand, $21,091 thousand and $21,263 thousand, respectively.

Accounts receivable and others

September 30, 2024

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 38,349,964	$ (559)	$ 38,349,405
Bonds purchased under resell agreements	24,443,683	-	24,443,683
Margin loans receivables	42,552,640	(11,968)	42,540,672
Trading securities receivables	27,518,495	(6,210)	27,512,285
Customer's margin accounts	67,572,277	(33)	67,572,244
Futures commission merchant receivable	114,519	(114,485)	34
Deposits required for securities borrowing	43,661,729	(2)	43,661,727
Accounts receivable	102,236,721	(10,510)	102,226,211
Other current assets	49,073,339	(8,731)	49,064,608
Other non-current assets	5,311,104	(999,550)	4,311,554
	$ 400,834,471	$ (1,152,048)	$ 399,682,423

December 31, 2023

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 22,481,796	$ (527)	$ 22,481,269
Bonds purchased under resell agreements	13,142,593	(4)	13,142,589
Margin loans receivables	35,377,632	(11,626)	35,366,006
Trading securities receivables	15,688,314	(3,540)	15,684,774
Customer's margin accounts	53,729,685	(30)	53,729,655
Futures commission merchant receivable	115,172	(115,126)	46

(Continued)

	Total Book Value	Less: Allowance Loss	Total
Deposits required for securities borrowing	$ 39,929,060	$ (2)	$ 39,929,058
Accounts receivable	55,930,018	(6,603)	55,923,415
Other current assets	38,190,049	(8,946)	38,181,103
Other non-current assets	4,598,077	(1,044,139)	3,553,938
	$ 279,182,396	$ (1,190,543)	$ 277,991,853

(Concluded)

September 30, 2023

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	$ 30,693,337	$ (453)	$ 30,692,884
Bonds purchased under resell agreements	16,635,329	-	16,635,329
Margin loans receivables	33,218,833	(5,007)	33,213,826
Trading securities receivables	14,202,098	(1,654)	14,200,444
Customer's margin accounts	57,400,356	(46)	57,400,310
Futures commission merchant receivable	133,519	(133,504)	15
Deposits required for securities borrowing	42,486,596	(2)	42,486,594
Accounts receivable	47,318,676	(2,930)	47,315,746
Other current assets	33,858,144	(12,094)	33,846,050
Other non-current assets	4,689,483	(1,053,711)	3,635,772
	$ 280,636,371	$ (1,209,401)	$ 279,426,970

2) Changes in allowance losses of KGI Securities and subsidiaries for the nine months ended September 30, 2024 and 2023 are as follows:

a) Financial assets at fair value through other comprehensive income

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Collective)	Total
January 1, 2024	$ 21,091	$ -	$ 21,091
Addition (reversal)	(1,797)	(153)	(1,950)
Changes in exchange rate and others	(590)	850	260
September 30, 2024	$ 18,704	$ 697	$ 19,401
January 1, 2023	$ 20,697	$ -	$ 20,697
Addition (reversal)	271	-	271
Changes in exchange rate and others	295	-	295
September 30, 2023	$ 21,263	$ -	$ 21,263

The loss allowance of financial assets measured at fair value through other comprehensive income-debt instrument investments for the nine months ended September 30, 2024 and 2023 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, 2024	$ 9,805	$ 141	$ 1,164,686	$ 15,911	$ 1,190,543
Addition (reversal)	(580)	(125)	(35,369)	8,754	(27,320)
Derecognizing financial assets during the current period	-	-	(16,086)	-	(16,086)
Write off bad loans	-	-	(4,763)	-	(4,763)
Changes in exchange rate and others	387	6	9,279	2	9,674
September 30, 2024	$ 9,612	$ 22	$ 1,117,747	$ 24,667	$ 1,152,048
January 1, 2023	$ 8,802	$ 316	$ 1,028,067	$ 4,623	$ 1,041,808
Addition (reversal)	(1,310)	48	162,383	2,280	163,401
Derecognizing financial assets during the current period	-	-	(1,075)	-	(1,075)
Changes in exchange rate and others	328	(275)	5,210	4	5,267
September 30, 2023	$ 7,820	$ 89	$ 1,194,585	$ 6,907	$ 1,209,401

The aforementioned total book value of receivables and others were influenced by securities market transactions.

CDIB Capital Group and subsidiaries

CDIB Capital Group and its 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.

CDIB Capital Group and its subsidiaries have all kinds of financial instruments of which the maximum exposure to the credit risk is equal to the book value.

KGI Life Insurance

- 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 KGI Life Insurance result from operating and financing activities, which mainly include lending, investing in financial instruments and receivables.

   The departments of KGI 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, KGI Life Insurance's internal rating indicators, and etc. Also, KGI 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, KGI Life Insurance dispose those investments to reduce credit losses in appropriate time, such as there is a significant increase in credit risk. In addition, KGI Life Insurance has established credit VaR model to assess the maximum loss of the credit positions due to changes of credit rating or default of issuer. Besides, KGI Life Insurance also evaluates credit risk and concentration risk based on issuer's region, industry and credit rating within portfolios.

Lending of KGI 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, etc. Once a delay occurs, it is promptly collected in accordance with the procedures to avoid financial losses.

KGI 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, KGI 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, KGI 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. KGI 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 or market conditions.

KGI Life Insurance 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.

2) Financial assets credit risk concentration analysis

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

September 30, 2024

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 50,561,849	$ 2,562,159	$ 1,825,930	$ -	$ -	$ 54,949,938
Financial assets at fair value through profit or loss	25,987,336	8,235,445	9,014,957	2,616,977	-	45,854,715
Financial assets at fair value through other comprehensive income	1,462,248	3,148,216	6,755,844	31,796,988	-	43,163,296
Financial assets at amortized cost	125,570,819	448,378,695	377,217,563	670,361,731	4,595,864	1,626,124,672
Refundable deposits - bonds	7,339,763	-	-	3,178,772	-	10,518,535
	$ 210,922,015	$ 462,324,515	$ 394,814,294	$ 707,954,468	$ 4,595,864	$ 1,780,611,156
Proportion	11.85%	25.96%	22.17%	39.76%	0.26%	100.00%

December 31, 2023

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 38,086,633	$ 2,553,958	$ 8,561,118	$ -	$ -	$ 49,201,709
Financial assets at fair value through profit or loss	27,278,093	7,482,077	9,520,667	2,410,792	-	46,691,629
Financial assets at fair value through other comprehensive income	2,040,432	5,553,064	9,141,914	29,393,351	-	46,128,761
Financial assets at amortized cost	143,666,302	432,965,972	365,207,805	648,007,796	4,336,448	1,594,184,323
Refundable deposits - bonds	7,338,773	-	-	159,346	-	7,498,119
	$ 218,410,233	$ 448,555,071	$ 392,431,504	$ 679,971,285	$ 4,336,448	$ 1,743,704,541
Proportion	12.53%	25.72%	22.50%	39.00%	0.25%	100.00%

September 30, 2023

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 27,752,071	$ 13,187,120	$ 3,459,018	$ -	$ -	$ 44,398,209
Financial assets at fair value through profit or loss	27,017,307	7,601,191	9,132,137	2,352,547	-	46,103,182
Financial assets at fair value through other comprehensive income	2,539,734	5,309,769	8,792,368	27,616,419	-	44,258,290
Financial assets at amortized cost	146,323,265	449,398,139	377,420,345	654,763,991	4,508,643	1,632,414,383
Refundable deposits - bonds	7,338,386	-	-	23,756,221	-	31,094,607
	$ 210,970,763	$ 475,496,219	$ 398,803,868	$ 708,489,178	$ 4,508,643	$ 1,798,268,671
Proportion	11.73%	26.44%	22.18%	39.40%	0.25%	100.00%

b) KGI Life Insurance's regional distribution of credit risk exposure for loans (excluding policy loans and automatic premium loans) is as follows:

September 30, 2024

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 68,174	$ 26,463	$ 31,989	$ 126,626
Overdue receivables	-	-	-	-
	$ 68,174	$ 26,463	$ 31,989	$ 126,626
Proportion	53.84%	20.90%	25.26%	100.00%

December 31, 2023

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 86,383	$ 38,249	$ 47,836	$ 172,468
Overdue receivables	-	-	-	-
	$ 86,383	$ 38,249	$ 47,836	$ 172,468
Proportion	50.09%	22.18%	27.73%	100.00%

September 30, 2023

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 99,616	$ 42,334	$ 51,810	$ 193,760
Overdue receivables	-	-	-	-
	$ 99,616	$ 42,334	$ 51,810	$ 193,760
Proportion	51.41%	21.85%	26.74%	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 nine months ended September 30, 2024 and 2023 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, 2024	$ 4,278	$ -	$ -	$ 4,278
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	(829)	-	-	(829)
Addition	417	-	-	417
Change in model/risk parameters	(218)	-	-	(218)
Change in exchange rate and others	96	-	-	96
September 30, 2024	$ 3,744	$ -	$ -	$ 3,744
January 1, 2023	$ -	$ -	$ -	$ -
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	-	-	-	-
Addition	4,444	-	-	4,444
Change in model/risk parameters	-	-	-	-
Change in exchange rate and others	-	-	-	-
September 30, 2023	$ 4,444	$ -	$ -	$ 4,444

The reconciliation statement of loss allowance for financial assets measured at amortized cost for the nine months ended September 30, 2024 and 2023 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, 2024	$ 223,423	$ 64,130	$ 1,175,793	$ 1,463,346
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	64,130	(64,130)	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(2,569)	-	(3,967)	(6,536)
Addition	1,522	-	20	1,542
Change in model/risk parameters	(71,837)	-	(142,109)	(213,946)
Change in exchange rate and others	6,085	-	30,689	36,774
September 30, 2024	$ 220,754	$ -	$ 1,060,426	$ 1,281,180
January 1, 2023	$ 222,287	$ 75,661	$ 1,130,258	$ 1,428,206
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	(3,834)	(3)	(3,668)	(7,506)
Addition	3,114	-	18	3,132
Change in model/risk parameters	(10,010)	(11,266)	(143,726)	(165,002)
Change in exchange rate and others	9,148	3,271	49,931	62,350
September 30, 2023	$ 220,705	$ 67,663	$ 1,032,813	$ 1,321,180

The reconciliation statement of other receivables related to financial asset measured at FVTCOI and financial assets measured at amortized cost for the nine months ended September 30, 2024 and 2023 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, 2024	$ 2,227	$ 539	$ 1,407,955	$ 1,410,721
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	539	(539)	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(1,097)	-	-	(1,097)
Addition	803	-	568,052	568,855
Change in model/risk parameters	(588)	-	-	(588)
Change in exchange rate and others	33	-	41,962	41,995
September 30, 2024	$ 1,917	$ -	$ 2,017,969	$ 2,019,886
January 1, 2023	$ 2,108	$ 636	$ 669,151	$ 671,895
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	(1,056)	-	-	(1,056)
Addition	911	880	579,125	580,916
Change in model/risk parameters	(35)	(96)	-	(131)
Change in exchange rate and others	41	27	33,993	34,061
September 30, 2023	$ 1,969	$ 1,447	$ 1,282,269	$ 1,285,685

For the nine months ended September 30, 2024 and 2023, 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:

September 30, 2024

	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%-0.03%	-	-
Measured at amortized cost	0.00%-0.20%	-	4.48%-8.16%
Other receivables	0.00%-0.20%	-	100%

December 31, 2023

	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%-0.03%	-	-
Measured at amortized cost	0.00%-0.22%	2.26%-2.41%	5.57%-9.02%
Other receivables	0.00%-0.22%	2.26%-2.41%	100%

September 30, 2023

	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%-0.03%	-	-
Measured at amortized cost	0.00%-0.10%	2.23%-2.46%	4.18%-7.80%
Other receivables	0.00%-0.10%	2.23%-2.46%	100%

KGI Life Insurance has considered the impact of the war between Russia and Ukraine and has made appropriate provision for impairment. KGI Life Insurance will continue to the follow-up on the development of the conflict and take the impact of this incident into consideration when evaluating the expected credit losses of relevant financial assets.

Changes in allowance losses of guarantee loans for the nine months ended September 30, 2024 and 2023 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss - Collective	Lifetime Expected Credit Loss - Individual	Impairment Recognized In Accordance with IFRS 9	Difference 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, 2024	$ 2	$ 101	$ 53	$ 156	$ 2,573	$ 2,729
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	-	-	-	-	-	-
Difference of impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-	-	-	(680)	(680)
Changes in exchange rate and others	-	687	(7)	680	-	680
September 30, 2024	$ 2	$ 788	$ 46	$ 836	$ 1,893	$ 2,729
January 1, 2023	$ 4	$ 146	$ 328	$ 478	$ 3,793	$ 4,271
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	94	-	(94)	-	-	-
Disposal	-	-	(173)	(173)	-	(173)
Difference of impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-	-	-	(877)	(877)
Changes in exchange rate and others	(94)	1,151	(7)	1,050	-	1,050
September 30, 2023	$ 4	$ 1,297	$ 54	$ 1,355	$ 2,916	$ 4,271

The allowance loss of KGI Life Insurance's accounts receivables arising from other transactions are measured by lifetime expected credit loss. Changes in allowance losses of receivables for the nine months ended September 30, 2024 and 2023 are as follows:

	Receivables For the Nine Months Ended September 30	
	2024	2023
Beginning balance	$ 6,287	$ 5,004
Addition (reversal)	1,050	1,289
Written-off due to uncollectable	-	-
Ending balance	$ 7,337	$ 6,293

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

September 30, 2024

	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	$ 43,513,380	$ -	$ -	$ 45,513,380
Financial assets measured at amortized cost	1,614,395,450	-	-	1,614,395,450
Other receivables	12,707,824	-	-	12,707,824
Non-investment grade				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,075,364	-	16,453,573	23,528,937
Other receivables	56,652	-	2,017,969	2,074,621

December 31, 2023

	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	$ 46,271,401	$ -	$ -	$ 46,271,401
Financial assets measured at amortized cost	1,577,491,606	2,743,733	-	1,580,235,339
Other receivables	13,799,110	23,167	-	13,822,277
Non-investment grade				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	6,879,509	-	16,030,940	22,910,449
Other receivables	138,213	-	1,407,956	1,546,169

September 30, 2023

	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	$ 48,966,501	$ -	$ -	$ 48,966,501
Financial assets measured at amortized cost	1,638,086,585	2,880,634	-	1,640,967,219
Other receivables	13,113,769	61,859	-	13,175,628
Non-investment grade				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,013,767	-	16,849,184	23,862,951
Other receivables	51,346	-	1,282,270	1,333,616

Note 1: Including securities serving as collateral deposits.

Note 2: KGI 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

September 30, 2024

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 128,624	$ 154
Credit risk significantly increase	Lifetime expected credit loss	-	-
Impairment	Lifetime expected credit loss	731	-
Total book value		$ 129,355	$ 154

December 31, 2023

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 174,363	$ 211
Credit risk significantly increase	Lifetime expected credit loss	-	-
Impairment	Lifetime expected credit loss	834	-
Total book value		$ 175,197	$ 211

September 30, 2023

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	$ 196,714	$ 228
Credit risk significantly increase	Lifetime expected credit loss	462	4
Impairment	Lifetime expected credit loss	855	1
Total book value		$ 198,031	$ 233

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

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 agreements, 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.

<u>Maturity analysis of KGI Bank's non-derivative financial liabilities in New Taiwan dollars</u>

(In Thousands of New Taiwan Dollars)

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 2,000,000	$ 157,260	$ 23,296	$ -	$ -	$ 2,180,556
Notes and bonds issued under repurchase agreements	9,791,125	-	-	-	-	9,791,125
Deposits and remittances	50,888,389	95,689,095	73,854,906	137,502,613	42,752,478	400,687,481
Loans payable	-	-	-	60,000	27,992,667	28,052,667
Other capital outflow on maturity	1,335,622	750,973	795,487	2,537,560	3,194,962	8,614,640
Total	$ 64,015,136	$ 96,597,328	$ 74,673,689	$ 140,100,173	$ 73,940,107	$ 449,326,433

(In Thousands of New Taiwan Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 3,623,296	$ -	$ -	$ 157,260	$ -	$ 3,780,556
Notes and bonds issued under repurchase agreements	8,698,692	-	-	-	-	8,698,692
Deposits and remittances	55,272,822	73,546,061	62,980,713	111,858,526	36,810,638	340,468,760
Loans payable	-	-	700,000	-	26,263,333	26,963,333
Other capital outflow on maturity	2,626,137	384,345	432,566	3,655,769	3,320,676	10,419,493
Total	$ 70,220,947	$ 73,930,406	$ 64,113,279	$ 115,671,555	$ 66,394,647	$ 390,330,834

(In Thousands of New Taiwan Dollars)

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 1,600,000	$ 157,260	$ 23,296	$ -	$ -	$ 1,780,556
Notes and bonds issued under repurchase agreements	7,454,842	1,400,000	-	-	-	8,854,842
Deposits and remittances	64,271,478	73,264,546	61,451,828	106,713,327	35,391,007	341,092,186
Loans payable	1	333,333	-	700,000	25,863,333	26,896,667
Other capital outflow on maturity	1,062,470	654,615	692,991	3,106,451	3,469,292	8,985,819
Total	$ 74,388,791	$ 75,809,754	$ 62,168,115	$ 110,519,778	$ 64,723,632	$ 387,610,070

Maturity analysis of KGI Bank’s non-derivative financial liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 140,000	$ 150,000	$ 30,000	$ -	$ -	$ 320,000
Notes and bonds issued under repurchase agreements	202,308	309,017	840,154	-	-	1,351,479
Deposits and remittances	2,043,709	2,286,187	811,009	1,161,022	3,005	6,304,932
Other capital outflow on maturity	30,339	39,817	14,535	3,985	13,902	102,578
Total	$ 2,416,356	$ 2,785,021	$ 1,695,698	$ 1,165,007	$ 16,907	$ 8,078,989

(In Thousands of U.S. Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000
Notes and bonds issued under repurchase agreements	298,098	-	587,875	-	-	885,973
Deposits and remittances	1,619,948	1,822,766	1,292,314	1,576,855	6,067	6,317,950
Other capital outflow on maturity	73,896	46,193	26,474	4,537	83,522	234,622
Total	$ 2,091,942	$ 1,868,959	$ 1,906,663	$ 1,581,392	$ 89,589	$ 7,538,545

(In Thousands of U.S. Dollars)

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 185,000	$ -	$ -	$ -	$ -	$ 185,000
Notes and bonds issued under repurchase agreements	351,218	201,216	696,661	-	-	1,249,095
Deposits and remittances	1,410,649	1,654,621	891,290	1,637,443	3,812	5,597,815
Other capital outflow on maturity	43,285	46,674	28,603	9,592	53,849	182,003
Total	$ 1,990,152	$ 1,902,511	$ 1,616,554	$ 1,647,035	$ 57,661	$ 7,213,913

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)

September 30, 2024	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	$ (238,739,179)	$ (258,227,066)	$ (230,808,960)	$ (60,753,139)	$ (8,615,100)	$ (797,143,444)
Cash inflow	228,561,044	220,901,997	217,848,219	56,462,571	8,698,800	732,472,631
Interest rate derivatives instruments						
Cash outflow	(387,350)	(629,972)	(97,732)	-	(21,598,132)	(22,713,186)
Cash inflow	320,554	577,765	87,495	-	-	985,814
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(62,156)	-	-	-	(62,156)
Cash inflow	-	-	80,765	39,805	-	120,570
Cash outflow subtotal	(239,126,529)	(258,919,194)	(230,906,692)	(60,753,139)	(30,213,232)	(819,918,786)
Cash inflow subtotal	228,881,598	221,479,762	218,016,479	56,502,376	8,698,800	733,579,015
Net cash flow	$ (10,244,931)	$ (37,439,432)	$ (12,890,213)	$ (4,250,762)	$ (21,514,432)	$ (86,339,771)

(In Thousands of New Taiwan Dollars)

December 31, 2023	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	$ (247,346,473)	$ (357,827,293)	$ (197,160,030)	$ (51,215,570)	$ (4,457,110)	$ (858,006,476)
Cash inflow	223,894,441	329,846,705	202,847,428	43,550,175	3,559,260	803,698,009
Interest rate derivatives instruments						
Cash outflow	(362,820)	(579,060)	(52,050)	-	(22,163,586)	(23,157,516)
Cash inflow	260,457	529,826	42,797	1,857	-	834,937
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(59,068)	-	-	-	(59,068)
Cash inflow	-	80,853	3,896	39,914	-	124,663
Cash outflow subtotal	(247,709,293)	(358,465,421)	(197,212,080)	(51,215,570)	(26,620,696)	(881,223,060)
Cash inflow subtotal	224,154,898	330,457,384	202,894,121	43,591,946	3,559,260	804,657,609
Net cash flow	$ (23,554,395)	$ (28,008,037)	$ 5,682,041	$ (7,623,624)	$ (23,061,436)	$ (76,565,451)

(In Thousands of New Taiwan Dollars)

September 30, 2023	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	$ (216,910,326)	$ (280,271,444)	$ (262,495,190)	$ (86,080,807)	$ (308,260)	$ (846,066,027)
Cash inflow	225,154,292	274,710,083	225,329,246	72,871,297	726,310	798,791,228
Interest rate derivatives instruments						
Cash outflow	(312,497)	(505,203)	(89,986)	-	(22,575,979)	(23,483,665)
Cash inflow	510,837	457,764	80,018	-	1,857	1,050,476
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(59,596)	-	-	-	(59,596)
Cash inflow	-	-	80,853	43,810	-	124,663
Cash outflow subtotal	(217,222,823)	(280,836,243)	(262,585,176)	(86,080,807)	(22,884,239)	(869,609,288)
Cash inflow subtotal	225,665,129	275,167,847	225,490,117	72,915,107	728,167	799,966,367
Net cash flow	$ 8,442,306	$ (5,668,396)	$ (37,095,059)	$ (13,165,700)	$ (22,156,072)	$ (69,642,921)

Maturity analysis of KGI Bank's derivative financial instruments in U.S. dollars

(In Thousands of U.S. Dollars)

September 30, 2024	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	$ (8,476,206)	$ (7,640,282)	$ (7,226,563)	$ (2,059,001)	$ (290,000)	$ (25,692,052)
Cash inflow	9,251,732	9,034,742	7,597,218	2,117,676	290,000	28,291,368
Interest rate derivatives instruments						
Cash outflow	(10,015)	(30,420)	(10,556)	(14,106)	(481,722)	(546,819)
Cash inflow	4,487	15,053	592	636	334	21,102
Others						
Cash outflow	(1,896)	-	-	-	-	(1,896)
Cash inflow	2,033	-	-	-	-	2,033
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(874)	(1,982)	(5,127)	(11,554)	(310)	(19,847)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(8,488,991)	(7,672,684)	(7,242,246)	(2,084,661)	(772,032)	(26,260,614)
Cash inflow subtotal	9,258,252	9,049,795	7,597,810	2,118,312	290,334	28,314,503
Net cash flow	$ 769,261	$ 1,377,111	$ 355,564	$ 33,651	$ (481,698)	$ 2,053,889

(In Thousands of U.S. Dollars)

December 31, 2023	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	$ (8,287,630)	$ (11,254,792)	$ (7,087,053)	$ (1,788,597)	$ (130,228)	$ (28,548,300)
Cash inflow	9,112,005	12,799,175	7,090,356	1,961,756	163,228	31,126,520
Interest rate derivatives instruments						
Cash outflow	(17,563)	(30,352)	(14,445)	(20,658)	(459,669)	(542,687)
Cash inflow	3,534	14,590	1,554	2,832	60	22,570
Others						
Cash outflow	(1,054)	-	-	-	-	(1,054)
Cash inflow	1,723	-	-	-	-	1,723
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(1,307)	(3,923)	(6,711)	(8,396)	-	(20,337)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(8,307,554)	(11,289,067)	(7,108,209)	(1,817,651)	(589,897)	(29,112,378)
Cash inflow subtotal	9,117,262	12,813,765	7,091,910	1,964,588	163,288	31,150,813
Net cash flow	$ 809,708	$ 1,524,698	$ (16,299)	$ 146,937	$ (426,609)	$ 2,038,435

(In Thousands of U.S. Dollars)

September 30, 2023	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	$ (8,267,719)	$ (9,607,515)	$ (7,954,657)	$ (3,035,214)	$ (49,103)	$ (28,914,208)
Cash inflow	8,287,790	10,268,526	9,217,013	3,525,114	42,506	31,340,949
Interest rate derivatives instruments						
Cash outflow	(16,351)	(31,001)	(17,973)	(21,469)	(447,110)	(533,904)
Cash inflow	3,433	15,395	873	2,357	1,198	23,256
Others						
Cash outflow	(1,105)	-	-	-	-	(1,105)
Cash inflow	1,878	-	-	-	-	1,878
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(797)	(2,189)	(5,764)	(11,723)	-	(20,473)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(8,285,972)	(9,640,705)	(7,978,394)	(3,068,406)	(496,213)	(29,469,690)
Cash inflow subtotal	8,293,101	10,283,921	9,217,886	3,527,471	43,704	31,366,083
Net cash flow	$ 7,129	$ 643,216	$ 1,239,492	$ 459,065	$ (452,509)	$ 1,896,393

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.

September 30, 2024	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	$ 7,791,250	$ 6,381,217	$ 5,065,166	$ 5,883,346	$ 28,208,210	$ 53,329,189

December 31, 2023	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	$ 10,934,968	$ 5,726,275	$ 3,386,863	$ 5,195,508	$ 18,493,768	$ 43,737,382

September 30, 2023	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	$ 10,685,177	$ 7,432,027	$ 3,088,270	$ 5,806,071	$ 18,454,979	$ 45,466,524

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)

September 30, 2024	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	$ 163,237,666	$ 206,765,885	$ 278,805,782	$ 267,035,898	$ 127,654,573	$ 286,734,463	$ 1,330,234,267
Main capital outflow on maturity	118,449,428	211,086,460	404,756,750	348,485,011	257,500,224	336,260,070	1,676,537,943
Gap	44,788,238	(4,320,575)	(125,950,968)	(81,449,113)	(129,845,651)	(49,525,607)	(346,303,676)

(In Thousands of New Taiwan Dollars)

September 30, 2023	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	$ 137,068,388	$ 219,981,208	$ 335,486,211	$ 267,151,763	$ 132,536,162	$ 223,507,158	$ 1,315,730,890
Main capital outflow on maturity	107,400,172	207,581,894	400,610,940	363,411,381	248,946,450	299,874,887	1,627,825,724
Gap	29,668,216	12,399,314	(65,124,729)	(96,259,618)	(116,410,288)	(76,367,729)	(312,094,834)

b) Maturity analysis of KGI Bank's assets and liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 10,610,500	$ 9,684,098	$ 8,058,546	$ 2,490,139	$ 3,595,546	$ 34,438,829
Main capital outflow on maturity	11,191,836	11,030,685	9,586,398	4,347,851	3,682,475	39,839,245
Gap	(581,336)	(1,346,587)	(1,527,852)	(1,857,712)	(86,929)	(5,400,416)

(In Thousands of U.S. Dollars)

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	$ 9,245,237	$ 10,690,024	$ 9,567,656	$ 3,809,532	$ 3,445,711	$ 36,758,160
Main capital outflow on maturity	10,557,274	12,105,518	10,245,355	5,834,454	3,452,342	42,194,943
Gap	(1,312,037)	(1,415,494)	(677,699)	(2,024,922)	(6,631)	(5,436,783)

KGI Securities and subsidiaries

1) Cash flow analysis

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

September 30, 2024	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	$ 18,842,791	$ 17,536,078	$ 1,970,536	$ -	$ -	$ 38,349,405
Financial assets measured at FVTPL - current	106,710,369	1,015,969	921,790	1,131,370	167,887	109,947,565
Financial assets measured at FVTOCI - current	23,428,164	6,797,200	1,383,290	941,478	-	32,550,132
Financial assets for hedging - current	-	11,053	13,481	41,479	105,292	171,305
Securities purchased under resell agreements	-	24,502,636	-	-	-	24,502,636
Receivables	92,701,950	21,781,464	57,748,879	47,251	-	172,279,544
Customer margin accounts	46,952,502	20,619,742	-	-	-	67,572,244
Stock borrowing collateral price and security lending deposits	687,059	32,118,274	10,882,152	-	-	43,687,485
Other current assets	46,375,893	2,021,887	658,341	8,487	-	49,064,608
Financial assets measured at FVTPL - non-current	-	-	-	696,428	3,511,107	4,207,535
Financial assets measured at FVTOCI - non-current	-	-	-	9,772,369	3,525,623	13,297,992
Amortized cost financial assets - non-current	-	-	-	158,255	-	158,255
Other non-current assets	100	1,000	-	47,847	4,202,372	4,251,319
Total	$ 335,698,828	$ 126,405,303	$ 73,578,649	$ 12,844,964	$ 11,512,281	$ 560,040,025
Percentage	59.94%	22.57%	13.14%	2.29%	2.06%	100%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

September 30, 2024	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 23,293,690	$ -	$ -	$ -	$ 23,293,690
Commercial paper payable	-	40,519,345	198,706	-	-	40,718,051
Financial liabilities measured at FVTPL - current	11,396,403	4,195,555	4,830,106	9,035,310	6,092,063	35,549,437
Financial liabilities for hedging - current	-	(2,043)	963	118,531	34,973	152,424
Bonds issued under repurchase agreements	-	108,618,785	1,031,967	-	-	109,650,752
Payables	106,255,606	13,554,182	4,366,715	-	-	124,176,503
Guarantee deposits received from security lending	-	7,422,828	54,361,154	-	-	61,783,982
Futures customers’ equity	46,593,394	19,349,813	-	-	-	65,943,207
Specialized, sub-account customers’ equity	14,269,778	-	-	-	-	14,269,778
Amounts collected for others/other payables/other current liabilities	6,207,350	1,252,979	5,415,076	1,986	834	12,878,225
Other financial liabilities - current	-	9,039,603	560,430	2,048	3,124	9,605,205
Lease liabilities-current	-	91,977	239,040	-	-	331,017
Current portion of long-term liabilities	-	-	2,600,000	-	-	2,600,000
Bonds payable	-	-	-	6,300,000	3,000,000	9,300,000
Lease liabilities - non-current	-	-	-	772,909	102,917	875,826
Other non-current liabilities	-	-	34	482,405	78,650	561,089
Total	$ 184,722,531	$ 227,336,714	$ 73,604,191	$ 16,713,189	$ 9,312,561	$ 511,689,186
Percentage	36.10%	44.43%	14.38%	3.27%	1.82%	100%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

September 30, 2024	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	$ 335,698,828	$ 126,405,303	$ 73,578,649	$ 12,844,964	$ 11,512,281	$ 560,040,025
Cash outflow	184,722,531	227,336,714	73,604,191	16,713,189	9,312,561	511,689,186
Amount of cash flow gap	$ 150,976,298	$ (100,931,411)	$ (25,542)	$ (3,868,225)	$ 2,199,720	$ 48,350,839

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

December 31, 2023	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	$ 10,037,260	$ 9,520,318	$ 2,923,691	$ -	$ -	$ 22,481,269
Financial assets measured at FVTPL - current	76,963,679	1,129,294	1,004,377	936,684	578,656	80,612,690
Financial assets measured at FVTOCI - current	27,599,150	3,722,283	1,964,654	-	-	33,286,087
Financial assets for hedging - current	-	5,844	24,409	89,245	120,396	239,894
Securities purchased under resell agreement	-	13,170,322	-	-	-	13,170,322
Receivables	47,576,229	20,235,947	39,192,357	25,767	-	107,030,300
Customer margin accounts	36,415,662	17,313,993	-	-	-	53,729,655
Stock borrowing collateral price and security lending deposits	830,337	6,787,630	32,435,987	-	-	40,053,954
Other current assets	35,637,707	1,623,995	908,831	10,598	-	38,181,131
Financial assets measured at FVTPL - non-current	-	-	-	729,806	3,269,791	3,999,597
Financial assets measured at FVTOCI - non-current	-	-	-	9,613,790	1,462,383	11,076,173
Amortized cost financial assets - non-current	-	-	-	153,675	-	153,675
Other non-current assets	1,000	7	-	45,837	3,416,562	3,463,406
Total	$ 235,061,024	$ 73,509,633	$ 78,454,306	$ 11,605,402	$ 8,847,788	$ 407,478,153
Percentage	57.69%	18.04%	19.25%	2.85%	2.17%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2023	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 17,638,644	$ -	$ -	$ -	$ 17,638,644
Commercial paper payable	-	16,090,485	9,960	-	-	16,100,445
Financial liabilities measured at FVTPL - current	7,846,978	5,767,223	5,733,971	6,542,240	2,920,190	28,810,602
Financial liabilities for hedging - current	-	(23,560)	(18,902)	120,117	27,536	105,191
Bonds issued under repurchase agreements	-	87,999,165	-	-	-	87,999,165
Payables	58,544,804	14,513,175	4,203,477	-	-	77,261,456
Guarantee deposits received from security lending	-	13,081,865	37,456,994	-	-	50,538,859
Futures customers' equity	36,010,210	15,444,771	-	-	-	51,454,981
Specialized, sub-account customers' equity	12,648,551	-	-	-	-	12,648,551
Amounts collected for others/other payables/other current liabilities	1,637,643	1,231,265	5,029,805	1,873	796	7,901,382
Other financial liabilities - current	-	1,056,144	785,763	1,086	1,992	1,844,985
Lease liabilities - current	-	93,196	270,171	-	-	363,367
Current portion of long-term liabilities	-	-	2,600,000	-	-	2,600,000
Bonds payable	-	-	-	6,300,000	-	6,300,000
Lease liabilities - non-current	-	-	-	784,968	47,709	832,677
Other non-current liabilities	-	-	-	523,765	74,574	598,339
Total	$ 116,688,186	$ 172,892,373	$ 56,071,239	$ 14,274,049	$ 3,072,797	$ 362,998,644
Percentage	32.15%	47.62%	15.45%	3.93%	0.85%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

December 31, 2023	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	$ 235,061,024	$ 73,509,633	$ 78,454,306	$ 11,605,402	$ 8,847,788	$ 407,478,153
Cash outflow	116,688,186	172,892,373	56,071,239	14,274,049	3,072,797	362,998,644
Amount of cash flow gap	$ 118,372,838	$ (99,382,740)	$ 22,383,067	$ (2,668,647)	$ 5,774,991	$ 44,479,509

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

September 30, 2023	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	$ 14,663,798	$ 14,841,926	$ 1,187,160	$ -	$ -	$ 30,692,884
Financial assets measured at FVTPL - current	81,405,036	2,044,546	2,142,051	1,932,229	883,107	88,406,969
Financial assets measured at FVTOCI - current	29,830,596	2,507,497	1,350,120	-	-	33,688,213
Financial assets for hedging - current	-	24,206	84,932	380,325	(6,078)	483,385
Securities purchased under resell agreements	-	16,668,343	-	-	-	16,668,343
Receivables	43,445,765	13,952,575	37,308,739	29,051	-	94,736,130
Customer margin accounts	31,731,161	25,669,149	-	-	-	57,400,310
Stock borrowing collateral price and security lending deposits	1,180,730	13,842,739	27,540,446	-	-	42,563,915
Other current assets	31,056,848	2,454,551	324,693	10,016	-	33,846,108
Financial assets measured at FVTPL - non-current	-	-	-	428,062	3,177,675	3,605,737
Financial assets measured at FVTOCI - non-current	-	-	-	11,357,024	1,442,119	12,799,143
Financial assets at amortized cost - non-current	-	-	-	96,804	-	96,804
Other non-current assets	-	-	1,007	46,102	3,424,566	3,471,675
Total	$ 233,313,934	$ 92,005,532	$ 69,939,148	$ 14,279,613	$ 8,921,389	$ 418,459,616
Percentage	55.76%	21.99%	16.71%	3.41%	2.13%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

September 30, 2023	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	$ -	$ 18,097,909	$ -	$ -	$ -	$ 18,097,909
Commercial paper payable	-	24,692,264	387,488	-	-	25,079,752
Financial liabilities measured at FVTPL - current	6,468,798	5,067,441	6,615,561	10,942,442	3,574,966	32,669,208
Financial liabilities for hedging - current	-	-	-	-	-	-
Bonds issued under repurchase agreements	-	91,397,201	-	-	-	91,397,201
Payables	55,655,255	9,747,384	4,499,149	-	-	69,901,788
Guarantee deposits received from security lending	-	5,622,383	49,613,748	-	-	55,236,131
Futures customers' equity	31,288,400	25,350,211	-	-	-	56,638,611
Specialized, sub-account customers' equity	6,540,421	-	-	-	-	6,540,421
Amounts collected for others/other payables/other current liabilities	753,747	980,966	4,631,452	1,838	832	6,368,835
Other financial liabilities - current	-	3,104,053	19,986	1,079	1,959	3,127,077
Lease liabilities-current	-	122,338	283,560	-	-	405,898
Bonds payable	-	-	-	8,900,000	-	8,900,000
Lease liabilities - non-current	-	-	-	886,587	58,956	945,543
Other non-current liabilities	-	-	-	424,795	182,626	607,421
Total	$ 100,706,621	$ 184,182,150	$ 66,050,944	$ 21,156,741	$ 3,819,339	$ 375,915,795
Percentage	26.79%	48.99%	17.57%	5.63%	1.02%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

September 30, 2023	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	$ 233,313,934	$ 92,005,532	$ 69,939,148	$ 14,279,613	$ 8,921,389	$ 418,459,616
Cash outflow	100,706,621	184,182,150	66,050,944	21,156,741	3,819,339	375,915,795
Amount of cash flow gap	$ 132,607,313	$ (92,176,618)	$ 3,888,204	$ (6,877,128)	$ 5,102,050	$ 42,543,821

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 September 30, 2024, December 31, 2023 and September 30, 2023, show that the sums from deducting cash outflow from cash inflow are $48,350,839 thousand, $44,479,509 thousand and $42,543,821 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. The management of CDIB Capital Group and its subsidiaries supervise the use of bank financing lines and ensure compliance with the terms of the loan contracts.

Bank borrowings is an important source of liquidity for CDIB Capital and its subsidiaries. For the unused financing amount of CDIB Capital and its subsidiaries, refer to the table below:

Bank Financing	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Unsecured bank overdraft			
Used amounts	$ 6,823,695	$ 4,345,948	$ 4,108,556
Unused amounts	13,448,250	15,347,377	15,883,704
	$ 20,271,945	$ 19,693,325	$ 19,992,260

CDIB Capital Group's management policies of liquidity risk are as follows:

1) Disposal of capital surplus should consider possible future capital requirements, de-concentration 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 September 30, 2024, December 31, 2023 and September 30, 2023, CDIB Capital Group and its subsidiaries' other financial liabilities were $0, and the rest of non-derivative financial liabilities are $9,578,705 thousand, $7,301,161 thousand and $6,690,517 thousand, respectively, and were mainly current liabilities.

KGI Life Insurance

1) Liquidity risks are classified to "funding liquidity risk" and "market liquidity risk." "Funding liquidity risk" represents that KGI 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 KGI Life Insurance sells at loss to meet the demand for cash.

   KGI Life Insurance assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, KGI 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 KGI Life Insurance in the long-term illiquid environment still regularly operate to pay emergency and major funding requirements.

   KGI 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, KGI 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

      KGI 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 KGI 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

	September 30, 2024			
	In 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
Payables	$ 16,869,435	$ 22,888	$ -	$ 16,892,323
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	145,649	380,615	3,676,676	4,202,940

	December 31, 2023			
	In 1 Year	1-5 Years	Over 5 Years	Total
Payables	$ 14,285,297	$ 20,903	$ -	$ 14,306,200
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	147,991	396,225	3,627,254	4,171,470

	September 30, 2023			
	In 1 Year	1-5 Years	Over 5 Years	Total
Payables	$ 12,939,901	$ 23,236	$ -	$ 12,963,137
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	151,493	410,226	3,647,887	4,209,606

c) Maturity analysis of derivative financial liabilities

KGI Life Insurance operates derivatives including foreign exchange derivative instruments (such as currency forward contracts, foreign exchange forward).

KGI 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. KGI 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.

KGI Life Insurance's maturity structure of derivative financial liabilities is as follows:

	September 30, 2024				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 5,672,699	$ 963,689	$ 9,328	$ -	$ 6,645,716

	December 31, 2023				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 5,424,429	$ 141,855	$ 45,853	$ -	$ 5,612,137

	September 30, 2023				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 22,192,373	$ 8,927,294	$ 3,597,001	$ -	$ 34,716,668

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 balance sheet and off-balance sheet items.

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 parent company 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, 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, parent company. Besides, the above reports are regularly presented to the Board for reference.

4) Mitigation of risks or hedging of market risk, and monitoring strategy and procedure

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 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 Nine Months Ended September 30, 2024			For the Year Ended December 31, 2023			For the Nine Months Ended September 30, 2023		
	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest
Interest rate risk	$ 9,774	$ 27,796	$ 5,313	$ 13,066	$ 41,141	$ 6,565	$ 13,982	$ 41,141	$ 8,046
Equity risk	3,555	17,997	383	4,816	14,619	155	5,404	14,619	155
Exchange rate risk	8,288	21,983	3,172	17,665	29,632	6,664	15,940	29,632	6,664

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 adjusts 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. KGI Bank has completed all the aforementioned assessments and conversion work, which the financial instruments subject to interest rate benchmark reform have been quoted using other benchmark interest rate.

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)

	September 30, 2024		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 6,153,581	31.65	$ 194,767,003
AUD	829,712	21.93	18,195,579
HKD	4,428,743	4.08	18,047,127
ZAR	4,558,020	1.85	8,436,894
CNY	1,327,021	4.52	6,002,250
EUR	167,771	35.39	5,937,420
GBP	31,588	42.41	1,339,660
JPY	3,819,394	0.22	848,669
SGD	27,157	24.71	671,046
Investments accounted for using the equity method			
CNY	1,938,176	4.52	8,766,566
Financial liabilities			
Monetary items			
USD	8,686,100	31.65	274,923,766
AUD	682,536	21.93	14,968,004
CNY	2,335,163	4.52	10,562,175
EUR	226,259	35.39	8,007,297
JPY	18,481,602	0.22	4,106,612
ZAR	2,022,839	1.85	3,744,275
HKD	171,942	4.08	700,663
SGD	6,765	24.71	167,166
CAD	5,806	23.42	135,987
GBP	2,756	42.41	116,895

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 5,649,095	30.74	$ 173,624,921
HKD	4,484,610	3.93	17,642,454
AUD	615,877	21.01	12,939,567
CNY	2,073,549	4.33	8,981,368
ZAR	4,779,130	1.66	7,928,576
JPY	22,592,142	0.22	4,911,532
EUR	134,594	34.03	4,580,229
GBP	40,631	39.20	1,592,738
SGD	18,345	23.32	427,812
Investments accounted for using the equity method			
CNY	1,793,443	4.33	7,768,118
<u>Financial liabilities</u>			
Monetary items			
USD	8,133,968	30.74	249,997,520
CNY	3,292,090	4.33	14,259,360
AUD	346,265	21.01	7,275,027
EUR	200,468	34.03	6,821,920
JPY	17,459,474	0.22	3,795,690
ZAR	2,024,312	1.66	3,358,334
HKD	131,698	3.93	518,100
SGD	9,130	23.32	212,908
GBP	4,049	39.20	158,726
NZD	5,821	19.50	113,503

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 5,478,465	32.27	$ 176,779,113
HKD	4,441,005	4.12	18,310,263
AUD	550,811	20.55	11,319,157
CNY	2,332,486	4.41	10,297,457
ZAR	4,850,254	1.68	8,153,276
JPY	24,163,553	0.22	5,221,744
EUR	138,957	33.91	4,712,047
GBP	39,212	39.22	1,537,877
SGD	18,176	23.52	427,496
Investments accounted for using the equity method			
CNY	1,114,603	4.41	4,920,751
<u>Financial liabilities</u>			
Monetary items			
USD	7,799,168	32.27	251,663,534
CNY	3,430,992	4.41	15,147,142
AUD	335,401	20.55	6,892,495
EUR	149,984	33.91	5,085,969
JPY	18,242,365	0.22	3,942,175
ZAR	1,918,284	1.68	3,224,635
HKD	122,024	4.12	503,103
GBP	9,720	39.22	381,222
SGD	8,346	23.52	196,298
NZD	6,597	19.16	126,404
CAD	4,604	23.89	109,995

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)

September 30, 2024

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 444,537,687	$ 28,751,719	$ 26,409,003	$ 60,796,936	$ 560,495,345
Interest rate-sensitive liabilities	174,590,199	212,944,665	39,412,679	31,052,005	457,999,548
Interest rate sensitivity gap	269,947,488	(184,192,946)	(13,003,676)	29,744,931	102,495,797
Net worth					71,908,216
Ratio of interest rate-sensitive assets to liabilities (%)					122.38
Ratio of interest rate-sensitive gap to net worth (%)					142.54

September 30, 2023

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 382,654,142	$ 26,915,745	$ 24,004,596	$ 56,975,626	$ 490,550,109
Interest rate-sensitive liabilities	181,817,760	167,829,454	19,311,308	27,883,040	396,841,562
Interest rate sensitivity gap	200,836,382	(140,913,709)	4,693,288	29,092,586	93,708,547
Net worth					67,269,348
Ratio of interest rate-sensitive assets to liabilities (%)					123.61
Ratio of interest rate-sensitive gap to net worth (%)					139.30

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)

September 30, 2024

(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	$ 2,974,079	$ 403,268	$ 218,101	$ 2,178,917	$ 5,774,365
Interest rate-sensitive liabilities	6,280,071	1,636,966	558,343	3,005	8,478,385
Interest rate sensitivity gap	(3,305,992)	(1,233,698)	(340,242)	2,175,912	(2,704,020)
Net worth					5,085
Ratio of interest rate-sensitive assets to liabilities (%)					68.11
Ratio of interest rate-sensitive gap to net worth (%)					(53,176.40)

September 30, 2023

(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	$ 2,275,669	$ 240,576	$ 135,778	$ 2,287,878	$ 4,939,901
Interest rate-sensitive liabilities	4,939,640	1,548,671	1,007,598	3,812	7,499,721
Interest rate sensitivity gap	(2,663,971)	(1,308,095)	(871,820)	2,284,066	(2,559,820)
Net worth					(44,122)
Ratio of interest rate-sensitive assets to liabilities (%)					65.87
Ratio of interest rate-sensitive gap to net worth (%)					-

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, 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	September 30, 2024	December 31, 2023	September 30, 2023
Interest rate risk	$ 6,686	$ 6,641	$ 3,119
Equity securities risk			
Equity delta	7,048,235	5,479,505	3,246,976
Debt delta	(77,116)	(832,977)	298,879
Exchange rate risk	1,151,932	1,073,704	1,027,631
Commodity risk	4,106	(3,091)	37,461

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 back testing 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 Nine Months Ended September 30, 2024			September 30, 2024
	Average VAR	**Minimum VAR**	**Maximum VAR**	**Ending VAR**
Equity securities	$ 177,150	$ 92,283	$ 359,250	$ 140,606
Interest rate	210,943	104,858	380,474	237,766
Exchange rate	58,959	40,803	88,270	78,035
Commodity	19,989	423	67,159	8,411

	For the Nine Months Ended September 30, 2023			September 30, 2023
	Average VAR	**Minimum VAR**	**Maximum VAR**	**Ending VAR**
Equity securities	$ 136,720	$ 76,283	$ 229,011	$ 99,086
Interest rate	146,165	37,588	194,193	119,673
Exchange rate	43,791	23,531	72,826	38,090
Commodity	17,577	608	39,766	25,643

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 financial assets and liabilities denominated in foreign currency and with material influence on KGI Securities and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2024		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 4,265,022	31.65	$ 134,992,256
EUR	508,482	35.39	17,995,104
JPY	24,071,071	0.22	5,349,769
HKD	755,951	4.08	3,080,499
AUD	73,970	21.93	1,622,159
CNY	64,127	4.51	290,053
ZAR	140,503	1.85	260,072
Nonmonetary items			
USD	2,167,358	31.65	68,597,907
CNY	1,387,604	4.51	6,276,269
AUD	176,583	21.93	3,872,455
Investments accounted for using the equity method			
USD	96,031	31.65	3,039,465
Financial liabilities			
Monetary items			
USD	6,815,383	31.65	215,713,693
EUR	507,465	35.59	17,959,121
JPY	23,472,736	0.22	5,216,818
AUD	232,098	21.93	5,089,916
HKD	691,532	4.08	2,817,994
ZAR	106,519	1.85	197,166
Nonmonetary items			
USD	442,581	31.65	14,008,139

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 3,377,834	30.74	$ 103,805,241
EUR	502,731	34.03	17,107,841
HKD	337,680	3.93	1,326,923
JPY	5,271,627	0.22	1,145,084
CNY	46,258	4.33	200,354
AUD	7,813	21.01	164,154
ZAR	63,668	1.66	105,626
Nonmonetary items			
USD	1,944,146	30.74	59,751,690
CNY	948,079	4.33	4,106,510
EUR	3,630	34.03	123,528
Investments accounted for using the equity method			
USD	91,205	30.74	2,803,191
<u>Financial liabilities</u>			
Monetary items			
USD	5,601,009	30.74	172,134,529
EUR	504,768	34.03	17,177,139
HKD	308,668	3.93	1,212,789
JPY	5,056,938	0.22	1,098,412
AUD	5,641	21.01	118,524
Nonmonetary items			
USD	354,417	30.74	10,893,010

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 3,466,262	32.27	$ 111,850,291
EUR	507,740	33.91	17,217,476
HKD	284,905	4.12	1,174,662
JPY	4,089,339	0.22	884,060
GBP	13,308	39.22	521,961
CNY	39,264	4.41	173,342
AUD	5,328	20.55	109,499
Nonmonetary items			
USD	2,112,255	32.27	68,155,643
CNY	895,410	4.41	3,953,056
Investments accounted for using the equity method			
USD	85,066	32.27	2,744,901
<u>Financial liabilities</u>			
Monetary items			
USD	5,873,555	32.27	189,528,824
EUR	507,942	33.91	17,224,327
HKD	262,320	4.12	1,081,544
CNY	212,326	4.41	937,377
JPY	3,888,946	0.22	840,754
GBP	13,037	39.22	511,324
Nonmonetary items			
USD	480,988	32.27	15,520,512

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 and liabilities. Market risk is 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 its subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2024		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 264,749	31.65	$ 8,379,565
KRW	22,291,069	0.02	538,017
CNY	78,335	4.52	354,318
Nonmonetary items			
USD	385,009	31.65	12,185,922
CNY	184,230	4.52	833,291
JPY	1,691,386	0.22	375,826
EUR	8,771	35.39	310,393
KRW	6,191,800	0.02	149,445
Investments accounted for using the equity method			
CNY	409,822	4.52	1,853,627
USD	53,578	31.65	1,695,800
Financial liabilities			
Monetary items			
USD	41,810	31.65	1,323,341

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 267,148	30.74	$ 8,210,796
CNY	315,435	4.33	1,366,276
KRW	22,249,692	0.02	527,674
AUD	10,445	21.01	219,440
Nonmonetary items			
USD	281,749	30.74	8,651,245
CNY	169,951	4.33	736,126
EUR	8,492	34.03	288,988
KRW	9,125,463	0.02	216,419
Investments accounted for using the equity method			
USD	62,690	30.74	1,926,781
CNY	439,088	4.33	1,901,690
Financial liabilities			
Monetary items			
USD	41,965	30.74	1,289,793

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 253,920	32.27	$ 8,193,506
CNY	319,574	4.42	1,410,854
KRW	22,231,813	0.02	529,317
AUD	10,413	20.55	213,977
Nonmonetary items			
USD	266,336	32.27	8,594,125
CNY	149,284	4.42	659,059
EUR	7,244	33.91	245,643
KRW	9,274,863	0.02	220,825
Investments accounted for using the equity method			
USD	64,055	32.27	2,066,940
CNY	406,725	4.42	1,795,693
Financial liabilities			
Monetary items			
USD	17,078	32.27	551,063

Sensitivity analysis

The following table details CDIB Capital Group and its 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 their translation was adjusted 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 Nine Months Ended September 30	
	2024	**2023**
Monetary items		
USD	$ 70,562	$ 76,424
KRW	5,380	5,293
CNY	3,228	13,800
AUD	-	2,140

2) Interest rate risk

The primary financial assets of CDIB Capital Group and its subsidiaries with exposure to interest rates as of September 30, 2024, December 31, 2023 and September 30, 2023 were cash in banks. Management believes that interest rate changes would have been no significant effect on CDIB Capital Group and its subsidiaries.

3) Other price risk

CDIB Capital Group and its 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by $199,373 thousand and $168,046 thousand, as a result of the changes in fair value of financial assets at fair value through profit or loss.

KGI Life Insurance

1) 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.

KGI Life Insurance uses various risk analysis methods to identify the sources of market risk, to identify and define the market risk factors of financial instruments, and to make appropriate regulations to ensure the effective operation of market risk management. In accordance with the approved market risk limits and early warning indicators, KGI Life Insurance regularly performs warning and limit monitoring operations, and establishes procedures to handle risk limit exceedances to facilitate proper management of the exceeded limits.

2) Exchange rate risk

KGI 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. KGI Life Insurance 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. KGI 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

KGI 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. KGI 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 KGI 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. KGI 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

KGI 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.

KGI 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 scenarios include:

i. Historical scenario:

Adding fluctuating risk factors to a specific historical event, KGI 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:

KGI 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. KGI Life Insurance's risk analysis, early warning, and business management are in accordance with the stress testing report.

Summary of Factor Sensitivity Analysis
September 30, 2024

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 2,091,983
Interest rate risk (yield curve)	+1BP	-	(278,274)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(4,620,744)	(737,183)

Summary of Factor Sensitivity Analysis
December 31, 2023

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 1,729,025
Interest rate risk (yield curve)	+1BP	-	(252,065)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(2,948,656)	(918,611)

Summary of Factor Sensitivity Analysis
September 30, 2023

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 2,479,080
Interest rate risk (yield curve)	+1BP	-	(101,625)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(3,026,102)	(1,063,871)

7) KGI Life Insurance's foreign currency financial assets and liabilities with significant influence as of September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2024		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 46,270,001	31.65	$ 1,464,491,807
AUD	5,853,563	21.93	128,392,645
Non-monetary items			
USD	1,904,954	31.65	60,293,712
Financial labilities			
Monetary items			
USD	34,489	31.65	1,091,607

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 46,360,071	30.74	$ 1,424,876,796
AUD	5,851,455	21.00	122,870,020
Non-monetary items			
USD	1,933,365	30.74	59,421,973
Financial labilities			
Monetary items			
USD	237,747	30.74	7,307,158

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2023		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 45,783,613	32.27	$ 1,477,345,631
AUD	5,802,092	20.55	119,223,130
Non-monetary items			
USD	2,246,817	32.27	72,500,300
<u>Financial labilities</u>			
Monetary items			
USD	19,825	32.27	639,705

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

<u>KGI Bank and subsidiaries</u>

<u>Transferred financial assets not qualifying for full derecognition</u>

Among the daily operations of KGI Bank, most of the transactions involving transferred financial assets not qualifying for full derecognition are debt securities under repurchase agreements. Since KGI Bank has the right to receive cash flows from the financial assets transferred to the counterparties and has 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 during 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:

September 30, 2024					
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	$ 2,556,449	$ 2,336,524	$ 2,450,381	$ 2,336,524	$ 113,857
Financial assets at FVTPL	2,949,098	2,949,917	2,949,098	2,949,917	(819)
Financial assets at FVTOCI	60,649,547	58,666,744	60,649,547	58,666,744	1,982,803

December 31, 2023					
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	$ 1,075,645	$ 927,945	$ 1,000,876	$ 927,945	$ 72,931
Financial assets at FVTPL	1,508,805	1,510,123	1,508,805	1,510,123	(1,318)
Financial assets at FVTOCI	42,234,199	40,142,911	42,234,199	40,142,911	2,091,288

September 30, 2023					
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	$ 3,121,988	$ 2,750,587	$ 2,821,551	$ 2,750,587	$ 70,964
Financial assets at FVTPL	2,152,278	2,154,387	2,152,278	2,154,387	(2,109)
Financial assets at FVTOCI	51,731,348	50,866,013	51,731,348	50,866,013	865,335

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:

September 30, 2024					
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	$ 39,194,516	$ 38,713,904	$ 39,194,516	$ 38,713,904	$ 480,612
Financial assets at FVTOCI					
Transactions with agreements	28,833,778	27,059,319	28,833,778	27,059,319	1,774,459
Financial assets at amortized cost					
Transactions with agreements	8,664,958	8,677,976	8,664,958	8,677,976	(13,018)

December 31, 2023					
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	$ 28,152,330	$ 27,529,289	$ 28,152,330	$ 27,529,289	$ 623,041
Financial assets at FVTOCI					
Transactions with agreements	29,901,195	27,651,012	29,901,195	27,651,012	2,250,183
Financial assets at amortized cost					
Transactions with agreements	4,772,444	4,457,915	4,772,444	4,457,915	314,529

September 30, 2023					
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	$ 32,961,661	$ 32,103,812	$ 32,961,661	$ 32,103,812	$ 857,849
Financial assets at FVTOCI					
Transactions with agreements	29,368,173	28,028,455	29,368,173	28,028,455	1,339,718
Financial assets at amortized cost					
Transactions with agreements	5,016,269	5,028,183	5,016,269	5,028,183	(11,914)

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	
September 30, 2024	Call option	$ 13,363,100	$ 2,706,419	$ 2,706,419	$ -	$ 2,706,419
December 31, 2023	Call option	12,434,300	2,504,819	2,504,819	-	2,504,819
September 30, 2023	Call option	10,594,200	1,953,101	1,953,101	-	1,953,101

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
September 30, 2024	Call option	$ -	$ 1,823,900	$ 2,081,500	$ 9,457,700	$ -	$ 13,363,100
December 31, 2023	Call option	-	934,500	3,133,500	8,366,300	-	12,434,300
September 30, 2023	Call option	-	890,600	2,127,500	7,576,100	-	10,594,200

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
September 30, 2024	Call option	$ 69,359	$ (90,590)	$ (21,231)
December 31, 2023	Call option	159,316	(98,652)	60,664
September 30, 2023	Call option	(244)	(329,619)	(329,863)

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:

September 30, 2024						
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	$ 55,280,289	$ -	$ 55,280,289	$ 55,251,924	$ 28,365	$ -
Derivative instruments (Note 2)	19,223,868	-	19,223,868	8,034,987	442,905	10,745,976
Total	$ 74,504,157	$ -	$ 74,504,157	$ 63,286,911	$ 471,270	$ 10,745,976

September 30, 2024						
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 issued under repurchase agreements	$ 63,953,185	$ -	$ 63,953,185	$ 69,933,403	$ 19,782	$ -
Derivative instruments (Note 2)	20,361,134	-	20,361,134	8,085,338	4,126,689	8,149,107
Total	$ 84,314,319	$ -	$ 84,314,319	$ 72,018,741	$ 4,146,471	$ 8,149,107

December 31, 2023						
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	$ 42,097,729	$ -	$ 42,097,729	$ 42,097,729	$ -	$ -
Derivative instruments (Note 2)	30,011,713	-	30,011,713	8,650,533	2,566,513	18,794,667
Total	$ 72,109,442	$ -	$ 72,109,442	$ 50,748,262	$ 2,566,513	$ 18,794,667

December 31, 2023						
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 issued under repurchase agreements	$ 42,580,979	$ -	$ 42,580,979	$ 42,580,979	$ -	$ -
Derivative instruments (Note 2)	29,931,131	-	29,931,131	8,994,239	2,947,399	17,989,493
Total	$ 72,512,110	$ -	$ 72,512,110	$ 51,575,218	$ 2,947,399	$ 17,989,493

September 30, 2023						
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	$ 36,400,532	$ -	$ 36,400,532	$ 36,400,532	$ -	$ -
Derivative instruments (Note 2)	46,513,285	-	46,513,285	11,334,936	1,785,576	33,392,773
Total	$ 82,913,817	$ -	$ 82,913,817	$ 47,735,468	$ 1,785,576	$ 33,392,773

September 30, 2023						
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 issued under repurchase agreements	$ 55,770,987	$ -	$ 55,770,987	$ 55,072,589	$ 698,398	$ -
Derivative instruments (Note 2)	41,962,865	-	41,962,865	11,338,700	5,335,603	25,288,562
Total	$ 97,733,852	$ -	$ 97,733,852	$ 66,411,289	$ 6,034,001	$ 25,288,562

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 recognize 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:

September 30, 2024						
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)	$ 5,752,180	$ -	$ 5,752,180	$ -	$ 1,297,930	$ 4,454,250
Securities purchased under resell agreements	24,443,683	-	24,443,683	24,443,683	-	-
Total	$ 30,195,863	$ -	$ 30,195,863	$ 24,443,683	$ 1,297,930	$ 4,454,250

September 30, 2024						
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 Received**	
Derivative financial instruments (Note 2)	$ 12,973,375	$ -	$ 12,973,375	$ -	$ 1,564,955	$ 11,408,420
Notes and bonds issued under repurchase agreements	109,532,543	-	109,532,543	109,532,543	-	-
Total	$ 122,505,918	$ -	$ 122,505,918	$ 109,532,543	$ 1,564,955	$ 11,408,420

December 31, 2023						
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)	$ 5,870,737	$ -	$ 5,870,737	$ -	$ 1,014,109	$ 4,856,628
Securities purchased under resell agreements	13,142,589	-	13,142,589	13,142,589	-	-
Total	$ 19,013,326	$ -	$ 19,013,326	$ 13,142,589	$ 1,014,109	$ 4,856,628

December 31, 2023						
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 Received**	
Derivative financial instruments (Note 2)	$ 10,669,203	$ -	$ 10,669,203	$ -	$ 1,532,523	$ 9,136,680
Notes and bonds issued under repurchase agreements	87,713,610	-	87,713,610	87,713,610	-	-
Total	$ 98,382,813	$ -	$ 98,382,813	$ 87,713,610	$ 1,532,523	$ 9,136,680

September 30, 2023						
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)	$ 8,788,943	$ -	$ 8,788,943	$ -	$ 1,450,967	$ 7,337,976
Securities purchased under resell agreements	16,635,329	-	16,635,329	16,635,329	-	-
Total	$ 25,424,272	$ -	$ 25,424,272	$ 16,635,329	$ 1,450,967	$ 7,337,976

September 30, 2023						
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 Received**	
Derivative financial instruments (Note 2)	$ 13,189,996	$ -	$ 13,189,996	$ -	$ 1,562,084	$ 11,627,912
Notes and bonds issued under repurchase agreements	91,241,940	-	91,241,940	91,241,940	-	-
Total	$ 104,431,936	$ -	$ 104,431,936	$ 91,241,940	$ 1,562,084	$ 11,627,912

Note 1: Financial instruments include master netting arrangements and non-cash collateral.

Note 2: Derivative instruments include hedging derivative financial.

KGI Life Insurance

KGI 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.

KGI 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:

September 30, 2024						
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	$ 8,282,486	$ -	$ 8,282,486	$ 4,408,406	$ 1,227,994	$ 2,646,086

September 30, 2024						
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	$ 6,645,716	$ -	$ 6,645,716	$ 4,408,406	$ 3,178,772	$ -

December 31, 2023						
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	$ 19,422,920	$ -	$ 19,422,920	$ 3,770,093	$ 8,383,839	$ 7,268,988

December 31, 2023						
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	$ 5,612,137	$ -	$ 5,612,137	$ 3,770,093	$ 159,346	$ 1,682,697

September 30, 2023						
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	$ 3,008,285	$ -	$ 3,008,285	$ 2,523,676	$ 411,740	$ 72,869

September 30, 2023						
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	$ 34,700,152	$ -	$ 34,700,152	$ 2,523,675	$ 23,756,222	$ 8,420,255

51. 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".

52. 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	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Trust Liabilities**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Bank deposits	$ 5,909,124	$ 3,778,800	$ 3,477,451	Payables	$ 84,586	$ 85,700	$ 85,113
Short-term investments				Payables on securities under custody	2,029,110	2,867,578	3,619,754
Funds	31,972,073	27,579,033	28,460,777				
Bonds	13,786,772	10,711,522	10,427,750	Other liabilities	52,871	46,923	53,643
Common shares	255,290	141,482	163,951	Trust capital	67,776,977	57,413,114	56,154,610
Structured notes	252,125	78,457	120,341	Accumulated profits and losses	53,226	15,719	4,624
Receivables	4,833	72	6,541				
Securities under custody	2,029,110	2,867,578	3,619,754				
Real estate							
Lands	14,751,690	14,234,149	12,596,182				
Buildings and facilities	13,393	16,426	22,663				
Intangible assets - surface right	984,634	984,534	984,534				
Other assets	37,828	36,981	37,800				
Total	$ 69,998,770	$ 60,429,034	$ 59,917,744	Total	$ 69,996,770	$ 60,429,034	$ 59,917,744

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Trust income and gains				
Dividend income	$ 11,878	$ 3,988	$ 27,290	$ 8,778
Interest income	637,387	476,846	1,707,205	1,289,536
Rental income	6,606	6,769	20,088	20,264
Other income	1,251	1,066	3,592	3,291
Total trust income and gains	657,122	488,669	1,758,175	1,321,869
Trust expenses				
Properties transaction losses	(259,760)	(530,497)	(906,679)	(1,767,892)
Administrative expenses	(433)	(105)	(1,343)	(1,441)
Other expenses	(1,169)	(2,170)	(8,796)	(7,540)
Total trust expenses	(261,362)	(532,772)	(916,818)	(1,776,873)
Net profit (loss) for the period	$ 395,760	$ (44,103)	$ 841,357	$ (455,004)

The above income from trust operations were excluded from KGI Bank's income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Bank deposits	$ 5,909,124	$ 3,778,800	$ 3,477,451
Short-term investments			
Funds	31,972,073	27,579,033	28,460,777
Bonds	13,786,772	10,711,522	10,427,750
Common shares	255,290	141,482	163,951
Structured notes	252,125	78,457	120,341
Securities under custody	2,029,110	2,867,578	3,619,754
Real estate			
Lands	14,751,690	14,234,149	12,596,182
Buildings and facilities	13,393	16,426	22,663
Intangible assets - surface right	984,534	984,534	984,534
Other assets	42,659	37,053	44,341
Total	$ 69,996,770	$ 60,429,034	$ 59,917,744

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	September 30, 2024	December 31, 2023	September 30, 2023	Trust Liabilities	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits	$ 2,731,287	$ 2,912,774	$ 2,201,453	Payables	$ 166,692	$ 200,636	$ 222,117
Financial assets				Taxes payable	189	77	65
Bonds	15,174,455	11,356,875	8,973,823	Trust capital	55,985,704	50,099,575	48,868,245
Common shares	21,751,676	15,374,518	14,231,560	Net Income (loss)	12,462,249	3,529,082	964,999
Funds	21,308,592	19,679,943	19,943,946	Accumulated earnings	2,087,852	1,453,947	1,451,550
Short-term notes	-	-	632,453	Deferred carry-over	3,376	651	105
Structured notes	8,488,336	4,976,816	4,852,763	Other	(675,360)	(530,582)	(429,164)
Receivables	576,356	452,460	241,919				
Total	$ 70,030,702	$ 54,753,386	$ 51,077,917	Total	$ 70,030,702	$ 54,753,386	$ 51,077,917

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	For the Three Months Ended September 30 2024	For the Three Months Ended September 30 2023	For the Nine Months Ended September 30 2024	For the Nine Months Ended September 30 2023
Trust income				
Interest income	$ 209,131	$ 120,953	$ 565,552	$ 277,597
Rent income	2,631	5,406	11,027	24,621
Dividend income	336,997	272,212	814,954	640,867
Realized investment profit	372,953	253,252	1,082,310	568,167
Unrealized investment profit (loss)	(318,867)	(1,325,612)	12,793,684	3,176,489
Other income	(575,908)	741,316	1,651,815	2,049,708
	26,937	67,527	16,919,342	6,737,449
Trust expenses				
Administrative expense	499	850	1,826	3,550
Tax collection	7,691	2,261	12,154	5,300
Fee expense	41,535	22,944	134,041	35,126
Realized investment profit	242,963	259,577	640,924	681,894
Unrealized investment profit (loss)	(321,332)	875,057	2,884,039	4,406,649
Other expense	181,244	(1,400)	784,109	639,931
	152,600	1,159,289	4,457,093	5,772,450
Income (loss) before income tax	(125,663)	(1,091,762)	12,462,249	964,999
Income tax expenses	-	-	-	-
Income (loss) after income tax	$ (125,663)	$ (1,091,762)	$ 12,462,249	$ 964,999

The above income from trust operations were excluded from KGI Securities' income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits	$ 2,731,287	$ 2,912,774	$ 2,201,453
Financial assets			
Bonds	15,174,455	11,356,875	8,973,823
Common shares	21,751,676	15,374,518	14,231,560
Funds	21,308,592	19,679,943	19,943,946
Short-term notes	-	-	632,453
Structured notes	8,488,336	4,976,816	4,852,763
Total	$ 69,454,346	$ 54,300,926	$ 50,835,998

53. DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT

Excluded from disclosure this period.

54. CONDENSED INDIVIDUAL BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF GROUP

Refer to Table 8 (attached).

55. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM COOPERATION AND RESOURCES SHARING IN THE GROUP

a. Business or trading behaviors

Refer to Note 44 for related-party transactions.

b. Integrate business activities

The Company has become a full-functioning financial platform for its customers by improving the overall business performance of the Company 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 Company has advocated cross-selling activities among China development Financial Holdings and its Subsidiaries. In addition, the Company and its subsidiaries which joined the cross selling business disclosure protection measures of customer information on official website 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.

56. CONTINGENCIES AND COMMITMENTS, DISASTER DAMAGES AND SUBSEQUENT EVENTS OF SUBSIDIARIES

Refer to Note 46 to the consolidated financial statements. Information on disaster damages: None.

57. SUBSIDIARIES' ASSET QUALITY, MANAGEMENT, PROFITABILITY, LIQUIDITY AND SENSITIVITY TO MARKET RISK

Refer to Notes 47 and 50 to the consolidated financial statements.

58. 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.

59. 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	September 30, 2024 Formula	September 30, 2024 %	December 31, 2023 Formula	December 31, 2023 %	September 30, 2023 Formula	September 30, 2023 %	Standard	Meet Standard
17	Equities / Total liabilities minus customers' equity accounts	$3,265,356 / $22,237	=146.85	$2,229,746 / $114,785	=19.43	$2,223,785 / $39,362	=56.50	≧1	Yes
17	Current assets / Current liabilities	$3,896,999 / $21,890	=178.02	$2,783,912 / $114,785	=24.25	$3,312,754 / $39,107	=84.71	≧1	Yes
22	Equities / Capital stock	$3,265,356 / $400,000	=816.34%	$2,229,746 / $400,000	=557.44%	$2,223,785 / $400,000	=555.95%	≧60% ≧40%	Yes
22	Adjusted net capital / Client and proprietary account	$3,038,174 / $341,940	=888.51%	$1,950,528 / $204,319	=954.65%	$1,843,561 / $543,473	=339.22%	≧20% ≧15%	Yes

b. KGI Futures Corp.

Rule No.	Formula	September 30, 2024 Formula	%	December 31, 2023 Formula	%	September 30, 2023 Formula	%	Standard	Meet Standard
17	Equities / Total liabilities minus customers' equity accounts	$4,632,093 / $1,101,240	=4.21	$4,316,835 / $662,463	=6.52	$4,134,574 / $835,561	=4.95	≧1	Yes
17	Current assets / Current liabilities	$51,822,140 / $48,857,469	=1.06	$39,651,351 / $36,941,969	=1.07	$35,228,224 / $32,670,464	=1.08	≧1	Yes
22	Equities / Capital stock	$4,632,093 / $745,000	=621.76%	$4,316,835 / $760,000	=568.00%	$4,134,574 / $760,000	=544.02%	≧60% ≧40%	Yes
22	Adjusted net capital / Client and proprietary account	$3,812,140 / $11,450,364	=33.29%	$3,768,955 / $8,699,781	=43.32%	$3,590,399 / $6,483,541	=55.38%	≧20% ≧15%	Yes

60. ADDITIONAL DISCLOSURES

a. and b. following are the additional disclosures required for the Group:

1) Financing provided: Not applicable to the Company, KGI Bank and KGI Life Insurance. For other subsidiaries' information: Refer to Table 1 (attached).

2) Collaterals/guarantees provided: Not applicable to the Company, KGI Bank and KGI Life Insurance. For other subsidiaries' information: Refer to Table 2 (attached).

3) Marketable securities held: Not applicable to the Company, KGI Bank, KGI Securities and partial subsidiaries and KGI Life Insurance. For other subsidiaries' information: 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: None.

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: Please refer to Table 5 (attached).

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 44 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, 48 and 50 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.

61. SEGMENT INFORMATION

The reportable segments of the Company 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 Company's accounting policies described in Note 4. The Company 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 September 30, 2024						
Interest profit (loss), net	$ 2,007,985	$ 557,977	$ 30,700	$ 16,376,542	$ (170,987)	$ 18,802,217
Noninterest profit (loss), net	2,112,984	7,097,406	694,851	(4,417,331)	109,518	5,597,428
Net revenue (loss)	4,120,969	7,655,383	725,551	11,959,211	(61,469)	24,399,645
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(316,709)	(1,758)	-	260	-	(318,207)
Net change in reserve for insurance liabilities	-	-	-	313,821	-	313,821
Operating expenses	(1,920,402)	(4,490,864)	(370,668)	(2,230,585)	(935,415)	(9,947,934)
Net profit (loss) before income tax	1,883,858	3,162,761	354,883	10,042,707	(996,884)	14,447,325
Income tax benefit (expense)	(228,497)	(675,035)	(109,210)	(758,417)	(488,475)	(2,259,634)
Net profit (loss) for the period	$ 1,655,361	$ 2,487,726	$ 245,673	$ 9,284,290	$ (1,485,359)	$ 12,187,691
For the three months ended September 30, 2023						
Interest profit (loss), net	$ 2,143,549	586,028	$ 99,379	$ 16,166,681	$ (168,111)	$ 18,827,526
Noninterest profit (loss), net	1,233,071	5,147,273	(65,455)	(14,907,982)	(800,343)	(9,393,436)
Net revenue (loss)	3,376,620	5,733,301	33,924	1,258,699	(968,454)	9,434,090
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(189,748)	(160,797)	-	603	-	(349,942)
Net change in reserve for insurance liabilities	-	-	-	8,848,569	-	8,848,569
Operating expenses	(1,637,373)	(3,747,823)	(266,614)	(1,746,931)	(798,952)	(8,197,693)
Net profit (loss) before income tax	1,549,499	1,824,681	(232,690)	8,360,940	(1,767,406)	9,735,024
Income tax benefit (expense)	(188,655)	(213,202)	(789)	(1,918,591)	(45,207)	(2,366,444)
Net profit (loss) for the period	$ 1,360,844	$ 1,611,479	$ (233,479)	$ 6,442,349	$ (1,812,613)	$ 7,368,580

(Continued)

	Commercial Banking	Securities	Venture Capital	Insurance	Other	Total
For the nine months ended September 30, 2024						
Interest profit (loss), net	$ 5,611,347	1,696,938	$ 154,153	$ 48,800,317	$ (504,378)	$ 55,758,377
Noninterest profit (loss), net	6,247,755	20,195,831	1,541,704	(31,775,057)	(53,347)	(3,843,114)
Net revenue (loss)	11,859,102	21,892,769	1,695,857	17,025,260	(557,725)	51,915,263
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(1,154,410)	26,572	-	(1,051)	-	(1,128,889)
Net change in reserve for insurance liabilities	-	-	-	12,143,247	-	12,143,247
Operating expenses	(5,454,323)	(12,707,508)	(983,060)	(5,948,490)	(2,433,761)	(27,527,142)
Net profit (loss) before income tax	5,250,369	9,211,833	712,797	23,218,966	(2,991,486)	35,402,479
Income tax benefit (expense)	(654,979)	(1,378,356)	(164,649)	(2,659,107)	(1,405,094)	(6,262,185)
Net profit (loss) for the period	$ 4,595,390	$ 7,833,477	$ 548,148	$ 20,559,859	$ (4,396,580)	$ 29,140,294
For the nine months ended September 30, 2023						
Interest profit (loss), net	$ 6,265,800	1,801,225	$ 217,815	$ 47,183,158	$ (507,184)	$ 54,960,814
Noninterest profit (loss), net	3,940,591	14,828,669	2,434,645	(35,706,732)	(2,683,573)	(17,186,400)
Net revenue (loss)	10,206,391	16,629,894	2,652,460	11,476,426	(3,190,757)	37,774,414
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(123,466)	(164,993)	(4,841)	(1,289)	-	(294,589)
Net change in reserve for insurance liabilities	-	-	-	6,428,752	-	6,428,752
Operating expenses	(4,890,402)	(10,657,422)	(1,143,727)	(4,870,123)	(2,072,172)	(23,633,846)
Net profit (loss) before income tax	5,192,523	5,807,479	1,503,892	13,033,766	(5,262,929)	20,274,731
Income tax benefit (expense)	(647,465)	(675,374)	(105,960)	(1,591,574)	261,325	(2,759,048)
Net profit (loss) for the period	$ 4,545,058	$ 5,132,105	$ 1,397,932	$ 11,442,192	$ (5,001,604)	$ 17,515,683

(Concluded)

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No.	Financier	Counterparty	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	$ 1,582,550	$ 1,582,550	$ -	Floating	Short-term financing	$ -	Working capital	$ -	-	$ -	$ 19,094,858 (Note 1)	$ 19,094,858 (Note 1)
2	KGI Asia Limited	PT KGI Sekuritas Indonesia	Receivables, net	Yes	506,416	506,416	506,416	7.10%	Short-term financing	-	Working capital	-	-	-	11,399,551 (Note 2)	11,399,551 (Note 2)
3	KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	Receivables, net	Yes	506,416	-	-	7.10%	Short-term financing	-	Working capital	-	-	-	6,767,237 (Note 3)	6,767,237 (Note 3)

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 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 3: 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 4: Those that have been included in the consolidated financial statement have been completely written off.

TABLE 2

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

COLLATERALS/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No.	Collaterals/Guarantee Provider	Counterparty		Limits on Each Counterparty'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	$ 5,949,192	$ 985,929	$ 985,929	$ 985,929	$ -	1.66%	$ 23,796,768 (Note 2)	No	No	No
2	KGI International Holdings Limited	KGI Asia Limited	Note 1	19,094,858	1,266,040	1,266,040	-	-	6.63%	19,094,858 (Note 3)	No	No	No
		KGI International Finance Limited	Note 1	19,094,858	633,020	633,020	-	-	3.32%	19,094,858 (Note 3)	No	No	No
		KGI Finance Limited	Note 1	19,094,858	79,128	79,128	-	-	0.41%	19,094,858 (Note 3)	No	No	No
		KGI Futures (Hong Kong) Limited	Note 1	19,094,858	1,990,051	1,990,051	-	-	10.42%	19,094,858 (Note 3)	No	No	No
		KGI Securities (Singapore) Pte. Ltd.	Note 1	19,094,858	4,114,630	4,114,630	-	-	21.55%	19,094,858 (Note 3)	No	No	No
		KGI Asia (Holdings) Pte. Ltd.	Note 1	19,094,858	4,354,786	4,354,786	2,708,213	-	22.81%	19,094,858 (Note 3)	No	No	No
3	CDIB Capital Group	CDIB Capital Investment I limited	Note 1	7,475,878	1,641,800	1,582,550	-	-	5.26%	12,030,015 (Note 4)	No	No	No
		CDIB Global Markets Limited	Note 1	6,851,946	1,641,800	1,582,550	-	-	5.26%	12,030,015 (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 "Financing Provided, Corporate Endorsement, and Guarantee Making Guideline". For each company, the amount of financing and guarantee provided should limit on the amount of each counterparty's net investment in principle. The total amount of financing or guarantee should not exceed 40% of the guarantee provider's net asset value among recent financial report. CDIB Capital Group provided guarantees to CDIB Capital Investment I Limited and CDIB Global Market Limited by sharing credit lines, total $1,582,550 thousand.

TABLE 3

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars/Foreign Currencies)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				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	$ 11,294	10.69	$ 11,294	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	19,827	10.83	19,827	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	65,171	6.04	65,171	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	27,554	8.40	27,554	
	AMIA Co., Ltd.	-	Financial assets at fair value through profit or loss	3,923,000	162,608	5.61	162,608	
	Up Scientech Materials Corp.7	-	Financial assets at fair value through profit or loss	4,186,209	87,486	6.97	87,486	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	37,253	6.47	37,253	
	ASIA BEST LIFE CARE CO., LTD.	-	Financial assets at fair value through profit or loss	8,243,507	97,705	4.81	97,705	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	465,351	1.88	465,351	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,293,720	54,705	2.57	54,705	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	7,474	1.38	7,474	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	25,738	4.77	25,738	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	10,992	10.43	10,992	
	ASIA BEST HEALTHCARE CO., LTD.	-	Financial assets at fair value through profit or loss	12,612	2,399	4.72	2,399	
	Eden Biologics Inc.	-	Financial assets at fair value through profit or loss	8,382,844	59,649	3.55	59,649	
	Pyxis Oncology Inc.	-	Financial assets at fair value through profit or loss	87,841	10,204	0.22	10,204	
	Chime Biologicis Limited	-	Financial assets at fair value through profit or loss	8,382,844	100,040	3.55	100,040	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	83,526	8.13	83,526	
	United Renewable Energy Co., Ltd. - private placement	-	Financial assets at fair value through profit or loss	2,079,360	22,881	0.13	22,881	
	CDIB Capital Innovation Accelerator Ltd.	Associate	Financial assets at fair value through profit or loss	33,953,998	455,990	35.71	455,990	
	CDIB & Partners Investment Holding Corporation	Associate	Investments accounted for using the equity method	313,200,000	6,092,628	28.71	6,092,628	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	31,622,000	171,082	38.80	171,082	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	8,633,571	275,645	21.86	275,645	
	CDIB Bio Science Ventures I, Inc.	Associate	Investments accounted for using the equity method	4,431,405	3,806	20.00	3,806	
	CDIB Capital Management Corporation	Subsidiary	Investments accounted for using the equity method	23,093,889	564,091	100.00	564,091	
	CDIB Venture Capital Corporation	Subsidiary	Investments accounted for using the equity method	535,493,708	5,790,258	100.00	5,790,258	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	925,000,000	3,603,738	100.00	3,603,738	
	CDIB Capital Investment II Limited	Subsidiary	Investments accounted for using the equity method	45,000,000	2,127,396	100.00	2,127,396	
	CDIB Global Markets Limited	Subsidiary	Investments accounted for using the equity method	339,392	6,851,946	100.00	6,851,946	
	CDIB Capital Investment I Limited	Subsidiary	Investments accounted for using the equity method	132,800,000	7,475,878	100.00	7,475,878	
	CDIB Capital International Corporation	Subsidiary	Investments accounted for using the equity method	4,700,000	563,416	100.00	563,416	
CDIB Capital Management Corporation	Stocks							
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,521	1.44	1,521	
	Kai-Hong Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	863,900	8,639	1.00	8,639	
	CDIB Capital Innovation Advisors Corporation	Subsidiary	Investments accounted for using the equity method	1,200,000	13,176	60.00	13,176	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	815,002	4,409	1.00	4,409	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	395,000	12,611	1.00	12,611	
	CDIB Private Equity (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	51,900,000	353,700	100.00	353,700	
	Funds							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	43,068	-	43,068	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	33,973	-	33,973	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	13,901	-	13,901	
	CDIB & Innolux II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	13,082	-	13,082	
	CDIB-Mac Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	2,694	-	2,694	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Innovation Advisors Corporation	Stocks							
	CDIB Cross Border Innovation Limited	Associate	Investments accounted for using the equity method	100	$ 2,374	50.00	$ 2,374	
	CDIB Cross Border Innovation Limited - preferred stock	Associate	Investments accounted for using the equity method	670	425	67.00	425	
CDIB Private Equity (Hong Kong) Corporation Limited	Stocks							
	CDIB Private Equity (China) Corporation	Subsidiary	Investments accounted for using the equity method	-	HK$ 70,951	100.00	HK$ 70,951	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 6,420	56.00	HK$ 6,420	
	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 3,992	27.08	HK$ 3,992	
CDIB Private Equity (China) Corporation	Stocks							
	CDIB Private Equity (Fujian) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 13,942	70.00	CNY 13,942	
	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 12,190	65.00	CNY 12,190	
	CDIB Private Equity (Kunshan) Corporation	Subsidiary	Investments accounted for using the equity method	-	CNY 4,459	100.00	CNY 4,459	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 6,591	65.00	CNY 6,591	
CDIB Private Equity (Fujian) Co., Ltd.	Stocks							
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	CNY 2,066	20.00	CNY 2,066	
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 7,748	58.33	CNY 7,748	
	Funds							
	Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	CNY 5,269	-	CNY 5,269	
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 11,824	-	CNY 11,824	
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Funds							
	Kunshan Taiwan Business Development Investment Fund Partnership (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	CNY 6,948	-	CNY 6,948	
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 4,169	-	CNY 4,169	
CDIB Venture Capital Corporation	Stocks							
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	15,574	1.62	15,574	
	ASIA BEST LIFE CARE CO., LTD.	-	Financial assets at fair value through profit or loss	8,243,507	97,705	4.81	97,705	
	WIADVANCE TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss	650,000	104,830	2.87	104,830	
	LUCKY ROYAL CO., LTD.	-	Financial assets at fair value through profit or loss	900,000	54,900	1.29	54,900	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	46,000	4,494	0.01	4,494	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,529	238,082	4.52	238,082	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	1,180,645	26,272	1.59	26,272	
	Hephas Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	696,000	75,400	2.52	75,400	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	2,392,000	423,384	0.41	423,384	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	162,815	1,694	1.61	1,694	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	33,512	0.13	33,512	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,603	95,609	6.23	95,609	
	Yang Bao Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	5,995,683	479,655	8.16	479,655	
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	55,423	5.68	55,423	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	12,612	2,399	4.72	2,399	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	-	2.68	-	
	KKday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	33,336	0.93	33,336	
	Crescendo Lab	-	Financial assets at fair value through profit or loss	3,195	7,655	2.40	7,655	
	21st Financial Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,244,745	1,265,899	7.23	1,265,899	
	CarUX Holding Limited	-	Financial assets at fair value through profit or loss	1,295,150	284,859	0.90	284,859	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Venture Capital Corporation	Stocks							
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	$ 44,746	10.23	$ 44,746	
	Fractyl Health, Inc.	-	Financial assets at fair value through profit or loss	608,375	48,717	1.27	48,717	
	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	98,355	4,426	3.30	4,426	
	Qian-Kun Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	6,860,000	71,120	49.00	71,120	
	Soar Taiwan Co., Ltd.	Associate	Financial assets at fair value through profit or loss	28,507,311	285,073	14.87	285,073	
	Kai-Hong Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	12,099,200	120,992	14.00	120,992	
	GPPC DEVELOPMENT CORP.	-	Financial assets at fair value through other comprehensive income	5,000,000	15,850	6.25	15,850	
	iCHEF Co., Ltd.-Preferred Stock	-	Financial assets at fair value through profit or loss	11,167,513	93,069	40.74	93,069	
	4Gamers Entertainment Inc. - Preferred Stock	-	Financial assets at fair value through profit or loss	24,000	16,712	20.00	16,712	
	Asia Parents Holdings Limited - Preferred Stock	-	Financial assets at fair value through profit or loss	248,889	17,725	14.74	17,725	
	Kneron Holding Corporation - Preferred Stock	-	Financial assets at fair value through profit or loss	1,391,752	343,637	2.90	343,637	
	Stocks							
	Elixiron Immunotherapeutics (Cayman) Limited - Preferred Stock	-	Financial assets at fair value through profit or loss	4,559,686	108,239	26.09	108,239	
	Crescendo Lab - Preferred Stock	-	Financial assets at fair value through profit or loss	8,000	19,168	16.00	19,168	
	21st Financial Technology Co., Ltd. - Preferred Stock	-	Financial assets at fair value through profit or loss	823,362	198,731	75.00	198,731	
	Zentera Systems, Inc. - Preferred Stock	-	Financial assets at fair value through profit or loss	993,379	106,901	6.81	106,901	
	Rivos Inc. - Preferred Stock	-	Financial assets at fair value through profit or loss	1,027,027	63,302	0.46	63,302	
	FUNP Co., Ltd. - Preferred Stock	-	Financial assets at fair value through profit or loss	400,000	60,062	13.86	60,062	
	Achieve Made International Limited-Preferred Stock	-	Financial assets at fair value through profit or loss	168,138	7,566	6.67	7,566	
	PChome Online Inc. - Private Placement	-	Financial assets at fair value through profit or loss	1,875,293	54,885	1.30	54,885	
	United Renewable Energy Co., Ltd. - Private Placement	-	Financial assets at fair value through profit or loss	831,744	9,152	0.05	9,152	
	United Renewable Energy Co., Ltd. - Private Placement	-	Financial assets at fair value through profit or loss	2,056,941	22,634	0.13	22,634	
	KKday.com International Company Limited - Preferred Stock CC	-	Financial assets at fair value through profit or loss	813,859	9,044	0.07	9,044	
	Elixiron Immunotherapeutics (Cayman) Limited - Preferred Stock A	-	Financial assets at fair value through profit or loss	2,679,133	63,598	13.03	63,598	
	AmazingTalker - Preferred Stock A	-	Financial assets at fair value through profit or loss	4,282,655	63,302	12.90	63,302	
	FunNow Ltd. - Preferred Stock A	-	Financial assets at fair value through profit or loss	1,851,840	81,354	20.00	81,354	
	4Gamers Entertainment Inc. - Preferred Stock B	-	Financial assets at fair value through profit or loss	8,727	6,077	4.80	6,077	
	KKday.com International Company Limited - Preferred Stock B	-	Financial assets at fair value through profit or loss	5,654,616	62,835	8.66	62,835	
	TXONE NETWORKS INC. - Preferred Stock B	-	Financial assets at fair value through profit or loss	663,072	115,428	2.77	115,428	
	FunNow Ltd. - Preferred Stock B	-	Financial assets at fair value through profit or loss	435,730	19,142	3.36	19,142	
	Traveler Co., Ltd - Preferred Stock B	-	Financial assets at fair value through profit or loss	32,077	51,048	10.85	51,048	
	KKday.com International Company Limited - Preferred Stock C	-	Financial assets at fair value through profit or loss	7,655,502	85,069	2.31	85,069	
	Traveler Co., Ltd - Preferred Stock C	-	Financial assets at fair value through profit or loss	7,955	12,660	3.20	12,660	
	Achieve Made International Limited - Preferred Stock E	-	Financial assets at fair value through profit or loss	336,276	15,131	10.00	15,131	
	Viscovery (Cayman) Holding Company Limited - Preferred Stock AA	-	Financial assets at fair value through profit or loss	300,000	4,629	15.00	4,629	
	FunNow Ltd. - Preferred Stock BB	-	Financial assets at fair value through profit or loss	576,370	25,321	12.50	25,321	
	Crescendo Lab	-	Financial assets at fair value through profit or loss	-	9,495	-	9,495	
	Funds							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	1,058,593	-	1,058,593	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	388,315	-	388,315	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	392,293	-	392,293	
	CDIB & Innolux II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	215,850	-	215,850	
	CDIB Cross Border Innovation Fund II LP	Associate	Financial assets at fair value through profit or loss	-	119,881	-	119,881	
CDIB Venture Capital (Hong Kong) Corporation Limited	Funds							
	CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 158,698	-	HK$ 158,698	
	CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 280,398	-	HK$ 280,398	
	Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	HK$ 171,647	-	HK$ 171,647	
	Kunshan Taiwan Business Development Investment Fund Partnership (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	HK$ 19,270	-	HK$ 19,270	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				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	75,000	US$ 206	0.37	US$ 206	
	Loopin Cayman Limited	-	Financial assets at fair value through profit or loss	1,893,948	US$ 500	3.79	US$ 500	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US$ 141	0.05	US$ 141	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 80	12.50	US$ 80	
	Viking 3 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US$ -	100.00	US$ -	
	Rokid Corporation Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	615,642	US$ 6,351	0.78	US$ 6,351	
	K Health, Inc. - preferred stock C	-	Financial assets at fair value through profit or loss	496,376	US$ 14,451	1.50	US$ 14,451	
CDIB Capital Investment I Limited	Stocks							
	CDIB X Finance I Holding Limited	Subsidiary	Investments accounted for using the equity method	5,500	US$ (42)	100.00	US$ (42)	
	SCBS 1 Holding Corporation	Subsidiary	Investments accounted for using the equity method	3,828	US$ 2,316	100.00	US$ 2,316	
	CDIB NY 5 LLC	Subsidiary	Investments accounted for using the equity method	-	US$ 18,427	98.15	US$ 18,427	
	Fund							
	KKR X-Ray Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,428	-	US$ 4,428	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 33,687	-	US$ 33,687	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US$ 37,248	-	US$ 37,248	
	Cottonwood-WTT Real Estate Special Situations Fund, LP	-	Financial assets at fair value through profit or loss	-	US$ 5,135	-	US$ 5,135	
	Alpine Investors Iceman CV-A, LP	-	Financial assets at fair value through profit or loss	-	US$ 2,490	-	US$ 2,490	
	CDIB Capital Global Opportunities Fund L.P.	Associate	Financial assets at fair value through profit or loss	-	US$ 22,860	-	US$ 22,860	
	Carlyle Crispy Partners III, L.P.	Associate	Financial assets at fair value through profit or loss	-	US$ 11,874	-	US$ 11,874	
	CDIB Capital Asia Partners L.P.	Associate	Investments accounted for using the equity method	-	US$ 53,490	-	US$ 53,490	
	Corporate bond							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	20,821,458	US$ 20,694	-	US$ 20,694	
	CDIB Real Estate Credit Ltd.	Subsidiary of the parent company	Amortised cost financial assets	17,276,526	US$ 17,277	-	US$ 17,277	
SCBS 1 Holding Corporation	Stocks							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$ 2,238	2.91	US$ 2,238	
CDIB X Finance I Holding Limited	Corporate bond							
	Xian Group Limited	-	Amortised cost financial assets	5,000,000	US$ -	-	US$ -	
CDIB Capital Investment II Limited	Stocks							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$ 4,722	2.46	US$ 4,722	
	Indostar Capital	-	Financial assets at fair value through profit or loss	613,472	US$ 7,170	8.79	US$ 7,170	
	NY4 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	8,080,000	US$ 9,648	100.00	US$ 9,648	
	Indostar Everstone - preferred stock	-	Financial assets at fair value through profit or loss	835,505	US$ 9,719	86.20	US$ 9,719	
	CDIB TMK Finance Holding Limited	Subsidiary	Investments accounted for using the equity method	19,183	US$ 21,285	100.00	US$ 21,285	
CDIB TMK Finance Holding Limited	Corporate bond							
	Techmate Korea Daebu Co., Ltd.	-	Amortised cost financial assets	22,789,140,793	US$ 16,998	-	US$ 18,396	
CDIB Global Markets Limited	Stocks							
	Osaro, Inc.	-	Financial assets at fair value through profit or loss	51,095	US$ 418	0.59	US$ 418	
	BigCommerce Holdings, Inc.	-	Financial assets at fair value through profit or loss	30,361	US$ 178	0.04	US$ 178	
	Eventbrite, Inc.	-	Financial assets at fair value through profit or loss	24,904	US$ 68	0.03	US$ 68	
	Flemingo International (BVI) Ltd.-Preferred stock	-	Financial assets at fair value through profit or loss	1,048	US$ 18,981	50.19	US$ 18,981	
	Osaro, Inc.-Preferred stock A	-	Financial assets at fair value through profit or loss	588,739	US$ 244	3.27	US$ 244	
	Osaro, Inc.-Preferred stock BB	-	Financial assets at fair value through profit or loss	577,524	US$ 558	3.16	US$ 558	
	CDIB Pearl Holding Limited	Subsidiary	Investments accounted for using the equity method	34,000	US$ 42,998	100.00	US$ 42,998	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Global Markets Limited	<u>Fund</u>							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$ 3,071	-	US$ 3,071	
	Alpha Intelligence Capital Fund II, SCSp, SICAV-RAIF	-	Financial assets at fair value through profit or loss	-	US$ 7,403	-	US$ 7,403	
	Hedosophia Partners VI L.P.	-	Financial assets at fair value through profit or loss	-	US$ 2,851	-	US$ 2,851	
	AIC Tahoe, Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	US$ 9,490	-	US$ 9,490	
	CDIB NexGen Partners Fund I, L.P.	Associate	Financial assets at fair value through profit or loss	-	US$ 22,071	-	US$ 22,071	
	<u>Corporate bond</u>							
	Weave Living Real Estate II Limited	-	Amortised cost financial assets	2,076,944	US$ 2,050	-	US$ 2,077	
	Weave Living Real Estate Limited	-	Amortised cost financial assets	6,881,539	US$ 6,792	-	US$ 6,882	
	Weave Living Real Estate SG Limited	-	Amortised cost financial assets	540,067	US$ 533	-	US$ 540	
	<u>Convertible (exchange) corporate bond</u>							
	Amber Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	-	US$ 14,499	-	US$ 14,499	
	Orchid Investment Holdings	Associate	Financial assets at fair value through profit or loss	-	US$ 26,509	-	US$ 26,509	
	CDIB Medtech Holdings Limited	Associate	Financial assets at fair value through profit or loss	-	US$ 6,103	-	US$ 6,103	
	CDIB Medtech Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	-	US$ 15,258	-	US$ 15,258	
CDIB Pearl Holding Limited	<u>Funds</u>							
	KKR Asian Fund III L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,315	-	US$ 1,315	
	Ardian Buyout Fund VII A S.L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,168	-	US$ 3,168	
	Permira VII L.P.1	-	Financial assets at fair value through profit or loss	-	US$ 2,728	-	US$ 2,728	
	Insight Partners (Cayman) XI, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,125	-	US$ 4,125	
	TA XIII-B, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,037	-	US$ 3,037	
	Warburg Pincus Global Growth, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,303	-	US$ 4,303	
	EQT IX (No. 1) EUR SCSp	-	Financial assets at fair value through profit or loss	-	US$ 3,910	-	US$ 3,910	
	KKR European Fund V (USD) SCSp	-	Financial assets at fair value through profit or loss	-	US$ 2,607	-	US$ 2,607	
	Carlyle Partners VII, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,322	-	US$ 4,322	
	KKR Health Care Strategic Growth Fund L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,516	-	US$ 1,516	
	Thoma Bravo Fund XIII-A, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,482	-	US$ 3,482	
	Veritas Capital Fund VII, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,778	-	US$ 4,778	
CDIB Real Estate Credit Ltd	<u>Corporate bond</u>							
	Sino Money Investments Limited	-	Amortised cost financial assets	4,986,569	US$ 4,922	-	US$ 4,987	
	StorHub Hong Kong I Limited	-	Amortised cost financial assets	1,291,923	US$ 1,265	-	US$ 1,292	
	StorHub Hong Kong IV Limited	-	Amortised cost financial assets	2,101,959	US$ 2,059	-	US$ 2,102	
	StorHub Hong Kong VI Limited	-	Amortised cost financial assets	5,477,324	US$ 5,365	-	US$ 5,477	
	StorHub Hong Kong V Ltd	-	Amortised cost financial assets	6,580,216	US$ 6,445	-	US$ 6,580	
	Belcher I (BVI) Limited	-	Amortised cost financial assets	3,576,203	US$ 3,503	-	US$ 3,576	
	Belcher II (BVI) Limited	-	Amortised cost financial assets	1,493,073	US$ 1,462	-	US$ 1,493	
	Belcher III (BVI) Limited	-	Amortised cost financial assets	1,458,242	US$ 1,428	-	US$ 1,458	
CDIB Capital International Corporation	<u>Stocks</u>							
	CDIB Capital International (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	15,400,000	US$ 8,164	100.00	US$ 8,164	
	CDIB Buyout Partners Limited	Subsidiary	Investments accounted for using the equity method	50,000	US$ 80	100.00	US$ 80	
	CDIB Capital International (USA) Corporation	Subsidiary	Investments accounted for using the equity method	8,000,000	US$ 3,430	100.00	US$ 3,430	
	CDIB Capital Asia Partners Limited	Subsidiary	Investments accounted for using the equity method	200	US$ 119	100.00	US$ 119	
	CDIB Intelligence Partners Limited	Subsidiary	Investments accounted for using the equity method	-	US$ -	100.00	US$ -	(Note 5)
	CDIB Asia Secured Opportunities GP Ltd.	Subsidiary	Investments accounted for using the equity method	-	US$ -	100.00	US$ -	(Note 6)
	CDIB Real Estate Credit Ltd.	Subsidiary	Investments accounted for using the equity method	5,000	US$ (466)	100.00	US$ (466)	
CDIB NY 5 LLC	<u>Stocks</u>							
	QE Parent, LLC	-	Financial assets at fair value through profit or loss	3,022,526	US$ 18,750	2.54	US$ 18,750	
KGI Asset Management Co., Ltd.	<u>Stocks</u>							
	IBF Securities Co., Ltd.	-	Financial assets at fair value through profit or loss	10,712,984	122,233	0.93	122,233	
	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	20,860	12.25	20,860	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Management Consulting Corp.	Stocks							
	CDC Finance & Leasing Corp.	Subsidiary	Investments accounted for using the equity method	76,704,787	$ 913,494	100.00	$ 913,494	
	CDIB International Leasing Corp.	Subsidiary	Investments accounted for using the equity method	-	162,261	100.00	162,261	
KGI Finance & Leasing Corp.	Stocks							
	Pacific Electric Wire and Cable Co., Ltd.	-	Financial assets at fair value through other comprehensive income	546,231	14,747	0.07	14,747	
Richpoint Company Limited	Stocks							
	KG Investments Holdings Limited	Subsidiary	Investments accounted for using the equity method	156,864,163	US$ 649,382	100.00	US$ 649,382	
KGI Venture Capital Co., Ltd.	Stocks							
	Young Shine Electric Co., Ltd.	-	Financial assets at fair value through profit or loss	547,800	65,188	2.47	65,188	
	Yield Microelectronics Corp.	-	Financial assets at fair value through profit or loss	320,000	29,760	1.09	29,760	
	Santi Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	800,000	22,873	0.25	22,873	
	Formosa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	11,000	531	0.01	531	
	JHU JIAN catering co., Ltd.	-	Financial assets at fair value through profit or loss	199,000	19,010	0.43	19,010	
	Gingy Technology Inc.	-	Financial assets at fair value through profit or loss	43,775	3	0.47	3	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	1,096,810	34,302	1.48	34,302	
	Yongda Food Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,100,000	8,990	4.02	8,990	
	ChenFeng Optronics Corporation	-	Financial assets at fair value through profit or loss	2,984,842	118,989	2.97	118,989	
	Nfore Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	23,729	1.43	23,729	
	Rapidtek Technologies Inc.	-	Financial assets at fair value through profit or loss	120,000	8,028	0.40	8,028	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	190,000	18,563	0.05	18,563	
	eTreego Co., Ltd.	-	Financial assets at fair value through profit or loss	8,539,344	118,455	3.23	118,455	
	Deluxe Technology Group Co., Ltd.	-	Financial assets at fair value through profit or loss	632,307	10,992	0.82	10,992	
	Anbogen Therapeutics, Inc.	-	Financial assets at fair value through profit or loss	7,000,000	77,000	4.12	77,000	
	ITH corporation	-	Financial assets at fair value through profit or loss	2,000,000	65,621	0.44	65,621	
	Ritwin corporation	-	Financial assets at fair value through profit or loss	968,000	50,097	3.31	50,097	
	Lucky royal co., Ltd.	-	Financial assets at fair value through profit or loss	1,000,000	61,000	1.43	61,000	
	Heron neutron medical corp.	-	Financial assets at fair value through profit or loss	150,000	12,000	0.11	12,000	
KGI Securities Investment Trust Co., Ltd.	Stocks							
	FundRich Securities	-	Financial assets at fair value through other comprehensive income	238,776	3,314	0.38	3,314	
	Funds							
	KGI Victory Money Market Fund	Funds managed by KGI Securities Investment Trust	Financial assets at fair value through profit or loss	2,226,784	26,761	0.52	26,761	

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 Company 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 September 30, 2024.

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 September 30, 2024.

(Concluded)

KGI 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 NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	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	Corporate bonds													
	Amber Investment Partners Limited	Financial assets at fair value through profit or loss	CDIB NexGen Partners Fund I, L.P.	Associate	30,091,200	US$ 45,137	-	US$ (10,213) (Note 1)	20,425,435	US$ 30,638	US$ 20,425	US$ 10,213	9,665,765	US$ 14,499
	CDIB Medtech Holdings Limited	Financial assets at fair value through profit or loss	CDIB NexGen Partners Fund I, L.P.	Associate	10,000,000	US$ 19,000	-	US$ (6,109) (Note 1)	6,787,843	US$ 12,897	US$ 6,788	US$ 6,109	3,212,157	US$ 6,103
	CDIB Medtech Investment Partners Limited	Financial assets at fair value through profit or loss	CDIB NexGen Partners Fund I, L.P.	Associate	25,000,000	US$ 47,500	-	US$ (15,272) (Note 1)	16,969,608	US$ 32,242	US$ 16,970	US$ 15,272	8,030,392	US$ 15,258
	Funds													
	CDIB NexGen Partners Fund I, L.P.	Financial assets at fair value through profit or loss	CDIB NexGen Partners Fund I, L.P.	Associate	-	-	-	US$ 22,071	-	-	-	-	-	US$ 22,071
CDIB Capital Investment I Limited	Funds													
	Carlyle Crispy Partners III, L.P.	Financial assets at fair value through profit or loss	CDIB NexGen Partners Fund I, L.P.	Associate	-	-	-	US$ 211,874 (Note 2)	-	-	-	-	-	US$ 11,874

Note 1: Result from evaluation adjustment number.

Note 2: The original purchase cost is $11,528 thousand, with an evaluation adjustment number of $346 thousand.

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Date of Original Acquisition	Book Amount	Transaction Amount	Payment Status	Disposal of Gains and Losses	Counterparty	Relationship	Purpose of Acquisition	Pricing Reference	Other Terms
KGI Life Insurance Co., Ltd.	391 parcels of land, including Land Parcel No. 163, Tiaohou Section, Zhongzheng District, Keelung City.	2024/08/15	1999/05/19	$ 2,434,886	$ 2,550,000	-	$ 61,293	Parkcar Construction Co., Ltd.	Non-related party	Assets on disposal	Valuation report (Note 1)	-

Note 1: The transaction amount refers to the total contract price, inclusive of taxes, as stipulated in the sales agreement. The transaction amount has been appraised by Bond Real Estate Appraisers Joint Office and Colliers International Real Estate Appraisers Joint Office.

Note 2: The disclosed gain or loss on disposal in this table is an estimated amount.

TABLE 6

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2024
(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 Company	CDIB Capital Group	Subsidiary	$ 692,387 (Note 1)	-	$ -	-	$ -	$ -
	KGI Bank	Subsidiary	1,279,242 (Note 2)	-	-	-	-	-
	KGI Securities Co., Ltd.	Subsidiary	2,983,323 (Note 2)	-	-	-	-	-
KGI Life Insurance Co., Ltd.	The Company	The parent company	5,293,264 (Note 3)	-	-	-	-	-
	KGI Bank	Subsidiary of the parent company	561,934 (Note 4)	-	-	-	457,003	-
KGI Asia Limited	PT KGI Sekuritas Indonesia	Subsidiary of the parent company	508,392	-	-	-	1,976	-
	KGI International (Hong Kong) Limited	Subsidiary of the parent company	369,525	-	-	-	369,525	-
KGI International (Hong Kong)	KGI Future (Hong Kong) Limited	Subsidiary of the parent company	379,563	-	-	-	379,563	-
	KGI Asia Limited	Subsidiary of the parent company	2,007,836	-	-	-	2,007,836	-
KGI Securities (Singapore) Pte. Ltd	KGI Securities (Thailand) Public Company Limited	Associate	396,243	-	-	-	396,243	-
	KGI Asia Limited	Subsidiary of the parent company	362,632	-	-	-	362,632	-

Note 1: Tax receivable result from linked-tax system.

Note 2: Receivables result from directors’ remuneration and linked-tax system.

Note 3: Tax receivable result from rental receivables and linked-tax system.

Note 4: Tax receivable result from the sale of marketable securities and disbursement business (ACH) and other receivables, such as rent receivable from leased premises.

Note 5: The above companies which are the subsidiaries of the Company were eliminated from the consolidated financial statements.

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	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	
	KGI Asset Management Co., Ltd.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	KGI Life Insurance Co., Ltd.	Life insurance	100.00	100.00	100.00	
	KGI Securities Investment Trust Co., Ltd.	Securities investment and trusts	100.00	100.00	100.00	
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 1)
	CDIB Buyout Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Asia Secured Credit Opportunities GP Ltd.	Private equity advisory service	100.00	100.00	100.00	(Note 2)
	CDIB Real Estate Credit Ltd.	Investment	100.00	100.00	100.00	
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 NY5 LLC	Investment holdings	98.15	98.13	-	
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Investment	100.00	100.00	100.00	
CDIB Global Markets Limited	CDIB Pearl Holding Limited	Investment	100.00	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	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership September 30, 2024	December 31, 2023	September 30, 2023	Note
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	
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	100.00	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	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 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	
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	
KGI Asia (Holdings) Pte. Ltd.	KGI Securities (Singapore) Pte. Ltd.	Securities and futures investment	100.00	100.00	100.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
KGI Bank	CDIB Management Consulting Corporation	Management and consulting	100.00	100.00	100.00	
CDIB Management Consulting Corporation	CDC Finance & Leasing Corp.	Leasing	100.00	100.00	100.00	
	CDIB International Leasing Corp.	Leasing	100.00	100.00	100.00	

Note 1: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020, however, CDIB Intelligence Partners Limited had not invested any capital as of September 30, 2024.

Note 2: 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 September 30, 2024.

(Concluded)

TABLE 8

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME

The Company

1. Balance sheets

(In Thousands of New Taiwan Dollars)

Assets	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Cash and cash equivalents	$ 2,158,868	$ 2,002,156	$ 2,552,119
Receivables, net	326,551	228,464	208,666
Current tax assets	5,696,740	4,173,995	3,226,018
Investments accounted for using the equity method, net	363,282,680	319,738,518	291,835,503
Other financial assets	300	300	300
Right-of-use assets, net	739,754	791,777	809,442
Property and equipment, net	241,390	276,339	267,461
Other assets, net	461,465	151,899	118,589
Total	$ 372,907,748	$ 327,363,448	$ 299,018,098
Liabilities and Equity			
Liabilities			
Commercial paper payable, net	$ 10,399,710	$ 9,899,637	$ 7,099,772
Payables	2,373,852	1,892,539	1,951,763
Current tax liabilities	6,355,915	3,400,058	2,560,933
Bonds payable	47,000,000	48,000,000	48,000,000
Other borrowings	-	500,000	3,299,791
Lease liabilities	795,908	851,987	862,179
Other liabilities	2,557	593	1,622
Total liabilities	66,927,942	64,544,814	63,776,060
Equity			
Capital			
Common stock	168,085,598	168,345,806	168,392,886
Preferred stock	15,821,424	15,821,424	15,821,424
Share capital awaiting retirement	(4,645)	(6,000)	(47,080)
Capital surplus	33,729,846	33,588,602	33,506,036
Retained earnings			
Legal reserve	17,591,149	15,613,641	15,613,641
Special reserve	39,120,659	48,976,557	48,976,557
Unappropriated earnings	48,892,200	19,775,079	18,413,843
Other equity	(17,256,425)	(39,296,475)	(65,435,269)
Total equity	305,979,806	262,818,634	235,242,038
Total	$ 372,907,748	$ 327,363,448	$ 299,018,098

(Continued)

2. Statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
REVENUES				
Share of profit of subsidiaries, associates and joint ventures	$ 13,582,518	$ 8,335,972	$ 32,971,556	$ 19,804,818
Others	27,957	12,709	55,889	31,848
Total revenues	13,610,475	8,348,681	33,027,445	19,836,666
EXPENSES AND LOSSES				
Operating expenses	(768,077)	(632,599)	(1,932,943)	(1,571,052)
Others	(175,049)	(171,484)	(515,844)	(518,238)
Total expenses and losses	(943,126)	(804,083)	(2,448,787)	(2,089,290)
NET PROFIT BEFORE INCOME TAX	12,667,349	7,544,598	30,578,658	17,747,376
INCOME TAX EXPENSES	(480,000)	(175,000)	(1,438,653)	(235,000)
NET PROFIT FOR THE PERIOD	12,187,349	7,369,598	29,140,005	17,512,376
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	2,689,554	(598,315)	2,343,736	38,174
Income tax relating to the items that will not be reclassified subsequently to profit or loss	(482,547)	122,431	(210,548)	278,241
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	(5,504,284)	(16,736,966)	22,675,089	8,514,376
Income tax relating to the items that may be reclassified subsequently to profit or loss	(873,861)	1,101,139	(1,975,558)	80,437
Other comprehensive income (loss) for the period, net of income tax	(4,171,138)	(16,111,711)	22,832,719	8,911,228
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 8,016,211	$ (8,742,113)	$ 51,972,724	$ 26,423,604
BASIC EARNINGS PER SHARE	$0.73	$0.44	$1.71	$1.05
DILUTED EARNINGS PER SHARE	$0.73	$0.44	$1.70	$1.04

(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**	**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**	**Equity on Hedging Instruments**	**Others**	**Total Equity**
BALANCE AT JANUARY 1, 2023	$ 168,453,886	$ 15,821,424	$ -	$ 33,626,805	$ 13,703,864	$ 410,006	$ 50,476,328	$ (1,116,811)	$ (13,728,907)	$ (58,042,885)	$ 3,301	$ (943,738)	$ 208,663,273
Appropriation of 2022 earnings													
Legal reserve	-	-	-	-	1,909,777	-	(1,909,777)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	48,566,551	(48,566,551)	-	-	-	-	-	-
	-	-	-	-	1,909,777	48,566,551	(50,476,328)	-	-	-	-	-	-
Net change in equity of associates and joint ventures	-	-	-	(15,741)	-	-	-	-	-	-	-	-	(15,741)
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	17,512,376	-	-	-	-	-	17,512,376
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	1,732,337	(2,964,532)	10,142,232	1,191	-	8,911,228
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	17,512,376	1,732,337	(2,964,532)	10,142,232	1,191	-	26,423,604
Share-based payments	(61,000)	-	(47,080)	(105,028)	-	-	10,809	-	-	-	-	415,295	212,996
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	932,752	-	(932,752)	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	(42,094)	-	-	-	-	-	(42,094)
BALANCE AT SEPTEMBER 30, 2023	$ 168,392,886	$ 15,821,424	$ (47,080)	$ 33,506,036	$ 15,613,641	$ 48,976,557	$ 18,413,843	$ 615,526	$ (17,626,191)	$ (47,900,653)	$ 4,492	$ (528,443)	$ 235,242,038
BALANCE AT JANUARY 1, 2024	$ 168,345,806	$ 15,821,424	$ (6,000)	$ 33,588,602	$ 15,613,641	$ 48,976,557	$ 19,775,079	$ (1,364,704)	$ (11,632,625)	$ (25,848,289)	$ 2,067	$ 452,924)	$ 262,818,634
Appropriation of 2023 earnings													
Legal reserve	-	-	-	-	1,977,508	-	(1,977,508)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(9,855,898)	9,855,898	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(8,414,813)	-	-	-	-	-	(8,414,813)
Cash dividends - preferred stock	-	-	-	-	-	-	(561,661)	-	-	-	-	-	(561,661)
	-	-	-	-	1,977,508	(9,855,898)	(1,098,084)	-	-	-	-	-	(8,976,474)
Net change in equity of associates and joint ventures	-	-	-	54	-	-	-	-	-	-	-	-	54
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	-	29,140,005	-	-	-	-	-	29,140,005
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	-	1,848,566	3,566,133	17,418,435	(415)	-	22,832,719
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	29,140,005	1,848,566	3,566,133	17,418,435	(415)	-	51,972,724
Retirement of treasury share	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	(260,208)	-	1,355	141,190	-	-	25,097	-	-	-	-	257,434	164,868
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,050,103	-	(1,050,103)	-	-	-	-
BALANCE AT SEPTEMBER 30, 2024	$ 168,085,598	$ 15,821,424	$ (4,645)	$ 33,729,846	$ 17,591,149	$ 39,120,659	$ 48,892,200	$ 483,862	$ (9,116,595)	$ (8,429,854)	$ 1,652	$ (195,490)	$ 305,979,806

(Continued)

4. Statements of cash flows

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 30,578,658	$ 17,747,376
Adjustments for:		
Depreciation and amortization expenses	103,727	97,187
Interest expense	510,106	509,219
Interest income	(41,218)	(22,401)
Share-based payment compensation cost	33,142	28,109
Share of profit of subsidiaries, associates and joint ventures	(32,647,556)	(19,600,243)
Changes in operating assets and liabilities		
Receivables	(99,484)	250,029
Other assets	(304,604)	7,780
Payables	428,875	90,326
Other liabilities	1,964	568
Interest paid	(457,313)	(453,834)
Interest received	42,615	22,019
Dividends received	12,042,795	2,854,875
Income tax paid	(5,541)	(185,607)
Net cash generated from operating activities	10,186,166	1,345,403
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(814)	(14,136)
Others	(19,133)	(18,687)
Net cash used in investing activities	(19,947)	(32,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in commercial paper payable	500,073	(800,116)
Repayment of Corporate Bonds	(1,000,000)	-
Decrease in other borrowings	(500,000)	(2,000,061)
Cash dividends paid	(8,976,474)	-
Others	(33,106)	(42,053)
Net cash used in financing activities	(10,009,507)	(2,842,230)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(156,712)	(1,529,650)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,002,156	4,081,769
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,158,868	$ 2,552,119

(Continued)

KGI Bank

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents, due from the Central Bank and call loans to banks	$ 73,046,861	$ 49,575,159	$ 47,808,181
Financial assets at fair value through profit or loss	32,954,526	42,955,118	59,852,272
Financial assets at fair value through other comprehensive income	137,738,794	133,337,278	135,022,343
Debt instruments measured at amortized cost	69,480,331	68,412,429	66,254,861
Financial assets for hedging	141,688	598,459	1,881,835
Securities purchased under resell agreements	55,280,289	42,097,729	36,400,532
Receivables, net	20,924,801	22,224,114	22,373,747
Discounts and loans, net	454,034,533	396,926,437	397,382,139
Investments accounted for using the equity method, net	10,976,958	9,707,896	6,786,174
Other financial assets, net	3,481,610	8,745,840	2,648,880
Property and equipment, net	5,037,249	5,160,635	5,294,249
Right-of-use assets, net	2,781,106	2,966,024	3,050,664
Investment property, net	1,734,594	1,746,097	1,588,133
Deferred tax assets	561,726	514,773	541,239
Other assets, net	6,822,404	5,230,544	8,434,936
Total assets	$ 874,997,470	$ 790,198,532	$ 795,320,185
Deposits from the Central Bank and banks	$ 12,761,186	$ 7,027,312	$ 7,770,686
Financial liabilities at fair value through profit or loss	19,242,925	29,320,808	41,124,428
Financial liabilities for hedging	1,118,209	610,323	838,437
Notes and bonds issued under repurchase agreements	63,953,185	42,580,979	55,770,987
Payables	5,986,990	7,762,608	7,387,558
Current tax liabilities	1,233,433	915,572	862,302
Deposits and remittances	625,893,885	558,509,663	542,945,996
Bank debentures payable	23,765,623	24,747,803	24,411,435
Principal received on structured notes	40,087,435	40,405,562	40,700,055
Provisions	399,420	363,837	368,285
Lease liabilities	2,961,121	3,131,049	3,212,551
Deferred tax liabilities	468,833	238,817	133,750
Other liabilities	5,056,077	5,365,041	3,948,090
Total liabilities	802,928,322	720,979,374	729,474,560
Common stock	46,061,623	46,061,623	46,061,623
Capital surplus	7,438,212	7,432,078	7,375,175
Retained earnings	20,751,515	19,289,870	18,188,664
Other equity	(2,182,202)	(3,564,413)	(5,779,837)
Total equity	72,069,148	69,219,158	65,845,625
Total liabilities and equity	$ 874,997,470	$ 790,198,532	$ 795,320,185

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Interest revenue	$ 6,670,784	$ 6,156,295	$ 19,232,885	$ 17,023,052
Interest expense	(4,823,857)	(4,133,435)	(14,040,941)	(11,060,310)
Interest profit, net	1,846,927	2,022,860	5,191,944	5,962,742
Noninterest profits and gains, net	2,201,200	1,309,279	6,618,133	4,157,242
Total net revenues	4,048,127	3,332,139	11,810,077	10,119,984
Allowance for bad debts and losses on commitments and guarantees, net	(313,068)	(190,064)	(1,119,100)	(117,609)
Operating expenses	(2,016,422)	(1,727,432)	(5,737,613)	(5,128,389)
Net profit before income tax	1,718,637	1,414,643	4,953,364	4,873,986
Income tax expense	(223,423)	(183,903)	(643,985)	(633,815)
Net profit for the period	1,495,214	1,230,740	4,309,379	4,240,171
Other comprehensive income (loss) for the period, net of income tax	1,855,900	(720,665)	2,384,945	139,359
Total comprehensive income (loss) for the period	$ 3,351,114	$ 510,075	$ 6,694,324	$ 4,379,530
Basic earnings per share	$0.32	$0.27	$0.94	$0.92

(Continued)

KGI Securities Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	$ 365,020,302	$ 262,149,935	$ 255,949,433
Noncurrent assets	40,653,953	38,246,547	38,066,495
Total assets	$ 405,674,255	$ 300,396,482	$ 294,015,928
Current liabilities	$ 331,507,874	$ 232,389,779	$ 225,324,356
Noncurrent liabilities	11,391,528	8,447,555	11,207,915
Total liabilities	342,899,402	240,837,334	236,532,271
Common stock	18,174,785	18,174,785	18,174,785
Capital surplus	7,399,181	7,355,031	7,325,362
Retained earnings	38,351,115	36,542,080	34,684,258
Others	(1,150,228)	(2,512,748)	(2,700,748)
Total equity	62,774,853	59,559,148	57,483,657
Total liabilities and equity	$ 405,674,255	$ 300,396,482	$ 294,015,928

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenues	$ 7,148,057	$ 5,407,091	$ 21,157,071	$ 15,103,490
Costs and expenses	(5,376,471)	(4,356,456)	(15,284,985)	(11,935,880)
Profit from operations	1,771,586	1,050,635	5,872,086	3,167,610
Share of profit (loss) of subsidiaries, associates and joint ventures	900,138	474,760	2,017,168	1,600,338
Other income and loss	516,421	360,617	1,425,294	1,178,329
Total non-operating income or loss	1,416,559	835,377	3,442,462	2,778,667
Net profit before income tax	3,188,145	1,886,012	9,314,548	5,946,277
Income tax expense	(578,033)	(190,832)	(1,187,049)	(556,693)
Net profit for the period	2,610,112	1,695,180	8,127,499	5,389,584
Other comprehensive income (loss) for the period, net of income tax	664,958	461,186	1,362,520	1,058,027
Total comprehensive income (loss) for the period	$ 3,275,070	$ 2,156,366	$ 9,490,019	$ 6,447,611
Basic earnings per share	$1.44	$0.93	$4.47	$2.90

(Continued)

CDIB Capital Group

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	$ 522,786	$ 340,376	$ 445,814
Noncurrent assets	36,047,914	34,682,472	34,782,367
Total assets	$ 36,570,700	$ 35,022,848	$ 35,228,181
Current liabilities	$ 5,744,885	$ 4,387,538	$ 4,549,500
Noncurrent liabilities	541,294	551,969	558,278
Total liabilities	6,286,179	4,939,507	5,107,778
Common stock	20,411,159	20,411,159	20,411,159
Capital surplus	737,246	722,753	708,214
Retained earnings	7,205,701	8,295,313	7,538,180
Others	1,930,415	654,116	1,462,850
Total equity	30,284,521	30,083,341	30,120,403
Total liabilities and equity	$ 36,570,700	$ 35,022,848	$ 35,228,181

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenues	$ 504,283	$ (183,821)	$ 1,122,033	$ 1,921,050
Operating cost	(116,892)	(92,923)	(359,792)	(476,572)
Gross profit (loss)	387,391	(276,744)	762,241	1,444,478
Non-operating income and expenses	(21,279)	43,314	(48,703)	12,179
Profit (loss) from operations	366,112	(233,430)	713,538	1,456,657
Income tax benefit (expense)	(104,213)	1,453	(126,519)	(63,577)
Net profit (loss) for the period	261,899	(231,977)	587,019	1,393,080
Other comprehensive income (loss) for the period, net of income tax	(57,159)	798,615	1,323,668	1,221,821
Total comprehensive income (loss) for the period	$ 204,740	$ 566,638	$ 1,910,687	$ 2,614,901
Basic earnings (loss) per share	$(0.13)	$(0.12)	$0.29	$0.68

(Continued)

KGI Asset Management Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	$ 315,982	$ 303,357	$ 74,298
Noncurrent assets	1,463,730	1,608,103	1,620,301
Total assets	$ 1,779,712	$ 1,911,460	$ 1,694,599
Current liabilities	$ 165,802	$ 337,165	$ 128,305
Noncurrent liabilities	95,426	101,126	103,150
Total liabilities	261,228	438,291	231,455
Common stock	1,133,600	1,133,600	1,133,600
Capital surplus	139,538	139,538	139,538
Retained earnings	271,864	227,933	218,362
Others	(26,518)	(27,902)	(28,356)
Total equity	1,518,484	1,473,169	1,463,144
Total liabilities and equity	$ 1,779,712	$ 1,911,460	$ 1,694,599

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenues and gains	$ 95,029	$ 41,364	$ 255,361	$ 167,082
Expenses and losses	(45,572)	(25,143)	(106,819)	(80,328)
Net profit before income tax	49,457	16,221	148,542	86,754
Income tax expense	(11,406)	(5,457)	(33,013)	(16,771)
Net profit for the period	38,051	10,764	115,529	69,983
Other comprehensive income (loss) for the period, net of income tax	-	-	1,384	562
Total comprehensive income (loss) for the period	$ 38,051	$ 10,764	$ 116,913	$ 70,545
Basic earnings per share	$0.34	$0.09	$1.02	$0.62

(Continued)

KGI Life Insurance Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	$ 54,950,597	$ 49,203,474	$ 44,399,840
Receivables	21,537,567	22,786,016	17,595,296
Current tax assets	5,272,409	2,690,111	2,022,221
Financial assets at fair value through profit or loss	423,306,011	403,552,413	387,063,902
Financial assets at fair value through other comprehensive income	69,348,210	71,658,283	71,398,606
Financial assets measured at amortized cost	1,626,124,672	1,594,184,323	1,632,414,383
Long-term investments accounted for using the equity method, net	2,401,813	2,118,503	2,079,914
Investment property	69,338,600	69,752,774	69,178,802
Loans	35,408,669	33,964,918	33,615,620
Reinsurance assets	1,036,706	1,011,096	1,167,552
Property and equipment	10,330,762	10,606,865	11,066,592
Right-of-use assets	4,815,141	4,899,638	4,941,260
Intangible assets	534,566	461,140	442,354
Deferred tax assets	15,232,054	17,773,544	24,256,302
Other assets	10,803,084	7,886,366	31,489,267
Separate account product assets	119,527,978	115,525,739	113,384,656
Total assets	$ 2,469,968,839	$ 2,408,075,203	$ 2,446,516,567
Payables	$ 16,892,323	$ 14,306,200	$ 12,963,137
Current tax liabilities	6,895	6,895	11,461
Financial liabilities at fair value through profit or loss	6,645,716	5,612,137	34,716,668
Bonds payables	30,000,000	20,000,000	20,000,000
Lease liabilities	1,965,840	1,959,693	1,982,936
Insurance liabilities	2,076,107,674	2,071,434,364	2,101,833,524
Foreign exchange valuation reserve	13,262,870	9,768,788	16,534,826
Provisions	108,321	146,416	162,229
Deferred tax liabilities	16,272,102	11,980,157	18,064,206
Other liabilities	2,440,041	8,997,759	1,887,359
Separate account product liabilities	119,527,978	115,525,739	113,384,656
Total liabilities	2,283,229,760	2,259,738,148	2,321,541,002
Common stock	50,684,896	49,206,531	49,206,531
Capital surplus	7,453,505	7,414,749	7,388,000
Retained earnings	137,274,422	118,629,526	119,673,775
Others	(8,673,744)	(26,913,751)	(51,292,741)
Total equity	186,739,079	148,337,055	124,975,565
Total liabilities and equity	$ 2,469,968,839	$ 2,408,075,203	$ 2,446,516,567

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Operating revenues	$ 74,580,728	$ 58,728,833	$ 199,755,529	$ 175,175,560
Operating costs	(62,296,106)	(48,553,885)	(170,648,362)	(157,114,184)
Operating expenses	(2,396,374)	(1,880,542)	(6,346,167)	(5,171,125)
Profit from operations	9,888,248	8,294,406	22,761,000	12,890,251
Non-operating income and expenses	6,994	7,691	21,368	11,349
Income from continuing operations before income tax	9,895,242	8,302,097	22,782,368	12,901,600
Income tax expense	(758,417)	(1,918,590)	(2,659,107)	(1,591,574)
Net income	9,136,825	6,383,507	20,123,261	11,310,026
Other comprehensive income (loss) for the period, net of income tax	(6,504,528)	(16,678,279)	18,240,007	6,996,364
Total comprehensive income (loss) for the period	$ 2,632,297	$ (10,294,772)	$ 38,363,268	$ 18,306,390
Basic earnings per share	$1.80	$1.26	$3.97	$2.23

(Continued)

KGI Securities Investment Trust Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	$ 522,990	$ 565,193	$ 528,214
Noncurrent assets	170,710	125,293	131,704
Total assets	$ 693,700	$ 690,486	$ 659,918
Current liabilities	$ 133,942	$ 128,694	$ 110,567
Noncurrent liabilities	194	410	481
Total liabilities	134,136	129,104	111,048
Common stock	300,000	300,000	300,000
Capital surplus	134,532	131,381	129,402
Retained earnings	123,992	129,028	118,773
Others	1,040	973	695
Total equity	559,564	561,382	548,870
Total liabilities and equity	$ 693,700	$ 690,486	$ 659,918

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenues	$ 209,233	$ 174,521	$ 578,065	$ 498,622
Operating expenses	(176,001)	(147,088)	(492,133)	(408,417)
Profit from operations	33,232	27,433	85,932	90,205
Non-operating income and expenses	1,853	2,441	5,508	5,497
Net profit before income tax	35,085	29,874	91,440	95,702
Income tax expense	(7,003)	(5,805)	(18,210)	(18,996)
Net profit for the period	28,082	24,069	73,230	76,706
Other comprehensive income (loss) for the period, net of income tax	67	(52)	67	(52)
Total comprehensive income (loss) for the period	$ 28,149	$ 24,017	$ 73,297	$ 76,654
Basic earnings per share	$0.94	$0.80	$2.44	$2.56

(Concluded)

KGI FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SEPTEMBER 30, 2024
(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, 2024	Investment Flows - Outflow	Investment Flows - Inflow	Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024
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	-
Hartec Technology (Kunshan) Co., Ltd.	NB EMI sputtering.	US$ 17,130 thousand	Note 1,b,2)	US$ 3,000 thousand	-	-	US$ 3,000 thousand	(Note 3)	10.23	-	96,030	-
Jiangyin Suda Huicheng Composite Material Co., Ltd.	Lithium battery with extruded composite film.	CNY 19,812 thousand	Note 1,b,10)	US$ 4,645 thousand	-	-	US$ 4,645 thousand	(Note 3)	4.11	-	142,052	-
CDIB Private Equity (China) Corporation	Management and consulting.	US$ 7,000 thousand	Note 1,b,6)	US$ 7,000 thousand	-	-	US$ 7,000 thousand	$ (7,744)	100.00	(7,744)	289,145	-
CDIB Private Equity (Fujian) Co., Ltd.	Fund management.	CNY 10,000 thousand	Note 4	-	-	-	-	(944)	70.00	(661)	63,061	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management.	CNY 12,000 thousand	Note 1,b,6)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(2,700)	70.00	(1,890)	32,705	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment.	CNY 560,000 thousand	Note 1,b,5),6)	CNY 350,000 thousand	-	-	CNY 350,000 thousand	(271,389)	-	(95,800)	665,551	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management.	CNY 7,000 thousand	Note 5	-	-	-	-	(12,797)	65.00	(8,318)	55,138	-
CDIB Yida Private Equity Management (Kushan) Enterprise (Limited Partnership)	Fund management.	CNY 12,000 thousand	Note 1,b,6)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	210	65.00	136	39,049	-
CDIB Yida Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment.	CNY 678,367 thousand	Note 1,b, 5),6)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	38,219	-	11,600	1,188,076	-
Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 422,000 thousand	Note 1,b, 5),6)	CNY 123,857 thousand	-	-	CNY 123,857 thousand	(88,975)	-	(21,812)	723,294	-
CDIB Private Equity (Kunshan) Corporation	Fund management.	CNY 10,000 thousand	Note 1,b,6)	-	-	-	-	(3,251)	100.00	(3,251)	20,170	-
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management.	CNY 10,000 thousand	Note 1,b,6)	-	-	-	-	270	65.00	175	29,810	-
Kunshan Taiwanese Business Development Investment Fund Partnership (Limited Partnership)	Equity investment	CNY 159,600 thousand	Note 1,b,5),6)	-	-	-	-	(2,017)	-	(241)	109,950	-
Lightel Technologies (Shenzhen) Inc.	Fiber optic components, fiber optic equipment and instruments and LED lamps.	US$ 4,100 thousand	Note 1,b,7)	US$ 337 thousand	-	-	US$ 337 thousand	(Note 3)	11.58	-	9,857	-
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, 4),11)	US$ 9,248 thousand	-	-	US$ 9,248 thousand	(Note 3)	5.46	-	299,947	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024
					Outflow	Inflow						
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, 3),8)	US$ 211 thousand	$ -	$ -	US$ 211 thousand	(Note 3)	-	$ -	$ 6,669	$ -
Suyin KGI Consumer Finance Co., Ltd.	Consumer financial business.	CNY 4,200,000 thousand	Note 1,a	CNY 1,580,487 thousand	-	-	CNY 1,580,487 thousand	$ 1,711,866	37.63	643,427 (Note 2,b,2)	8,766,566	-
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	309	100.00	309 (Note 2,b,2)	162,621	-
CCB Life Insurance Company Limited	Life insurance.	CNY 7,120,461 thousand	Note 1,a	12,880,969	-	-	12,880,969	7,641,444	19.90	-	10,399,450	229,287
Changzhou Cheng Xing Environmental Protection Technology Co., Ltd.	Business in packaging technology development, and related transfer services consulting.	US$ 22,000 thousand	Note 1,b,9)	US$ 454 thousand	-	-	US$ 454 thousand	(Note 3)	0.82	-	2,982	-
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$ 6,500 thousand	Note 1,b,9)	US$ 120 thousand	-	-	US$ 120 thousand	(Note 3)	0.82	-	787	-
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, 3),12)	US$ 2,000 thousand	-	-	US$ 2,000 thousand	(Note 3)	1.01	-	60,772	-
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, 3),12)	US$ 3,000 thousand	-	-	US$ 3,000 thousand	(Note 3)	1.01	-	91,158	-
Ningbo DINGYAO Transmission Machinery Co., Ltd.	Business in machinery and equipment; hi-tech product.	CNY 500 thousand	Note 1,b, 13)	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$ 14,712 thousand	Note 1,b, 13)	US$ 812 thousand	US$ 62 thousand	-	US$ 874 thousand	(Note 3)	5.68	-	25,338	-
Kunshan Royal Precision Tools Corporation Ltd.	Business in belt-driven spindle.	US$ 3,956 thousand	Note 1,b, 13)	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, 13)	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, 13)	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, 13)	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, 14)	US$ 196 thousand	-	-	US$ 196 thousand	(Note 3)	9.32	-	5,462	-
Jieshou Kaitai Resources Recycling Co.	Synthetic fiber manufacturing, fabric textile processing, technical services, development, consultation, exchange, transfer, promotion.	US$ 50 thousand	Note 1,b, 3),10)	US$ 5 thousand	-	-	US$ 5 thousand	(Note 3)	10.06	-	154	-
Shanghai Luojin Data Information Co.	Data technology, software, information technology, network technology and technology development, technology consulting, technology services and transfer market information in the field of computer technology.	CNY 47,874 thousand	Note 1,b, 3),15)	US$ 5,000 thousand	-	-	US$ 5,000 thousand	(Note 3)	2.13	-	138,965	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024
					Outflow	Inflow						
Hunan Xingsheng Optimal Network Technology Co., Ltd.	Network technology, development of credit management software.	CNY 15,000,000 thousand	Note 1,b, 3),16)	US$ 2,375 thousand	$ -	$ -	US$ 2,375 thousand	(Note 3)	0.14	$ -	$ 66,450	$ -
Hunan Jiazhen Logistics Co., Ltd.	General cargo transportation, logistics information service.	CNY 1,000,000 thousand	Note 1,b 3),16)	US$ 2,375 thousand	-	-	US$ 2,375 thousand	(Note 3)	0.14	-	66,450	-
Hunan Youxuan Dayun Information Technology Co., Ltd.	Development of information technology, information technology consulting.	CNY 28,800,000 thousand	Note 1,b 3),16)	US$ 2,375 thousand	-	-	US$ 2,375 thousand	(Note 3)	0.14	-	66,450	-

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$27,004,402	$29,043,444	$183,587,883

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third area by:

1) Beauty Essentials International Ltd.
2) Hartec Asia Pte Ltd.
3) CDIB Capital Investment I Limited
4) CDIB Capital Investment II Limited.
5) CDIB Venture Capital (Hong Kong) Corporation Limited.
6) CDIB Private Equity (Hong Kong) Corporation Limited.
7) Lightel Technologies, Inc.
8) Best Logistics.
9) Deluxe Technology Group Co., Ltd.
10) CDIB Capital Asia Partners L.P.
11) Great Rich Technologies Limited.
12) Rokid Corporation Limited.
13) POJU (Cayman) International Co., Ltd.
14) Elixiron Immunotherapeutics (Cayman) Limited.
15) Loopin Cayman Limited.
16) KKR X-Ray Co-invest L.P.

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/reviewed by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
2) Financial statements audited/reviewed 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 Company 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)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(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 Company	KGI Bank	1	Current tax assets	$ 1,228,776	Note 4	0.03%
1	KGI Bank	The Company	2	Current tax liabilities	1,228,776	Note 4	0.03%
0	The Company	KGI Securities Co., Ltd.	1	Current tax assets	2,889,323	Note 4	0.07%
2	KGI Securities Co., Ltd.	The Company	2	Current tax liabilities	2,889,323	Note 4	0.07%
0	The Company	CDIB Capital Group	1	Current tax assets	692,387	Note 4	0.02%
3	CDIB Capital Group	The Company	2	Current tax liabilities	692,387	Note 4	0.02%
0	The Company	CDIB Capital Group	1	Current tax liabilities	243,911	Note 4	0.01%
3	CDIB Capital Group	The Company	2	Current tax assets	243,911	Note 4	0.01%
0	The Company	KGI Life Insurance Co., Ltd.	1	Current tax liabilities	5,253,238	Note 4	0.13%
4	KGI Life Insurance Co., Ltd.	The Company	2	Current tax assets	5,253,238	Note 4	0.13%
0	The Company	KGI Bank	1	Cash and cash equivalents	2,142,461	Note 4	0.05%
1	KGI Bank	The Company	2	Deposits and remittances	2,142,461	Note 4	0.05%
0	The Company	KGI Life Insurance Co., Ltd.	1	Receivables, net	180,000	Note 4	0.00%
4	KGI Life Insurance Co., Ltd.	The Company	2	Payables	180,000	Note 4	0.00%
0	The Company	KGI Life Insurance Co., Ltd.	1	Share of the profit (loss) of associates and joint ventures	180,000	Note 4	0.35%
4	KGI Life Insurance Co., Ltd.	The Company	2	Service and commission, net	180,000	Note 4	0.35%
2	KGI Securities Co., Ltd.	KGI Bank	3	Other financial assets	2,290,955	Note 4	0.06%

(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)
2	KGI Securities Co., Ltd.	KGI Bank	3	Cash and cash equivalents	$ 82,149	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI Bank	3	Financial assets at fair value through profit or loss	15,447,285	Note 4	0.39%
1	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	17,820,389	Note 4	0.45%
1	KGI Bank	KGI Futures Co., Ltd.	3	Cash and cash equivalents	232,758	Note 4	0.01%
1	KGI Bank	KGI Futures Co., Ltd.	3	Financial assets at fair value through profit or loss	2,893	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Bank	3	Other financial liabilities	235,651	Note 4	0.01%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Cash and cash equivalents	10,152,630	Note 4	0.26%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Deposits and remittances	10,152,630	Note 4	0.26%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Financial assets at fair value through profit or loss	334,528	Note 4	0.01%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Financial liabilities at fair value through profit or loss	334,528	Note 4	0.01%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Financial assets at fair value through profit or loss	296,383	Note 4	0.01%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Financial liabilities at fair value through profit or loss	296,383	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Bank	3	Cash and cash equivalents	164,585	Note 4	0.00%
1	KGI Bank	KGI Futures Co., Ltd.	3	Deposits and remittances	164,585	Note 4	0.00%
6	KGI Asset Management Co., Ltd.	KGI Bank	3	Cash and cash equivalents	158,212	Note 4	0.00%
1	KGI Bank	KGI Asset Management Co., Ltd.	3	Deposits and remittances	158,212	Note 4	0.00%
7	CDIB Capital Management Corporation	KGI Bank	3	Cash and cash equivalents	272,176	Note 4	0.01%
1	KGI Bank	CDIB Capital Management Corporation	3	Deposits and remittances	272,176	Note 4	0.01%
8	CDIB Capital International Corporation	KGI Bank	3	Cash and cash equivalents	881,739	Note 4	0.02%
1	KGI Bank	CDIB Capital International Corporation	3	Deposits and remittances	881,739	Note 4	0.02%
9	CDIB Venture Capital (Hong Kong) Corporation Limited	KGI Bank	3	Cash and cash equivalents	1,032,218	Note 4	0.03%

(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)
1	KGI Bank	CDIB Venture Capital (Hong Kong) Corporation Limited	3	Deposits and remittances	$ 1,032,218	Note 4	0.03%
10	CDIB Global Markets Limited	KGI Bank	3	Cash and cash equivalents	478,479	Note 4	0.01%
1	KGI Bank	CDIB Global Markets Limited	3	Deposits and remittances	478,479	Note 4	0.01%
11	CDIB Capital Investment II Limited	KGI Bank	3	Cash and cash equivalents	351,884	Note 4	0.01%
1	KGI Bank	CDIB Capital Investment II Limited	3	Deposits and remittances	351,884	Note 4	0.01%
12	CDIB TMK Finance Holding Limited	KGI Bank	3	Cash and cash equivalents	121,812	Note 4	0.00%
1	KGI Bank	CDIB TMK Finance Holding Limited	3	Deposits and remittances	121,812	Note 4	0.00%
13	CDIB Pearl Holding Limited	KGI Bank	3	Cash and cash equivalents	117,366	Note 4	0.00%
1	KGI Bank	CDIB Pearl Holding Limited	3	Deposits and remittances	117,366	Note 4	0.00%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Receivables, net	456,044	Note 4	0.01%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Other liabilities	456,044	Note 4	0.01%
4	KGI Life Insurance Co., Ltd.	KGI Securities Co., Ltd.	3	Receivables, net	106,749	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI Life Insurance Co., Ltd.	3	Payables	106,749	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI Life Insurance Co., Ltd.	3	Financial assets measured at amortized cost	189,000	Note 4	0.00%
4	KGI Life Insurance Co., Ltd.	KGI Securities Co., Ltd.	3	Bonds payable	189,000	Note 4	0.00%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Service and commission, net - revenues	275,272	Note 4	0.53%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Service and commission, net - expenses	275,272	Note 4	0.53%
2	KGI Securities Co., Ltd.	KGI Bank	3	Interest income	186,040	Note 4	0.36%
1	KGI Bank	KGI Securities Co., Ltd.	3	Interest expenses	186,040	Note 4	0.36%
22	KGI Insurance Brokers, Inc.	KGI Life Insurance Co., Ltd.	3	Service and commission, net - revenues	195,228	Note 4	0.38%
4	KGI Life Insurance Co., Ltd.	KGI Insurance Brokers, Inc.	3	Service and commission, net - expenses	195,228	Note 4	0.38%

(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)
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Gain (loss) on investment property, net	$ 135,815	Note 4	0.26%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Operating expense	135,815	Note 4	0.26%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Cash and cash equivalents	270,109	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	270,109	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Financial assets at fair value through profit or loss	125,558	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	125,558	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI International (Hong Kong) Limited	3	Other liabilities	230,357	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Securities Co., Ltd.	3	Receivables, net	230,357	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Asia Limited	3	Receivables, net	101,298	Note 4	0.00%
15	KGI Asia Limited	KGI Securities Co., Ltd.	3	Payables	101,298	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Other financial assets	1,496,506	Note 4	0.04%
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	1,496,506	Note 4	0.04%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Cash and cash equivalents	140,960	Note 4	0.00%
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	140,960	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Other financial liabilities	148,694	Note 4	0.00%
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial assets	148,694	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Financial assets at fair value through other comprehensive income	141,848	Note 4	0.00%
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	141,848	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	1,596,811	Note 4	0.04%
17	KGI Futures (Hong Kong) Limited	KGI Futures Co., Ltd.	3	Other financial liabilities	1,596,811	Note 4	0.04%
18	KGI Asia Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other liabilities	258,875	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)
16	KGI Securities (Singapore) Pte. Ltd.	KGI Asia Limited	3	Receivables, net	$ 258,875	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Receivables, net	369,525	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Payables	369,525	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Financial assets at fair value through profit or loss	216,308	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Financial assets at fair value through profit or loss	216,308	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Payables	1,025,451	Note 4	0.03%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	1,025,451	Note 4	0.03%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Payables	342,667	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	342,667	Note 4	0.01%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Other liabilities	639,718	Note 4	0.02%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	639,718	Note 4	0.02%
15	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Receivables, net	353,794	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Payables	353,794	Note 4	0.01%
15	KGI Asia Limited	PT KGI Sekuritas Indonesia	3	Receivables, net	508,392	Note 4	0.01%
18	PT KGI Sekuritas Indonesia	KGI Asia Limited	3	Other borrowings	508,392	Note 4	0.01%
19	KGI Finance Limited	KGI International Holdings Limited	3	Cash and cash equivalents	569,563	Note 4	0.01%
20	KGI International Holdings Limited	KGI Finance Limited	3	Commercial paper payable, net	569,563	Note 4	0.01%
17	KGI Futures (Hong Kong) Limited	KGI International (Hong Kong) Limited	3	Other financial liabilities	379,563	Note 4	0.01%
14	KGI International (Hong Kong) Limited	KGI Futures (Hong Kong) Limited	3	Receivables, net	379,563	Note 4	0.01%
17	KGI Futures (Hong Kong) Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other financial assets	107,210	Note 4	0.00%
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial liabilities	107,210	Note 4	0.00%
17	KGI Futures (Hong Kong) Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other financial liabilities	828,744	Note 4	0.02%

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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)
16	KGI Securities (Singapore) Pte. Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	$ 828,744	Note 4	0.02%
17	KGI Futures (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	980,915	Note 4	0.02%
20	KGI International Holdings Limited	KGI Futures (Hong Kong) Limited	3	Commercial paper payable, net	980,915	Note 4	0.02%
14	KGI International (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	4,556,507	Note 4	0.12%
20	KGI International Holdings Limited	KGI International (Hong Kong) Limited	3	Commercial paper payable, net	4,556,507	Note 4	0.12%
21	KGI International Finance Limited	KGI International Holdings Limited	3	Cash and cash equivalents	221,497	Note 4	0.01%
20	KGI International Holdings Limited	KGI International Finance Limited	3	Commercial paper payable, net	221,497	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Service and commission, net - revenues	163,248	Note 4	0.31%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Service and commission, net - expenses	163,248	Note 4	0.31%
2	KGI Securities Co., Ltd.	KGI Insurance Brokers, Inc.	3	Service and commission, net - revenues	177,104	Note 4	0.34%
22	KGI Insurance Brokers, Inc.	KGI Securities Co., Ltd.	3	Service and commission, net - expenses	177,104	Note 4	0.34%
2	KGI Securities Co., Ltd.	KGI Securities Investment Consultants Co., Ltd.	3	Operating expense	192,480	Note 4	0.37%
23	KGI Securities Investment Consultants Co., Ltd.	KGI Securities Co., Ltd.	3	Other items of net profit or loss	192,480	Note 4	0.37%
24	KGI Hong Kong Limited	KGI Asia Limited	3	Service and commission, net - revenues	1,136,326	Note 4	2.19%
17	KGI Asia Limited	KGI Hong Kong Limited	3	Operating expenses	1,136,326	Note 4	2.19%
24	KGI Hong Kong Limited	KGI International (Hong Kong) Limited	3	Service and commission, net - revenues	235,511	Note 4	0.45%
14	KGI International (Hong Kong) Limited	KGI Hong Kong Limited	3	Operating expenses	235,511	Note 4	0.45%
14	KGI International (Hong Kong) Limited	KGI International Holdings Limited	3	Interest income	122,248	Note 4	0.24%
20	KGI International Holdings Limited	KGI International (Hong Kong) Limited	3	Interest expenses	122,248	Note 4	0.24%
25	CDIB Capital Investment I Limited	CDIB Real Estate Credit Ltd.	3	Financial assets measured at amortized cost	546,819	Note 4	0.01%
26	CDIB Real Estate Credit Ltd.	CDIB Capital Investment I Limited	3	Bonds payable	546,819	Note 4	0.01%

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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)
27	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Service and commission, net - revenues	$ 169,885	Note 4	0.33%
8	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	169,885	Note 4	0.33%

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)